

BOUSTEAD SINGAPORE LIMITED

Minutes of the Annual General Meeting of Boustead Singapore Limited (the “Company”) held by way of electronic means on Tuesday, 25 August 2020 at 2.30 p.m.

Present:

Directors

Wong Fong Fui (Chairman & Group Chief Executive Officer)
Wong Yu Loon (Executive Director & Deputy Group Chief Executive Officer)
Dr Tan Khee Giap (Independent Non-Executive Director)
Chong Ngien Cheong (Independent Non-Executive Director)
Liak Teng Lit (Independent Non-Executive Director)

In Attendance:

Chan Shiok Faun (Group Chief Financial Officer)

Attending by live webcast or audio conference:

Shareholders as set out in the attendance records maintained by the Company

Godfrey Ernest Scotchbrook (Independent Non-Executive Director)
Alvin Kok (Secretary)
Keith Chu (Senior Vice President, Corporate Marketing & Investor Relations)
Kok Moi Lre (Auditors, PricewaterhouseCoopers LLP)
Teh Wee Wen (Auditors, PricewaterhouseCoopers LLP)
Rick Ong (Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd)
Hon Chia Hui (Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd)
Sia Chee Hui (Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd)
Madelyn Kwang (Independent Scrutineers, DrewCorp Services Pte Ltd)
Shelby Goh Kah Hui (Independent Scrutineers, DrewCorp Services Pte Ltd)

1. **Quorum/Commencement**

Mr Wong Fong Fui, the Chairman, welcomed shareholders who joined the Annual General Meeting (the “Meeting”) by the electronic means of “live” audio-visual webcast and audio-only feed.

A quorum being present, the Chairman, called the Meeting to order at 2.30 p.m.

The Chairman introduced the members of the Board and management, and representatives from the auditors, share registrar and independent scrutineers who were in attendance in person or joining the Meeting via the “live” audio-visual webcast.

2. **Notice of Meeting**

The Notice of the Meeting dated 3 August 2020 having been circulated to the members was taken as read.

The Chairman explained that due to the COVID-19 control measures in Singapore, the Meeting was held by electronic means. As mentioned in the Company's announcement dated 3 August 2020, shareholders would not be able to ask questions or vote during the Meeting and the Chairman had been appointed as proxy by the shareholders to vote on their behalf in accordance with their instructions.

The Chairman added that in accordance with the requirements of the SGX Listing Rules, all Resolutions to be tabled at the Meeting would be voted by way of poll. As all instructions for the votes on the Resolutions had been given prior to the Meeting, all Resolutions would be taken as read, proposed and seconded.

It was noted the poll votes had been collected and counted and DrewCorp Services Pte Ltd had been appointed as scrutineers in respect of the voting process.

3. **Management Presentation**

The Chairman invited Ms Chan Shiok Faun, Group Chief Financial Officer, to present a financial review of the Boustead Group (the "Group") for the year ended 31 March 2020 ("FY2020").

In respect of the Group's financial results for FY2020, Ms Chan highlighted the following:

- The Group achieved record revenues of S\$726.6 million in FY2020 due to the healthy order book backlog of the Real Estate and Energy Engineering Divisions brought forward from the previous financial year.
- However, profit before tax in FY2020 only improved marginally mainly as a result of a decline in gross margin, high fair value losses and the absence of a gain on the disposal of property (S\$5.9 million in FY2019).
- Total profit and attributable profit in FY2020 declined due to higher income taxes brought about by under provisions in prior years.
- Attributable profit in FY2020 would have improved 34% after adjusting for impairment losses and other gains/losses net of non-controlling interests.
- The lower attributable profit resulted in Earnings Per Share declining to 6.3 cents while Net Asset Value Per Share improved to 70.3 cents.
- The Group had a strong net cash position of S\$162.7 million at the end of FY2020, with a further S\$49.5 million in investment securities, of which 37% were highly liquid.
- The net increase in cash and cash equivalents during FY2020 comprised net cash inflow from operating activities of S\$147.1 million, offset by net cash outflow to investing activities of S\$88.2 million (mainly capital contribution and loans to joint ventures) and net cash outflow to financing activities of S\$21.1 million (mainly dividends to shareholders and purchase of treasury shares).

