

# BRITISH AND MALAYAN HOLDINGS LIMITED

(Company Registration No.:201632914Z)  
(Incorporated in the Republic of Singapore)

---

## RESPONSE TO QUESTIONS FROM SECURITIES INVESTORS ASSOCIATION (SINGAPORE) ("SIAS") ON ANNUAL REPORT 2021

---

The Board of Directors (the "Board" and "Directors") of British and Malayan Holdings Limited (the "**Company**" or "**BMH**" and together with its subsidiary, collectively the "**Group**") refer to its Annual Report for the financial year ended 30 June 2021 ("**Annual Report 2021**"). The Company has received several queries from Securities Investors Association (Singapore) and the Company wishes to provide the Company's responses to the queries raised as follows:

### Question 1

- (i) **How did the pandemic affect the group's revenue from trustee services given the nature of the services (i.e. recurring trustee fees)?**

#### Company's response

Private trust revenues have been negatively impacted by Covid-19 as rental revenue from property assets held by the underlying Trusts declined, resulting in lower fees earned by BMT.

- (ii) **Can management elaborate further on how its fee income was negatively affected by the pandemic? What are the key drivers of fee income?**

#### Company's response

BMT's property fees earned from our Trust clients are based on a percentage of the total rental income derived from the Trust properties. During the pandemic some tenants defaulted on their rental payments resulting in a drop in rental income. In addition, fee income earned from service apartments declined as occupancy rates declined during the pandemic period.

- (iii) **Can the board/management (re)state BMT's competitive advantage as a service provider of trustee services? How does it create and capture value for shareholders?**

#### Company's response

BMT has heritage and experience of being an independent Trustee for over 97 years. It has MAS licenses which include Trust services, CIS (Collective Invest scheme) and CMS (Capital Markets Services), hence we are able to undertake both Private & Corporate trust services. With our history and legacy, it is possible to restate our competitive advantage by hiring talent or JV-ing with a capable and synergistic foreign partner.

- (iv) **As a pioneer in the trust business, what is the group's estimated market share in FY2021?**

#### Company's response

NA

- (v) **Has the board carried out a strategic review to understand BMT's competitiveness and value proposition? Has BMT maintained/improved its productivity and cost-competitiveness?**

**Company's response**

BMT's competitiveness stems from its independence. Its value proposition to clients is our ability to offer the best bespoke solution for its clients and not beholden to an in-house solution that may not fit the clients' needs.

- (vi) **What were the major factor that led to BMT's decline even as Singapore status as a financial hub grew in the past decade?**

**Company's response**

In 2016, Nyalas assumed control of BMT. The immediate priority was to streamline its operations and accounts while exploring opportunities both organically and via M&A. In 2017, BMH was formed as the Group's listed Holding entity with BMT dropping down one level as a wholly owned subsidiary. This was instituted to facilitate future M&A for the Group for the development of ancillary services that would be complimentary to the existing Trust services, and a means to diversify its revenue stream. Over the course of 5 years, Management and the Board have been actively looking and assessing opportunities. This has cumulated into a) an investment in TPC, b) hiring of Group CEO and other human resources in order to accelerate future investments and c) engaging collaborators to broaden our market reach. Over that period the Board and management had evaluated several other opportunities but they were declined as they did not meet the investment criteria or fall within acceptable risk parameters.

- (vii) **Has the board held management accountable for performance? (Provision 1.1 of the Code of Corporate Governance 2018)**

**Company's response**

Yes, remuneration is correlated with performance.

- (viii) **How well-positioned is the group to tap on any opportunities in the trust business as Singapore continues to attract inflow of global capital given its status as a financial hub?**

**Company's response**

With the new management team both at BMH and BMT, new strategic hires & direction have been made to sure up BMT's capacity to take on new business, a review of BMT's new 5 year business plan and ongoing review of its platform to create efficiency and proactiveness to on-board new clients. We have been approached by international Wealth Management & Trust players wanting to setup presence in Singapore and to JV with us on Trust & Wealth Management sector.

