

PROGRESSIVE REPUTATION

Annual Report 2021



BOUSTEAD[®]

Projects

PROGRESSIVE REPUTATION

What has contributed to establishing Boustead Projects' progressive reputation?

Our answer rests on the Boustead Projects Team and our deep commitment to constantly pioneering innovative real estate solutions that continue to advance and shape Asia's built environment sector, designed to meet Industry 4.0 transformation standards, while simultaneously minimising emissions and resource wastage.

FY2021 has been a milestone year, in which we delivered a record profit attributable to shareholders – crossing the S\$100 million mark for the first time and finishing 493% higher year-on-year at S\$131.7 million. This significant accomplishment was underpinned by the successful launch of Boustead Industrial Fund (“BIF”), a value-unlocking event that had been anticipated by shareholders and which we prioritised to deliver. BIF represents our maiden full-fledged private real estate trust. Strategically, BIF has transformed our business model and integrated platform that unites all parts of the industrial real estate value chain – from value-added capabilities spanning engineering & construction (“E&C”), real estate development and asset management services to fund management services. Nonetheless, hidden beneath this achievement was an environment fraught with the toughest challenges that we have had to face as an organisation, brought on by the COVID-19 pandemic.

Under the guidance of our senior leadership team, significant sacrifices were made and deep experience tapped upon to coordinate business continuity activities in this complex environment. The team remained committed to meeting the challenges head on.

Technology continued to play a key role in mitigating risks associated with the pandemic, allowing for highly collaborative activities including integrated digital delivery (“IDD”), design, value engineering and construction to be conducted in a productive and safe manner. During FY2021, our IDD team continued to push forward with transformative technologies implementation and strengthened value propositions in 7D building information modelling by utilising 3D scanning, artificial intelligence and machine learning, augmented reality and virtual reality, data analytics and drone technology.



Cover-to-Cover – See the Bigger Picture

This year, Boustead Projects Limited shares about our progressive reputation, while Boustead Singapore Limited shares about their globally enduring brand.



Scan or download the Annual Report at www.bousteadprojects.com.



Corporate Profile

Established in 1996 and listed on the SGX Mainboard, Boustead Projects Limited (SGX:AVM) is a leading provider of innovative real estate solutions with a regional presence across Singapore, China, Malaysia and Vietnam. Our core businesses are uniquely integrated to support the business park and industrial real estate ecosystem, comprising:

- Turnkey engineering, full-fledged integrated digital delivery (“IDD”), and project and construction management encompassing design-and-build;
- Real estate development, asset and leasing management; and
- Real estate fund management including being the sponsor and manager of Boustead Industrial Fund, a scalable private real estate trust platform for business park, logistics and industrial properties, and joint owner of Echo Base-BP Capital Pte Ltd, an Asia-centric fund management and services platform focused on smart buildings and integrated developments.

To date, we have constructed and/or developed more than 3,000,000 square metres of real estate for clients including Fortune 500, S&P 500 and Euronext 100 corporations, across diverse sectors like aerospace, business park, food, healthcare and pharmaceutical, high-tech manufacturing, logistics, research & development, technology and waste management, among others. Under the Boustead Development Partnership with a reputable Middle East sovereign wealth fund, we have developed or redeveloped more than half a million square metres of real estate in Singapore including landmark developments like ALICE@Mediapolis and GSK Asia House.

Our in-house capabilities are backed by core engineering expertise, the progressive adoption of transformative methodologies including full-fledged IDD and Industry 4.0 technologies and augmented by strategic partnerships which enable the co-creation of smart, eco-sustainable and future-ready developments. Our wholly-owned engineering & construction subsidiary in Singapore, Boustead Projects E&C Pte Ltd (“BP E&C”) is the eco-sustainability leader in pioneering Green Mark Platinum-rated new private sector industrial developments under the Building & Construction Authority (“BCA”) Green Mark Programme and a national champion of best practices for quality, environmental and workplace safety and health (“WSH”) management. BP E&C’s related achievements include being the quality leader on the BCA CONQUAS all-time top 100 industrial projects list, one of only eight bizSAFE Mentors and also bizSAFE Star, receiving numerous awards for exemplary WSH performance.

We were also awarded the Singapore Corporate Governance Award in the Newly Listed Category at the Securities Investors Association (Singapore) Investors’ Choice Awards 2017 and are one of only 92 SGX-listed corporations on the SGX Fast Track Programme – which aims to affirm listed issuers that have been publicly recognised for high corporate governance standards and for maintaining a good compliance track record – with prioritised clearance for their corporate action submissions. We are also listed on the MSCI World Micro Cap Index and FTSE ST Fledgling Index.