- Return on shareholders' equity declined to 9.0% in FY2020 from 9.7% in the preceding year.
- Group orders secured in FY2020 amounted to S\$396 million, substantially from the Energy Engineering Division which achieved record orders secured.
- With steady profitability from core businesses and a healthy cash position, a final dividend of 2.0 cents per share was proposed. Together with the interim dividend of 1.0 cent per share paid, the total dividend for FY2020 of 3.0 cents per share (matching that for the two preceding financial years) translated a dividend yield of 4.2%.

Ms Chan then handed over proceedings to Mr Wong Yu Loon, Executive Director & Deputy Group Chief Executive Officer, to give an overview on how the various businesses performed in FY2020 and discuss the various opportunities and challenges.

Energy Engineering Division

Mr Wong Yu Loon reported that the Energy Engineering Division saw a significant improvement in FY2020, mainly due to the strong performance of Boustead International Heaters ("BIH"), which sold a lot more heaters and waste heat recovery units. He attributed the success to hard work and the relentless focus of BIH.

However, the exceptional performance of BIH was dragged down by the underperforming water and waste water treatment business and the legacy mini-power plant business.

In the immediate term, the division has a healthy order book backlog of S\$279 million. It has also made full provisions for the legacy mini-power plant business and would be dialling back activities for the water and waste water treatment business, which would provide less of a drag to the division going forward.

In the longer term, there remains much uncertainty in the oil and gas sector – climate change concerns have reduced activities in the sector and the COVID-19 pandemic has accelerated this reduction. In mitigation, the division would be shifting its focus to the end-user aftermarket by supplying services and equipment to optimise existing installations and reducing bidding for new green field projects.

Geospatial Division

Mr Wong Yu Loon reported that the Geospatial Division had a good year in FY2020, riding on the trend of increasing digitalisation and smart cities. He gave credit to the tireless effort of the marketing team in educating customers on geospatial thinking and design.

In terms of prospects, the impact of the COVID-19 pandemic on the geospatial business is expected to be minimal. However, governments have spent considerable sums to alleviate human suffering and economic pain brought about by the COVID-19 pandemic and consequently, may have smaller budgets for geospatial projects.

Healthcare Division

Mr Wong Yu Loon explained that most of the profits of the Healthcare Division was attributable to its 50%-owned Chinese associate. To strengthen that business, two acquisitions were made in FY2020 – a healthcare education business and a factory in Chongqing. The healthcare education business is strategic as it offers Western courses to Chinese physiotherapists who aspire to improve their professional qualifications.

In the immediate term, the COVID-19 pandemic is expected to have a negative impact on the growth of the business. However, in the longer term, there will be always be a demand for products and services that generate better outcomes for patients. One of the key priorities is to improve the capabilities of the sales and marketing team in order to capture the growing demand in this sector.

Real Estate Division

Mr Wong Yu Loon pointed out that the Real Estate Division operates under Boustead Projects, a separate listed entity with its own Board of Directors and management.

The division saw record revenues in FY2020 but its profitability was affected by lower margins and the lack of property sales. In terms of prospects, while the division has a sizeable order backlog, the outlook remains challenging. Competition is intense and the COVID-19 pandemic has further exacerbated structural weaknesses in the construction industry. The key to getting through this challenging period is how quickly the business embraces technological transformation, reduces reliance on foreign workers and improves construction productivity.

4. **Brand Refreshment Exercise**

Mr Wong Yu Loon introduced a short video giving a sneak preview on the Company's brand refreshment exercise.

Following the video, the Chairman stated that the Company is 192 years old, the longest surviving company in Singapore. Its ability to survive and prosper all these years has been mainly due to its corporate philosophy in believing "change is the only constant", a continuous evolving process in business. The brand refreshment seeks to further emphasise this management DNA and spirit.

5. **Responses to Advance Questions from Shareholders**

The Chairman reported that the Company received a number of questions from shareholders prior to the Meeting. All substantial and relevant questions have been addressed by the Company and the responses were published on the SGXNet on 24 August 2020 and also uploaded on the Company's corporate website. He thanked shareholders who had taken their time to submit the questions in advance of the Meeting.

The Meeting then proceeded with the resolutions set out in the Notice of the Meeting dated 3 August 2020.

As Ordinary Business

6. **Resolution 1 (Ordinary) – Adoption of Audited Financial Statements**

The Chairman proposed the following resolution:

“That the Directors’ Statement and Audited Financial Statements for the year ended 31 March 2020 and the Independent Auditors’ Report thereon as presented and now submitted to this Meeting, be and are hereby received and adopted.”

