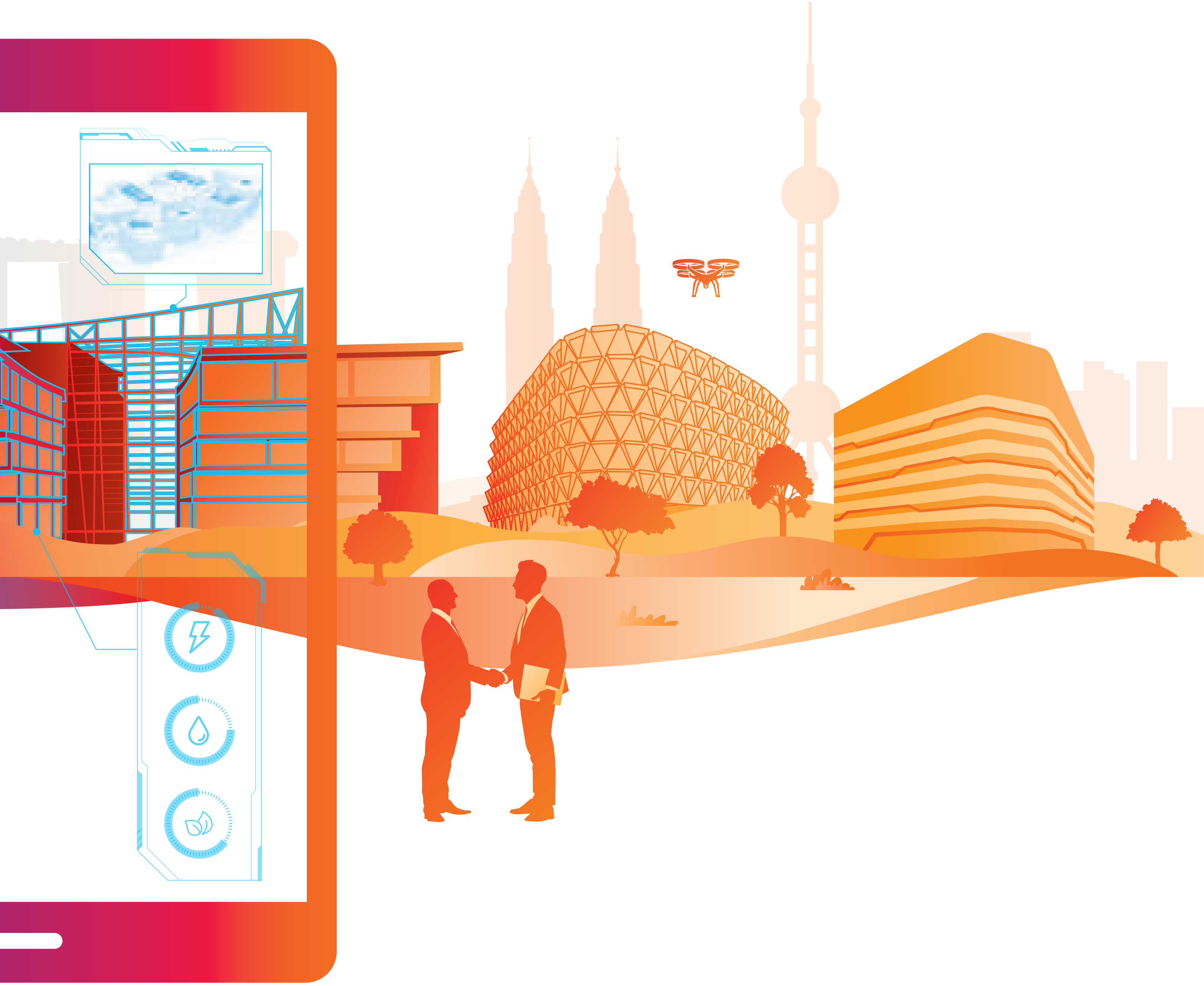
BOUSTEAD PROJECTS



TRANSFORMING INDUSTRY

Boustead Projects Limited
Annual Report 2019

TRANSFORMING INDUSTRY

This year, Boustead Projects' heartiest congratulations go out to our home nation, Singapore on the celebration of its historic Bicentennial. With no natural resources, Singapore has had to be innovative in its approach to industry over the past several decades to provide the optimal business environment to attract investments in pivotal industries and help these industries to tap on the industry of Singaporeans.

We have been contributing to the transformation of Singapore's industrial landscape over the past two decades. In addition, our success would not have been possible had it not been for our progressive nature, accompanied by the technological transformation that has shaped Boustead Projects over the past few years.

We recorded a strong performance even as Singapore's industrial real estate sector remained somewhat subdued. During this period, we secured S$633 million of new contracts which is a historic high, including one private and one public sector contract each worth over S$200 million, further validating our technology-driven strategy with clients who value Industry 4.0 transformation standards. In addition, we completed Singapore's first truly smart business park development, ALICE@Mediapolis, secured four development deals and formed three new strategic partnerships while continuing with the adoption of new technologies to transform our business, all aligned with our progressive nature.

CORPORATE PROFILE

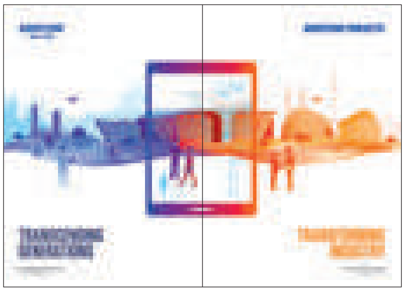
Established in 1996, Boustead Projects Limited (SGX:AVM) is a leading real estate solutions provider in Singapore, with core engineering expertise in the design-and-build and development of smart eco-sustainable business park and industrial developments for clients including Forbes Fortune 500, S&P 500 and Euronext 100 corporations. To date, we have constructed and developed more than 3,000,000 square metres of real estate regionally in Singapore, China, Malaysia and Vietnam. Our wholly-owned design-and-build subsidiary, Boustead Projects E&C Pte Ltd ("BP E&C") is approved by Singapore's Building & Construction Authority ("BCA") for Grade CW01-A1 and General Builder Class 1 Licence to execute building construction contracts of unlimited value.

Our transformative technologies – Industry 4.0 transformation standards and full-fledged integrated digital delivery – are shaping custom-built future-ready developments. Our in-depth experience covers the aerospace, business park, food, healthcare and pharmaceutical, high-tech manufacturing, logistics, research & development, technology and waste management industries, among others. We are also a leader in pioneering advanced eco-sustainable developments under the BCA's Green Mark Programme and the US Green Building Council's Leadership in Energy & Environmental Design (LEED) Program. In Singapore, BP E&C is one of only seven bizSAFE Mentors and also a bizSAFE Star, the highest qualification that can be attained in recognition of a company's workplace safety and health ("WSH") management programmes. Our WSH efforts have been further recognised with five prestigious WSH Performance Silver Awards and 11 SHARP Awards to date.

On 30 April 2015, Boustead Projects listed on the SGX Mainboard. We were awarded the Singapore Corporate Governance Award in the Newly Listed Category at the Securities Investors Association (Singapore)'s 18th Investors' Choice Awards 2017. We are also listed on the MSCI World Micro Cap Index and FTSE ST Fledgling Index.

Boustead Projects is a 53%-owned subsidiary of Boustead Singapore Limited (SGX:F9D), a progressive global infrastructure-related engineering and technology group which is separately listed on the SGX Mainboard.

Visit us at **www.bousteadprojects.com**.



Between the Covers

This year, as Singapore celebrates its historic Bicentennial, Boustead Projects Limited continues our journey to transform industry, while Boustead Singapore Limited continues their journey to build businesses that transcend generations.

Visit us or download the Annual Report at **www.bousteadprojects.com**.

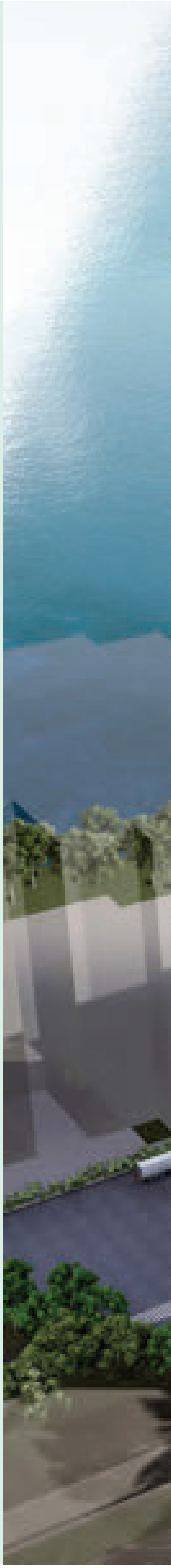
CONTENTS

WE ARE TRANSFORMING INDUSTRY, THROUGH THE DEPLOYMENT OF TRANSFORMATIVE TECHNOLOGIES.

DESIGN-AND-BUILD BUSINESS

Boustead Projects pioneered the design-and-build approach for industrial developments in Singapore with our inception in 1996, offering turnkey solutions for custom-built smart eco-sustainable business park and industrial developments.

At the forefront of our efforts, our market-leading capabilities – built on the adoption of transformative technologies aligned with our progressive philosophy – are complemented by value-added services and green building credentials and supported by robust quality, environmental, health and safety management systems. We have successfully demonstrated that smart eco-sustainable developments can be future-ready, yet present-day realities – designed to meet Industry 4.0 standards while simultaneously minimising emissions and resource wastage.



Read more on pages 24 to 27.

SEGMENT REVENUE

S$205.1 million

SEGMENT CONTRACTS SECURED

S$633 million

SEGMENT PROFIT BEFORE INCOME TAX

S$23.4 million

Artist's impression of JTC Multi-Storey Recycling Facility, Singapore
© Courtesy of JTC Corporation

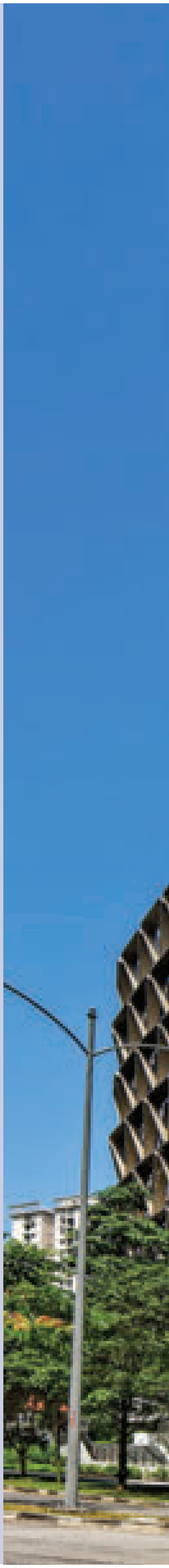
WE ARE TRANSFORMING REAL ESTATE, REDEFINING THE EXPERIENCE IN COMMUNITIES AND ECOSYSTEMS.

REAL ESTATE BUSINESS

Boustead Projects pioneered the design-build-and-lease or integrated development approach in Singapore in 2003, offering clients a hybrid methodology in which we assume dual roles as the developer-owner of properties, along with that of design-and-build partner to deliver custom-built developments typically leased to clients under long-term agreements. Our capabilities have since expanded to include asset management and facilities management services.

Today, we are a growing developer, manager and owner of advanced eco-sustainable business park and industrial developments that support the rapidly-evolving future needs of clients as they navigate climate change, Industry 4.0 and technological disruption. Our smart eco-sustainable developments – like ALICE@Mediapolis – are redefining the user experience of tenants, visitors, asset managers, facilities managers and landlords – ultimately improving engagement and enabling the creation of thriving business communities and ecosystems.

Read more on pages 28 to 35.



SEGMENT REVENUE

S$29.2 million

COMPLETED PROPERTIES IN LEASEHOLD PORTFOLIO

19

SEGMENT PROFIT BEFORE INCOME TAX

S$12.3 million*

* *Includes S$5.9 million gain attributable to sale of 25 Changi North Rise, net of fees.*

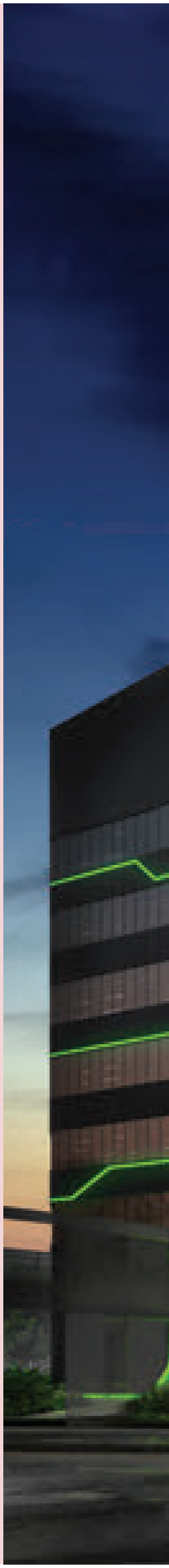
GSK Asia House, one-north, Singapore

WE ARE TRANSFORMING COLLABORATION, UNLOCKING COMPLEMENTARY CAPABILITIES.

STRATEGIC PARTNERSHIPS & INVESTMENTS

Boustead Projects has established and invested in several strategic partnerships and platforms to enhance our competitive position and geographically expand across Asia. Working with like-minded and reputable partners on several fronts has allowed us to pool our complementary capabilities and expertise to take on larger-scale projects and broaden our offerings to clients, while simultaneously reducing commercial and operational risks related to a particular geographic market, industry cluster or real estate sector.

We recognise that our best developments have consistently been co-creations resulting from the successful collaborations between various stakeholders, from accurately and innovatively interpreting clients' needs to assembling the right solutions proposed by partners. It is with this recognition – that no single party has all the solutions to meet the rapidly-evolving needs of clients – that we collaborate to unlock the best in complementary capabilities.



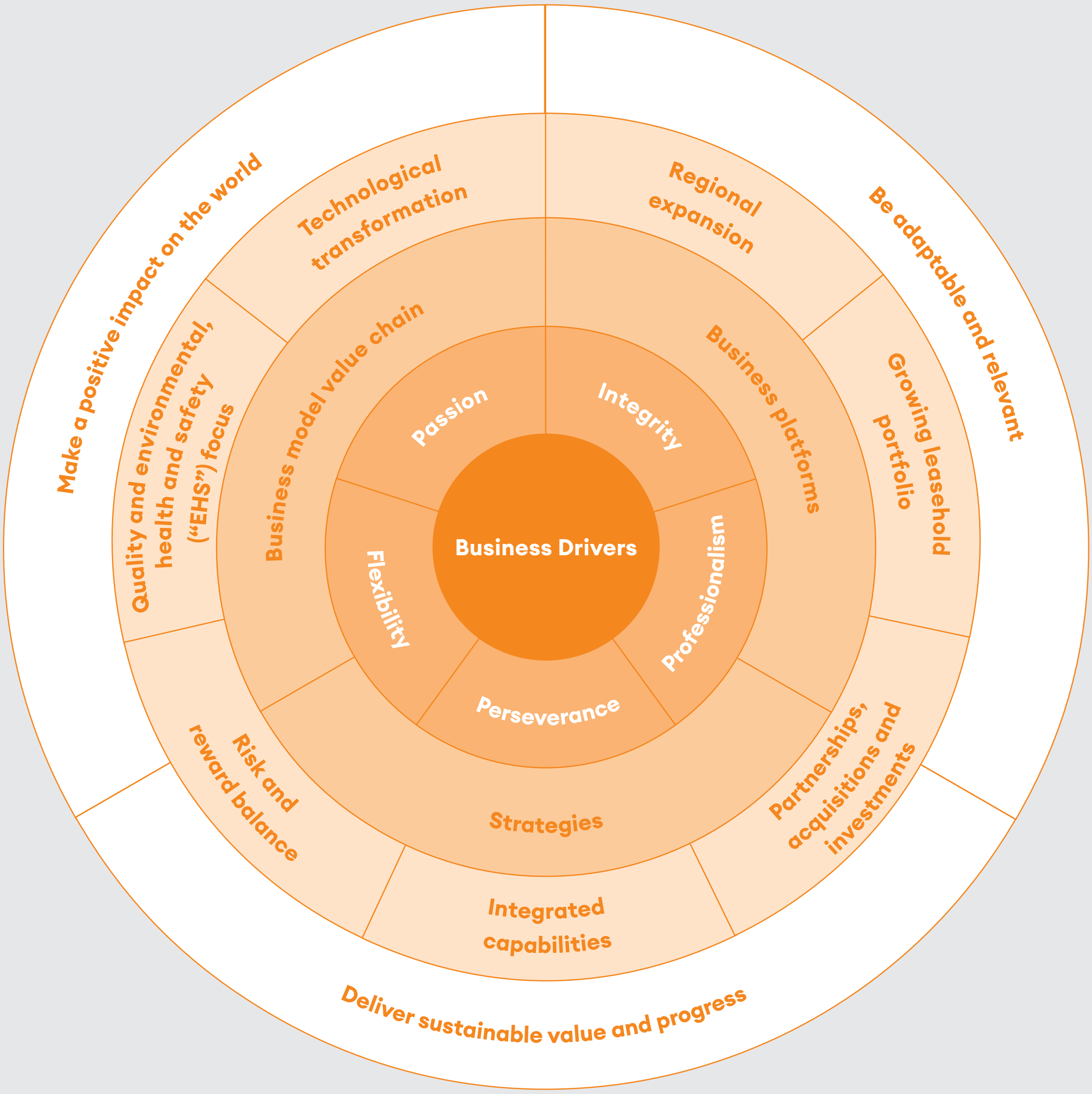
Read more on pages 36 to 39.

NUMBER OF STRATEGIC PARTNERSHIPS

6

Artist's impression of Razer Southeast Asia Headquarters, one-north, Singapore

MISSION, VISION & BUSINESS MODEL



Mission

To be a real estate solutions provider with core competencies in design, value engineering and delivery of end-to-end smart eco-sustainable solutions that can be deployed in any industry and market.

Vision

To be a regional integrated real estate solutions leader offering a full suite of smart eco-sustainable capabilities.

Achieving Our Mission, Vision and Long-Term Objectives

In order to achieve our mission, vision and long-term objectives, we rely on our business drivers: business platforms, strategies and business model value chain – guided by our fundamental principles and strong human-centric corporate values. These business drivers highlight how we combine our core competencies and strategies for international markets to allow us to achieve our long-term objectives to be adaptable and relevant, deliver sustainable value and progress to key stakeholders, and make a positive impact economically, environmentally and socially on the world.

Business Platforms

Positioning and presence

- Extensive capabilities spanning design-and-build, development, leasehold portfolio management and ownership, and facilities management
- Successful spotting and positioning on global megatrends
- Growing regional presence with local market knowledge
- Broad coverage of industries with clients among world's best corporations

Performance

- Market leader in Singapore with extensive track record in delivering best-in-class projects
- Green Mark Platinum industrial leader with firsts in heavy industry, aerospace industry and logistics industry categories
- Manager and owner of growing leasehold portfolio
- Commitments to quality and EHS performance

People

- Top design-and-build team for advanced eco-sustainable industrial facilities
- Empowering culture
- Fair and non-discriminatory employment
- Ability to attract, develop, motivate and retain talent
- Industry technical experts

Strategies

Regional expansion

With a strong brand heritage, our expansion into fast-growing regional markets rides upon in-depth domain expertise, leading industry market positions and a diversified track record in delivering over 3,000,000 square metres of industrial facilities in Singapore, China, Malaysia and Vietnam.

Growing leasehold portfolio

Our growing leasehold portfolio of both wholly-owned and jointly-owned leasehold properties contribute recurring rental income and management fees.

Partnerships, acquisitions and investments

Our continuous search for strategic partnerships, catalytic acquisitions and investments is aimed at accelerating our business expansion, enhancing capabilities, broadening revenue streams and driving sustainable long-term growth.

Integrated capabilities

Our integrated suite of capabilities – spanning design-and-build, development, leasehold portfolio management and ownership, and facilities management – are aimed at helping clients to achieve highly effective and cost competitive solutions that raise efficiency and multi-decade building lifecycle sustainability.

Risk and reward balance

We are vigilant in ensuring that our strategies to enhance stakeholder value are well-supported by sound risk management.

Quality and EHS focus

We strive to achieve the highest standards in quality and workplace EHS, building on our growing achievements under Enterprise Singapore's Business Excellence Framework, the Building & Construction Authority's Green & Gracious Builder Scheme and the Workplace Safety & Health Council's bizSAFE Programme.

Technological transformation

Our ongoing business transformation is supported by steady adoption of digitally-enabled, productivity-enhancing approaches like integrated digital delivery, building information modelling, design for manufacturing and assembly, and smart building capabilities. We aim to be a market leader in the world of Industry 4.0.

Business Model Value Chain

Uphold our excellent reputation for integrity, quality, reliability and trust

Design smart eco-sustainable products, services and solutions including Green Mark Platinum and LEED-rated buildings

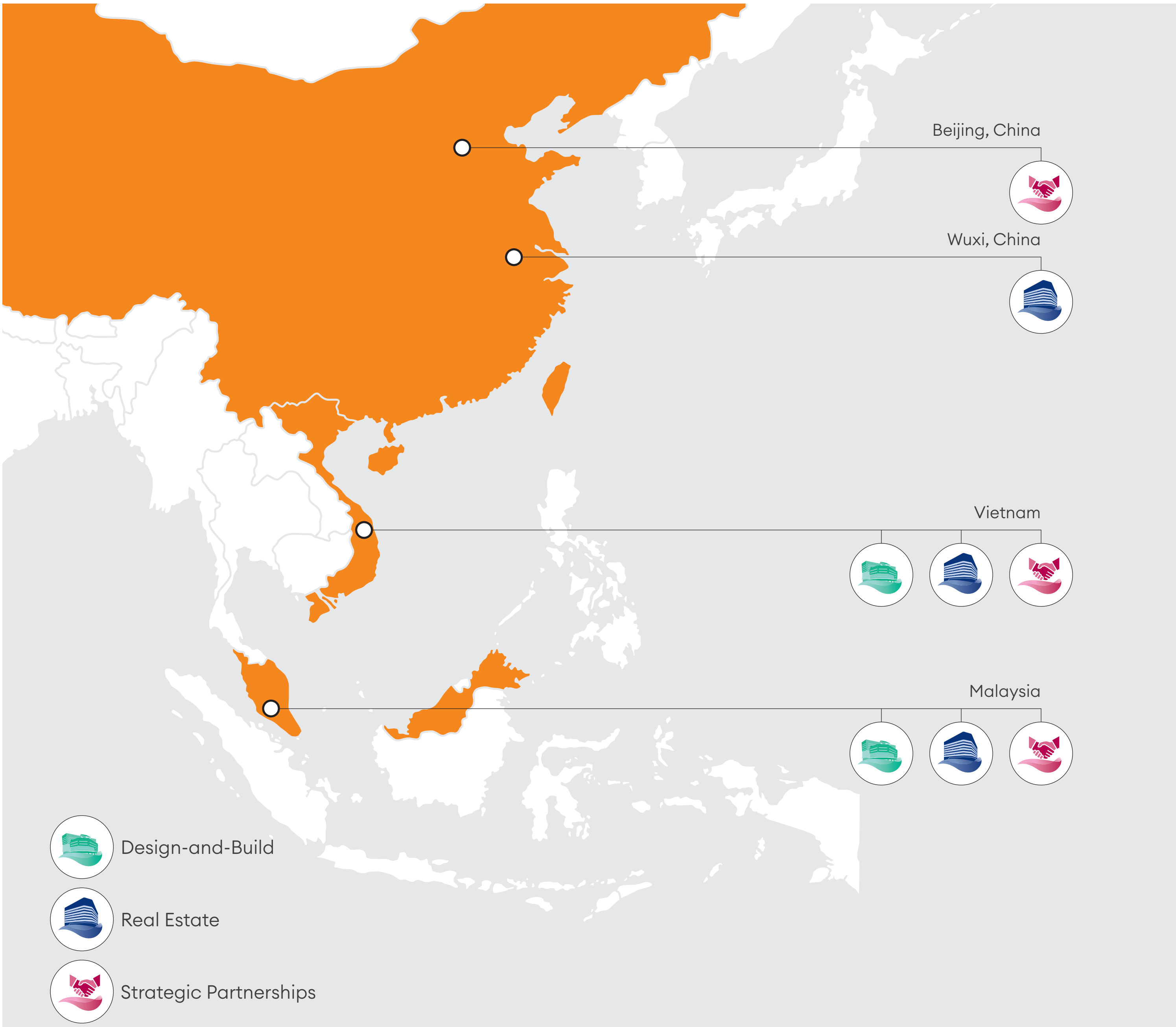
Commit to operational excellence through undertaking development, design, value engineering, project management, construction management, quality and EHS supervision, leasehold portfolio management and ownership, and facilities management

Deliver efficiency, performance and value to clients

Generate revenue, profit and cash flow in a sustainable manner

Be adaptable and relevant, deliver sustainable value and progress, and make a positive impact on the world

REGIONAL PRESENCE

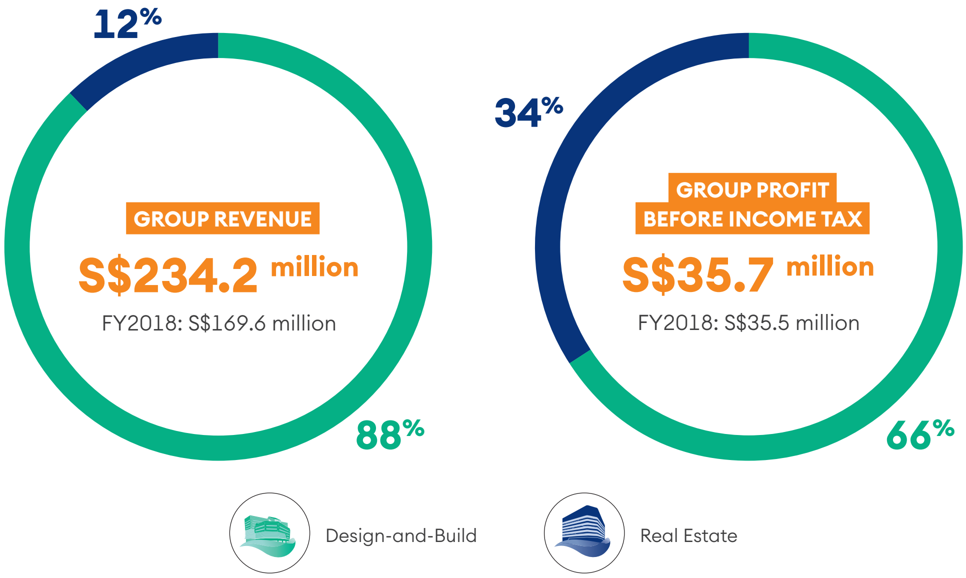


	Design-and-Build	Real Estate
Singapore	✓	✓
Malaysia	✓	✓
Vietnam	✓	✓
China		✓
Rest of Asia		

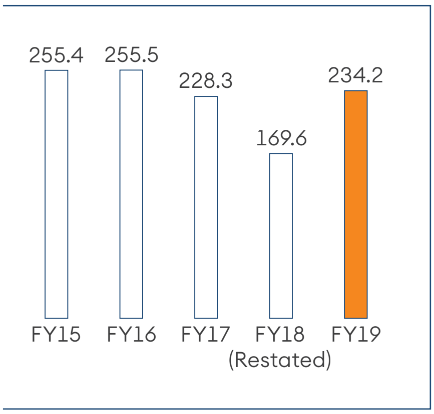
Strategic Partnerships

Boustead Development Partnership	Echo Base-BP Capital Pte Ltd	DSCO Group Holdings Pte Ltd	BP Malaysia Airports Subang Aerotech Sdn Bhd	THAB Development Sdn Bhd	Perennial Real Estate Holdings Ltd

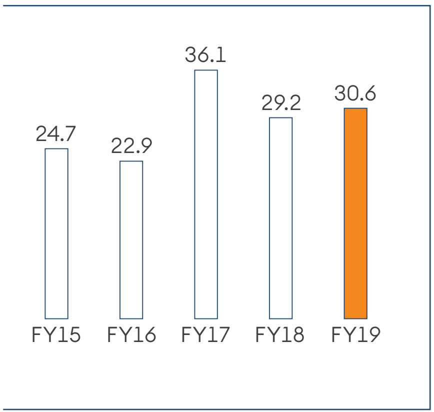
GROUP AT A GLANCE
FINANCIAL PERFORMANCE



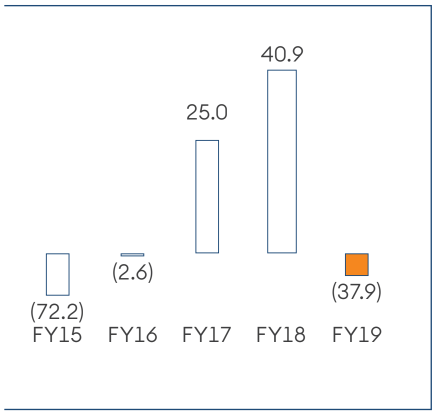
GROUP REVENUE (S$'m)



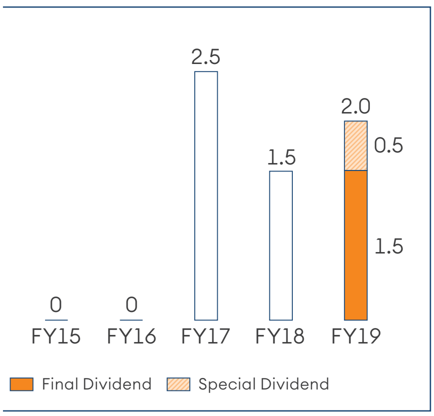
GROUP NET PROFIT (S$'m)



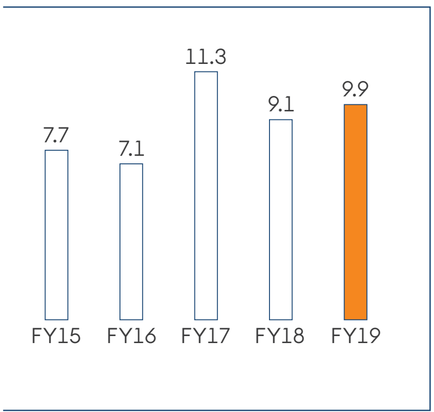
NET CASH/(DEBT) POSITION (S$'m)



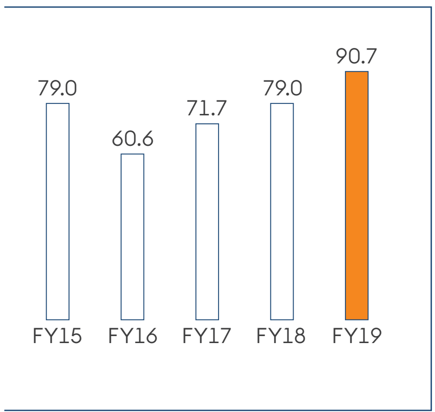
GROSS DIVIDEND PER ORDINARY SHARE (¢)



BASIC EARNINGS PER ORDINARY SHARE (¢)



NET ASSET VALUE PER ORDINARY SHARE (¢)



	31 Mar 15 S$'000	31 Mar 16 S$'000	31 Mar 17 S$'000	31 Mar 18 S$'000 (Restated)	31 Mar 19 S$'000
Revenue and Profits					
Revenue	255,389	255,475	228,307	169,635	**234,223**
Gross profit	57,299	58,967	58,521	59,274	**60,580**
Profit before income tax	33,422	29,709	44,874	35,452	**35,675**
Total profit	24,562	22,865	36,249	29,151	**30,578**
Profit for the year attributable to equity holders of the Company	24,668	22,865	36,098	29,151	**30,578**
Cash dividends*	-	-	(7,992)	(4,640)	**(6,195)**
Statement of Financial Position					
Equity attributable to equity holders of the Company	252,751	193,966	229,378	244,101	**281,030**
Non-controlling interests	(106)	(106)	-	-	**-**
Capital Employed	252,645	193,860	229,378	244,101	**281,030**
Trade receivables (non-current)	7,438	-	-	4,619	**10,759**
Other receivables and prepayments (non-current)	-	3,395	6,064	2,651	**2,267**
Investment in an associated company	1,094	200	-	588	**-**
Investments in joint ventures	10,728	13,755	32,354	37,148	**40,673**
Intangible asset	-	-	-	-	**121**
Available-for-sale financial assets (non-current)	17,872	38,391	20,519	20,519	**-**
Financial assets, at fair value through other comprehensive income	-	-	-	-	**31,426**
Investment properties	159,857	146,182	134,796	128,827	**182,118**
Property, plant and equipment	815	743	812	780	**913**
Net deferred income tax liabilities	(1,816)	(2,737)	(3,077)	(3,770)	**(778)**
Net current assets	233,355	87,686	112,942	121,566	**97,860**
Non-current liabilities (excluding deferred income tax liabilities)	(176,698)	(93,755)	(75,032)	(68,827)	**(84,329)**
Assets Employed	252,645	193,860	229,378	244,101	**281,030**
Financial Statistics					
Operating profit over turnover (%)	13.1	11.6	19.7	20.9	**15.2**
Return on equity (%) (Note 1)	9.8	11.8	15.7	11.9	**10.9**
Gross dividend per ordinary share (¢)	-	-	2.5	1.5	***2.0**
Dividend cover (times)	-	-	4.5	6.1	***5.0**
Basic earnings per ordinary share (¢) (Note 2)	7.7	7.1	11.3	9.1	**9.9**
Net asset value per ordinary share (¢) (Note 3)	79.0	60.6	71.7	79.0	**90.7**

* *Includes proposed final dividend of 1.5 cents and special dividend of 0.5 cent per share for FY2019.*

Notes:

1. *Based on profit for the year attributable to equity holders of the Company divided by equity attributable to equity holders of the Company.*
2. *Based on profit for the year attributable to equity holders of the Company divided by weighted average number of ordinary shares in issue during financial year ended 31 March.*
3. *Based on equity attributable to equity holders of the Company divided by number of ordinary shares in issue at end of financial year ended 31 March.*

GROUP AT A GLANCE
MARKET REVIEW

DESIGN-AND-BUILD BUSINESS

Our design-and-build business provides turnkey solutions for custom-built smart eco-sustainable business park and industrial developments.

We have constructed and developed over 3,000,000 square metres of industrial real estate in Singapore, China, Malaysia and Vietnam.

Read more on pages 24 to 27.

MARKET REVIEW

- Singapore's industrial real estate sector remained somewhat subdued, with the cyclical downturn not abating as expected.
- The Singapore Government mapped out the Industry Transformation Map for the construction sector, laying out the long-term transformation roadmap for the sector.

REAL ESTATE BUSINESS

Our real estate business provides development, leasehold portfolio asset management and ownership, and facilities management expertise for custom-built smart eco-sustainable business park and industrial developments leased to multinational corporations and local enterprises.

We have developed and retained a leasehold portfolio consisting of primarily single-tenanted custom-built advanced business park and industrial developments leased to a group of reputable end-user clients.

Read more on pages 28 to 35.

MARKET REVIEW

- Business park and high-tech industrial rents edged up, while logistics rents stayed stable and low-tech industrial rents fell in 2018.
- The Singapore Government mapped out the Industry Transformation Map for the real estate sector, laying out the long-term transformation roadmap for the sector.

STRATEGIC PARTNERSHIPS & INVESTMENTS

We have established several strategic partnerships and platforms to enhance our competitive position and geographically expand across Asia. Working with like-minded and reputable partners on several fronts has allowed us to pool our complementary capabilities and expertise to take on larger-scale projects and broaden our offerings to clients, while simultaneously reducing commercial and operational risks related to a particular geographic market, industry cluster or real estate sector. Activities under strategic partnerships potentially feed into our design-and-build and real estate businesses.

Read more on pages 36 to 39.

MARKET REVIEW

- Foreign direct investments into South East Asia rose 11% year-on-year to US$145 billion in 2018, a new record.

HIGHLIGHTS

- Higher revenue was supported by a healthy order book backlog.
- Contracts secured of S$633 million is a new record, including two projects each worth over S$200 million.
- New technologies continued to be adopted to transform our business including integrated digital delivery and 7D building information modelling.

SEGMENT REVENUE

S$205.1 million

Year-on-year ↑ 48%

FY2018: S$138.8 million*

SEGMENT PROFIT BEFORE INCOME TAX

S$23.4 million

Year-on-year ↑ 23%

FY2018: S$19.1 million

SEGMENT CONTRACTS SECURED

S$633 million

Year-on-year ↑ 172%

FY2018: S$233 million

* *Includes change in accounting policy with respect to the elimination of unrealised gains and losses on transactions between Boustead Projects and its associated company and joint ventures.*

HIGHLIGHTS

- Revenue was mainly impacted by the lease expiry of 85 Tuas South Avenue 1.
- Profit before income tax was affected by the lease expiry of 85 Tuas South Avenue 1 and depreciation expenses at ALICE@Mediapolis, partially offset by the gain from sale of 25 Changi North Rise.
- Four development deals were secured.
- Three new strategic partnerships were formed.

SEGMENT REVENUE

S$29.2 million

Year-on-year ↓ 5%

FY2018: S$30.8 million

SEGMENT PROFIT BEFORE INCOME TAX

S$12.3 million*

Year-on-year ↓ 25%

FY2018: S$16.4 million

COMPLETED PROPERTIES IN LEASEHOLD PORTFOLIO

19

FY2018: 19

* *Includes S$5.9 million gain attributable to sale of 25 Changi North Rise, net of fees.*

HIGHLIGHTS

- Boustead Development Partnership completed ALICE@Mediapolis and secured its fifth and sixth developments, respectively for Amcor's and Bombardier's developments in Singapore.
- We launched Echo Base-BP Capital Pte Ltd, a strategic joint venture ("JV") real estate fund management and services platform focused on smart buildings and integrated developments across the Asia Pacific.
- We established BP Malaysia Airports Subang Aerotech Sdn Bhd, a 70-30 strategic JV platform with Malaysia Airports Holdings Bhd to develop an aerospace and high-tech park at Subang Aerotech Park in Malaysia.
- We announced our strategic investment in a 25% shareholding of DSCO Group Holdings Pte Ltd to complement our range of expertise in high-tech and high-value specialised construction and development projects such as data centres across the Asia Pacific.

NUMBER OF STRATEGIC PARTNERSHIPS

6

Year-on-year ↑ 100%

FY2018: 3

GROUP AT A GLANCE ECONOMIC & SUSTAINABILITY PERFORMANCE

Economic Value Creation and Distribution in FY2019

Over Boustead Projects' two decades of contributing to the transformation of Singapore's industrial landscape and the region as well, we have performed our role as a trustworthy corporate citizen, building businesses and trust with regional stakeholders, and delivering sustainable value and progress to them. Over two decades of economic value ("EV") has been created and distributed to key stakeholders including clients, communities, employees, lenders, governments, shareholders and suppliers around the region. Our continuous profitability every year has enabled us to maintain our generation of sustainable value and progress to key stakeholders, and reinvest in transformative technologies for long-term success and longevity.

