UNLOCKING

VALUE THROUGH MULTIPLE CAPABILITIES

BOUSTEAD PROJECTS LIMITED
annual report 2015

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

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CORPORATE PROFILE

Established in 1996, Boustead Projects Limited is a leading industrial real estate solutions provider in Singapore, with core engineering expertise in the design-and-build, and development of industrial facilities for multinational corporations and local enterprises. To date, we have constructed and developed more than 3,000,000 square metres of industrial real estate regionally in Singapore, China, Malaysia and Vietnam. Boustead Projects is approved by the Building & Construction Authority of Singapore for Grade CW01-A1 and General Builder Class One License to execute building construction contracts of unlimited value.

Our in-depth experience in designing and constructing custom-built facilities covers the aviation, commercial, electronics, food processing, high-tech manufacturing, lifestyle, logistics, petrochemical, pharmaceutical, precision engineering and technology industries. We are also a leader in pioneering advanced environmentally-sustainable facilities under the Building & Construction Authority's Green Mark Programme and U.S. Green Building Council's Leadership in Energy & Environmental Design Programme. In Singapore, Boustead Projects is one of only 10 bizSAFE Mentors and also a bizSAFE Star, the highest qualification that can be attained in recognition of a company's health, safety and environmental management programmes.

Boustead Projects is a 51%-owned subsidiary of Boustead Singapore Limited, a progressive global Infrastructure-Related Engineering Services and Geo-Spatial Technology Group which is separately listed on the Main Board of the SGX.

On 30 April 2015, Boustead Projects listed on the Main Board of the SGX.

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UNLOCKING

VALUE THROUGH MULTIPLE CAPABILITIES

Boustead Projects successfully demerged from Boustead Singapore Limited and became a separately listed entity on the Main Board of the SGX on 30 April 2015.

At the backbone of global economic growth, we provide the necessary infrastructure for industrial growth, building up industrial and business parks with high-tech manufacturing plants, logistics facilities and R&D centres.

Our strong design expertise and technical knowledge, combined with our experience in undertaking projects as a design-and-build contractor and full-scale developer enables us to provide a wide range and full suite of customised industrial real estate solutions to suit our clients' unique specifications.

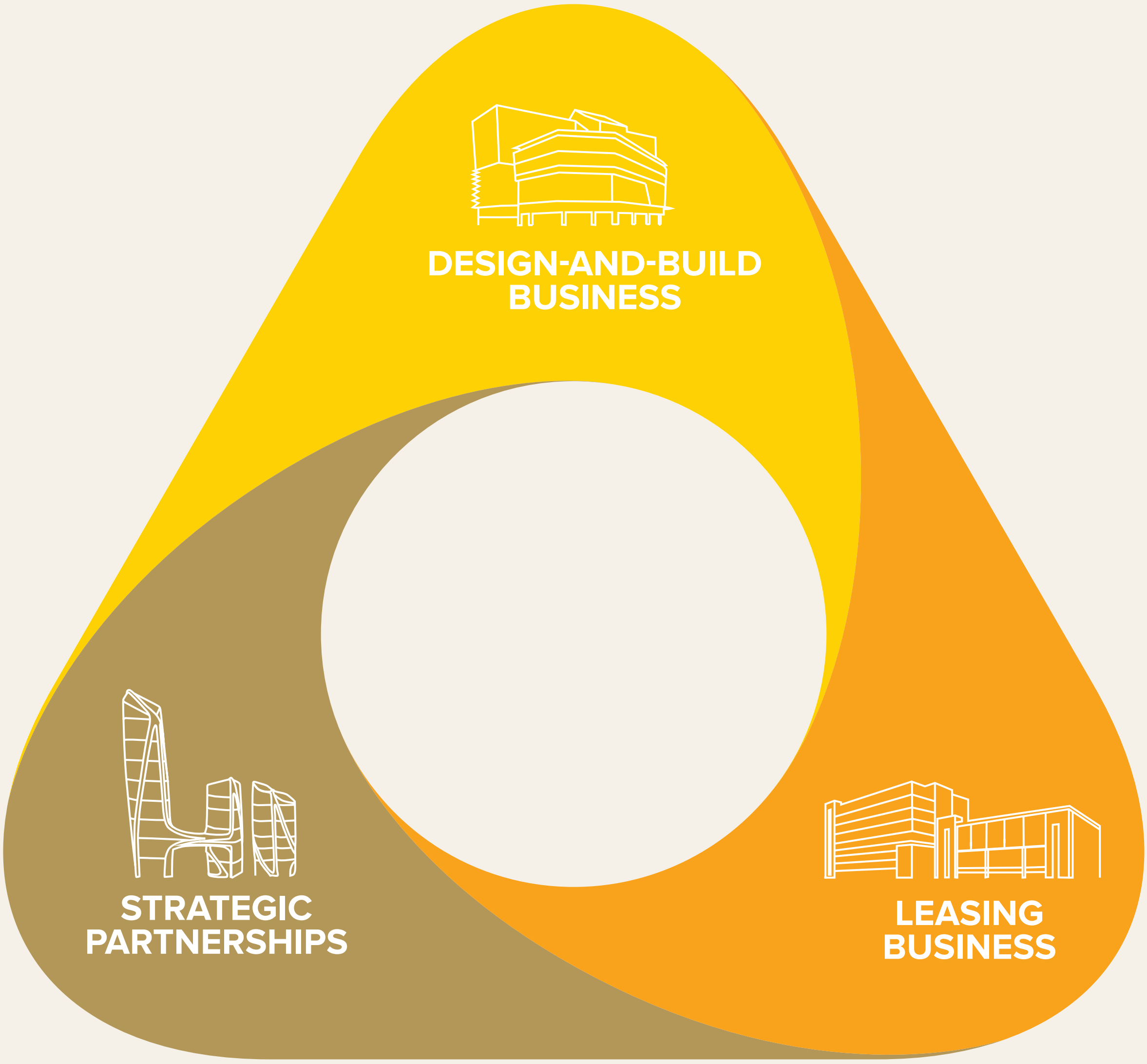
We have the capability to manage the full lifecycle of a project including site selection, land acquisition, facility specifications, turnkey design-and-build, value engineering, development and financing, as well as ownership of custom-built facilities.

Our multiple capabilities ensure that we can continue to unlock value for both our clients and shareholders.

VALUE ENGINEERING

GROWING PORTFOLIO

DEVELOPING OPPORTUNITIES



VALUE ENGINEERING

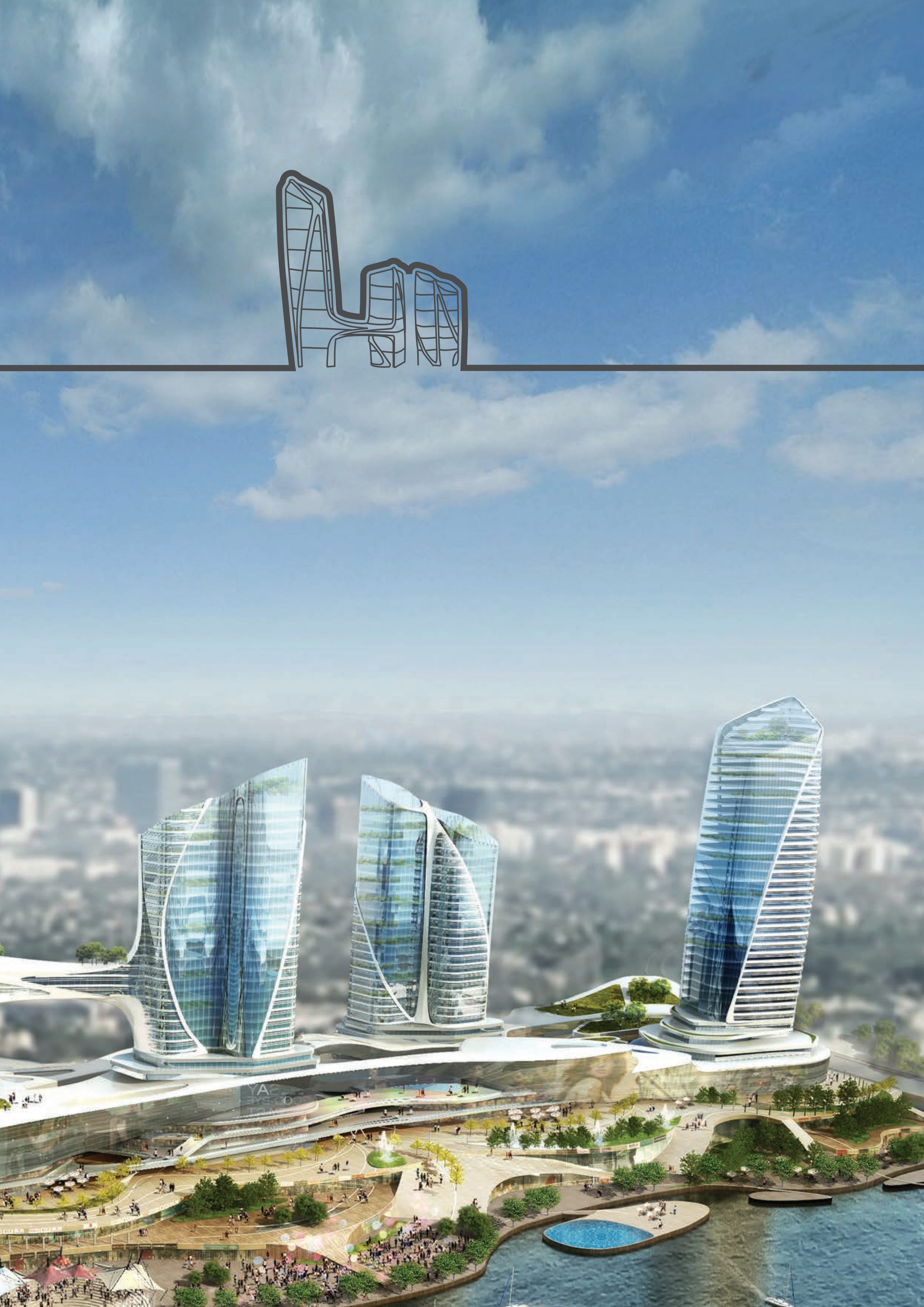
Boustead Projects is one of the few industrial real estate solutions providers in Singapore that go beyond conventional design-and-build and development options to provide value engineering, the systematic design or redesign of a custom-built facility to ensure that clients enjoy greater or similar facility performance, function and quality at significantly reduced costs.

GROWING PORTFOLIO

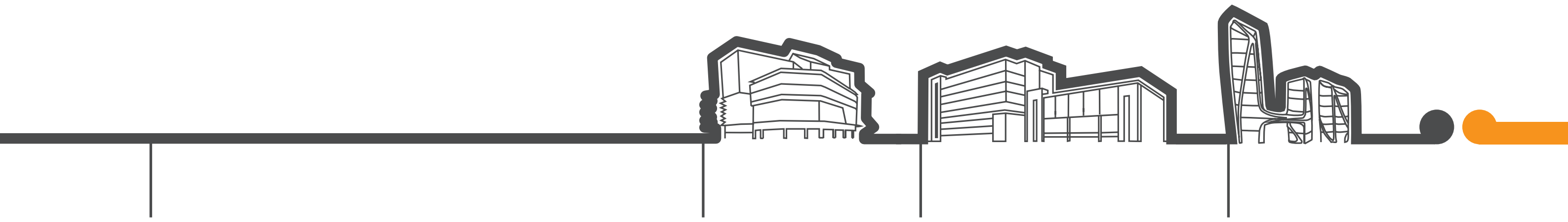
Over the years, Boustead Projects' industrial leasehold portfolio has expanded as part of a strategy to grow our recurring income base. Currently, our portfolio (both wholly-owned and joint venture properties) contains 15 completed properties and two properties under construction, housing some of the world's most reputable corporations.

DEVELOPING OPPORTUNITIES

Boustead Projects has formed various strategic partnerships with like-minded reputable partners on several fronts. Leveraging on our wide business network, we are actively exploring venturing into new geographic markets and real estate sectors.



CREATING VALUE



- Established track record with almost 20 years of operations
- Comprehensive suite of industrial real estate solutions
- Focus on enhancing operational efficiencies and cost controls
- Committed, experienced and strong management team

Design-and-Build Business

Leasing Business

Strategic Partnerships

Absolute growth in design-and-build revenue over three years

▲70%

Absolute growth in leasing revenue over three years

▲109%

Absolute growth in net asset value per share over three years
(based on 320,000,000 shares)

▲50%

Industrial leasehold portfolio GFA
(both completed and under construction)*

199,698 sqm

* *Includes both wholly-owned and joint venture properties.*

OUR BUSINESS MODEL

Our experienced and versatile team possesses in-depth domain expertise and tremendous experience in designing, building, developing and leasing custom-built facilities. Following through with our clients on design and value engineering to the project management and delivery of industrial facilities, we are a knowledge-driven corporation with an excellent track record.

Today, our multiple capabilities put us in a unique position as the only integrated industrial real estate solutions player listed on the Main Board of the SGX. Stated simply, we are a design-and-build contractor with the full suite of development capabilities, along with ownership of an industrial leasehold portfolio. These multiple capabilities allow us to cover most of the industrial real estate value chain.

OUR STRATEGY

Established track record
With almost 20 years of experience, we have established a strong reputation in our field for delivering high-tech industrial facilities for multinational corporations across numerous industries.

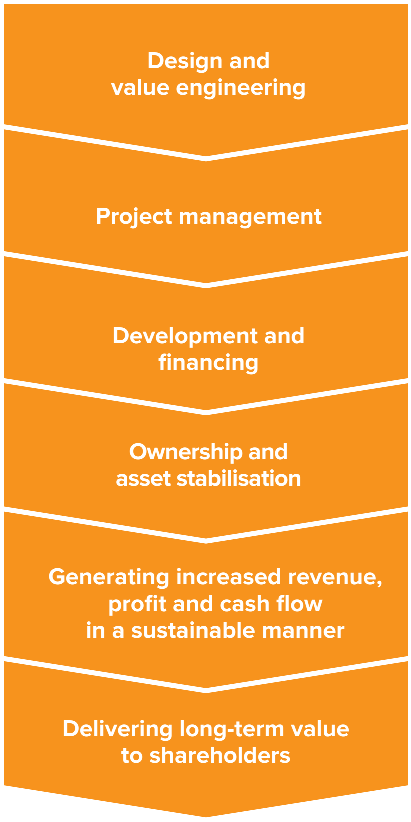
Value engineering and project management expertise
Our multi-disciplinary integrated in-house design and implementation capabilities spanning the full lifecycle of a project enable us to deliver a more comprehensive suite of solutions to better suit our clients' unique needs and control costs while delivering quality. This includes value engineering, a systematic design and redesign methodology to help our clients to get more value out of their capital investments in custom-built facilities.

Strategic partnerships and investments
We leverage on the synergistic value of working with our partners to jointly develop high quality developments spanning the industrial and commercial real estate sectors in Singapore and overseas.

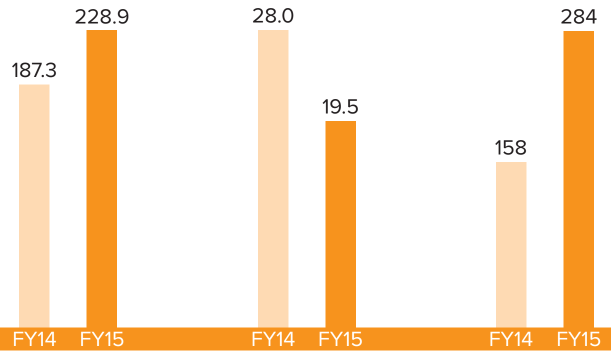
Industrial leasehold portfolio
We are actively expanding our industrial leasehold portfolio through undertaking the development of single-user industrial facilities to increase our stream of recurring rental income.

Excellent health and safety record
As a bizSAFE Mentor, we strive to achieve the highest standards for workplace health, safety and environment, for the wellbeing and protection of every individual. We are one of only 10 bizSAFE Mentors in Singapore.

OUR VALUE CHAIN



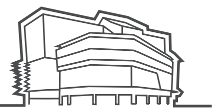
GROUP AT A GLANCE



Segment Revenue (S$m)
S$228.9m
Year-on-Year
▲22%

Segment Profit Before Tax (S$m)
S$19.5m
Year-on-Year
▼30%

Segment Contracts Secured (S$m)
S$284m
Year-on-Year
▲80%



Design-and-Build Business

The design-and-build business is focused on providing turnkey design-and-build expertise for custom-built facilities for multinational corporations and local enterprises including:

1. Industrial facilities;
2. Commercial buildings; and
3. Industrial and business parks.

Boustead Projects has constructed and developed more than 3,000,000 square metres of industrial real estate in Singapore, Malaysia, Vietnam and China in the aviation, commercial, electronics, food processing, high-tech manufacturing, lifestyle, logistics, petrochemical, pharmaceutical, precision engineering and technology industries.

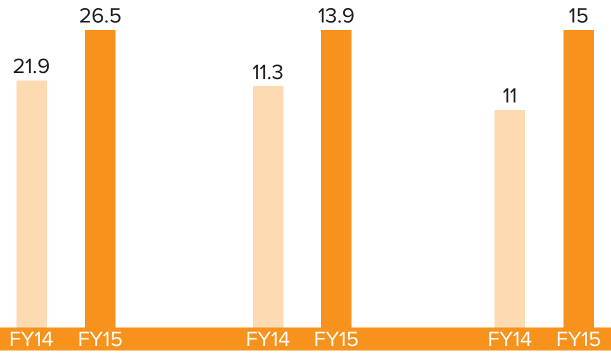
Go to pages 20-23 of the annual report.

KEY FIGURES

Revenue
S$255.4m

Net Profit
S$24.7m

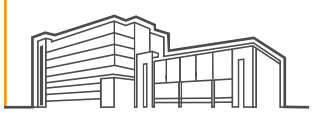
Contracts Secured
S$284m



Segment Revenue (S$m)
S$26.5m
Year-on-Year
▲21%

Segment Profit Before Tax (S$m)
S$13.9m
Year-on-Year
▲23%

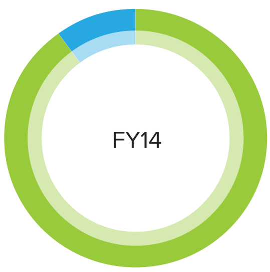
Completed Properties in Industrial Leasehold Portfolio**
15
Year-on-Year
▲36%

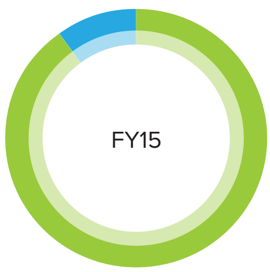


Leasing Business

The leasing business is focused on providing design-build-and-lease and development expertise for custom-built facilities to be leased to multinational corporations and local enterprises. Boustead Projects has developed and retained an industrial leasehold portfolio consisting of primarily single-tenanted high quality custom-built industrial facilities leased to a group of reputable end-user clients.

Go to pages 24-27 of the annual report.





