

## **RESPONSE TO SGX QUERIES ON FY2022 ANNUAL REPORT**

**SINGAPORE, 15 JULY 2022**

The Board of Directors of Boustead Singapore Limited (“Boustead” or the “Company”) wishes to provide the following additional information in response to queries received from the Singapore Exchange Limited (“SGX”) on 13 July 2022 regarding the Company’s annual report for the financial year ended 31 March 2022 (the “Annual Report”):

### SGX Query 1

We note Mr Godfrey Ernest Scotchbrook (“Mr Scotchbrook”) has been on the board of the Company for nearly 22 years. He was first appointed as an Independent Non-Executive Director on 21 September 2000 and subsequently redesignated as Non-Independent Non-Executive Director with effect from 1 January 2022 as he had served on the board of the Company for more than 9 years and had not been re-elected to the board as an independent director under the 2-tier vote in Rule 201(5)(d)(iii). We note that the Company is seeking a resolution from shareholders at the upcoming AGM for Mr Scotchbrook to be re-elected to the board of the Company and at the same time, he will be considered independent for the purposes of Rule 704(8).

How was the assessment of Mr Scotchbrook’s independence carried out? Please also disclose the Nominating Committee’s reasons for its view that Mr Scotchbrook should be re-designated as an independent director despite him being on the board of the Company for nearly 22 years.

### Company’s Response

The Nominating Committee has rigorously reviewed the independence of Mr Scotchbrook, taking into account the guidance in the Code of Corporate Governance 2018, the accompanying Practice Guidance and the Listing Rules of the Mainboard of the Singapore Exchange Securities Trading Limited. Mr Scotchbrook has also abstained from deliberating on his independence.

The Nominating Committee has ascertained that there are no relationships or business relationships which Mr Scotchbrook, his immediate family member, or an organisation in which Mr Scotchbrook or his immediate family member is a substantial shareholder, partner (with 5% or more shareholding), executive officer or director has with the Company or any of its related corporations. The Nominating Committee is satisfied that Mr Scotchbrook is independent in character and judgement, and found no evidence to indicate that the length of his service has in any way affected his independence.

The Board and the Nominating Committee have valued Mr Scotchbrook’s contributions to the Board over the years. His background as the founder of a well-known corporate communications, investor relations and crisis communications firm, have helped the Company to improve our communications with stakeholders. He is a strong advocate of corporate governance and has championed the introduction of cyber security oversight by the Board. He brings diversity of thought to the Board as the only non-Singaporean (British by nationality) and is extremely attuned to the global geopolitical undercurrent and is a progressive thinker on many ESG issues, openly sharing his thoughts in all areas – economic, environmental, social and governance – which he is well acquainted with. The Board has benefitted from his meaningful insights. Despite his long tenure, his deliberation on Board matters is fiercely independent and he remains progressive and constructive in his critiques.

### SGX Query 2

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the “Code”), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. We note the Company has not complied

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with Provision 3.3 of the Code requires that “The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.” We note the Company has not appointed a lead independent director and that Company’s Chairman and CEO positions are filled by the same person.

How does the Company ensure that shareholders have a channel to raise concerns for which the normal channels of communication with the Chairman or Management are inappropriate or inadequate?

### Company’s Response

Although the Board has not appointed a lead independent director to date, the Board has consistently demonstrated it is able to exercise independent decision-making. With a strong independent element on the Board, the Board is of the view that there are adequate safeguards in place to ensure that the Board’s decision-making process is based on collective decisions of the Board and no one individual has unfettered powers of decision-making on the Board. Nevertheless, going forward, the Chairman has asked the Board and the Nominating Committee to consider appointing a lead independent director.

In the meantime, should shareholders/stakeholders have a query that they would like addressed by a particular independent non-executive director, such queries can be sent to the investor relations team who will redirect the queries to the intended independent non-executive director.

### SGX Query 3

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. We note that the Company had not complied with Provision 8.1 of the Code with regard to the disclosure of remuneration, and there were no explanations and reasons provided for in your annual report why the Company had varied with Provision 8.1 of the Code.

Please clarify how the practices the Company had adopted are consistent with the intent of Principle 8 of the Code, which requires transparency on the Company’s remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

### Company’s Response

The amounts and breakdown of remuneration for each of the non-executive directors have been disclosed and disclosure has also been made for at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate, the total remuneration paid to these key management personnel. This is in compliance with Provision 8.1(a) and Provision 8.1(b) of the Code respectively.

However, after careful deliberation and having regard to the fact that disclosure of remuneration in detail would not be in the interest of the Company given the sensitive nature of the information, the Board has decided to disclose the remuneration of the Chairman & Group Chief Executive Officer, Mr Wong Fong Fui, and Executive Director & Deputy Group Chief Executive Officer, Mr Wong Yu Loon, in remuneration bands of S\$250,000 and by a percentage breakdown in terms of categories and components, instead of disclosing the exact remuneration. This is a variation from Provision 8.1(a) of the Code which provides, among other things, that the amounts of remuneration of each individual director and the CEO are disclosed in the annual report.

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The Board notes that the Annual Report has disclosed the following:

- The procedure for developing policies on director and executive remuneration (under the section “Terms of Reference” on page 87);
- The overall remuneration policy and framework (under the section “Remuneration Policy and Framework” on page 88); and
- The specific remuneration policy and framework applicable to non-executive directors and executive directors and Management (under the sections “Remuneration of Non-Executive Directors” and “Remuneration of Executive Directors and Management” on pages 88 and 89).

With the disclosure of the above information, the Board is of the view that there is sufficient transparency on its remuneration policies, level and mix of remuneration, procedure for setting remuneration, and the relationships between remuneration, performance and value creation, consistent with the intent of Principle 8 of the Code.

-- 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 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 creates digital infrastructure solutions and digital twins that enable smart nations, smart cities and smart communities to solve the world's most complex problems by improving human wellbeing and ecosystems, and helping in the effective planning and management of key infrastructure and resources. 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 undertaken projects in 91 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). From 2020 to 2022, 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](http://www.boustead.sg).

## Contact Information

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