In FY2019, S$243.0 million in direct EV was generated, which was distributed to key stakeholders as shown here.

Suppliers

- Purchases
- Supplier payments
- Other operating expenses
- Indirect jobs for communities where we operate

S$187.4 million

77% of EV

Team

- Salaries
- Defined contribution plans
- Share-based compensation
- Other benefits
- Direct jobs for communities where we operate

S$17.5 million

7% of EV

Lenders and Investors

- Interest paid to lenders
- Dividends paid to shareholders

S$6.9 million

3% of EV

Governments

- Corporate taxes for funding government basic services and sponsored economic and ESG initiatives
- Indirect jobs for communities where we operate

S$7.8 million

3% of EV

Communities

- Community service
- Philanthropic donations

S$0.07 million

<1% of EV

Economic Value Retained

- Reinvestment in core business
- Future acquisitions and investments

S$23.2 million

10% of EV

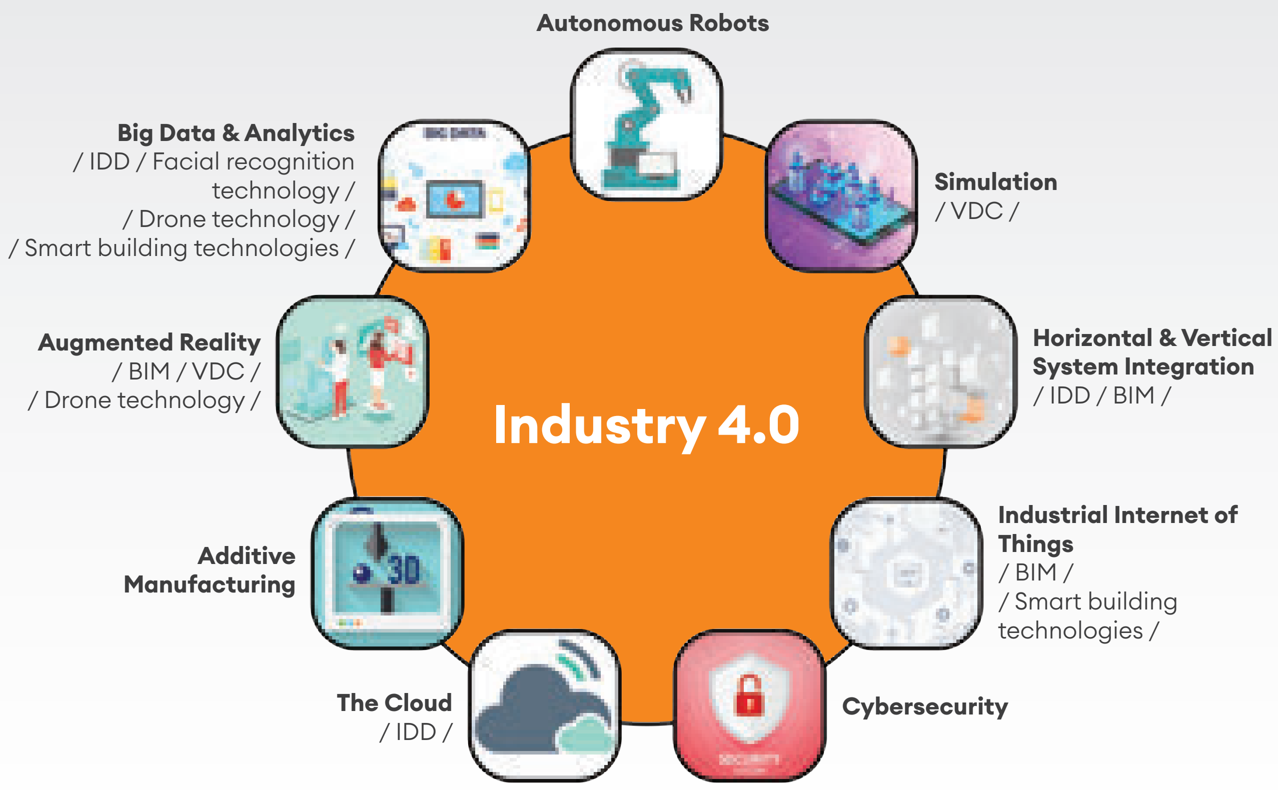
Transformative Technologies Deployment

According to Boston Consulting Group ("BCG"), Industry 4.0 – the fourth industrial revolution – is a transformation that makes it possible to gather and analyse data across machines, enabling faster, more flexible and more efficient processes to produce higher quality goods at reduced costs. This will increase productivity, shift economics, foster industrial growth and modify the profile of the workforce and ultimately change the competitiveness of corporations and regions. BCG went on to name nine technologies that are transforming industrial production as shown below. We have overlaid our already implemented technologies in six of these areas.

For over two decades, we have been a pioneering force in Singapore's industrial real estate sector, demonstrating pioneership and transformation in business model and activities including design-and-build (1996), design-build-and-lease (2003), advanced eco-sustainable buildings (2009) and integrated digital delivery ("IDD") (2017), among others.

As the latest capability in our pioneering approach, IDD deploys digitalisation and cloud-based technologies, and transformative methodologies like building information modelling ("BIM"), virtual design and construction ("VDC"), and design for manufacturing and assembly ("DfMA"). These methodologies are further complemented by our use of drones for aerial imaging, site progress and surveillance, and our adoption of virtual reality technologies.

Nine Technologies of Industry 4.0



Certain infographic elements were designed by Freepik.

/ Our positions of TRANSFORMATION /

GROUP AT A GLANCE ECONOMIC & SUSTAINABILITY PERFORMANCE

Environmental, Social and Quality Contributions in FY2019

Eco-sustainable solutions in action

We have delivered Green Mark Platinum-rated business park and industrial developments which provide sizeable energy and water savings to our clients every year and contribute positively to the environment in the communities around them. In FY2019, our clients enjoyed estimated savings of over:

	Green Mark Platinum Ratings Attained in FY2019		Green Mark Platinum Ratings Attained Prior to FY2019
	2 buildings under construction		**10 buildings**
Energy savings	**5.1 gigawatt hours ("GWh")**	+	**39.1 GWh**
	and		**and**
Water savings	**37,483 cubic metres ("cu m")**		**94,202 cu m**

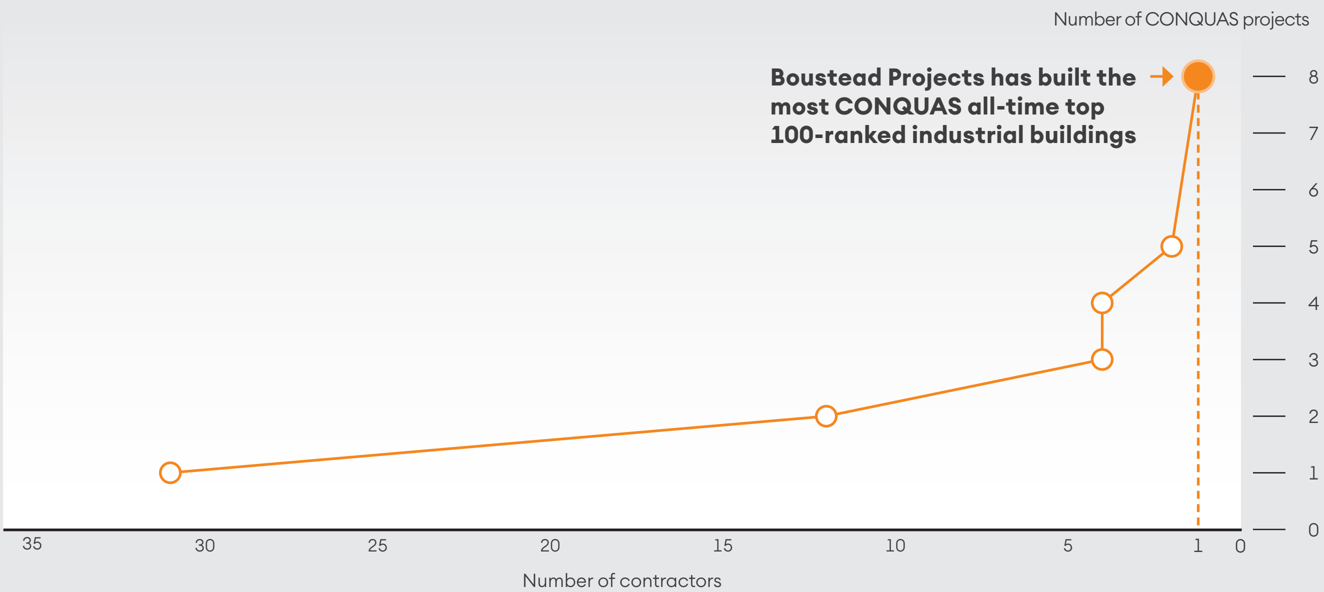
Note: Calculations are based on BCA Green Mark Programme assessments at the time when the Green Mark Platinum was awarded to a specific building, with the main conversion calculations based on the Energy Market Authority's and PUB's published statistics for electricity tariffs and industrial water tariffs respectively for 2018. Other supplementary conversion calculations are based on the US Environmental Protection Agency's green house gas equivalents calculator.

Quality

As a promoter of quality, we are a leader in the BCA's Construction Quality Assessment System ("CONQUAS"), which is used to measure the quality achieved in a completed construction project in Singapore in respect of structural, architectural and mechanical & electrical works. CONQUAS is a voluntary quality assessment in respect to most private sector industrial design-and-build and development projects.

During FY2019, a design-and-build project, ST Omega 2 for Singapore Technologies Electronics received a CONQUAS score of 91.5%, while a joint development project, Continental Building Phase 3 for Continental Automotive received a

Projects on BCA CONQUAS All-Time Top 100 Industrial Projects List



Green Mark Platinum Buildings' Estimated Annual Savings

12 buildings

Saving over 44 GWh of electricity

Electricity used by 9,800 homes in Singapore

or taking over 6,600 cars off the road

or CO_2 stored by over 37.1 million trees

or S$9.1 million

and

Saving over 131,000 cu m of water

and

Water used to fill 52 Olympic size swimming pools

or S$0.2 million

CONQUAS score of 89.6%, placing them at 12th and 27th respectively on the all-time top 100 industrial projects list. To date, our efforts in construction quality have been recognised with eight projects ranked in the CONQUAS all-time top 100 industrial projects list*, making us the top main contractor on the list. Our track record of 10 projects on the CONQUAS including non-industrial projects is shown here as well.

Projects on BCA CONQUAS List

Project	CONQUAS Score	Rank on All-Time Top 100 Industrial Projects List (June 2018)
Seagate Singapore Design Center – The Shugart	92.2%	n.a. (commercial project)
ST Omega 2	91.5%	12th
Edward Boustead Centre	91.3%	15th
Kerry Logistics Centre	90.7%	18th
Bolloré Green Hub	90.3%	21st
Continental Building Phase 3	89.6%	27th
ST Electronics Building	89.1%	34th
ST Engineering Hub	85.1%	61st
Rolls-Royce Test Bed Facility	82.9%	85th
Sun Venture Investments @ 50 Scotts Road	81.5%	n.a. (commercial project)

* *Updated as at 18 June 2018.*

LETTER TO SHAREHOLDERS

John Lim Kok Min
Chairman

Thomas Chu Kok Hong
Managing Director

Dear Fellow Shareholders,

It gives us great pleasure to present to you the Boustead Projects FY2019 Annual Report for the financial year ended 31 March 2019.

This past year, we recorded a strong performance even as Singapore's industrial real estate sector remained somewhat subdued. During this period, we secured S$633 million of new contracts which is a historic high, including one private and one public sector contract each worth over S$200 million. In addition, we completed Singapore's first truly smart business park development, ALICE@Mediapolis ("ALICE"), secured four development deals and formed three new strategic partnerships while continuing with the adoption of new technologies to transform our business, all aligned with our progressive nature.

Total revenue for the year at S$234.2 million, supported by a 48% increase in design-and-build revenue, was 38% higher than the previous year. Total profit before income tax ("PBT") of S$35.7 million was, however, only marginally higher than the previous year due to a significant increase in manpower cost as we began to build up our capacity in anticipation of the substantially higher volume. This was also compounded by lower cost savings achieved on projects that had been previously completed, as compared to the prior year, and the commencement of depreciation charges on ALICE where asset stabilisation is still in progress. Total profit benefitted from the sale of 25 Changi North Rise, conducted in the ordinary course of business as part of optimising our fast growing leasehold portfolio.

FY2019 – Outperforming the Sector

During FY2019, we continued to lay the foundation to take Boustead Projects to greater heights, even as the cyclical downturn in Singapore's industrial real estate sector did not abate as expected.

At our design-and-build business, segment revenue climbed 48% year-on-year to S$205.1 million, supported by the healthy order book backlog carried forward at the end of FY2018. Segment PBT improved 23% year-on-year to S$23.4 million. Design-and-build margins were affected by the lower quantum of cost savings from previously completed projects versus the previous year.

At our real estate business, segment revenue declined 5% year-on-year to S$29.2 million, mainly due to the

"AS WE MOVE AHEAD OF THE CURVE ON THE SINGAPORE GOVERNMENT'S INDUSTRY TRANSFORMATION MAPS FOR CONSTRUCTION AND REAL ESTATE, OUR INVESTMENTS IN TECHNOLOGIES HAVE SHARPENED OUR EDGE AS ONE OF SINGAPORE'S LEADING SMART ECO-SUSTAINABLE REAL ESTATE SOLUTIONS PROVIDERS."

lease expiry of 85 Tuas South Avenue 1 in January 2018. Credit goes to our team for successfully securing a replacement long-term tenant within four months. However, no rental revenue was earned in the year as the property underwent additions & alterations. As a result, segment PBT at S$12.3 million was down 25% over the previous year despite a gain from the sale of an asset at 25 Changi North Rise, net of the depreciation charges on ALICE mentioned earlier.

Our design-and-build business was awarded 13 contracts totalling a record S$633 million compared to S$233 million the previous year. These include our largest contract in history and first Singapore Government GeBIZ contract for the S$242 million JTC Multi-Storey Recycling Facility ("JTC MSRF") and our largest private sector contract for the over S$200 million Surbana Jurong Campus ("SJC"), an iconic global headquarters designed by Safdie Surbana Jurong. Outside Singapore, we secured three new contracts in Vietnam and one in Malaysia, small by comparison to Singapore but important to our expansions in these markets.

Our real estate business also had a fruitful year, capturing development deals for Amcor's integrated facility and Bombardier Aerospace's Singapore Service Centre Phase 2 under the Boustead Development Partnership ("BDP"); and the iconic Razer Southeast Asia Headquarters at one-north under a joint venture ("JV") with a consortium led by Razer's co-founder. Previously, we completed Phase 1 for Bombardier Aerospace at the Seletar Aerospace Park and are pleased to once again be part of their adjacent expansion. In addition, we secured land at Braddell Road, which similar to ALICE, will be developed into a smart development in a very central location where no new industrial developments have been built in many years.

During the year, the BDP commenced full operations for Continental Building Phase 3 in 1Q FY2019, while ALICE received temporary occupation permit in 3Q FY2019. ALICE's asset stabilisation is in progress and will continue for much of FY2020, with about 80% of the property's net leasable area either committed or under advanced negotiations. The lag effect is due to the fact that leases committed today may not begin until months later.

Three new strategic partnerships were established, expanding our robust capabilities regionally. Echo Base, a JV real estate fund management platform will focus on development, investment and management of smart buildings and integrated developments across the Asia Pacific. Our JV with Malaysia Airports to develop sizeable tracts of Subang Aerotech Park gives us an important runway in Malaysia and will tap on our market-leading expertise in Singapore's aerospace industry. Last but not least, our 25% shareholding investment in DSCO – completed the day after FY2019 ended – will expand our data centre experience given DSCO's leading data centre consultancy footprint across the Asia Pacific.

Today, our leasehold portfolio has 24 wholly-owned and jointly-owned properties (19 completed and five still under construction) spanning over 370,000 square metres of gross floor area in Singapore, China, Malaysia and Vietnam, with a projected total market valuation surpassing S$1 billion. We have reached a stage where various options to monetise the value of our leasehold portfolio are under active review by your Board.

In line with our profit performance, your Board is pleased to recommend a final ordinary dividend of 1.5 cents and special dividend of 0.5 cent per share for your approval, which is 33% above FY2018.

Transforming Industry

Let us take a moment to express our heartiest congratulations to Singapore on the celebration of its historic Bicentennial. With no natural resources, Singapore has had to be innovative in its approach to industry over the past several decades to provide the optimal business environment to attract investments in pivotal industries and help these industries to tap on the industry of Singaporeans.

Fronting our cover, 'Transforming Industry' aptly captures how we have been contributing to the transformation of Singapore's industrial landscape over the past two decades. In addition, our success would not have been possible had it not been for our progressive nature, accompanied by the technological transformation that has shaped Boustead Projects over the past few years.

As we move ahead of the curve on the Singapore Government's Industry Transformation Maps for construction and real estate, our investments in technologies have sharpened our edge as one of Singapore's leading smart eco-sustainable real estate solutions providers.

At the forefront of our transformation has been integrated digital delivery ("IDD"), with an emphasis on virtual design and construction, and 7D building information modelling ("BIM"). Today, before we clear the ground for any project, we construct a project virtually, in the process creating a BIM that best digitally represents the real development in every aspect and allows for accurate forecasting and management of processes and thereafter is used in facilities management until the very end of the building's multi-decade lifecycle. IDD greatly improves data governance, with digitalisation a driving force in the institutionalisation of data, processes, project management and standards.

Complementing this, drones directly monitor construction activities and all views of the project including what may not be in the line of sight of manual inspections, feeding back into BIM to create a positive reinforcing loop.

Along with technological implementations, we are in close collaboration with precast concrete specialists to design extremely large prefabricated construction elements for industrial scale, which is in itself a challenge given the size of these elements and logistics issues. As we progress in this, productivity gains will likely be returned to us incrementally in lower costs and time.

Our technological transformation – currently best represented in ALICE – is taking us forward elsewhere. During FY2019, the awards of JTC MSRF and SJC further validate our technology-driven strategy, which has gained clients who value Industry 4.0 transformation standards. JTC MSRF has been touted as one of the Singapore Government's landmark projects to shift the nation increasingly towards the circular economy, where maximum value is extracted from resources through recovery, recycling and regeneration. SJC is Singapore's first large-scale industrial development to be awarded the Green Mark Platinum – Super Low Energy, a huge step towards minimal to zero carbon footprints.

We have successfully demonstrated to clients that smart eco-sustainable business park and industrial developments are present-day realities, designed from the ground up to fulfil the promise of Industry 4.0 transformation standards while simultaneously minimising emissions.

We aim to play our part in providing smart eco-sustainable solutions that promote longevity of ecosystems and transform industry, both literally and figuratively.

Our announced order book backlog of S$660 million (unrecognised project revenue remaining at the end of FY2019 plus the total value of new orders since then) has laid a firm foundation for FY2020 and FY2021 from which we can build upon our initiatives. We look forward to updating the market as we progress on our many initiatives.

A Word of Appreciation

We would like to thank our management and staff for their dedicated efforts in a challenging market and for transforming our business with commitment. We would also like to extend our gratitude to all of our clients, business partners, associates, bankers, suppliers and you, our shareholders for your continuing support. Last but not least, we would like to express our appreciation to our fellow Board colleagues for their wisdom, guidance and continued advice including Mr James Lim, who has contributed his considerable experience and knowledge to our Board since listing and will step down at our upcoming Annual General Meeting. At the same time, we would like to welcome Professor Yong Kwet Yew and Mr Tam Chee Chong, who both joined our Board as independent directors recently. We look forward to their advice, inputs and wisdom as we continue to build our business.

We look forward to seeing many of you at our upcoming Annual General Meeting.

John Lim Kok Min
Chairman

Thomas Chu Kok Hong
Managing Director

QUESTIONS & ANSWERS

What is the total market valuation of the leasehold portfolio?

A

Our leasehold portfolio has 24 wholly-owned and jointly-owned properties (19 completed and five still under construction) spanning over 370,000 square metres of gross floor area in Singapore, China, Malaysia and Vietnam, with a projected total market valuation surpassing S$1 billion once all of the properties are completed. Completed properties are valued by reputable independent third-party valuers annually, with the market valuation for the 19 completed properties at over S$800 million at the end of FY2019. Completed wholly-owned properties are reflected on our balance sheet – under the lines of properties held for sale and investment properties – at adjusted costs less depreciation (where applicable), whereas the total market valuation of these completed properties is much higher. Our share of completed jointly-owned properties are reflected on our balance sheet – under the lines of investments in an associated company and joint ventures – at adjusted net asset values and do not reflect market revaluations post-completion. We have reached a stage where various options to monetise the value of our leasehold portfolio are under active review by the Board.

What is the main difference in doing business overseas as compared to Singapore?

A

We currently offer our design-and-build and real estate solutions in both Malaysia and Vietnam, two regional markets where we can grow with clients who may be expanding regionally and also where we are able to secure strategic land banks. Our latest ongoing regional developments include Boustead Industrial Park in Vietnam and our recent joint venture platform set up with Malaysia Airports Holdings Bhd to develop an aerospace and high-tech park within Subang Aerotech Park. These two important seed developments will allow us to further build our track record and experience regionally. These developments are detailed on pages 30 to 31 of this report.

The gestation time for overseas development projects is relatively longer – often several years or more – compared to Singapore. Overseas, we are likely to be working with different land owners and strategic partners for different projects as compared to what would usually be a single industrial landlord, JTC Corporation in Singapore. The process of seeking relevant authority approvals may not be as streamlined as in Singapore. The types of end-products in demand may also differ greatly, as clients may be attracted to such countries in the first place based on available manpower, costs and industry specialisations. Overseas operating risks may also be higher given our limited regional experience, which is also why we have chosen to work with local partners with complementary expertise to mitigate many of these risks.

Are there any plans to expand beyond Singapore, China, Malaysia and Vietnam?

A

We have identified Indonesia as another potential regional market for development opportunities, particularly in the logistics industry and other sectors with growth potential.

Geographic expansion for industrial real estate tends to be more challenging. Firstly, we need to build up a local team, gain good knowledge of local construction bye-laws and structure a strong local subcontracting network to support design-and-build and development activities, which can differ greatly from country to country. At present, we have selected countries where we have a good understanding of the market, cultural, social and legal framework and potential partners we can trust.

DESIGN-AND-BUILD BUSINESS

Boustead Projects pioneered the design-and-build approach for industrial developments in Singapore with our inception in 1996. We offer clients turnkey solutions for custom-built smart eco-sustainable business park and industrial developments. These include using Industry 4.0 transformation standards and an integrated digital delivery approach enabled by 7D building information modelling ("BIM"), virtual design and construction ("VDC"), design for manufacturing and assembly ("DfMA"), drone technology and virtual reality. Our market-leading capabilities are complemented by value-added services and green building credentials, supported by robust quality, environmental, health and safety management systems. All of our design-and-build activities in Singapore are currently undertaken by wholly-owned design-and-build subsidiary, Boustead Projects E&C Pte Ltd.

Market Sectors

HIGH VALUE-ADDED INDUSTRIES

- Aerospace and automotive
- Business park
- Food
- Healthcare and pharmaceutical
- High-tech manufacturing
- Infocommunications
- Lifestyle
- Logistics
- Oil & gas ("O&G")
- Precision engineering
- Research & development ("R&D")
- Technology
- Waste management

Geographic Markets

4 COUNTRIES

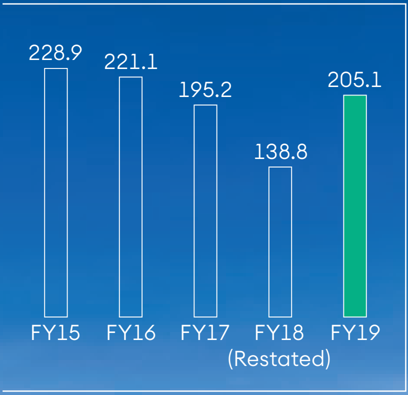
- China
- Malaysia
- Singapore
- Vietnam

Performance Highlights

SEGMENT REVENUE

S$205.1 million

Year-on-year ↑ **48%**

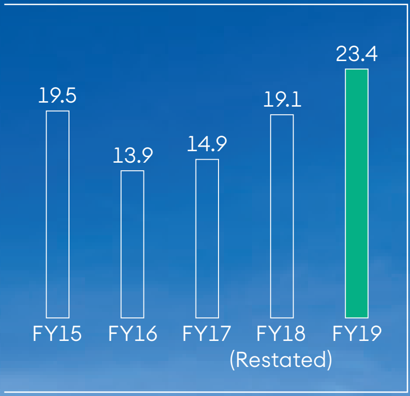


- *Higher revenue conversion on healthy order book backlog at end of FY2018*

SEGMENT PROFIT BEFORE INCOME TAX

S$23.4 million

Year-on-year ↑ **23%**

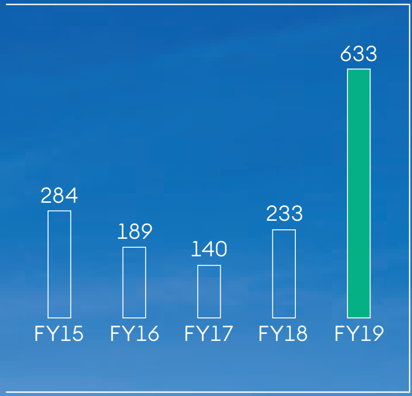


- *Higher revenue conversion, partially offset by lower quantum of cost savings from previously completed projects, investments in new capabilities and team expansions*

SEGMENT CONTRACTS SECURED

S$633 million

Year-on-year ↑ **172%**



- *Record level of contracts*

Artist's impression of Surbana Jurong Campus, Jurong Innovation District, Singapore
© Courtesy of Safdie Architects

DESIGN-AND-BUILD BUSINESS

ALICE@Mediapolis, one-north, Singapore

In FY2019, design-and-build revenue was 48% higher year-on-year at S$205.1 million, with stronger revenue conversion supported by the healthy order book backlog carried forward at the end of FY2018.

Design-and-build profit before income tax was 23% higher year-on-year at S$23.4 million, supported by the stronger revenue conversion, although this was partially offset by the lower quantum of cost savings from previously completed projects, investments in new capabilities and team expansions in preparation for all of the new contracts received during the year. We also continued to invest substantially in advanced capabilities with Industry 4.0 transformation standards and market-leading methodologies including integrated digital delivery, 7D BIM, VDC, DfMA, drone technology and virtual reality.

During the year, we completed seven major projects spanning the aerospace, automotive, logistics, O&G, technology and waste management industries.

Our landmark project delivered in FY2019 is ALICE@Mediapolis ("ALICE"), Singapore's first truly smart business park development, offering 11 floors of multi-tenanted space for the infocommunications and technology industries at one-north, JTC Corporation ("JTC")'s world-class 200-hectare innovation cluster. Developed under the Boustead Development Partnership ("BDP"), ALICE is a showcase of the transformative technologies and methodologies that we have adopted to transform the way that we develop, design, build and operate buildings. From 7D BIM to cover the entirety of a building's multi-decade lifecycle and drone surveillance to an integrated front-end smart mobile app for tenants tied directly to back-end building management systems, ALICE presents many firsts in the industry. In addition, large-scale prefabricated bathroom units ("PBUs") using prefabricated, prefinished volumetric construction were also adopted in the construction of ALICE, moving beyond the norm of small PBUs in the residential sector. For its achievements in eco-sustainability, ALICE was awarded the Green Mark Platinum – the highest eco-sustainability rating – and a Safety & Health Award Recognition for Projects (SHARP).

In the logistics sector, we completed three projects for the world's leading third-party logistics providers secured in the previous year. Two of these were design-and-build projects for new advanced logistics facilities for Bolloré Logistics and Yusen Logistics. For Bolloré Logistics, we completed the Blue Hub, a state-of-the-art innovative and green logistics facility that integrates Internet of Things and robotic process automation. Similar to the Green Hub which we developed for Bolloré Logistics in 2012, the Blue Hub was recently awarded the Green Mark Platinum and also qualified for the BiodiverCity rating, another first for us. Over in Tuas, we delivered Yusen Logistics' major expansion of one of its existing logistics facilities, transforming it into a future-ready logistics facility featuring automated ultra-high-density storage and robotic

FY2019 HIGHLIGHTS

Aug 2018

Singapore
Awarded design-and-build contract for Amcor's integrated production and logistics facility

Sep 2018

Singapore
Awarded building contract for integrated R&D and office business park development at one-north

Oct 2018

Singapore
Delivered ALICE at one-north

Dec 2018

Singapore
Awarded S$242 million building contract for JTC MSRF

order-picking technology, capable of improving storage throughput by 18 times and the high volume and high mix order fulfilment rate by 200%.

Adding to our credentials in the waste management industry, we progressed with the construction of Veolia's hazardous chemical waste treatment facility, laboratory and office building and also completed an industrial waste management complex for a separate client. During FY2019, Veolia's office building was awarded the Green Mark Platinum.

Our business development efforts yielded a record level of contracts worth S$633 million compared to the previous year's S$233 million. These include our largest contract in history and first Singapore Government GeBIZ contract for the S$242 million JTC Multi-Storey Recycling Facility ("JTC MSRF") and our largest private sector contract for the over S$200 million Surbana Jurong Campus ("SJC"), an iconic global headquarters designed by Safdie Surbana Jurong at the upcoming Jurong Innovation District ("JID"). The awards of JTC MSRF and SJC further validate our technology-driven strategy, which has gained clients who value Industry 4.0 transformation standards. JTC MSRF has been touted as one of the Singapore Government's landmark projects to shift the nation increasingly towards the circular economy, where maximum value is extracted from resources through recovery, recycling and regeneration. SJC is Singapore's first large-scale industrial development to be awarded the Green Mark Platinum – Super Low Energy, a huge step towards minimal to zero carbon footprints. We expect to progressively recognise revenue from these projects over the next two years.

Aside from completing ALICE in one-north during the year, we also secured our fourth and fifth business park projects there, which are respectively to design-and-build the Razer Southeast Asia Headquarters ("Razer SEA HQ") and for the building of an integrated R&D and office business park development for one of Singapore's largest corporations.

Other design-and-build projects secured are our fifth and sixth developments under the BDP in Singapore, which are respectively Amcor's integrated production and logistics facility, and Bombardier Aerospace Singapore Service Centre Phase 2 at the Seletar Aerospace Park ("SAP"). Closing off FY2019, we were awarded an over S$70 million contract to design-and-build an integrated advanced high-tech manufacturing facility incorporating Class 10 cleanrooms and earmarked to achieve Green Mark Gold Plus.

With conditions in Singapore's real estate market sector expected to remain challenging in FY2020, we will continue to focus on targeted opportunities in high value-added industries. We expect our investment in DSCO Group Holdings Pte Ltd ("DSCO") – completed the day after FY2019 ended – to complement our range of expertise in high-tech and high-value specialised projects such as data centres (detailed on page 38 of this report).

Bolloré Blue Hub, Singapore

Dec 2018

Singapore
Awarded design-and-build contract for Bombardier Aerospace Singapore Service Centre Phase 2 at SAP

Dec 2018

Singapore
Awarded design-and-build contract for Razer SEA HQ at one-north

Jan 2019

Singapore
Awarded over S$200 million building contract for SJC at JID

Jan 2019

Singapore
Awarded over S$70 million design-and-build contract for integrated advanced high-tech manufacturing facility

REAL ESTATE BUSINESS

Boustead Projects pioneered the design-build-and-lease or integrated development approach in Singapore in 2003. We offer clients a hybrid methodology in which we assume dual roles as the developer-owner of properties, along with that of design-and-build partner to deliver custom-built smart eco-sustainable business park and industrial developments typically leased to clients under long-term agreements. For over 15 years, this has allowed us to build a growing base of quality leasehold properties that provide our real estate business with long-term recurring income. Our capabilities have since expanded to include asset management and facilities management services.

Market Sectors

HIGH VALUE-ADDED INDUSTRIES

- Aerospace and automotive
- Engineering
- Healthcare and pharmaceutical
- Infocommunications
- Logistics
- Oil & gas and power
- Research & development ("R&D")
- Technology

Geographic Markets

4 COUNTRIES

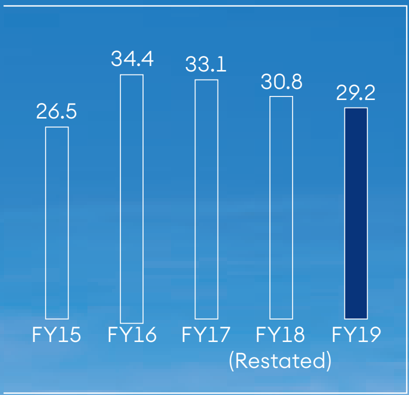
- China
- Malaysia
- Singapore
- Vietnam

Performance Highlights

SEGMENT REVENUE

S$29.2 million

Year-on-year ↓ **5%**

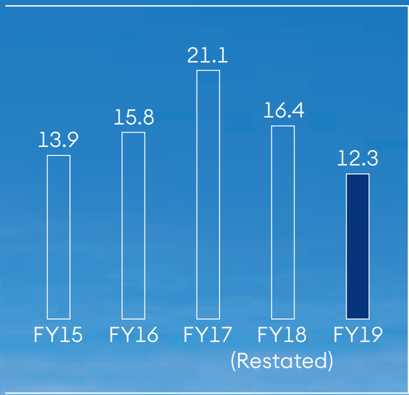


- *Lease expiry of 85 Tuas South Avenue 1*

SEGMENT PROFIT BEFORE INCOME TAX

S$12.3 million

Year-on-year ↓ **25%**



- *Lease expiry of 85 Tuas South Avenue 1 and depreciation expenses incurred on ALICE@Mediapolis, partially offset by gain from sale of 25 Changi North Rise*
- *Includes S$5.9 million gain attributable to sale of 25 Changi North Rise, net of fees.*

Artist's impression of Bombardier Aerospace Singapore Service Centre Phase 2, Seletar Aerospace Park, Singapore

REAL ESTATE BUSINESS

In FY2019, real estate revenue (previously known as leasing revenue) was 5% lower year-on-year at S$29.2 million, mainly impacted by the lease expiry of 85 Tuas South Avenue 1 in January 2018. The property was leased to a new tenant in April 2018, with rental revenue and cash flow expected to recommence in FY2020 after additions & alterations are completed.

Real estate profit before income tax was 25% lower year-on-year, impacted by the lease expiry of 85 Tuas South Avenue 1, depreciation expenses incurred on ALICE@ Mediapolis ("ALICE") and the absence of a one-off gain from associated company, THAB Development Sdn Bhd ("THAB") registered in FY2018, partially offset by the gain attributable to the sale of 25 Changi North Rise. Our decision to sell 25 Changi North Rise was made in consideration of the relatively short land lease tenure remaining for the property and our optimisation strategy for the leasehold portfolio.

During the year, the Boustead Development Partnership ("BDP") completed ALICE, Singapore's first truly smart business park development, offering 11 floors of multi-tenanted space for the infocommunications and technology industries at one-north. ALICE is the most intelligent business park development to date, with the greatest number of front-end and back-end building management systems integrated onto a single platform, transforming the user experience for tenants, visitors, asset managers, facilities managers and the landlord, and enabling greater productivity through automation and convenience. Awarded the Green Mark Platinum, ALICE allows tenants to monitor individual energy and water consumption levels on a smart mobile app. The app also acts as a mobile access card for tenants and visitors, with a destination control system restricting access to tenants' or visitors' respective floors as an added security feature. The app and user portal also allow tenants to self-manage visitor access, staff passes, season and guest parking, and extend air-conditioning hours, among other smart features. Approximately 80% of ALICE's net leasable area is either committed or under advanced negotiations.

Also under the BDP, the completed Continental Building Phase 3, a R&D expansion for Continental Automotive connected to Phases 1 and 2, began contributing to our share of joint venture ("JV") rental income from the start of FY2019.

Overseas, we successfully leased out almost all of THAB's multi-tenanted logistics hub at the Port of Tanjung Pelepas in Iskandar Malaysia and progressed with the construction and marketing of ready-built standard industrial facilities on the first 60,000 square metres of land in our Boustead Industrial Park located within Nhon Trach 2 – Nhon Phu Industrial Park in Dong Nai, Vietnam.

It was a highly successful year on the business development front, during which we secured a haul of new developments in Singapore including land at Braddell Road, to be developed into a new multi-tenanted smart development in a central location with extremely limited capacity. The BDP also secured its fifth and sixth development projects, which are respectively Amcor's integrated production and logistics facility, and Bombardier Aerospace Singapore Service Centre Phase 2 at the Seletar Aerospace Park ("SAP"). We developed Phase 1 for Bombardier Aerospace under a design-build-and-lease arrangement in 2013. Further growing our presence within one-north, Snakepit-BP LLP ("Snakepit-BP"), our JV with Razer's co-founder and other private investors, secured the development of the Razer Southeast Asia Headquarters ("Razer SEA HQ"), which is also the maiden project under asset management for another JV platform, Echo Base-BP Capital Pte Ltd ("Echo Base"). The JVs for the

FY2019 HIGHLIGHTS

Apr 2018

Singapore
Secured new tenant for 85 Tuas South Avenue 1

Jun 2018

Singapore
Completed sale of 25 Changi North Rise

Aug 2018

Singapore
BDP secured development contract for Amcor's integrated production and logistics facility; BP E&C is design-and-build partner

Sep 2018

Singapore
Secured land at Braddell Road for new multi-tenanted smart development

various development deals secured in Singapore have all awarded our wholly-owned design-and-build subsidiary, Boustead Projects E&C Pte Ltd ("BP E&C"), the respective design-and-build contracts.

In a major breakthrough in Malaysia, we established BP Malaysia Airports Subang Aerotech Sdn Bhd ("BP-MAHB Subang Aerotech"), a JV with Malaysia Airports Holdings Bhd ("MAHB") to develop an aerospace and high-tech park at the Subang Aerotech Park in Selangor, on potentially over 140,000 square metres of land next to the Sultan Abdul Aziz Shah Airport (also known as Subang Airport) to be leased to corporations serving the aerospace industry. Our Echo Base and BP-MAHB Subang Aerotech strategic partnerships are detailed on pages 38 to 39 of this report.

With the completion of ALICE, the number of completed properties in our leasehold portfolio* is now over 268,000 square metres in gross floor area ("GFA"), with a total market valuation exceeding S$800 million and supported by a relatively well-staggered lease expiry profile, and well-diversified and reputable tenant base. At the end of FY2019, our completed wholly-owned leasehold properties comprised over 166,000 square metres in GFA, and – if we include 85 Tuas South Avenue 1 which had been leased to a new tenant – had an overall occupancy rate of 93% and a weighted average lease expiry ("WALE") of over five years. Our completed jointly-owned leasehold properties comprised over 101,000 square metres in GFA, and – excluding ALICE where leasing is still in progress – had an overall occupancy rate of 97% and a WALE of over six years.