Revenue by Segment	FY14	FY15
Design-and-Build	90%	90%
Leasing	10%	10%

Earnings Per Share*
7.7¢

Net Asset Value Per Share*
79.0¢

Industrial Leasehold Portfolio GFA (both completed and under construction)**
199,698 sqm

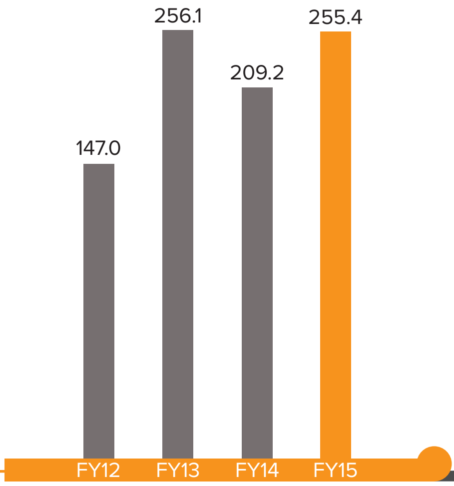
* *Based on 320,000,000 ordinary shares (post-subdivision).*
** *Includes both wholly-owned and joint venture properties.*

FINANCIAL HIGHLIGHTS

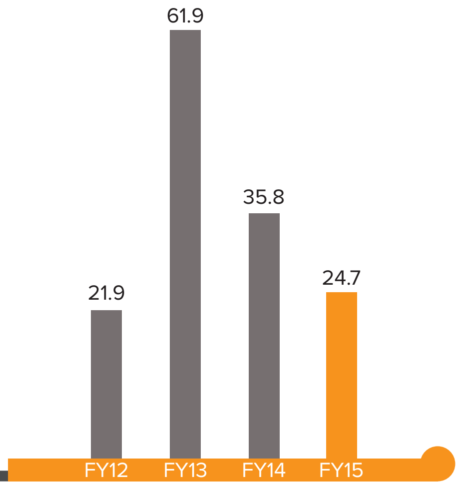
	31 Mar 15 S$'000	31 Mar 14 S$'000	*31 Mar 13 S$'000	*31 Mar 12 S$'000
REVENUE AND PROFITS				
Revenue	255,389	209,165	256,107	147,038
Gross profit	57,299	52,901	62,489	38,805
Profit before income tax	33,422	39,394	63,584	25,214
Profit for the year	24,562	35,813	61,925	21,890
Profit for the year attributable to equity holders of the Company	24,668	35,813	61,925	21,890
STATEMENT OF FINANCIAL POSITION				
Equity attributable to equity holders of the Company	252,751	230,738	202,883	167,944
Non-controlling interests	(106)	-	-	-
CAPITAL EMPLOYED	252,645	230,738	202,883	167,944
Trade receivables (non-current)	7,438	9,183	10,436	7,438
Investment in an associated company	1,094	1,172	-	-
Investments in joint ventures	10,728	4,467	-	-
Available-for-sale financial asset (non-current)	17,872	17,872	-	5,465
Investment properties	159,857	108,962	50,346	52,142
Property, plant and equipment	815	752	689	353
Net deferred income tax liabilities	(1,816)	(1,772)	(1,951)	(1,814)
Net current assets	233,355	140,137	172,228	128,249
Non-current liabilities (excluding deferred income tax liabilities)	(176,698)	(50,035)	(28,865)	(23,889)
ASSETS EMPLOYED	252,645	230,738	202,883	167,944
FINANCIAL STATISTICS				
Operating profit over turnover (%)	13.1	18.8	24.8	17.1
Return on equity (%) (Note[1])	9.8	15.5	30.5	13.0
Basic earnings per ordinary share (cents) (Note[2])	7.7	11.2	19.4	6.8
Net asset value per ordinary share (cents) (Note[3])	79.0	72.1	63.4	52.5

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 320,000,000 ordinary shares (post-subdivision).*
3. *Based on equity attributable to equity holders of the Company divided by 320,000,000 ordinary shares (post-subdivision).*

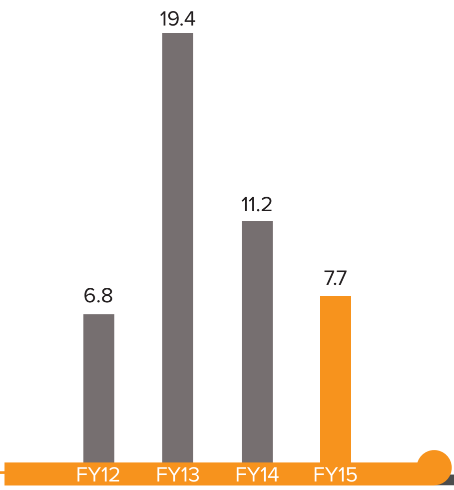
* *Figures for FY2012 and FY2013 are based on the Introductory Document.*



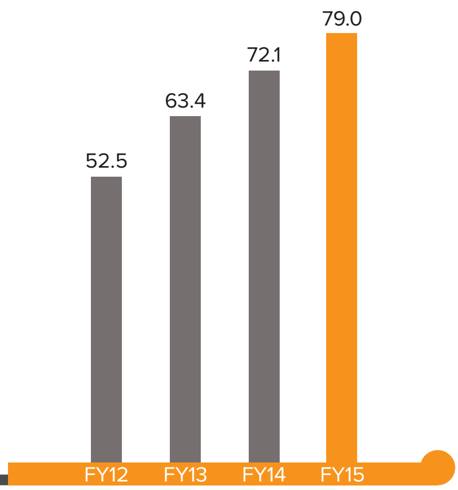
Revenue (S$m)
S$255.4m
3-Year CAGR**
20%



Net Profit (S$m)
S$24.7m
3-Year CAGR
4%



Earnings Per Ordinary Share (Cents)
7.7¢
3-Year CAGR
4%



Net Asset Value Per Ordinary Share (Cents)
79.0¢
3-Year CAGR
15%

*** Refers to 3-year compounded annual growth rate.*

LETTER TO SHAREHOLDERS

John Lim Kok Min
Chairman

Thomas Chu Kok Hong
Managing Director

SUMMARY OF LETTER

- On 30 April 2015, we achieved a major milestone with our listing on the Main Board of the SGX, its first in 2015.
- We recorded revenue of S$255.4 million, which was 22% higher year-on-year. Net profit attributable to you as shareholders of our company registered at S$24.7 million.
- Today, our multiple capabilities put us in a unique position as the only integrated industrial real estate solutions player listed on the Main Board of the SGX.
- Design-and-build revenue increased by 22% to S$228.9 million.
- Leasing revenue came in at S$26.5 million, rising 21%.
- Our order book backlog of S$263 million (as at the end of FY2015 plus new orders secured since) is healthy.

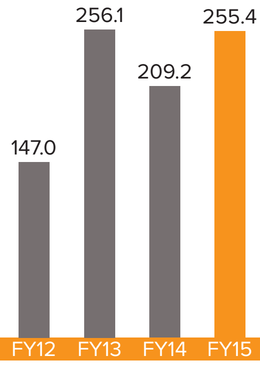
Dear Fellow Shareholder,
It gives us great pleasure to present to you our inaugural annual report, the Boustead Projects FY2015 Annual Report for the financial year ended 31 March 2015.

On 30 April 2015, we achieved a major milestone with our listing on the Main Board of the SGX, its first in 2015. The following month, we presented our inaugural financial results announcement for FY2015.

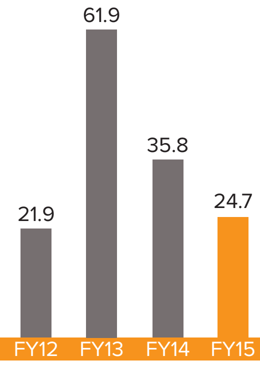
For our first reported financial results as a listed company, we recorded revenue of S$255.4 million, which was 22% higher year-on-year. Net profit attributable to you as shareholders of our company at S$24.7 million, however, was 31% lower year-on-year mainly due to non-recurring items in FY2014 and our strategy of continuing to build our industrial leasehold portfolio. If these non-recurring items were netted off, our core net profit in FY2015 would be 4% lower than in FY2014.

Originating from Distinguished Heritage
Established in 1996 by Boustead Singapore Limited, a successful engineering services and geo-spatial technology group with a distinguished heritage, Boustead Projects has achieved an outstanding track record since our formation when we started with just six staff members and a first full-year revenue of S$38 million.

Although we are now demerged from Boustead Singapore Limited and are a separately listed company, we will continue, under an agreement with Boustead Singapore Limited, to use the Boustead brand which has been in existence for 187 years and has become associated with credibility, quality and reliability.



Revenue (S$m)
S$255.4m
3-Year CAGR
20%



Net Profit (S$m)
S$24.7m
3-Year CAGR
4%

Boustead Projects – Unlocking Value Through Multiple Capabilities

"Unlocking value through multiple capabilities" is truly an appropriate message to front the cover of our inaugural annual report. As we explain our integrated approach to industrial real estate solutions, we hope that you will gain valuable insights on how Boustead Projects unlocks value for our clients and you through our multiple capabilities. We are much more than just a contractor.

When we began operations in 1996, we had just one business, that of design-and-build, which until this day, remains our core business. As an early pioneer of the design-and-build methodology for the industrial real estate market in Singapore, we cultivated a project delivery system in which design, project management and construction management fall under our single point of responsibility as the design-and-build contractor. Our approach brings various building disciplines under one roof. Our clients are well served by the single point of contact for the entire project, from our initial design and concept for a facility that is custom-built around their processes to the delivery of the completed facility. Under this approach, we help to eliminate significant additional costs, time and wastage, and free clients from the hassle of managing several third-parties (e.g. architects, structural engineers, quantity surveyors, general construction contractors) simultaneously. The success of this approach has secured us more than 100 projects totalling over three million square metres regionally and valued in excess of S$2.5 billion.

One of our key offerings under design-and-build is value engineering, the systematic design or redesign of a custom-built facility to ensure that clients enjoy greater or similar facility performance, function and quality at significantly reduced costs. Through value engineering, we unlock value for clients, a competitive edge in our business model.

Separately, our in-depth experience and track record in building advanced and highly technical facilities allows us to be pre-qualified to propose our ideas to clients. In addition, for clients who seek the best in eco-sustainable facilities, we are the outright leader when it comes to Green Mark Platinum-rated industrial facilities. Boustead Projects delivered the first Green Mark Platinum facilities in the heavy industry, aerospace and logistics industries. About one quarter of all Green Mark Platinum-rated new non-residential facilities on Business 1 and Business 2 industrial-zoned land in Singapore have been built by Boustead Projects since the inception of the Building & Construction Authority's Green Mark Programme. As global corporations become more sensitive to the natural environment and see the financial and social benefits of eco-sustainability, we will be in a strong position to help them meet their needs through our wealth of experience with both the Green Mark Programme and also the U.S. Green Building Council's Leadership in Energy & Environmental Design Programme, an internationally-recognised green building rating system.

Twelve years ago, we evolved our business model beyond design-and-build to include financing, owning and leasing. As a pioneer, this was the start of our design-build-and-lease model and our industrial leasehold portfolio. With many multinational corporations enquiring about custom-built facilities in Singapore but without the capability to own

LETTER TO SHAREHOLDERS

facilities directly, we saw the opportunity to undertake a hybrid design-and-build/development model. It gained popularity quickly. As we built up our portfolio in our early years, we sold off at least one property a year. Our first four properties were sold to Mapletree Logistics Trust, helping to launch that REIT. Our strategy changed after the Global Financial Crisis, as we sensed the industrial real estate market in Singapore becoming more challenging and competitive. The decision was made to focus on retaining and growing our portfolio, building up our recurring income base to bring greater stability to the bottomline and also allowing us to prepare for the eventual unlocking of the value of our portfolio. With our current ownership of 17 properties with a total gross floor area of almost 200,000 square metres, some of which are occupied by world-class corporations, we will continue to grow this portfolio before further unlocking value for our shareholders.

Today, our multiple capabilities put us in a unique position as the only integrated industrial real estate solutions player listed on the Main Board of the SGX. Stated simply, you own a design-and-build contractor with the full suite of development capabilities, along with ownership of an industrial leasehold portfolio. These multiple capabilities cover about 80% of the industrial real estate value chain. In contrast, other listed players in the real estate market tend to possess single capabilities as general construction contractors, developers or REITs. We will be working towards putting this final link into our value chain in our medium-term plan.

FY2015 – Sustained Performance in Challenging Environment

In FY2015, our two major revenue streams, design-and-build and leasing both continued to deliver revenue growth.

Design-and-build revenue increased by 22% to S$228.9 million. During the year, we delivered our largest ever design-and-build project, The Shugart, a global R&D centre for Seagate Technology. Located at Fusionopolis, one-north in Singapore and valued in excess of S$100 million, The Shugart is an iconic building named after Seagate Technology's founder, Alan Shugart, and symbolises its position as the global leader in data storage solutions. Design-and-build profit before tax (“PBT”), however, declined by 30% to S$19.5 million mainly due to pressure on margins from the more competitive environment and the absence of a non-recurring gain whereas FY2014 benefitted from a S$5.3 million gain on disposal of assets held for sale.

Leasing revenue came in at S$26.5 million, rising 21%. During the year, we completed four design-build-and-lease projects for Edward Boustead Centre, Continental Automotive, Energy Alloys and MTU, with two of these projects partially contributing to leasing revenue. Our focus on the ongoing strategy to expand our industrial leasehold portfolio has gained traction and is bearing fruit. Leasing PBT grew by 23% to S$13.9 million, helping to partially offset the larger challenges confronting our design-and-build business.

Despite our financial results, your Board has chosen not to propose a final dividend this year as we see ample near-term opportunities for asset acquisition and investment, which will require us to draw down from our cash position.

Platforms for Long-Term Growth

As we look forward to FY2016 and beyond, we have established several platforms for long-term growth.

In August 2014, we formed the Boustead Development Partnership (“BDP”) together with a reputable Middle East sovereign wealth fund, a partner with exceptional financial standing. The BDP is focused on development and redevelopment opportunities in the industrial real estate market in Singapore and allows us to achieve a potential pipeline of opportunities in excess of S$600 million with leverage. What excites us about the BDP is that it provides us with a platform to review larger opportunities and accelerates the growth path for our industrial leasehold portfolio, possibly assisting us in unlocking the value of our portfolio sooner. By the end of FY2015, we had successfully landed our first two projects, one of which was for the U.K.'s largest pharmaceutical corporation, GlaxoSmithKline. This project was awarded to Boustead Projects against intense competition from first-tier developers in Singapore.

In October 2014, we reaffirmed our expansion into new markets by launching Phase 1 of a 100-unit joint development, iBP @ Nusajaya in Malaysia. Phase 1 offers half of the total units in the development and we are pleased to state that Phase 1 received full commitment on the official sales launch day. The launch of Phase 2 will take place at a more opportune time, given the weak sentiment that currently pervades Iskandar Malaysia. Nevertheless, Iskandar Malaysia remains a promising new market, where we see good medium-to-long-term prospects for both design-and-build and development in the industrial sector. To further validate the importance of Malaysia, we were awarded our first construction contract there for a Fortune 500 pharmaceutical corporation (a repeat client in Singapore), this time further north at the Kulim Hi-Tech Park in Kedah.

The entire real estate market in Singapore continues to challenge every player in the industry. Grappling with measures which have been progressively implemented by the government over the past four years, costs have significantly increased and are expected to put additional pressure on margins. We believe that we are in a good position to weather this down cycle but will still be adversely affected, even as consolidation occurs and weaker players are weeded out of the market.

To address the challenges of the market in Singapore, we will be looking to secure clients in strategic niche sectors and shifting to the delivery of custom-built facilities with high technical specifications. In addition, we intend to diversify our business outside of Singapore and expand our overseas revenue, which had increased from less than 1% of our total revenue in FY2014 to 11% in FY2015. Our intention is to push this beyond 30% in future years. Other than Malaysia, other markets in South East Asia look interesting and may offer up additional opportunities. To this end, we will be seeking out strategic partnerships in South East Asia not only to expand our presence geographically but also horizontally into new real estate sectors such as the commercial sector. As an integrated real estate solutions player, we will also be pursuing full-fledged industrial and business park developments, having achieved success through Wuxi Boustead Industrial Park, Pioneer Industrial Park and more recently, iBP @ Nusajaya.

Our order book backlog of S$263 million (as at the end of FY2015 plus new orders secured since) is healthy. Our efforts will be focused on the growth of our industrial leasehold portfolio, expanding our geographic markets and real estate sector footprints, and moving up the value chain to enter industries where facilities have high technical specifications.

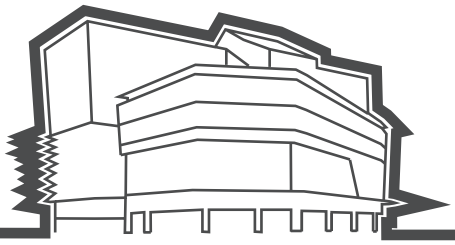
A Word of Appreciation

To end our inaugural annual report, we would like to take the opportunity to say a hearty thank you to our Board, management and staff for their efforts in bringing Boustead Projects to where we are today. We would also like to extend our thanks to all of you, our clients, business partners, associates, bankers, suppliers and shareholders for your continuing support.

We look forward to seeing many of you at our upcoming Annual General Meeting and wish you a very successful year ahead.

John Lim Kok Min
Chairman

Thomas Chu Kok Hong
Managing Director



DESIGN-AND-BUILD BUSINESS

Market Sectors

- Aerospace
- Commercial
- Electronics
- Food processing
- High-tech manufacturing
- Lifestyle
- Logistics
- Natural resources
- Pharmaceutical/healthcare
- Precision engineering
- R&D
- Technology

Geographic Markets

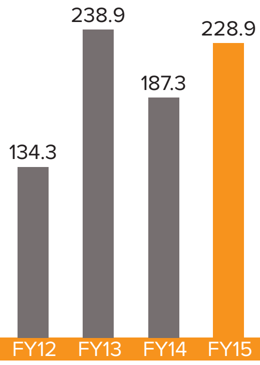
- China
- Malaysia
- Singapore
- Vietnam

Design-and-build revenue accounted for 90% of Boustead Projects' total revenue and increased to S$228.9 million, up 22% in FY2015. This was achieved through the completion of our largest ever design-and-build project, in addition to the progressive delivery of several other design-and-build projects. However, design-and-build profit before tax ("PBT") declined 30% to S$19.5 million due to additional pressure on margins and the absence of a non-recurring gain in FY2015, whereas there was a S$5.3 million gain on disposal of assets held for sale in FY2014.

FY2015 proved to be a continuation of the challenging business environment in Singapore which has persisted over the past three years. While our enquiry pipeline was healthy, more intense competition and a shortage of foreign labour persisted due to government policies that have tightened foreign worker quotas while simultaneously increasing foreign worker levies in a progressive manner over four consecutive years. Such measures have put additional pressure on margins across the entire real estate industry.

In FY2015, we completed eight design-and-build projects spanning across the commercial, engineering, logistics, pharmaceutical, property and technology industries.
Our multi-disciplinary integrated in-house design and implementation capabilities spanning the full lifecycle of industrial real estate projects enables us to offer a more comprehensive suite of solutions to better suit our client's unique needs, delivering quality at controlled costs.

Our landmark delivery of the year was clearly the Seagate Singapore Design Center – The Shugart located at Fusionopolis, one-north. Named after Seagate Technology's late founder,

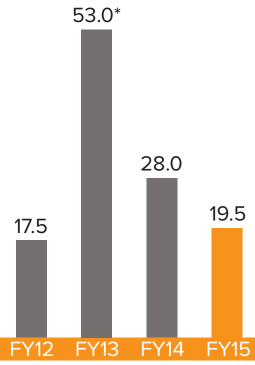


Segment Revenue (S$m)

S$228.9m

Year-on-Year

▲22%

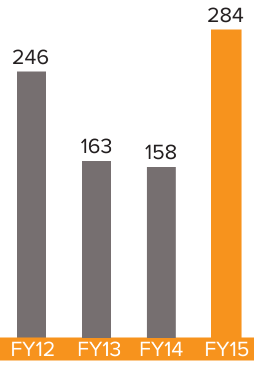


Segment Profit Before Tax (S$m)

S$19.5m

Year-on-Year

▼30%



Segment Contracts Secured (S$m)

S$284m

Year-on-Year

▲80%

Alan Shugart, The Shugart was completed in a record 18 months with a nine-floor tower adjoining a six-floor tower with three basement carpark levels. The Shugart is an integrated design and R&D centre with a focus on the development of 2.5-inch small form-factor hard drives, hybrid drives, firmware, software and technologies. The Shugart will be able to house more than 900 Seagate Technology employees in Singapore. Adding onto the challenge of a tight project timeframe was the aim to achieve the highest levels of eco-sustainability in The Shugart. The collection of environmental-friendly features incorporated into The Shugart helped it to clinch the Green Mark Platinum Award.

We also designed and built the Boustead Group's and SGX-listed Tat Hong Holdings Limited's new headquarters, Edward Boustead Centre, a joint venture between Boustead Projects Limited and Tat Hong Investments Pte Ltd. The 8,759 square metres ("sqm") Edward Boustead Centre, named as a tribute to the founder of the Boustead Group, was completed in just under 10 months, proving to be yet another testimony to our speed in delivering quality industrial facilities.

* *Includes sale of properties and investment.*

Seagate Singapore Design Center – The Shugart, Fusionopolis, Singapore

AIMS AMP Capital Industrial REIT industrial facility, Singapore

DESIGN-AND-BUILD BUSINESS

MAJOR CONTRACT AWARDS & ACHIEVEMENTS IN FY2015

OCT 2014

Singapore

S$20 million design-and-build contract for AATC at SA Park

DB Schenker Shared Logistics Center 3 (Tampines LogisPark), Singapore

Edward Boustead Centre, Singapore

Edward Boustead Centre is a benchmark showcase of eco-sustainability in industrial facilities, having attained the Green Mark Platinum Award for its green building features. It is also an outstanding example of the Boustead Group's and Boustead Projects' continued commitment to strong values in sustainability.

Adding to our reputation as the builder of choice for Green Mark Platinum-rated facilities in the logistics industry, we completed DB Schenker's largest investment in the Asia Pacific. The integrated ramp-up logistics and office facility at Tampines LogisPark was delivered in a short period of 16 months and achieved the Green Mark Platinum Award. DB Schenker operates it as a shared logistics centre for its clients in the automotive, electronics and healthcare industries.

