BOUSTEAD FY2024 ANNUAL GENERAL MEETING ADVANCE QUESTIONS AND RESPONSES

SINGAPORE, 22 JULY 2024

The Board of Directors ("Board") of Boustead Singapore Limited ("BSL" or the "Company") wishes to express its appreciation to all shareholders who had submitted questions in advance of the Company's Annual General Meeting ("AGM") to be convened and held on Friday, 26 July 2024 at 2.30pm. In addition, the Securities Investors Association (Singapore), with the support of SGX, had also submitted questions and where relevant, we have responded to them.

The Board is pleased to present both the substantial and relevant questions submitted for the purpose of the AGM and the Company's responses in advance of the AGM. Due to the high commercial sensitivity of some questions and/or to be in compliance with SGX, the Company has not provided a response to every question that had been posed. Where there are overlaps in questions, the Company has grouped related and similar questions and provided responses.

The questions and responses have been grouped as follows:

- Capital Allocation, Financial and Governance (pages 1-2)
- Geospatial (page 3)
- Real Estate Solutions (pages 3-6)

It is important to note that these responses should be read in conjunction with the BSL FY2024 Annual Report ("Annual Report"), Notice of AGM and Addendum to Notice of AGM released on 5 July 2024 and BSL FY2024 Longevity Report ("Longevity Report") released on 12 July 2024, all of which were earlier made available through SGXNET and the Company's website and with contextual reference to the proceedings of the AGM including the presentation to be made and resolutions to be tabled at the AGM.

	TOPIC: CAPITAL ALLOCATION, FINANCIAL AND GOVERNANCE
1)	**What is BSL's dividend policy after its merger with Boustead Projects Limited ("BPL")?**
Response:	While BSL does not currently have a formal dividend policy, BSL has a long dividend practice that has seen the Company pay dividends twice a year since FY2003, an unbroken run of 21 successive years. During this period, the dividend payout ratio has usually been in the range of 40% to 60% of normalised earnings. BSL aims to maintain a long-term payout ratio that averages around 50% of normalised earnings, although this may vary according to the Board's ongoing assessments of cash requirements, potential investments and other capital allocation factors including leverage considerations. BSL also aims to keep ordinary dividends at sustainable levels and as such, the Board may declare and propose ordinary dividends that take into account factors that occur in medium-term timeframes, instead of just focusing on short-term or annual profit. The Board is currently assessing the formation of a formal dividend policy and this will be dependent on simultaneously putting in place formal dividend policies across all of the Group's major business units, as much of the Group's cash is held by these major business units. As a substantial portion of the Group's cash also happens to be held by overseas business units, which are substantial contributors to the Group's profitability, another major consideration of flowing up dividends is with regards to withholding tax regulations of countries where these business units operate.

2)	**BSL reported adjusted net profit of S$63.3 million for FY2024 in its media release. Is it possible to share the breakdown of the adjusted profit contribution from the key business segments?**
Response:	BSL is not in a position to provide the detailed breakdown of adjusted net profit. However, a similar audited segmental breakdown can be reviewed under Note 39(a) Segment Revenue and Results on page 214 of the FY2024 Annual Report. Under the adjustments to the audited segmental breakdown, the profit contributed by the Energy Engineering Division would have been higher, while that for the Real Estate Solutions Division would have been lower.
3)	**For FY2024, BSL's total payment to the current external auditor increased to S$1.04 million, with S$529,000 allocated for non-audit services and S$512,000 for audit services.** **The Audit & Risk Committee ("ARC") has reviewed the nature and value of all non-audit services provided by the external auditors during FY2024 and is satisfied that their independence has not been compromised.** **i) Can the ARC provide more details on the nature of the non-audit services provided by the current external auditors?** **ii) What criteria were used to select the external auditors for non-audit services and why were they chosen?** **iii) On what basis did the ARC conclude that the independence of the external auditors was not affected by the provision of non-audit services, given that fees for these services exceeded those for audit services?** **iv) Separately, what are the reasons for the significant increase in legal and professional fees? How much of this increase is attributable to the delisting of BPL and the notice of compliance from SGX RegCo?**
Response:	i) The non-audit services provided by entities under the PWC umbrella were primarily in two areas: legal fees for the Exit Offer and consulting fees. PWC was engaged in relation to climate reporting consulting, as it was necessary for BSL to align with new climate reporting requirements of SGX. ii) Entities under the PWC umbrella were selected based on experience, scope, service level and value proposition, when assessed against proposals provided by competing firms. iii) The ARC assessed each ad-hoc engagement on a case-by-case basis and based on management's assessments of competing proposals. All non-audit engagements of entities under the PWC umbrella were conducted by independent teams with independent leadership and a Chinese wall between the audit teams and non-audit teams. There were no members of any of the teams that crossed team boundaries. In addition, the expected outcomes from each non-audit engagement also were independent and unrelated to the outcome from the audit engagement. iv) The increase in legal and professional fees was mainly due to business activities under the Geospatial Division and Real Estate Solutions Division.