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

Visit us at www.bousteadprojects.com.

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**ENGINEERING &
CONSTRUCTION**

PROGRESSIVE METHODOLOGIES

Boustead Projects has delivered progressive methodologies as Singapore's pioneer of the design-and-build and design-build-and-lease methodologies for the industrial real estate sector, and as a transformative technologies innovator in Asia's built environment sector.





Perspective for Fortune 500 technology corporation's advanced integrated high-tech manufacturing and office facility, Malaysia.

TRACK RECORD

Our engineering & construction business has delivered:



21%
of all BCA Green Mark
Platinum-rated new
private sector industrial
developments.



10%
of the BCA CONQUAS
all-time top 100 industrial
projects list.

Our full-fledged integrated digital delivery approach is guided by Industry 4.0 transformation standards and incorporates 7D building information modelling, virtual design and construction, and design for manufacturing and assembly. Our progressive adoption of transformative technologies – known as ConTech and PropTech – includes 3D scanning, artificial intelligence and machine learning, augmented reality and virtual reality, data analytics and drone technology. These market-leading capabilities are complemented by our green building credentials and supported by robust quality, environmental, health and safety management systems.

Company Announcement



**BOUSTEAD REAL ESTATE DIVISION
SUCCESSFULLY COMPLETES TRANSACTIONS FOR
TRANSFORMATIONAL BOUSTEAD INDUSTRIAL FUND**

Capitalised terms used herein, unless otherwise defined, shall have the meanings ascribed to them in Boustead Projects Limited's circular to shareholders relating to the establishment of Boustead Industrial Fund dated 5 February 2021 including (i) the Proposed Transactions (comprising the Proposed Subscription and the Proposed Divestment) and (ii) the assignment of the BIP-SF Transferred Loan to the Company pursuant to the Relevant Loan Transaction.

SINGAPORE, 4 MARCH 2021

Boustead Singapore Limited ("Boustead") – a progressive global infrastructure-related engineering and technology group – is pleased to announce that its Real Estate Division under 53%-owned SGX Mainboard-listed Boustead Projects Limited ("Boustead Projects") has successfully completed the Proposed Transactions (comprising the Proposed Initial Subscription and the Proposed Divestment) (the "Completion") in connection with the establishment of Boustead Industrial Fund ("BIF"), following unanimous shareholder approval that was received at Boustead Projects' recent extraordinary general meeting held on 25 February 2021 and the completion of conditions precedent contained in the agreements entered into in connection with the Proposed Transactions. BIF sets the stage for Boustead Projects to build upon a transformational business model and integrated platform uniting all parts of the business park and industrial real estate value chain – from value-added capabilities in real estate engineering & construction, development and asset management services to fund management services.

BIF is Boustead Projects' maiden scalable private business trust, which following the Completion, has acquired full or partial interests in 14 properties seeded by Boustead Projects and its joint venture partners. The total market valuation of these properties is S\$511.3 million and their envisaged total consideration is S\$519.9 million (assuming BIF had acquired 100% interest in all 14 properties).

At the same time, Boustead Projects, through its wholly-owned subsidiary, BIP-Real Estate Investment Pte Ltd, now holds 25% of the Units and Notes in BIF, with the Company's wholly-owned subsidiary, Boustead Industrial Fund Management Pte Ltd holding the role of Fund Manager of BIF. The other initial investors also completed the necessary steps to subscribe for the Units and Notes in BIF, with AP SG 21 Pte Ltd and Metrobil Construction Pte Ltd now holding 49% and 26% respectively of the Units and Notes in BIF.

The successful launch of BIF has unlocked value from Boustead Projects' leasehold portfolio, which will enable Boustead Projects to recycle capital towards strategic plans. With the Completion, Boustead Projects raised gross proceeds of S\$329.4 million which have been applied to the following activities:

- About S\$95.8 million spent to discharge Boustead Projects' bank loans and existing encumbrances on the properties transferred to BIF, essentially extinguishing almost all of the borrowings on the Company's balance sheet, which will have a similar effect of extinguishing almost all of the borrowings on the Boustead Group's balance sheet;
- About S\$72.7 million spent on the Proposed Subscription; and
- About S\$20.5 million allocated for other agreed costs including professional, legal, rectification and other potential top-ups, along with associated taxes.