During the year, we added to our growing track record in other sectors as well. The delivery of Robinson Square represents our first foray into the heart of Singapore's Central Business District. The 20-storey Robinson Square houses 32 office units, five retail shops, a fitness centre with a pool and a mechanised carpark for tenants. Elsewhere, we finished a redevelopment project for AIMS AMP Capital Industrial REIT's portfolio, along with our second project at Tuas Biomedical Park for a repeat client, a Fortune 500 pharmaceutical corporation.

OCT 2014

Singapore

S$137 million in design-and-build contracts for integrated food processing, logistics and office facility; Kuehne + Nagel's integrated logistics and office facility; and warehouse facility

OCT 2014

Malaysia

S$43 million construction contract for Fortune 500 pharmaceutical corporation's medical device manufacturing facility at Kulim Hi-Tech Park

MAR 2015

Singapore

Design-and-build contracts awarded by BDP to Boustead Projects for GlaxoSmithKline's global headquarters for Asia at one-north, and European aerospace corporation's integrated MRO hangar and mezzanine office facility

FY2015 also witnessed Boustead Projects capturing a record level of new contracts, with eight contracts totalling S$284 million in value. Starting the excellent run, we secured the Airbus Asia Training Centre ("AATC"), located at the world-class 320-hectare Seletar Aerospace Park ("SA Park") in Singapore. The two-floor AATC is situated beside the Satair Airbus Singapore Centre, another aerospace project built by us. The AATC is our 15th undertaking in the aerospace industry and 7th project at the SA Park.

Following the award of the AATC, we were also awarded S$137 million in contracts in the food processing, logistics and renewable energy industries. Further enhancing our excellent track record in the logistics industry, we secured Kuehne + Nagel's advanced integrated logistics and office facility, which is earmarked to achieve both the Green Mark Platinum Award and Leadership in Energy & Environmental Design Gold Award. The new logistics centre will have five floors dedicated to storage and 55 loading bays, with 20,000 sqm allocated for a cold storage zone to manage temperature-sensitive goods for its pharmaceutical and healthcare clients, in addition to other zones for storing aerospace, spare parts and hi-tech products. It represents Kuehne + Nagel's largest investment outside of Europe.

As part of business development efforts to expand regionally, we made headway in the new geographic market of Malaysia with our first construction contract secured there for a medical device manufacturing facility at the Kulim Hi-Tech Park. This is the third project that we are undertaking for a repeat client, a Fortune 500 pharmaceutical corporation for which we had previously completed two projects in Singapore.

In FY2016, Boustead Projects will continue to target projects which require high levels of technical specifications in higher value-added industries including the aerospace, high-tech manufacturing, information technology, media, pharmaceutical and R&D industries. In order to reduce reliance on foreign labour, efforts to explore new construction methodology and practices to increase productivity and quality have been ongoing for some time. We will also be actively reviewing overseas opportunities to expand our regional footprint.

Industrial Leasehold Portfolio GFA (both completed and under construction)*

199,698 sqm

LEASING BUSINESS

Market Sectors

- Aerospace
- Engineering
- Logistics
- Oil & gas
- Technology
- Transportation

Geographic Market

- Singapore

The strategy of expanding Boustead Projects' industrial leasehold portfolio remains a priority for us, to provide increasing future recurring rental income. Leasing revenue accounted for 10% of our total revenue and came in at S$26.5 million, rising 21%. Leasing PBT grew by 23% to S$13.9 million.

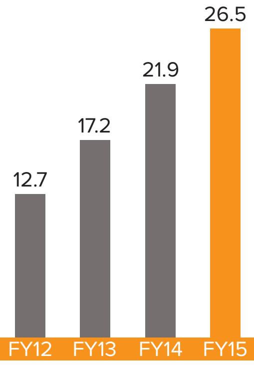
During the year, we added four newly completed design-build-and-lease projects to the industrial leasehold portfolio*, increasing the completed portfolio by over 49,000 sqm. These projects are Edward Boustead Centre, Continental Building Phase 2, and industrial facilities for Energy Alloys and MTU.

Continental Building Phase 2 is a 4,936 sqm extension adjoining the existing Continental Building Phase 1 located at the Kallang iPark. Phase 1 had been completed in 2012 under a design-build-and-lease arrangement as well. The new wing consists of six floors and is directly connected to Phase 1 at specific floor levels, bringing the total gross floor area ("GFA") of Continental Building to 16,186 sqm dedicated to R&D activities for automotive systems.

Energy Alloys' manufacturing facility is 10,523 sqm and hosts a full range of machining capabilities to process specialised steel products for distribution to the oil & gas industries in the Asia Pacific. As part of its regional expansion plans, Energy Alloys relocated its operations at two existing facilities at Enterprise Road and Tuas Bay Drive to the new facility.

At the end of FY2015, we completed MTU's Asia Pacific headquarters at the Tukang Innovation Park.

** Includes both wholly-owned and joint venture properties.*

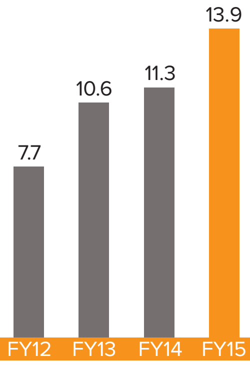


Segment Revenue (S$m)

S$26.5m

Year-on-Year

▲21%



Segment Profit Before Tax (S$m)

S$13.9m

Year-on-Year

▲23%

The 24,800 sqm integrated maintenance, repair and overhaul ("MRO") service and training facility houses a regional service centre, training centre and workspaces for the servicing and remanufacturing of engines and propulsion systems for ships, heavy land, rail and defence vehicles, and machinery used in the oil & gas industries. The new headquarters brings together over 300 MTU employees in Singapore into a single facility, consolidating business functions including application engineering, distribution management, marketing and communications, and sales and service support.

As part of FY2016's pipeline of new projects which will eventually go into the industrial leasehold portfolio, Boustead Projects secured two development projects under the Boustead Development Partnership ("BDP") towards the end of FY2015. These development projects are detailed under the section, "Strategic Partnerships".

Going forward in FY2016, Boustead Projects will remain focused on pursuing design-build-and-lease opportunities for the industrial leasehold portfolio under the BDP, through reviewing opportunities for the development or redevelopment of primarily single-user industrial facilities to increase our stream of recurring rental income.

Continental Building, Kallang iPark, Singapore

MTU Asia Pacific Headquarters, Tukang Innovation Park, Singapore

LEASING BUSINESS

INDUSTRIAL LEASEHOLD PORTFOLIO

Over the years, Boustead Projects' industrial leasehold portfolio* has expanded as part of a strategy to grow our recurring income base. Currently, our portfolio contains 15 completed properties totalling 181,860 sqm of GFA, comprising reputable global corporations which include some of North America's and Europe's largest listed corporations. Our completed properties in Singapore are displayed here.

10 Tukang Innovation Drive

Year of Completion
2015

GFA (sqm)
24,800

Edward Boustead Centre | 82 Ubi Avenue 4

Year of Completion
2014

GFA (sqm)
8,759

31 Tuas South Avenue 10

Year of Completion
2014

GFA (sqm)
10,523

36 Tuas Road

Year of Completion
1995

GFA (sqm)
11,470

Continental Building Phase 2 | 80 Boon Keng Road

Year of Completion
2014

GFA (sqm)
4,936

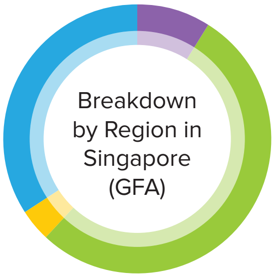
16 Tampines Industrial Crescent

Year of Completion
2013

GFA (sqm)
20,020

* *Includes both wholly-owned and joint venture properties.*

Aviation & Transportation	42%
Engineering	12%
Logistics	28%
Oil & Gas	6%
Technology	12%



Central	9%
East	53%
North	4%
West	34%

10 Seletar Aerospace Heights

Year of Completion
2013

GFA (sqm)
6,290

16 Changi North Way

Year of Completion
2008

GFA (sqm)
11,320

Continental Building Phase 1 | 80 Boon Keng Road

Year of Completion
2012

GFA (sqm)
11,250

85 Tuas South Avenue 1

Year of Completion
2008

GFA (sqm)
10,433

10 Changi North Way

Year of Completion
2011

GFA (sqm)
12,019

25 Changi North Rise

Year of Completion
2007

GFA (sqm)
7,014

26 Changi North Rise

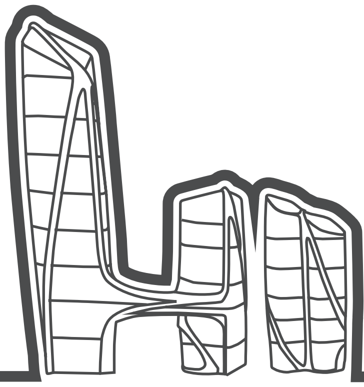
Year of Completion
2011

GFA (sqm)
6,132

12 Changi North Way

Year of Completion
2005

GFA (sqm)
23,881



MAJOR CONTRACT AWARDS & ACHIEVEMENTS IN FY2015

AUG 2014

Singapore

BDP established to develop and redevelop modern logistics and high quality industrial facilities

STRATEGIC PARTNERSHIPS

Boustead Projects has put in place several strategic partnerships and platforms to enhance our competitive position and enter new geographic markets and real estate sectors. These include the BDP and strategic partnerships with AME Construction Sdn Bhd, Tat Hong Holdings Limited and CSC Holdings Limited, as well as consortiums led by Perennial Real Estate Holdings Limited.

We aim to extend our strategic partnerships in South East Asia, to establish a foothold in new geographic markets and real estate sectors by leveraging on the experience and knowledge of our partners while providing our comprehensive suite of solutions.

Boustead Development Partnership

In August 2014, Boustead Projects established the BDP together with a reputable Middle East sovereign wealth fund. The BDP has a strategy to develop and redevelop modern logistics and high quality industrial facilities in Singapore, with a potential total investment pipeline of over S$600 million with leverage. The BDP is also the proposed investor for design-build-and-lease, development and redevelopment projects secured by Boustead Projects that meet the BDP's investment criteria. The BDP effectively commenced development activities by capturing its first two developments in March 2015.

In its inaugural development, the BDP was appointed as the developer for GlaxoSmithKline's ("GSK") new global headquarters for Asia. The facility will be located at JTC Corporation's 200-hectare one-north development in Singapore, with capacity for up to 1,000 employees across GSK's pharmaceuticals, vaccines and consumer healthcare businesses. GSK employees, who are currently based in Gateway West, will be moving to the new headquarters during the second half of 2017. The GSK facility is the second project undertaken by Boustead Projects at one-north.

The second development secured by the BDP is an integrated MRO hangar and mezzanine office facility for a leading European aerospace corporation. The MRO facility will be located at the SA Park, where Boustead Projects had previously undertaken the design-build-and-lease of integrated MRO facilities for Bombardier and Hawker Pacific.

THAB Development Sdn Bhd in Iskandar Malaysia

Following Boustead Projects' entry into a joint venture, THAB Development Sdn Bhd ("THAB"), with AME Construction Sdn Bhd, SGX-listed Tat Hong Holdings Limited and SGX-listed CSC Holdings Limited in 2013 to develop 120,000 sqm of prime industrial land in the Southern Industrial & Logistics Clusters ("SiLC") in Iskandar Malaysia, the four partners officially launched Phase 1 of iBP @ Nusajaya, a premier freehold business park in October 2014. Offering 50 units out of a total 100 units of flexibly-designed detached and semi-detached modern factories, Phase 1 received 100% commitment on the official sales launch day. Boustead Projects owns 35% of iBP @ Nusajaya which is expected to yield 85,750 sqm of saleable area.

Boustead Projects' maiden development in Iskandar Malaysia has been quite a success, drawing small-and-medium sized enterprises in Malaysia through its excellent connectivity and commercial amenities at its doorstep in this clean and green business park. Boustead Projects has been appointed the construction and project manager for Phase 1 of iBP @ Nusajaya, which is estimated to be completed in the second quarter of calendar year 2017, subject to planning permissions and construction approvals being obtained in a timely manner. Phase 2 is expected to be launched during FY2016.

THAB will be seeking other opportunities for cooperation within Iskandar Malaysia.

Perennial-Led Consortiums

In China and Singapore, Boustead Projects is a partner in consortiums which are led by SGX-listed Perennial Real Estate Holdings Limited.

OCT 2014

Malaysia

THAB's official sales launch of Phase 1 of iBP @ Nusajaya in Iskandar Malaysia

MAR 2015

Singapore

BDP's development for GSK's global headquarters for Asia – inaugural project for BDP

MAR 2015

Singapore

BDP's development for European aerospace corporation's integrated MRO hangar and mezzanine office facility

Boustead Projects has a 4% stake in Phase 1 of the Beijing Tongzhou Integrated Development, a mixed-use Grade A iconic landmark currently under development in Beijing Tongzhou's Central Business District and fronting the famous Grand Canal. Phase 1 of the Beijing Tongzhou Integrated Development is a proposed 422,000 sqm commercial complex comprising a five-level retail podium and three towers of office and residential space. Phase 1 of the integrated development is expected to be completed in 2017.

In January 2014, Boustead Projects invested S$18 million for a 5.5% stake in a consortium which purchased TripleOne Somerset, a Grade A property strategically located within the Central Business District and prime Orchard precinct in Singapore. The 71,215 sqm TripleOne Somerset comprises a two-level retail podium with 17 levels of office space. The property is well positioned to offer quality office space to a good class of office tenants and holds promising retail appeal to the surrounding residential catchment areas. The consortium is considering an asset enhancement initiative estimated to be S$150 million. Boustead Projects is bidding for the asset enhancement initiative and intends to expand its presence in the commercial sector.

Perspective of Beijing Tongzhou Integrated Development, China

Perspective of iBP @ Nusajaya within SiLC, Malaysia

BOARD OF DIRECTORS

John Lim Kok Min
Chairman & Independent Non-Executive Director

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

Bachelor of Arts (Economics) (Hons), University of Malaya

Mr Lim was appointed as the Chairman and Non-Executive Director in March 2015. With over 45 years of extensive senior management experience in the Asia Pacific region, he is currently the Chairman of IREIT Global Group Pte Ltd and an independent non-executive director of Silverlake Axis Limited. Mr Lim relinquished his role as independent non-executive director of Boustead Singapore Limited in April 2015 following his appointment to the Board of Boustead Projects. Mr Lim formerly held positions including Chairman of Gas Supply Pte Ltd, Chairman of the Singapore Institute of Directors, President and Deputy Group Chairman of LMA International NV, Group Managing Director of Pan-United Corporation Limited, Group Managing Director of JC-MPH Limited, Chief Executive Officer of Cold Storage Holdings Limited, Chairman of Senoko Power Pte Ltd, Chairman of the Building & Construction Authority, Vice-Chairman of the Agri & Veterinary Authority, Deputy Chairman of NTUC FairPrice Co-operative Limited and Vice-Chairman of the Singapore Institute of Management. A current director of several private and public companies and managers of real estate investment trusts listed on the SGX, Mr Lim is also a member of their audit, remuneration and nominating committees. He has held directorships in Australia, New Zealand and South East Asia.

Wong Yu Wei
Deputy Chairman & Executive Director

- Member, Nominating Committee

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

Mr Wong joined Boustead Projects in 2009 and was appointed as the Deputy Chairman and Executive Director in March 2015. He began his role at Boustead Projects as Deputy Managing Director and subsequently was promoted to Senior Deputy Managing Director before assuming his current role. With more than a decade of experience in property development, Mr Wong is responsible for managing real estate investments, legal matters, development and execution of strategic alliances and joint ventures, as well as expanding business overseas. He previously held positions within the Boustead Group as the General Manager of Strategic Operations at Boustead Singapore Limited, and as Business Development Support Consultant and Business Development Coordinator for Esri Australia Pty Ltd and Esri South Asia Pte Ltd, respectively.

Thomas Chu Kok Hong
Managing Director & Executive Director

- Member, Nominating Committee

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 the Managing Director in 2009. He began his role at Boustead Projects as a Project Engineer and was subsequently promoted through various positions such as Project Manager, Business Development Manager and Business Development Director before assuming his current role. He is responsible for day-to-day functions including business development, project management and setting strategic direction.

Dr Tan Khee Giap
Independent Non-Executive Director
- Chairman, Nominating Committee
- Chairman, Remuneration Committee
- Member, Audit & Risk Committee

PhD, University of East Anglia

Dr Tan was appointed as an Independent Non-Executive Director in March 2015. He is currently Co-Director of Asia Competitiveness Institute and a Visiting Associate Professor of Public Policy at the Lee Kuan Yew School of Public Policy at the National University of Singapore. He is also the Chairman of the Singapore National Committee for Pacific Economic Cooperation. He currently holds directorships in a few listed companies on the SGX including TEE Land Limited, BreadTalk Group Limited and Artivision Technologies Limited. He has consulted extensively with various government ministries, statutory boards and government-linked companies of the Singapore Government, and has been serving as a member of the Resource Panel of the Government Parliamentary Committee for Transport and Government Parliamentary Committee for Finance and Trade since 2007.

Chong Lit Cheong
Independent Non-Executive Director
- Member, Audit & Risk Committee
- Member, Remuneration Committee

Mombusho (Colombo Plan) Scholar;
Bachelor of Engineering (Electronics), University of Tokyo;
Advanced Management Programme, INSEAD

Mr Chong was appointed as an Independent Non-Executive Director in May 2015. He is currently the Senior Advisor for Strategic Relations at CapitaLand Limited. Prior to this, he was the Chief Executive Officer for Regional Investments and also of CapitaLand Commercial Limited. Before joining the CapitaLand Group, he formerly held positions including Chief Executive Officer of International Enterprise Singapore and JTC Corporation, and Managing Director of the National Science & Technology Board (now called A*STAR). 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 holds directorships in CapitaLand Commercial Trust Management Limited, StorHub Holding Pte Ltd and ST Electronics (Info-Comm Systems) Pte Ltd.

James Lim Jit Teng
Independent Non-Executive Director
- Member, Audit & Risk Committee
- Member, Nominating Committee
- Member, Remuneration Committee

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

Mr Lim was appointed as an Independent Non-Executive Director in March 2015. Mr Lim was Executive Director of Boustead Singapore Limited between April 1996 to February 2005 and oversaw the activities of the industrial real estate solutions division before his retirement. He was subsequently appointed as a consultant to Boustead Projects up until August 2014. Mr Lim has over 30 years of experience in the building industry in Australia, South East Asia, Middle East, India and China. His past positions include Executive Director of Guthrie GTS Limited, Director of Sunshine Allied Limited and Director at Lend Lease Singapore Pte Ltd.

KEY MANAGEMENT TEAM

Thomas Chu Kok Hong
Managing Director
Boustead Projects Limited, 1997
(Profiled under Board of Directors, page 30)

Wong Yu Wei
Executive Director
Boustead Projects Limited, 2009
(Profiled under Board of Directors, page 30)

Steven Koh
Deputy Managing Director (Operations)
Boustead Projects Limited, 1999

Lee Keen Meng
Chief Financial Officer
Boustead Projects Limited, 2009

Liew Kau Keen
Director (Marketing)
Boustead Projects Limited, 2001

Howard How
Director (Safety)
Boustead Projects Limited, 2007

Neo Eng Huat
Director (Operations)
Boustead Projects Limited, 2007

Nicholas Heng
Director (Projects)
Boustead Projects Limited, 2007

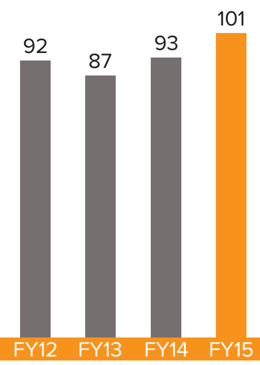
Stephen Hawkins
Head
Boustead Funds Management Pte Ltd, 2012

BUILDING A SUSTAINABLE WORLD

Sustainability in Quality, Health, Safety and Environment

Driving Boustead Projects' workplace health and safety philosophy is the tagline "Safe work, save lives".
At Boustead Projects, our ongoing job is to maintain an accident-free workplace and safeguard the well-being of our employees. We are continuously training the workforce through the active execution of health, safety and environmental ("HSE") programmes and aiming to upkeep good safety records by developing relevant risk assessment capabilities. Good practices of reviewing safety policies and improving safety statistics also extend to work carried out by our appointed fabricators and subcontractors.

Boustead Projects is one of only 10 bizSAFE Mentors in Singapore and achieved an accident frequency rate ("AFR") of 0.22 incidents per million man-hours worked, lower than the national average of 1.70



Number of Employees

101

for FY2015

for calendar year 2014. This is also an improvement from the AFR of 1.37 logged in the previous year. We continue to actively engage and empower subcontractors and suppliers through the Workplace Safety & Health ("WSH") Advocate Programme and other implemented programmes to encourage and reward good safety behaviour.

