BOUSTEAD FY2021 ANNUAL GENERAL MEETING ADVANCE QUESTIONS AND RESPONSES

SINGAPORE, 26 JULY 2021

The Board of Directors ("Board") of Boustead Singapore Limited ("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 by way of electronic means on Wednesday, 28 July 2021 at 2.30pm.

The Board is pleased to present both the relevant and significant 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:

- Overall Strategy (pages 1-2)
- Cash and Capital Deployment (pages 2-4)
- Financials (page 4)
- Energy Engineering (pages 5-6)
- Geospatial (page 6)
- Healthcare (pages 7-8)

It is important to note that these responses should be read in conjunction with the Boustead Singapore Limited FY2021 Annual Report ("Annual Report"), Notice of AGM, Addendum to Notice of AGM and Additional Information for AGM released on 6 July 2021, 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.

	TOPIC: OVERALL STRATEGY
1)	**What are the key risks and opportunities amid the COVID-19 pandemic? What action plan does the Company have to mitigate those risks and further grow its business to enhance shareholders' value?**
Response:	As mentioned in the Chairman's Message on pages 28 to 31 of the Annual Report, the key risks of the pandemic are in relation to the health and safety of the Boustead Group's Team, business development activities – especially those in which international clients prefer face-to-face communications and negotiations prior to the award of multi-million dollar contracts – along with productivity, supply chain disruptions, activities that are required to be conducted onsite (such as Boustead Projects' construction activities) and the pandemic's negative effects on demand for products from certain sectors that we operate in. Also mentioned in the Chairman's Message are how the various divisions are mitigating the risks of the pandemic through the use of technology, particularly Cloud-based sharing platforms. In addition, the Geospatial Division has not only mitigated the risks of the pandemic but is also heavily involved in providing critical smart mapping capabilities and support to government agencies and healthcare organisations to combat the pandemic, helping private sector organisations with business continuity activities, aiding organisations in digital transformation and playing a part in the partial

	reopening of economic activities across the region. Pages 32 to 59 of the Annual Report share more in-depth on the four divisions' performances in the past year, along with the activities conducted by each division in response to the pandemic and in seizing opportunities. Nonetheless, it should be noted that the Energy Engineering Division and Real Estate Division have limited options to mitigate the risks of the pandemic related to business development activities.
2)	**What type of growth rates are expected of the existing divisions over the next five years?**
Response:	The following response should not be treated as a forecast. For the Geospatial Division, the Company has previously shared that the division is expected to register high single-digit percentage compounded annual growth rates over the long-term due to being aligned with prevailing megatrends such as smart cities, smart infrastructure, Industry 4.0, Internet of Things and climate change, among other demand factors. For the Healthcare Division, the Company expects that the division will begin to register healthy growth post-pandemic or at least once the pandemic is under control. This is assuming that most of the general population are effectively vaccinated and protected against COVID-19 in countries and territories where the division operates. For the Energy Engineering Division and Real Estate Division, growth is dependent on a recovery in global economic conditions, geo-political stability, the pandemic being brought under control and an upcycle in the divisions' respective sectors in countries and territories where the divisions operate.
3)	**Are there any plans to acquire or develop a fifth engine of growth in the medium-term and in what areas?**
Response:	The Company will actively review any opportunities that arise, even opportunities that fall outside of the four divisions. If a particular opportunity is in a new sector and meets all of the Company's various requirements for investment, management and valuation, the Company may enter into the new sector. Opportunities with a transformative technology angle and which have the ability to address climate change resilience, are likely to have greater potential.
	TOPIC: CASH AND CAPITAL DEPLOYMENT
4)	**The Boustead Group has a net cash position of S$472.8 million in FY2021. What is the net cash available for the Boustead Group to do capital allocation and investments?**
Response:	Of the Boustead Group's net cash position of S$472.8 million at the end of FY2021, S$295.5 million belongs to Boustead Projects. It should be noted that Boustead Projects has discretion over the deployment of the S$295.5 million and has identified a number of potential developments, investment opportunities and capital expenditure plans. In addition, the Boustead Projects Board has proposed Boustead Projects dividends of S$47.9 million for Boustead Projects shareholders' approval. Of the remaining net cash position of S$177.3 million outside of Boustead Projects plus the expected incoming Boustead Projects dividends of about S$25 million attributable