Boustead Projects intends to apply the remaining balance of S\$139.4 million towards the pursuit of its growth strategies and the expansion of its businesses in Singapore and overseas, general corporate and working capital requirements, along with the potential declaration of a special dividend.

For the full details of BIF, please refer to Boustead Projects' circular to its shareholders dated 5 February 2021, Boustead Projects' announcement dated 9 February 2021 titled 'Frequently Asked

REAL ESTATE

ENDURING
VALUE

Boustead Projects has delivered enduring value, in line with the *Boustead Way* and our aim to continue creating sustainable shared socio-economic value.





TRACK RECORD

Our real estate business has delivered:



\$1.3 billion

in total market valuation of completed and development pipeline in our leasehold portfolio.



\$134.8 million

in value-unlocking transaction one-off gain from BIF.

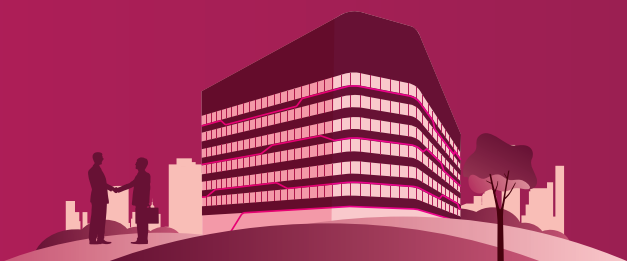
Boustead Projects' constantly evolving business model has allowed for the development of multiple recurring, long-term income streams. Our market-leading capabilities have expanded to include development management, asset management and fund management including the recent successful launch of Boustead Industrial Fund ("BIF"), our maiden full-fledged private real estate trust.



STRATEGIC PARTNERSHIPS & INVESTMENTS

REPUTABLE PARTNERSHIPS

Boustead Projects has delivered reputable strategic partnerships, enhancing our resilience, competitive position and geographic expansion across Asia – along with that of our strategic partners.





— Perspective for Razer SEA HQ, one-north, Singapore.

Working with like-minded, reputable and resilient strategic partners on several fronts has allowed us to pool our complementary capabilities and expertise to take on larger-scale projects and broaden our offerings to clients, while simultaneously reducing commercial and operational risks related to a particular geographic market, industry sector or real estate sector. Activities under strategic partnerships also create value in our engineering & construction and real estate businesses.

TRACK RECORD

Our strategic partnerships have delivered:



Enhanced capabilities

in development, real estate trust and management, and ConTech and PropTech.



Thousands of mentorships

through our role as one of only eight bizSAFE Mentors, helping subcontractors to strengthen workplace safety, health and security standards, and improve their sustainability.

Mission, Vision & Business Model

The **Boustead Way**

The **Boustead Way** prioritises the pursuit of business with a greater purpose. It is about creating sustainable shared socio-economic value versus maximising short-term profit; promoting adaptability and resilience; and favouring longevity over sentimentality. It is a position, a value, a commercial sensibility that runs through every layer of our organisation.