For the past five years, as part of Boustead Projects' role as a bizSAFE Mentor, we have been leading and guiding all our appointed subcontractors and suppliers to implement and support good WSH standards at worksites. Boustead Projects also provides onsite training seminars and educational workshops on a periodic basis, playing an active role in helping subcontractors to achieve bizSAFE accreditations, without which they would not be pre-qualified to work with Boustead Projects. At the same time, Boustead Projects is also guiding existing subcontractors to achieve bizSAFE Star, the highest level that can be attained as part of the bizSAFE programme. So far, 94 subcontractors have already obtained at least a bizSAFE Level 3.

Regular engagement with the subcontractors are done through site inspections and meetings to raise awareness on WSH issues. When safety milestones are reached, WSH personnel are also promoted. At the end of the day, Boustead Projects' safety philosophy is best affirmed when workers say they feel safe working at a Boustead Projects site.

To date, Boustead Projects' efforts in productivity, quality and safety performance in the industry have been rewarded with Boustead Projects and its specific projects being recognised with 38 awards. In January 2015, Boustead Projects was the recipient of the Green and Gracious Builder Award ("GGBA") with Merit under the Building & Construction Authority's ("BCA") certification scheme. The GGBA scheme recognises a builder's green and gracious practices in promoting sustainability, environmental protection and considerate practices during the construction phase of a development. At the recent BCA Awards 2015 held in May 2015, Boustead Projects also received the Construction Productivity Award – Projects for applying high productivity methods to the design and construction of our new headquarters, Edward Boustead Centre. Two projects, Seagate Singapore Design Center – The Shugart and Edward Boustead Centre, received the Green Mark Platinum Award, the highest rating that can be achieved by green eco-sustainable buildings. The attainment of the Green Mark Platinum Award for Edward Boustead Centre reaffirms our commitment to building a sustainable world and demonstrates our strong values in sustainability.

BUILDING A SUSTAINABLE WORLD

QUALITY & SUSTAINABILITY AWARDS

Year	Award
2015	BCA Green and Gracious Builder Award (Merit) BCA Construction Productivity Award – Projects • Edward Boustead Centre Green Mark Platinum Award • Edward Boustead Centre • Seagate Singapore Design Center – The Shugart Green Mark Gold Plus Award • Greenpac Greenhub
2014	BCA Construction Excellence Award (Merit) • SDV Green Hub Green Mark Platinum Award • DB Schenker Shared Logistics Center 3 (Tampines LogisPark)
2013	Green Mark Gold Award • Greenpac Greenhub • Jabil Circuit • Kerry Logistics Centre • Satair Airbus Singapore Centre Leadership in Energy & Environmental Design ("LEED") Gold Award • Kerry Logistics Centre • SDV Green Hub
2012	Green Mark Platinum Award • SDV Green Hub Green Mark Gold Award • XP Power Solar Pioneer Award • Greenpac Greenhub
2011	Green Mark Platinum Award • Rolls-Royce Wide Chord Fan Blade Manufacturing Facility • Rolls-Royce Seletar Assembly & Test Unit
2010	Green Mark Gold Award • IBM Singapore Technology Park • Sun Venture Investments @ 50 Scotts Road
2009	Green Mark Platinum Award • Applied Materials Building Green Mark Gold Plus Award • StarHub Green Solar Pioneer Award • Applied Materials Building

SAFETY AWARDS

Year	Award
2012	WSH Performance (Silver) Award
2011	WSH Performance (Silver) Award bizSAFE Mentor
2010	WSH Performance (Silver) Award WSH Officer Award
2009	WSH Performance (Silver) Award bizSAFE Star
2008	bizSAFE Partner

SAFETY & HEALTH AWARD RECOGNITION FOR PROJECTS ("SHARP") AWARDS

Year	SHARP Award
2012	SDV Green Hub
2011	Rolls-Royce Wide Chord Fan Blade Manufacturing Facility
2010	Applied Materials Building IBM Singapore Technology Park Singapore Aero Engine Services The Singapore FreePort
2009	StarHub Green

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

Dr Tan Khee Giap
Independent Non-Executive Director

James Lim Jit Teng
Independent Non-Executive Director

Chong Lit Cheong
Independent Non-Executive Director

AUDIT & RISK COMMITTEE

John Lim Kok Min
Chairman

Dr Tan Khee Giap

James Lim Jit Teng

Chong Lit Cheong

NOMINATING COMMITTEE

Dr Tan Khee Giap
Chairman

John Lim Kok Min

James Lim Jit Teng

Wong Yu Wei

Thomas Chu Kok Hong

REMUNERATION COMMITTEE

Dr Tan Khee Giap
Chairman

John Lim Kok Min

James Lim Jit Teng

Chong Lit Cheong

SHARE REGISTRAR

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

AUDITORS

PricewaterhouseCoopers LLP
8 Cross Street, #17-00
PWC Building
Singapore 048424

Audit Partner: **Yee Chen Fah**
(Date of appointment: 7 October 2013)

PRINCIPAL BANKERS

United Overseas Bank Limited

DBS Bank Limited

Malayan Banking Berhad

The Hongkong and Shanghai Banking Corporation Limited

PLACE OF INCORPORATION

Singapore

DATE OF INCORPORATION

29 May 1996

COMPANY SECRETARY

Eng Min Geok

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 Limited

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DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 31 March 2015 and balance sheet of the Company as at 31 March 2015.

DIRECTORS

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

John Lim Kok Min	(Appointed on 25 March 2015)
Wong Yu Wei (Huang Youwei)	
Chu Kok Hong @ Choo Kok Hong	
Dr Tan Khee Giap	(Appointed on 25 March 2015)
James Lim Jit Teng	(Appointed on 25 March 2015)
Chong Lit Cheong	(Appointed on 15 May 2015)

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.

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 21.04.2015	At 31.03.2015	At 1.4.2014 or date of appointment, if later	At 21.04.2015	At 31.03.2015	At 1.4.2014 or date of appointment, if later
Ultimate Holding Corporation						
- Boustead Singapore Limited			**(No. of ordinary shares)**			
John Lim Kok Min	564,322	564,322	557,268	-	-	-
Wong Yu Wei (Huang Youwei)	62,237	34,273	11,916	-	-	-
Chu Kok Hong @ Choo Kok Hong	145,997	104,051	69,859	5,198	5,198	5,198
James Lim Jit Teng	-	-	-	3,712,084	3,712,084	3,712,084
Shares awards (unvested) granted under the Boustead Restricted Share Plan 2011						
Wong Yu Wei (Huang Youwei)	59,359	87,323	64,955	-	-	-
Chu Kok Hong @ Choo Kok Hong	89,040	130,986	97,433	-	-	-
Related corporation						
- Geologic Pte Ltd			**(No. of ordinary shares)**			
Wong Yu Wei (Huang Youwei)	35,000	35,000	35,000	-	-	-

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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 received remuneration from related corporations in their capacity as directors and/or executives of those related corporations.

SHARE OPTIONS

No options were granted during the financial year to subscribe for unissued shares of the Company.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

AUDIT & RISK COMMITTEE

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

John Lim Kok Min	(Chairman)
Dr Tan Khee Giap	
James Lim Jit Teng	
Chong Lit Cheong	

The Audit & Risk Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Cap. 50. These functions include a review of the internal and external audit plans and reports of the internal auditors' examination and evaluation of the Group's systems of internal accounting and operational controls.

The Audit & Risk Committee has also reviewed the consolidated balance sheet and profit and loss account before submission to the directors of the Company, the full-year financial results announcement as well as the related press release on the results and financial position of the Company and the Group.

The Audit & Risk Committee has full access to and the co-operation of the management, and has also been given the resources required for it to discharge its functions properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external auditors have unrestricted access to the Audit & Risk Committee.

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

Singapore
29 June 2015

CORPORATE GOVERNANCE

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 first Corporate Governance Report since its listing on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST"). This report describes the Company's corporate governance practices primarily with references to the principles of the Code. Where there are deviations from the Code, appropriate explanations are provided.

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

The Board is accountable to shareholders and responsible for the overall 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;
- approval of the Group's annual operating and capital budgets;
- approval for the release of financial results announcements;
- approval of the annual report and accounts;
- convening of shareholders' meetings;
- recommendations of dividend payments and other distributions to shareholders;
- approval of material acquisition and disposal of assets; and
- approval of the Group's risk appetite and internal controls.

Additionally, independent directors of the Board deal with conflict of interest 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.

Newly appointed directors are given comprehensive briefings by management on the business operations, strategies and plans of the Group. All non-executive directors are welcome to request for additional explanations, briefings and informal discussions on any aspect of the Group's operations or business issues at all times.

The Company provides members of the Board with 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 at the Company's expense.

A formal letter is provided to each director, upon his appointment, setting out the director's duties and obligations.

The Company was admitted to the main board of the SGX-ST on 30 April 2015. As the Board committees were constituted on 25 March 2015, no Board committee meetings were held during the year under review. While no formal Board meetings were held during the year, discussions on various strategic issues were held by electronic means and matters requiring formal Board approval were obtained by way of circulating Board resolutions.

CORPORATE GOVERNANCE

Principle 2: Board Composition and Guidance

Presently, the Board comprises six directors, four of whom are independent directors. The Board is 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)
Dr Tan Khee Giap (Independent Non-Executive Director)
James Lim Jit Teng (Independent Non-Executive Director)
Chong Lit Cheong (Independent Non-Executive Director)

Non-executive directors constructively challenge and help develop proposals on strategy. They also review the performance of management in meeting agreed goals and monitor the reporting of performance.

The Nominating Committee is of the view that the current Board comprises directors with a wide range of skills, experience and expertise in operations, management, strategic planning and accounting and finance, who collectively ensure that the Board is equipped to deal with a wide range of issues to meet the Company's objectives. Also, no individual or group of individuals dominate the Board's decision-making.

Principle 3: Chairman and Managing Director/Chief Executive Officer

There is a clear division of roles and responsibilities of the Chairman and 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 on all aspects of its roles. The Chairman sets the meeting agenda and ensures that sufficient time is allocated for discussion of all agenda items, in particularly issues relating to strategic planning and ensures that directors are provided with complete 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.

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 Deputy Chairman & Executive Director, Mr Wong Yu Wei (Huang Youwei).

CORPORATE GOVERNANCE

Principle 4: Board Membership

Nominating Committee

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

1. Dr Tan Khee Giap, Chairman (Independent Non-Executive Director)
2. John Lim Kok Min (Independent Non-Executive Director)
3. James Lim Jit Teng (Independent Non-Executive Director)
4. Wong Yu Wei (Huang Youwei)
5. Chu Kok Hong @ Choo Kok Hong

The Nominating Committee serves to provide a formal, transparent and objective procedure for appointing Board members and evaluating each Board 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, and by amendments made thereto from time to time.

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 Board, identify its needs and shortlist candidates with the appropriate profiles for nomination. The search may be through professional recruiters, contacts and recommendations.

CORPORATE GOVERNANCE

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 and Independent Non-Executive Director	25 March 2015	Nil	Silverlake Axis Ltd IREIT Global Group Pte Ltd as Managers for IREIT Global	Boustead Singapore Limited Forterra Real Estate Pte Ltd
Wong Yu Wei (Huang Youwei) [(1)]	Deputy Chairman and Executive Director	1 December 2008	29 October 2014	-	-
Chu Kok Hong @ Choo Kok Hong [(2)]	Managing Director and Executive Director	5 January 2009	Not applicable	-	-
Dr Tan Khee Giap	Independent Non-Executive Director	25 March 2015	Nil	TEE Land Limited Breadtalk Group Limited Artivision Technologies Limited	Forterra Real Estate Pte Ltd Hi-P International Limited
James Lim Jit Teng	Independent Non-Executive Director	25 March 2015	Nil	-	-
Chong Lit Cheong	Independent Non-Executive Director	15 May 2015	Nil	Capitaland Commercial Trust Management Ltd as Manager of Capitaland Commercial Trust	Quill Capita Management Sdn Bhd as Manager of Quill Capita Trust

Notes:

(1) Mr Wong Yu Wei (Huang Youwei) was appointed as a Deputy Chairman on 25 March 2015.

(2) Mr Chu Kok Hong @ Choo Kok Hong, as a Managing Director of the Company is not subject to re-election prior to the change of the Company's Articles of Association on 23 March 2015.

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-third 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.

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 attendance, participation, contribution and competing time commitments when deciding whether to recommend that director for re-election.

Pursuant to the Articles of Association of the Company, Mr Chu Kok Hong @ Choo Kok Hong, Dr Tan Khee Giap, Mr James Lim Jit Teng and Mr Chong Lit Cheong shall be retiring at the Annual General Meeting to be held on 30 July 2015 ("2015 AGM"). At the recommendation of the Nominating Committee, they will be seeking re-election at the 2015 AGM.

CORPORATE GOVERNANCE

In addition, as Mr John Lim Kok Min is over the age of 70 years, he is required under Section 153 of the Companies Act to step down at the 2015 AGM. At the recommendation of the Nominating Committee, Mr John Lim Kok Min will be seeking shareholders' approval for re-appointment as a director at the 2015 AGM.

Key information on the Company's directors are set out on pages 30 to 31 of the Annual Report.

Principle 5: Board Performance

The Nominating Committee reviews on an annual basis the composition and skills 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 assesses and makes recommendations to the Board as to whether retiring directors are suitable for re-election. It 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.

Principle 6: Access to Information

Management recognises that it is essential to provide complete, adequate information on Group affairs and material events and transactions in a timely and on-going basis to the Board to enable the Board to discharge their duties effectively and efficiently. Where a physical Board meeting is not possible, timely communication with members of the Board is effected through other means, e.g. electronic mail and teleconferencing. Alternatively, 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 facilitated expeditiously.

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 Board and its independent directors may take independent advice as and when necessary to enable it or the independent directors to discharge their responsibilities effectively.

The company secretary attends all Board meetings and is responsible for ensuring that Board procedures are followed. The company secretary, together with other management staff, is responsible for ensuring that the company complies with applicable requirements, rules and regulations.

REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies
Principle 8: Level and Mix of Remuneration
Principle 9: Disclosure on Remuneration

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

1. Dr Tan Khee Giap, Chairman (Independent Non-Executive Director)
2. John Lim Kok Min (Independent Non-Executive Director)
3. James Lim Jit Teng (Independent Non-Executive Director)
4. Chong Lit Cheong (Independent Non-Executive Director)

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.

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

The Remuneration Committee has not appointed any external remuneration consultant as at the date of this report.

CORPORATE GOVERNANCE

The Remuneration Committee will determine the remuneration packages of the Chairman and the executive directors based on the performance of the Group and the individual director. Non-executive directors will be paid directors' fees determined by the full Board based on the contributions, effort, time spent and responsibilities of the individual director. The payment of fees to non-executive directors is subject to the approval of the company at each Annual General Meeting.

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 2015

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%	49%	-	7%	100%
S$500,000 to S$749,999					
Wong Yu Wei (Huang Youwei)	43%	48%	-	9%	100%
Below S$250,000					
John Lim Kok Min	-	-	-	-	-
Dr Tan Khee Giap	-	-	-	-	-
James Lim Jit Teng	-	-	-	-	-

Note: Mr Chong Lit Cheong was appointed on 15 May 2015.

Remuneration of key executives for the year ended 31 March 2015

Name of Executive	Salary	Bonus	Fees	Other Benefits	Total
S$500,000 to S$749,999					
Steven Koh Boon Teik	43%	46%	-	11%	100%
S$250,000 to S$499,999					
Lee Keen Meng	44%	45%	-	11%	100%
Heng Eng Kiat	44%	41%	-	15%	100%
Neo Eng Huat	45%	42%	-	13%	100%
Liew Kau Keen	44%	41%	-	15%	100%
How Tan Hong	44%	42%	-	14%	100%

Although the Code recommends the full disclosure of the remuneration of each individual director as well as the disclosure of the total remuneration paid to the top five key executives in aggregate, 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.

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

The remuneration policy for staff 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.

CORPORATE GOVERNANCE

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.

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

Principle 11: Risk Management and Internal Controls

The Board is responsible for ensuring that management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and 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 legislations, 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 by the Audit & Risk Committee.

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 and benefit from a better balance between risk and reward. This will assist in safeguarding and creating shareholder value.

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 internal controls were adequate to address financial, operational and compliance risks as at 31 March 2015.

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 2015:

(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 and compliance risks affecting the operations are adequate to meet the needs of the Group in its current business environment.

CORPORATE GOVERNANCE

Principle 12: Audit & Risk Committee

The Audit & Risk Committee comprises entirely 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:

1. John Lim Kok Min, Chairman (Independent Non-Executive Director)
2. Dr Tan Khee Giap (Independent Non-Executive Director)
3. James Lim Jit Teng (Independent Non-Executive Director)
4. Chong Lit Cheong (Independent Non-Executive Director)

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 and judgments 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 IT controls (such review can be carried out internally or with the assistance of any 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;

CORPORATE GOVERNANCE

(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 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 directors to the external auditors; and

(r) performing any other act as delegated by the Board and approved by the Audit & Risk Committee.

The Audit & Risk Committee has full access to and has the co-operation of management. It is given 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 meets at least once a year with the external 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 its external auditors.

Whistle-blowing Policy

The Group is committed to a high standard of ethical conduct and has in place a whistle-blowing policy and arrangements by which employees of the Group and third parties 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 misdemeanours. The objective of the whistle-blowing policy is to facilitate independent investigation of such matters and appropriate follow-up actions.

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 shall approve the appointment of an experienced and qualified personnel as Internal Auditor to carry out the internal audit function for the Group. The Internal Auditor shall report to the Audit & Risk Committee Chairman and his performance and compensation shall be reviewed by the Audit & Risk Committee. Annually, the Audit & Risk Committee shall review and approve audit plans and 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 shall have 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.

CORPORATE GOVERNANCE

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholder Rights

Principle 15: Communication with Shareholders

Principle 16: Conduct of Shareholder Meetings

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 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 Articles of Association of the Company allow each shareholder to appoint up to two proxies to attend and vote at general meetings on his/her behalf.

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 also given the opportunity to participate effectively and vote at general meetings, where relevant rules and procedures governing such meeting are clearly communicated.

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 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.

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 has been entered into by the Company or any of its subsidiaries, and no such contract subsisted as at 31 March 2015.

CORPORATE GOVERNANCE

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 2015, the following transactions that the Group entered into would be regarded as interested person transactions pursuant to the Listing Manual of the SGX-ST:-

	Aggregate Value of all Interested Person Transactions during the Financial Year Ended 31 March 2015 (excluding transactions less than S$100,000)
	S$'000
Boustead Singapore Limited ("BSL") & its subsidiaries ("BSL Group")	
Provision of central management and administration services by the BSL Group [1]	480
Lease of office premises from the BSL Group [2] (includes shared expenses such as IT, utilities and common area usage)	435
Provision of loans to the BSL Group	122,930
Interest income from the BSL Group	656
Reimbursement to BSL for the issue of BSL shares to employees of the Company pursuant to the Boustead Restricted Share Plan 2011	482

Further to the above, Boustead Singapore Limited had on 30 June 2011 provided a corporate guarantee to a customer in respect of the Company's obligations under a $107.0 million design-and-build contract. While the project has been completed, there remain certain surviving warranties under the contract.

Save as disclosed above, during the year ended 31 March 2015, there were no additional interested person transactions (excluding transactions less than $100,000 each) entered into by the Company involving the interests of the managing director/chief executive officer, each director or controlling shareholder.

(1) As provided for under the IT Support and General Administration Services Agreement (as defined in the introductory document dated 31 March 2015) which constitutes an interested person transaction and (upon approval of the distribution of Shares by dividend in specie at the extraordinary general meeting of Boustead Singapore Limited held on 16 April 2015) is deemed to have been specifically approved by the shareholders and is therefore not subject to Rules 905 and 906 of the Listing Manual to the extent that there is no subsequent changes to the terms of such agreement.

(2) As provided for under the BSL Lease (as defined in the introductory document dated 31 March 2015) which constitutes an interested person transaction and (upon approval of the distribution of Shares by dividend in specie at the extraordinary general meeting of Boustead Singapore Limited held on 16 April 2015) is deemed to have been specifically approved by the shareholders and is therefore not subject to Rules 905 and 906 of the Listing Manual to the extent that there is no subsequent changes to the terms of such agreement.

STATEMENT BY DIRECTORS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 53 to 115 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2015 and of the results of the business, 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.

On behalf of the directors

Wong Yu Wei (Huang Youwei)	**Chu Kok Hong @ Choo Kok Hong**
Director	Director

Singapore
29 June 2015

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BOUSTEAD PROJECTS LIMITED
(FORMERLY KNOWN AS BOUSTEAD PROJECTS PTE LTD)

Report on the Financial Statements

We have audited the accompanying financial statements of Boustead Projects Limited (the "Company") and its subsidiaries (the "Group") set out on pages 53 to 115, which comprise the consolidated balance sheet of the Group and balance sheet of the Company as at 31 March 2015, the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, 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 profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2015, and of the results, changes in equity and cash flows of the Group for the financial year ended on that date.