	TOPIC: GEOSPATIAL DIVISION
4)	**The Geospatial Division remains the largest contributor to the Group's operating profit, recording S$40.5 million, a 26% increase year-on-year. Revenue for the year was S$212.7 million, with a deferred services backlog of S$129 million. Can management elaborate on the specific investments made to sustain the division as the premier geographic information system provider in the Asia Pacific region? What are the significant challenges in developing and retaining the necessary talent pool for the division and what strategies does management employ to address these challenges?**
Response:	The Geospatial Division continues to expand the team size to undertake the growing business activities of the division. Referring to page 18 of the FY2024 Annual Report, the division's team members increased from 590 at the end of FY2023 to 726 at the end of FY2024 and makes up 55% of the Group's entire team. Geospatial-trained talent have been more difficult to hire due to a shortage of talent in the sector, as most IT graduates are attracted to mainstream tech roles and/or up-and-coming artificial intelligence roles. The talent shortage is compounded by the fact that clients – mainly government agencies – are also competing for the same talent and that candidates require increasingly complex technical skillsets. To attempt to develop a steadier pool of geospatial-trained talent, the division recently began recruiting for a specialist role to develop high level geospatial skills credentials to be deployed at universities and under industry accredited programmes. Apart from this, the division also works together with consultants to ensure that remuneration packages are aligned with the market and tries to provide additional benefits to make working with the division more attractive. While the division's short-term growth prospects and ability to handle current business activities remain unaffected, the shortage of geospatial-trained talent will likely have an effect of slowing long-term growth if not addressed.
	TOPIC: REAL ESTATE SOLUTIONS DIVISION
5)	**What is the medium-term plan in the next 3-5 years for Boustead Industrial Fund ("BIF")? It seems that this is more an asset and fund management business than a real estate business. If so, is the Group planning to move into the asset management business in the near term? Also, could you share your hurdle rate/threshold criteria for acquiring properties into the Fund?**
Response:	As shared in previous communications, BIF is a core fund and has a mandate to own stabilised industrial assets in Singapore on a long-term basis. The management of BIF is part of the Real Estate Solutions Division's fund management activities. The medium-term emphasis for BIF is on growing the stabilised assets under management through either industrial property injections by the division and/or industrial property acquisitions from third-parties. The division's real estate business already possesses real estate development, asset and fund management capabilities, with the intention to grow these areas further in line with the growth of the real estate business' various real estate platforms including BIF. Unfortunately, BSL is not in a position to disclose hurdle rates for acquiring properties as this is highly sensitive competitive information and also differs based on each transaction, the specifications of the properties, the prevailing market conditions and the appetite and expectations of the investment committees formed with joint venture partners and co-investors.

6)	**Could you also share BIF's contributions to your revenue, disaggregating that from the revenue of projects where you develop and construct for clients?**
Response:	As BIF is an associate, the Real Estate Solutions Division's share of BIF's revenue is not consolidated into the division's revenue or the Group's consolidated revenue. However, management fees related to BIF would contribute to the division's revenue and flow through to the Group's consolidated revenue. Referring to page 40 of the FY2024 Annual Report, less than 3% of the division's revenue was generated by activities under the division's real estate business. To gain a better an understanding of the income streams and value that is generated by BIF, refer to Note 5 Interest Income (Notes issued by an associate) on page 148 and Note 24 Investments in Associates on page 168 of the FY2024 Annual Report.
7)	**Real estate development continues to be heavily dependent on capital, which has been deeply impacted by the interest rate environment. The order book backlog has dropped from S$401 million to S$81 million this year. This does not seem to be an anomaly across the industry. Can you share what the Group is doing to cope with the current (and impending) market cycle where rates might be higher for longer and the growing conflicts in the world order? Are there any specific market or regulatory challenges that have impacted the ability to secure new real estate projects? Can management provide insights into the current pipeline of real estate projects and any strategic initiatives in place to rebuild the backlog?**
Response:	The Real Estate Solutions Division continues to pursue business opportunities both under the division's engineering & construction ("E&C") business and real estate business, thereby building upon diversification efforts of the past. The reference to the order backlog above is to that under the E&C business, which continues to focus on pursuing projects in high value-added sectors and across the region, rather than in Singapore alone, which has been more impacted by global economic conditions. Should there be heavier investments in certain market sectors such as aerospace, semiconductors, pharmaceuticals and data centres, these should improve business development opportunities for the E&C business. Regulatory challenges could restrict a limited number of sectors, such as data centres. For example, Singapore still does not allow for significant expansion in data centre capacity due to concerns over energy consumption and emissions. Apart from expanding E&C capabilities in Malaysia, the E&C business continues to work on initiatives to build greener buildings and deploy more eco-sustainability, quality, environmental, health and safety programmes, and improve the utilisation of construction technology and real estate technology. Under the division's real estate business, there is indeed impact on development and asset management due to higher interest rates. This has caused some delays in divestments and injection plans of stabilised industrial properties outside of BIF. However, the majority of assets are enjoying healthy occupancies and cashflows, even after accounting for higher interest rate expenses. In terms of development pipeline, we have a major ongoing development at 36 Tuas Road, which is on track to be completed in 4Q FY2025 and has already secured very healthy pre-committed occupancy.