Our leasehold portfolio is detailed on pages 32 to 35 of this report.

Going forward, we will continue to expand our leasehold portfolio of income-generating properties. The growing proportion of jointly-owned leasehold properties within our leasehold portfolio will also allow us to progressively recognise more fees associated with managing third-party capital. We have reached a stage where various options to monetise the value of our leasehold portfolio are under active review by the Board.

Lobby at ALICE, one-north, Singapore

Nov 2018

Singapore
BDP completed ALICE at one-north; BP E&C is design-and-build partner

Dec 2018

Singapore
BDP secured development contract for Bombardier Aerospace Singapore Service Centre Phase 2 at SAP; BP E&C is design-and-build partner

Dec 2018

Singapore
Snakepit-BP secured development contract for Razer SEA HQ at one-north; BP E&C is design-and-build partner while Echo Base is asset manager

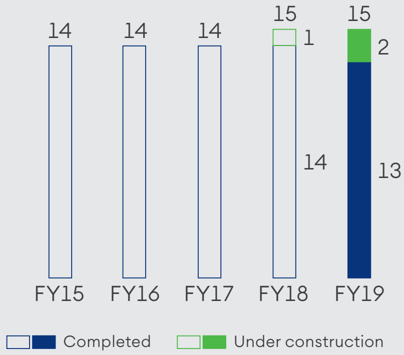
Mar 2019

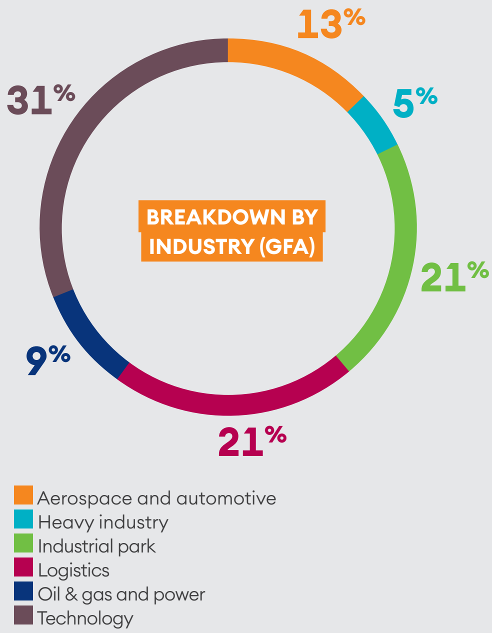
Malaysia
Established BP-MAHB Subang Aerotech to develop aerospace and high-tech park at Subang Aerotech Park

* *Includes both wholly-owned and jointly-owned properties.*

REAL ESTATE BUSINESS
Wholly-Owned Leasehold Portfolio

At the end of FY2019, our wholly-owned leasehold portfolio contained 13 completed properties – following the completion of the sale of 25 Changi North Rise – and two properties under construction, as displayed here. Our completed properties comprised over 166,000 square metres in gross floor area ("GFA"), and – including 85 Tuas South Avenue 1 which had been leased to a new tenant – had an overall occupancy rate of 93% and a weighted average lease expiry ("WALE") of over five years. These properties are mainly leased to reputable global corporations in high value-added industries.





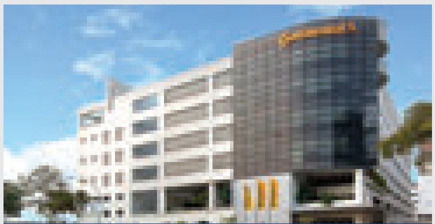
Completed Properties

1. 10 Tukang Innovation Drive

Year of completion	2014
GFA (sqm)	24,800

2. 31 Tuas South Avenue 10

Year of completion	2014
GFA (sqm)	10,527



3. 80 Boon Keng Road (Phase 2)

Year of completion	2014
GFA (sqm)	4,938

4. 16 Tampines Industrial Crescent

Year of completion	2013
GFA (sqm)	20,020

5. 10 Seletar Aerospace Heights

Year of completion	2013
GFA (sqm)	6,290

6. 80 Boon Keng Road (Phase 1)

Year of completion	2012
GFA (sqm)	11,249

7. 10 Changi North Way

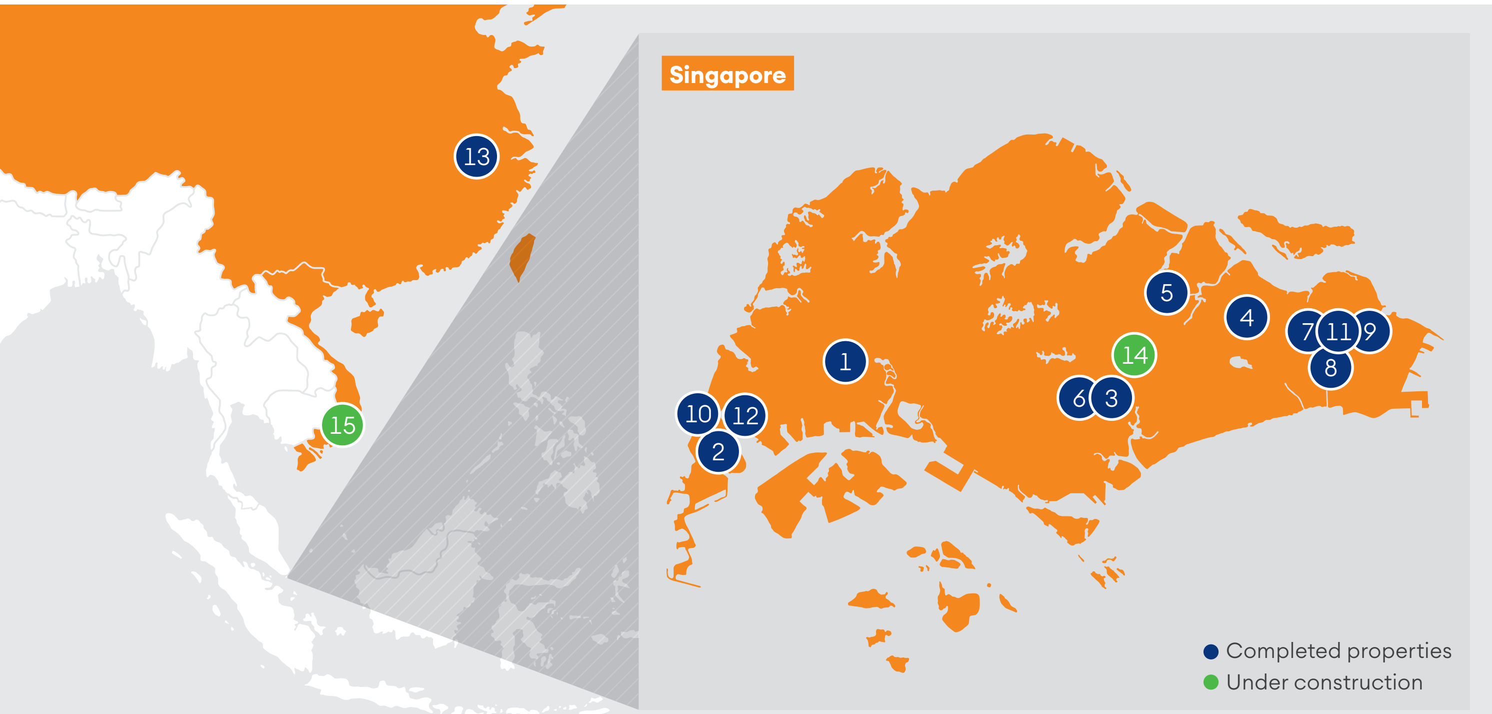
Year of completion	2011
GFA (sqm)	12,019

8. 26 Changi North Rise

Year of completion	2011
GFA (sqm)	6,000

9. 16 Changi North Way

Year of completion	2008
GFA (sqm)	11,320



10.	85 Tuas South Avenue 1
Year of completion	2008
GFA (sqm)	10,433

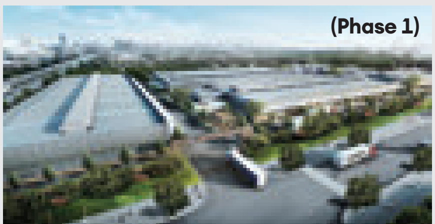
11.	12 Changi North Way
Year of completion	2005
GFA (sqm)	23,881

12.	36 Tuas Road
Year of completion	1995
GFA (sqm)	11,470

13.	Wuxi Boustead Industrial Development
Year of completion	2003-2007
GFA (sqm)	13,940

Under Construction

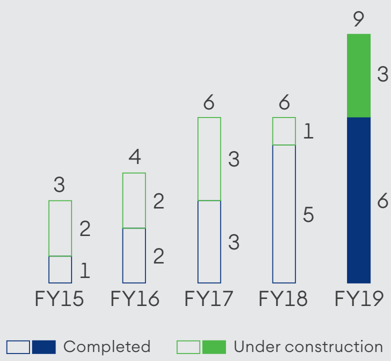
14.	Braddell Road Development
Expected year of completion	2020
Expected GFA (sqm)	Over 24,100

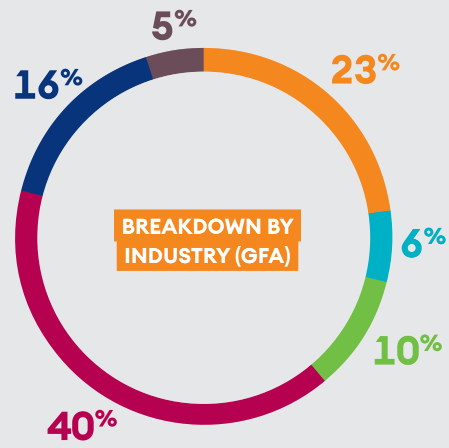


15.	Boustead Industrial Park (Vietnam)
Expected year of completion	2019
Expected GFA (sqm)	Over 33,900

REAL ESTATE BUSINESS
Jointly-Owned Leasehold Portfolio

At the end of FY2019, our jointly-owned leasehold portfolio contained six completed properties and three properties under construction, as displayed here. Our completed jointly-owned leasehold properties comprised over 101,000 square metres in GFA, and – excluding ALICE where leasing is still in progress – had an overall occupancy rate of 97% and a WALE of over six years. These properties are mainly leased to reputable global corporations in high value-added industries.





Completed Properties

1. 29 Media Circle

Year of completion 2018
GFA (sqm) 39,487

2. 84 Boon Keng Road (Phase 3)

Year of completion 2018
GFA (sqm) 11,151

3. 23 Rochester Park

Year of completion 2016
GFA (sqm) 14,338

4. 11 Seletar Aerospace Link

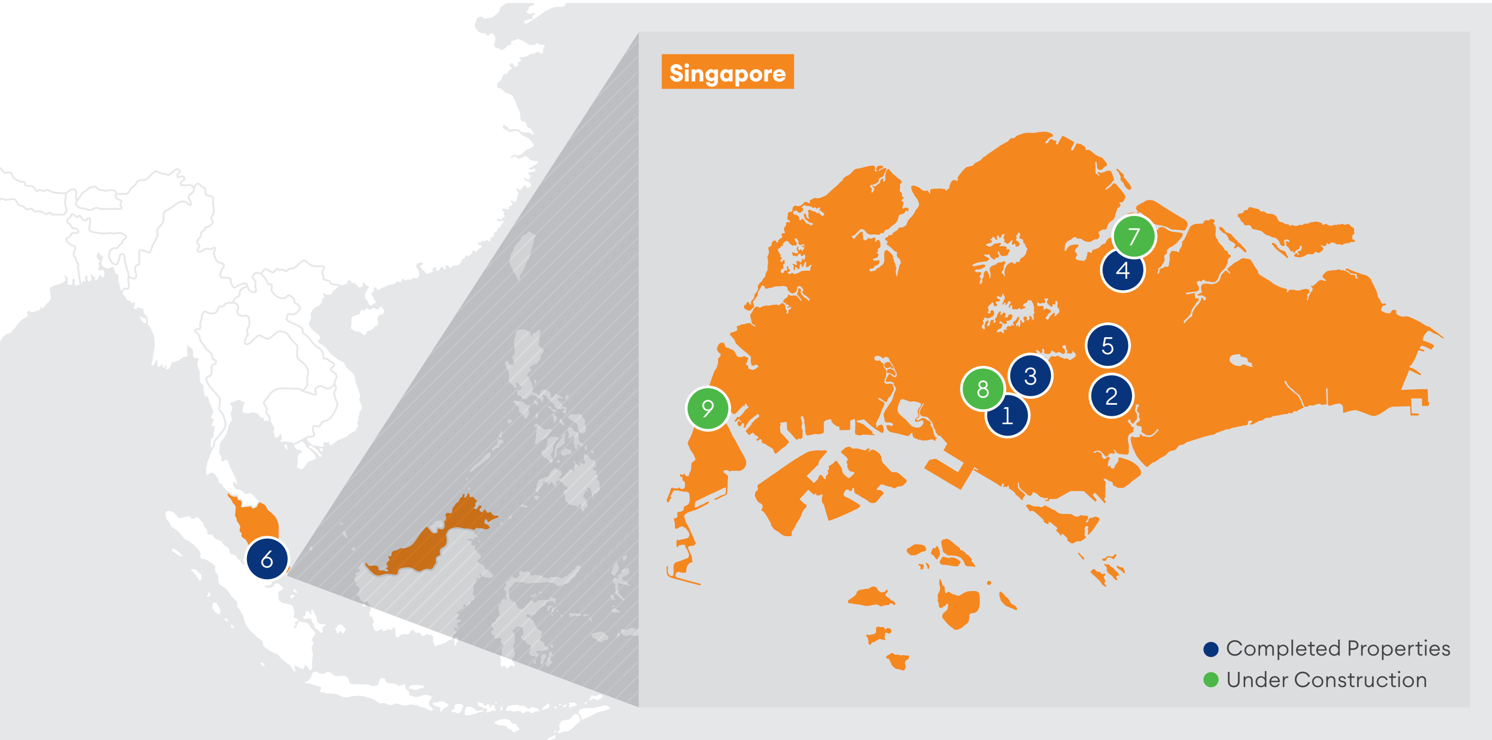
Year of completion 2015
GFA (sqm) 3,567

5. 82 Ubi Avenue 4

Year of completion 2014
GFA (sqm) 8,759

6. Port of Tanjung Pelepas, Iskandar Malaysia

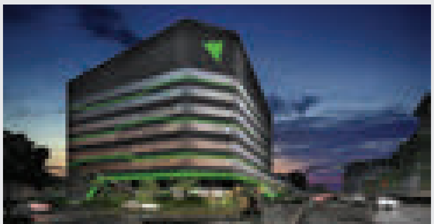
Year of completion 2017
GFA (sqm) 24,105



Under Construction

7. Seletar Aerospace Heights (Phase 2)

Expected year of completion	2020
Expected GFA (sqm)	Over 19,000



8. One-north Crescent and Stars Avenue

Expected year of completion	2020
Expected GFA (sqm)	Over 19,200

9. Tuas Bay Drive

Expected year of completion	2019
Expected GFA (sqm)	Over 6,900

STRATEGIC PARTNERSHIPS & INVESTMENTS

Boustead Projects has established and invested in several strategic partnerships and platforms to enhance our competitive position and geographically expand across Asia. Working with like-minded and reputable partners on several fronts has allowed us to pool our complementary capabilities and expertise to take on larger-scale projects and broaden our offerings to clients, while simultaneously reducing commercial and operational risks related to a particular geographic market, industry cluster or real estate sector. Activities under strategic partnerships potentially feed into our design-and-build and real estate businesses.

Market Sectors

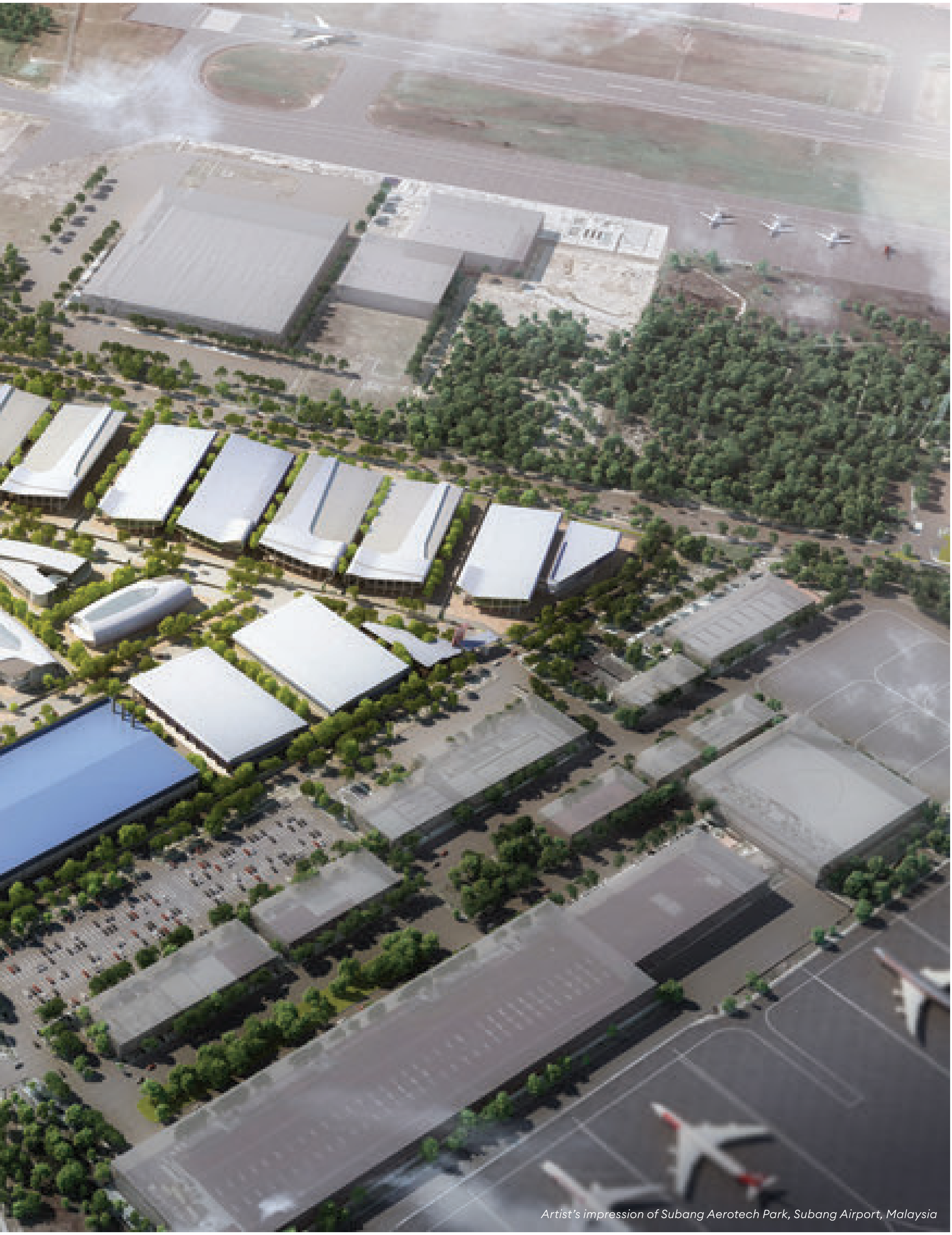
HIGH VALUE-ADDED INDUSTRIES

- Aerospace and automotive
- Data centres
- Engineering
- Healthcare and pharmaceutical
- Infocommunications
- Lifestyle
- Research & development ("R&D")
- Smart mixed developments
- Technology

Geographic Markets

6 COUNTRIES AND TERRITORIES

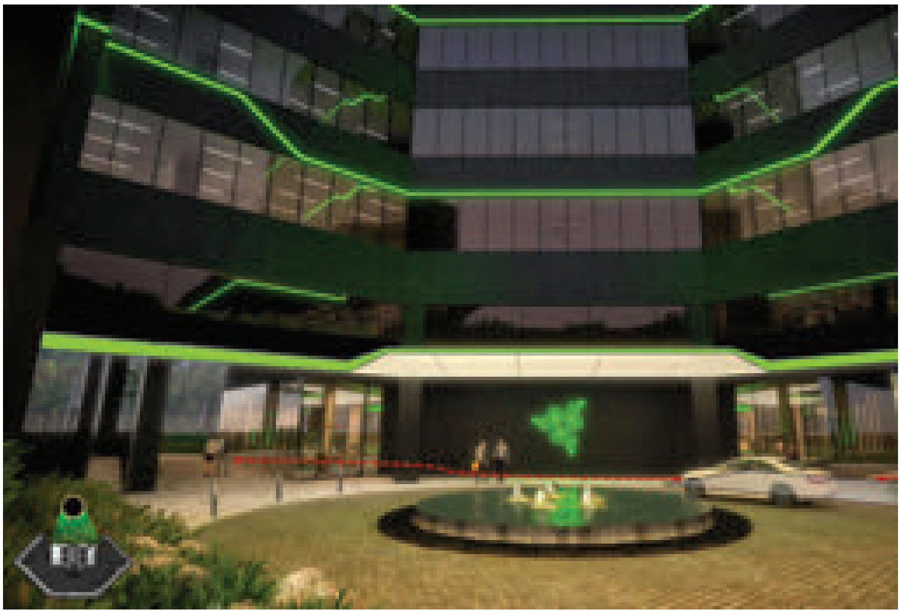
- China
- Hong Kong
- Indonesia
- Malaysia
- Singapore
- Vietnam



Artist's impression of Subang Aerotech Park, Subang Airport, Malaysia

STRATEGIC PARTNERSHIPS & INVESTMENTS

In FY2019, we formed three new strategic partnerships: Echo Base-BP Capital Pte Ltd ("Echo Base") in Singapore, BP Malaysia Airports Subang Aerotech Sdn Bhd ("BP-MAHB Subang Aerotech") in Malaysia and a strategic partnership through investment in DSCO Group Holdings Pte Ltd ("DSCO") in Singapore. These new strategic partnerships complement our existing strategic partnerships including the Boustead Development Partnership ("BDP") in Singapore, THAB Development Sdn Bhd ("THAB") in Malaysia and a consortium led by SGX-listed Perennial Real Estate Holdings Ltd ("PREH") in China.



Artist's impression of driveway at Razer SEA HQ, one-north, Singapore

BDP

Established in 2014, the BDP is our largest joint venture ("JV") and a co-investment partnership with a reputable Middle East sovereign wealth fund. Under the BDP, we possess a strategic JV platform to undertake sizeable development and redevelopment projects in Singapore's industrial real estate sector.

FY2019 was another active year for the BDP, which successfully completed its fourth development and second business park development within one-north – ALICE@Mediapolis – and secured its fifth and sixth developments. These are respectively for Amcor's integrated production and logistics facility, and Bombardier Aerospace Singapore Service Centre Phase 2 at the Seletar Aerospace Park ("SAP").

Echo Base

During FY2019, we launched Echo Base, a strategic JV real estate fund management and services platform focused on the development, investment and management of smart buildings and integrated developments across the Asia Pacific, specifically in selected global gateway cities. Echo Base is equally owned by us and Moor House Capital Pte Ltd, a company that is majority-owned by Razer's co-founder. Echo Base's maiden project under asset management is the Razer Southeast Asia Headquarters ("Razer SEA HQ"), a high-tech smart business park development under Snakepit-BP LLP ("Snakepit-BP"), our JV with Razer's co-founder and other private investors. With a mandate covering the Asia Pacific and technology-driven real estate, Echo Base is also expected to facilitate our entry into new real estate sectors across a wider geographical reach.

DSCO

At the end of FY2019, we announced our strategic investment in a 25% shareholding of DSCO for approximately S$4.2 million, with the investment completed the day after FY2019 ended. DSCO is a provider of specialised building engineering consulting services in the Asia Pacific. Given DSCO's strong reputation as a leading designer in data centres, we expect our investment in DSCO to support our future expansion and augment our construction and development capabilities in high-tech and high-value projects.

FY2019 HIGHLIGHTS

Aug 2018

Singapore
BDP secured development contract for Amcor's integrated production and logistics facility

Nov 2018

Singapore
BDP completed ALICE at one-north

Dec 2018

Singapore
BDP secured development contract for Bombardier Aerospace Singapore Service Centre Phase 2 at SAP

Data centre project by DSCO, Singapore

BP-MAHB Subang Aerotech

During FY2019, we established BP-MAHB Subang Aerotech, a 70-30 strategic JV platform with Malaysia Airports Holdings Bhd ("MAHB") to develop an aerospace and high-tech park at the Subang Aerotech Park in Selangor, to be leased to corporations serving the aerospace industry. MAHB has granted BP-MAHB Subang Aerotech the rights to sublease up to over 140,000 square metres of land next to the Subang Airport, subject to MAHB obtaining the relevant authority approvals for the sublease.

Malaysia, in particular Selangor, is expected to continue playing an important role in the Asia Pacific's growing maintenance, repair and overhaul market and the aerospace industry. Our strategic partnership with MAHB will allow us to further expand our overseas presence in a high value sector where we are able to add value, given our integrated and growing capabilities across design-and-build and development, and our experience and track record in delivering projects in the aerospace industry which currently stands at over 200,000 square metres in gross floor area ("GFA").

THAB

Established in 2013, THAB is a strategic partnership that we formed with AME Construction Sdn Bhd, Tat Hong Holdings Ltd and CSC Holdings Ltd to address our growing presence in Malaysia. THAB has completed two developments, namely iBP@ Nusajaya, a premier freehold business park located in the Southern Industrial & Logistics Clusters of Nusajaya; and a multi-tenanted logistics hub at the Port of Tanjung Pelepas, almost all of which has been successfully leased out.

PREH Consortium

Established in 2012, we joined a consortium led by PREH to develop Beijing Tongzhou Integrated Development Phase 1, a mixed-use Grade A iconic landmark development at the centre of Beijing Tongzhou's Central Business District. We hold a 4% shareholding in this landmark development. Phase 1 features a proposed 414,000 square metres of GFA with an eight-level retail podium, two office towers and one residential tower. Construction of Phase 1 has begun and is expected to be completed by 2023. By the end of FY2019, the fair value of our investment in Phase 1 had risen to S$31.4 million.

Going forward in FY2020, we will continue to focus on building on our strategic partnerships and platforms to support our medium to long-term growth efforts in Singapore and the region, penetrate certain high barrier to entry industries and new real estate sectors.

Feb 2019

Singapore
Echo Base launched with Razer SEA HQ as maiden project under asset management

Mar 2019

Malaysia
Entered into JV with MAHB to develop aerospace and high-tech park at Subang Aerotech Park

Mar 2019

Singapore
Proposed investment in 25% shareholding of DSCO (completed in FY2020)

QUALITY, SAFETY & SUSTAINABILITY AWARDS

	Awarded by: BCA / Enterprise Singapore		
	Construction Excellence, Productivity & Quality Awards	**Green Mark Platinum**	**Green Mark Gold Plus & Gold**
Total	**8 awards**	**12 awards**	**11 awards**
2019	• Construction Productivity Award – Projects (Gold) for Continental Building Phase 3	• Bolloré Blue Hub • Surbana Jurong Campus (Super Low Energy) **/ 1st Super Low Energy in large-scale industrial category /** • Veolia Singapore Office@Tuas View Circuit	
2018	• BP E&C: Green & Gracious Builder Award (Excellent)	• ALICE@Mediapolis	
2017	• BP E&C: Singapore Quality Class Certification under Enterprise Singapore Business Excellence • BP E&C: BIM Gold Award – Organisation Category • Construction Excellence Award for Seagate Singapore Design Center – The Shugart		• Markono M-Cube (Gold) • XP Power (Gold Overseas) **/ 1st Green Mark in non-residential building category in Vietnam /**
2016		• Kuehne + Nagel Singapore Logistics Hub	
2015	• BP: Green & Gracious Builder Award (Merit) • Construction Productivity Award – Projects (Gold) for Edward Boustead Centre	• Edward Boustead Centre • Seagate Singapore Design Center – The Shugart	• Greenpac Greenhub (Gold Plus)
2014	• Construction Excellence Certificate of Merit for Bolloré Green Hub	• DB Schenker Shared Logistics Center 3 (Tampines LogisPark)	• Greenpac Greenhub (Office Interior Gold Plus) • Kerry Logistics Centre (Gold) • Satair Airbus Singapore Centre (Gold)
2013			• Greenpac Greenhub (Gold) • Jabil Circuit (Gold)
2012		• Bolloré Green Hub **/ 1st in logistics category /**	
2011		• Rolls-Royce Wide Chord Fan Blade Manufacturing Facility • Rolls-Royce Test Bed Facility **/ 1st in aerospace category /**	
2010			• IBM Singapore Technology Park (Gold) • Sun Venture Investments@50 Scotts Road (Gold)
2009		• Applied Materials Building **/ 1st in heavy industry category /**	• StarHub Green (Gold)

Legend

BCA: Building & Construction Authority
BIM: Building Information Modelling
BP: Boustead Projects
BP E&C: Boustead Projects E&C
EDB: Economic Development Board of Singapore
LEED: Leadership in Energy & Environmental Design
SHARP: Safety & Health Award Recognition for Projects
USGBC: US Green Building Council
WSH: Workplace Safety & Health

Awarded by:	
USGBC	**WSHC**
LEED Gold	**bizSAFE & Safety Awards**
3 awards	**18 awards**
	• SHARP for ALICE@Mediapolis
	• SHARP for GSK Asia House
• Kuehne + Nagel Singapore Logistics Hub	• SHARP for Kuehne + Nagel Singapore Logistics Hub
	• SHARP for MTU Asia Pacific HQ
• Kerry Logistics Centre • Bolloré Green Hub **/ 1st LEED Gold in logistics industry in Asia /**	
	• BP: WSH Performance (Silver) Award • SHARP for Bolloré Green Hub
	• BP: bizSAFE Mentor • BP: WSH Performance (Silver) Award • SHARP for Rolls-Royce Wide Chord Fan Blade Manufacturing Facility
	• BP: WSH Performance (Silver) Award • BP: WSH Officer Award • SHARP for Applied Materials Building • SHARP for IBM Singapore Technology Park • SHARP for Singapore Aero Engine Services • SHARP for Le FreePort
	• BP: bizSAFE Star • BP: WSH Performance (Silver) Award • SHARP for StarHub Green

WSHC: Workplace Safety & Health Council

BOARD OF DIRECTORS

Bachelor of Arts (Economics) (Hons), University of Malaya
Honorary Fellow, Singapore Institute of Directors
Public Service Medal, National Day Awards 2006

John Lim Kok Min

Chairman & Independent Non-Executive Director

- Chairman, Nominating Committee
- Chairman, Remuneration Committee
- Member, Audit & Risk Committee

Appointed: 25 March 2015

Last re-elected: 28 July 2016

Mr Lim was appointed as our Chairman & Independent Non-Executive Director in 2015. With over 50 years of extensive senior management experience in the Asia Pacific, he is currently independent non-executive Chairman of IREIT Global Group Pte Ltd, independent non-executive director of Silverlake Axis Ltd and of several private corporations. He relinquished his role as independent non-executive director of Boustead Singapore Limited in 2015 following his appointment to our Board. His previous appointments include Chairman of the Building & Construction Authority, Gas Supply Pte Ltd, OECD-Asia Network on Corporate Governance of State-Owned Enterprises, Senoko Power Pte Ltd and Singapore Institute of Directors; Deputy Chairman of NTUC FairPrice Co-operative Ltd; and Vice-Chairman of the Agri-Food & Veterinary Authority, Singapore Institute of Management and Temasek Polytechnic. He also held positions as Deputy Group Executive Chairman & President of LMA International NV; Group Chief Executive Officer of Cold Storage Holdings Ltd; and Group Managing Director of JC-MPH Ltd and Pan-United Corporation Ltd.

Bachelor of Civil Engineering (Hons), University of New South Wales

Wong Yu Wei

Deputy Chairman & Executive Director

- Member, Nominating Committee

Appointed: 1 December 2008

Last re-elected: 28 July 2018

Mr Wong joined Boustead Projects in 2009 and was appointed as our Deputy Chairman & Executive Director in 2015. His full profile can be found on page 44.

Bachelor of Engineering (Civil) (Hons), University of Melbourne
Certificate of Real Estate Investment Finance, APREA Institute

Thomas Chu Kok Hong

Managing Director & Executive Director

- Member, Nominating Committee

Appointed: 5 January 2009

Last re-elected: 27 July 2017

Mr Chu joined Boustead Projects in 1997 and was appointed as our Managing Director in 2009. His full profile can be found on page 44.

Mombusho (Colombo Plan) Scholar
Bachelor of Engineering (Electronics), University of Tokyo
Advanced Management Programme, INSEAD
Public Administration Medal (Gold), National Day Awards 2003

Chong Lit Cheong

Independent Non-Executive Director

- Chairman, Audit & Risk Committee
- Member, Nominating Committee
- Member, Remuneration Committee

Appointed: 15 May 2015

Last re-elected: 28 July 2016

Mr Chong was appointed as our Independent Non–Executive Director in 2015. He is currently Group Chief Corporate Officer of Surbana Jurong Pte Ltd. Prior to this, he held positions in the CapitaLand Group as Chief Executive Officer of CapitaLand Commercial Ltd, Chief Executive Officer of Regional Investments, Deputy Group Chief Corporate Officer and Senior Advisor, Strategic Projects. He also held positions as Chief Executive Officer of International Enterprise Singapore and JTC Corporation; and Managing Director of the National Science & Technology Board. Earlier, he served in the Economic Development Board of Singapore where he was posted to Suzhou, China, to lead the development of the China–Singapore Suzhou Industrial Park. He is currently non-executive director of AETOS Holdings Pte Ltd.

Bachelor of Engineering (Civil) (Hons), University of Canterbury

James Lim Jit Teng

Independent Non-Executive Director

- Member, Audit & Risk Committee
- Member, Nominating Committee
- Member, Remuneration Committee

Appointed: 25 March 2015

Last re-elected: 26 July 2018

Mr Lim was appointed as our Independent Non-Executive Director in 2015. With over 40 years of extensive building industry experience in the Asia Pacific, he served as Executive Director of Boustead Singapore Limited from 1996 to 2005 and oversaw the activities of the Real Estate Solutions Division before his retirement, thereafter serving as a Consultant to Boustead Projects up until 2014. He also held positions as Executive Director of Guthrie GTS Ltd, Lend Lease Singapore Pte Ltd and Sunshine Allied Ltd.

Bachelor of Engineering (Civil) (1st Class Hons), University of Sheffield
PhD, University of Sheffield (Grouped Engineering Scholarship)
Honorary Fellow, Institution of Engineers, Singapore
Public Administration Medal (Silver), National Day Awards ("NDA") 2000
Public Service Medal, NDA 2004
Public Service Star, NDA 2008

Professor Yong Kwet Yew

Independent Non-Executive Director

- Member, Nominating Committee
- Member, Remuneration Committee

Appointed: 1 May 2019

Professor Yong was appointed as our Independent Non-Executive Director in 2019. He is currently Professor of Civil & Environmental Engineering and Senior Vice President (Campus Infrastructure) at the National University of Singapore ("NUS"), where he has served for over 40 years and overseen the development of a smart, safe and sustainable campus including the completed S$1 billion University Town and Yale-NUS College – among the largest construction programmes undertaken at the NUS. His research is a microcosm of infrastructure development in Singapore. He has published more than 200 technical publications and delivered over 30 keynote and guest lectures at international conferences. He is currently non-executive independent Chairman of BBR Holdings (S) Ltd and Tritech Group Ltd. He has chaired the boards and national committees at several of the Singapore Government's ministries and statutory boards including the Building & Construction Authority, Land Transport Authority, Ministry of Defence, Ministry of Finance, Ministry of Environment & Water Resources, Ministry of Manpower and Ministry of National Development.

Fellow Chartered Accountant of England & Wales
Fellow Chartered Accountant of Singapore

Tam Chee Chong

Independent Non-Executive Director

- Member, Audit & Risk Committee
- Member, Nominating Committee

Appointed: 1 May 2019

Mr Tam was appointed as our Independent Non-Executive Director in 2019. With over 30 years of extensive corporate and financial advisory experience, he has worked with various Big 4 accounting firms (Deloitte, KPMG, PwC and Andersen) in Singapore, London and Hong Kong, and in a wide range of industries and portfolios. He is currently Chairman of Kembangan-Chai Chee Citizens' Consultative Committee and sits on the boards of Halogen Foundation Singapore and YMCA of Singapore. He also held positions as Group Chief Financial Officer of Fullerton Healthcare Corporation Ltd from 2018 to 2019 and prior to that, numerous executive positions within Deloitte including Deputy Managing Partner – Markets in Singapore and Regional Managing Partner – Financial Advisory Services for Deloitte Southeast Asia Ltd. He also served on the Board of Deloitte Southeast Asia and on its Southeast Asia and Singapore Executive Committees. His public accounting experience includes being the partner in charge of audits of several SGX-listed corporations such as Labroy Marine Ltd, Neptune Orient Lines Ltd, Sembcorp Marine Ltd, Singapore Petroleum Company Ltd, Singapore Technologies Engineering Ltd, WBL Corporation Ltd and Yeo Hiap Seng Ltd.

KEY MANAGEMENT TEAM

Thomas Chu Kok Hong
Managing Director & Executive Director
Bachelor of Engineering (Civil) (Hons), University of Melbourne
Certificate of Real Estate Investment Finance, APREA Institute

Mr Chu joined Boustead Projects in 1997 and was appointed as our Managing Director in 2009. He began his role here as Project Engineer and was subsequently promoted several times, penultimately to Business Development Director before assuming his current position. He has overall responsibility for Boustead Projects including strategic execution, business development and project management. He sat as a member of the Singapore Government's Committee on Future Economy's Subcommittee on Future City. This subcommittee, comprising members from the private and public sectors, studied how Singapore can continue to develop its infrastructure to support future growth in an inclusive and sustainable manner and to enhance connectivity with the region.

Wong Yu Wei
Deputy Chairman & Executive Director
Bachelor of Civil Engineering (Hons), University of New South Wales

Mr Wong joined Boustead Projects in 2009 and was appointed as our Deputy Chairman & Executive Director in 2015. He began his role here as Deputy Managing Director and was subsequently promoted to Senior Deputy Managing Director before assuming his current position. With over a decade of property development experience, he is responsible for our Real Estate Business including developments, investments, legal matters, overseas business expansion and execution of strategic alliances and joint ventures. He also held positions within the Boustead Group as General Manager of Strategic Operations at Boustead Singapore Limited, and Business Development Support Consultant and Business Development Coordinator at Esri Australia Pty Ltd and Esri South Asia Pte Ltd respectively.