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 subsidiaries incorporated in Singapore, of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore
29 June 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	Note	2015 $'000	2014 $'000
Revenue	5	**255,389**	209,165
Cost of sales	6	**(198,090)**	(156,264)
Gross profit		**57,299**	52,901
Other income	8	**4,112**	2,260
Other gains and losses	9	**(465)**	5,111
Expenses			
- Selling and distribution	6	**(4,140)**	(3,628)
- Administrative	6	**(20,257)**	(15,951)
- Finance	10	**(1,909)**	(727)
Share of loss of an associated company and joint ventures	18, 19	**(1,218)**	(572)
Profit before income tax		**33,422**	39,394
Income tax expense	11	**(8,860)**	(3,581)
Total profit		**24,562**	35,813
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
- Currency translation differences arising from consolidation		**199**	42
Other comprehensive income, net of tax		**199**	42
Total comprehensive income		**24,761**	35,855
Profit/(loss) attributable to:			
Equity holders of the company		**24,668**	35,813
Non-controlling interests		**(106)**	-
		24,562	35,813
Total comprehensive income/(loss) attributable to:			
Equity holders of the company		**24,867**	35,855
Non-controlling interests		**(106)**	-
		24,761	35,855
Earnings per share for profit attributable to equity holders of the Company ($ per share)			
Basic and diluted earnings per share	12	**0.08**	0.11

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

BALANCE SHEETS – GROUP AND COMPANY

AS AT 31 MARCH 2015

		Group		Company	
	Note	2015 $'000	2014 $'000	2015 $'000	2014 $'000
ASSETS					
Current assets					
Cash and cash equivalents	14	**114,279**	54,598	**92,419**	32,057
Properties held for sale	15	**30,437**	30,368	**-**	-
Trade receivables	16	**63,227**	44,960	**50,122**	54,804
Other receivables and prepayments	16	**195,027**	168,221	**224,278**	209,160
Contracts work-in-progress	17	**7,810**	1,291	**7,552**	1,291
		410,780	299,438	**374,371**	297,312
Non-current assets					
Trade receivables	16	**7,438**	9,183	**7,438**	9,183
Investment in an associated company	18	**1,094**	1,172	**-**	-
Investments in joint ventures	19	**10,728**	4,467	**12,298**	4,863
Investments in subsidiaries	20	**-**	-	**2,438**	-
Available-for-sale financial asset	21	**17,872**	17,872	**17,872**	17,872
Investment properties	22	**159,857**	108,962	**-**	-
Property, plant and equipment	23	**815**	752	**791**	728
Deferred income tax assets	26	**32**	-	**-**	-
		197,836	142,408	**40,837**	32,646
Total assets		**608,616**	441,846	**415,208**	329,958
LIABILITIES					
Current liabilities					
Borrowings	24	**12,105**	5,415	**-**	-
Trade and other payables	25	**153,626**	141,909	**190,301**	166,425
Income tax payable		**11,307**	8,598	**7,400**	6,081
Contracts work-in-progress	17	**387**	3,379	**387**	4,928
		177,425	159,301	**198,088**	177,434
Non-current liabilities					
Borrowings	24	**174,374**	46,740	**-**	-
Trade payables	25	**2,324**	3,295	**2,324**	3,295
Deferred income tax liabilities	26	**1,848**	1,772	**1**	1
		178,546	51,807	**2,325**	3,296
Total liabilities		**355,971**	211,108	**200,413**	180,730
NET ASSETS		**252,645**	230,738	**214,795**	149,228
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	27	**15,000**	15,000	**15,000**	15,000
Retained profits	29	**239,216**	214,548	**199,795**	134,228
Other reserves	30	**(1,465)**	1,190	**-**	-
		252,751	230,738	**214,795**	149,228
Non-controlling interests		**(106)**	-	**-**	-
Total equity		**252,645**	230,738	**214,795**	149,228

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	Note	Share capital	Retained profits	Other reserves	Equity attributable to equity holders of the Company	Non-controlling interests	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000
2015							
Beginning of financial year		**15,000**	**214,548**	**1,190**	**230,738**	**-**	**230,738**
Total comprehensive income/(loss) for the year		**-**	**24,668**	**199**	**24,867**	**(106)**	**24,761**
Effects of corporate restructuring (Note 2)		**-**	**-**	**(2,854)**	**(2,854)**	**-**	**(2,854)**
End of financial year		**15,000**	**239,216**	**(1,465)**	**252,751**	**(106)**	**252,645**
2014							
Beginning of financial year		15,000	186,735	1,148	202,883	-	202,883
Total comprehensive income for the year		-	35,813	42	35,855	-	35,855
Dividends	28	-	(8,000)	-	(8,000)	-	(8,000)
End of financial year		15,000	214,548	1,190	230,738	-	230,738

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	Note	2015 $'000	2014 $'000
Cash flows from operating activities			
Profit before income tax		**33,422**	39,394
Adjustments for:			
- Depreciation expense		**4,246**	4,772
- Share of loss of an associated company and joint ventures		**1,218**	572
- Gain on disposal of assets held for sale		**-**	(5,309)
- Employee share-based compensation expense		**482**	138
- Gain on disposal of subsidiaries		**-**	(79)
- Interest income		**(2,960)**	(1,167)
- Finance expenses		**1,909**	727
- Unrealised currency translation (gains)/losses		**(167)**	374
		38,150	39,422
Change in working capital			
- Trade and other receivables		**(12,809)**	(2,141)
- Contracts work-in-progress		**(9,511)**	(2,815)
- Trade and other payables		**9,812**	19,309
Cash generated from operations		**25,642**	53,775
Interest received		**2,960**	1,167
Interest paid		**(1,909)**	(727)
Income tax paid		**(6,106)**	(7,876)
Net cash provided by operating activities		**20,587**	46,339
Cash flows from investing activities			
Purchase of property, plant and equipment		**(324)**	(281)
Additions to investment properties		**(54,880)**	(80,593)
Proceeds from repayment of loan by a joint venture		**-**	6,267
Proceeds from repayment of loan by an associated company		**7,487**	-
Loan to an associated company		**-**	(12,150)
Proceeds from repayment of loan by ultimate holding company		**12,934**	23,904
Net cash inflow on disposal of assets held for sale		**-**	15,806
Net cash inflow on disposal of a subsidiary retained as a joint venture from loan settlement		**-**	7,536
Net cash outflow on acquisition of an associated company		**-**	(1,348)
Loans to joint ventures		**(58,375)**	-
Purchase of available-for-sale financial asset		**-**	(17,872)
Net cash used in investing activities		**(93,158)**	(58,731)
Cash flows from financing activities			
Proceeds from borrowings		**141,084**	27,000
Repayment of borrowings		**(6,760)**	(9,290)
Repayment of loan from ultimate holding company		**(1,964)**	-
Dividends paid		**-**	(22,600)
Net cash provided by/(used in) financing activities		**132,360**	(4,890)
Net increase/(decrease) in cash and cash equivalents		**59,789**	(17,282)
Cash and cash equivalents			
Beginning of financial year	14	**54,598**	71,880
Effect of currency translation on cash and cash equivalents		**(108)**	-
End of financial year	14	**114,279**	54,598

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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 its subsidiaries, associated company and joint ventures are set out in Note 2 of the financial statements.

2. CORPORATE RESTRUCTURING

For the purpose of the listing on Singapore Exchange Securities Trading Limited ("SGX-ST") on 30 April 2015, the Company changed its name to Boustead Projects Limited (the "Company") by listing as a new holding company.

On 23 March 2015, the Group entered into the Restructuring Agreement and the Wuxi Boustead Sale and Purchase Agreement (through its subsidiary) with its immediate and ultimate holding company, Boustead Singapore Limited ("BSL") to acquire its entire equity interest in the following companies.

Name of companies	Principal activities	Country of business incorporation
Wholly-owned subsidiaries of Boustead Singapore Limited		
Wuxi Boustead Industrial Development Co. Ltd.	Development of industrial space for lease/sale	People's Republic of China
Boustead Real Estate Fund	Private business trust	Singapore
Boustead Trustees Pte Ltd	Trustee for real estate trust	Singapore
Boustead Funds Management Pte Ltd	Property fund management	Singapore
Boustead Property Services Pte Ltd	Management of properties	Singapore

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2. CORPORATE RESTRUCTURING (cont'd)

With the completion of the restructuring, the Group holds Wuxi Boustead Industrial Development Co. Ltd., Boustead Real Estate Fund, Boustead Trustees Pte Ltd, Boustead Funds Management Pte Ltd and Boustead Property Services Pte Ltd as subsidiaries.

The acquisition of the entities by the Group is a business combination under common control as the entities transferred were under common control by Boustead Singapore Limited for the financial year ended 31 March 2015. Accordingly, the consolidated financial statements of the Group are presented as follows:

(i) The consolidated balance sheets of the Group as at 31 March 2015 and 31 March 2014, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for the financial years ended 31 March 2015 and 31 March 2014 have been prepared as if the Company had been the holding company of the Group throughout the financial years ended 31 March 2015 and 31 March 2014.

(ii) The assets and liabilities of Wuxi Boustead Industrial Development Co. Ltd., Boustead Real Estate Fund, Boustead Trustees Pte Ltd, Boustead Funds Management Pte Ltd and Boustead Property Services Pte Ltd are brought into the Group's books based on their existing carrying value in the consolidated financial statements of the ultimate holding company, Boustead Singapore Limited. No adjustments are made to the carrying values of those assets and liabilities, as the financial statements of the Group and the entities concerned have been prepared using consistent accounting policies.

(iii) All significant intra-group transactions and balances have been eliminated.

The consideration for the acquisition of the subsidiaries amounted to $7,178,000 (included within "trade and other payables"), of which $4,784,000 related to an entity acquired via a subsidiary of the Company. The consideration was settled on 29 April 2015 (Note 37(d)). The difference between the consideration for the acquisition of the subsidiaries and the amount of the share capital of the subsidiaries has been recognised separately as merger reserve, a component of equity. Refer to Note 30 for the movement in merger reserve.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2. CORPORATE RESTRUCTURING (cont'd)

The list of companies comprising the Group upon the completion of the restructuring are as follows:

Name of companies	Principal activities	Country of business incorporation	Equity holding	
			2015 %	**2014** %
Significant subsidiaries held by the Company				
Boustead Mec. Pte Ltd (Liquidated in August 2014)	Investment holding	Singapore	-	100
PIP Pte Ltd [(1)]	Provide project management, design, construction and property-related services	Singapore	**100**	100
BP-CA Pte Ltd [(1)]	Holding of property for rental income	Singapore	**100**	100
BP-SFN Pte Ltd [(1)]	Holding of property for rental income	Singapore	**100**	100
BP-UMS Pte Ltd [(1)]	Holding of property for rental income	Singapore	**100**	100
BP-Tuas1 Pte Ltd [(1)]	Holding of property for rental income	Singapore	**100**	100
CN Logistics Pte Ltd [(1)]	Holding of property for rental income	Singapore	**100**	100
A Logistics Pte Ltd (Liquidated in August 2014)	Holding of property for rental income	Singapore	-	100
Boustead Projects Investments Pte Ltd [(1)]	Holding of property for rental income	Singapore	**100**	100
BP-BBD Pte Ltd [(1)]	Holding of property for rental income	Singapore	**100**	100
BP-JCS Pte Ltd [(1)]	Holding of property for rental income	Singapore	**100**	100
BP-PRC Pte Ltd [(4)]	Investment holding	Singapore	**100**	-
BP Engineering Solutions Sdn Bhd [(2)]	Provide project management, design, construction and property-related services	Malaysia	**100**	100
BP Lands Sdn Bhd [(2)]	Investment holding	Malaysia	**100**	100
BP-TN Pte Ltd [(1)]	Holding of property for rental income	Singapore	**100**	100
BP-EA Pte Ltd [(1)]	Holding of property for rental income	Singapore	**100**	100
Boustead Projects (Vietnam) Co. Ltd [(3)]	Design-and-build contractors	Vietnam	**100**	100
Wuxi Boustead Industrial Development Co. Ltd [(3)]	Development of industrial space for lease/sale	People's Republic of China	**100**	100
Boustead Real Estate Fund [(1)]	Private business trust	Singapore	**100**	100
Boustead Trustees Pte Ltd [(1)]	Trustee for real estate trust	Singapore	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2. CORPORATE RESTRUCTURING (cont'd)

Name of companies	Principal activities	Country of business incorporation	Equity holding	
			2015 %	**2014** %
Significant subsidiaries held by the Company (cont'd)				
Boustead Funds Management Pte Ltd [(1)]	Property fund management	Singapore	**100**	100
Boustead Property Services Pte Ltd [(1)]	Management of properties	Singapore	**100**	100
Boustead Project (Thailand) Co Ltd [(5)]	Provide project management, design, construction and property-related services	Thailand	**100**	100
Boustead Crescendas Holdings Pte Ltd [(4)]	Investment holding	Singapore	**51**	51
Significant joint ventures held by the Company				
BP-Ubi Development Pte Ltd [(1)]	Holding of property for rental income	Singapore	**50**	51
BP-Vista LLP [(4)]	Holding of property for rental income	Singapore	**30**	-
BP-SF Turbo LLP [(4)]	Holding of property for rental income	Singapore	**50**	-
Significant associated company held by the Company's subsidiary				
THAB Development Sdn Bhd (formerly Tat Hong Industrial Properties Sdn Bhd) [(3)]	Property development	Malaysia	**35**	35

(1) Audited by PricewaterhouseCoopers LLP, Singapore

(2) Audited by PricewaterhouseCoopers, Malaysia

(3) Audited by other auditors

(4) Newly incorporated during the year

(5) Dormant and not audited

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

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

The preparation of financial statements in conformity with FRS 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 4.

Interpretations and amendments to published standards effective in the financial year ended 31 March 2015

On 1 April 2014, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years except for the following:

FRS 112 *Disclosures of Interests in Other Entities*

The Group has adopted the above new FRS on 1 April 2014. The amendment is applicable for annual periods beginning on or after 1 January 2014. It sets out the required disclosures for entities reporting under the new FRS 110 *Consolidated Financial Statements* and FRS 111 *Joint Arrangements*, and replaces the disclosure requirements currently found in FRS 27 (revised 2011) *Separate Financial Statements* and FRS 28 (revised 2011) *Investments in Associates and Joint Ventures*.

The Group has applied FRS 112 retrospectively in accordance with the transitional provisions (as amended subsequent to the issuance of FRS 112 in September 2011) in FRS 112. The Group has incorporated the additional required disclosures into the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.2 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable from the rendering of services in the ordinary course of the Group's activities. Revenue is presented, net of value-added tax, rebates, and discounts, and after eliminating revenue within the Group.

The Group assesses its role as an agent or principal for each transaction and in an agency arrangement the amounts collected on behalf of the principal are excluded from revenue. The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) Construction contracts

The Group enters into construction contracts with customers to design and build industrial facilities. When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date ("percentage-of-completion method"). When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial contract sum agreed in the contract, variations in the contract work and claims that can be measured reliably. A variation or a claim is recognised as contract revenue when it is probable that the customer will approve the variation or negotiations have reached an advanced stage such that it is probable that the customer will accept the claim.

The stage of completion is measured by reference to the proportion of contract costs incurred to date to the estimated total costs for the contract. Costs incurred during the financial year in connection with future activity on a contract are excluded from the costs incurred to date when determining the stage of completion of a contract. Such costs are shown as construction contract work-in-progress on the balance sheet unless it is not probable that such contract costs are recoverable from the customers, in which case, such costs are recognised as an expense immediately.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.2 Revenue recognition

(b) Sale of industrial properties

The Group constructs industrial properties for sale. Revenue from the sale of industrial properties is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods and industrial leasehold properties;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods and industrial leasehold properties sold;
- the amount of revenue 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 3.14 for the accounting policy for rental income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 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 balance sheet. 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.

(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) the 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 remeasured 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 3.20 for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 Group accounting (cont'd)

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(c) 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%.

Joint ventures are entities 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 any 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

In applying the equity method of accounting, the Group's share of its associated company and joint ventures' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from an associated company and joint ventures are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company or joint ventures equals to or exceeds its interest in an associated company or joint ventures, 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 ventures. If the associated company or joint ventures subsequently report 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 accounting policies of an associated company and 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 remeasured 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 3.20 for the accounting policy on investments in an associated company and joint ventures in the separate financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.4 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 balance sheet 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 within "other gains and losses".

3.5 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 investment properties and properties held for sale. 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 investment property.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.6 Construction contracts

At the balance sheet date, the cumulative costs incurred plus recognised profits (less recognised losses) on each contract is compared against the progress billings. Where the cumulative costs incurred plus the recognised profits (less recognised losses) exceed progress billings, the balance is presented as due from customers on construction contracts within "contracts work-in-progress". Where progress billings exceed the cumulative costs incurred plus recognised profits (less recognised losses), the balance is presented as due to customers on construction contracts within "contracts work-in-progress".

Progress billings not yet paid by customers and retention sum receivables by customers are included within "trade receivables". Advances received are included within "trade and other payables".

3.7 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.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes land cost, related acquisition expenses, construction costs and finance costs incurred during the period of construction. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their useful lives of 12 to 30 years for leasehold buildings and 10 years for machinery and equipment. No depreciation is provided for investment properties under construction. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.8 Impairment of non-financial assets

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

Property, plant and equipment, 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 other than goodwill 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 other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.9 Financial assets

(a) Classification

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and in the case of assets classified as held-to-maturity, re-evaluates this designation at each balance sheet date.

(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 balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" (Note 16), "loans to subsidiaries" (Note 16), "contracts work-in-progress" (Note 17) and "cash and cash equivalents" (Note 14) on the balance sheet.

(ii) Available-for-sale financial asset

Available-for-sale financial asset is a non-derivative that is either designated in this category or not classified in any of the other categories. Available-for-sale financial asset is presented as non-current asset unless the investment matures or management intends to dispose of the asset within 12 months after the balance sheet 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.

(d) Subsequent measurement

Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.9 Financial assets (cont'd)

(e) Impairment

The Group assesses at each balance sheet 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 asset

In addition to the objective evidence of impairment described in Note 3.9(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 any evidence of impairment exists, the cumulative loss that was previously recognised in other comprehensive income is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through profit or loss.

(f) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet 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.

3.10 Properties held for sale

Properties held for sale are stated at the lower of cost (specific identification method) and net realisable value. Cost includes costs of construction and interests 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.

3.11 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.12 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.

3.13 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 balance sheet 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.

3.14 Leases

(a) When the Group is the lessee:

The Group leases land from non-related parties and office space from a related corporation (Note 35(a)) under operating leases.

(i) Lessee - Operating leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) 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 investment properties under operating leases.

(i) Lessor - Operating leases

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) 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.

Contingent rents are recognised as income in profit or loss when earned.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.15 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 balance sheet 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 balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet 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 (for example, productivity and innovative credit) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.16 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.

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

3.17 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) Share-based compensation

The ultimate holding company issues equity-settled share-based compensation to certain employees of the Company.

Equity-settled share-based compensation are measured at fair value of the equity instruments (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity settled share-based compensation is recognised as an expense in the income statement with a corresponding increase in amount due to ultimate holding company based on the Company's number of equity instruments that will eventually vest.

(c) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.18 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, 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 balance sheet 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.

Foreign exchange gains and losses impacting profit or loss are presented within "other gains and losses".

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 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.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

3.19 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.20 Investments in subsidiaries, an associated company and joint ventures

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

3.21 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.

3.22 Share capital

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

3.23 Dividends to the Company's shareholders

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

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

In the application of the Group's accounting policies, which are described in Note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Revenue recognition – construction contracts

The Group recognises revenue and costs from long-term contracts using the percentage of completion method determined by reference to the stage of completion of the contract activity at the end of each reporting period. A considerable amount of judgement is required in assessing the relationship of the value of work performed to date relative to the estimated total contract costs.

The key assumption that has a significant risk of causing a material adjustment to the amount of revenue and costs recognised on long-term contracts pertains to the percentage of completion of long-term contracts.