The Chairman announced the result of the votes as follows:

Votes FOR the resolution: 292,995,799 votes or 100%.

Votes AGAINST the resolution: Nil votes or 0%.

The Chairman declared the resolution carried.

7. **Resolution 2 (Ordinary) – Approval of Final Dividend**

The Chairman proposed the following resolution:

“That a final tax exempt (one-tier) dividend of 2.0 cents per ordinary share for the financial year ended 31 March 2020 be and is hereby approved.”

The Chairman announced the result of the votes as follows:

Votes FOR the resolution: 293,072,899 votes or 100%.

Votes AGAINST the resolution: Nil votes or 0%.

The Chairman declared the resolution carried.

8. **Resolution 3 (Ordinary) – Re-election of Dr Tan Khee Giap**

The Chairman proposed the following resolution:

“That Dr Tan Khee Giap be and is hereby re-elected as a director of the Company under Article 94 of the Company’s Constitution.”

The Chairman announced the result of the votes as follows:

Votes FOR the resolution: 285,168,734 votes or 97.30%.

Votes AGAINST the resolution: 7,904,165 votes or 2.70%.

The Chairman declared the resolution carried.

9. **Resolution 4 (Ordinary) – Re-election of Mr Godfrey Ernest Scotchbrook**

The Chairman proposed the following resolution:

“That Mr Godfrey Ernest Scotchbrook be and is hereby re-elected as a director of the Company under Article 94 of the Company’s Constitution.”

The Chairman announced the result of the votes as follows:

Votes FOR the resolution: 271,215,967 votes or 92.54%.

Votes AGAINST the resolution: 21,856,932 votes or 7.46%.

The Chairman declared the resolution carried.

10. **Resolution 5 (Ordinary) – Re-election of Mr Liak Teng Lit**

The Chairman proposed the following resolution:

“That Mr Liak Teng Lit be and is hereby re-elected as a director of the Company under Article 98 of the Company’s Constitution.”

The Chairman announced the result of the votes as follows:

Votes FOR the resolution: 292,967,099 votes or 99.96%.

Votes AGAINST the resolution: 105,800 votes or 0.04%.

The Chairman declared the resolution carried.

11. **Resolution 6 (Ordinary) – Approval of Directors’ Fees for the Financial Year Ending 31 March 2021**

The Chairman proposed the following resolution:

“That Directors’ fees of up to \$272,000 for the financial year ending 31 March 2021 be and is hereby approved, payable quarterly in arrears.”

The Chairman announced the result of the votes as follows:

Votes FOR the resolution: 293,072,899 votes or 100%.

Votes AGAINST the resolution: Nil votes or 0%.

The Chairman declared the resolution carried.

12. **Resolution 7 (Ordinary) – Re-appointment of Auditors**

The Chairman proposed the following resolution:

“That Messrs PricewaterhouseCoopers LLP be and are hereby re-appointed as Auditors of the Company, to hold office until the next Annual General Meeting and the Directors be authorised to fix their remuneration.”

The Chairman announced the result of the votes as follows:

Votes FOR the resolution: 293,002,778 votes or 99.98%.

Votes AGAINST the resolution: 70,121 votes or 0.02%.

The Chairman declared the resolution carried.

As Special Business

13. **Resolution 8 (Ordinary) – Authority to Allot and Issue Shares pursuant to Section 161 of the Companies Act, Cap. 50**

The Chairman proposed the following resolution:

“That authority be and is hereby given to the directors of the Company to:

- (i) (a) issue shares in the capital of the Company (“shares”) whether by way of rights, bonus or otherwise; and/or
- (b) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the directors may in their absolute discretion deem fit; and

- (ii) (notwithstanding the authority conferred by this resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the directors of the Company while this resolution was in force,

provided that:

- (i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company (including shares to be issued in

pursuance of Instruments made or granted pursuant to this resolution) does not exceed twenty per cent (20%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below);

- (ii) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (“SGX-ST”)) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this resolution is passed, after adjusting for:
 - (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this resolution is passed; and
 - (b) any subsequent bonus issue or consolidation or subdivision of shares;
- (iii) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and
- (iv) (unless revoked or varied by the Company in general meeting) the authority conferred by this resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.”

The Chairman announced the result of the votes as follows:

Votes FOR the resolution: 285,402,232 votes or 97.38%.