## Question 2

- (i) **Can the board help shareholders understand the progress made in the “metamorphosis” of the group since 2017/2018? What are the reasons for the slow progress made in diversifying the group’s revenue?**

### Company’s response

With the onboarding of new Group Chief Executive Officer (“**Group CEO**”) at BMH, we are now able to review various investment opportunities at BMH level, and any potential JV collaborations to grow BMT. Identifying new opportunities for BMH group is time consuming which requires us to undertake proper reviewing, assessment and due diligence. Meanwhile, the new Executive Director of BMT is tasked with the organic growth of BMT.

- (ii) **What guidance, and targets, did the board, especially the independent directors, give to management?**

### Company’s response

The Board together with Independent Directors have been actively involved in identifying new management team and in providing guidance & direction. Board are readily available to have ongoing dialog and updates with management on a regular basis.

- (iii) **How has the pandemic affected the group’s expansion/diversification plans?**

### Company’s response

Recruitment of new staff more difficult. Restrictions on having meetings internally & splitting of teams WFO restricted productivity.

- (iv) **Can management elaborate further on the business model of TPC? What is the unique selling point of TPC? How does it differentiate itself from other corporate finance advisory firm?**

### Company’s response

TPC is to provide alternative debt solutions for corporates. Main idea is to promote Commercial Paper (“**CP**”) which is currently not prevalent in Singapore market, but is a well-known debt instrument in other markets like United States, Australia, Hong Kong. Opportunity to educate the CP programme into Singapore market where corporate borrowers could raise short term debt apart from normal overdraft facilities from banks, whilst investors could buy/invest in CPs instead of normal Fixed Deposit (“**FD**”) with banks. The conduit for the issuance of CPs and purchase of CPs is via a digital platform on ADDX. TPC is the first in Singapore to arrange a CP programme on the digital platform ADDX.

- (v) **How large is the team in TPC?**

### Company’s response

2 pax, co founders, who are ex corporate bankers.

- (vi) **Given that the group has total assets of \$7.2 million (FY2020: \$9.0 million), will a \$200,000 investment into a start-up (for a 50% stake) “move the needle”?**

**Company’s response**

Yes, it has the potential to move the needle as the business model is scalable. The commercial paper market is large.

- (vii) **Can the board elaborate further on the group’s growth plans (including its M&A strategy) and help shareholders understand the directors’ expertise and track record in corporate turnaround and growing professional services firms?**

**Company’s response**

With the onboarding of new Group CEO at BMH, we are now able to review various investment opportunities at BMH level, and any potential JV collaborations to grow BMT. Meanwhile, the new Executive Director of BMT is tasked with the organic growth of BMT.

**Question 3**

- (i) **What are the safeguards put in place to ensure that the group carries out its activities in compliance with all applicable regulations with integrity and professionalism?**

**Company’s response**

BMH group Staff are trained and updated with Compliance/AML/KYC training periodically and kept abreast of new MAS guidelines. Staff Personal dealing clearance policies are in place. There is also in place a New Client Committee that addresses and screens all new clients being on boarded. Periodic reviews of existing clients are being monitored on a weekly basis. The Group also has a Whistle blowing policy in place for all staff.

- (ii) **What is the level of training provided to its staff to recognize and report money laundering, terrorism financing, theft, fraud, bribery etc in the course of the group’s business?**

**Company’s response**

BMH group staff are trained and updated with Compliance/AML/KYC training periodically and kept abreast of new MAS guidelines. Staff Personal dealing clearance policies are in place. There is also in place a New Client Committee that addresses and screens all new clients being on boarded. Periodic reviews of existing clients are being monitored on a weekly basis. The Group also has a Whistle blowing policy in place for all staff.

- (iii) **What is the level of oversight by the board on such risks?**

**Company’s response**

Audit & Risk Committee updates by Head of Compliance BMT at each quarterly Board meeting. The Board is also updated on an adhoc basis on any new Compliance/Risk/Regulatory updates (SGX/MAS).

- (iv) **In addition, what is the level of awareness and competence of its staff in data privacy and cybersecurity? Does the group have in place a robust business continuity plan should it be the target of hackers?**

**Company's response**

All Staff have been given proper training on data privacy and cybersecurity on a regular basis. Company has put in place a BCP plan and systems have been updated with latest software to prevent hackers, align with the regulations.

**BY ORDER OF THE BOARD**

Angela Ho Wei Ling/Lee Pay Lee  
Company Secretaries  
18 October 2021