If the percentage of completion at the balance sheet date had been higher/lower by 1% (2014: 1%) from management's estimates, the Group's revenue and gross profit would have been higher/lower by $1,627,000 (2014: $2,640,000) and $97,000 (2014: $196,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (cont'd)

(b) Allowance for foreseeable losses on construction contracts

Judgement is exercised in determining foreseeable losses on construction contracts. In making such judgement, the Group evaluates by relying on past experience and cost estimates. A significant degree of estimate is required in assessing the cost estimates based on suppliers' quotation or engineers' estimates and taking into consideration the escalation of costs in the country in which the project takes place. As at 31 March 2015, the contracts work-in-progress is a net asset comprising contract costs plus recognised profits in excess of progress billings and allowance for foreseeable losses amounting to $7,423,000. As at 31 March 2014, the contract work-in-progress is a net liability comprising progress billings and allowance for foreseeable losses in excess of contract costs plus recognised profits amounting to $2,088,000.

(c) Properties held for sale

Judgement is exercised in determining the classification of certain properties as held for sale. In making such judgement, management evaluated the specific purpose and intent relating to these properties, as well as the future plans of the Group. Management is of the view that these properties meet the criteria for classification as held for sale as at the balance sheet date.

(d) Allowance for properties held for sale

In determining the net realisable value of the Group's properties held for sale, management estimated the recoverable amount of the properties held for sale based on most reliable evidence available at the time the estimates are made. These estimates take into consideration the fluctuations in prices, the condition of the properties held for sale and market evidence of transaction price for similar properties.

5. REVENUE

	2015 $'000	**2014 $'000**
Construction contract revenue	**228,883**	187,303
Property rental income	**26,506**	21,862
	255,389	209,165

6. EXPENSES BY NATURE

	2015 $'000	**2014 $'000**
Sub-contractor fees	**194,105**	151,317
Employee compensation (Note 7)	**12,244**	10,640
Depreciation expense (Note 22 and 23)	**4,246**	4,772
Fees on audit services paid/payable to:		
- auditor of the Company for statutory audit	**158**	148
- auditor of the Company for other audit services	**145**	-
- other auditors	**15**	19
Property tax	**2,512**	1,983
Rental expenses	**3,978**	3,449
Maintenance expenses	**465**	369
Selling expenses	**182**	166
Legal and professional fees	**2,823**	406
Others	**1,614**	2,574
Total cost of sales, selling and distribution and administrative expenses	**222,487**	175,843

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

7. EMPLOYEE COMPENSATION

	2015 $'000	2014 $'000
Wages and salaries	**11,227**	10,013
Employer's contribution to defined contribution plans including Central Provident Fund	**535**	489
Share-based compensation expense	**482**	138
	12,244	10,640

The Company's ultimate holding company grants equity compensation from Boustead Restricted Share Plan 2011 (the "2011 Share Plan") to certain employees of the Company.

Awards granted under the 2011 Share Plan may be subject to time-based and/or performance-based restrictions. For the Company, time-based restricted awards granted under the 2011 Share Plan will vest only after satisfactory completion of time-based service conditions, that is, after the participant has served the Company 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's ultimate holding company under the 2011 Share Plan outstanding during the year are as follows:

	2015	2014
Number of shares		
Outstanding at beginning of the year	**639,809**	676,302
Granted during the year	**442,966**	76,418
Vested during the year	**(216,987)**	(112,911)
Outstanding at the end of the year	**865,788**	639,809

The fair value of the shares granted under 2011 Share Plan during the year is $1.87 (2014: $1.45). The fair value is determined based on the ultimate holding company's market share price on grant date.

The ultimate holding company recharges the share-based compensation expense to the Company when incurred. The Group and Company recognised total expenses of $482,000 (2014: $138,000) relating to equity settled share-based compensation transactions during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

8. OTHER INCOME

	2015 $'000	2014 $'000
Interest income		
- Non-related parties	**1,717**	269
- Associated company	**445**	193
- Joint ventures	**142**	-
- Ultimate holding corporation	**656**	705
	2,960	1,167
Sublease income	**1,152**	1,093
	4,112	2,260

9. OTHER GAINS AND LOSSES

	2015 $'000	2014 $'000
Gain on disposal of assets held for sale (Note 13)	**-**	5,309
Gain on disposal of subsidiaries	**-**	79
Others	**(465)**	(277)
	(465)	5,111

10. FINANCE EXPENSES

	2015 $'000	2014 $'000
Interest expense	**1,909**	727

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

11. INCOME TAXES

Income tax expense

	2015 $'000	2014 $'000
Tax expense attributable to profit is made up of:		
Profit for the financial year		
Current income tax	**8,978**	6,797
Deferred income tax (Note 26)	**44**	(179)
	9,022	6,618
Over provision in prior financial years		
Current income tax	**(162)**	(3,037)
	8,860	3,581

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:

	2015 $'000	2014 $'000
Profit before tax	**33,422**	39,394
Share of loss of an associated company and joint ventures, net of tax	**1,218**	572
Profit before tax and share of loss of an associated company and joint ventures	**34,640**	39,966
Tax calculated at tax rate of 17% (2014: 17%)	**5,889**	6,794
Effects of		
- Singapore statutory tax exemption	**(286)**	(244)
- expenses not deductible for tax purposes	**619**	205
- intra-group unrealised gains subject to tax	**2,809**	1,348
- income not subject to tax	**-**	(916)
- different tax rates in other countries	**236**	28
- other	**(245)**	(597)
- over provision in prior financial years	**(162)**	(3,037)
Tax charge	**8,860**	3,581

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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 year.

For the purpose of calculating earnings per share, the issued and paid up share capital of the Company as at 31 March 2015 and 31 March 2014 have been adjusted for the sub-division of ordinary shares on 23 April 2015 (Note 27) in accordance with FRS 33 *Earnings per Share*.

	2015	2014
Profit attributable to equity holders of the Company ($'000)	**24,668**	35,813
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**320,000**	320,000
Basic earnings per share ($)	**0.08**	0.11

(b) Diluted earnings per share

The Company has no dilutive potential ordinary shares.

13. GAIN ON DISPOSAL OF ASSETS HELD FOR SALE

On 25 March 2013, the Group entered into a sale and purchase agreement for the sale of 100% of the ordinary issued and paid-up shares of Boustead Projects (North China) Pte Ltd ("BPNC"), a wholly-owned subsidiary of the Group, to a non-related party. The carrying amounts of assets and liabilities attributable to BPNC and its subsidiary, which were expected to be sold within the next twelve months, had been classified as "assets held for sale" and "liabilities directly associated with assets classified as held for sale" and were presented separately on the face of the balance sheet.

The major classes of assets and liabilities directly associated with assets classified as held for sale are as follows:

	2013 $'000
Assets	
Cash and cash equivalents	214
Trade and other receivables	109
Properties held for sale	15,222
Property, plant and equipment	5
	15,550
Liabilities	
Borrowing [(a)]	3,624
Trade and other payables	90
Income tax payable	111
Total liabilities associated with assets held for sale	3,825
Net assets	11,725

(a) The borrowing was secured by way of legal mortgage on the asset held for sale and the future rental income and all rights, titles, benefits and interest arising out of the tenancy agreement between the subsidiary and the lessee. The term loan bore an effective interest rate of about 7.04% per annum in 2013.

On the completion date as at 30 June 2013, the net book value of BPNC was $10,151,000 and sale proceeds of $16,020,000 had been received. The Group provided for an estimated $560,000 for capital gains tax payable in China which was subsequently paid and recognised a gain of $5,309,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

14. CASH AND CASH EQUIVALENTS

	Group		Company	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**
Cash at bank and on hand	**27,736**	17,730	**6,136**	2,943
Short-term bank deposits	**86,543**	36,868	**86,283**	29,114
	114,279	54,598	**92,419**	32,057

The short-term bank deposits have maturities of less than a year and earn interest of 0.37% (2014: 0.54%) per annum. The carrying amounts of these assets approximate their fair value.

Disposal of subsidiaries

The effects of the disposal of subsidiaries on the cash flows of the Group were:

	2015 $'000	**2014 $'000**
Cash and cash equivalents	**151**	264
Trade and other receivables	**-**	-
Total liabilities	**(19)**	(79)
Net assets disposed of	**132**	185
Gain on disposal	**19**	79
Cash proceeds from disposal	**151**	264
Net cash and cash equivalents disposed of	**(151)**	(264)
Net cash inflow on disposal of subsidiaries	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

15. PROPERTIES HELD FOR SALE

The Group has the following properties held for sale:

Location		Description/Area	Tenure
(1)	Singapore No. 12 Changi North Way	Industrial/ Gross floor: 23,881 sq metres	60 years from 16 January 2005
(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. 25 Changi North Rise	Industrial/ Gross floor: 7,014 sq metres	30 years from 1 February 2007
(4)	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
(5)	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 26 June 2002
(6)	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 26 June 2002
(7)	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 26 June 2002
(8)	People's Republic of China No. 2 Xinmao Street Tongzhou District Tongzhou Logistics Park Beijing (Disposed in financial year ended 31 March 2014)	Industrial/ Gross floor: 38,792 sq metres	50 years from 17 August 2008

As at 31 March 2015, properties held for sale amounting to $28,935,000 (2014: $19,951,000) are pledged to the banks for banking facilities (Note 24).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

16. TRADE RECEIVABLES OTHER RECEIVABLES AND PREPAYMENTS

		Group		Company	
	Note	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Trade and other receivables and prepayments – current					
Trade receivables from:					
- Non-related parties		**40,674**	30,691	**27,569**	27,824
- Subsidiaries		-	-	-	12,711
- Fellow subsidiaries		**-**	875	**-**	875
- Joint ventures		**-**	4,177	**-**	4,177
Retention sum receivables		**22,553**	9,217	**22,553**	9,217
Trade receivables		**63,227**	44,960	**50,122**	54,804
Other receivables and prepayments					
Loans to:					
- Ultimate holding corporation		**130,430**	143,364	**122,930**	138,364
- Subsidiaries		**-**	-	**50,287**	67,971
Less: Allowance for impairment of loan to a subsidiary		**-**	-	**(2,115)**	(1,967)
		-	-	**48,172**	66,004
- Joint venture		**50,940**	-	**50,940**	-
- Associated company		**4,032**	11,889	**-**	-
Loans – net		**185,402**	155,253	**222,042**	204,368
Other receivables from:					
- Non-related parties		**4,035**	5,212	**146**	93
- Subsidiaries		**-**	-	**400**	226
- Joint venture		**176**	-	**176**	-
- Associated company		**283**	159	**-**	-
Deposits		**1,923**	4,578	**1,417**	4,385
Prepayments		**3,208**	3,019	**97**	88
Total other receivables and prepayments		**195,027**	168,221	**224,278**	209,160
Trade receivables – non-current					
Retention sum receivables		**7,438**	9,183	**7,438**	9,183

The loan to ultimate holding corporation is unsecured, bears interest at 0.42% (2014: 0.36%) per annum and is repayable on demand.

The loans to subsidiaries are unsecured, bear interest at 0.42% (2014: 0.36%) per annum and are repayable on demand.

The loan to a joint venture is unsecured, bears interest at 2.25% (2014: Nil) per annum and is repayable on demand.

The loan to an associated company is unsecured, bears interest at 4.11% (2014: Nil) per annum and is repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

17. CONTRACTS WORK-IN-PROGRESS

	Group		Company	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**
Contracts work-in-progress:				
Amounts due from contract customers	**7,810**	1,291	**7,552**	1,291
Aggregate contract costs incurred and profits recognised to date	**52,983**	23,698	**26,978**	23,698
Less: Progress billings	**(45,173)**	(22,407)	**(19,426)**	(22,407)
	7,810	1,291	**7,552**	1,291
Contract work-in-progress				
Amounts due to contract customers	**387**	3,379	**387**	4,928
Progress billings	**15,422**	104,704	**15,422**	106,253
Less: Aggregate contract costs incurred and profits recognised to date	**(15,035)**	(101,325)	**(15,035)**	(101,325)
	387	3,379	**387**	4,928

As at 31 March 2015, there are no (2014: Nil) advances received from customers for contract work.

18. INVESTMENT IN AN ASSOCIATED COMPANY

Set out below is the associated company of the Group as at 31 March 2015, which in the opinion of the directors, is material to the Group. The associated company as listed below has share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation is also its principal place of business.

Name of entity	Place of business/ country of incorporation	% of ownership interest
THAB Development Sdn Bhd and its subsidiary	Malaysia	35%

THAB Development Sdn Bhd ("THAB") has four shareholders and was set up as a property development company cum investment holding company. THAB acquired six parcels of industrial vacant land with a land area of approximately 119,390 square metres in Nusajaya, Iskandar Malaysia with the purpose of developing the land into industrial plots for sale.

THAB has taken bank financing to finance the development and the Group has granted a proportional corporate guarantee to the bank as security for the loan of $25,834,000.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

18. INVESTMENT IN AN ASSOCIATED COMPANY (cont'd)

Summarised financial information for associated companies

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

Summarised balance sheet

	THAB Development Sdn Bhd and its subsidiary	
	As at 31 March	
	2015 $'000	2014 $'000
Current assets	**47,665**	37,770
Includes:		
- Cash and cash equivalents	**5,969**	1,074
Current liabilities	**(20,461)**	(34,422)
Includes:		
- Financial liabilities (excluding trade and other payables)	**(11,519)**	(33,880)
Non-current assets	**1,075**	-
Non-current liabilities	**(25,058)**	-
Includes:		
- Financial liabilities	**(25,058)**	-
Net assets	**3,221**	3,348

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

18. 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	
	2015 $'000	**2014 $'000**
Revenue	**-**	-
Interest income	**436**	59
Expenses	**(563)**	(561)
Includes:		
- Depreciation and amortisation	**(113)**	-
- Interest expense	**-**	(541)
Loss before income tax	**(127)**	(502)
Income tax expense	**-**	-
Loss after income tax and total comprehensive loss	**(127)**	(502)

The information above reflects the amounts presented in the financial statements of the associated company (and not 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 associated company is as follows:

	THAB Development Sdn Bhd and its subsidiary	
	As at 31 March	
	2015 $'000	**2014 $'000**
Net assets		
At 1 April	**3,348**	385
Equity injection from shareholders	**-**	3,465
Loss for the financial year	**(127)**	(502)
At 31 March	**3,221**	3,348
Interest in associated company (35%)	**1,127**	1,172
Currency translation difference	**(33)**	-
Carrying value	**1,094**	**1,172**

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19. INVESTMENTS IN JOINT VENTURES

	Company	
	2015 **$'000**	**2014** **$'000**
Unquoted equity shares at cost		
Beginning of financial year	**4,863**	-
Additions	-*	-*
Shareholders' loans	**7,435**	4,863
End of financial year	**12,298**	4,863

* Less than $1,000

Set out below are the joint ventures of the Group as at 31 March 2015, which in the opinion of the directors are material to the Group. The joint ventures are funded via a combination of share capital and shareholders' loans. The countries of incorporation of these joint venture entities are also their principal places of business.

Name of entity	Place of business/ country of incorporation	% of ownership interest
BP-Ubi Development Pte Ltd and its subsidiary	Singapore	50%
BP-Vista LLP	Singapore	30%
BP-SF Turbo LLP	Singapore	50%

The increase in shareholders' loans arise from amounts extended to the following parties:

	2015 **$'000**	**2014** **$'000**
BP-Ubi Development Pte Ltd	**546**	4,863
BP-Vista LLP	**6,818**	-
BP-SF Turbo LLP	**71**	-
	7,435	4,863

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

19. INVESTMENTS IN JOINT VENTURES (cont'd)

BP-Ubi Development Pte Ltd ("BP-Ubi Development")

On 1 February 2013, the Company incorporated BP-Ubi Development as a 100% owned investment holding company and provided a shareholders' loan of $18,666,000 to the subsidiary. Subsequently, BP-Ubi Development incorporated a 100% owned subsidiary, BP-Ubi Industrial Pte Ltd ("BP-Ubi Industrial"), as a property development company to acquire land at Ubi Avenue 4, Singapore for the purpose of developing an investment property for lease. During the financial year ended 31 March 2014, the Company sold 49% of its stake in BP-Ubi Development to a joint venture partner who contributed $10,693,000 as its share of shareholders' loan. The Company was then repaid $7,536,000 by BP-Ubi Development via a reduction of its shareholders' loan in order to maintain the loans from both parties at their respective shareholding interests in BP-Ubi Development. On 10 July 2014, the joint venture partner was allotted additional shares in BP-Ubi Development, increasing its stake in the joint venture from 49% to 50%.

BP-Ubi Industrial has taken financing from the bank to finance the development of the investment property and the Group has granted a proportional corporate guarantee to the bank as security for the loan of $22,850,000 (2014: $17,144,000).

The investment property was completed during the financial year ended 31 March 2015.

BP-Vista LLP ("BP-Vista")

On 28 December 2014, the Company established a partnership, BP-Vista LLP with a Middle-Eastern sovereign wealth fund to jointly acquire land and develop a building at One-North Business Park, Singapore for lease. The Company and the Middle-Eastern sovereign wealth fund have an interest of 30% and 70%, respectively, in the partnership.

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

BP-SF Turbo LLP ("BP-SF Turbo")

On 30 December 2014, the Company established a partnership, BP-SF Turbo LLP with the same Middle-Eastern sovereign wealth fund to jointly develop a building at Seletar Aerospace Park, Singapore for lease. The Company and the Middle-Eastern sovereign wealth fund each have an interest of 50% in the partnership.

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

Both BP-Vista and BP-SF Turbo are joint ventures of the Group as key business decisions relating to the development of the projects require the unanimous approval of its joint venturers.

The shareholders' loans receivable from the Group's joint ventures are unsecured, interest-free and are treated as part of the Group's investments as the Group does not expect to demand repayment of the loans.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

19. INVESTMENTS IN JOINT VENTURES (cont'd)

Summarised financial information for joint ventures

Set out below are the summarised financial information for BP-Ubi Development and its subsidiary, BP-Vista and BP-SF Turbo.

Summarised balance sheet

	BP-Vista LLP		BP-SF Turbo LLP		BP-Ubi Development Pte Ltd and its subsidiary		Total	
	As at 31 March		As at 31 March		As at 31 March		As at 31 March	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Current assets	**5,662**	-	**142**	-	**1,775**	3,608	**7,579**	3,608
Includes:								
- Cash and cash equivalents	**1,039**	-	**142**	-	**1,596**	3,075	**2,777**	3,075
Current liabilities	**(51,096)**	-	**(168)**	-	**(13,465)**	(15,850)	**(64,729)**	(15,850)
Includes:								
- Financial liabilities (excluding trade and other payables)	**(50,940)**	-	**(142)**	-	**(11,618)**	(11,073)	**(62,700)**	(11,073)
- Other liabilities (including trade and other payables)	**(156)**	-	**(26)**	-	**(1,847)**	(4,777)	**(2,029)**	(4,777)
Non-current assets	**68,012**	-	**26**	-	**33,123**	28,569	**101,161**	28,569
Non-current liabilities	**(22,720)**	-	**-**	-	**(22,050)**	(16,344)	**(44,770)**	(16,344)
Includes:								
- Financial liabilities	**(22,720)**	-	**-**	-	**(22,050)**	(16,344)	**(44,770)**	(16,344)
Net liabilities	**(142)**	-	**-***	**-**	**(617)**	(17)	**(759)**	(17)

* Less than $1,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

19. INVESTMENTS IN JOINT VENTURES (cont'd)

Summarised statement of comprehensive income

	BP-Vista LLP		BP-SF Turbo LLP		BP-Ubi Development Pte Ltd and its subsidiary		Total	
	For the financial year ended 31 March		For the financial year ended 31 March		For the financial year ended 31 March		For the financial year ended 31 March	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Revenue	**-**	-	**-**	-	**1,618**	-	**1,618**	-
Interest income	**-**	-	**-**	-	**71**	-	**71**	-
Expenses	**(142)**	-	**-**	-	**(2,207)**	(17)	**(2,349)**	(17)
Includes:								
- Depreciation and amortisation	**-**	-	**-**	-	**(1,269)**	-	**(1,269)**	-
- Interest expense	**(142)**	-	**-**	-	**(374)**	-	**(516)**	-
- Other expenses	**-***	-	**-***	-	**(564)**	(17)	**(564)**	(17)
Loss before income tax	**(142)**	-	**-***	-	**(518)**	(17)	**(660)**	(17)
Income tax expense	**-**	-	**-**	-	**(82)**	-	**(82)**	-
Loss after income tax and total comprehensive income	**(142)**	-	**-***	-	**(600)**	(17)	**(742)**	(17)

* Less than $1,000

The information above reflects the amounts presented in the financial statements of the joint ventures (and not the Group's share of those amounts) adjusted for differences in accounting policies between the Group and the joint ventures.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

19. INVESTMENTS IN JOINT VENTURES (cont'd)

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-SF Turbo LLP		BP-Ubi Development Pte Ltd and its subsidiary		Total	
	As at 31 March		As at 31 March		As at 31 March		As at 31 March	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Net liabilities								
At 1 April	**-**	-	**-**	-	**(17)**	-	**(17)**	-
Loss for the financial year	**(142)**	-	**-***	-	**(600)**	(17)	**(742)**	(17)
At 31 March	**(142)**	-	**-***	-	**(617)**	(17)	**(759)**	(17)
Interests in joint ventures (30%; 50%; 50%)	**(43)**	-	**-***	-	**(309)**	(9)	**(352)**	(9)
Shareholders' loans	**6,818**	-	**71**	-	**5,409**	4,863	**12,298**	4,863
Elimination of share of unrealised construction profits	**-**	-	**-**	-	**(1,218)**	(387)	**(1,218)**	(387)
Carrying value	**6,775**	-	**71**	-	**3,882**	4,467	**10,728**	4,467

* Less than $1,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

20. INVESTMENTS IN SUBSIDIARIES

	Company	
	2015 **$'000**	**2014** **$'000**
Unquoted equity shares at cost		
Beginning of financial year	**233**	359
Additions	**2,438**	60
Disposals	**-***	(186)
End of financial year	**2,671**	233

* Less than $1,000

	Company	
	2015 **$'000**	**2014** **$'000**
Movement in the impairment loss		
Beginning of financial year	**233**	173
Charged to profit or loss	**-**	60
End of financial year	**233**	233
Investments in subsidiaries - net	**2,438**	-

The additions during the financial year ended 31 March 2015 relate to Boustead Real Estate Fund, Boustead Trustees Pte Ltd, Boustead Funds Management Pte Ltd, Boustead Property Services Pte Ltd and BP-PRC Pte Ltd.