Votes AGAINST the resolution: 7,670,667 votes or 2.62%.

The Chairman declared the resolution carried.

14. **Resolution 9 (Ordinary) – Proposed Renewal of the Share Buy-Back Mandate**

The Chairman proposed the following resolution:

“That:

- (a) for the purposes of the Companies Act, Chapter 50 of Singapore (the “Companies Act”), and such other laws and regulations as may for the time being be applicable, approval be and is hereby given for the exercise by the directors of the Company (“Directors”) of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the share capital of the Company (“Shares”) not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price(s) as may be determined by the Directors

from time to time up to the Maximum Price (as hereafter defined), whether by way of:

- (i) on-market share purchases (“On-Market Share Purchase”), transacted on the Singapore Exchange Securities Trading Limited (“SGX-ST”); and/or
- (ii) off-market share purchases (“Off-Market Share Purchase”) (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable (the “Share Buy-Back Mandate”);

- (b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buy-Back Mandate shall, at the discretion of the Directors, either be cancelled or held in treasury and dealt with in accordance with the Companies Act;
- (c) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Ordinary Resolution and the expiring on the earlier of:
 - (i) the date on which the next annual general meeting of the Company is held or required by law to be held;
 - (ii) the date on which the purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated; or
 - (iii) the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked;
- (d) for the purposes of this Ordinary Resolution:

“Prescribed Limit” means ten per cent. (10%) of the total issued ordinary share capital of the Company (excluding any treasury shares and subsidiary holdings) as at the date of passing of this Ordinary Resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of Shares of the Company shall be taken to be the total number of Shares of the Company as altered after such capital reduction (excluding any treasury shares and subsidiary holdings);

“Relevant Period” means the period commencing from the date on which the last annual general meeting of the Company was held and expiring on the date of the next annual general meeting of the Company is held or is required by law to be held, or the date on which the purchases of the Shares are carried out to the full extent mandated, whichever is earlier, unless prior to that, it is varied or revoked by resolution of the shareholders of the Company in general meeting;

“Maximum Price” in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of an On-Market Share Purchase, 105% of the Average Closing Price;
- (ii) in the case of an Off-Market Share Purchase, 120% of the Average Closing Price,

where:

“Average Closing Price” means the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, immediately preceding the date of making the On-Market Share Purchase or, as the case may be, the day of the making of an offer pursuant to the Off-Market Share Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Days;

“day of the making of an offer” means the day on which the Company announces its intention to make an offer for the purchase of Shares from the shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Share Purchase; and

“Market Day” means a day on which the SGX-ST is open for trading in securities;

- (e) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including, without limitation, executing such documents as may be required) as they and/or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Ordinary Resolution.”

The Chairman announced the result of the votes as follows:

Votes FOR the resolution: 86,991,346 votes or 99.92%.

Votes AGAINST the resolution: 70,121 votes or 0.08%.

The Chairman declared the resolution carried.

15. **Resolution 10 (Ordinary) – Authority to Allot and Issue Shares under the Boustead Restricted Share Plan 2011**

The Chairman proposed the following resolution:

“That authority be and is hereby given to the directors of the Company to grant awards in accordance with the provisions of the Boustead Restricted Share Plan 2011 and to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the grant of awards under the Boustead Restricted Share Plan 2011, provided that the aggregate number of new shares to be issued pursuant to the Boustead Restricted Share Plan 2011 shall not exceed ten per cent (10%) of the issued ordinary share capital of the Company (excluding treasury shares) from time to time.”

The Chairman announced the result of the votes as follows:

Votes FOR the resolution: 264,689,658 votes or 90.32%.

Votes AGAINST the resolution: 28,383,241 votes or 9.68%.

The Chairman declared the resolution carried.

16. **Resolution 11 (Ordinary) – Authority to Allot and Issue Shares under the Boustead Scrip Dividend Scheme**

The Chairman proposed the following resolution:

“That authority be and is hereby given to the directors of the Company to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the application of the Boustead Scrip Dividend Scheme.”

The Chairman announced the result of the votes as follows:

Votes FOR the resolution: 293,069,899 votes or 100%.

Votes AGAINST the resolution: Nil votes or 0%.

The Chairman declared the resolution carried.

17. **Any Other Ordinary Business**

There being no other business, the Chairman declared the meeting closed at 3.00 p.m.

Confirmed by:

WONG FONG FUI
CHAIRMAN