	to the Company's 52.7% shareholding of Boustead Projects, the Company's Board has proposed dividends of S$33.9 million for the Company's shareholders' approval. After the proposed dividends are approved and paid out, that leaves a net cash position of S$168.4 million, of which about S$100 million has been reserved for the working capital, bank guarantees and trading facility requirements and minimum net asset value thresholds to assure clients of the financial strength of the Energy Engineering Division, Geospatial Division and Healthcare Division. Clients of these divisions select vendors based not only on pricing, technical expertise, and workplace safety and health track records but also on having the financial strength to complete projects.
5)	**Are there are any plans to further reward shareholders by distributing more of the S$134.8 million profits made from the Boustead Industrial Fund ("BIF") Value Unlocking Gain to loyal shareholders? Given that only 4.0 cents were paid as special dividends, what are the plans for the undistributed portion of this BIF Value Unlocking Gain?**
Response:	As mentioned in response 4, Boustead Projects has discretion over the deployment of cash on its balance sheet. The Boustead Projects Board has stated that the proposed Boustead Projects dividends take into consideration expected capital allocation plans to fund strategic growth and the foreseeable challenging built environment sector. After Boustead Projects shareholders approve the proposed Boustead Projects dividends of S$47.9 million, the Company expects to receive about S$25 million attributable to the Company's 52.7% shareholding in Boustead Projects. The Company has opted to redistribute out the dividend to be received from Boustead Projects. This has been accounted for in the Company's proposed dividends of S$33.9 million in both final and special dividends. Prior to this, the Company already paid out S$4.9 million in the interim dividends declared for FY2021.
6)	**Are there any plans to further unlock value or areas and/or industries that the Boustead Group is looking for growth, acquisitions or investments?**
Response:	The Boustead Group periodically reviews plans to unlock value when subsidiaries reach a critical mass to stand on their own, stable growth in revenue and earnings, and may potentially be in a stronger position with a separate Board, new strategic shareholders and/or under a new strategic direction. Nonetheless, there is no certainty as to the timing of such value-unlocking events. Past value-unlocking events under the current management team include the distribution-in-specie in associate, EasyCall International in 2003, and the demerger, distribution-in-specie and separate listing of Boustead Projects in 2015. Boustead Projects further unlocked value with the successful launch of BIF in 2021.
7)	**What is the expected capital expenditure plan in the next three to five years?**
Response:	The amount of capital expenditure over the medium-term is dependent on the Company finding good acquisition and investment opportunities. The Company is committed to putting in a more formalised plan for cash management while awaiting the deployment of cash into good acquisition and investment opportunities.
8)	**If the annual free cash flow is positive in the next three to five years, what circumstances would trigger the Board to raise dividends to shareholders in view of the net cash position?**
Response:	The underlying factor for increasing ordinary dividends to shareholders is stability in the

	baseline normalised profit attributable to shareholders of the Company, excluding the earnings of Boustead Projects, since Boustead Projects has discretion over the deployment of cash on its balance sheet and has an independent Boustead Projects Board that makes strategic decisions for Boustead Projects. Traditionally, the Company has averaged a cash payout ratio of about 50% over the past decade.
9)	**Are there plans to optimise the balance sheet through leverage? If yes, what is the target leverage rate? If not, why not?**
Response:	The Company maintains a strong network of banking relationships and has the ability to borrow significant amounts, should there be a necessity to do so. Within the Boustead Group, only Boustead Projects has required significant amounts of borrowings due to the expansion of its development activities and leasehold portfolio. However, with the successful launch of BIF, Boustead Projects extinguished almost all of its debt. There is no target leverage rate for the Company but from a risk management perspective, the Company will not borrow heavily just to grow rapidly or bolster return on equity.
	TOPIC: FINANCIALS
10)	**Under the Geographical Information section on page 215 of the Annual Report, the countries in the table show improved revenue, especially Australia with a 33% increase. The only exception is Singapore, with a 44% decrease. What contributed to the diverging performance between Australia and Singapore?**
Response:	The significant increase in revenue from Australia was solely due to the excellent performance of Esri Australia under the Geospatial Division. This was elaborated on page 49 of the Annual Report, whereby it was mentioned that Esri Australia outdid its revenue record from the previous year, continuing to deliver a stellar performance in FY2021 and generating revenue growth of 26% year-on-year in local currency terms. The significant decrease in revenue from Singapore was mainly due to Boustead Projects' Engineering & Construction ("E&C") business segment, which was badly hit by the pandemic. This was elaborated on pages 40 to 41 of the Annual Report, whereby it was mentioned that Boustead Projects E&C business segment faced four months of closure of Singapore project sites, an enforced gradual ramp-up in construction activities, significantly lower productivity and a severe shortage of foreign labour resources.
11)	**For leasehold properties in Singapore to be potentially injected into BIF, what are their current net asset values carried on the consolidated balance sheet of the Boustead Group?**
Response:	As at the end of FY2021, an approximation of the total net asset value of leasehold properties in Singapore would include most of the amounts under investment properties and investments in joint ventures on the consolidated balance sheet of the Boustead Group.