Raymond Lum
Chief Operating Officer
Bachelor of Engineering (Electrical Engineering) (Hons), National University of Singapore
Master of Business Administration, Nanyang Technological University
Master of Science (Applied Finance), Singapore Management University
Chartered Accountant of Singapore

Mr Lum joined Boustead Projects in 2018. With over 20 years of extensive engineering and corporate development experience, he is responsible for corporate teams and oversees international business expansion, mergers and acquisitions ("M&A"), corporate affairs, human resources, investor relations, legal and IT matters. Prior to this, he held the position of Head & Vice President of TeleChoice International Ltd, an SGX-listed subsidiary of Singapore Technologies Telemedia Pte Ltd. He also held positions in KPMG Corporate Finance Pte Ltd, SIA Engineering Company Ltd, ST Electronics (Info-Software Systems) Pte Ltd and Squire Mech Pte Ltd. His broad career has spanned business development, contract management, corporate finance, corporate strategy, engineering design and technical implementation, and M&A.

Lee Keen Meng
Chief Financial Officer
Bachelor of Commerce (Accounting), University of Queensland, Australia
Chartered Accountant of Singapore
Certified Practising Accountant, Australia

Mr Lee joined Boustead Projects in 2009. He began his role here as Finance Director and was subsequently promoted to Senior Finance Director before assuming his current position upon the listing of Boustead Projects on the SGX Mainboard in 2015. With over 20 years of extensive accounting and finance experience, he is responsible for finance teams and oversees financial and management reporting, treasury and taxation matters. Prior to this, he held positions at Honeywell Pte Ltd, Sembcorp Engineers & Constructors Pte Ltd, PSA Corporation Ltd, Oversea-Chinese Banking Corporation Ltd and the Auditor-General's Office of Singapore.

Steven Koh
Deputy Managing Director (Operations)
Bachelor of Applied Science (Construction Management & Economics), Curtin University of Technology

Mr Koh joined Boustead Projects in 1999. He began his role here as Project Manager and was subsequently promoted several times, penultimately to Operations Director before assuming his current position in 2011. With over 20 years of extensive industry experience, he is responsible for operations and project management teams and ensures that projects complete on schedule and meet key performance and specification factors such as profitability, quality, reliability and safety, and also spearheads ongoing innovation and integrated digital delivery technology transformations. Prior to this, he held a position at Takenaka Singapore Pte Ltd.

Liew Kau Keen
Director (Business Development)
Bachelor of Engineering (Civil Engineering) (Hons), University of Leeds
Master of Science (International Construction Management & Engineering), University of Leeds

Mr Liew joined Boustead Projects in 2001. He began his role here as Site Engineer and was subsequently promoted several times, penultimately to Deputy Director (Business Development) before assuming his current position in 2015. With over 15 years of extensive industry experience, he is responsible for design-and-build business development, architecture, quantity surveying and mechanical & electrical engineering teams and design-and-build business development activities in Singapore and South East Asia.

Howard How
Director (Environmental, Health & Safety)
Bachelor of Engineering (Civil Engineering), National University of Singapore
Member, The Singapore Contractors Association Ltd ("SCAL") Workplace Safety & Health ("WSH") Subcommittee
Member, National Work at Heights Safety Taskforce
Environmental Control Officer, National Environment Agency
Safety Officer Training, Ministry of Manpower ("MOM")
Graduate Certificate in WSH (Auditor), Ngee Ann Polytechnic

Mr How joined Boustead Projects in 2007. He began his role here as Senior Corporate Safety Manager and was subsequently promoted to Deputy Director (Environmental, Health & Safety) before assuming his current position in 2015. With over 15 years of extensive safety experience, he is responsible for environmental, health and safety teams and ensures compliance with internal, legal and statutory requirements and adherence to best codes of practice. For his excellent contributions to uplifting industry safety standards and improving Boustead Projects' strong safety record, he received the WSH Officer Award at the WSH Awards 2010. He also sits as a member on SCAL's WSH Subcommittee and the National Work at Heights Safety Taskforce.

Neo Eng Huat
Director (Audit & Improvement)
Bachelor of Science (Construction Management), Heriot-Watt University
Specialist Diploma in Facility Management & Enhancement, BCA Academy
National Certification in Construction Supervision (Structural/Civil & Architectural Trades), BCA Academy
Registered Technical Officer, The Institution of Engineers Singapore and Association of Consulting Engineers Singapore

Mr Neo joined Boustead Projects in 2007. He began his role here as Deputy Construction Manager and was subsequently promoted several times, penultimately to Director (Operations) before assuming his current position in 2016. With over 35 years of extensive industry experience, he is responsible for quality assurance and control, and construction audit and improvement teams and ensures continuous improvement efforts. Prior to this, he held positions at Lian Soon Construction Pte Ltd, Jurong Primewide Pte Ltd and JTCI (Singapore) Pte Ltd.

Nicholas Heng
Director (Projects)
Bachelor of Applied Science (Construction Management), Royal Melbourne Institute of Technology
Certified Green Mark Manager, BCA Academy

Mr Heng joined Boustead Projects in 2007. He began his role here as Project Manager and was subsequently promoted several times, penultimately to Deputy Director (Projects) before assuming his current position in 2015. With over 15 years of extensive industry experience, he is responsible for project management teams and ensures that projects are delivered on schedule, according to clients' specifications and meet all budget, legal and statutory requirements, and also spearheads ongoing integrated digital delivery technology transformations. Prior to this, he held positions at Jurong Primewide Pte Ltd, Toa Corporation and Shimizu Corporation.

Hogan Seah
Director (Operations)
Bachelor of Engineering (Civil), National University of Singapore
Certificate in Construction Productivity Management, BCA Academy

Mr Seah joined Boustead Projects in 2017. With over 25 years of extensive industry experience, he is responsible for construction management teams. Prior to this, he held the position of Senior Project Director at Greatearth Construction Pte Ltd.

STAKEHOLDER RELATIONS

Delivering Value to Shareholders

DIVIDENDS FOR FY2019

2.0¢*

DIVIDENDS SINCE LISTING IN FY2016

6.0¢*

MARKET CAPITALISATION AT END OF FY2019

S$284.9 million

GROWTH FROM S$0.88 OPENING SHARE PRICE UPON LISTING IN FY2016

+15%**

NET SHARE BUYBACKS CONDUCTED SINCE LISTING IN FY2016

S$9.2 million

* *Includes proposed final dividend of 1.5 cents and special dividend of 0.5 cent per share for FY2019.*

** *Includes dividends and net share buybacks since listing, for comparative review.*

Summary of FY2019 Investor Relations Activities

FACE-TO-FACE/TELECONFERENCE INVESTOR MEETINGS HOSTED

45

FY2018: 47

INVESTORS MET

382

FY2018: 87

INVESTOR CONFERENCES/ EVENTS ATTENDED

3

FY2018: 2

RESEARCH FIRMS PROVIDING COVERAGE

2

> CIMB Research
> Motley Fool Singapore

Stakeholder Communications

Even before Boustead Projects was listed on the SGX Mainboard on 30 April 2015, investor relations ("IR") had been a key facet of Boustead Projects' holistic communications with stakeholders. Our IR Team has proactively communicated with analysts, investors, the media and global financial community in an accurate, consistent, sincere, timely and transparent manner. During FY2019, with the launch of our inaugural Boustead Projects FY2018 Longevity Report (Sustainability Report), we added yet another avenue of communications with stakeholders.

In FY2019, we met 382 investors at investor conferences, meetings and presentations to share our business strategies and financial performance. All our annual reports, company announcements and financial results announcements for the past five years, as well as substantial information that would be of interest to investors are available at **www.bousteadprojects.com/investor-centre**.

During the year, CGS-CIMB Research provided research coverage on Boustead Projects. In addition, Motley Fool Singapore released a special report on Boustead Projects on its Stock Gold Advisor Platform, while Best Ideas 2019 featured in-depth analytical views on Boustead Projects.

We continued to actively engage with institutional and retail investors, presenting on a Value Invest Asia Facebook Live Interview and at the SGX-CGS-CIMB Construction & Infrastructure Day 2018 and SGX-Nomura Singapore Small-Mid Cap Corporate Day 2019.

In November 2018, our inaugural Boustead Projects FY2018 Longevity Report was launched, presenting an in-depth understanding of how we ensure the longevity of our business and the wider ecosystem that that we are interconnected with. We shared how this translates to delivering sustainable value and progress to our key stakeholders, along with the communities that we reside in and our collective home – Planet Earth. Our performance, policies and practices on material economic, environmental, social and governance topics were explained.

At the Asia Sustainability Reporting Awards 2018 held in March 2019, our inaugural Longevity Report was recognised by Asia's leading sustainability experts and named as Asia's Best First Time Sustainability Report Finalist. It was truly an honour to be recognised among Asia's best sustainability reporting heavyweights.

In addition, our Boustead Projects FY2018 Annual Report was also honoured with a Gold Award at the Hermes Creative Awards, the third consecutive year that our annual reports received either Platinum or Gold Awards.

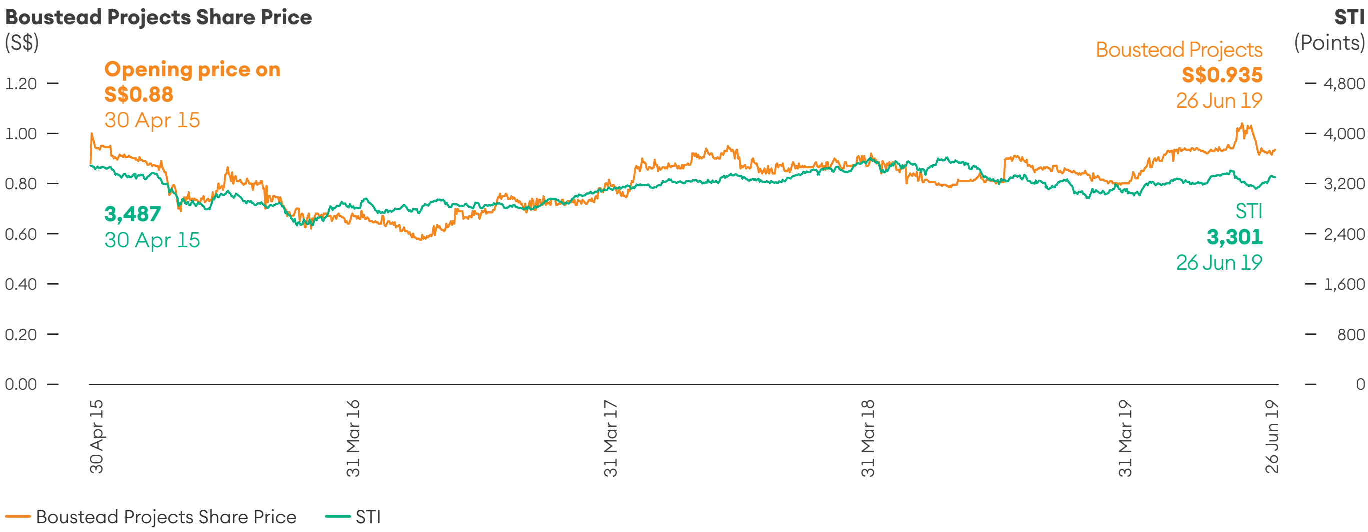
If you have any stakeholder queries, please e-mail us at **ir.team@boustead.sg**.

FY2019 Calendar	
Date	**Activity/Event**
Apr 2018	> SGX-CGS-CIMB Construction & Infrastructure Day 2018
May 2018	> FY2018 financial results announcement > FY2018 financial results webcast briefing
Jun 2018	> Value Invest Asia Facebook Live Interview: Future of Boustead Singapore and Boustead Projects
Jul 2018	> Release of FY2018 annual report > Annual general meeting > Extraordinary general meeting
Aug 2018	> 1Q FY2019 financial results announcement > FY2018 final dividend of 1.5 cents
Nov 2018	> 2Q FY2019 financial results announcement > Release of inaugural FY2018 longevity report
Feb 2019	> 3Q FY2019 financial results announcement > SGX-Nomura Singapore Small-Mid Cap Corporate Day 2019
May 2019	> FY2019 financial results announcement

FY2020 Calendar* **	
Date	**Activity/Event**
Jul 2019	> Release of FY2019 annual report > Annual general meeting
Aug 2019	> 1Q FY2020 financial results announcement > Release of FY2019 longevity report
Sep 2019	> FY2019 final dividend of 1.5 cents and special dividend of 0.5 cent (proposed)
Nov 2019	> 2Q FY2020 financial results announcement
Feb 2020	> 3Q FY2020 financial results announcement
May 2020	> FY2020 financial results announcement

*** *Subject to change. Please check **www.bousteadprojects.com/investor-centre** for the latest updates.*

Share Performance and STI Commentary



Opening FY2019 at S$0.805, Boustead Projects' share price increased by approximately 16% over the past 15 months, touching a high of S$1.040 on 14 May 2019 and closing at S$0.935 on 26 June 2019.

CORPORATE INFORMATION

Directors

John Lim Kok Min
Chairman &
Independent Non-Executive Director

Wong Yu Wei
Deputy Chairman & Executive Director

Thomas Chu Kok Hong
Managing Director &
Executive Director

Chong Lit Cheong
Independent Non-Executive Director

James Lim Jit Teng
Independent Non-Executive Director

Professor Yong Kwet Yew
Independent Non-Executive Director

Tam Chee Chong
Independent Non-Executive Director

Audit & Risk Committee

Chong Lit Cheong
Chairman

John Lim Kok Min

James Lim Jit Teng

Tam Chee Chong

Nominating Committee

John Lim Kok Min
Chairman

James Lim Jit Teng

Chong Lit Cheong

Professor Yong Kwet Yew

Tam Chee Chong

Wong Yu Wei

Thomas Chu Kok Hong

Remuneration Committee

John Lim Kok Min
Chairman

James Lim Jit Teng

Chong Lit Cheong

Professor Yong Kwet Yew

Share Registrar

Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

Auditors

PricewaterhouseCoopers LLP
7 Straits View
Marina One East Tower
Level 12
Singapore 018936

Audit Partner: Kok Moi Lre
(Appointed: 26 July 2018)

Principal Bankers

United Overseas Bank Ltd

DBS Bank Ltd

Malayan Banking Bhd

The Hongkong and Shanghai Banking Corporation Ltd

Place of Incorporation

Singapore

Date of Incorporation

29 May 1996

Company Secretary

Tay Chee Wah

Company Registration

199603900E

Registered Office

Boustead Projects Limited
82 Ubi Avenue 4
#07-01 Edward Boustead Centre
Singapore 408832

Stock Exchange Listing

Singapore Exchange Securities Trading Ltd

FINANCIAL STATEMENTS

CONTENTS

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 March 2019 and the statement of financial position of the Company as at 31 March 2019.

In the opinion of the directors,

(a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 81 to 148 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 March 2019 and the financial performance, changes in equity and cash flows of the Group for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors of the Company in office at the date of this statement are as follows:

John Lim Kok Min	
Wong Yu Wei (Huang Youwei)	
Chu Kok Hong @ Choo Kok Hong	
James Lim Jit Teng	
Chong Lit Cheong	
Professor Yong Kwet Yew	(Appointed on 1 May 2019)
Tam Chee Chong	(Appointed on 1 May 2019)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share awards" in this report.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director			Holdings in which director is deemed to have an interest		
	At 21.04.2019	At 31.03.2019	At 01.04.2018	At 21.04.2019	At 31.03.2019	At 01.04.2018
Boustead Projects Limited						
(No. of ordinary shares)						
John Lim Kok Min	169,296	169,296	169,296	-	-	-
Wong Yu Wei (Huang Youwei)	723,863	611,017	515,834	17,800	17,800	17,800
Chu Kok Hong @ Choo Kok Hong	791,323	571,576	385,494	1,578	1,578	1,578
James Lim Jit Teng	-	-	-	1,113,624	1,113,624	1,113,624
Shares awards (unvested) granted under the Boustead Projects Restricted Share Plan 2016						
Wong Yu Wei (Huang Youwei)	110,851	223,697	103,090	-	-	-
Chu Kok Hong @ Choo Kok Hong	178,667	398,414	266,384	-	-	-
Ultimate Holding Company - Boustead Singapore Limited						
(No. of ordinary shares)						
John Lim Kok Min	564,322	564,322	564,322	-	-	-
Wong Yu Wei (Huang Youwei)	122,388	122,388	122,388	-	-	-
Chu Kok Hong @ Choo Kok Hong	236,896	236,896	236,896	5,198	5,198	5,198
James Lim Jit Teng	-	-	-	3,759,371	3,759,371	3,759,371
Related corporation - Geologic Private Limited						
(No. of ordinary shares)						
Wong Yu Wei (Huang Youwei)	35,000	35,000	35,000	-	-	-

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this report, and except that certain directors receive remuneration from related corporations in their capacity as directors and/or executives of those related corporations.

SHARE AWARDS

(a) The Boustead Projects Restricted Share Plan 2016 (the "2016 Share Plan") was approved by the members of the Company at its Extraordinary General Meeting on 28 July 2016. Under the 2016 Share Plan, all eligible executive employees, non-executive directors of the Company as well as associates of controlling shareholders of the Company are invited to participate in the 2016 Share Plan. The selection of an eligible participant shall be determined at the absolute discretion of the committee appointed by the Board to administer the 2016 Share Plan. The participation of an associate of controlling shareholders shall be approved by independent members of the Company.

(b) The committee administering the 2016 Share Plan comprises four members, all of whom are non-executive directors. "Executive employees" mean confirmed employees of a group entity fulfilling at least an executive role, selected by the committee to participate in the 2016 Share Plan, in accordance with the terms and conditions thereof.

(c) Details of the 2016 Share Plan are disclosed in Note 6 to the financial statements.

(d) The members of the committee administering the 2016 Share Plan are:

John Lim Kok Min (Chairman)
Chong Lit Cheong
James Lim Jit Teng
Professor Yong Kwet Yew

The members of the committee are eligible to participate in the 2016 Share Plan. Any director participating in 2016 Share Plan who is a member of the committee will not be involved in the committee deliberations in respect of any share award granted or to be granted to him.

(e) The details of the share awards granted and vested pursuant to the 2016 Share Plan are as follow:

Date of grant	Balance at 1 April 2018	Share awards granted	Share awards vested	Share awards forfeited	Balance at 31 March 2019
23 October 2017	1,024,040	-	(409,620)	-	614,420
13 September 2018	-	1,564,887	(391,222)	-	1,173,665
	1,024,040	1,564,887	(800,842)	-	1,788,085

Name of participant	Number of shares comprised in awards granted during the year	Aggregate number of shares comprised in awards since commencement of the 2016 Share Plan to end of year	Aggregate number of shares comprised in awards vested since commencement of the 2016 Share Plan to end of year	Aggregate number of shares forfeited since commencement of the 2016 Share Plan to end of year	Aggregate number of shares comprised in awards outstanding as at end of year
Associate of Controlling Shareholder of the Company					
Wong Yu Wei (Huang Youwei)	215,790	353,243	(129,546)	-	223,697
Employees of the Company's subsidiary	1,349,097	2,631,821	(1,026,341)	(41,092)	1,564,388
	1,564,887	2,985,064	(1,155,887)	(41,092)	1,788,085

(f) There were no participants who received 5% or more of the total number of shares available under the 2016 Share Plan.

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

AUDIT & RISK COMMITTEE

As of the date of this statement, the Audit & Risk Committee of the Company comprises four members, all of whom are independent non-executive directors:

Chong Lit Cheong (Chairman)
John Lim Kok Min
James Lim Jit Teng
Tam Chee Chong

The Audit & Risk Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2019 before their submission to the Board of Directors.

The Audit & Risk Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

INDEPENDENT AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Wong Yu Wei (Huang Youwei)
Director

Chu Kok Hong @ Choo Kok Hong
Director

28 June 2019

The Board of Directors of Boustead Projects Limited (the "Board") is committed to maintaining a high standard of corporate governance and transparency within the Company and its subsidiaries (the "Group"), in line with the principles set out in the Code of Corporate Governance 2012 (the "Code"). This establishes and maintains a legal and ethical environment in the Group to preserve the interests of all shareholders and stakeholders.

The Board is pleased to present the Corporate Governance Report (the "Report") which outlines the Company's corporate governance practices with specific reference made to the principles and guidelines of the Code, which forms part of the continuing obligations of the Listing Rules of the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST"). However, this Report should be read as a whole as other sections of this Report may also have an impact on the specific disclosures made in this Report.

Except where specifically stated, the Company has adopted all the best practice recommendations of the Code. Where there are deviations from the Code, appropriate explanations are provided within this Annual Report.

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

The Board is accountable to shareholders and collectively responsible for the overall leadership, control, management and long-term success of the Company. It approves the Group's strategic plans, key business initiatives, major investments and funding decisions. Additionally, the Board has direct responsibility for decision-making in respect of various specific matters, including:-

- approval of corporate strategies and policies;
- approval of the Group's annual operating and capital budgets;
- monitoring financial performance, including approval for the release of financial results announcements;
- approval of the annual report and financial statements;
- convening of shareholders' meetings;
- recommendations of dividend payments and other distributions to shareholders;
- overseeing the business affairs of the Company and monitoring the on-going performance of management;
- approval of material acquisitions and disposals of assets;
- setting the Company's core values and standards (including ethical standards), and ensuring that obligations to shareholders and other stakeholders are understood and duly met;
- considering sustainability issues, such as economic, environmental and social issues, as part of its strategic formulation;
- approval of the Group's risk appetite and establishing and overseeing the processes of evaluating the adequacy of internal controls, risk management and financial reporting; and
- assuming the responsibility for corporate governance.

All directors of the Company are aware of their duty to act objectively in the best interests of the Company at all times. The directors exercise independent judgment and due diligence when making decisions, and for the benefit of the Company.

Additionally, independent directors of the Board deal with conflict of interests issues relating to directors and substantial shareholders, and matters which require the Board's approval pursuant to the provisions of the Listing Manual of the SGX-ST or applicable laws and regulations.

To facilitate effective management, certain functions of the Board have been delegated by the Board to various Board committees. The Board is assisted by the Audit & Risk Committee, the Nominating Committee and the Remuneration Committee, each of which has its own terms of reference that set out the authority and duties of each of the committees.

The Board conducts a minimum of four scheduled meetings a year. This schedule is normally determined before the fourth quarter of each calendar year for the forthcoming financial year. Where necessary, additional Board meetings are also held to address significant transactions or issues that arise. A total of six formal Board meetings, four formal Audit & Risk Committee meetings, two formal Nominating Committee meetings and three formal Remuneration Committee meetings were held in the course of the year under review. Additionally, ad hoc Board meetings were also held during the year under review. The Audit & Risk Committee members also had several informal discussions on various issues relating to corporate strategy, risk management and specific significant matters during this period.

CORPORATE GOVERNANCE

The attendance of the directors at scheduled regular Board and Board committees meetings during the year under review were as follows:-

	Board		Audit & Risk Committee		Nominating Committee		Remuneration Committee	
Name of Director	**No. Held** (1)	**No. Attended**	**No. Held** (1)	**No. Attended**	**No. Held** (1)	**No. Attended**	**No. Held** (1)	**No. Attended**
John Lim Kok Min	6	6	4	4	2	2	2	2
Wong Yu Wei (Huang Youwei)	6	5	-	-	2	2	-	-
Chu Kok Hong @ Choo Kok Hong	6	6	-	-	2	2	-	-
James Lim Jit Teng(2)	6	4	3	3	2	2	3	3
Chong Lit Cheong	6	5	4	4	1	-	3	3

(1) *This reflects the number of meetings held during the period the director was a member of the Board and/ or relevant Committee.*

(2) *Mr James Lim Jit Teng has expressed his intention to step down from his position as director after the conclusion of the 2019 AGM, and he will consequently cease as member of the Audit & Risk Committee, member of the Nominating Committee and member of the Remuneration Committee thereafter.*

The Company's Constitution allows Board and committee meetings to be conducted by way of telephone and video-conference. However, the directors maintain a preference to meet in person as far as possible.

The Company has adopted written internal guidelines governing matters that require the Board's approval. The Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to Board committees and the management via a structured Delegation of Authority matrix, which is reviewed on a regular basis and revised accordingly when necessary.

The Delegation of Authority matrix forms a guideline and provides clear directions on matters requiring Board's or management's approval.

The authority of the executive directors is set out in formal board resolutions. In addition, for matters of significant value, such as the Company's acquisition or divestment of assets, investment, incurring of debt and the use of the Company's common seal, a resolution of the full Board passed by a majority of the directors is required. As a matter of prudence, the executive directors also provide regular updates to the Board in relation to significant matters affecting subsidiaries of the Company.

The current non-executive members of the Board have many years of board experience. The majority of the current non-executive members of the Board have been directors of the Company for at least three years. Since their appointment, they have familiarised themselves with the Company's business operations and governance practices.

All non-executive directors are invited to request for additional explanations, briefings and informal discussions on any aspect of the Group's operations or business issues at all times. The directors may, at any time, visit the Group's project sites in order to gain a better understanding of the Group's business operations.

The Company provides members of the Board with regular updates on board processes, governance practices and changes to laws and regulations that have a bearing either on the Group or on an individual director. Directors are also encouraged to keep themselves abreast of the latest developments relevant to the Group or themselves by attending appropriate training courses (arranged by the Company or initiated by the directors themselves) at the Company's expense.

During the year under review, three of the directors attended at least one training course.

The Company maintains a corporate membership with the Singapore Institute of Directors, which provides training and resources useful for the Company in keeping up to date with best practices in corporate governance.

A formal letter is provided to each director upon his appointment, setting out the director's duties and obligations. Newly appointed directors are given an orientation and comprehensive briefings by management on the Group's strategies, plans, businesses and operations. The Company will also ensure that new directors with no prior experience as a director of a listed company undergo training in the roles and responsibilities of a director of a listed issuer as prescribed under the Listing Manual of the SGX-ST.

Two new directors, Professor Yong Kwet Yew and Mr Tam Chee Chong, were appointed as Independent Non-Executive Directors with effect from 1 May 2019. As part of the induction programme, the new directors were given comprehensive briefings by management on the Group's strategies, plans, businesses and operations as well as the Corporate profile of the Group.

Principle 2: Board Composition and Guidance

Presently, the Board comprises seven directors, five of whom are independent directors following the appointment of Professor Yong Kwet Yew and Mr Tam Chee Chong as new directors of the Company with effect from 1 May 2019. There is a strong and independent element on the board with independent directors collectively comprising more than half of the Board, and no individual or small group of individuals dominate the Board's decision-making. The Board is also of the view that the current board size is appropriate, taking into account the nature and scope of the Company's operations. The Board is also able to exercise objective judgement on corporate affairs independently, in particular, from the management of the Company.

The Board members as at the date of this report are:-

John Lim Kok Min (Chairman and Independent Non-Executive Director)
Wong Yu Wei (Huang Youwei) (Deputy Chairman and Executive Director)
Chu Kok Hong @ Choo Kok Hong (Managing Director and Executive Director)
James Lim Jit Teng (Independent Non-Executive Director)
Chong Lit Cheong (Independent Non-Executive Director)
Professor Yong Kwet Yew (Independent Non-Executive Director)
Tam Chee Chong (Independent Non-Executive Director)

The Nominating Committee has reviewed the independence of each director in accordance with the definition of independence within the Code and the Listing Manual of the SGX-ST and is satisfied that more than one-half of the Board continues to be independent directors.

The Nominating Committee considers an "independent" director as one who has no relationship with the Company or its related companies, its 10% shareholders or its officers or has any other situation that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interests of the Company and the Group.

With five of the seven directors deemed to be independent, including independence from the substantial shareholders of the Company, the Board is able to exercise independent and objective judgment on corporate affairs. It also ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined, taking into consideration the long-term interests of the Company and its shareholders.

Directors are required to promptly disclose to the Board any relationship or change in circumstances which may lead to his status as an independent director being affected. If the Board determines that notwithstanding such relationship or circumstances, the director remains independent, the Board shall record its reasons for such determination in formal Board meeting minutes and formally disclose its reasons in the next Annual Report.

No independent director has served beyond nine years in the Company.

The Board also reviews its composition from time to time and seeks to maintain a diversity of expertise, skills, gender, age, ethnicity and other attributes among the directors. The current Board comprises individuals with vast business or management experience, industry knowledge and strategic planning experience and includes directors with engineering backgrounds.

The Nominating Committee is of the view that the current Board, comprising of two executive directors and five independent directors, have a sufficiently wide range of relevant skills, experience and domain knowledge which collectively ensure that the Board is well equipped to deal with a wide range of issues to meet the Company's objectives.

The Board, in pursuance of board diversity, has prioritised relevant skills and domain knowledge as being the more important requisites for the composition of the Board. The Board does not currently have a female member.

The non-executive directors of the Company, who are also independent, constructively challenge and assist in the development of strategy, and assist the Board in reviewing the performance of the management in meeting agreed goals and objectives, and monitor the reporting of performance. At meetings of the Board, directors are free to discuss and openly challenge the views presented by management and other directors. The decision-making process is a transparent one.

To facilitate a more effective check on management, non-executive directors meet at least once a year without the presence of management. When necessary, the non-executive directors also meet amongst themselves prior to Board meetings. The non-executive directors met at least once during the year under review without the presence of management.

Principle 3: Chairman and Managing Director/Chief Executive Officer

There is a clear division of roles and responsibilities of the Chairman and the Managing Director to ensure a balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Chairman is an independent non-executive director.

Mr John Lim Kok Min is the Chairman who leads the Board to ensure effectiveness in all aspects of its roles. The Chairman sets the meeting agenda and ensures that sufficient time is allocated for discussion of all agenda items, particularly issues relating to strategy, and ensures that directors are provided with adequate and timely information. He promotes an open environment for debate and ensures that discussions and deliberations are effective. The Chairman is also charged with the role of maintaining high standards of corporate governance and ensuring effective communication between the Board and the shareholders of the Company.

Mr Chu Kok Hong @ Choo Kok Hong, the Managing Director, is responsible for managing and developing the operations of the Company. He executes strategic plans approved by the Board and ensures that the directors are kept updated and informed of the Group's business. He is assisted by the Deputy Chairman & Executive Director, Mr Wong Yu Wei (Huang Youwei).

There is no lead independent director as the Chairman is an independent director and he and the Managing Director are not immediate family members.

Principle 4: Board Membership

Nominating Committee

The Nominating Committee comprises seven directors, five of whom are independent. The members of the Nominating Committee as at the date of this report are:-

John Lim Kok Min, Chairman (Independent Non-Executive Director)
James Lim Jit Teng (Independent Non-Executive Director)
Chong Lit Cheong (Independent Non-Executive Director)
Professor Yong Kwet Yew (Independent Non-Executive Director)
Tam Chee Chong (Independent Non-Executive Director)
Wong Yu Wei (Huang Youwei)
Chu Kok Hong @ Choo Kok Hong

Professor Yong Kwet Yew and Mr Tam Chee Chong were appointed as members of the Nominating Committee with effect from 1 May 2019.

The Nominating Committee serves to provide a formal, transparent and objective procedure for appointing Board members and for evaluating the Board's and each member's performance. The principal functions of the Nominating Committee include:-

(a) reviewing and recommending candidates for appointments to the Board and board committees as well as candidates for senior management staff, who are not also candidates for appointment to the Board;

(b) reviewing of board succession plans for the directors, in particular, the Chairman and the Managing Director;

(c) developing a process for the evaluation of the performance of the Board, the board committees and the directors;

(d) reviewing of training and professional development programmes for the Board;

(e) reviewing and recommending nomination for re-appointment or re-election or renewal of appointment of the directors;

(f) reviewing and recommending candidates to be nominees on the boards and board committees of the listed company and entities within the Group;

(g) determining the independence of the directors on an annual basis and as and when circumstances require;

(h) reviewing the participation (whether by way of obtaining an interest in or taking a board seat or otherwise) by each independent director in any competing business and taking into account such matters in the re-appointment or re-election or renewal of appointment of such independent director; and

(i) undertaking generally such other functions and duties as may be required by law or the Listing Manual of the SGX-ST, and by amendments made thereto from time to time.

Where an existing director is required to retire from office, the Nominating Committee reviews the composition of the Board and takes into account factors such as that existing director's competencies, attendance, participation, contribution and competing time commitments when deciding whether to recommend that director for re-election.

The Nominating Committee has reviewed the independence of each director in accordance with the Code's definition of independence and is satisfied that more than one-half of the Board continues to be independent directors. The Board comprises directors capable of exercising objective judgement on corporate affairs of the Company, independent of management.

One-third of directors who are longest-serving (including the Managing Director or a director holding an equivalent position) are required to retire from office every year at the Annual General Meeting. Based on such a rotation process, each director is required to submit himself or herself for re-election by shareholders at least once every three years.

Pursuant to Article 94 of the Company's Constitution, Mr John Lim Kok Min, and Mr Chong Lit Cheong shall be retiring at the Annual General Meeting to be held on 26 July 2019 ("2019 AGM"). At the recommendation of the Nominating Committee, Mr John Lim Kok Min and Mr Chong Lit Cheong, will be seeking re-election at the 2019 AGM. Mr James Lim Jit Teng will be stepping down voluntarily as an Independent Non-Executive Director of the Company after the conclusion of the 2019 AGM.

Pursuant to Article 100 of the Company's Constitution, Professor Yong Kwet Yew and Mr Tam Chee Chong, who were newly appointed to the Board with effect from 1 May 2019, are required to retire at the 2019 AGM. At the recommendation of the Nominating Committee, Professor Yong Kwet Yew and Mr Tam Chee Chong will also be seeking re-election at the 2019 AGM.

Please see the relevant details of Mr John Lim Kok Min, Mr Chong Lit Cheong, Professor Yong Kwet Yew and Mr Tam Chee Chong, each of whom is standing for re-election as a director at the 2019 AGM, as required to be disclosed pursuant to Rule 720(6) of the Listing Manual of the SGX-ST in the section "**Additional Information on Directors Seeking Re-election**" below.

The dates of initial appointment and last re-election of each of the directors, together with their directorships in other listed companies, are set out below:-

Name	Position	Date of Appointment	Date of Last Re-election	Current Directorships in Listed Companies	Past Directorships in Listed Companies (in last three years)
John Lim Kok Min	Chairman & Independent Non-Executive Director	25 March 2015	28 July 2016	Silverlake Axis Ltd IREIT Global Group Pte Ltd as Managers for IREIT Global	-
Wong Yu Wei (Huang Youwei)	Deputy Chairman & Executive Director	1 December 2008	26 July 2018	-	-
Chu Kok Hong @ Choo Kok Hong	Managing Director & Executive Director	5 January 2009	27 July 2017	-	-
James Lim Jit Teng	Independent Non-Executive Director	25 March 2015	26 July 2018	-	-
Chong Lit Cheong	Independent Non-Executive Director	15 May 2015	28 July 2016	-	-
Professor Yong Kwet Yew	Independent Non-Executive Director	1 May 2019	-	BBR Holdings (S) Ltd Tritech Group Ltd	-
Tam Chee Chong	Independent Non-Executive Director	1 May 2019	-	-	-

The Nominating Committee is required to consider annually whether directors who serve on multiple boards are able to commit the necessary time and attention to discharge their responsibilities as directors of the Company. In performing its review, the Nominating Committee shall consider factors including:-

a. The respective director's preparation for and participation at Board meetings;
b. The assessment of the effectiveness of the individual director; and
c. The assessment of the time and attention given by each director to the affairs of the Company and the Group.

In view of the foregoing and the demonstrated commitments of all Board members, the Nominating Committee does not consider it necessary to set a maximum number of listed company board representations which any director may hold at this point of time. The Nominating Committee has reviewed and is satisfied that all directors, who sit on multiple Boards, have been able to devote sufficient time and attention to the affairs of the Company and to adequately discharge their duties as directors of the Company, notwithstanding their multiple Board appointments.

The Board does not encourage the appointment of alternate directors. No alternate director was appointed to the Board during the year under review.

New directors are appointed by the Board after the Nominating Committee recommends their appointment. When the need for a new director arises, the Nominating Committee will review the expertise, skills and attributes of the current directors on the Board, identify its future needs and shortlist candidates with the appropriate profiles for nomination. The search may be through professional recruiters, contacts and recommendations. The objective of this process is to ensure the Board collectively has, at all times, the diversity, skills, knowledge and experience necessary to effectively meet the needs of the Company.

Key information on the Company's directors are set on pages 42 to 43 of the Annual Report.

Principle 5: Board Performance

The Nominating Committee reviews on an annual basis the composition and skill set of the Board to determine whether it is adequate and appropriate having regard to the nature and scope of the Company's operations and the costs involved.

The Nominating Committee is of the view that the primary aim of the annual evaluation of the Board is to assess whether each director continues to contribute effectively and demonstrate commitment to the role. This exercise is also to create a platform for the Board members to exchange feedback on the Board's strengths and shortcomings with a view to strengthening the effectiveness of the Board. The assessment exercise also assists the directors to focus on their key responsibilities. It also helps the Nominating Committee in determining whether to re-nominate directors who are due for retirement at the next Annual General Meeting ("AGM"), whether any replacement of existing, or appointment of new directors is required and in determining whether directors with multiple board representatives are able to and have adequately discharged their duties as directors of the Company.

Replacement of a director, when it happens, does not necessarily reflect the director's performance or contributions to the Board, but may be driven by the need to align the skill sets of the directors on the Board with the medium or long-term needs of the Group.

The Nominating Committee also carries out an annual evaluation of the Board with the aim of assessing how well the Board, its committees, the directors and the Chairman are performing. This formal evaluation process assesses the effectiveness of the Board as a whole. Assessment parameters include evaluation of the Board's composition, access to information, the quality of Board processes, accountability and the Board's performance in relation to discharging its principal responsibilities.

The Nominating Committee has conducted its evaluation of the Board committees and individual directors in respect of the financial year ended 31 March 2019. No external facilitator was engaged for the purpose of these evaluations as the Nominating Committee assesses that its current evaluation process is adequate.

As part of the process of the evaluation of the Board, its committees and the directors as well as the Chairman, the directors will complete the relevant evaluation forms which are collated by the company secretary. The company secretary will then summarise the results of all the evaluations and present it to the Nominating Committee for review. Areas where the Board's performance and effectiveness could be enhanced and recommendations for improvement are then submitted to the Board for discussion and for implementation. The Chairman, in consultation with the Nominating Committee, proposes when appropriate, new members to be appointed or seek the resignation of directors.

The Nominating Committee has reviewed and is satisfied with the performance and effectiveness of the Board as a whole, Board committees and individual directors (including the Chairman) for the financial year ended 31 March 2019.

Formal assessment of executive directors has been conducted during the year under review and relevant feedback has been given.

Following the review in FY2019, the Board is of the view that the Board and its Board committees operate effectively and each director is contributing to the overall effectiveness of the Board.