Cash at bank belonging to a subsidiary of the Group amounting to $1,965,000 is held in the People's Republic of China and is 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

21. AVAILABLE-FOR-SALE FINANCIAL ASSET

	Group and Company	
	2015 **$'000**	**2014** **$'000**
Beginning and end of financial year	**17,872**	17,872

Available-for-sale financial asset is analysed as follows:

	Group and Company	
	2015 **$'000**	**2014** **$'000**
Unlisted securities		
- Equity shares	**17,872**	17,872

22. INVESTMENT PROPERTIES

	Group	
	2015 **$'000**	**2014** **$'000**
Cost		
Beginning of financial year	**115,768**	52,598
Additions	**54,880**	80,593
Disposals	**-**	(17,423)
End of financial year	**170,648**	115,768
Accumulated depreciation		
Beginning of financial year	**6,806**	2,252
Depreciation charge	**3,985**	4,554
End of financial year	**10,791**	6,806
Net book value		
End of financial year	**159,857**	108,962

Investment properties are leased to non-related parties under operating leases (Note 31).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

22. INVESTMENT PROPERTIES (cont'd)

The following amounts are recognised in profit and loss:

	Group	
	2015 **$'000**	**2014** **$'000**
Rental income	**17,319**	12,505
Direct operating expenses arising from:		
- Investment properties that generate rental income	**3,985**	4,554

At the balance sheet date, the details of the Group's investment properties are as follows:

Location	Description	Existing use	Terms of lease
10 Seletar Aerospace Heights	Industrial/Leasehold	Rental	30 years from 1 June 2012
80 Boon Keng Road (Phase 1)	Industrial/Leasehold	Rental	56 years from 1 April 2011
16 Tampines Industrial Cresent	Industrial/Leasehold	Rental	30 years from 16 June 2012
26 Changi North Rise	Industrial/Leasehold	Rental	60 years from 30 April 2010
10 Changi North Way	Industrial/Leasehold	Rental	54 years from 16 September 2010
80 Boon Keng Road (Phase 2)	Industrial/Leasehold	Rental	46 years from 1 October 2014
31 Tuas South Ave 10	Industrial/Leasehold	Rental	30 years from 16 December 2014
10 Tukang Innovation Drive	Industrial/Leasehold	Rental	30 years from 1 November 2014
36 Tuas Road	Industrial/Leasehold	Rental	12 years from 1 October 2014

Independent professional valuations of the Group's investment properties have been performed by independent valuers with an appropriate recognised professional qualification and recent experience with the location and category of the properties being valued. The valuation of $264,600,000 (2014: $179,000,000) is based on sales comparison method and income method for comparative properties. Key inputs used in the valuations are the estimated annual net rent, internal rate of return and comparable sales in the area. In the opinion of the directors, the valuations performed prior to the end of the reporting period approximate the fair values of the investment properties as at 31 March 2015.

As at 31 March 2015, investment properties amounting to $159,857,000 (2014: $65,630,000) have been pledged to banks for banking facilities (Note 24).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

22. INVESTMENT PROPERTIES (cont'd)

Fair value hierarchy

The table below analyses investment properties not carried at fair value, but for which fair values are disclosed.

	Fair value measurements at 31 March 2015 using		
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Description	**$'000**	**$'000**	**$'000**
Recurring fair value measurements			
Investment properties:			
- Industrial buildings - Singapore	**-**	**-**	**264,600**

	Fair value measurements at 31 March 2014 using		
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Description	**$'000**	**$'000**	**$'000**
Recurring fair value measurements			
Investment properties:			
- Industrial buildings - Singapore	-	-	179,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

23. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery	Office computers	Office equipment, furniture and fittings	Renovations	Total
	$'000	$'000	$'000	$'000	$'000
<u>Group</u>					
2015					
Cost					
Beginning of financial year	**411**	**993**	**212**	**26**	**1,642**
Additions	**19**	**108**	**89**	**108**	**324**
End of financial year	**430**	**1,101**	**301**	**134**	**1,966**
Accumulated depreciation					
Beginning of financial year	**115**	**574**	**179**	**22**	**890**
Depreciation charge	**84**	**142**	**13**	**22**	**261**
End of financial year	**199**	**716**	**192**	**44**	**1,151**
Net book value					
End of financial year	**231**	**385**	**109**	**90**	**815**
2014					
Cost					
Beginning of financial year	411	712	212	26	1,361
Additions	-	281	-	-	281
End of financial year	411	993	212	26	1,642
Accumulated depreciation					
Beginning of financial year	33	454	166	19	672
Depreciation charge	82	120	13	3	218
End of financial year	115	574	179	22	890
Net book value					
End of financial year	**296**	**419**	**33**	**4**	**752**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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					
2015					
Cost					
Beginning of financial year	**411**	**993**	**185**	**24**	**1,613**
Additions	**19**	**103**	**89**	**103**	**314**
End of financial year	**430**	**1,096**	**274**	**127**	**1,927**
Accumulated depreciation					
Beginning of financial year	**115**	**574**	**174**	**22**	**885**
Depreciation charge	**84**	**139**	**13**	**15**	**251**
End of financial year	**199**	**713**	**187**	**37**	**1,136**
Net book value					
End of financial year	**231**	**383**	**87**	**90**	**791**
2014					
Cost					
Beginning of financial year	411	712	185	24	1,332
Additions	-	281	-	-	281
End of financial year	411	993	185	24	1,613
Accumulated depreciation					
Beginning of financial year	33	454	149	17	653
Depreciation charge	82	120	25	5	232
End of financial year	115	574	174	22	885
Net book value					
End of financial year	**296**	**419**	**11**	**2**	**728**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

24. BORROWINGS

	Group	
	2015 **$'000**	**2014** **$'000**
Current		
Bank borrowings	**12,105**	5,415
Non-current		
Bank borrowings	**174,374**	46,740
Total borrowings	**186,479**	52,155

The exposure of the borrowings of the Group to interest rate changes and the contractual repricing dates at the balance sheet date are as follows:

	Group	
	2015 **$'000**	**2014** **$'000**
6 months or less	**186,479**	52,155

(a) Security granted

Total borrowings include secured liabilities of $186,479,000 (2014: $52,155,000) for the Group. Bank borrowings are secured over investment properties (Note 22) and properties held for sale (Note 15).

(b) Fair value of non-current borrowings

At the end of the reporting period, the carrying amounts of the borrowings approximated their fair values as all the amounts are at floating interest rates and are revised every one to six months.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

25. TRADE AND OTHER PAYABLES

	Group		Company	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**
Trade and other payables – current				
Trade payables to:				
- Non-related parties - billed	**21,113**	19,995	**15,353**	19,360
- Non-related parties - unbilled	**65,537**	53,678	**65,537**	53,678
	86,650	73,673	**80,890**	73,038
Other payables to:				
- Non-related parties	**13,786**	21,278	**979**	5,588
- Ultimate holding corporation	**7,178**	6,355	**2,534**	153
- Fellow subsidiary	**17**	284	**17**	-
- Subsidiary	**-**	-	**45**	-
	20,981	27,917	**3,575**	5,741
Retention sum payables	**20,436**	16,777	**20,436**	16,777
Accruals for operating expenses	**4,809**	2,792	**4,197**	3,505
Loan from ultimate holding corporation	**20,750**	20,750	**-**	-
Loans from subsidiaries	**-**	-	**81,203**	67,364
Trade and other payables – current	**153,626**	141,909	**190,301**	166,425
Trade payables – non-current				
Retention sum payables	**2,324**	3,295	**2,324**	3,295

Other payables to ultimate holding corporation are unsecured, interest free and repayable on demand. The loan from ultimate holding corporation is unsecured, bears interest at 0.25% (2014: 0.13%) per annum and is repayable on demand. Loans from subsidiaries are unsecured, bear interest at 0.42% (2014: 0.36%) per annum and are repayable on demand.

Included in trade payables to non-related parties is a provision for liquidated damages amounting to $892,000 (2014: Nil). During the year, there was $892,000 charged (2014: Nil) to cost of sales.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

26. DEFERRED INCOME TAXES

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

Deferred income tax liabilities

	Accelerated tax depreciation
	$'000
Group	
2015	
Beginning of financial year	**1,772**
Charged to profit or loss	**76**
End of financial year	**1,848**
2014	
Beginning of financial year	1,951
Credited to profit or loss	(179)
End of financial year	1,772

Deferred income tax assets

	Others
	$'000
Group	
2015	
Beginning of financial year	**-**
Credited to profit or loss	**32**
End of financial year	**32**
2014	
Beginning and end of financial year	-

Deferred income tax liabilities

	Accelerated tax depreciation
	$'000
Company	
2015	
Beginning and end of financial year	**1**
2014	
Beginning and end of financial year	1

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

27. SHARE CAPITAL

	No. of ordinary shares	Amount
		$'000
Group and Company		
2015		
Beginning and end of financial year	**15,000,000**	**15,000**
2014		
Beginning and end of financial year	15,000,000	15,000

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.

At the Extraordinary General Meeting held on 23 April 2015, the shareholders of Boustead Singapore Limited approved the sub-division of shares. The number of ordinary shares increased from 15,000,000 to 320,000,000 post sub-division.

28. DIVIDENDS

	Group	
	2015 $'000	2014 $'000
Ordinary dividends paid		
First interim dividend of nil (2014: 2.5 cents*) per ordinary share declared and paid/payable	-	8,000

* Calculated based on 320,000,000 ordinary shares post sub-division.

Refer to Note 37(c) for dividends declared subsequent to the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

29. RETAINED PROFITS

(a) Retained profits of the Group and Company are distributable.

(b) Movement in retained profits for the Company is as follows:

	Company	
	2015 $'000	**2014 $'000**
Beginning of financial year	**134,228**	102,104
Net profit	**65,567**	40,124
Dividends paid (Note 28)	**-**	(8,000)
End of financial year	**199,795**	134,228

30. OTHER RESERVES

	Group	
	2015 $'000	**2014 $'000**
(a) Composition:		
Foreign currency translation reserve	**1,389**	1,190
Merger reserve (Note 2)	**(2,854)**	-
	(1,465)	1,190

	Group	
	2015 $'000	**2014 $'000**
(b) Movements:		
(i) **Foreign currency translation reserve**		
Beginning of financial year	**1,190**	1,148
Total comprehensive income for the year	**199**	42
End of financial year	**1,389**	1,190
(ii) **Merger reserve**		
Beginning of financial year	**-**	-
Effects of corporate restructuring	**(2,854)**	-
End of financial year	**(2,854)**	-

Other reserves are non-distributable.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

31. COMMITMENTS

(a) Operating lease commitments - where the Group is a lessee

The Group leases land from non-related parties 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 balance sheet date but not recognised as liabilities, are as follows:

	2015 $'000	2014 $'000
Not later than one year	**4,531**	4,419
Between one and five years	**18,126**	17,678
Later than five years	**145,747**	145,570
	168,404	167,667

Operating lease payments represent rentals payable by the Group for the leases of leasehold land premises. Leases of leasehold land by the Group are negotiated for a term of 30 years with an option to extend for 23 to 30 years from the expiry of the lease terms; for a fixed term of 30 years; or a fixed term of 45 years or 60 years. Rental amounts are fixed for the first year and are subject to annual revision of rent which will be carried out based on the market rate prevailing on the respective revision dates. The operating lease commitments estimated above were determined assuming the same rental expense fixed in the first year continues for the remaining terms of lease.

(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 future minimum lease receivables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are as follows:

	2015 $'000	2014 $'000
Not later than one year	**31,222**	25,136
Between one and five years	**103,470**	110,811
Later than five years	**131,081**	151,585
	265,773	287,532

Leases are negotiated for a fixed term of 1 to 15 years (2014: 1 to 12 years). The above future minimum lease payments are subject to annual revision of rent based on terms and conditions of the lease agreement. The operating lease commitments estimated above were determined assuming the same rental income fixed during the year continues for the remaining lease term.

32. CONTINGENCIES

(a) The Company has given guarantees of $142,935,000 (2014: $51,651,000) in favour of banks in respect of loan facilities granted to its subsidiaries, an associated company and a joint venture.

(b) The Company has executed performance guarantees of $44,970,000 (2014: $43,707,000) in favour of third parties in respect of performance on construction contracts.

(c) The earliest period that the above guarantees could be called is upon demand. As of the balance sheet date, the directors are of the view that it is more likely than not that no amount will be payable under the arrangements above.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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.

The information presented below is based on information received by the management team:

(a) Market risk

(i) Currency risk

The Group operates in Asia with dominant operations in Singapore. The Group does not have any significant exposure in any currency other than Singapore Dollars.

The Company operates in Singapore and does not carry out any significant business in any currency other than Singapore Dollars.

(ii) Price risk

The Group and the Company are exposed to price risk arising from available-for-sale financial asset in the office retail property segment. The investment in office retail property segment provides opportunity to the Group and the Company to participate in a new segment other than industrial segment.

The sensitivity analyses below have been determined based on the exposure to price risks at the end of the reporting period.

If prices for available-for-sale financial asset had changed by 10% (2014: 10%) with all other variables including tax rate being held constant, the effects on profit after tax and other comprehensive income would have been:

	Increase/(Decrease)			
	2015		**2014**	
	Profit after tax	**Other comprehensive income**	**Profit after tax**	**Other comprehensive income**
	($'000)	**($'000)**	**($'000)**	**($'000)**
Group and Company				
Unquoted equity securities				
- increased by	**-**	**1,787**	-	1,787
- decreased by	**-**	**(1,787)**	-	(1,787)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

33. FINANCIAL RISK MANAGEMENT (cont'd)

(a) Market risk

(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. As the Group has no significant interest-bearing assets, the Group's income is substantially independent of changes in market interest rates.

The Group's exposure to cash flow interest rate risks arises mainly from borrowings, loans to ultimate holding corporation, an associated company and joint ventures at variable rates. The Company's exposure to cash flow interest rate risks arises mainly from loans to subsidiaries, joint ventures and ultimate holding corporation and loans from subsidiaries at variable rates.

The Group's and the Company's borrowings at variable rates are denominated mainly in Singapore Dollars ("SGD"). If the SGD interest rates had been higher/lower by 1% (2014: 1%) with all other variables including tax rate being held constant, the Group's profit after tax would have been lower/higher by $86,000 (2014: higher/lower by $981,000) as a result of higher/lower interest income from loans to ultimate holding corporation, an associated company and joint ventures and higher/lower interest expense on borrowings. If the SGD interest rates had been higher/lower by 1% (2014: 1%) with all other variables including tax rate being held constant, the Company's profit after tax would have been higher/lower by $1,408,000 (2014: $1,370,000), as a result of higher/lower interest income on loan to subsidiaries, joint ventures and ultimate holding corporation and higher/lower interest expense on loan from subsidiaries.

(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 major classes of financial assets of the Group and of the Company are bank deposits and trade receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit standing and history, and obtaining sufficient collateral or buying credit insurance where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Trade receivables are provided for when management has assessed that the amount owing by a customer is unlikely to be repaid due to financial difficulties faced by the customer. Management may also consider making a provision where the likelihood of recoverability of an amount in dispute with a customer is assessed to be low after seeking legal advice from professional advisors.

Before accepting any new customer, the Group will assess 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 engage with the customer to resolve the causes of the overdue payment.

There are three (2014: four) external customers which individually represent more than 5% of the Group's and 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 balance sheet. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

33. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Credit risk (cont'd)

(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 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.

Financial assets past due but not impaired relate to trade receivables. The age analysis of trade receivables past due but not impaired is as follows:

	Group		Company	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**
Past due over 3 months	**219**	995	**219**	873
	219	995	**219**	873

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	
	2015 $'000	**2014 $'000**
Past due over 3 months	**2,115**	1,967
Less: Allowance for impairment	**(2,115)**	(1,967)
	-	-
Balance at beginning of financial year	**1,967**	1,965
Currency translation difference	**148**	2
Balance at end of financial year	**2,115**	1,967

There are no (2014: Nil) impaired trade receivables as at 31 March 2015.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

33. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions at a short notice. At the balance sheet date, assets held by the Group and the Company for managing liquidity risk included cash and short-term deposits as disclosed in Note 14.

Management monitors rolling forecasts of the liquidity reserve (comprises undrawn borrowing facilities and cash and cash equivalents (Note 14)) 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 projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, 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 balance sheet 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.

	Less than 1 year	Between 2 and 5 years	Over 5 years
	$'000	**$'000**	**$'000**
Group			
At 31 March 2015			
Trade and other payables	**153,626**	**2,324**	**-**
Borrowings	**16,550**	**134,493**	**53,587**
At 31 March 2014			
Trade and other payables	141,909	3,295	-
Borrowings	6,285	44,940	2,633
Company			
At 31 March 2015			
Trade and other payables	**109,098**	**2,324**	**-**
Loans from subsidiaries	**81,544**	**-**	**-**
At 31 March 2014			
Trade and other payables	99,061	3,295	-
Loans from subsidiaries	67,647	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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 maximum consolidated gearing of 1.5 times. The Group's strategy which was unchanged from 2014, 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 networth and the maximum consolidated gearing ratio is calculated as total bank debts divided by tangible net worth.

The Group is in compliance with all externally imposed capital requirements for the financial years ended 31 March 2015 and 31 March 2014.

(e) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheets and in Note 21 to the financial statements, except for the following:

	Group		Company	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**
Loans and receivables	**384,573**	275,234	**381,712**	306,407
Financial liabilities at amortised cost	**342,429**	197,359	**192,625**	169,720

(f) Fair value measurements

The following table presents assets and liabilities 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).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

33. FINANCIAL RISK MANAGEMENT (cont'd)

(f) Fair value measurements (cont'd)

	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
Group and Company				
31 March 2015				
Assets				
Available-for-sale financial asset	**-**	**-**	**17,872**	**17,872**
	-	**-**	**17,872**	**17,872**
31 March 2014				
Assets				
Available-for-sale financial asset	-	-	17,872	17,872
	-	-	17,872	17,872

During the financial year ended 31 March 2015 there were no (2014: Nil) transfers between Level 1 to Level 3 of the fair value hierarchy.

The following table presents the changes in Level 3 instruments:

	Available-for-sale financial asset
	$'000
2015	
Beginning and end of financial year	**17,872**
2014	
Beginning of financial year	-
Purchase	17,872
End of financial year	17,872

Level 3 instruments comprise one (2014: one) unquoted equity investment as at 31 March 2015. The fair value of the available-for-sale financial asset amounting to $17,872,000 as at 31 March 2015 is determined based on the share of the investee's underlying net assets adjusted for the recent property valuation. As the valuation technique for the instrument is based on significant unobservable inputs, the instrument is classified as Level 3. The higher the underlying net assets and the property valuation, the higher the valuation of the available-for-sale financial asset.

The share of underlying net assets and property valuation adjustment as at 31 March 2015 are $17,872,000 and nil, respectively.

An independent professional valuation of the investee's property has been performed by an independent valuer, with an appropriate recognised professional qualification, and recent experience with the location and category of the property being valued. The valuation is based on the sales comparison method and income method for comparative properties. In the opinion of the directors, the valuation which was performed prior to the end of the reporting period approximates the fair value of the property as at 31 March 2015.

The fair value of the available-for-sale financial asset amounting to $17,872,000 as at 31 March 2014 is determined based on the consideration paid for the investment. As the transaction was completed on 25 March 2014, which is closed to the Group's financial year end, the Group considered the consideration to approximate the fair value of the investment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

33. FINANCIAL RISK MANAGEMENT (cont'd)

(f) Fair value measurements (cont'd)

Management of the Group performs the valuation of the Level 3 instrument. Management reviews the valuation process and results at each financial year end.