Mission

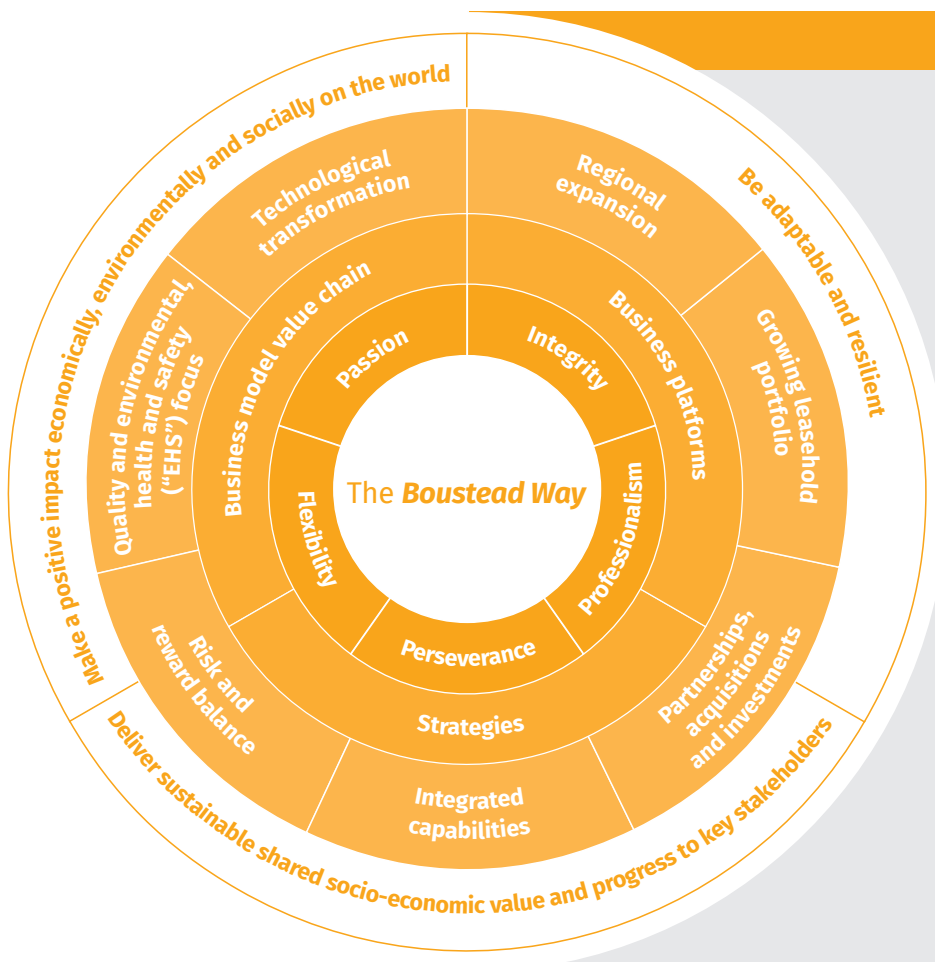
To provide technology-driven design, engineering and delivery of end-to-end smart eco-sustainable real estate solutions that can be deployed in any sector and market.

Vision

To be the leading provider of innovative real estate solutions in Asia, offering a full suite of smart eco-sustainable solutions that enhance built environments and ecosystems.

Business Model

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



BUSINESS PLATFORMS

Positioning and presence

- ▶ Extensive capabilities spanning engineering & construction, development management, asset management and fund management
- ▶ Successful spotting and positioning on global megatrends
- ▶ Growing Asian presence with local market knowledge
- ▶ Broad coverage of sectors, with clients among world's best corporations

Performance

- ▶ Market leader in Singapore with extensive track record in delivering best-in-class projects
- ▶ Green Mark Platinum industrial leader with firsts in heavy industry, aerospace sector and logistics sector categories and first Green Mark Platinum – Super Low Energy large-scale business park and industrial development
- ▶ CONQUAS all-time top 100 industrial projects quality leader
- ▶ Developer of Singapore's first truly smart business park development
- ▶ Developer, manager and owner of growing leasehold portfolio
- ▶ Commitments to quality and EHS performance

People

- ▶ Top engineering & construction team for advanced eco-sustainable business park and industrial developments
- ▶ Empowering culture
- ▶ Fair and non-discriminatory employment
- ▶ Ability to attract, develop, motivate and retain talent
- ▶ Industry technical experts

STRATEGIES

Regional expansion

Our expansion into fast-growing Asian markets rides upon in-depth domain expertise, leading market sector positions and a diversified track record in delivering over 3,000,000 square metres of real estate.

Integrated capabilities

Our integrated suite of capabilities – spanning engineering & construction, development management, asset management and fund management – are aimed at helping clients to achieve highly effective and cost competitive solutions that raise efficiency and multi-decade building lifecycle sustainability.

Technological transformation

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

Growing leasehold portfolio

Our growing leasehold portfolio of both wholly-owned and jointly-owned properties contribute recurring, long-term income streams.

Risk and reward balance

We are vigilant in ensuring that our strategies to enhance stakeholders' shared socio-economic value are well-supported by sound risk management.

Partnerships, acquisitions and investments

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

Quality and EHS focus

We strive to achieve the highest standards in quality and workplace EHS, building on our growing achievements under the Building & Construction Authority Construction Quality Assessment System, Green & Gracious Builder Scheme and Green Mark Programme and the Workplace Safety & Health Council bizSAFE Programme.