Principle 6: Access to Information

Management recognises that it is essential to provide adequate information on Group affairs and material events and transactions on a timely and on-going basis to the Board, to enable the Board to discharge its duties effectively and efficiently. Where a physical Board meeting is not possible, communication with members of the Board is effected through other means, e.g. electronic mail and teleconferencing. Alternatively, where necessary, management will arrange to personally meet and brief each director before seeking the Board's approval on a particular issue. Any requests by directors for further explanation, briefings or informal discussions on any aspect of the Group's operations are always attended to expeditiously by management.

Directors have unrestricted access to the Company's records and information. The Board is provided with management reports which include board papers and related materials containing relevant background or explanatory information, financial analysis and/or external reports required to support the decision-making process. The Board is also provided with management accounts of the Group's performance, position and prospects on a quarterly basis.

The Board has separate and independent access to the management team and the company secretary, as well as to all Board and Board committee minutes, resolutions and information papers.

The company secretary attends all Board meetings and is responsible for ensuring that Board procedures are followed. The company secretary ensures good information flow within the Board and the Board committees and between management and non-executive directors, advising the Board on all governance matters, as well as facilitating, and assisting with professional development as required. The company secretary, together with other management staff, is responsible for ensuring that the Company complies with the applicable requirements, rules and regulations.

The appointment and the removal of the company secretary are subject to the approval of the Board.

Where the directors, whether individually or collectively, require independent professional advice in furtherance of their duties, management will facilitate in the appointment of a professional advisor to render the advice and keep the Board informed of such advice. The cost of obtaining such professional advice will be borne by the Company. The Chairman co-ordinates such requests.

REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

The Remuneration Committee is entirely comprised of non-executive directors, all of whom are also independent. The members of the Remuneration Committee as at the date of this report are:-

John Lim Kok Min, Chairman (Independent Non-Executive Director)
James Lim Jit Teng (Independent Non-Executive Director)
Chong Lit Cheong (Independent Non-Executive Director)
Professor Yong Kwet Yew (Independent Non-Executive Director)

Professor Yong Kwet Yew was appointed as a member of the Remuneration Committee with effect from 1 May 2019.

The objectives of the Remuneration Committee are to provide a formal, transparent and objective procedure for fixing the remuneration packages of individual directors and key management personnel, and to implement and administer the Boustead Projects Restricted Share Plan 2016.

The Remuneration Committee reviews and approves recommendations on remuneration policies and packages to attract, retain and motivate directors and key management personnel to exert their best efforts to work towards the growth of the Group, the protection and promotion of the interests of all shareholders and the improvement of corporate performance. The review of remuneration packages takes into consideration the long-term interests of the Group and ensures that the interests of the directors and key management personnel are aligned with those of shareholders. The review covers all aspects of remuneration, including but not limited to, salaries, fees, allowances, bonuses, long term incentives and benefits-in-kind.

The Remuneration Committee recommends the remuneration packages of executive directors based on the performance of the Group and the individual director. Such recommendations are submitted for endorsement by the entire Board.

No member of the Remuneration Committee shall be involved in discussions concerning his own remuneration. The Remuneration Committee's recommendations are submitted to the Board for endorsement.

The Remuneration Committee had appointed Korn Ferry Hay Group, an external remuneration consultant, to review the Group's remuneration practices for the year under review. The external remuneration consultant does not have any relationships with any member of the Board or the Remuneration Committee.

The Remuneration Committee reviews the Company's obligations arising in the event of termination of the executive directors and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. Currently, there are no special termination clauses for any director or senior managers.

Principle 8: Level and Mix of Remuneration

Executive directors do not receive directors' fees but are remunerated as members of management. The remuneration package of the executive directors and the key management personnel comprises a basic salary component and a variable component which is the annual bonus, based on the performance of the Group as a whole and their individual performance. This is designed to align management remuneration with the interests of shareholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group.

Complementing basic salary and a variable component of the remuneration package are long term incentives in the form of share awards that can be granted under The Boustead Projects Restricted Share Plan 2016. This long-term incentive is applicable only to selected employees whose role and services have been identified to be of significant importance to the performance and growth of the Company. Such long-term incentives would give recognition to these selected employees and promote commitment, dedication and loyalty to the Group. There was no grant of share awards to eligible employees for the year under review.

Non-executive directors are paid directors' fees in accordance with their level of contributions, taking into account factors such as effort, time spent and responsibilities for serving on the Board and Board committees. The directors' fees paid to non-executive directors take into consideration their roles and responsibilities and existing market practices.

The payment of fees to non-executive directors is subject to the approval of the Company at each AGM.

The Company has established the Boustead Projects Restricted Share Plan 2016 under which non-executive directors are eligible to participate. No shares have been awarded to non-executive directors to date.

The Company does not currently have in place contractual provisions to allow the Company to reclaim incentive components of remuneration from executive directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

Principle 9: Disclosure on Remuneration

The Remuneration Committee recommends the remuneration packages of the executive directors based on the performance of the Group and the individual director.

The remuneration of the directors and the key executives (executives who are not directors) in bands of S$250,000, are set out below:-

Remuneration of Directors for the year ended 31 March 2019

Name of Director	Salary	Bonus	Directors' Fee	Other Benefits	Total
S$1,000,000 to S$1,249,999					
Chu Kok Hong @ Choo Kok Hong	44%	38%	-	18%	100%
S$500,000 to S$749,999					
Wong Yu Wei (Huang Youwei)	48%	33%	-	19%	100%
Below S$250,000					
John Lim Kok Min	-	-	100%	-	100%
James Lim Jit Teng	-	-	100%	-	100%
Chong Lit Cheong*	-	-	100%	-	100%

* *Directors' fee paid to CapitaLand Limited and Surbana Jurong Private Limited.*

Remuneration of key executives for the year ended 31 March 2019

Name of Executive	Salary	Bonus	Fees	Other Benefits	Total
S$500,000 to S$749,999					
Steven Koh Boon Teik	45%	36%	-	19%	100%
Lee Keen Meng	47%	33%	-	20%	100%
S$250,000 to S$499,999					
Lum Wai Meng*	69%	21%	-	10%	100%
Heng Eng Kiat	45%	34%	-	21%	100%
Neo Eng Huat	56%	36%	-	8%	100%
Liew Kau Keen	37%	46%	-	17%	100%
How Tan Hong	46%	35%	-	19%	100%
Below S$250,000					
Hogan Seah	73%	12%	-	15%	100%

* *Appointed during the year under review.*

Although the Code recommends the full disclosure of the remuneration of each individual director and the top five key management personnel, the Board believes that disclosure in such detail may be prejudicial to the business interest of the Group given the highly competitive environment it is operating in as well as competitive pressures in the talent market.

The Board also believes that it is not in the interests of the Company and the Group for the remuneration of the executive directors and key executives to be disclosed in detail and in exact dollar terms as the Company considers information pertaining to the remuneration of its executive directors to be commercially sensitive. For this reason, the remuneration paid to the top eight key executives are also not disclosed in exact dollar terms.

The total remuneration paid to the above eight key executives for the financial year ended 31 March 2019 was S$2,954,259.

Save as disclosed in this Report, there are no termination, retirement and post-employment benefits granted to directors, Managing Director or the key management personnel.

None of the Company's employees are related to the directors during the financial year under review.

The Boustead Projects Restricted Share Plan 2016 (the "2016 Share Plan") was approved by the members of the Company at its Extraordinary General Meeting on 28 July 2016. Under the 2016 Share Plan, all eligible executive employees, non-executive directors of the Company as well as associate of controlling shareholders of the Company are invited to participate in the 2016 Share Plan. The selection of eligible participant shall be determined at the absolute discretion of the committee appointed by the Board to administer the 2016 Share Plan. The participation of associates of controlling shareholders shall be approved by independent members of the Company. Further information on the 2016 Share Plan can be found on page 52 of the Annual Report.

The remunerations of the executive directors and key executives are linked directly to the Group's financial performance through a profit-sharing formula, as well as individual key performance indicators.

The remuneration policy for executive directors and key executives adopted by the Group comprises a fixed component and a variable component. The fixed component is in the form of a base salary. The variable component is in the form of a variable performance bonus that is linked to corporate performance and individual performance and a long-term restricted share award scheme based on the achievement of additional specific key performance indicators.

For the financial year ended 31 March 2019, both executive directors were entitled to receive the variable performance bonuses under their respective service agreements according to the performance conditions met.

No director is involved in determining his own remuneration. The remuneration of the independent directors is in the form of a fixed fee.

The directors' fees, as a lump sum, will be subject to approval by shareholders of the Company at the forthcoming AGM.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Board is responsible for presenting a balanced and comprehensive assessment of the Group's performance, position and prospects to shareholders through timely release of its quarterly annual financial results through announcements via SGXNET and the Company's corporate website.

In compliance with the Listing Manual of the SGX-ST, the Board provides a negative assurance statement to the shareholders in its announcements of its quarterly financial statements, confirming to the best of its knowledge that nothing had come to the attention of the Board which might render the financial statements false or misleading in any material aspect.

All the directors and executive officers of the Group have also given undertakings to comply with the rules of the Listing Manual of the SGX-ST.

For the financial year under review, the Managing Director and the Chief Financial Officer have provided assurance to the Board on the integrity of the Group's financial statements.

The Board also ensures that the Company complies with the applicable legislative and regulatory requirements by establishing written policies (where appropriate) and reviewing all relevant compliance reports from management.

Management provides the Board with information on management accounts and updates on a timely basis in order for the Board to effectively discharge its duties and make a balanced and informed assessment of the Company's performance, financial position and prospects.

Principle 11: Risk Management and Internal Controls

The Board is responsible for the governance of risk and determines the Company's levels of risk tolerance and risk polices. The Board ensures that management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets, and to manage risks. The system is intended to provide reasonable but not absolute assurance against material misstatements or loss, and to safeguard assets and ensure maintenance of proper accounting records, reliability of financial information, compliance with relevant legislation, regulations and best practices, and the identification and containment of business risks. The effectiveness of the risk management and internal control systems and procedures is monitored and reviewed at least annually by the Audit & Risk Committee and the Board.

The Board, aided by the Audit & Risk Committee, regularly reviews and improves its business and operational activities to identify areas of significant business risks as well as taking appropriate measures to control and mitigate these risks. Management reviews all significant control policies and procedures and highlights all significant matters to the Audit & Risk Committee and the Board. The financial risk management objectives and policies are outlined in the financial statements. Risk management alone does not guarantee that business undertakings will not fail. However, by identifying and managing risks that may arise, the Board is in a position to make more informed decisions. This will assist in safeguarding and creating shareholder value.

An Enterprise Risk Management ("**ERM**") framework is in place to formalise and document the Group's internal processes to enable significant strategic, financial, operational, compliance and IT risks within the relevant Group companies to be identified, assessed, monitored, managed and evaluated. Management continues to regularly review the risk awareness with the objective of assigning clear accountability and ownership of risks at the operating level to manage risks and highlighting any emerging or material risks to the Board. Strong emphasis is placed on creating risk awareness, promoting accountability and setting the appropriate tone at the top.

Reviews of the Group's risk exposure are also conducted every quarter during the Audit & Risk Committee meetings and overall assessment is also conducted at the end of each financial year.

Based on the internal controls policy and procedures established and maintained by the Group, the work performed by the external auditors and the reviews conducted by management and the internal auditor, the Board, with the concurrence of the Audit & Risk Committee, is of the opinion that the Group's risk management and internal controls systems were adequate and effective to address financial, operational, compliance and information technology risks as at 31 March 2019.

In addition, the Audit & Risk Committee and the Board have received assurance from the Managing Director and the Chief Financial Officer that as of 31 March 2019:-

(a) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) the Group's risk management and internal control systems to address the key financial, operational, compliance and information technology risks affecting the operations are adequate to meet the needs of the Group in its current business environment.

The responsibility of overseeing the Company's risk management framework and policies is undertaken by the Audit & Risk Committee.

Principle 12: Audit & Risk Committee

The Audit & Risk Committee is entirely comprised of non-executive directors, all of whom are also independent. The members of the Audit & Risk Committee as at the date of this report are:-

Chong Lit Cheong, Chairman (Independent Non-Executive Director)
John Lim Kok Min (Independent Non-Executive Director)
James Lim Jit Teng (Independent Non-Executive Director)
Tam Chee Chong (Independent Non-Executive Director)

Mr Tam Chee Chong was appointed as a member of the Audit & Risk Committee with effect from 1 May 2019.

The principal functions of the Audit & Risk Committee include:-

(a) overseeing the adequacy of the controls established by executive management to identify and manage areas of potential risk and to safeguard the assets of the Company;

(b) evaluating the processes in place to ensure that accounting records are properly maintained in accordance with statutory requirements and financial information provided to shareholders and the directors is accurate and reliable;

(c) reviewing the significant financial reporting issues so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;

(d) reviewing the audit plans with external and internal auditors and reporting to the Board at least annually on the results of the internal auditors' examination and evaluation of the adequacy and effectiveness of the internal control system, including financial, operational, compliance and information technology controls (such review may be carried out internally or with the assistance of competent third parties);

(e) reviewing with internal auditors, the programme, scope and results of the internal audit and management's response to their findings to ensure that appropriate follow-up measures are taken;

(f) reviewing the effectiveness of the Group's internal audit function;

(g) reviewing the scope and results of the external audit, and the independence and objectivity of the external auditors;

(h) reviewing with external auditors the impact of any new or proposed changes in accounting principles or regulatory requirements on the Company's financial information;

(i) making recommendations to the directors on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;

(j) reviewing the interested person transactions or other transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the regulations of the SGX-ST, and are reasonable and in the best interests of the Company;

(k) monitoring the investments in our customers, suppliers and competitors made by the directors, controlling shareholders and their respective associates who are involved in the management of or have shareholding interests in similar or related business of the Company and making assessments on whether there are any potential conflicts of interests;

(l) reviewing filings with the SGX-ST or other regulatory bodies which contain financial information and ensuring proper disclosure;

(m) commissioning and reviewing the findings of internal investigations into matters where there is any suspected fraud, irregularity, failure of internal controls or infringement of any law, rule and regulation which has or is likely to have a material impact on the Company's operating results and/or financial position;

(n) reviewing policy and arrangements by which the staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensuring that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken;

(o) reviewing the risk management structure (including all hedging policies) and any oversight of risk management processes and activities to mitigate and manage risk at acceptable levels determined by the directors;

(p) reporting to the Board the work performed by the Audit & Risk Committee in carrying out its functions;

(q) reviewing the co-operation given by the management to the external auditors; and

(r) performing any other act as delegated by the Board.

The Audit & Risk Committee is authorised to investigate any matter within its terms of reference, and has full access to and co-operation of management. It is given access to the resources required for it to discharge its function properly. The Audit & Risk Committee also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit & Risk Committee.

The Audit & Risk Committee members have relevant accounting or related financial management expertise or experience.

The Audit & Risk Committee is kept abreast by management and the external auditors of changes to accounting standards, the Listing Manual of the SGX-ST and other regulations which could have an impact on the Group's business and financial statements.

The Audit & Risk Committee meets at least once a year with the external auditors and the internal auditors without the presence of management.

The Audit & Risk Committee has undertaken a review of the nature and value of non-audit services provided to the Group by the external auditors during the financial year and is satisfied that the independence of the external auditors has not been impaired by the provision of these services.

The Company has complied with Rule 712 and Rule 715 read together with Rule 716 of the Listing Manual of the SGX-ST in relation to the appointment of auditing firms.

The Audit & Risk Committee has reviewed the Group's audited consolidated financial statements for the financial year ended 31 March 2019 and discussed with management and the external auditors the significant matters which involved management judgment:-

Significant matters	**How the Audit & Risk Committee reviewed these matters and what decisions were made**
Accounting for Design & Build Construction Contracts	The Audit & Risk Committee reviewed the methodology used in the recognition of contract revenue and contract costs over time and had considered management's assumptions, and estimates used in the determination of the total construction cost, variations or claims that will affect the measure of progress, revenue and profit margins recognised and found them to be reasonable. The Accounting for Construction contract was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for the financial year ended 31 March 2019. Refer to page 78 of this Annual Report.

Whistle-blowing Policy

The Group is committed to meeting a high standard of ethical conduct in the conduct of the Group's operations, and has put in place a whistle-blowing policy and arrangements by which employees of the Group are provided with accessible channels to report and to raise, in good faith and in confidence, any concerns about possible improprieties in matters of financial reporting or suspected fraud, corruption, dishonest practices or other misdemeanors.

The objective of the whistle-blowing policy is to facilitate independent investigation of such matters and appropriate follow-up actions.

As such, the Company has put in place a whistle-blowing policy framework, endorsed by the Audit & Risk Committee, which provides for a mechanism by which employees of the Group may, in good faith and in confidence, raise concerns or observations about possible corporate malpractice and impropriety in financial reporting or other matters directly to the Whistle-blowing Committee, which members consist of a member of the Audit & Risk Committee, Deputy Director, Human Resources and Senior Vice President, Internal Audit. Details of the whistle-blowing policy framework and arrangements for confidential reporting have been made available to all employees. The policy framework ensures independent investigation of issues or concerns raised and implementation of appropriate follow-up action, and provides assurance that employees will be protected from reprisal within the limits of the law. The whistle-blowing policy and the avenues for reporting are made available to employees of the Group. Management is required to report to the Audit & Risk Committee at every quarterly meeting whether they have received any whistle-blower report in that quarter.

The Company has zero tolerance for corruption and bribery.

There were no reported incidents pertaining to whistle-blowing during the year under review.

The Audit & Risk Committee receives updates from management and the external auditors annually on any changes in accounting standards, in particular those which are expected to have significant impact on the Company's financial statements.

The Audit & Risk Committee members also keep themselves updated through relevant publications and by attending relevant seminars and courses.

None of the members of the Audit & Risk Committee are an existing or were a former partner or director of the Company's current auditing firm or auditing corporation.

Principle 13: Internal Audit

The Audit & Risk Committee oversees the implementation of an effective system of internal controls as well as putting in place a risk management framework to continually identify, evaluate and manage significant business risks of the Group. To support the Audit & Risk Committee in their role, the Audit & Risk Committee approves the appointment and selection of an experienced and qualified in-house personnel as Internal Auditor to carry out the internal audit function for the Group and the Internal Auditor shall report to the Audit & Risk Committee Chairman. Annually, the Audit & Risk Committee shall review and approve audit plans and the resource requirement prepared by the Internal Auditor and shall ensure that the Internal Auditor is able to effectively and adequately discharge his duties.

The Internal Auditor has unrestricted access to all documents, records, properties and personnel of the Group and unrestricted direct access to the Audit & Risk Committee in carrying out his duties and responsibilities.

The Audit & Risk Committee is satisfied that the internal audit function is adequately resourced and is carried out by suitably qualified and experienced professionals with the relevant experience.

The Company engages external experts as when and where required.

The audit work is carried out in accordance with the International Standards for the Professional Practice of Internal Auditing (IIA Standards) laid down in the International Professional Practices Framework issued by The Institute of Internal Auditors.

The Audit & Risk Committee reviews the adequacy and effectiveness of the Group's internal audit function on an annual basis and is satisfied that it is independent, effective and adequately resourced.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholder Rights

The Company recognises the importance of maintaining transparency and accountability to its shareholders. The Board ensures that all shareholders are treated fairly and equitably and information is communicated to shareholders on a timely basis through annual reports, quarterly financial results and announcements of significant transactions that are released on SGXNET. Shareholders are also able to access investor-related information of the Group through a well-maintained and updated corporate website at **www.bousteadprojects.com**.

The Notice of AGM, along with related information, is sent to every shareholder. The Notice of AGM is also published in the press. Shareholders also are informed in writing that a soft copy of the annual report is available for download from the Company's corporate website at **www.bousteadprojects.com**.

The Company ensures that shareholders have the opportunity to participate effectively and vote at general meetings of shareholders and be informed of the rules, including voting procedures that govern such meetings.

The Company's Constitution allows each shareholder to appoint up to two proxies to attend and vote at general meetings on his/her behalf, unless the shareholder is a relevant intermediary (as defined in Section 181 of the Companies Act). A relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder. A "relevant intermediary" includes corporations holding licenses in providing nominee and custodial services and the CPF Board where it purchases shares on behalf of the CPF investors.

Principle 15: Communication with Shareholders

The Company has a dedicated Investor Relations ("IR") team which focuses on facilitating the communications with all stakeholders – both institutional and retail shareholders, analysts and media – on a regular basis, to attend to their queries or concerns as well as keep the investors or public apprised of the Group's corporate developments and financial performance. Communication activities include investor conferences, meetings and presentations to share our business strategies and financial performance.

The Company has a policy of maintaining regular communication with all shareholders and relevant stakeholders. For details on the Group's Investor Relations activities, please refer to the IR section on pages 46 to 47 of this Annual Report.

All material information on the performance and development of the Group and of the Company is disclosed in a timely, accurate and comprehensive manner through SGXNET, press releases and the Company's website. The Company does not practice selective disclosure of material information. All materials on the quarterly, half-yearly and full year financial results are available on the Company's website.

To enable shareholders to contact the Company easily, the contact details of the IR personnel are set out on all announcements as well as on the Company's website.

The IR personnel have procedures in place for responding to investors' queries as soon as applicable.

Every quarterly financial results announcement of the Company is accompanied by a press release in English.

In addition, financial results briefings are held by way of live audio webcasts in conjunction with the release of the Company's full year results, where the executive directors and the Chief Financial Officer are present to answer questions which the investors, media, and analysts may have.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the directors may deem appropriate.

Principle 16: Conduct of Shareholder Meetings

Shareholders are encouraged to participate effectively and vote at general meetings, where relevant rules and procedures governing such meeting are clearly communicated.

If shareholders are unable to attend the meetings, the Company's Constitution allows all shareholders to appoint up to two proxies (or, in the case of relevant intermediaries, more than two proxies) to the general meetings and to vote on their behalf through proxy form sent in advance.

Separate resolutions are proposed on each substantially separate issue at the general meetings. All the resolutions at general meetings are in single item resolutions.

Shareholders are given the opportunity to raise questions and clarify any issues that they may have relating to the resolutions to be passed. The Board and senior management are present at each general meeting to respond to any questions from shareholders. The Group's external auditors are also present to address queries regarding the conduct of the audit and the preparation and content of the auditors' report.

The company secretary prepares minutes of general meetings, which incorporates substantial comments or queries from shareholders relating to the agenda of the meetings, and responses from the Board and management. The minutes are available to shareholders upon request.

All resolutions at general meetings of the Company are voted by poll as required by Rule 730A(2) of the Listing Manual of the SGX-ST.

The Company has conducted the voting of all its resolutions by poll at all of its AGMs and Extraordinary General Meetings ("EGM") since 2016 by employing electronic poll voting. The detailed results of the electronic poll voting on each resolution tabled at general meetings, including the total number of votes cast for or against each resolution tabled, are announced immediately at the general meetings and via SGXNET thereafter.

DEALINGS IN SECURITIES

The Company, its directors and officers, including employees who have access to price-sensitive information, are not to deal in the Company's securities on short-term considerations and during the two weeks before the announcement of the Group's financial results for the first three quarters of its financial year and one month before the announcement of the Group's full-year financial results, and ending on the date of announcement of the relevant results. The Company, its directors and officers, including employees who have access to price-sensitive information, are expected to comply with the Securities and Futures Act (Cap. 289) and observe laws against insider trading at all times.

MATERIAL CONTRACTS

Since the end of the previous financial year, no material contracts involving the interest of the Managing Director/chief executive officer, each director or controlling shareholder of the Company have been entered into by the Company or any of its subsidiaries, and no such contract subsisted as at 31 March 2019.

INTERESTED PERSON TRANSACTIONS

All transactions with interested persons must be negotiated and made at arm's length and reviewed by the Audit & Risk Committee.

For the financial year ended 31 March 2019, the following transactions that the Group entered into would be regarded as interested person transactions pursuant to the Listing Manual of the SGX-ST:-

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S$100,000)	
	31.3.19 S$'000	**31.3.18 S$'000**
Boustead Singapore Limited ("BSL") & its subsidiaries ("BSL Group")		
Lease of office common area from the BSL Group [1] (includes shared expenses such as IT, utilities and common area usage)	**169**	176

(1) This is deemed to have been specifically approved by shareholders upon the distribution of shares by dividend in specie following the extraordinary general meeting of Boustead Singapore Limited held on 16 April 2015 and is therefore not subject to Rules 905 and 906 of the Listing Manual of the SGX-ST to the extent that there are no subsequent changes to the terms of such agreement.

Additional Information on Directors Seeking Re-election Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST

Mr John Lim Kok Min, Mr Chong Lit Cheong, Professor Yong Kwet Yew and Mr Tam Chee Chong are the Directors seeking re-election at the forthcoming AGM to be held on 26 July 2019 (collectively, the "**Retiring Directors**").

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST is set out below:

Name of Director	John Lim Kok Min	Chong Lit Cheong
Date of Appointment	25/03/2015	15/05/2015
Date of last re-appointment (if applicable)	28/07/2016	28/07/2016
Age	79	63
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the work experience and suitability of Mr John Lim Kok Min for re-appointment as the Non-Executive Director of the Company. The Board has concluded that Mr John Lim Kok Min possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the work experience and suitability of Mr Chong Lit Cheong for re-appointment as the Non-Executive Director of the Company. The Board has concluded that Mr Chong Lit Cheong possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Director, Chairman of the Board, Chairman of the Nominating Committee, Chairman of the Remuneration Committee and member of the Audit & Risk Committee.	Independent Non-Executive Director, Chairman of the Audit & Risk Committee, member of the Nominating Committee and member of the Remuneration Committee.
Professional qualifications	Bachelor of Arts (Economics) (Hons), University of Malaya	Mombusho (Colombo Plan) Scholar Bachelor of Engineering (Electronics), University of Tokyo
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of interests (including any competing business)	Nil	Nil

Name of Director	John Lim Kok Min	Chong Lit Cheong
Working experience and occupation(s) during the past 10 years	Independent non-executive director of Boustead Singapore Limited Chairman of Gas Supply Pte Ltd Chairman of OECD-Asia Network on Corporate Governance for State-Owned Enterprises Chairman of Senoko Power Pte Ltd Chairman of Singapore Institute of Directors Deputy Chairman of NTUC FairPrice Co-operative Ltd Vice-Chairman of Singapore Institute of Management Deputy Group Executive Chairman & President of LMA International NV Group Managing Director of Pan-United Corporation Ltd	Aug 2017 to present Group Chief Corporate Officer of Surbana Jurong Pte Ltd Jan 2015 to Jul 2017 Senior Advisor, Strategic Relations & Deputy Group Chief Corporate Officer, CapitaLand Limited Jan 2013 to Dec 2014 CEO, Regional Investments, CapitaLand Limited Feb 2011 to Dec 2013 CEO, CapitaLand Commercial Limited, a wholly owned subsidiary of CapitaLand Limited Jun 2006 to Jan 2011 CEO, International Enterprise Singapore, a statutory board under the Ministry of Trade & Industry Jan 2001 to May 2006 CEO, JTC Corporation, a statutory board under the Ministry of Trade & Industry
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 704(7)) or Appendix 7H (Catalist Rule 704(6))	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries	Yes	Nil
Shareholding Details	Direct interest – 169,296 ordinary shares in Boustead Projects Limited.	N.A.
Other Principal Commitments (as defined in the Code) including directorships - Past (for the last 5 years)	1. Independent non-executive director of Boustead Singapore Limited 2. Independent non-executive director of Forterra Real Estate Pte Ltd as Manager for Forterra Trust 3. Chairman of Gas Supply Pte Ltd	1. CapitaLand Limited 2. Mapletree Industrial Trust Management Ltd 3. Quill Capita Management Sdn Bhd 4. Singapore Management University Strategy & Advisory Board 5. Singapore Changi International Airport Pte Ltd
Other Principal Commitments (as defined in the Code) including directorships - Present	1. Independent non-executive Chairman of IREIT Global Group Pte Ltd 2. Independent non-executive director of Silverlake Axis Ltd 3. Chairman of In.Corp Global Pte Ltd 4. Director of Nexus International School Pte. Ltd.	1. Surbana Jurong Pte Ltd 2. AETOS Holdings Pte Ltd 3. Mitbana Pte Ltd

CORPORATE GOVERNANCE

Name of Director		John Lim Kok Min	Chong Lit Cheong
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.			
(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c)	Whether there is any unsatisfied judgement against him?	No	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

Name of Director	John Lim Kok Min	Chong Lit Cheong
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only.		
Any prior experience as a director of an issuer listed on the Exchange?	N.A.	N.A.
If yes, please provide details of prior experience.	N.A.	N.A.
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	N.A.	N.A.
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable)	N.A.	N.A.

Name of Director	**Professor Yong Kwet Yew**	**Tam Chee Chong**
Date of Appointment	01/05/2019	01/05/2019
Date of last re-appointment (if applicable)	N.A.	N.A.
Age	65	56
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the work experience and suitability of Professor Yong Kwet Yew for re-appointment as the Non-Executive Director of the Company. The Board has concluded that Professor Yong Kwet Yew possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the work experience and suitability of Mr Tam Chee Chong for re-appointment as the Non-Executive Director of the Company. The Board has concluded that Mr Tam Chee Chong possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Director, member of the Remuneration Committee and member of the Nominating Committee.	Independent Non-Executive Director, member of the Audit & Risk Committee and member of the Nominating Committee.
Professional qualifications	BEng (1st Class Hons), PhD, Hon FIES, PEng	Fellow Chartered Accountant of both England & Wales and Singapore
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of interests (including any competing business)	Nil	Nil

Name of Director	Professor Yong Kwet Yew	Tam Chee Chong
Working experience and occupation(s) during the past 10 years	Professor of Civil & Environmental Engineering and Senior Vice President, National University of Singapore	Group Chief Financial Officer, Senior Managing Director Fullerton Healthcare Corporation Ltd (2018-2019) Deputy Managing Partner – Markets Singapore (2016-2018) Leader – Deloitte Private Southeast Asia (2016 -2018) Partner – Family Enterprise Consulting (2016-2018) Regional Managing Partner – Financial Advisory Services for Deloitte Southeast Asia (2006-2016)
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 704(7)) or Appendix 7H (Catalist Rule 704(6))	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries	No	No
Shareholding Details	N.A.	N.A.
Other Principal Commitments (as defined in the Code) including directorships - Past (for the last 5 years)	1. Professor and Sr Vice President, NUS 2. Independent Director, BBR Holdings (S) Ltd 3. Independent Director, Tritech Group Ltd 4. Chairman, International Panel of Advisers, LTA 5. Chair/ Member, Development Projects Advisory Panel, MOF	1. YMCA, Board Member 2. Institute of Singapore Chartered Accountants, Council Member 3. Deloitte Southeast Asia, Board Member 4. Singapore Turf Club, Honorary Steward 5. Singapore Corporate Award Organising Committee (a) Chairman, Best CFO Award Judging Panel (b) Member, Best CEO Award Judging Panel
Other Principal Commitments (as defined in the Code) including directorships - Present	1. Professor and Sr Vice President, NUS 2. Independent Director, BBR Holdings (S) Ltd 3. Independent Director, Tritech Group Ltd 4. Chairman, International Panel of Advisers, LTA 5. Chair/Member, Development Projects Advisory Panel, MOF	1. Kairos Corporate Advisory Pte. Ltd., Director 2. Kembangan Chai Chee CCC, Chairman 3. Marine Parade Town Council, Member 4. Marine Parade Leadership Foundation, Alternate Member 5. Halogen Foundation Singapore, Board Member

CORPORATE GOVERNANCE

Name of Director		Professor Yong Kwet Yew	Tam Chee Chong
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.			
(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c)	Whether there is any unsatisfied judgement against him?	No	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

Name of Director	Professor Yong Kwet Yew	Tam Chee Chong
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only.		
Any prior experience as a director of an issuer listed on the Exchange?	N.A.	N.A.
If yes, please provide details of prior experience.	N.A.	N.A.
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	N.A.	N.A.
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable)	N.A.	N.A.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BOUSTEAD PROJECTS LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the accompanying consolidated financial statements of Boustead Projects Limited (the "Company") and its subsidiaries (the "Group") and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated statement of comprehensive income of the Group for the financial year ended 31 March 2019;
- the consolidated statement of financial position of the Group and statement of financial position of the Company as at 31 March 2019;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Our Audit Approach (cont'd)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 March 2019 ("reporting date"). These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition of Design & Build contracts Refer to Note 3 (Critical accounting estimates, assumptions and judgement) and Note 4 (Revenue) to the financial statements. During the financial year ended 31 March 2019, revenue from Design & Build contracts amounted to $205,061,000, which represented 88% of the Group's total revenue. Revenue from Design & Build contracts are recognised over time by reference to the progress towards satisfaction of performance obligations under the contracts. Measurement of progress of the projects at the reporting date is based on the proportion of contract costs incurred to-date over the estimated total contact costs. Revenue from Design & Build contracts are also adjusted with variations to the contracts claimable from customers, as well as liquidated damages due to delays or other causes, payable to customers. Significant judgement is required to estimate the total contract costs which affected the measurement of progress of the projects at the reporting date and accordingly revenue recognised. Significant judgement is also required to estimate the variations or claims and provision for liquidated damages recognised within revenue from these contracts. Accordingly, we have assessed revenue recognition from Design & Build contracts as a Key Audit Matter.	We have performed the following audit procedures to address the Key Audit Matter: We have obtained an understanding of the projects in progress at reporting date through discussions with management and examination of documents such as contracts and correspondences with customers. In relation to total contract revenue, our audit procedures include the following: a. Traced the total contract sums to contracts and agreed variation orders; and b. Assessed the progress of construction against contractual timeline for delays and need for provision for liquidated damages. In relation to total contract costs, our audit procedures include the following: a. Selected samples of costs incurred and traced to supplier invoices and sub-contractors' billings; and b. Selected samples of projects in progress at the reporting date and tested estimation of cost-to-complete by tracing to quotations and/or contracts with sub-contractors and suppliers. In relation to the revenue recognised for projects in progress at the reporting date, we have: a. Recomputed the measurement of progress based on the proportion of contract costs incurred to-date to the estimated total contract costs; and b. Recomputed the revenue for the current financial year based on the measurement of progress and traced to the accounting records. Based on the audit procedures performed, we have assessed management estimation of the revenue on Design & Build contracts to be reasonable. We have also assessed the disclosures in the financial statements in relation to the sensitivity of estimations on revenue and costs on Design & Build contracts to be appropriate.