	TOPIC: ENERGY ENGINEERING
12)	**How is the Energy Engineering Division responding to and capturing the opportunities from the global change in demand of renewable energy? What are the growth prospects of this division?**
Response:	The Energy Engineering Division has no plans to enter the renewable energy market, which requires a different type of expertise and is also extremely competitive. The growth prospects of the division are still currently dependent on final investment decisions ("FIDs") being made by clients in the global oil & gas ("O&G") and petrochemical sectors. The division is reviewing plans to diversify beyond these sectors but effort and time are required to convince potential clients and build a reasonable track record in new sectors.
13)	**With greater emphasis globally on the reduction of carbon emissions, what are the opportunities available for the Energy Engineering Division, specifically Boustead International Heaters ("BIH") amid the reduced level of enquiries?**
Response:	BIH's waste heat recovery units ("WHRUs") and once through steam generators ("OTSGs") continue to be eco-sustainable solutions utilised by the global O&G sector, particularly for greater efficiency and reduced pollution from gas processing, liquefied natural gas and gas turbine applications. As government and environmental regulatory pressures continue to be placed on the global O&G sector, BIH expects demand for WHRUs and OTSGs to grow. Nonetheless, in the current O&G environment, FIDs have been delayed across the value chain in the short-term, regardless of whether the specific part of the value chain is profitable and/or the investment presents strong financial merits.
14)	**The BIH website states that it offers a range of Carbon Capture and Storage Solutions ("CCSS") to suit a variety of client's objectives. What are the target industries that BIH is focusing on for its business development efforts in this area? Is CCSS one of the key growth areas and/or opportunities for BIH?**
Response:	Currently, BIH is focused on working with clients in the global O&G sector to integrate its solutions together with best-in-class CCSS technology that complement clients' full energy infrastructure. BIH has developed the necessary knowledge base on CCSS technology to bring together integration. However, as is the norm in the global O&G sector, new technology integrations are usually under pilot or review for long periods of time before full commercial implementation, as clients tend to be more cautious given the hazardous processes involved.
15)	**The Company invested in Boustead Salcon Water Solutions ("BSWS") many years back. What profits and dividends did BSWS generate for the Company? How did the divestment come about and who introduced the purchaser to the Company? What is the net cash inflow from the divestment of BSWS?**
Response:	Over the years, on a cumulative basis, BSWS did not generate profit for the Boustead Group. The purchaser of BSWS approached the Company directly. Net of cash disposed of, the disposal of BSWS resulted in a net cash outflow of S$0.4 million. However, there was a net gain on disposal of BSWS of S$4.0 million since the combined liabilities and reserves that were disposed of, were significantly higher than the net cash outflow.

16)	**Are there plans to unlock the Energy Engineering Division, similar to what was done to demerge Boustead Projects five years' ago?**
Response:	Please see response 6.
	TOPIC: GEOSPATIAL
17)	**Does the Boustead Group own the geospatial platform or does the Boustead Group operate it under licence?**
Response:	The Boustead Group does not own the Esri ArcGIS platform, which is owned by Esri Inc from the US. The Boustead Group is an exclusive distributor of Esri technology in Australia, Singapore, Malaysia, Indonesia, Bangladesh, Brunei, Papua New Guinea and Timor-Leste.
18)	**Will there be a possibility or plan of the Geospatial Division being spun off for a separate listing? If yes, what is the critical size of this division for it to happen?**
Response:	It may be possible for the Geospatial Division to be listed separately. To create the circumstances and potential for this to happen, there would need to be further growth in recurring revenue streams, professional and managed services, and geospatial applications development under the division's own intellectual property. In addition, the division's senior management team would need to be assessed to be entrepreneurial in mindset, equipped to manage the business independently and with the necessary capabilities and systems to meet the stringent requirements for listing.
19)	**Are there any plans to explore providing related services such as digitalisation or related geospatial services, specifically for the private sector, as currently business from the government sector is much greater than from the private sector? Are there restrictions imposed by Esri Inc in these areas?**
Response:	There are no restrictions placed by Esri Inc on the deployment of Esri technology in the private sector. The Geospatial Division has made significant inroads in deploying Esri technology for private sector clients. However, given that the effectiveness of geospatial technology and smart mapping capabilities is also dependent on the availability and quality of data, government agencies remain the largest clients as they have ready access to quality big data. There are growing open data movements whereby government agencies are making selected data more readily available to the private sector, which should encourage more private sector clients to deploy geospatial technology and smart mapping capabilities in the long-term, especially where such clients are unable to collect useable data themselves.