Business Model Value Chain

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

Design smart eco-sustainable solutions including Green Mark Platinum-rated and LEED-rated developments that meet Industry 4.0 transformation standards

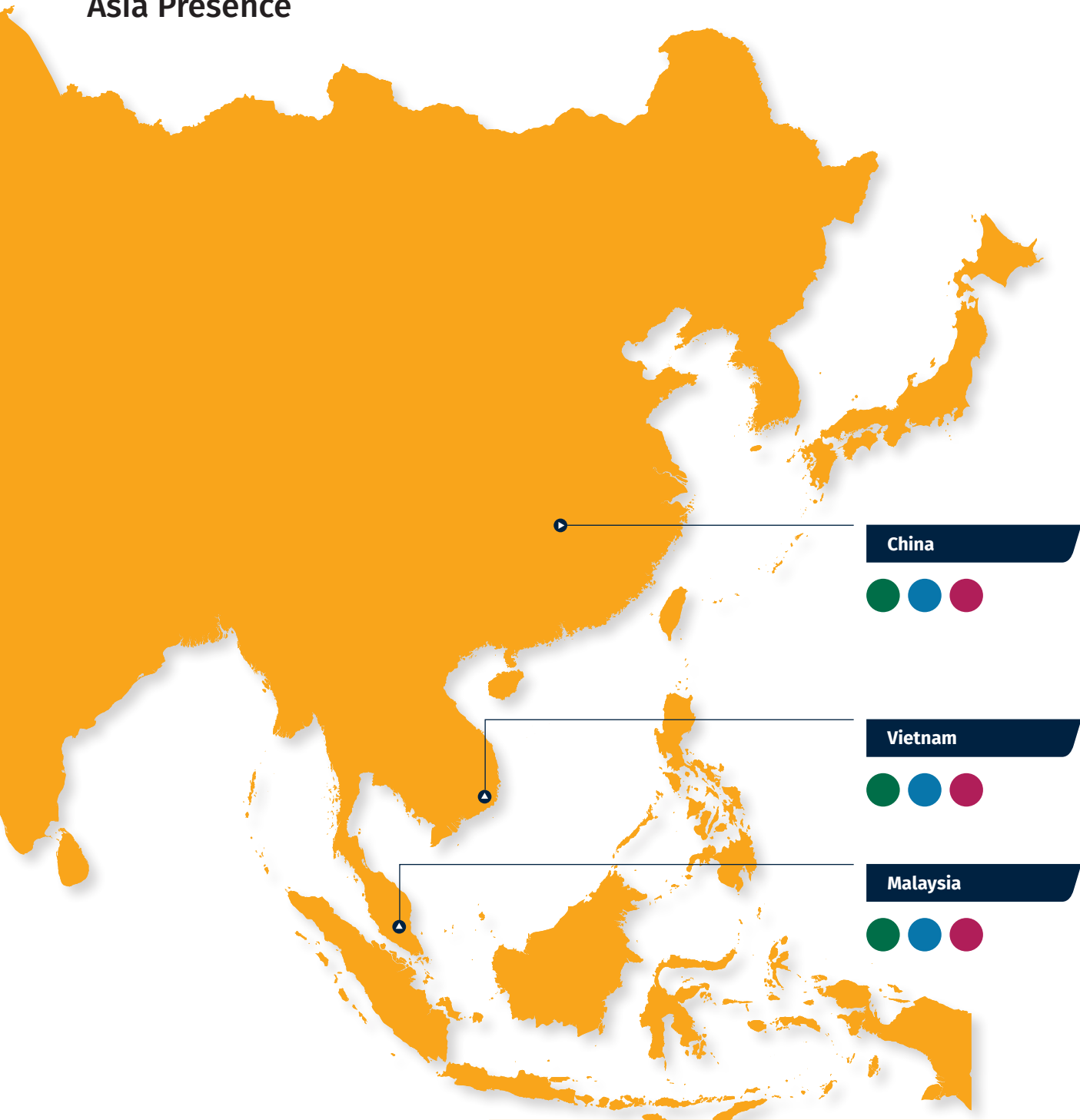
Commit to operational excellence through undertaking design, value engineering, project management, construction management, quality and EHS supervision, development management, asset management and fund management

Deliver efficiency, performance and socio-economic value to clients

Generate revenue, profit and cash flow in a sustainable manner

Be adaptable and resilient, deliver sustainable shared socio-economic value and progress, and make a positive impact on the world

Asia Presence



Engineering & Construction



Real Estate



Strategic Partnerships & Investments

Business



	Engineering & Construction	Real Estate
Singapore	●	●
China	●	●
Malaysia	●	●
Vietnam	●	●
Rest of Asia		