Other Information

Management is responsible for the other information. The other information comprises all the sections of the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Kok Moi Lre.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 28 June 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	2019 $'000	2018 $'000
Revenue	4	**234,223**	169,635
Cost of sales	5	**(173,643)**	(110,361)
Gross profit		**60,580**	59,274
Other income	7	**5,478**	3,617
Other gains - net	8	**6,032**	77
Expenses			
- Selling and distribution	5	**(4,744)**	(4,265)
- Administrative	5	**(26,771)**	(24,414)
- Finance	9	**(2,283)**	(1,949)
Share of (loss)/profit of an associated company and joint ventures	10	**(2,617)**	3,112
Profit before income tax		**35,675**	35,452
Income tax expense	11	**(5,097)**	(6,301)
Total profit		**30,578**	29,151
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges			
- Fair value losses	30	**(17)**	-
Currency translation differences arising from consolidation	30	**(437)**	1,405
Items that will not be reclassified subsequently to profit or loss:			
Financial assets, at fair value through other comprehensive income ("FVOCI") – equity instrument			
- Fair value gain	30	**231**	-
Other comprehensive (loss)/income, net of tax		**(223)**	1,405
Total comprehensive income		**30,355**	30,556
Profit attributable to:			
Equity holders of the Company		**30,578**	29,151
Total comprehensive income attributable to:			
Equity holders of the Company		**30,355**	30,556
Earnings per share for profit attributable to equity holders of the Company (cents per share)			
Basic earnings per share	12	**9.9**	9.1
Diluted earnings per share	12	**9.8**	9.1

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION – GROUP AND COMPANY

AS AT 31 MARCH 2019

		Group			Company		
		31 March		1 April	31 March		1 April
	Note	2019 $'000	2018 $'000	2017 $'000	2019 $'000	2018 $'000	2017 $'000
ASSETS							
Current assets							
Cash and cash equivalents	13	**108,328**	111,386	113,374	**54,947**	52,802	100,164
Properties held for sale	14	**26,670**	30,730	30,612	**-**	-	-
Trade receivables	15	**48,543**	51,546	61,437	**5,817**	12,594	40,524
Other receivables and prepayments	15	**40,974**	29,984	41,681	**142,585**	140,053	143,309
Derivative financial instruments		**13**	-	-	**-**	-	-
Contract assets	16	**69,945**	16,872	11,184	**420**	2,540	5,216
		294,473	240,518	258,288	**203,769**	207,989	289,213
Non-current assets							
Trade receivables	15	**10,759**	4,619	-	**-**	-	-
Other receivables and prepayments	15	**2,267**	2,651	6,064	**-**	-	-
Investment in an associated company	17	**-**	588	-	**-**	-	-
Investments in joint ventures	18	**40,673**	37,148	32,354	**59,156**	44,240	37,263
Investments in subsidiaries	19	**-**	-	-	**39,754**	40,022	28,282
Intangible asset		**121**	-	-	**-**	-	-
Available-for-sale financial assets	20	**-**	20,519	20,519	**-**	20,519	20,519
Financial assets, at FVOCI	21	**31,426**	-	-	**31,426**	-	-
Investment properties	22	**182,118**	128,827	134,796	**-**	-	-
Property, plant and equipment	23	**913**	780	812	**-**	-	506
Deferred income tax assets	26	**3,196**	-	-	**-**	-	-
		271,473	195,132	194,545	**130,336**	104,781	86,570
Total assets		**565,946**	435,650	452,833	**334,105**	312,770	375,783
LIABILITIES							
Current liabilities							
Borrowings	24	**66,519**	5,095	18,295	**-**	-	-
Trade and other payables	25	**100,496**	95,353	106,695	**70,459**	73,000	167,419
Income tax payable		**10,873**	10,632	10,898	**2,136**	2,468	4,651
Derivative financial instruments		**30**	-	-	**-**	-	-
Contract liabilities	16	**18,695**	7,872	9,458	**-**	-	-
		196,613	118,952	145,346	**72,595**	75,468	172,070
Non-current liabilities							
Borrowings	24	**79,757**	65,409	70,059	**-**	-	-
Trade payables	25	**4,572**	3,418	4,973	**-**	-	3,170
Deferred income tax liabilities	26	**3,974**	3,770	3,077	**-**	-	77
		88,303	72,597	78,109	**-**	-	3,247
Total liabilities		**284,916**	191,549	223,455	**72,595**	75,468	175,317
NET ASSETS		**281,030**	244,101	229,378	**261,510**	237,302	200,466
EQUITY							
Capital and reserves attributable to equity holders of the Company							
Share capital	27	**15,000**	15,000	15,000	**15,000**	15,000	15,000
Treasury shares	27	**(8,244)**	(8,885)	(35)	**(8,244)**	(8,885)	(35)
Retained profits	29	**264,004**	238,066	216,907	**242,581**	229,818	185,141
Other reserves	30	**10,270**	(80)	(2,494)	**12,173**	1,369	360
Total equity		**281,030**	244,101	229,378	**261,510**	237,302	200,466

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	Share capital $'000	Treasury shares $'000	Retained profits $'000	Other reserves $'000	Equity attributable to equity holders of the Company $'000
2019						
Balance as at 31 March 2018		**15,000**	**(8,885)**	**238,066**	**(80)**	**244,101**
Adoption of SFRS(I) 9	2.2(g)C	**-**	**-**	**-**	**10,676**	**10,676**
Balance as at 1 April 2018		**15,000**	**(8,885)**	**238,066**	**10,596**	**254,777**
Profit for the year		**-**	**-**	**30,578**	**-**	**30,578**
Other comprehensive income for the financial year		**-**	**-**	**-**	**(223)**	**(223)**
Total comprehensive income for the financial year		**-**	**-**	**30,578**	**(223)**	**30,355**
Dividends		**-**	**-**	**(4,640)**	**-**	**(4,640)**
Employee share-based compensation						
- Value of employee services	30(b)(ii)	**-**	**-**	**-**	**538**	**538**
- Treasury shares re-issued		**-**	**641**	**-**	**(641)**	**-**
Total transactions with owners, recognised directly in equity		**-**	**641**	**(4,640)**	**(103)**	**(4,102)**
Balance as at 31 March 2019		**15,000**	**(8,244)**	**264,004**	**10,270**	**281,030**
2018						
Balance as at 31 March 2017		15,000	(35)	218,179	(3,766)	229,378
Adoption of SFRS(I) 1	2.2(g)A	-	-	(1,272)	1,272	-
Balance as at 1 April 2017		15,000	(35)	216,907	(2,494)	229,378
Profit for the financial year		-	-	29,151	-	29,151
Other comprehensive income for the financial year		-	-	-	1,405	1,405
Total comprehensive income for the financial year		-	-	29,151	1,405	30,556
Dividends		-	-	(7,992)	-	(7,992)
Purchase of treasury shares	27	-	(9,155)	-	-	(9,155)
Employee share-based compensation						
- Value of employee services	30(b)(ii)	-	-	-	1,314	1,314
- Treasury shares re-issued		-	305	-	(305)	-
Total transactions with owners, recognised directly in equity		-	(8,850)	(7,992)	1,009	15,833
Balance as at 31 March 2018		15,000	(8,885)	238,066	(80)	244,101

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	2019 $'000	2018 $'000
Cash flows from operating activities			
Profit before income tax		**35,675**	35,452
Adjustments for:			
- Amortisation of intangible asset		**4**	-
- Depreciation expense		**6,573**	6,692
- Share of loss/(profit) of an associated company and joint ventures		**2,617**	(3,112)
- Unrealised construction and project management margins		**8,248**	5,963
- Employee share-based compensation expense		**538**	1,314
- Interest income		**(4,317)**	(2,388)
- Finance expenses		**2,283**	1,949
- Gain on disposal of property		**(5,890)**	-
- Currency exchange gains		**(142)**	(77)
		45,589	45,793
Change in working capital:			
- Trade and other receivables		**(2,186)**	(1,385)
- Contract assets and liabilities – net		**(42,250)**	(1,851)
- Properties held for sale		**(445)**	(55)
- Trade and other payables		**5,068**	(11,863)
Cash generated from operations		**5,776**	30,639
Interest received		**4,317**	2,388
Interest paid		**(2,283)**	(1,949)
Income tax paid		**(7,848)**	(5,874)
Net cash (used in)/provided by operating activities		**(38)**	25,204
Cash flows from investing activities			
Purchase of property, plant and equipment		**(520)**	(291)
Addition to investment properties		**(59,573)**	(377)
Addition to intangible asset		**(125)**	-
Proceeds from disposal of an available-for-sale financial asset		**-**	25,895
Proceeds from disposal of a property - net		**10,395**	-
Government grant received		**92**	-
Loan to an associated company		**(3,916)**	(6,587)
Loans to joint ventures		**(15,190)**	(9,390)
Loan to a related party		**-**	(1,897)
Deposits paid for property, plant and equipment		**(4,788)**	-
Deposits paid for investment		**(3,089)**	-
Dividends received from joint ventures		**2,600**	115
Net cash (used in)/provided by investing activities		**(74,114)**	7,468
Cash flows from financing activities			
Purchase of treasury shares		**-**	(9,155)
Repayment of borrowings		**(35,541)**	(17,850)
Proceeds from borrowings		**111,313**	-
Dividends paid to equity holders of the Company		**(4,640)**	(7,992)
Net cash provided/(used in) by financing activities		**71,132**	(34,997)
Net decrease in cash and cash equivalents		**(3,020)**	(2,325)
Cash and cash equivalents			
Beginning of financial year	13	**111,386**	113,374
Effect of currency translation on cash and cash equivalents		**(38)**	337
End of financial year	13	**108,328**	111,386

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	1 April 2018 $'000	Principal and interest payments - net $'000	Non-cash changes – Interest expenses $'000	31 March 2019 $'000
Bank borrowings	70,504	73,489	2,283	**146,276**

	1 April 2017 $'000	Principal and interest payments - net $'000	Non-cash changes – Interest expenses $'000	31 March 2018 $'000
Bank borrowings	88,354	(19,799)	1,949	70,504

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

Boustead Projects Limited (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office and principal place of business is 82 Ubi Avenue 4, #07-01 Edward Boustead Centre, Singapore 408832.

The principal activities of the Company are to design-and-build and develop industrial facilities and industrial parks for lease or sale. The principal activities of an associated company, joint ventures and subsidiaries are set out in Notes 17, 18 and 19 of the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.2 Adoption of SFRS(I)

As required by the listing requirements of Singapore Exchange, the Group has adopted SFRS(I) on 1 April 2018. These financial statements for the year ended 31 March 2019 are the first set of financial statements the Group prepared in accordance with SFRS(I). The Group's previously issued financial statements for periods up to and including the financial year ended 31 March 2018 were prepared in accordance with Singapore Financial Reporting Standards ("SFRS").

In adopting SFRS(I) on 1 April 2018, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of SFRS(I)*.

Under SFRS(I) 1, these financial statements are required to be prepared using accounting policies that comply with SFRS(I) effective as at 31 March 2019. The same accounting policies are applied throughout all periods presented in these financial statements, subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

The Group's opening statement of financial position has been prepared as at 1 April 2017, which is the Group's date of transition to SFRS(I) ("date of transition").

(a) Optional exemptions applied

SFRS(I) 1 allows the exemption from application of certain requirements under SFRS(I) on a retrospective basis. The Group has applied the following exemptions in preparing this first set of financial statements:

(i) Cumulative translation differences

The Group elected to set the cumulative translation differences for all foreign operations to nil as at the date of transition to SFRS(I).

(ii) Borrowing costs

The Group has elected to apply the requirements in the SFRS(I) 1-23 Borrowing Costs from the date of transition to SFRS(I). Borrowing costs that were accounted for previously under SFRS prior to date of transition are not restated.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Adoption of SFRS(I) (cont'd)

(a) Optional exemptions applied (cont'd)

(iii) Short-term exemption on adoption of SFRS(I) 9 Financial Instruments

The Group has elected to apply the short-term exemption to adopt SFRS(I) 9 on 1 April 2018. Accordingly, the requirements of SFRS 39 *Financial Instruments: Recognition and Measurement* are applied to financial instruments up to the financial year ended 31 March 2018. The Group is also exempted from complying with SFRS(I) 7 *Financial Instruments*: Disclosures to the extent that the disclosures required by SFRS(I) 7 relate to the items within scope of SFRS(I) 9.

As a result, the requirements under SFRS are applied to the comparative information on items within scope of SFRS(I) 9.

(iv) Practical expedients on adoption of SFRS(I) 15 Revenue from Contracts with Customers

The Group has elected to apply the transitional provisions under paragraph C5 of SFRS(I) 15 at 1 April 2018 and have used the following practical expedients provided under SFRS(I) 15:

- for completed contracts with variable consideration, the Group has used the transaction price at the date the contract was completed, rather than estimating the variable consideration amounts in the comparative reporting period;

- for contracts which were modified before the date of transition, the Group did not retrospectively restate the contract for those contract modifications; and

- for the financial year ended 31 March 2018, the Group did not disclose the amount of transaction price allocated to the remaining performance obligations and explanation of when the Group expects to recognise that amount as revenue.

(b) Elimination of unrealised construction and project management margins

As permitted with the adoption of the new accounting framework of SFRS(I)s, the Group has elected to change its accounting policy with respect to the elimination of downstream transactions between the Group and its associated company and joint ventures.

The Group contracts with its associated company and joint ventures to design and build industrial buildings and facilities. Under the equity method of accounting, any unrealised gains and losses from these transactions are eliminated, to the extent of the Group's interest in the associated company and joint ventures. Elimination relates only to assets that are still held by the investees.

Elimination of unrealised construction and project management margins are now made through a reduction in "revenue" and "cost of sales" on the consolidated statement of comprehensive income and the carrying value of the associated company and joint ventures on the statement of financial position, to the extent of the Group's interest in the associate company and joint ventures. Previously, the elimination was made through "share of profits of associated company and joint ventures". This change provides a straightforward approach to comprehending the Group's share of results of its investees and is also aligned with general industry practice.

The change in accounting policy did not have any impact on the Group's statement of financial position as at 1 April 2017 and 31 March 2018. The effects of this change on the Group's previously issued statement of comprehensive income for the financial year ended 31 March 2018 are disclosed in Note 2.2(d).

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Adoption of SFRS(I) (cont'd)

(c) Reconciliation of the Group's equity reported in accordance with SFRS to SFRS(I)

	Note	Reported under SFRS $'000	Effects of applying SFRS(I) 1 $'000	Effects of applying SFRS(I) 15 $'000	Reported under SFRS(I) $'000
As at 1 April 2017					
ASSETS					
Current assets					
Cash and cash equivalents		113,374	-	-	113,374
Properties held for sale		30,612	-	-	30,612
Trade receivables	2.2(g)B	64,185	-	(2,748)	61,437
Other receivables and prepayments		41,681	-	-	41,681
Contracts work-in-progress	2.2(g)B	8,436	-	(8,436)	-
Contract assets	2.2(g)B	-	-	11,184	11,184
		258,288	-	-	258,288
Non-current assets					
Other receivables and prepayments		6,064	-	-	6,064
Investments in joint ventures		32,354	-	-	32,354
Available-for-sale financial assets		20,519	-	-	20,519
Investment properties		134,796	-	-	134,796
Property, plant and equipment		812	-	-	812
		194,545	-	-	194,545
Total assets		452,833	-	-	452,833
LIABILITIES					
Current liabilities					
Borrowings		18,295	-	-	18,295
Trade and other payables		106,695	-	-	106,695
Income tax payable		10,898	-	-	10,898
Contracts work-in-progress	2.2(g)B	9,458	-	(9,458)	-
Contract liabilities	2.2(g)B	-	-	9,458	9,458
		145,346	-	-	145,346
Non-current liabilities					
Borrowings		70,059	-	-	70,059
Trade payables		4,973	-	-	4,973
Deferred income tax liabilities		3,077	-	-	3,077
		78,109	-	-	78,109
Total liabilities		223,455	-	-	223,455
NET ASSETS		229,378	-	-	229,378
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		15,000	-	-	15,000
Treasury shares		(35)	-	-	(35)
Retained profits	2.2(g)A	218,179	(1,272)	-	216,907
Other reserves	2.2(g)A	(3,766)	1,272	-	(2,494)
		229,378	-	-	229,378
Total equity		229,378	-	-	229,378

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Adoption of SFRS(I) (cont'd)

(c) Reconciliation of the Group's equity reported in accordance with SFRS to SFRS(I) (cont'd)

	Note	As at 31 March 2018 reported under SFRS $'000	Effects of applying SFRS(I) 15 $'000	As at 31 March 2018 reported under SFRS(I) $'000	Effects of applying SFRS(I) 9 $'000	As at 1 April 2018 reported under SFRS(I) $'000
ASSETS						
Current assets						
Cash and cash equivalents		111,386	-	111,386	-	111,386
Properties held for sale		30,730	-	30,730	-	30,730
Trade receivables	2.2(g)B	59,718	(8,172)	51,546	-	51,546
Other receivables and prepayments		29,984	-	29,984	-	29,984
Contracts work-in-progress	2.2(g)B	8,700	(8,700)	-	-	-
Contract assets	2.2(g)B	-	16,872	16,872	-	16,872
		240,518	-	240,518	-	240,518
Non-current assets						
Trade receivables		4,619	-	4,619	-	4,619
Other receivables and prepayments		2,651	-	2,651	-	2,651
Investment in an associated company		588	-	588	-	588
Investments in joint ventures		37,148	-	37,148	-	37,148
Investments in subsidiaries		-	-	-	-	-
Financial assets, available-for-sale	2.2(g)C	20,519	-	20,519	(20,519)	-
Financial assets, at FVOCI	2.2(g)C	-	-	-	31,195	31,195
Investment properties		128,827	-	128,827	-	128,827
Property, plant and equipment		780	-	780	-	780
		195,132	-	195,132	10,676	205,808
Total assets		435,650	-	435,650	10,676	446,326

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Adoption of SFRS(I) (cont'd)

(c) Reconciliation of the Group's equity reported in accordance with SFRS to SFRS(I) (cont'd)

	Note	As at 31 March 2018 reported under SFRS $'000	Effects of applying SFRS(I) 15 $'000	As at 31 March 2018 reported under SFRS(I) $'000	Effects of applying SFRS(I) 9 $'000	As at 1 April 2018 reported under SFRS(I) $'000
LIABILITIES						
Current liabilities						
Borrowings		5,095	-	5,095	-	5,095
Trade and other payables		95,353	-	95,353	-	95,353
Income tax payable		10,632	-	10,632	-	10,632
Contracts work-in-progress	2.2(g)B	7,872	(7,872)	-	-	-
Contract liabilities	2.2(g)B	-	7,872	7,872	-	7,872
		118,952	-	118,952	-	118,952
Non-current liabilities						
Borrowings		65,409	-	65,409	-	65,409
Trade payables		3,418	-	3,418	-	3,418
Deferred income tax liabilities		3,770	-	3,770	-	3,770
		72,597	-	72,597	-	72,597
Total liabilities		191,549	-	191,549	-	191,549
NET ASSETS		244,101	-	244,101	10,676	254,777
EQUITY						
Capital and reserves attributable to equity holders of the Company						
Share capital		15,000	-	15,000	-	15,000
Treasury shares		(8,885)	-	(8,885)	-	(8,885)
Retained profits		238,066	-	238,066	-	238,066
Other reserves	2.2(g)C	(80)	-	(80)	10,676	10,596
		244,101	-	244,101	10,676	254,777
Total equity		244,101	-	244,101	10,676	254,777

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Adoption of SFRS(I) (cont'd)

(d) Reconciliation of the Group's total comprehensive income reported in accordance with SFRS to SFRS(I)

	As previously reported under SFRS $'000	Change in accounting policy as described in Note 2.2(b) $'000	As restated under SFRS(I) $'000
Financial year ended 31 March 2018			
Statement of comprehensive income			
Revenue	201,342	(31,707)	169,635
Cost of sales	(136,105)	25,744	(110,361)
Gross profit	65,237	(5,963)	59,274
Other income	3,617	-	3,617
Other gains – net	77	-	77
Expenses	(30,628)	-	(30,628)
Share of (loss)/profit of an associated company and joint ventures	(2,851)	5,963	3,112
Profit before income tax	35,452	-	35,452
Income tax expense	(6,301)	-	(6,301)
Total profit	29,151	-	29,151
Other comprehensive income	1,405	-	1,405
Total comprehensive income	30,556	-	30,556

(e) There were no material adjustments to the Group's statement of cash flows arising from the transition from SFRS to SFRS(I).

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Adoption of SFRS(I) (cont'd)

(f) Reconciliation of the Company's equity reported in accordance with SFRS to SFRS(I)

	Note	Reported under SFRS $'000	Effects of applying SFRS(I) 15 $'000	Reported under SFRS(I) $'000
As at 1 April 2017				
ASSETS				
Current assets				
Cash and cash equivalents		100,164	-	100,164
Trade receivables	2.2(g)B	43,272	(2,748)	40,524
Other receivables and prepayments		143,309	-	143,309
Contracts work-in-progress	2.2(g)B	2,468	(2,468)	-
Contract assets	2.2(g)B	-	5,216	5,216
		289,213	-	289,213
Non-current assets				
Investments in joint ventures		37,263	-	37,263
Investments in subsidiaries		28,282	-	28,282
Available-for-sale financial assets		20,519	-	20,519
Property, plant and equipment		506	-	506
		86,570	-	86,570
Total assets		375,783	-	375,783
LIABILITIES				
Current liabilities				
Trade and other payables		167,419	-	167,419
Income tax payable		4,651	-	4,651
		172,070	-	172,070
Non-current liabilities				
Trade payables		3,170	-	3,170
Deferred income tax liabilities		77	-	77
		3,247	-	3,247
Total liabilities		175,317	-	175,317
NET ASSETS		200,466	-	200,466
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital		15,000	-	15,000
Treasury shares		(35)	-	(35)
Retained profits		185,141	-	185,141
Other reserves		360	-	360
		200,466	-	200,466
Total equity		200,466	-	200,466

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Adoption of SFRS(I) (cont'd)

(f) Reconciliation of the Company's equity reported in accordance with SFRS to SFRS(I) (cont'd)

	Note	As at 31 March 2018 reported under SFRS $'000	Effects of applying SFRS(I) 15 $'000	As at 31 March 2018 reported under SFRS(I) $'000	Effects of applying SFRS(I) 9 $'000	As at 1 April 2018 reported under SFRS(I) $'000
ASSETS						
Current assets						
Cash and cash equivalents		52,802	-	52,802	-	52,802
Trade receivables	2.2(g)B	15,134	(2,540)	12,594	-	12,594
Other receivables and prepayments		140,053	-	140,053	-	140,053
Contract assets	2.2(g)B	-	2,540	2,540	-	2,540
		207,989	-	207,989	-	207,989
Non-current assets						
Investments in joint ventures		44,240	-	44,240	-	44,240
Investments in subsidiaries		40,022	-	40,022	-	40,022
Financial assets, available-for-sale	2.2(g)C	20,519	-	20,519	(20,519)	-
Financial assets, at FVOCI	2.2(g)C	-	-	-	31,195	31,195
		104,781	-	104,781	10,676	115,457
Total assets		312,770	-	312,770	10,676	323,446
LIABILITIES						
Trade and other payables		73,000	-	73,000	-	73,000
Income tax payable		2,468	-	2,468	-	2,468
		75,468	-	75,468	-	75,468
Total liabilities		75,468	-	75,468	-	75,468
NET ASSETS		237,302	-	237,302	10,676	247,978
EQUITY						
Capital and reserves attributable to equity holders of the Company						
Share capital		15,000	-	15,000	-	15,000
Treasury shares		(8,885)	-	(8,885)	-	(8,885)
Retained profits		229,818	-	229,818	-	229,818
Other reserves	2.2(g)C	1,369	-	1,369	10,676	12,045
		237,302	-	237,302	10,676	247,978
Total equity		237,302	-	237,302	10,676	247,978

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Adoption of SFRS(I) (cont'd)

(g) Explanatory notes to reconciliations:

The effects of transition to SFRS(I) mainly arises from the optional exemptions provided for under SFRS(I) 1 and the adoption of SFRS(I) 9 *Financial Instruments* and SFRS(I) 15 *Revenue from Contracts with Customers*.

A. Optional exemptions

As disclosed in Note 2.2(a), the Group has applied certain exemptions in preparing this first set of financial statements in accordance with SFRS(I). The exemptions that resulted in adjustments to the previously issued SFRS financial statements are as follows:

A1. Cumulative translation differences

As disclosed in Note 2.2(a)(i), the Group has elected to deem the cumulative translation differences for all foreign operations to be zero at the date of transition to SFRS(I) on 1 April 2017. As a result, other reserves and retained profits as at 1 April 2018 and 31 March 2019 have increased/reduced by $1,272,000 respectively.

B. Adoption of SFRS(I) 15

In accordance with the requirements of SFRS(I) 1, the Group adopted SFRS(I) 15 retrospectively.

The adoption of SFRS(I) 15 resulted in adjustments to the previously issued SFRS financial statements as explained below:

B1. Presentation of contract assets and liabilities

The Group and the Company has changed the presentation of certain amounts in the statement of financial position to reflect the terminology in SFRS(I) 15:

- Amounts due from contract customers arising from contract revenue recognised to-date in excess of the total amounts billed to contract customers to-date were reclassified from Trade Receivables and Contracts work-in-progress to Contract Assets.
- Amounts due to contract customers arising from the total amounts billed to contract customers to-date in excess of the contract revenue recognised to-date were reclassified from Contracts work-in-progress to Contract Liabilities.

C. Adoption of SFRS(I) 9

As disclosed in Note 2.2(a)(iii), the Group has elected to apply the short-term exemption to adopt SFRS(I) 9 on 1 April 2018. Accordingly, the requirements of SFRS 39 *Financial Instruments: Recognition and Measurement* are applied to financial instruments up to the financial year ended 31 March 2018.

At the same time, the Group is exempted from complying with SFRS(I) 7 *Financial Instruments: Disclosures* for the comparative period to the extent that the disclosures required by the SFRS(I) 7 relate to the items within scope of SFRS(I) 9.

As a result, the requirements under SFRS are applied in place of the requirements under SFRS(I) 7 and SFRS(I) 9 to comparative information about items within the scope of the SFRS(I) 9.

The accounting policies for financial instruments under SFRS(I) 9 is as disclosed in Note 2.12.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Adoption of SFRS(I) (cont'd)

(g) Explanatory notes to reconciliations: (cont'd)

C1. Classification and measurement of financial assets

For financial assets held by the Group on 1 April 2018, management has assessed the business models that are applicable on that date to these assets so as to classify them into the appropriate categories under SFRS(I) 9.

Equity investments reclassified from AFS to FVOCI

The Group and the Company has elected to recognise changes in the fair value of all its equity investments not held for trading and previously classified as available-for-sale, in other comprehensive income. Any difference between the previous carrying amount under FRS 39 and the fair value as at 1 April 2018 has been recognised in the opening fair value reserve. As a result, financial assets, at FVOCI, and other reserves as at 1 April 2018 have increased by $10,676,000.

2.3 Revenue recognition

(a) Revenue from Design & Build contracts

The Group enters into contracts with customers to design and build industrial buildings and facilities. Revenue is recognised when the control over the industrial buildings and facilities has been transferred to the customer. At contract inception, the Group assesses whether the Group transfers control of the industrial buildings and facilities over time or at a point in time by determining if (a) its performance does not create an asset with an alternative use to the Group; and (b) the Group has an enforceable right to payment for performance completed to date.

The industrial buildings and facilities has no alternative use to the Group due to contractual restriction. The Group has also enforceable rights to payment arising from the contractual terms. For these contracts, revenue is recognised over time by reference to the Group's progress towards completing the construction of the industrial buildings and facilities. The measurement of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs ("input method"). Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

Management has determined that input method provides a faithful depiction of the Group's performance in transferring control over the industrial buildings and facilities to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for the industrial buildings and facilities.

The period between the transfer of the promised goods and payment by the customer may exceed one year. For such contracts, there is no significant financing component present as the payment terms is an industry practice to protect the performing entity from the customers' failure to adequately complete some or all of its obligations under the contract. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Revenue from Design & Build contracts are also adjusted with variations to the contracts claimable from customers, as well as liquidated damages due to delays or other causes, payable to customers.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Based on the Group's experience with similar types of contracts, variable consideration is typically constrained and is included in the transaction only to the extent that it is a highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The customer is invoiced on a progressive work certification basis. If the value of the progress work transferred by the Group exceed the billings to customers, a contract asset is recognised. If the billings to customers exceed the value of the goods transferred, a contract liability is recognised.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Revenue recognition (cont'd)

(b) Sale of industrial properties

Gain from the sale of industrial properties is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the control of the industrial properties;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the industrial properties sold;
- the amount of gain can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(c) Interest income

Interest income, including income arising from financial instruments, is recognised using the effective interest method.

(d) Rental income

Refer to Note 2.24(b) for the accounting policy for rental income.

2.4 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

2.5 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.5 Group accounting (cont'd)

(a) Subsidiaries (cont'd)

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (b) fair value of the identifiable net assets acquired, is recorded as goodwill.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific Standard.

Any retained equity interest in the entity is re-measured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to Note 2.6 for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.5 Group accounting (cont'd)

(b) An associated company and joint ventures

An associated company is an entity over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

A joint venture is an entity over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in an associated company and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisitions

Investments in an associated company and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on an associated company or joint ventures represents the excess of the cost of acquisition of an associated company or joint ventures over the Group's share of the fair value of the identifiable net assets of an associated company or joint ventures and is included in the carrying amount of the investments.

(ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated company's or joint ventures' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated company or joint ventures are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associated company or joint venture equals to or exceeds its interest in the associated company or joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company or joint venture. If the associated company or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associated company or joint ventures are eliminated to the extent of the Group's interest in the associated company or joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The elimination of unrealised gains and losses are made through "investment in an associated company" and "investments in joint ventures" on the statement of financial position and a proportionate reduction in "revenue" and "cost of sales" on the consolidated statement of comprehensive income. The accounting policies of associated company or joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in an associated company and joint ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company or joint venture is a financial asset, the retained equity interest is re-measured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost and its fair value and any proceeds on partial disposal is recognised in profit or loss.

Please refer to Note 2.6 for the accounting policy on investments in joint ventures in the separate financial statements of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.6 Investments in subsidiaries and joint ventures

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.7 Property, plant and equipment

(a) Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) Depreciation

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Estimated useful lives
Plant and machinery	5 years
Office computers	5 years
Office equipment, furniture and fittings	5 years
Renovations	5 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is included in profit or loss.

2.8 Intangible asset

Club Membership

Club Membership acquired is initially recognised at cost and is subsequently carried at cost less accumulated amortisation and accumulated impairment losses. The cost is amortised to profit or loss using the straight-line method over its estimated useful life of 23 years.

The amortisation period and amortisation method of the intangible asset is reviewed at least at each reporting date. The effects of any revision are recognised in profit or loss when the change arise.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.9 Investment properties

Investment properties are properties that are held for long-term rental yields and/or for capital appreciation. Investment properties include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially carried at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes land cost, related acquisition expenses, construction costs and finance costs incurred during the period of construction.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over the estimated useful lives of 12 to 42 years for leasehold land and buildings and 15 years for machinery and equipment. No depreciation is provided for investment properties under construction and depreciation commences when the asset is ready for its intended use. The estimated useful lives and depreciation method are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2.10 Impairment of non-financial assets

Property, plant and equipment
Intangible asset
Investment properties
Investments in subsidiaries, an associated company and joint ventures

Property, plant and equipment, intangible asset, investment properties and investments in subsidiaries, an associated company and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating-units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Properties held for sale

Properties held for sale are carried at the lower of cost (specific identification method) and net realisable value. Cost includes land cost, related acquisition expenses, construction costs and finance costs incurred during the period of construction. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

2.12 Financial assets

The accounting for financial assets before 1 April 2018 are as follows:

(a) Classification

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are presented as "cash and cash equivalents" (Note 13) and "trade receivables, other receivables and prepayments" (Note 15) on the statement of financial position.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. Available-for-sale financial assets are presented as non-current assets unless the investment matures or management intends to dispose of the asset within 12 months after the reporting date.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.12 Financial assets (cont'd)

(d) Subsequent measurement

Loans and receivables are subsequently carried at amortised cost using the effective interest method. Available-for-sale financial assets are subsequently carried at fair value. Available-for-sale financial assets whose fair value cannot be reliably measured are measured at cost less impairment loss.

Interest and dividend income on available-for-sale financial assets are recognised separately in income. Changes in the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

(e) Impairment

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(ii) Available-for-sale financial assets

In addition to the objective evidence of impairment described in Note 2.12(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If there is objective evidence of impairment, the cumulative loss that had been recognised in other comprehensive income is reclassified from equity to profit or loss. The amount of cumulative loss that is reclassified is measured as the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss. The impairment losses recognised as an expense for an equity security are not reversed through profit or loss in subsequent period.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.12 Financial assets (cont'd)

The accounting for financial assets from 1 April 2018 are as follows:

(f) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through other comprehensive income (FVOCI).

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

<u>At initial recognition</u>

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

<u>At subsequent measurement</u>

(i) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables.

These debt instruments are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest and are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(ii) Equity instruments

Equity instruments mainly comprise of financial assets, at FVOCI.

The equity instruments are subsequently carried at fair value and changes in the fair value of all its equity investments not held for trading, are recognised in other comprehensive income.

(g) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 33(b) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.12 Financial assets (cont'd)

(h) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

Trade receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

2.13 Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

The following hedge in-placed as at 31 March 2019 qualified as cash flow under SFRS(I) 9. The Group's management strategies and hedge documentation are aligned with the requirements of SFRS(I) 9 and are thus treated as continuing hedges.

Cash flow hedge - Interest rate swaps

The Group has entered into interest rate swaps that are cash flow hedges for the Group's exposure to interest rate risk on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates.

The fair value changes on the effective portion of interest rate swaps designated as cash flow hedges are recognised in other comprehensive income, accumulated in the hedging reserve and reclassified to profit or loss when the hedged interest expense on the borrowings is recognised in profit or loss. The fair value changes on the ineffective portion of interest rate swaps are recognised immediately in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.14 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.15 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under development.

2.16 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiaries, associated company and its subsidiary. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries, associated company and its subsidiary fail to make principal or interest payments when due in accordance with the terms of their borrowings. Intra-Group transactions are eliminated on consolidation.

Financial guarantee contracts are initially measured at fair value plus transaction costs and subsequently measured at the higher of:

(a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and

(b) the amount of expected loss computed using the impairment methodology under SFRS(I) 9.

Prior to 1 April 2018, financial guarantees were subsequently measured at the higher of (a) and the expected amounts payable to the banks in the event it is probable that the Company will reimburse the banks.

2.17 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.18 Fair value estimation of financial assets and liabilities

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions that are existing at each reporting date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis are also used to determine the fair values of the financial instruments.

The carrying amounts of current financial assets and liabilities carried at amortised cost approximate their fair values.

2.19 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.20 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, an associated company and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.21 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.22 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions are recognised as employee compensation expense when they are due.

(b) Employee share-based compensation

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of share awards is recognised as an expense with a corresponding increase in the share-based compensation reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the share awards granted on grant date. Non-market vesting conditions are included in the estimation of the number of shares under share awards that are expected to vest on the vesting date. At each reporting date, the Group revises its estimates of the number of shares under award that are expected to vest on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share-based compensation reserve, over the remaining vesting period.

When the share awards are vested, the related balance previously recognised in the share-based compensation reserve are credited either to share capital account, when new ordinary shares are issued, or to the "treasury shares" account, when treasury shares are re-issued to the employees.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.23 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Singapore Dollars ("presentation currency"), which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from net investment in foreign operations are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

All other foreign exchange gains and losses impacting profit or loss are presented in the profit or loss within "other gains - net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and statement of financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follow:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.24 Leases

(a) *When the Group is the lessee*

The Group leases land from non-related parties and office space from a joint venture (Note 31 (a)) under operating leases where substantially all risks and rewards incidental to ownership are retained by the lessors. These leases are classified as operating leases. Payments made under operating leases are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

(b) *When the Group is the lessor*

The Group leases properties under operating leases to non-related parties where the Group retains substantially all risks and rewards incidental to ownership. These leases are classified as operating leases. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

2.25 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the costs of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to an employee share award scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

2.26 Dividends to the Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

2.27 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

2.28 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the senior management, whose members are responsible for allocating resources and assessing performance of the operating segments.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENT

In preparing these financial statements and applying the Group's accounting policies as described in Note 2, management has applied judgement and made certain assumptions and estimations. Estimates, assumptions and judgement are based on historical experience and other factors and continually evaluated, including expectations of future events that are believed to be reasonable under the circumstances.

Estimation of total contract costs

The Group has significant ongoing contracts at each reporting date with customers to design and build industrial buildings and facilities.

For Design & Build contracts, revenue is recognised over time by reference to the Group's progress towards completing the construction of the industrial buildings and facilities. The measurement of progress is determined based on the proportion of contract costs incurred to-date to the estimated total contract costs ("input method"). When it is probable that total contract costs will exceed total revenue, a provision for onerous contract is recognised in the profit or loss immediately. Revenue recognised on these contracts but unbilled to customers are presented as contract assets on the statement of financial position.

Under the input method, estimated total contract costs on each project is a key input that is subject to significant estimation uncertainty. At every reporting date, management re-evaluates, *inter alia*, the estimated total contract costs by updating the estimated contract costs to be incurred from the reporting date to the completion date of the projects ("costs-to-complete").

In making estimation of the total costs-to-complete, management has applied its past experience of completing similar projects, as well as quotations from and contracts with suppliers and sub-contractors. These estimations are also made with due consideration of the physical surveys of the construction in-progress and circumstances and relevant events that were known to management at the date of these financial statements. Construction projects are inherently complex and involve uncertainties that may not be apparent to management at the reporting date. Management have made provision for contingency on each project to address these inherent risks.

For on-going projects at the reporting date, if the estimated contract cost to be incurred from the reporting date to the completion date is higher/lower by 5% from management's estimates, the Group's revenue and profit before tax would have been lower/higher by $1,648,000.

Estimation of customers' claim on liquidated damages

Customers have a right to claim for liquidated damages under the contractual terms of the Design & Build contracts if contractual obligations, including completion of the project by a specific date, are not fulfilled.

At every reporting date, management re-evaluates the probability of liquidated damages claims from customers by considering whether there are or may be significant delays in the progress of the projects in-progress and whether there are significant defects that could not be rectified by the Group. The determination of the probability of claims are based on the circumstances and relevant events that were known to management at the date of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

4. REVENUE

	2019 $'000	2018 $'000
Revenue from Design & Build Contract – Over time	**205,061**	138,794
Property rental income	**29,162**	30,841
	234,223	169,635

5. EXPENSES BY NATURE

	2019 $'000	2018 $'000
Sub-contractor fees and other construction costs	**167,364**	104,015
Directors' fees	**217**	244
Employee compensation (Note 6)	**17,538**	15,667
Depreciation expense (Note 22 and 23)	**6,573**	6,692
Auditor's remuneration paid/payable to:		
- auditor of the Company for statutory audit	**169**	167
- other auditors	**31**	24
Other fees on non-audit services paid/payable to:		
- auditor of the Company	**12**	10
Property tax	**3,239**	3,368
Rental expenses	**4,275**	4,520
Maintenance expenses	**1,720**	1,473
Selling expenses	**154**	278
Legal and professional fees	**2,416**	1,350
Training and recruitment expenses	**349**	319
Travel expenses	**257**	239
Others	**844**	674
Total cost of sales, selling and distribution and administrative expenses	**205,158**	139,040

6. EMPLOYEE COMPENSATION

	2019 $'000	2018 $'000
Wages and salaries	**15,773**	13,306
Employer's contribution to defined contribution plans including Central Provident Fund	**1,227**	1,047
Share-based compensation expense (Note 30(b)(ii))	**538**	1,314
	17,538	15,667

Employee share plans – Boustead Projects Restricted Share Plan 2016 (the "2016 Share Plan")

The Boustead Projects Restricted Share Plan 2016 (the "2016 Share Plan") was approved by the members of the Company at its Extraordinary General Meeting on 28 July 2016. Under the 2016 Share Plan, all eligible executive employees, non-executive directors of the Company as well as associates of controlling shareholders of the Company are invited to participate in the 2016 Share Plan. The selection of an eligible participant shall be determined at the absolute discretion of the committee appointed by the Board to administer the 2016 Share Plan. The participation of an associate of controlling shareholders shall be approved by independent members of the Company.

Awards granted under the 2016 Share Plan may be subject to performance-based and time-based restrictions. Performance-based restricted awards will vest after a further period of service beyond the performance target completion date. Time-based restricted awards granted under the 2016 Share Plan will vest only after satisfactory completion of time-based service conditions, that is, after the participant has served the Group for a specified number of years.

Participants are not required to pay for the grant of the awards. Awards are forfeited when the participant leaves the Group before the awards vest.

Details of the shares in the Company under the 2016 Share Plan outstanding during the year are as follows:

	2019	2018
Number of shares		
Outstanding at beginning of financial year	**1,024,040**	-
Granted during the year	**1,564,887**	1,420,177
Forfeited during the year	**-**	(41,092)
Vested during the year	**(800,842)**	(355,045)
Outstanding at the end of financial year	**1,788,085**	1,024,040

In 2019, the fair value of the shares granted under 2016 Share Plan was $0.81 (2018: $0.86) each. The fair value was determined based on the market share price at the grant date.

The weighted average share price at the date of vesting for awards vested during the financial year was $0.83 (2018: $0.87). The share awards outstanding at the end of the financial year had a weighted average remaining contractual life of 2 years (2018: 3 years).

The Group recognised total expenses of $538,000 (2018: $1,314,000) relating to such equity settled share-based compensation during the financial year.

7. OTHER INCOME

	2019 $'000	2018 $'000
Interest income		
- Non-related parties	**3,418**	1,355
- Associated company	**515**	310
- Related party	**384**	723
	4,317	2,388
Sublease income	**1,161**	1,229
	5,478	3,617

The related party above is a subsidiary of an associated company.

8. OTHER GAINS - NET

	2019 $'000	2018 $'000
Currency exchange gains - net	**142**	77
Gain on disposal of property (Note 14)	**5,890**	-
	6,032	77

9. FINANCE EXPENSES

	2019 $'000	2018 $'000
Interest expense	**2,283**	1,949

10. SHARE OF (LOSS)/PROFIT OF AN ASSOCIATED COMPANY AND JOINT VENTURES

	2019 $'000	2018 $'000
Share of (loss)/profit after income tax		
- An associated company (Note 17)	**(1,370)**	1,975
- Joint ventures (Note 18)	**(1,247)**	1,137
	(2,617)	3,112

11. INCOME TAXES

Income tax expense

	2019 $'000	2018 $'000
Tax expense attributable to profit is made up of:		
Current income tax		
- Singapore	**8,555**	6,353
- Foreign	**390**	396
	8,945	6,749
Deferred income tax (Note 26)	**(1,600)**	503
	7,345	7,252
(Over)/under provision in prior financial years		
Current income tax	**(856)**	(1,141)
Deferred income tax (Note 26)	**(1,392)**	190
	(2,248)	(951)
	5,097	6,301

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	2019 $'000	2018 $'000
Profit before tax	**35,675**	35,452
Share of loss/(profit) of an associated company and joint ventures, net of tax	**2,617**	(3,112)
Profit before tax and share of loss/(profit) of an associated company and joint ventures	**38,292**	32,340
Tax calculated at tax rate of 17% (2018: 17%)	**6,510**	5,498
Effects of		
- tax incentives	**(175)**	(431)
- expenses not deductible for tax purposes	**763**	1,230
- intra-group unrealised gains subject to tax	**-**	1,014
- income not subject to tax	**(88)**	(125)
- different tax rates in other countries	**177**	209
- others	**158**	(143)
- over provision in prior financial years	**(2,248)**	(951)
Tax charge	**5,097**	6,301

12. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	2019	2018
Profit attributable to equity holders of the Company ($'000)	**30,578**	29,151
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**309,544**	318,899
Basic earnings per share (cents per share)	**9.9**	9.1

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares.