The carrying amounts less impairment provision of trade and other receivables and payables approximate their fair values. The carrying amounts of borrowings approximate their fair values.

34. IMMEDIATE AND ULTIMATE HOLDING CORPORATION

The Company's immediate and ultimate holding corporation is Boustead Singapore Limited, incorporated in the Republic of Singapore.

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

	2015 $'000	2014 $'000
Share of central management and administration expenses payable to a fellow subsidiary	**480**	480
Rental expense to a fellow subsidiary (includes shared expenses such as IT, utilities and common area usage)	**435**	514
Interest income from related parties		
- ultimate holding corporation	**(656)**	(705)
- joint venture	**(142)**	-
- associated company	**(445)**	(193)
	(1,243)	(898)

Outstanding balances at 31 March 2015 and 31 March 2014 arising from sale/purchase of goods and services, are unsecured and receivable/payable within 12 months from balance sheet date and are disclosed in Notes 16 and 25 respectively.

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	2015 $'000	2014 $'000
Wages and salaries	**2,517**	2,274
Post-retirement benefits	**56**	54
Share-based compensation expense	**121**	49
	2,694	2,377

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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) Leases: Owning and leasing of industrial facilities.

Geographically, senior management manages and monitors the business in one primary geographic area, namely Singapore.

(a) Segment revenue and results

The segment information for the reportable segments is as follows:

	Design-and-build		Leases		Elimination		Group	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**	**2015 $'000**	**2014 $'000**	**2015 $'000**	**2014 $'000**
Revenue								
External sales	**228,883**	187,303	**26,506**	21,862	**-**	-	**255,389**	209,165
Internal sales	**74,141**	26,589	**-**	-	**(74,141)**	(26,589)	**-**	-
Total revenue	**303,024**	213,892	**26,506**	21,862	**(74,141)**	(26,589)	**255,389**	209,165
Results								
Segment result	**32,846**	42,943	**15,216**	11,803	**(15,691)**	(15,792)	**32,371**	38,954
Interest income	**2,340**	915	**620**	252	**-**	-	**2,960**	1,167
Finance expense							**(1,909)**	(727)
Profit before tax							**33,422**	39,394
Income tax expense							**(8,860)**	(3,581)
Total profit							**24,562**	35,813

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. 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.

	Design-and-build		Leases		Group	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**	**2015 $'000**	**2014 $'000**
Depreciation expense	**261**	218	**3,985**	4,554	**4,246**	4,772
Gain on disposal of assets held for sale	**-**	(5,309)	**-**	-	**-**	(5,309)
Gain on disposal of subsidiaries	**-**	(79)	**-**	-	**-**	(79)
Share of loss of an associated company and joint ventures	**875**	563	**343**	9	**1,218**	572
Property related expenses	**296**	392	**6,848**	5,545	**7,144**	5,937

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

36. SEGMENT INFORMATION (cont'd)

(b) Segment assets and liabilities

	Design-and-build		Leases		Group	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**	**2015 $'000**	**2014 $'000**
Segment assets						
Segment assets	**379,419**	245,544	**217,343**	190,663	**596,762**	436,207
Investment in an associated company	**1,094**	1,172	**-**	-	**1,094**	1,172
Investments in joint ventures	**-**	-	**10,728**	4,467	**10,728**	4,467
Deferred income tax assets	**-**	-	**-**	-	**32**	-
Consolidated total assets					**608,616**	441,846
Additions to:						
- property, plant and equipment	**324**	281	**-**	-	**324**	281
- investment properties	**-**	-	**54,880**	80,593	**54,880**	80,593
- investment in an associated company	**-**	1,172	**-**	-	**-**	1,172
- investments in joint ventures	**-**	-	**6,261**	4,467	**6,261**	4,467
Segment liabilities						
Segment liabilities	**117,378**	107,637	**225,438**	93,101	**342,816**	200,738
Income tax payable/ Deferred income tax liabilities	**-**	-	**-**	-	**13,155**	10,370
Consolidated total liabilities					**355,971**	211,108

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.

All liabilities are allocated to reportable segments other than income tax payable and deferred income tax liabilities.

(c) Revenue from core businesses

	Group	
	2015 $'000	**2014 $'000**
Design-and-build	**228,883**	187,303
Leases	**26,506**	21,862
	255,389	209,165

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

36. SEGMENT INFORMATION (cont'd)

(d) Geographical information:

The Group operates primarily in Singapore and Malaysia. The Group's revenue from external customers and non-current assets (excluding available-for-sale financial asset and deferred income tax assets) by geographical locations are as follows:

	Singapore		Malaysia		Other countries		Group	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**	**2015 $'000**	**2014 $'000**	**2015 $'000**	**2014 $'000**
Revenue								
External sales	**227,996**	207,796	**26,561**	-	**832**	1,369	**255,389**	209,165
Non-current assets	**179,915**	124,536	**17**	-	**-**	-	**179,932**	124,536

(e) Information of major customers

There are two (2014: three) customers from the Group's design-and-build segment representing more than 10% of the Group's revenue. The customers contribute $97,029,000 and $26,561,000 (2014: $51,083,000, $26,051,000 and $22,963,000) respectively in revenue to the Group.

37. EVENTS OCCURRING AFTER BALANCE SHEET DATE

(a) On 1 April 2015, the Group completed the acquisition of approximately 5.27% of the total issued share capital of Perennial Tongzhou Development Pte Ltd from BSL for an approximate consideration of $20,478,000, equivalent to the carrying value of the investment recorded on BSL's balance sheet.

(b) On 23 April 2015, the Company's 15 million issued ordinary shares were sub-divided into 320 million shares and each share ranks pari passu with each other.

(c) On 28 April 2015, the Group declared interim dividends amounting to $80,000,000, which was settled by offsetting receivables from BSL (Note 37(d)).

(d) On 29 April 2015, the amount of $122,930,000 owing by BSL to the Group was settled by (i) offsetting of amounts payable by the Group to BSL amounting to $118,706,000 as at that date; and (ii) cash receipt of $4,224,000. The amounts payable by the Group to BSL comprised mainly dividends payable (Note 37(c)), consideration payable for the acquisition of five subsidiaries (Note 2), and consideration payable for a subsequent purchase of an available-for-sale financial asset from BSL.

(e) On 30 April 2015, the Company's shares were listed on the SGX-ST following a restructuring exercise of BSL (Note 2), and a distribution in specie of 48.8% of the shares of the Company held by BSL, to its shareholders.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

38. 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 Group's accounting periods beginning on or after 1 April 2015 or later periods and which the Group has not early adopted:

- **FRS 102 *Share-based Payment*** (effective for annual periods beginning on or after 1 July 2014)

  The amendment clarifies the definition of vesting condition and separately defines 'performance condition' and 'service condition'. The Group will apply this amendment from 1 April 2015, but this is not expected to have any significant impact on the financial statements of the Group.

- **FRS 103 *Business Combinations*** (effective for annual periods beginning on or after 1 July 2014)

  The standard is amended to clarify that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in FRS 32, *Financial instruments: Presentation*. The standard is further amended to clarify that all non-equity contingent consideration, both financial and non-financial, is measured at fair value at each reporting date, with changes in fair value recognised in profit and loss.

  The standard is also amended to clarify that FRS 103 does not apply to the accounting for the formation of any joint arrangement under FRS 111. The amendment also clarifies that the scope exemption only applies in the financial statements of the joint arrangement itself.

  The Group will apply this amendment for business combinations taking place on/after 1 April 2015.

- **FRS 40 *Investment Property*** (effective for annual periods beginning on or after 1 July 2014)

  The standard is amended to clarify that FRS 40 and FRS 103 are not mutually exclusive. The guidance in FRS 40 assists preparers to distinguish between investment property and owner-occupied property. Preparers also need to refer to the guidance in FRS 103 to determine whether the acquisition of an investment property is a business combination.

  The Group will apply this amendment from 1 April 2015. This amendment will not result in any changes to the Group's accounting policies but will require more disclosures in the financial statements.

- **FRS 113 *Fair Value Measurement*** (effective for annual periods beginning on or after 1 July 2014)

  The amendment clarifies that the portfolio exception in FRS 113, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts (including non-financial contracts) within the scope of FRS 39.

  The Group will apply this amendment from 1 April 2015. This amendment is not expected to have any significant impact on the financial statements of the Group.

- **Amendments to FRS 19 (R) *Employee Benefits – Defined Benefit Plans: Employee Contributions*** (effective for annual periods beginning on or after 1 July 2014)

  The amendment clarifies the accounting by entities with plans that require contributions linked only to service in each period.

  Entities with plans that require contributions that vary with service will be required to recognise the benefit of those contributions over employees' working lives. Management should consider how it will apply that model. The amendment allows contributions that are linked to service, and do not vary with the length of employee service, to be deducted from the cost of benefits earned in the period that the service is provided.

  The Group will apply this amendment from 1 April 2015. This amendment is not expected to have any significant impact on the financial statements of the Group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

38. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (cont'd)

- **FRS 108 *Operating Segments*** (effective for annual periods beginning on or after 1 July 2014)

  The standard is amended to require disclosure of the judgements made by management in aggregating operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics.

  The standard is further amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported.

  The Group will apply this amendment from 1 April 2015. This amendment will not result in any changes to the Group's accounting policies but will require more disclosures in the financial statements.

- **FRS 24 *Related Party Disclosures*** (effective for annual periods beginning on or after 1 July 2014)

  The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity ('the management entity').

  The reporting entity is not required to disclose the compensation paid by the management entity to the management entity's employees or directors, but it is required to disclose the amounts charged to the reporting entity by the management entity for services provided.

  The Group will apply this amendment from 1 April 2015. This amendment will not result in any changes to the Group's accounting policies but will require more disclosures in the financial statements.

- **FRS 115 *Revenue from Contracts with Customers*** (effective for annual periods beginning on or after 1 January 2017)

  This standard replaces FRS 18 *Revenue* and FRS 11 *Construction Contracts* and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

  The Group will apply the standard from 1 April 2017. The Group is assessing the impact of FRS 115.

- **FRS 109 *Financial Instruments*** (effective for annual periods beginning on or after 1 January 2018)

  This standard replaces the guidance in IAS 39 *Financial Instruments: Recognition and Measurement* that relates to the classification and measurement of financial assets, and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income, and fair value through profit and loss.

  The Group will apply the standard from 1 April 2018. The Group is assessing the impact of FRS 109.

39. AUTHORISATION OF FINANCIAL STATEMENTS

These consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Boustead Projects Limited on 29 June 2015.

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: Wong Yu Wei

BP Engineering Solutions Sdn Bhd
BP Lands Sdn Bhd
Suite 28-02B, Level 28
Johor Bahru City Square Office Tower
106-108 Jalan Wong Ah Fook
80000 Johor Bahru
Malaysia

Main: +60 7 207 0203
Fax: +60 7 207 0082

Director: Wong Yu Wei

BP Engineering Solutions provides technical consulting services and design-and-build expertise for industrial facilities in Malaysia.

BP Lands is an investment holding company in Malaysia.

Boustead Projects (Vietnam) Co Ltd
3A Floor, Lafayette Building
8 Phung Khac Khoan Street
Dakao 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 facilities in Vietnam.

MANAGEMENT & PRINCIPAL ACTIVITIES

Wuxi Boustead Industrial Development Co Ltd
2 Xin Mei Road
New District Wuxi
Wuxi 214028, Jiangsu Province
China

Main: +86 510 8522 7491
Fax: +86 510 8521 5921

Legal Representative: Wong Yu Wei

Wuxi Boustead Industrial Development is an investment holding company in Wuxi, China.

Boustead Funds Management Pte Ltd
82 Ubi Avenue 4, #07-01
Edward Boustead Centre
Singapore 408832

Main: +65 6748 3945
Fax: +65 6748 9250

Head: Stephen Hawkins

Boustead Funds Management provides property fund management, development management and property management services.

STATISTICS OF SHAREHOLDINGS

AS AT 18 JUNE 2015

SHARE CAPITAL

Number of ordinary shares	:	320,000,000
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	119	3.11	4,252	0.00
100 - 1,000	919	24.02	535,929	0.17
1,001 - 10,000	2,245	58.68	7,671,364	2.40
10,001 - 1,000,000	531	13.88	29,166,483	9.11
1,000,001 AND ABOVE	12	0.31	282,621,972	88.32
TOTAL	**3,826**	**100.00**	**320,000,000**	**100.00**

LOCATION OF SHAREHOLDERS

Country	No. of Shareholders	%	No. of Shares	%
SINGAPORE	3,718	97.18	317,066,614	99.08
MALAYSIA	69	1.80	1,930,059	0.60
OTHERS	39	1.02	1,003,327	0.32
TOTAL	**3,826**	**100.00**	**320,000,000**	**100.00**

STATISTICS OF SHAREHOLDINGS
AS AT 18 JUNE 2015

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	Boustead Singapore Limited	163,861,009	51.21
2	HSBC (Singapore) Nominees Pte Ltd	76,944,397	24.05
3	DBS Nominees (Private) Limited	10,677,981	3.34
4	Citibank Nominees Singapore Pte Ltd	10,433,058	3.26
5	Sang Chun Holdings Pte Ltd	7,012,860	2.19
6	Raffles Nominees (Pte) Limited	3,981,649	1.24
7	Maybank Kim Eng Securities Pte Ltd	2,644,846	0.83
8	DBSN Services Pte Ltd	1,888,636	0.59
9	Helen Tan Cheng Hoong	1,549,800	0.48
10	United Overseas Bank Nominees (Private) Limited	1,360,436	0.43
11	Yeo Ker Kuang	1,203,767	0.38
12	Wong Heng Chong	1,063,533	0.33
13	UOB Kay Hian Private Limited	999,563	0.31
14	G Pannir Selvam	757,949	0.24
15	OCBC Securities Private Limited	665,218	0.21
16	Chang Ching Chau @ Tew King Chang	638,550	0.20
17	Wong Shaw Seng Regi	620,000	0.19
18	DBS Vickers Securities (Singapore) Pte Ltd	605,035	0.19
19	Phillip Securities Pte Ltd	549,729	0.17
20	Chan Chee Weng	510,151	0.16
	Total	**287,968,167**	**90.00**

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	%	Deemed Interest	%
Wong Fong Fui	-	-	216,551,343	67.67
Boustead Singapore Limited	163,861,009	51.21	-	-

Note:

Mr Wong Fong Fui is deemed interested in 52,690,334 shares, representing 16.47% of the total issued shares of the Company, held through nominees. In addition, Mr Wong, through his nominees' holding of 33.85% of the total issued share capital of Boustead Singapore Limited ("BSL"), is deemed interested in the shares held by BSL.

SHAREHOLDINGS IN THE HANDS OF THE PUBLIC

The percentage of shareholdings in the hands of the public as at 18 June 2015 was approximately 31.69%. 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.

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 Room 328 - 329, Level 3, Suntec Singapore Convention and Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Thursday, 30 July 2015 at 10.00 a.m. to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive the audited financial statements for the year ended 31 March 2015 and the Directors' Report and the Independent Auditors' Report. **Resolution 1**

2. To re-elect Mr Chu Kok Hong @ Choo Kok Hong as a director retiring under Article 94 of the Company's Articles of Association. **Resolution 2**

3. To re-elect the following directors retiring under Article 100 of the Company's Articles of Association.

   a. Dr Tan Khee Giap **Resolution 3**
   b. Mr James Lim Jit Teng **Resolution 4**
   c. Mr Chong Lit Cheong **Resolution 5**

   Notes:
   Dr Tan Khee Giap will, upon re-election as a director of the Company, remain as the Chairman of the Nominating Committee and 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.

   Mr James Lim Jit Teng will, upon re-election as a director of the Company, remain as a member of the Audit & Risk Committee, Nominating Committee and Remuneration Committee. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

   Mr Chong Lit Cheong will, upon re-election as a director of the Company, remain as a member of the Audit & Risk Committee and Remuneration Committee. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

4. To re-elect Mr John Lim Kok Min as a director pursuant to Section 153(6) of the Singapore Companies Act. **Resolution 6**

   Note:
   Mr John Lim Kok Min will, upon re-election as a director of the Company, remain as the Chairman of the Audit & Risk Committee and member of the Nominating Committee and Remuneration Committee. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

5. To approve directors' fees of up to $244,000 for the financial year ending 31 March 2016, payable quarterly in arrears (2015: $Nil).
   [See Explanatory Note 1] **Resolution 7**

6. 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 8**

AS SPECIAL BUSINESS

To consider and, if thought fit to pass with or without modifications, the following ordinary resolutions:

7. **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,

NOTICE OF ANNUAL GENERAL MEETING

BOUSTEAD PROJECTS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199603900E)

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

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

provided that:

(i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed twenty per cent (20%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below);

(ii) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("SGX-ST")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this resolution is passed, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this resolution is passed; and

(b) any subsequent bonus issue or consolidation or subdivision of shares;

(iii) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(iv) (unless revoked or varied by the Company in general meeting) the authority conferred by this resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

[See Explanatory Note 2] **Resolution 9**

8. To transact any other business of the Company which may arise.

By Order of the Board

Eng Min Geok
Company Secretary
10 July 2015

NOTICE OF ANNUAL GENERAL MEETING

BOUSTEAD PROJECTS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199603900E)

Explanatory Notes on Ordinary and Special Businesses to be transacted

1. The Ordinary Resolution 7 is to allow the Company to pay directors' fees to all independent non-executive directors in arrears on a quarterly basis.

2. The Ordinary Resolution 9 is to enable the directors to issue shares in the Company up to 50% of the total number of issued shares excluding treasury shares 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 treasury shares in the capital of the Company) for such purposes as they consider to be in the interests of the Company.

Notes:

(1) A shareholder of the Company entitled to attend and vote at the Annual General Meeting of the Company ("AGM") may appoint not more than two (2) proxies to attend and vote in his/her 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 shareholder of the Company.

(2) 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.

(3) 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.

(4) A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 48 hours before the time fixed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.

PROXY FORM

BOUSTEAD PROJECTS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199603900E)

Annual General Meeting to be held on
30 July 2015 at 10.00 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. 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.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

I/We

of

being a member/members of the above-named Company, hereby appoint Mr/Mrs/Ms

Name	Address	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	Proportion of Shareholdings (%)

as my/our proxy/proxies to vote for me/us on my/our behalf and if necessary to demand a poll at the Annual General Meeting of the Company to be held on Thursday, 30 July 2015 at 10.00 a.m. and at any adjournment thereof in the manner indicated below:

	Ordinary Resolutions:	For	Against
Resolution 1	To receive the audited financial statements for the year ended 31 March 2015 and the Directors' Report and the Independent Auditors' Report.		
Resolution 2	To re-elect Mr Chu Kok Hong @ Choo Kok Hong as a director of the Company.		
Resolution 3	To re-elect Dr Tan Khee Giap as a director of the Company.		
Resolution 4	To re-elect Mr James Lim Jit Teng 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 Mr John Lim Kok Min as a director of the Company.		
Resolution 7	To approve directors' fees of up to $244,000 for the year ending 31 March 2016, payable quarterly in arrears.		
Resolution 8	To re-appoint Messrs PricewaterhouseCoopers LLP as auditors of the Company and to authorise the directors to fix their remuneration.		
Resolution 9	To authorise the directors to allot and issue shares pursuant to Section 161 of the Singapore Companies Act.		

(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 ____________ 2015

Total number of shares held	

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 of the Company entitled to attend and vote at the above meeting may appoint one or two proxies to attend and vote in his/her stead. Such proxies need not be a member of the Company.

2. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

3. This instrument of proxy must be signed by the appointer or his/her duly authorised attorney or, if the appointer is a body corporate, signed by a duly authorised officer or its attorney or affixed with its common seal thereto.

4. A body corporate which is a member may also appoint by resolution of its directors or other governing body an authorised representative or representatives in accordance with its Articles of Association and Section 179 of the Singapore Companies Act to attend and vote for and on behalf of such body corporate.

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 Annual General Meeting ("AGM").

6. Please insert in the space provided the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Singapore Companies Act), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this instrument of proxy shall be deemed to relate to all the shares held by you.

7. The Company shall be entitled to reject an instrument of proxy if it is incomplete, not properly completed, or illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified on the instrument of proxy. In addition, in the case of a member whose shares are deposited with The Central Depository (Pte) Limited ("CDP"), the Company may reject any instrument of proxy lodged if such member is not shown to have shares entered against his/her name in the Depository Register as at 48 hours before the time fixed for holding the above AGM, as certified by CDP to the Company.

8. 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.

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BOUSTEAD PROJECTS LIMITED
Company Registration No.: 199603900E

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