Strategic Partnerships

Development Partnerships					Real Estate Trusts and Management Partnerships			Technology Partnerships		
BP Malaysia Airports Subang Aerotech Sdn Bhd	The Platform-Hanwha ARESF Fund No 1	Boustead Development Partnership	THAB Development Sdn Bhd	Perennial Holdings Pte Ltd	Boustead Industrial Fund	Boustead & KTG Industrial Management Co Ltd	Echo Base-BP Capital Pte Ltd	DSCO Group Holdings Pte Ltd	Getronics Solutions (S) Pte Ltd	Sunseap Leasing Pte Ltd
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Group at a Glance

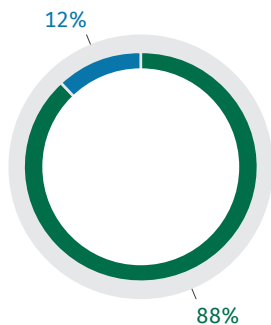
Overall Financial Performance

Group Revenue

S\$301.4 million

FY2020: S\$426.2 million

Year-on-year: ▼ 29%

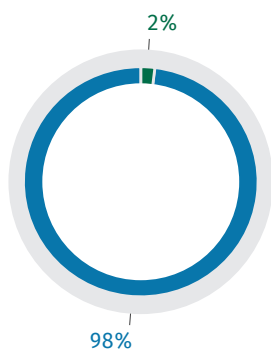


Group Profit Before Income Tax

S\$140.6 million*

FY2020: S\$27.5 million

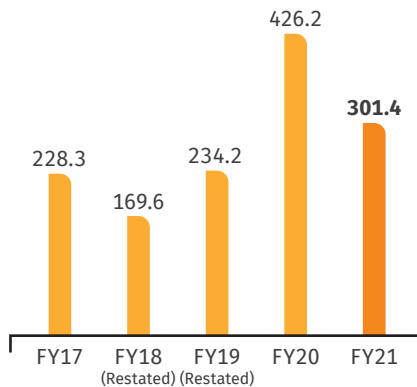
Year-on-year: ▲ 412%



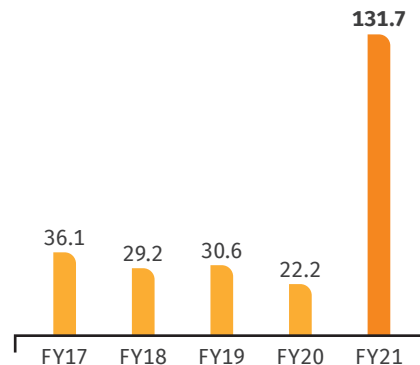

Engineering &
Construction


Real Estate

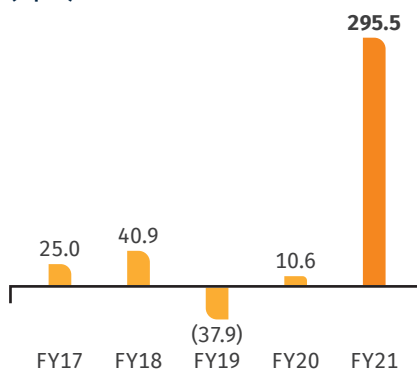
Group Revenue (S\$m)



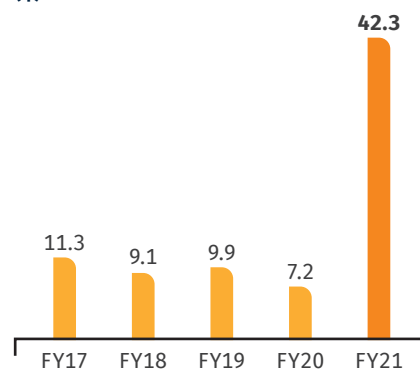
Group Net Profit (S\$m)



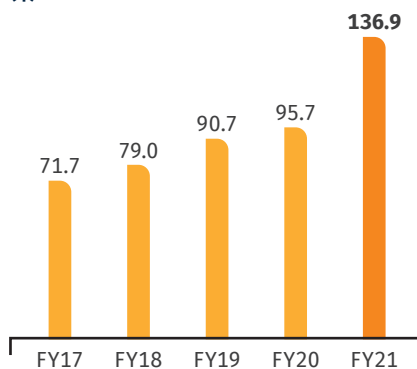
Net Cash/(Debt) Position (S\$m)