Dilutive potential ordinary shares arises from share awards. The weighted average number of shares on issue has been adjusted as if all dilutive share awards were vested. The number of shares that could have been issued upon the vesting of all dilutive share awards is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net profit.

	2019	2018
Profit attributable to equity holders of the Company ($'000)	**30,578**	29,151
Weighted average number of ordinary shares outstanding for diluted earnings per share ('000)	**311,495**	320,000
Diluted earnings per share (cents per share)	**9.8**	9.1

13. CASH AND CASH EQUIVALENTS

	Group			Company		
	31 March		1 April	31 March		1 April
	2019 $'000	2018 $'000	2017 $'000	2019 $'000	2018 $'000	2017 $'000
Cash at bank and on hand	**88,389**	53,066	48,071	**44,947**	8,802	39,164
Short-term bank deposits	**19,939**	58,320	65,303	**10,000**	44,000	61,000
	108,328	111,386	113,374	**54,947**	52,802	100,164

The carrying amounts of these assets approximate their fair value.

Cash and cash equivalents belonging to subsidiaries of the Group amounting to $13,404,000 (31 March 2018: $17,303,000, 1 April 2017: $4,785,000) is held in the People's Republic of China ("PRC") and Vietnam are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through normal dividends.

14. PROPERTIES HELD FOR SALE

As at 31 March 2019, the Group has the following properties held for sale:

	Location	Description/Area	Terms of lease
(1)	Singapore No. 12 Changi North Way	Industrial/ Gross floor: 23,881 sq metres	30 years from 16 January 2005 with an option to extend a further 30 years
(2)	Singapore No. 16 Changi North Way	Industrial/ Gross floor: 11,320 sq metres	27 years 4 months from 1 September 2007 with an option to extend a further 30 years
(3)	Singapore No. 85 Tuas South Avenue 1	Industrial/ Gross floor: 10,433 sq metres	30 years from 16 April 2007 with an option to extend a further 23 years
(4)	People's Republic of China No. 3 Xin Mei Road Plot 117, Wuxi New District Wuxi Jiangsu	Industrial/ Gross floor: 4,663 sq metres	50 years from 15 April 2003
(5)	People's Republic of China No. 7 Xin Mei Road Plot 117, Wuxi New District Wuxi Jiangsu	Industrial/ Gross floor: 6,038 sq metres	50 years from 15 April 2003
(6)	People's Republic of China No. 18 Xin Mei Road Plot 117, Wuxi New District Wuxi Jiangsu	Industrial/ Gross floor: 3,238 sq metres	50 years from 15 April 2003

As at 31 March 2019, properties held for sale amounting to $9,400,000 (31 March 2018: $9,132,000, 1 April 2017: $9,070,000) are pledged to the banks for banking facilities (Note 24). During the financial year, the Group disposed its property located at 25 Changi North Rise, Singapore, at a gain of $5,890,000 (Note 8).

Independent professional valuations of the Group's properties held for sale have been performed by independent valuers with appropriate recognised professional qualifications and recent experience with the location and category of the properties being valued. The valuers have considered the direct comparison method for comparative properties and capitalisation approach in deriving the valuation of $93,888,000 (31 March 2018: $96,605,000, 1 April 2017: $99,659,000). Key inputs used in the valuations are the estimated annual net rent, internal rate of return and comparable sales in the area.

The fair values of properties held for sale are within level 3 of the fair value hierarchy.

15. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	Group			Company		
	31 March		1 April	31 March		1 April
	2019	**2018**	**2017**	**2019**	**2018**	**2017**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Current						
Trade receivables from:						
- Non-related parties	**33,590**	16,778	36,743	**1,878**	4,659	26,807
- Joint ventures	**3,293**	19,749	5,995	**-**	6	2,355
- Related party	**958**	1,075	5,405	**-**	-	-
Retention sum receivables from:						
- Non-related parties	**6,084**	11,125	9,430	**1,603**	6,326	8,177
- Joint ventures	**4,618**	2,458	3,185	**2,336**	1,603	3,185
- Related party	**-**	361	679	**-**	-	-
Trade receivables	**48,543**	51,546	61,437	**5,817**	12,594	40,524
Other receivables and prepayments						
Loans to:						
- Subsidiaries	**-**	-	-	**135,731**	132,535	114,858
Less: Allowance for impairment of loan to a subsidiary	**-**	-	-	**(2,095)**	(2,036)	(2,166)
	-	-	-	**133,636**	130,499	112,692
- Associated company	**14,002**	10,208	3,406	**-**	-	-
- Related party	**6,631**	6,710	4,527	**-**	-	-
Loans – net	**20,633**	16,918	7,933	**133,636**	130,499	112,692
Other receivables from:						
- Non-related parties	**5,912**	3,856	30,270	**130**	545	26,991
- Subsidiaries	**-**	-	-	**5,015**	4,042	2,224
- Joint venture	**8**	10	196	**166**	10	155
- Associated company	**1,375**	870	527	**-**	-	-
- Related party	**848**	517	223	**-**	-	-
	8,143	5,253	31,216	**5,311**	4,597	29,370
Tax recoverable	**372**	416	567	**-**	-	-
Deposits	**9,990**	5,515	1,427	**3,599**	4,915	1,115
Prepayments	**1,836**	1,882	538	**39**	42	132
Total other receivables and prepayments	**40,974**	29,984	41,681	**142,585**	140,053	143,309

15. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS (cont'd)

	Group			Company		
	31 March		1 April	31 March		1 April
	2019 $'000	2018 $'000	2017 $'000	2019 $'000	2018 $'000	2017 $'000
Non-current						
Retention sum receivables from:						
- Non-related parties	**10,383**	2,365	-	**-**	-	-
- Joint ventures	**376**	2,254	-	**-**	-	-
Trade receivables	**10,759**	4,619	-	**-**	-	-
Other receivables and prepayments						
Other receivables	**951**	1,095	4,196	**-**	-	-
Prepayments	**1,316**	1,556	1,868	**-**	-	-
Total other receivables and prepayments	**2,267**	2,651	6,064	**-**	-	-

The loans to subsidiaries are unsecured, bear interest up to 1.78% (2018: 1.84%) per annum and are repayable on demand. The loan to an associated company is unsecured, bears interest at 0.50% (2018: 0.50%) above Kuala Lumpur Interbank Offered Rate ("KLIBOR") per annum and is repayable on demand. The loan to a related party is unsecured, bears interest at 2.00% (2018: 1.40%) above KLIBOR per annum and is repayable on demand.

Other receivables due from subsidiaries, joint venture, an associated company and a related party are unsecured, interest-free and are repayable on demand.

16. CONTRACT ASSETS AND LIABILITIES

Contract assets relate to fixed price Design & Build construction contracts where the revenue accrued from progressive work done exceeds related billings to clients. Contract assets balance increased significantly due to a Design & Build construction contract under a deferred payment arrangement. The Group did not recognise any loss allowance for contract assets following the adoption of SFRS(I) 9.

Contract liabilities for construction contracts has increased due to more contracts in which the Group billed and received consideration ahead of the provision of services.

(a) Revenue recognised in relation to contract liabilities

Revenue recognised during the financial year ended 31 March 2019 in relation to contract liability balance at 1 April 2018 was $7,872,000 (2018: $9,458,000).

(b) Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the remaining performance obligation is $644,877,000 and the Group expects to recognise this revenue over the next 1 to 2 years.

As permitted under the transitional provisions in the SFRS(I) 15, the transaction price allocated to partially or fully unsatisfied performance obligations as of 31 March 2018 and 1 April 2017 is not disclosed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

17. INVESTMENT IN AN ASSOCIATED COMPANY

	Group	
	2019 **$'000**	**2018** **$'000**
Beginning of financial year	**588**	-
Currency translation differences	**(17)**	(7)
Share of (loss)/profit, net of tax (Note 10)	**(1,370)**	1,975
Unrealised construction and project management margins	**(430)**	(345)
Reclassification to/(from) current liabilities (Note 25)	**1,229**	(1,035)
End of financial year	**-**	588

Set out below is an associated company of the Group as at 31 March 2019. The associated company as listed below has share capital consisting solely of ordinary shares, which are held directly by the Group.

Name of entity	**Place of business/ country of incorporation**	**% of ownership interest**		
		31 March		**1 April**
		2019	**2018**	**2017**
THAB Development Sdn Bhd [(1)]	Malaysia	**35%**	35%	35%

(1) Audited by KPMG PLT

THAB Development Sdn Bhd ("THAB") was set up as a property development and investment holding company. THAB acquired six parcels of industrial vacant land in Nusajaya, Iskandar Malaysia with the purpose of developing the land for sale and lease. The development was completed in April 2017 and share of results from the sale of industrial plots has been recognised on completion of development and sale. THAB had obtained bank financing for its development which the Group granted a proportional corporate guarantee as security for the loan. The outstanding loan amounted to $10,241,000 as at 31 March 2019 (31 March 2018: $21,266,000, 1 April 2017: $28,799,000).

THAB PTP Sdn Bhd ("THAB PTP"), a subsidiary of THAB, was set up as a property development company to acquire land in Malaysia for the purpose of developing an investment property for lease. THAB PTP had obtained bank financing for its development which the Group has granted a proportional corporate guarantee as security for the loan. The outstanding loan amounted to $9,860,000 as at 31 March 2019 (31 March 2018: $9,979,000, 1 April 2017: $nil).

Summarised financial information for an associated company

Set out below are the summarised financial information for THAB and its subsidiary.

Summarised statement of financial position

	THAB Development Sdn Bhd and its subsidiary		
	31 March		**1 April**
	2019 **$'000**	**2018** **$'000**	**2017** **$'000**
Current assets	**56,946**	59,676	93,425
Non-current assets	**18,190**	18,314	10,504
Current liabilities	**(56,743)**	(56,213)	(89,573)
Non-current liabilities	**(16,955)**	(16,306)	(13,248)
Net assets	**1,438**	5,471	1,108

17. INVESTMENT IN AN ASSOCIATED COMPANY (CONT'D)

Summarised statement of comprehensive income

	THAB Development Sdn Bhd and its subsidiary	
	For the financial year ended 31 March	
	2019 $'000	2018 $'000
Revenue	**3,005**	48,667
(Loss)/profit before income tax	**(3,915)**	3,851
(Loss)/profit after income tax and total comprehensive (loss)/income	**(4,033)**	4,363
Share of (loss)/profit, net of tax	**(1,412)**	1,527
Amortisation of previously capitalised unrealised gains and losses	**42**	448
Share of (loss)/profit after income tax, representing total comprehensive (loss)/income	**(1,370)**	1,975

The information above reflects the amounts presented in the financial statements of the associated company and the Group's share of those amounts, adjusted for differences in accounting policies between the Group and the associated company.

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in the associated company is as follows:

	THAB Development Sdn Bhd and its subsidiary		
	31 March		1 April
	2019 $'000	2018 $'000	2017 $'000
Net assets			
Beginning of financial year	**5,471**	1,108	2,829
(Loss)/profit for the financial year	**(4,033)**	4,363	(1,721)
End of financial year	**1,438**	5,471	1,108
Interest in associated company (35%)	**503**	1,915	388
Unrealised construction and project management margins	**(1,530)**	(1,143)	(1,246)
Currency translation differences	**(202)**	(184)	(177)
	(1,229)	588	(1,035)
Reclassification to current liabilities	**1,229**	-	1,035
Carrying value	**-**	588	-

As at 31 March 2019, there are no contingent liabilities and capital commitment relating to the Group's interest in the associated company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

18. INVESTMENTS IN JOINT VENTURES

	Group		Company	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Beginning of financial year	**37,148**	32,354	**44,240**	37,263
Capital contribution	**15,190**	9,390	**14,916**	6,977
Share of (loss)/profit, net of tax (Note 10)	**(1,247)**	1,137	**-**	-
Unrealised construction and project management margins	**(7,818)**	(5,618)	**-**	-
Dividends received	**(2,600)**	(115)	**-**	-
End of financial year	**40,673**	37,148	**59,156**	44,240

Set out below are the joint ventures of the Group. The joint ventures are funded via a combination of share capital and shareholders' loans.

Name of entity	Principal activities	Country of business/ incorporation	% of ownership interest		
			31 March		1 April
			2019	**2018**	**2017**
BP-Vista LLP [1]	Holding of property for rental income	Singapore	**30%**	30%	30%
BP-DOJO LLP [1]	Holding of property for rental income	Singapore	**51%**	51%	51%
BP-Ubi Development Pte Ltd and its subsidiary [1]	Holding of property for rental income	Singapore	**50%**	50%	50%
BP-SF Turbo LLP [1]	Holding of property for rental income	Singapore	**50%**	50%	50%
BP-CA3 LLP [1]	Holding of property for rental income	Singapore	**50%**	50%	50%
BP-AMC LLP [1][3]	Holding of property for rental income	Singapore	**51%**	-	-
BP-BBD2 Pte Ltd [1][3]	Holding of property for rental income	Singapore	**51%**	-	-
Snakepit-BP LLP [1][3]	Holding of property for rental income	Singapore	**28%**	-	-
Snakepit-BP 1 Pte Ltd [1][3]	Investment holding	Singapore	**5%**	-	-
Echo Base-BP Capital Pte Ltd [1][3]	Provide real estate consultancy and management services	Singapore	**50%**	-	-
EFactory Vietnam Co Ltd [2][3]	Provide real estate consultancy and management services	Vietnam	**50%**	-	-

(1) *Audited by PricewaterhouseCoopers LLP, Singapore*

(2) *Audited by RSM Vietnam Auditing & Consulting Company Limited.*

(3) *Newly incorporated during the year.*

The subsidiary of BP-Ubi Development Pte Ltd had obtained bank financing for development which the Group granted a proportional corporate guarantee as security for the loan. The outstanding loan amounted to $19,650,000 as at 31 March 2019 (31 March 2018: $20,450,000, 1 April 2017: $21,250,000).

There are no other contingent liabilities relating to the Group's interest in the joint ventures.

18. INVESTMENTS IN JOINT VENTURES (cont'd)

The Group has committed to provide funding if called, to its joint ventures amounting to $16,789,000 as at 31 March 2019 (31 March 2018: $9,150,000, 1 April 2017: $18,405,000).

The carrying amounts of the Group's material joint ventures, namely BP-Vista LLP and BP-DOJO LLP are as follows:

	Group		
	31 March		1 April
	2019 $'000	2018 $'000	2017 $'000
BP-Vista LLP	**8,738**	10,754	10,909
BP-DOJO LLP	**19,114**	20,264	16,861
Other joint ventures	**12,821**	6,130	4,584
	40,673	37,148	32,354

The Group's share of results of its material joint ventures are as follows:

	Group	
	2019 $'000	2018 $'000
BP-Vista LLP	**676**	671
BP-DOJO LLP	**(2,492)**	(56)
Other joint ventures	**569**	522
	(1,247)	1,137

Summarised financial information for joint ventures

Set out below are the summarised financial information for BP-Vista LLP and BP-DOJO LLP.

Summarised statement of financial position

	BP-Vista LLP			BP-DOJO LLP		
	31 March		1 April	31 March		1 April
	2019 $'000	2018 $'000	2017 $'000	2019 $'000	2018 $'000	2017 $'000
Current assets	**14,793**	13,779	7,273	**6,536**	13,678	10,164
Includes:						
- Cash and cash equivalents	**5,563**	7,129	3,589	**5,157**	3,265	3,744
Non-current assets	**124,942**	130,337	136,088	**184,452**	142,382	95,253
Current liabilities	**(4,072)**	(99,432)	(7,697)	**(8,270)**	(21,549)	(7,928)
Includes:						
- Financial liabilities (excluding trade and other payables)	**-**	(96,331)	-	**-**	(4,355)	(4,355)
- Other liabilities (including trade and other payables)	**(4,072)**	(3,101)	(7,697)	**(8,270)**	(17,194)	(3,573)
Non-current liabilities	**(96,331)**	-	(92,766)	**(125,862)**	(87,531)	(64,080)
Includes:						
- Financial liabilities	**(96,331)**	-	(92,766)	**(125,862)**	(87,531)	(64,080)
Net assets	**39,332**	44,684	42,898	**56,856**	46,980	33,409

18. INVESTMENTS IN JOINT VENTURES (cont'd)

Summarised statement of comprehensive income

	BP-Vista LLP		BP-DOJO LLP	
	For the financial year ended 31 March		For the financial year ended 31 March	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Revenue	**12,050**	11,347	**946**	-
Interest income	**53**	8	**23**	4
Expenses	**(10,455)**	(9,569)	**(6,172)**	(114)
Includes:				
- Depreciation and amortisation	**(5,395)**	(5,350)	**(3,036)**	-
- Interest expense	**(2,919)**	(2,492)	**(1,694)**	-
- Other expenses	**(2,141)**	(1,727)	**(1,442)**	(114)
Profit/(loss) after income tax, representing total comprehensive income/(loss)	**1,648**	1,786	**(5,203)**	(110)
Share of profit/(loss), net of tax	**494**	536	**(2,654)**	(56)
Amortisation of previously capitalised unrealised gains and losses	**182**	135	**162**	-
Share of profit/(loss) after income tax, representing total comprehensive income/(loss)	**676**	671	**(2,492)**	(56)

The information above reflects the amounts presented in the financial statements of the joint ventures and the Group's share of those amounts, adjusted for differences in accounting policies between the Group and the joint ventures.

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented, to the carrying amount of the Group's interest in joint ventures, is as follows:

	BP-Vista LLP			BP-DOJO LLP		
	31 March		1 April	31 March		1 April
	2019 $'000	2018 $'000	2017 $'000	2019 $'000	2018 $'000	2017 $'000
Net assets						
Beginning of financial year	**44,684**	42,898	43,861	**46,980**	33,409	-
Profit/(loss) for the financial year	**1,648**	1,786	(963)	**(5,203)**	(110)	(7)
Dividends paid	**(7,000)**	-	-	**-**	-	-
Capital contribution	**-**	-	-	**15,079**	13,681	33,416
End of financial year	**39,322**	44,684	42,898	**56,856**	46,980	33,409
Interests in joint ventures (30%; 51%)	**11,799**	13,405	12,869	**28,997**	23,959	17,038
Unrealised construction and project management margins	**(3,061)**	(2,651)	(1,960)	**(9,883)**	(3,695)	(177)
Carrying value	**8,738**	10,754	10,909	**19,114**	20,264	16,861

19. INVESTMENTS IN SUBSIDIARIES

	Company	
	2019 $'000	2018 $'000
Unquoted equity shares at cost		
Beginning of financial year	**17,676**	17,676
Additions	**-**	-
Disposals	**-**	-*
End of financial year	**17,676**	17,676
Less: Allowance for impairment losses	**(233)**	(233)
	17,443	17,443
Loan to a subsidiary	**22,311**	22,579
Total investments in subsidiaries	**39,754**	40,022

* *Less than $1,000.*

The loan to a subsidiary form part of the Company's net investment in the subsidiary. The loan is unsecured, bears interest at 0.50% (2018: 0.50%) above KLIBOR per annum. Repayment of the loan is neither planned nor likely to occur in the foreseeable future.

The Group had the following significant subsidiaries:

Name of companies	Principal activities	Country of business/ incorporation	Equity holding		
			31 March		1 April
			2019 %	2018 %	2017 %
Boustead Projects E&C Pte Ltd (1)	Provide project management, design, construction and property-related services	Singapore	**100**	100	100
BP Engineering Solutions Sdn Bhd (2)	Provide project management, design, construction and property-related services	Malaysia	**100**	100	100
Boustead Projects (Vietnam) Co. Ltd (3)	Provide project management, design, construction and property-related services	Vietnam	**100**	100	100
PIP Pte Ltd (1)	Provide project management, design, construction and property-related services	Singapore	**100**	100	100
BP-CA Pte Ltd (1)	Holding of property for rental income	Singapore	**100**	100	100
BP-SFN Pte Ltd (1)	Holding of property for rental income	Singapore	**100**	100	100
BP-Tuas 1 Pte Ltd (1)	Holding of property for rental income	Singapore	**100**	100	100
CN Logistics Pte Ltd (1)	Holding of property for rental income	Singapore	**100**	100	100
BP-BBD Pte Ltd (1)	Holding of property for rental income	Singapore	**100**	100	100
BP-JCS Pte Ltd (1)	Holding of property for rental income	Singapore	**100**	100	100
BP-TN Pte Ltd (1)	Holding of property for rental income	Singapore	**100**	100	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

19. INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of companies	Principal activities	Country of business/ incorporation	Equity holding		
			31 March		1 April
			2019 %	2018 %	2017 %
BP-EA Pte Ltd [1]	Holding of property for rental income	Singapore	**100**	100	100
BP-Braddell LLP [1] [5]	Holding of property for rental income	Singapore	**100**	-	-
Wuxi Boustead Industrial Development Co. Ltd [8]	Development of industrial space for lease/sale	People's Republic of China	**100**	100	100
Boustead Real Estate Fund [1]	Private business trust	Singapore	**100**	100	100
Boustead Trustees Pte Ltd [1]	Trustee for real estate trust	Singapore	**100**	100	100
Boustead Funds Management Pte Ltd [1]	Property fund management	Singapore	**100**	100	100
Boustead Property Services Pte Ltd [1]	Management of properties	Singapore	**100**	100	100
BP-PRC Pte Ltd [1]	Investment holding	Singapore	**100**	100	100
BP Lands Sdn Bhd [2]	Investment holding	Malaysia	**100**	100	100
BP-Vietnam Development Pte Ltd [1]	Investment holding	Singapore	**100**	100	-
BP-GD1 Pte Ltd [1]	Investment holding	Singapore	**100**	100	100
BP-SH1 Pte Ltd [1]	Investment holding	Singapore	**100**	100	100
CP-SH1 Pte Ltd [1] [5]	Investment holding	Singapore	**100**	-	-
BP-TM Pte Ltd [6]	Investment holding	Singapore	**100**	100	100
BP-IDN Pte Ltd [6]	Investment holding	Singapore	**100**	100	100
Boustead Projects Land (Vietnam) Co. Ltd [3]	Holding of property for rental income	Vietnam	**100**	100	-
PT Boustead Projects Land (Indonesia) Co. Ltd [6]	Real estate trading	Indonesia	**100**	100	-
BP-UMS Pte Ltd [1] [4]	Holding of property for rental income	Singapore	**100**	100	100
BP Aerotech (Subang) Sdn Bhd [5] [6]	Investment holding	Malaysia	**100**	-	-
Boustead Projects (Thailand) Co. Ltd [7]	Provide project management, design, construction and property-related services	Thailand	**-**	100	100
Boustead Projects Investments Pte Ltd [9]	Holding of property for rental income	Singapore	**-**	-	100
BP-Conti Alloy Pte Ltd [9]	Holding of property for rental income	Singapore	**-**	-	100

(1) Audited by PricewaterhouseCoopers LLP, Singapore.
(2) Audited by KPMG PLT.
(3) Audited by RSM Vietnam Auditing & Consulting Company Limited.
(4) In the process of voluntary liquidation/strike-off.
(5) Newly incorporated during the year.
(6) Exempted from audit under the respective country's regulations.
(7) Liquidated/strike-off during the year.
(8) Audited by Zhonghui Certified Public Accountants LLP Wuxi Branch.
(9) Liquidated/strike-off during the previous year.

20. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group and Company	
	2019 $'000	2018 $'000
Unquoted equity security at cost		
Beginning of financial year	**20,519**	20,519
Reclassification at 1 April 2018	**(20,519)**	-
End of financial year	**-**	20,519

See Note 21 for details relating to the unquoted equity security. The equity security was reclassified to financial assets at fair value through other comprehensive income ("FVOCI") on adoption of SFRS(I) 9 on 1 April 2018 (Note 2.2(g)C).

21. FINANCIAL ASSETS, AT FVOCI

	Group and Company	
	2019 $'000	2018 $'000
Unquoted equity security		
Beginning of financial year	**-**	-
Reclassification at 1 April 2018	**20,519**	-
Adoption of SFRS(I) 9	**10,676**	-
	31,195	-
Fair value gain	**231**	-
End of financial year	**31,426**	-

The equity security was reclassified from "available-for-sale financial assets" on adoption of SFRS(I) 9 on 1 April 2018 (Note 2.2(g)C). The Group holds a 5.27% equity interest in Perennial Tongzhou Development Pte. Ltd. ("PTD"), which represents a 4.00% effective interest in Beijing Tongzhou Integrated Development (Phase 1), a mixed-use property project located in Tongzhou District, Beijing, The People's Republic of China.

The fair value of the investment is determined using an asset based valuation model taking into consideration the fair value of the underlying properties being developed by PTD. The fair value of the underlying property is based on independent external valuation. Details of the significant valuation techniques and key inputs used in the determination of fair value categorised under level 3 of the fair value hierarchy are as follows:

Valuation technique	Unobservable inputs		Relationship of unobservable inputs to fair value
Income capitalisation approach	Capitalisation rate	4% - 5%	The higher the capitalisation rate, the lower the valuation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

22. INVESTMENT PROPERTIES

	Land $'000	Building and other costs $'000	Total $'000
Group			
2019			
Cost			
Beginning of financial year	**4,519**	**158,050**	**162,569**
Additions	**53,600**	**5,973**	**59,573**
End of financial year	**58,119**	**164,023**	**222,142**
Accumulated depreciation			
Beginning of financial year	**1,938**	**31,804**	**33,742**
Depreciation charge	**344**	**5,938**	**6,282**
End of financial year	**2,282**	**37,742**	**40,024**
Net book value			
End of financial year	**55,837**	**126,281**	**182,118**
2018			
Cost			
Beginning of financial year	4,519	157,673	162,192
Additions	-	377	377
End of financial year	4,519	158,050	162,569
Accumulated depreciation			
Beginning of financial year	1,594	25,802	27,396
Depreciation charge	344	6,002	6,346
End of financial year	1,938	31,804	33,742
Net book value			
End of financial year	2,581	126,246	128,827

Investment properties are leased to non-related parties under operating leases (Note 31).

The following amounts are recognised in profit or loss:

	Group	
	2019 $'000	**2018 $'000**
Rental income	**22,376**	22,531
Direct operating expenses arising from:		
- Investment properties that generate rental income	**5,024**	5,023
- Investment property that does not generate rental income	**283**	287

22. INVESTMENT PROPERTIES (cont'd)

As at 31 March 2019, details of the Group's investment properties are as follows:

Location	Description	Existing use	Terms of lease
10 Seletar Aerospace Heights	Industrial facilities	Rental	30 years lease from 1 June 2012
80 Boon Keng Road	Industrial facilities	Rental	Phase 1 – 30 years lease from 1 April 2011 with an option to extend a further 26 years Phase 2 – 30 years lease from 1 October 2013 with an option to extend a further 16 years
16 Tampines Industrial Crescent	Industrial facilities	Rental	30 years lease from 16 June 2012
26 Changi North Rise	Industrial facilities	Rental	30 years lease from 30 April 2010 with an option to extend a further 30 years
10 Changi North Way	Industrial facilities	Rental	24 years lease from 16 September 2010 with an option to extend a further 30 years
31 Tuas South Ave 10	Industrial facilities	Rental	30 years lease from 16 December 2013
10 Tukang Innovation Drive	Industrial facilities	Rental	30 years lease from 1 November 2013
36 Tuas Road	Industrial facilities	Rental	12 years lease from 1 October 2013 with an option to extend a further 30 years
Lot 10824P Mukim 17, Braddell Road	Industrial facilities	Construction in progress	30 years lease from 26 December 2018
Road No. 3, Nhon Trach II Industrial Park - Nhon Phu, Phu Hoi Commune, Nhon Trach District, Dong Nai Province	Industrial facilities	Construction in progress	39 years 2 months lease from 22 December 2017

As at 31 March 2019, investment properties amounting to $87,633,000 (31 March 2018: $33,499,000, 1 April 2017: $45,320,000) have been pledged to banks for banking facilities (Note 24).

Independent professional valuations of the Group's investment properties have been performed by independent valuers with appropriate recognised professional qualifications and recent experience with the location and category of the properties being valued. The valuers have considered the direct comparison method for comparative properties, discounted cash flow method and capitalisation approach in deriving the valuation of $332,470,000 (31 March 2018: $249,310,000, 1 April 2017: $252,100,000). Key inputs used in the valuations are the estimated annual net rent, internal rate of return and comparable sales in the area.

The fair values of investment properties are within level 3 of the fair value hierarchy.

23. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery	Office computers	Office equipment, furniture and fittings	Renovations	Total
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Group					
2019					
Cost					
Beginning of financial year	**801**	**794**	**254**	**189**	**2,038**
Additions	**-**	**447**	**22**	**51**	**520**
Disposal	**-**	**-**	**-**	**(10)**	**(10)**
Grants received	**(92)**	**-**	**-**	**-**	**(92)**
Currency translation differences	**-**	**-**	**(4)**	**-**	**(4)**
End of financial year	**709**	**1,241**	**272**	**230**	**2,452**
Accumulated depreciation					
Beginning of financial year	**473**	**585**	**110**	**90**	**1,258**
Depreciation charge	**18**	**192**	**40**	**41**	**291**
Disposal	**-**	**-**	**-**	**(10)**	**(10)**
End of financial year	**491**	**777**	**150**	**121**	**1,539**
Net book value					
End of financial year	**218**	**464**	**122**	**109**	**913**
2018					
Cost					
Beginning of financial year	670	1,381	391	125	2,567
Additions	131	45	24	91	291
Disposal	-	(632)	(184)	(27)	(843)
Currency translation differences	-	-	23	-	23
End of financial year	801	794	254	189	2,038
Accumulated depreciation					
Beginning of financial year	386	1,027	254	88	1,755
Depreciation charge	87	190	40	29	346
Disposal	-	(632)	(184)	(27)	(843)
End of financial year	473	585	110	90	1,258
Net book value					
End of financial year	**328**	**209**	**144**	**99**	**780**

23. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Plant and machinery	Office computers	Office equipment, furniture and fittings	Renovations	Total
	$'000	$'000	$'000	$'000	$'000
Company					
2018					
Cost					
Beginning of financial year	430	1,365	303	115	2,213
Disposal	-	(632)	(183)	(24)	(839)
Transfer to a subsidiary	(430)	(733)	(120)	(91)	(1,374)
End of financial year	-	-	-	-	-
Accumulated depreciation					
Beginning of financial year	371	1,024	234	78	1,707
Disposal	-	(632)	(183)	(24)	(839)
Transfer to a subsidiary	(371)	(392)	(51)	(54)	(868)
End of financial year	-	-	-	-	-
Net book value					
End of financial year 2018 and 2019	**-**	**-**	**-**	**-**	**-**

24. BORROWINGS

	Group		
	31 March		1 April
	2019 $'000	2018 $'000	2017 $'000
Bank borrowings			
- Current	**66,519**	5,095	18,295
- Non-current	**79,757**	65,409	70,059
Total	**146,276**	70,504	88,354

The exposure of the borrowings of the Group to interest rate changes and the contractual repricing dates at the reporting date are as follows:

	Group		
	31 March		1 April
	2019 $'000	2018 $'000	2017 $'000
3 months or less	**103,833**	70,504	88,354

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

24. BORROWINGS (cont'd)

(a) Security granted

Total borrowings include secured liabilities of $146,276,000 (31 March 2018: $70,504,000, 1 April 2017: $88,354,000) for the Group. Bank borrowings are secured over a banker's guarantee given in favour of the Group and the Group's investment properties (Note 22) and properties held for sale (Note 14).

(b) Fair value of non-current borrowings

At the end of the reporting period, carrying amounts of non-current borrowings of $38,534,000 approximates their fair values as all the amounts are at floating interest rates and are revised every one to three months.

Non-current borrowings of $41,223,000 with fixed interest rates have fair value of $40,769,000, which is computed based on the present value of the cash flows on the borrowings discounted at a rate of 3.32%, which is the borrowing rate that the directors expected would be available to the Group at the reporting date.

The fair value of borrowings are within level 2 of the fair values hierarchy.

25. TRADE AND OTHER PAYABLES

	Group			Company		
	31 March		1 April	31 March		1 April
	2019 $'000	**2018 $'000**	**2017 $'000**	**2019 $'000**	**2018 $'000**	**2017 $'000**
Current						
Trade payables	**72,642**	66,573	72,492	**5,874**	16,264	53,522
Other payables to:						
- Non-related parties	**2,269**	1,391	774	**1,174**	-	-
- Fellow subsidiary	**46**	-	27	**-**	-	-
- Subsidiary	**-**	-	-	**12,940**	15,494	18,785
	2,315	1,391	801	**14,114**	15,494	18,785
Retention sum payables	**9,967**	17,242	21,008	**3,977**	12,928	19,491
Accruals for operating expenses	**8,323**	6,215	8,124	**1,030**	584	4,381
Advanced billings -						
Property rental income	**3,118**	-	-	**-**	-	-
Deposits	**4,131**	3,932	4,270	**30**	30	59
Loans from subsidiaries	**-**	-	-	**45,434**	27,700	71,181
Trade and other payables - current	**100,496**	95,353	106,695	**70,459**	73,000	167,419
Non-current						
Retention sum payables	**4,572**	3,418	4,973	**-**	-	3,170

Other payables to a fellow subsidiary and a subsidiary are unsecured, interest free and repayable on demand.

Loans from subsidiaries are unsecured, bear interest up to 1.78% (31 March 2018: 1.84%, 1 April 2017: 1.50%) per annum and are repayable on demand.

Included in accruals for operating expenses is share of accumulated loss from investment in an associated company amounting to $1,229,000. (31 March 2018: $nil, 1 April 2017: $1,035,000)

26. DEFERRED INCOME TAXES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the statement of financial position as follows:

	Group			Company		
	31 March		1 April	31 March		1 April
	2019 $'000	2018 $'000	2017 $'000	2019 $'000	2018 $'000	2017 $'000
Deferred tax assets	**3,196**	-	-	**-**	-	-
Deferred tax liabilities	**(3,974)**	(3,770)	(3,077)	**-**	-	(77)
	(778)	(3,770)	(3,077)	**-**	-	(77)

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Deferred income tax liabilities				
Accelerated tax depreciation				
Beginning of financial year	**3,770**	3,077	**-**	77
Charged to profit or loss	**204**	693	**-**	(77)
End of financial year	**3,974**	3,770	**-**	-
Deferred income tax assets				
Unrealised construction and project management margins				
Beginning of financial year	**-**	-	**-**	-
Credited to profit or loss	**3,196**	-	**-**	-
End of financial year	**3,196**	-	**-**	-

27. SHARE CAPITAL AND TREASURY SHARES

	No. of ordinary shares		Amount	
	Issued share capital	Treasury shares	Share capital	Treasury shares
	'000	'000	$'000	$'000
Group and Company				
2019				
Beginning of financial year	**320,000**	**(11,094)**	**15,000**	**(8,885)**
Treasury shares re-issued	**-**	**801**	**-**	**641**
End of financial year	**320,000**	**(10,293)**	**15,000**	**(8,244)**
2018				
Beginning of financial year	320,000	(40)	15,000	(35)
Treasury shares purchased	-	(11,409)	-	(9,155)
Treasury shares re-issued	-	355	-	305
End of financial year	320,000	(11,094)	15,000	(8,885)

All issued ordinary shares are fully paid up. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

The Company re-issued 801,000 treasury shares in the Company during the financial year ended in 31 March 2019 pursuant to the Boustead Projects Restricted Share Plan 2016 at the buyback price of $0.80 each (31 March 2018: 355,000 at $0.86 each).

28. DIVIDENDS

	Group	
	2019 $'000	2018 $'000
Ordinary dividends paid		
Dividends paid in respect of the previous financial year of 1.5 cents (2018: 1.5 cents) per share	**4,640**	4,795
Special dividends paid		
Dividends paid in respect of the previous financial year of nil cents (2018: 1.0 cents) per share	**-**	3,197
Dividends paid	**4,640**	7,992

At the forthcoming Annual General Meeting on 26 July 2019, a final ordinary dividend of 1.5 cents per share and special dividend of 0.5 cents per share amounting to a total of $6,195,000 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 March 2020.

29. RETAINED PROFITS

(a) Retained profits of the Group are distributable except for

(i) accumulated retained profits of associated company and joint ventures amounting to $2,722,000 (31 March 2018: $2,344,000, 1 April 2017: $394,000)

(ii) 10% of accumulated retained profits of a China subsidiary amounting to $233,000 (31 March 2018: $177,000, 1 April 2017: $121,000).

(b) Movement in retained profits for the Company is as follows:

	Company	
	2019 $'000	2018 $'000
Beginning of financial year	**229,818**	185,141
Net profit	**17,403**	52,669
Dividends paid (Note 28)	**(4,640)**	(7,992)
End of financial year	**242,581**	229,818

30. OTHER RESERVES

	Group			Company		
	31 March		1 April	31 March		1 April
	2019 $'000	2018 $'000	2017 $'000	2019 $'000	2018 $'000	2017 $'000
(a) Composition:						
Foreign currency translation reserve	**968**	1,405	-	**-**	-	-
Share-based compensation reserve	**1,236**	1,367	360	**1,236**	1,367	360
Capital reserve	**30**	2	-	**30**	2	-
Merger reserve	**(2,854)**	(2,854)	(2,854)	**-**	-	-
Fair value reserve	**10,907**	-	-	**10,907**	-	-
Hedging reserve	**(17)**	-	-	**-**	-	-
	10,270	(80)	(2,494)	**12,173**	1,369	360

30. OTHER RESERVES (cont'd)

	Group		Company	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
(b) **Movement:**				
(i) Foreign currency translation reserve				
Beginning of financial year	**1,405**	(1,272)	**-**	-
Adoption of SFRS (I) (Note 2.2(g)A)	**-**	1,272	**-**	-
Net currency translation differences arising from consolidation	**(437)**	1,405	**-**	-
End of financial year	**968**	1,405	**-**	-
(ii) Share-based compensation reserve				
Beginning of financial year	**1,367**	360	**1,367**	360
Employee share-based compensation				
- Value of employee services (Note 6)	**538**	1,314	**538**	1,314
- Treasury share re-issued (Note 27)	**(669)**	(307)	**(669)**	(307)
End of financial year	**1,236**	1,367	**1,236**	1,367
(iii) Capital reserve				
Beginning of financial year	**2**	-	**2**	-
- Treasury share re-issued (Note 27)	**28**	2	**28**	2
End of financial year	**30**	2	**30**	2
(iv) Merger reserve				
Beginning and end of financial year	**(2,854)**	(2,854)	**-**	-
(v) Fair value reserve				
Beginning of financial year	**-**	-	**-**	-
- Adoption of SFRS (I) 9	**10,676**	-	**10,676**	-
Balance as at 1 April 2018	**10,676**	-	**10,676**	-
- Fair value gain	**231**	-	**231**	-
End of financial year	**10,907**	-	**10,907**	-
(vi) Hedging reserve				
Beginning of financial year	**-**	-	**-**	-
- Fair value losses	**(17)**	-	**-**	-
End of financial year	**(17)**	-	**-**	-

Other reserves are non-distributable.