	TOPIC: HEALTHCARE
20)	**What are the growth plans of the Healthcare Division?**
Response:	As mentioned on pages 58 to 59 of the Annual Report, the Healthcare Division continues to review plans to expand recurring income streams based on services such as functional service assessment centres, rehabilitative care and aged care. In China, the division is also attempting to scale-up manufacturing capabilities to assemble and manufacture basic rehabilitative care equipment for the local market, and aiming to secure more managed services for Olympic training centres.
21)	**Who are the main competitors of the Healthcare Division (BMEC, HealingFromHome, Beijing Pukang) in the region in which division operates in? What are the key areas of competitive advantage and disadvantage of the division relative to the main competitors?**
Response:	Unlike the acute care market where there are large healthcare players such as Medtronic, Johnson & Johnson, GE, Abbott and Philips, among others, the market for rehabilitative care and sports science is fragmented. The Healthcare Division's competitive advantage in rehabilitative care and sports science is in having a wider geographic distribution footprint than competitors, who are mainly localised in a single country market. This provides the division with economies of scale to work with rehabilitative care and sports science technology principals to distribute their solutions more widely.
22)	**What will be the business model of the Healthcare Division moving forward? Will the distribution of medical and rehabilitation equipment be the mainstay of the division's revenue?**
Response:	Yes, the Healthcare Division intends to stay within the rehabilitative care and sports science fields, where a niche has already been established and can be expanded.
23)	**The Annual Report states that the Healthcare Division has progressed "on assembly and manufacturing capabilities in China to develop basic rehabilitation and sports training equipment specifically for the local market". Is the division working with overseas manufacturers for product localisation in China? What are the value propositions of rehabilitation equipment assembled and manufactured in China in relation to what is available in the market? Would there only be equipment sales or would there be recurring income streams with services?**
Response:	The Healthcare Division has the intention to work with foreign technology principals to assemble and manufacture their equipment in China, although this is still under discussion. Currently, Chinese hospital clients can only purchase certain types of rehabilitative care and sports science equipment from prequalified lists that include only locally manufactured equipment. As such, even superior foreign technology is not accepted. The intention is to bundle the assembled and manufactured equipment with services where possible, under potential management-type arrangements, such as the management of Olympic training centres in China as mentioned on page 59 of the Annual Report.

24)	**When and under what circumstances will there be an improvement in the Healthcare Division going forward?**
Response:	An improvement in the Healthcare Division's performance will likely only take place when healthcare and hospital clients are not preoccupied with pandemic-related issues and can refocus efforts towards other healthcare initiatives.
25)	**Does the Healthcare Division have any plans to acquire other healthcare providers for synergies or for development into other markets with ageing populations such as Japan, South Korea or other countries?**
Response:	Not at the moment. All efforts and resources are being put towards developing the geographic markets that the Healthcare Division is currently in, namely: Singapore, China, Hong Kong, Malaysia and Thailand.
26)	**The Healthcare Division was bought over two to three years' ago. Is the Board satisfied with the performance so far?**
Response:	The Board and senior management of the Company are of the view that the performance can be improved for the Healthcare Division, particularly with regards to the South East Asia business. A lot of effort is being put in to ensure that the division refocuses efforts on core areas of strength and business lines that are scalable. Given the favourable demographics, the addressable market remains promising but the division is in the process of refining its business model, marketing capabilities and execution.

-- 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.

Focusing on the niche engineering and development of key infrastructure to support sustainable shared socio-economic growth in global markets, our strong suite of engineering services under our Energy Engineering Division and Real Estate Division centres on energy infrastructure and smart, eco-sustainable and future-ready business park and industrial developments.

In addition, we provide technology-driven transformative solutions to improve 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 platform – to major markets in the Asia Pacific including Australia, Singapore, Malaysia and Indonesia. The software creates digital infrastructure solutions and digital twins that enable smart nations, smart cities and smart communities to solve the world's most complex problems through effective and sustainable improvement of human wellbeing and ecosystems, and planning and management of key infrastructure and resources. Our Healthcare Division provides innovative medical solutions that address niche 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 undertaken projects in 90 countries and territories globally.

In 2008 and 2009, we were recognised in the prestigious Forbes Asia 200 Best Under A Billion as one of the Asia Pacific's 200 best public-listed corporations under US$1 billion in revenue. In 2017, we were ranked by FinanceAsia as Singapore's Best Small-Cap in the annual Asia's Best Companies Poll. In 2019, we were awarded the Most Transparent Company in the Industrials Category and Sustainability Award (Runner-Up) in the Mid Cap Category by the Securities Investors Association (Singapore). For the second successive year in 2021, we were ranked among Singapore's Best Employers, at 40th overall and 1st under our respective category of Business Services & Supplies (including Real Estate) in an evaluation encompassing 1,700 large corporations. We are also listed on the MSCI World Micro Cap Index, FTSE Global Small Cap Index, FTSE Developed Small Cap Index and FTSE ST Industrials Index.

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

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