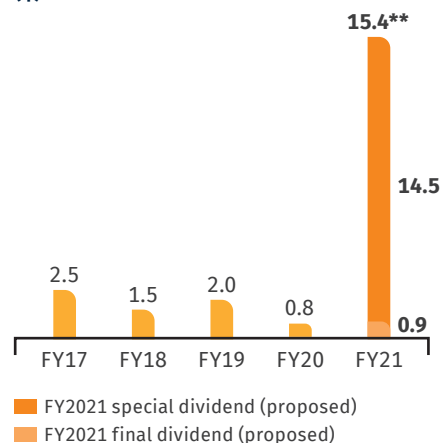
Basic Earnings per Share (¢)



Net Asset Value per Share (¢)



Gross Dividend per Share (¢)



* Includes Boustead Industrial Fund's value-unlocking transaction one-off gain of S\$134.8 million.

** Includes final dividend of 0.9 cents per share and special dividend of 14.5 cents per share.

	FY2017 S\$'000	FY2018 S\$'000 (Restated)	FY2019 S\$'000 (Restated)	FY2020 S\$'000	FY2021 S\$'000
Revenue and Profits					
Revenue	228,307	169,635	234,223	426,224	301,405
Gross profit	58,521	59,274	47,339	51,935	17,567
Profit before income tax	44,874	35,452	35,675	27,455	140,564
Total profit	36,249	29,151	30,578	22,125	131,642
Profit attributable to equity holders of the Company	36,098	29,151	30,578	22,212	131,688
Cash dividends	(7,992)	(4,640)	(6,213)	(2,491)	*(47,898)
Statement of Financial Position					
Equity attributable to equity holders of the Company	229,378	244,101	281,030	297,372	425,856
Non-controlling interests	-	-	-	(87)	(133)
Capital Employed	229,378	244,101	281,030	297,285	425,723
Trade receivables (non-current)	-	4,619	10,759	19,850	20,211
Other receivables and prepayments (non-current)	6,064	2,651	2,267	1,837	60,374
Investments in associates	-	588	-	3,449	4,671
Investments in joint ventures	32,354	37,148	40,673	60,707	70,123
Intangible assets	-	-	121	115	110
Available-for-sale financial assets (non-current)	20,519	20,519	-	-	-
Financial assets, at fair value through other comprehensive income	-	-	31,426	31,315	31,421
Investment properties	134,796	128,827	182,118	176,713	82,588
Property, plant and equipment	812	780	913	9,699	9,271
Right-of-use assets (non-current)	-	-	-	2,008	1,138
Finance lease receivables (non-current)	-	-	-	21,765	20,794
Net deferred income tax (liabilities)/assets	(3,077)	(3,770)	(778)	(431)	7,515
Net current assets	112,942	121,566	97,860	89,593	213,326
Non-current liabilities (excluding deferred income tax liabilities)	(75,032)	(68,827)	(84,329)	(119,335)	(95,819)
Assets Employed	229,378	244,101	281,030	297,285	425,723
Financial Statistics					
Operating profit over turnover (%)	19.7	20.9	15.2	6.4	46.6
Return on equity (%) (Note 1)	15.7	11.9	10.9	7.5	30.9
Gross dividend per share (¢)	2.5	1.5	2.0	0.8	**15.4
Dividend cover (times)	4.5	6.1	5.0	9.0	**2.7
Basic earnings per share (¢) (Note 2)	11.3	9.1	9.9	7.2	42.3
Net asset value per share (¢) (Note 3)	71.7	79.0	90.7	95.7	136.9
Debt-to-equity (%) (Note 4)	38.5	28.9	52.0	39.7	0.6
Loan-to-valuation (%) (Note 5)	25.1	20.4	34.3	31.8	0.0
Interest coverage (times) (Note 6)	21.8	21.4	17.6	15.0	156.1

Notes:

- Based on profit attributable to equity holders of the Company divided by equity attributable to equity holders of the Company.
- Based on profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares in issue during the financial year ended 31 March.
- Based on equity attributable to equity holders of the Company divided by the number of ordinary shares in issue at the end of the financial year ended 31 March.
- Based on total borrowings divided by total equity.
- Based on total secured borrowings divided by the combined independent professional valuations of properties held for sale and investment properties.
- Based on profit before depreciation, amortisation, interest and income tax divided by interest expense on borrowings.

Group at a Glance

Business Financial Performance



ENGINEERING & CONSTRUCTION

Our engineering & construction (“E&C”) business (previously known as design-and-build business) provides turnkey engineering, project and construction management services encompassing design-and-build methodologies for the industrial real estate sector, helping to advance and shape Asia’s built environment sector. We offer clients innovative real estate solutions for custom-built, smart, eco-sustainable and future-ready business park and industrial developments.