8)	**In his message to shareholders, the Chairman indicated that the newly opened COMO Orchard at 28 & 30 Bideford Road will continue to be loss-making in the near term due to high depreciation and interest costs. The Group's share of results from Bideford House Pte Ltd in FY2024 was S$(10.0) million (FY2023: S$(1.3) million). Can management provide the occupancy rates at COMO Metropolitan Singapore? Was the investment thesis for 28 & 30 Bideford Road based on an assumption of low interest rates? Is the high depreciation of COMO Orchard typical for the hotel business and has management been taken by surprise by these depreciation and interest costs? What is the expected timeline for COMO Orchard to achieve breakeven and profitability?**
Response:	COMO Orchard is a mixed-use asset – consisting of five commercial and retail floors for lease, and with the remaining floors under COMO Metropolitan Singapore, a hotel under a management contract with COMO. The commercial and retail floors are fully leased out. The hotel has been in operation since September 2023 and requires a longer period (i.e. a series of peak and low seasons) to ascertain average occupancy. The investment in COMO Orchard was not based on low interest rate expectations and did assume larger losses in the initial years but with a medium-term plan to profitability. The high depreciation costs are unrelated to the property's function as a hotel but are due solely to the cost of the development which is capitalised and the nature of the land which is freehold. Due to accounting policy, management always expected this depreciation because it applies to all assets. Do note that this is a non-cash item and the gap to achieve cashflow breakeven and profitability is not as large as the accounting figures show. The Real Estate Solutions Division's management is working closely with the hotel operator and tenants to improve the marketing efforts including awareness and outreach, and achieving stabilisation of the asset. This includes collaborations with DA MedSuites, COMO Shambhala, Cedric Grolet and other COMO Hotels and Resorts.
9)	**The theme of the 2024 Annual Report is 'Reunified as One'. The Real Estate Solutions Division has been consolidated and delisted. With this corporate restructuring, management aims to become more dynamic and agile in responding to the evolving complexities in the operating environment.** **i) With the benefit of hindsight, can the Board or management provide a detailed analysis of the strategic benefits that did not materialise following the spin-off and listing of BPL nine years ago? Specifically, were there any projected improvements in capital allocation, cost of capital, market valuation, or operational autonomy that failed to meet expectations?** **ii) What can the Group achieve now, that is more challenging than when BPL was listed?** **iii) How does BSL plan to realise the value of its real estate business following the consolidation and delisting?** **iv) Did the Board consider the potential reputation risks arising from the general offer and the directed delisting, including the notice of compliance from SGX RegCo?** **v) What efforts did BSL make to comply with Listing Rule 724(2), given that it applied for a total extension of 6 months from SGX to comply with the Listing Rules?** **vi) Are there any negative consequences (including disciplinary action) for failure to comply with the Listing Rules imposed by SGX, which pursuant to Listing Rule 1405(4) is deemed a contravention of the Listing Rules?**