31. COMMITMENTS

(a) Operating lease commitments - where the Group is a lessee

The Group leases land from non-related parties and office space from a joint venture under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease payables under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	31 March		1 April
	2019	**2018**	**2017**
	$'000	**$'000**	**$'000**
Not later than one financial year	**1,365**	1,579	**401**
Between one and five financial years	**4,923**	5,050	**676**
Later than five financial years	**48,320**	49,937	**1,316**
	54,608	56,566	**2,393**

Operating lease payments represent rent payable by the Group for the leases of leasehold land and office space and are subjected to revisions at periodic intervals. The operating lease commitments estimated above are determined based on the prevailing land rent rates as at reporting date and office space rent rates per lease agreements.

For the Group's properties located in Singapore, the Group is required to pay Jurong Town Corporation annual land rent in respect of certain of its investment properties. The annual land rent is based on market rent in the relevant year of the current lease term and the lease provides that any increase in annual land rent from year to year shall not exceed 5.5% of the annual land rent for the immediate preceding year. The leases are non-cancellable with remaining lease terms of up to 25 years as at 31 March 2019, with options to renew up to a further 30 years for some of the leases. The land rent paid/payable based on prevailing rental rates for the current financial year approximates $3,835,000 (2018: $4,119,000).

31. COMMITMENTS (CONT'D)

(b) Operating lease commitments - where the Group is a lessor

The Group leases out industrial space to non-related parties under non-cancellable operating leases. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease receivables under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are as follows:

	31 March		1 April
	2019 $'000	**2018 $'000**	**2017 $'000**
Not later than one financial year	**26,930**	27,797	28,852
Between one and five financial years	**94,453**	79,173	77,071
Later than five financial years	**76,361**	78,185	94,934
	197,744	185,155	200,857

Operating lease receivables are subjected to revisions at periodic intervals based on terms and conditions of the lease agreements.

32. CONTINGENCIES

(a) As of the reporting date, the Group and the Company has the following guarantees whereby the directors are of the view that it is more likely than not that no amount will be payable under these arrangements. The earliest period that the guarantees could be called is upon demand.

(i) The Group has exposure arising from guarantees in favour of banks in respect of loan facilities granted to an associated company, a related party and a joint venture. The outstanding guarantees amount to $16,860,000 (31 March 2018: $21,160,000, 1 April 2017: $20,704,000) at the reporting date.

(ii) The Company has given guarantees in favour of banks in respect of loan facilities granted to its subsidiaries, an associated company, a related party and a joint venture. The outstanding guarantees amount to $81,824,000 (31 March 2018: $91,664,000, 1 April 2017: $95,858,000) at the reporting date.

(iii) The Company has entered into performance guarantees of $89,941,000 (31 March 2018: $44,052,000, 1 April 2017: $25,906,000) issued by banks in favour of third parties in respect of performance on construction contracts.

(b) The Company has an unresolved legal case relating to a dispute with a third party. On 27 November 2018, the Company was served with a writ of summons (Suit No 1141 of 2018), filed by YCH Holdings (Pte) Ltd ("YCH") in the High Court of the Republic of Singapore (the "Suit"). YCH is claiming

(i) a declaration that the Company has breached contractual obligations it allegedly owed to YCH in connection with a development project known as Supply Chain City;

(ii) damages to be assessed in respect of the Company's alleged breach of the contract referred to in (i) above;

in the alternative to (i) and (ii) above, damages in tort (for alleged fraudulent misrepresentation/tort of deceit) in the sum of $2,335,000, interest, costs and such further relief which the Court deems fit. The claim refers to matters which are said to have occurred between 2012 to 2014.

As the case is at an early stage in proceedings, it is not possible to determine the likelihood or amount of any liability, should the Company be unsuccessful in defending the case.

33. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management team then establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies. Financial risk management is carried out by finance personnel.

(a) Market risk

(i) Currency risk

The Group operates in Asia with significant operation in Singapore. It also has operations in Malaysia, Vietnam and China albeit in smaller scale.

During the financial year, translation risks of overseas net investments are not hedged by hedging instruments.

Currency exposure to the net assets of the Group's foreign operations in China, Malaysia and Vietnam are managed primarily through natural hedges of matching assets and liabilities. Management reviews periodically so that the net exposure is kept at an acceptable level.

The Group does not have any other significant unhedged exposure to currency risks as sales and purchases are primarily denominated in the respective functional currencies of the Group entities, mainly Singapore Dollars ("SGD"), Malaysian Ringgit ("MYR"), Renminbi ("RMB") and Vietnam Dong ("VND").

(ii) Price risk

The Group and the Company is exposed to equity security price risk arising from its investment classified as financial assets, at FVOCI. Please refer to Note 21 for details of the fair value measurement.

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's exposure to cash flow interest rate risks arises mainly from borrowings, loans to an associated company and a related party at variable rates. The Company's exposure to cash flow interest rate risks arises mainly from loans to/from subsidiaries at variable rates.

The Group's borrowings at variable rates are denominated in SGD. If the SGD interest rates had been higher/lower by 1% with all other variables including tax rate being held constant, the Group's profit after tax for the financial year ended 31 March 2019 would have been lower/higher by $1,043,000 (31 March 2018: $445,000, 1 April 2017: $667,000) as a result of higher/lower interest income from loans to an associated company and a related party and higher/lower interest expense on borrowings.

If the SGD interest rates had been higher/lower by 1% with all other variables including tax rate being held constant, the Company's profit after tax for the financial year ended 31 March 2019 would have been higher/lower by $732,000 (31 March 2018: $853,000, 1 April 2017: $345,000), as a result of higher/lower interest income on loans to subsidiaries and higher/lower interest expense on loans from subsidiaries.

33. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group adopts the policy of dealing only with customers of appropriate credit standing and history, and obtaining appropriate and sufficient collateral such as security deposits or bankers guarantee from customers, where appropriate, to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Before accepting any new customer, the Group assesses the potential customer's credit quality and their financial ability to pay for the services engaged. Management periodically monitors and reviews the customer's long overdue payment and proactively engages with the customer to resolve the causes of the overdue payment. As at 31 March 2019, there are four (2018: four) external customers which individually represents more than 5% of the Group's total trade receivables. There are five (2018: seven) external customers which individually represents more than 5% of the Company's total trade receivables.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the statement of financial position except for corporate guarantees provided to banks on loan facilities of subsidiaries, a joint venture, an associated company and a related party, disclosed in Note 32 to the financial statements.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially assessed up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, management believes that there is no further credit provision required in excess of the allowance for impairment of receivables.

Trade receivables and contract assets

In measuring expected credit losses ("ECL"), trade receivables and contract assets are grouped based on shared credit risk characteristics and days past due. The contract assets relate mainly to projects where the revenue has been accrued ahead of billings to customers, which have substantially the same risk characteristics as the trade receivables for the same type of contracts.

The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Some of the forward-looking macroeconomic factors include:

- Historical default rate of the customer
- Any publicly available information on the customer
- Any macroeconomic or geopolitical information relevant to the customer
- Any other objectively supportable information on the quality and abilities of the customer's management relevant for its performance

33. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Trade receivables (including retention receivables) and contract assets grouped with shared risk characteristics as at 31 March 2019 are as follows:

	Group 2019			
	Current and not due	**Past due under 3 months**	**Past due over 3 months**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
- Singapore				
• Trade receivables	**52,637**	**4,111**	**295**	**57,043**
• Contract assets	**69,725**			**69,725**
- Vietnam				
• Trade receivables	**1,180**	**-**	**-**	**1,180**
• Contract assets	**12**	**-**	**-**	**12**
- Malaysia				
• Trade receivables	**1,076**	**-**	**-**	**1,076**
• Contract assets	**208**	**-**	**-**	**208**
- China				
• Trade receivables	**3**	**-**	**-**	**3**
	124,841	**4,111**	**295**	**129,247**

As at 31 March 2019, the amount of trade receivables that are past due for more than 3 months are immaterial. Accordingly, the Group's trade receivables and contract assets are subject to immaterial credit loss.

Loans to an associated company, a related party and subsidiaries are assessed for expected credit loss under the general approach. These loans are subject to immaterial credit loss.

33. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Credit risk (cont'd)

Previous accounting policy for impairment of trade receivables

For the financial year ended 31 March 2018, impairment of financial assets was assessed based on the incurred loss impairment model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively, to determine whether there was objective evidence that an impairment had been incurred but not yet identified.

The Group considered that there was evidence if any of the following indicators were present:

- Significant financial difficulties of the debtor;
- Probability that the debtor will enter bankruptcy or financial reorganisation; and
- Default or delinquency in payments.

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade and other receivables that are neither past due nor impaired are substantially due from companies with good collection track records with the Group and the Company.

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables and a loan to a subsidiary.

The age analysis of trade receivables past due but not impaired is as follows:

	Group		Company	
	2018 $'000	**2017 $'000**	**2018 $'000**	**2017 $'000**
Past due over 3 months	723	5,073	73	2,674

Financial assets past due and impaired relate to a loan to a subsidiary by the Company. The carrying amount of the loan to a subsidiary determined to be impaired and the movement in the related allowance for impairment are as follows:

	Company	
	2018 $'000	**2017 $'000**
Past due over 3 months	2,036	2,036
Less: Allowance for impairment	(2,036)	(2,036)
	-	-
Balance at beginning of financial year	2,166	2,166
Currency translation differences	(130)	(130)
Balance at end of financial year	2,036	2,036

There are no impaired trade receivables as at 31 March 2018 and 1 April 2017.

33. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At the reporting date, assets held by the Group and the Company for managing liquidity risk included cash and short-term bank deposits as disclosed in Note 13.

Management monitors rolling forecasts of the liquidity reserve (comprises undrawn borrowing facilities and cash and cash equivalents (Note 13)) of the Group and the Company on the basis of expected cash flow. This is generally carried out at the local level in the operating companies of the Group in accordance with the practice and limits set by the Group. In addition, the Group's liquidity management policy involves considering the level of liquid assets necessary to meet projected cash flows, monitoring liquidity ratios and maintaining debt financing plans.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months approximate their carrying amounts as the impact of discounting is not significant. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

	Less than 1 year	Between 2 and 5 years	Over 5 years
	$'000	$'000	$'000
Group			
At 31 March 2019			
Trade and other payables	**100,496**	**4,572**	-
Borrowings	**69,883**	**85,795**	-
Financial guarantees	**16,860**	**-**	-
At 31 March 2018			
Trade and other payables	95,353	3,418	-
Borrowings	6,862	68,715	-
Financial guarantees	21,160	-	-
At 1 April 2017			
Trade and other payables	106,695	4,973	-
Borrowings	20,485	50,181	24,665
Financial guarantees	20,704	-	-
Company			
At 31 March 2019			
Trade and other payables	**25,025**	**-**	**-**
Loans from subsidiaries	**46,243**	**-**	**-**
Financial guarantees	**81,824**	**-**	**-**
At 31 March 2018			
Trade and other payables	45,300	-	-
Loans from subsidiaries	28,210	-	-
Financial guarantees	91,664	-	-
At 1 April 2017			
Trade and other payables	96,238	3,170	-
Loans from subsidiaries	72,076	-	-
Financial guarantees	95,858	-	-

33. FINANCIAL RISK MANAGEMENT (cont'd)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on gearing ratios and the level of total net tangible assets, which are in tandem with the requirements of the banks. The banks require the Group to have minimum total net tangible assets of $90,000,000, a maximum total liability gearing ratio of 275% and a maximum consolidated gearing of 1.5 times. The Group's strategy which was unchanged from 2018, is to maintain gearing ratios and minimum level of total net tangible assets within the banks' requirements.

The total liability gearing ratio is calculated as a percentage of consolidated total liabilities divided by the consolidated tangible net worth and the maximum consolidated gearing ratio is calculated as total bank debts divided by tangible net worth. Tangible net worth is calculated as the sum of share capital and retained profits.

The Group is in compliance with all externally imposed capital requirements for the financial years ended 31 March 2019, 31 March 2018 and 1 April 2017.

(e) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position including derivative financial instruments and in Note 20 and 21 to the financial statements, except for the following:

	Group $'000	Company $'000
31 March 2019		
Financial assets, at amortised cost	**207,719**	203,310
Financial liabilities, at amortised cost	**248,226**	70,459

	Group		Company	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Loans and receivables	196,748	220,150	205,407	283,865
Financial liabilities, at amortised cost	169,275	200,022	73,000	170,589

(f) Fair value measurements

The table below presents assets and liabilities recognised and measured at fair value and classified by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

33. FINANCIAL RISK MANAGEMENT (cont'd)

(f) Fair value measurements

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
31 March 2019				
Assets				
Derivative financial instruments	**-**	**13**	**-**	**13**
Financial assets, at FVOCI	**-**	**-**	**31,426**	**31,426**
Liabilities				
Derivative financial instruments	**-**	**30**	**-**	**30**
Company				
31 March 2019				
Assets				
Financial assets, at FVOCI	**-**	**-**	**31,426**	**31,426**

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of the reporting period.

There were no transfers between the levels of fair value hierarchy during the financial year.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves. These derivative financial instruments are classified as Level 2. In infrequent circumstances, where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3.

The following table presents the changes in Level 3 instruments:

	Financial assets, at FVOCI $'000
2019	
Beginning of financial year	**-**
Reclassification as at 1 April 2018	**20,519**
Adoption of SFRS(I) 9	**10,676**
Fair value gain recognised in other comprehensive income	**231**
End of financial year	**31,426**

Valuation techniques and inputs disclosed in Note 21 to the financial statements.

34. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The Company's immediate and ultimate holding company is Boustead Singapore Limited, incorporated in the Republic of Singapore and listed on the Singapore Exchange.

35. RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) *Sales and purchases of goods and services*

	2019 $'000	2018 $'000
Rental expense to a fellow subsidiary (includes shared expenses such as IT, utilities and common area usage)	**169**	176
Rental expense to a joint venture	**370**	363
Project and development management fees from joint ventures*	**(899)**	(1,141)
Construction contract revenue from joint ventures*	**(25,972)**	(26,992)
Assets and property management fees from joint ventures	**(235)**	(180)
Construction contract revenue from a related party*	**(317)**	(4,787)
Construction management fee from an associated company	**-**	(168)
Interest income from:		
- associated company	**(515)**	(310)
- related party (a subsidiary of an associated company)	**(384)**	(723)
	(899)	(1,033)

* *Transaction values disclosed are after elimination of the Group's shares in the transaction.*

Outstanding balances at 31 March 2019 and 31 March 2018 arising from sale/purchase of goods and services, are unsecured and receivable/payable within 12 months from reporting date are disclosed in Notes 15 and 25 respectively.

(b) *Key management personnel compensation*

Key management personnel compensation is as follows:

	2019 $'000	2018 $'000
Wages and salaries	**2,650**	2,267
Employer's contribution to defined contribution plans, including Central Provident Fund	**85**	69
Share-based compensation expense	**454**	385
	3,189	2,721

36. SEGMENT INFORMATION

Segment information is presented in respect of the Group's reportable segment provided to the senior management which comprises the Managing Director, Executive Director and Chief Financial Officer for the purpose of resource allocation and assessment of segment performance.

The senior management considers the business from both a business and geographical segment perspective.

The Group's businesses comprise the following:

(i) Design-and-Build: Provision of design-and-build expertise for industrial facilities.

(ii) Real Estate: Owning and leasing of industrial facilities.

(iii) Investment: Owning of financial assets, at FVOCI.

Management monitors performance across all geographic areas and aggregates the financial results into Singapore, Malaysia, Vietnam, China and other countries, with Singapore contributing significantly to the overall Group's financial results.

(a) Segment revenue and results

The segment information for the reportable segments is as follows:

	Design-and-build		Real Estate		Investment		Group	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**	**2019 $'000**	**2018 $'000**	**2019 $'000**	**2018 $'000**
Revenue								
External revenue	**205,061**	138,794	**29,162**	30,841	**-**	-	**234,223**	169,635
Total revenue	**205,061**	138,794	**29,162**	30,841	**-**	-	**234,223**	169,635
Results								
Segment result	**19,898**	17,573	**13,743**	17,440	**-**	-	**33,641**	35,013
Includes:								
- Depreciation expense	**(273)**	(325)	**(6,300)**	(6,367)	**-**	-	**(6,573)**	(6,692)
- Sub-contractor fees and other construction costs	**(167,364)**	(104,015)	**-**	-	**-**	-	**(167,364)**	(104,015)
- Other gains – net	**142**	77	**5,890**	-	**-**	-	**6,032**	77
- Employee compensation	**(13,511)**	(14,090)	**(4,027)**	(1,577)	**-**	-	**(17,538)**	(15,667)
- Share of (loss)/profit of an associated company and joint ventures	**-**	-	**(2,617)**	3,112	**-**	-	**(2,617)**	3,112
- Property related expenses	**(618)**	(526)	**(8,527)**	(8,828)	**-**	-	**(9,145)**	(9,354)
Interest income	**3,799**	1,478	**518**	910	**-**	-	**4,317**	2,388
Finance expense							**(2,283)**	(1,949)
Profit before tax							**35,675**	35,452
Income tax expense							**(5,097)**	(6,301)
Total profit							**30,578**	29,151

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Segment results represent profit earned by each segment without allocation of finance costs and income tax expense. This is the measure reported to the senior management for the purposes of resource allocation and assessment of segment performance.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

36. SEGMENT INFORMATION (cont'd)

(b) Segment assets and liabilities

	Design-and-build		Real Estate		Investment		Group	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**	**2019 $'000**	**2018 $'000**	**2019 $'000**	**2018 $'000**
Segment assets								
Segment assets	**216,766**	155,665	**273,885**	221,730	**31,426**	20,519	**522,077**	397,914
Investment in an associated company	**-**	-	**-**	588	**-**	-	**-**	588
Investments in joint ventures	**-**	-	**40,673**	37,148	**-**	-	**40,673**	37,148
Deferred income tax assets							**3,196**	-
Consolidated total assets							**565,946**	435,650
Additions to:								
- property, plant and equipment	**509**	255	**11**	36	**-**	-	**520**	291
- investment properties	**-**	-	**59,573**	377	**-**	-	**59,573**	377
- intangible assets	**125**	-	**-**	-	**-**	-	**125**	-
- investments in joint ventures	**-**	-	**3,525**	9,390	**-**	-	**3,525**	9,390
Segment liabilities								
Segment liabilities	**149,192**	102,357	**120,877**	74,790	**-**	-	**270,069**	177,147
Income tax payable/deferred income tax liabilities							**14,847**	14,402
Consolidated total liabilities							**284,916**	191,549

For the purposes of monitoring segment performance and allocating resources between segments, the senior management monitors the tangible and financial assets, as well as the financial liabilities attributable to each segment.

All assets are allocated to reportable segments other than deferred income tax assets.

All liabilities are allocated to reportable segments other than income tax payable and deferred income tax liabilities.

(c) Geographical information

The Group operates primarily in Singapore and has operations in Malaysia and Vietnam. The Group's revenue from external customers and non-current assets (excluding financial assets and deferred income tax assets) by geographical locations are as follows:

	Singapore		Malaysia		Vietnam		Other countries		Group	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**	**2019 $'000**	**2018 $'000**	**2019 $'000**	**2018 $'000**	**2019 $'000**	**2018 $'000**
Revenue										
External sales	**224,957**	157,933	**570**	9,637	**7,836**	1,224	**860**	841	**234,223**	169,635
Non-current assets	**220,924**	167,907	**36**	611	**4,179**	377	**2**	4	**225,141**	168,899

(d) Information about major customers

For the financial year ended 31 March 2019, there are two customers from the Group's design-and-build segment that each contributed more than 10% of the Group's revenue. The customers contributed $64,474,000 and $26,359,000 (2018: one customer, $37,880,000) respectively in revenue to the Group.

37. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Company's accounting periods beginning on or after 1 April 2019 and which the Company has not early adopted:

SFRS(I) 16 Leases

SFRS(I) 16 will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

SFRS(I) 16 will take effect from financial years beginning on or after 1 April 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

The standard will affect primarily the accounting for the Group's operating leases. As at 31 March 2019, the Group has non-cancellable operating lease commitment as disclosed in Note 31 to the financial statements, that may result in the recognition of an asset and a liability for future payments.

The Group is currently finalising the transition adjustments.

38. EVENT SUBSEQUENT TO THE REPORTING DATE

On 1 April 2019, the Group completed its investment in 25% of DSCO Group Holdings Pte Ltd ("DSCO"), a provider of specialised building engineering consulting services in the Asia Pacific, at a consideration of approximately $4,209,000, subject to post-completion adjustments.

39. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Boustead Projects Limited on 28 June 2019.

MANAGEMENT & PRINCIPAL ACTIVITIES

BOUSTEAD PROJECTS GROUP HEADQUARTERS

Boustead Projects Limited
82 Ubi Avenue 4
#07-01 Edward Boustead Centre
Singapore 408832

Main: +65 6748 3945
Fax: +65 6748 9250
Web: www.bousteadprojects.com

Managing Director: Thomas Chu
Executive Director & Senior Deputy Managing Director: Wong Yu Wei

Boustead Projects E&C Pte Ltd
82 Ubi Avenue 4
#07-01 Edward Boustead Centre
Singapore 408832

Main: +65 6748 3945
Fax: +65 6748 9250

Managing Director: Thomas Chu

Boustead Projects E&C provides technical consulting services and design-and-build expertise for business park and industrial developments in Singapore.

Boustead Funds Management Pte Ltd
82 Ubi Avenue 4
#07-01 Edward Boustead Centre
Singapore 408832

Main: +65 6748 3945
Fax: +65 6748 9250

Director: Wong Yu Wei

Boustead Funds Management provides development and asset management services.

Boustead Property Services Pte Ltd
82 Ubi Avenue 4
#07-01 Edward Boustead Centre
Singapore 408832

Main: +65 6748 3945
Fax: +65 6748 9250

Director: Wong Yu Wei

Boustead Property Services provides leasing and property management services.

MANAGEMENT & PRINCIPAL ACTIVITIES

BP Engineering Solutions Sdn Bhd
BP Lands Sdn Bhd
No 127-02, Jalan Mutiara Emas 2A
Taman Mount Austin
81100 Johor Bahru, Johor
Malaysia

Main: +60 7 287 2022

Director: Wong Yu Wei

BP Engineering Solutions provides technical consulting services and design-and-build expertise for industrial developments in Malaysia.

BP Lands is an investment holding company in Malaysia.

Boustead Projects (Vietnam) Co Ltd
Floor 8, Miss Ao Dai Building
21 Nguyen Trung Ngan Street
Ben Nghe Ward, District 1
Ho Chi Minh City
Vietnam

Main: +84 8 3829 5674
Fax: +84 8 3829 5681

General Director: Liew Kau Keen

Boustead Projects (Vietnam) provides technical consulting services and design-and-build expertise for industrial developments in Vietnam.

Boustead Projects Land (Vietnam) Co Ltd
Belt Road 3, Nhon Trach 2 – Nhon Phu Industrial Park
Phu Hoi Commune, Nhon Trach District
Dong Nai Province
Vietnam

General Director: Bernald Tan

Boustead Projects Land (Vietnam) provides development, leasing and property management services in Vietnam.

Wuxi Boustead Industrial Development Co Ltd
55 Xin Mei Road
New District Wuxi
Wuxi 214028, Jiangsu Province
China

Main: +86 510 8522 7491
Fax: +86 510 8521 5921

Legal Representative: Thomas Chu

Wuxi Boustead Industrial Development is an investment holding company in Wuxi, China.

STATISTICS OF SHAREHOLDINGS

AS AT 18 JUNE 2019

SHARE CAPITAL

Number of ordinary shares	:	310,654,341*
Number/Percentage of treasury shares	:	9,345,659 (3.01%)
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share. The Company cannot exercise any voting rights in respect of shares held by it as treasury shares.

* *Excludes treasury shares*

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%**
1 - 99	209	6.45	7,704	0.00
100 - 1,000	755	23.30	428,502	0.14
1,001 - 10,000	1,757	54.21	6,437,210	2.07
10,001 - 1,000,000	508	15.67	30,091,760	9.69
1,000,001 AND ABOVE	12	0.37	273,689,165	88.10
TOTAL	**3,241**	**100.00**	**310,654,341**	**100.00**

LOCATION OF SHAREHOLDERS

Country	No. of Shareholders	%	No. of Shares	%**
SINGAPORE	3,124	96.39	307,615,891	99.02
MALAYSIA	85	2.62	2,491,202	0.80
OTHERS	32	0.99	547,248	0.18
TOTAL	**3,241**	**100.00**	**310,654,341**	**100.00**

STATISTICS OF SHAREHOLDINGS

AS AT 18 JUNE 2019

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%**
1	BOUSTEAD SINGAPORE LIMITED	163,861,009	52.75
2	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	52,860,774	17.02
3	RAFFLES NOMINEES (PTE) LIMITED	14,051,387	4.52
4	HSBC (SINGAPORE) NOMINEES PTE LTD	13,145,231	4.23
5	CITIBANK NOMS SPORE PTE LTD	11,782,203	3.79
6	DBS NOMINEES (PRIVATE) LIMITED	7,311,034	2.35
7	ABN AMRO CLEARING BANK N.V.	2,466,741	0.79
8	MAYBANK KIM ENG SECURITIES PTE. LTD.	2,324,041	0.75
9	PHILLIP SECURITIES PTE LTD	1,667,945	0.54
10	YEO KER KUANG	1,605,467	0.52
11	HELEN TAN CHENG HOONG	1,549,800	0.50
12	WONG HENG CHONG	1,063,533	0.34
13	WONG SHAW SENG REGI	1,000,000	0.32
14	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	840,780	0.27
15	CHU KOK HONG @ CHOO KOK HONG	791,323	0.25
16	WONG YU WEI (HUANG YOUWEI)	723,863	0.23
17	WONG KET SEONG @ WONG KET YIN	700,000	0.23
18	CHANG CHING CHAU @ TEW KING CHANG	638,550	0.21
19	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	573,365	0.18
20	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	562,367	0.18
	Total	**279,519,413**	**89.97**

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	%	Deemed Interest	%**
Wong Fong Fui	-	-	224,242,603	72.18
Boustead Singapore Limited	163,861,009	52.75	-	-

Note:
Mr Wong Fong Fui is deemed interested in 52,690,334 shares, representing approximately 16.96% of the total issued share capital of the company, held through nominees. In addition, Mr Wong, through his interest in not less than 20% of the issued share capital of the following entities, is also deemed interested in:-

(i) 163,861,009 shares (representing approximately 52.75%) held by Boustead Singapore Limited; and

(ii) 7,691,260 shares (representing approximately 2.48%) held by Bright Assets Enterprises Limited.

SHAREHOLDINGS IN THE HANDS OF THE PUBLIC

The percentage of shareholdings in the hands of the public as at 18 June 2019 was approximately 29.30%.** This is in compliance with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited, which requires at least 10% of the issued ordinary shares of the company to be held by the public.

** *The percentage of issued ordinary shares is calculated based on the total number of issued shares, excluding treasury shares of the Company.*

NOTICE OF ANNUAL GENERAL MEETING

BOUSTEAD PROJECTS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199603900E)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Boustead Projects Limited (the "Company") will be held at The Studio @ NoonTalk, 29 Media Circle, #01-04/05, ALICE@Mediapolis, Singapore 138565 on Friday, 26 July 2019 at 10.30 a.m. to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 31 March 2019 and the Independent Auditors' Report thereon.
Resolution 1

2. To approve a final tax-exempt (one-tier) dividend of 1.5 cents per ordinary share for the year ended 31 March 2019.
Resolution 2

3. To approve a special tax-exempt (one-tier) dividend of 0.5 cent per ordinary share for the year ended 31 March 2019.
Resolution 3

4. To re-elect the following directors retiring under Article 94 of the Company's Constitution.

    a. Mr John Lim Kok Min **Resolution 4**

    b. Mr Chong Lit Cheong **Resolution 5**

    Note:
    Mr John Lim Kok Min will, upon re-election as a director of the Company, remain as the Chairman of the Board, the Chairman of Nominating Committee, the Chairman of Remuneration Committee and member of the Audit & Risk Committee. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

    Mr Chong Lit Cheong will, upon re-election as a director of the Company, remain as the Chairman of the Audit & Risk Committee, member of the Nominating Committee and member of the Remuneration Committee. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

5. To re-elect the following directors retiring under Article 100 of the Company's Constitution.

    a. Professor Yong Kwet Yew **Resolution 6**

    b. Mr Tam Chee Chong **Resolution 7**

    Note:
    Professor Yong Kwet Yew will, upon re-election as a director of the Company, remain as member of the Nominating Committee and member of the Remuneration Committee.

    Mr Tam Chee Chong will, upon re-election as a director of the Company, remain as member of the Audit & Risk Committee and member of the Nominating Committee. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

6. To approve directors' fees of up to $280,000 for the financial year ending 31 March 2020, payable quarterly in arrears (2019: $244,000).
[See Explanatory Note 1] **Resolution 8**

7. To re-appoint Messrs PricewaterhouseCoopers LLP as auditors of the Company to hold office until the next Annual General Meeting and to authorise the directors to fix their remuneration. **Resolution 9**

BOUSTEAD PROJECTS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199603900E)

AS SPECIAL BUSINESS

To consider and, if thought fit to pass with or without modifications, the following ordinary resolutions:

8. **Authority to allot and issue shares pursuant to Section 161 of the Singapore Companies Act**

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 any treasury shares and subsidiary holdings) 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 any treasury shares and subsidiary holdings) 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 any treasury shares and subsidiary holdings) 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 Constitution 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.

[See Explanatory Note 2] **Resolution 10**

NOTICE OF ANNUAL GENERAL MEETING

BOUSTEAD PROJECTS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199603900E)

9. **The proposed renewal of the Share Buy-Back Mandate**

All capitalised terms used in this resolution which are not defined herein shall have the same meaning ascribed to them in the Addendum to Shareholders dated 9 July 2019.

That:

(a) for the purposes of the Companies Act, Chapter 50 of Singapore ("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 ("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;

BOUSTEAD PROJECTS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199603900E)

"Maximum Price" in relation to a Share to be purchased, means an amount (excluding brokerage, commission, stamp duties, applicable goods and services tax, clearance fees 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 the 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 the 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.

[See Explanatory Note 3] **Resolution 11**

10. **Authority to grant awards and issue shares pursuant to the Boustead Projects Restricted Share Plan 2016**

That authority be and is hereby given to the directors of the Company to grant awards in accordance with the provisions of the Boustead Projects Restricted Share Plan 2016 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 Projects Restricted Share Plan 2016, provided that the aggregate number of new shares to be issued pursuant to the Boustead Projects Restricted Share Plan 2016 shall not exceed fifteen per cent (15%) of the issued ordinary share capital of the Company (excluding any treasury shares and subsidiary holdings) from time to time.

[See Explanatory Note 4] **Resolution 12**

11. **Authority to allot and issue shares pursuant to the Boustead Projects Limited Scrip Dividend Scheme**

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 Projects Limited Scrip Dividend Scheme.

[See Explanatory Note 5] **Resolution 13**

12. To transact any other business of the Company which may arise.

NOTICE OF ANNUAL GENERAL MEETING

BOUSTEAD PROJECTS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199603900E)

NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT DATE

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed from 5.00 p.m. on 2 August 2019 for the purpose of determining shareholders' entitlements to the final and special dividends to be paid on 16 August 2019, subject to and contingent upon shareholders' approval for the proposed dividends being obtained at the forthcoming Annual General Meeting of the Company.

Duly completed transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 2 August 2019 will be registered before entitlements to the dividends are determined.

By Order of the Board

Tay Chee Wah
Company Secretary
9 July 2019

Explanatory Notes on Ordinary and Special Business to be transacted

1. The Ordinary Resolution 8 is to allow the Company to pay directors' fees to all non-executive directors in arrears on a quarterly basis.

2. The Ordinary Resolution 10 is to enable the directors to issue shares in the Company up to 50% of the total number of issued shares excluding any treasury shares and subsidiary holdings in the capital of the Company (in the case of issuance other than on a pro-rata basis to existing shareholders, such aggregate number of shares not to exceed 20% of the total number of issued shares excluding any treasury shares and subsidiary holdings in the capital of the Company) for such purposes as they consider to be in the interests of the Company.

3. The proposed Ordinary Resolution 11 is to empower the Directors of the Company from the date of the Annual General Meeting until the date of the next Annual General Meeting is to be held or is required by law to be held, whichever is the earlier, to make purchases (whether by way of On-Market Purchases or Off-Market Purchases on an equal access scheme) from time to time of up to ten per cent (10%) of the total number of Shares (excluding treasury shares and subsidiary holdings) at prices up to but not exceeding the Maximum Price. The rationale for, the authority and limitation on, the source of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate are set out in greater detail in the Addendum accompanying this Notice of Annual General Meeting.

4. The Ordinary Resolution 12 is to allow the directors to grant awards and issue shares pursuant to the Boustead Projects Restricted Share Plan 2016.

5. The Ordinary Resolution 13 is to allow the directors to issue shares pursuant to the Boustead Projects Limited Scrip Dividend Scheme.

BOUSTEAD PROJECTS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199603900E)

Notes:

(1) A member (other than a Relevant Intermediary*) entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint not more than two proxies to attend and vote in his stead. A shareholder of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company.

(2) Where a member (other than a Relevant Intermediary*) appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.

(3) A Relevant Intermediary* may appoint more than 2 proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).

(4) The instrument appointing a proxy must be signed by the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

(5) If a proxy is to be appointed, the instrument appointing a proxy must be duly deposited at the registered office of the Company at 82 Ubi Avenue 4, #07-01 Edward Boustead Centre, Singapore 408832 not later than 48 hours before the time appointed for the holding of the AGM.

* A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act (Chapter 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities Futures Act (Chapter 289) of Singapore and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

BOUSTEAD PROJECTS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199603900E)

Annual General Meeting to be held on
26 July 2019 at 10.30 a.m.
(Before completing this form, please see notes below)

IMPORTANT:
1. For investors who have used their CPF monies to buy shares in the capital of Boustead Projects Limited, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
2. Pursuant to Section 181(1C) of the Companies Act, Chapter 50 of Singapore, Relevant Intermediaries may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
3. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We ______________ (Name) ______________ (NRIC/ Passport Number)

of ______________

being a member/members of the above-named Company, hereby appoint Mr/Mrs/Ms

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

or failing him/ her/ them, the Chairman of the Annual General Meeting of the Company as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Friday, 26 July 2019 at 10.30 a.m. and at any adjournment thereof in the manner indicated below:

	Ordinary Resolutions:	For	Against
Resolution 1	To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 31 March 2019 and the Independent Auditors' Report thereon.		
Resolution 2	To approve a final tax-exempt (one-tier) dividend of 1.5 cents per ordinary share for the year ended 31 March 2019.		
Resolution 3	To approve a special tax-exempt (one-tier) dividend of 0.5 cent per ordinary share for the year ended 31 March 2019.		
Resolution 4	To re-elect Mr John Lim Kok Min as a director of the Company.		
Resolution 5	To re-elect Mr Chong Lit Cheong as a director of the Company.		
Resolution 6	To re-elect Professor Yong Kwet Yew as a director of the Company.		
Resolution 7	To re-elect Mr Tam Chee Chong as a director of the Company.		
Resolution 8	To approve directors' fees of up to $280,000 for the financial year ending 31 March 2020, payable quarterly in arrears.		
Resolution 9	To re-appoint Messrs PricewaterhouseCoopers LLP as auditors of the Company and to authorise the directors to fix their remuneration.		
Resolution 10	To authorise the directors to allot and issue shares pursuant to Section 161 of the Singapore Companies Act.		
Resolution 11	To approve the proposed renewal of the Share Buy-Back Mandate.		
Resolution 12	To authorise the directors to grant awards and issue shares pursuant to the Boustead Projects Restricted Share Plan 2016.		
Resolution 13	To authorise the directors to allot and issue shares pursuant to the Boustead Projects Limited Scrip Dividend Scheme.		

(Please indicate with a cross "X" in the spaces provided whether you wish your vote/votes to be cast for or against the Resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, your proxy/proxies may vote or abstain as he/she thinks fit.)

Signed this ______ day of ______ 2019

Total no. of shares	No. of shares
In CDP Register	
In Register of Members	

Signature(s) of Member(s) or Common Seal

PROXY FORM

BOUSTEAD PROJECTS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199603900E)

Notes:

1. A member (other than a Relevant Intermediary*) entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
3. A member of the Company having a share capital who is a Relevant Intermediary* may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified). In such event, the Relevant Intermediary* shall submit a list of its proxies together with the information required in this form of proxy including the number and class of shares in relation to which each proxy has been appointed, to the registered office of the Company at 82 Ubi Avenue 4, #07-01 Edward Boustead Centre, Singapore 408832.
4. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Cap. 289) of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all shares held by the member.
5. This instrument appointing a proxy or proxies (together with the power of attorney (if any) under which it is signed or a certified copy thereof), must be deposited at the registered office of the Company at 82 Ubi Avenue 4, #07-01 Edward Boustead Centre, Singapore 408832 not less than 48 hours before the time fixed for holding the AGM.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the AGM in person. CPF Investors and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.
9. Agent Banks acting on the request of CPF Investors who wish to attend the AGM as Observers are required to submit in writing, a list with details of the investor's name, NRIC/Passport number, addresses and number of shares held. The list, signed by an authorised signatory of the agent bank, should reach the Company Secretary, at the Secretary's Office at 82 Ubi Avenue 4, #07-01 Edward Boustead Centre, Singapore 408832, not less than 48 hours before the time fixed for holding the AGM.

* *"Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.*

GENERAL:

The Company shall be entitled to reject a proxy form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject a proxy form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 9 July 2019.

design & production by **Q-Plus Design**

BOUSTEAD PROJECTS LIMITED
Company Registration Number: 199603900E

82 Ubi Avenue 4
#07-01 Edward Boustead Centre
Singapore 408832
Main: +65 6748 3945
Fax: +65 6748 9250

www.bousteadprojects.com