	vii) Given that BSL was unable to exercise its compulsory acquisition rights, how does the retention of a 0.6% stake by dissenting BPL shareholders impact the Company and the Group? Specifically, are there significant additional costs or strategic implications resulting from this minority holding?
Response:	i) The details of this were shared in the management presentation made during the BSL EGM held on 14 December 2023. More details can be found in the minutes to the BSL EGM that were released on 11 January 2024. ii) Over a period of nine years, the business, geoeconomic and geopolitical environment have changed drastically. Timely action, agility and flexibility are even greater requirements to navigate the current challenging global landscape. iii) Please refer to previous announcements that have been publicly released over SGXNET. iv) The Independent Board had taken into consideration all material aspects of the consolidation of Boustead Projects Limited ("BPL") and the decision to embark on the voluntary general offer to the shareholders of BPL was made following careful deliberation by the Independent Board. In respect of the issuance of the notice of compliance by SGX RegCo, there are two potential outcomes in a situation where an issuer has lost its public float pursuant to a general offer, and has received 75% of independent acceptances although not meeting the fair and reasonable requirement, namely: 1) The offeror can make another general offer that is fair and reasonable. On this note, under the Take-over Code, the offeror may not make another offer on terms better than those made available under the previous general offer until six months from the closure of the previous general offer; or 2) The issuer or controlling shareholder restores free float. Under such circumstances, the offeror may explore other privatisation mechanisms, for example, an exit offer that complies with the Listing Rules. The above is in line with the Regulator's Column issued by SGX RegCo on 15 July 2024 which can be accessed here. Accordingly, the Board is of the view that the notice of compliance issued by SGX RegCo is not indicative of any shortcomings or failings on the part of the Board. Instead, it is a natural progression of the delisting process. v) Please refer to previous announcements that have been publicly released over SGXNET. vi) It should be noted that neither MAS or SGX have ever taken any disciplinary action against BSL or BPL. It is also worthy to note that in January 2024, SGX RegCo notified BSL of its continuing status on the SGX Fast Track Programme, a programme that affirms listed issuers that have been publicly recognised for high corporate governance standards and have maintained a good compliance track record. Please also see the following link: https://regco.sgx.com/sgx-fast-track. vii) Please refer to previous announcements that have been publicly released over SGXNET.
10)	**Could management provide an update of BPL's investment in Beijing Tongzhou Integrated Development (Phase 1)? What is the projected completion date of the project?**
Response:	There have been several delays in the development's completion since the development was first launched. As publicly updated by the consortium leader for

	this development, Perennial Holdings Pte Ltd expects the development to be progressively completed from 2025 onwards. Refer to Note 18(b) Financial Assets, at FVOCI on page 158 of the FY2024 Annual Report for more details on the fair value of this investment, as captured on BSL's consolidated balance sheet. Please also see the following link: https://www.perennialholdings.com/properties/china/ch-beijing-tongzhou-integrated-development.html.

-- END OF COMPANY ANNOUNCEMENT --

By Order of the Board

Alvin Kok
Company Secretary

About Boustead Singapore Limited

Established in 1828, Boustead Singapore Limited (SGX:F9D) is a progressive global Infrastructure-Related Engineering and Technology Group listed on the SGX Mainboard.

As Singapore's oldest continuous business organisation, we focus on the niche engineering and development of key infrastructure to support sustainable shared socio-economic growth. Our strong suite of engineering services under our Energy Engineering Division and Real Estate Solutions Division centres on energy infrastructure and smart, eco-sustainable and future-ready real estate developments.

In addition, we provide technology-driven transformative solutions to improve the quality of life for all walks of life. Our Geospatial Division provides professional services and exclusively distributes Esri ArcGIS technology – the world's leading geographic information system, smart mapping and location analytics enterprise platform – to major markets in the Asia Pacific. The enterprise platform develops digital infrastructure solutions and digital twins, empowering intelligent choices for nations, cities and communities and helps them address complex challenges both locally and globally. Enhanced planning and stewardship of vital infrastructure and resources are essential for ensuring economic resilience, safeguarding the environment and maintaining social accountability. Our Healthcare Division provides innovative medical solutions that address age-related chronic diseases and mobility issues, with a focus on rehabilitative care and sports science in the Asia Pacific.

With a vast global network stretching across Asia, Australia, Europe, Africa and the Americas, we are ready to serve the world. To date, we have an installed project base in 93 countries and territories globally.

Over the years, we have been a recipient of many reputable awards including the prestigious Forbes Asia 200 Best Under A Billion Award. In 2019, we were awarded the Most Transparent Company Award and Sustainability Award (Runner-Up) by the Securities Investors Association (Singapore). Between 2020 to 2023, we also ranked among Singapore's Best Employers, Singapore's Fastest Growing Companies and Asia-Pacific High-Growth Companies. We were also honoured with the Corporate Excellence & Resilience Award at the Singapore Corporate Awards 2021 Special Edition.

Visit us at **www.boustead.sg**.

Contact Information

For investor and media enquiries related to Boustead Singapore Limited, please contact:

Corporate Marketing & Investor Relations Team

T +65 6747 0016
E ir.team@boustead.sg