We have constructed and developed more than 3,000,000 square metres of real estate in Singapore, China, Malaysia and Vietnam for clients including Fortune 500, S&P 500 and Euronext 100 corporations across diverse sectors.

Segment Revenue

S\$264.7 million

FY2020: S\$391.9 million
Year-on-year: ▼ 32%

Segment Profit before Income Tax

S\$3.1 million*

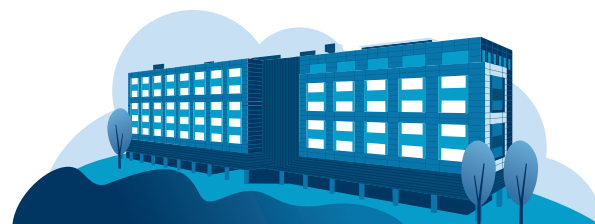
FY2020: S\$19.6 million
Year-on-year: ▼ 84%

Segment Contracts Secured

S\$178 million

FY2020: S\$93 million
Year-on-year: ▲ 91%

[Read more on pages 26 to 31.](#)



REAL ESTATE

Our real estate business provides hybrid solutions in which we assume dual roles as the developer-owner of leasehold properties, along with that of E&C partner to deliver custom-built, smart, eco-sustainable and future-ready business park and industrial developments. Our market-leading capabilities have since expanded to include development management, asset management and fund management services, providing us with additional recurring, long-term income streams.

We have developed and grown a leasehold portfolio consisting of advanced business park and industrial developments leased to a group of reputable end-user clients in Singapore, China, Malaysia and Vietnam. We also recently launched Boustead Industrial Fund (“BIF”), our maiden full-fledged private real estate trust.

Segment Revenue

S\$36.7 million

FY2020: S\$34.3 million
Year-on-year: ▲ 7%

Segment Profit before Income Tax

S\$137.5 million**

FY2020: S\$7.9 million
Year-on-year: ▲ 1,641%

Completed Properties in Leasehold Portfolio***

23

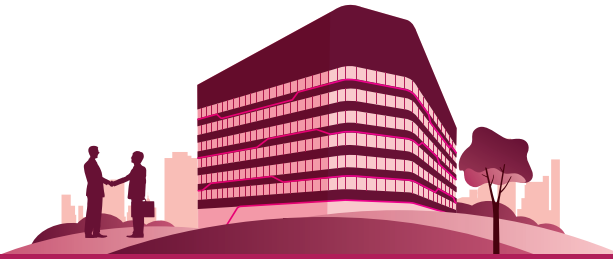
FY2020: 22

[Read more on pages 32 to 39.](#)

* Includes S\$19.9 million share of Boustead Industrial Fund (“BIF”)’s value-unlocking transaction one-off gain (“BIF Value Unlocking Gain”).

** Includes super majority share of BIF Value Unlocking Gain.

*** Includes properties held under BIF.



STRATEGIC PARTNERSHIPS & INVESTMENTS

We have established and invested in several strategic partnerships and platforms to enhance our resilience, competitive position and geographically expand across Asia. Working with like-minded, reputable and resilient strategic partners on several fronts has allowed us to pool our complementary capabilities and expertise to take on larger-scale projects and broaden our offerings to clients, while simultaneously reducing commercial and operational risks related to a particular geographic market, industry sector or real estate sector. Activities under strategic partnerships also create value in our E&C business and real estate business.

Development Partnerships

5

FY2020: 5

- BP Malaysia Airports Subang Aerotech Sdn Bhd
- The Platform-Hanwha ARESF Fund No 1
- Boustead Development Partnership
- THAB Development Sdn Bhd
- Perennial Holdings Pte Ltd

Real Estate Trusts and Management Partnerships

3

FY2020: 1

- BIF (new)
- Boustead & KTG Industrial Management Co Ltd (new)
- Echo Base-BP Capital Pte Ltd

Technology Partnerships

3

FY2020: 3

- DSCO Group Pte Ltd
- Getronics Solutions (S) Pte Ltd
- Sunseap Leasing Pte Ltd

[Read more on pages 40 to 43.](#)

Group at a Glance Socio-Economic & Sustainability Performance

“Not all profit is equal. Profits involving a social purpose represent a higher form of capitalism, one that creates a positive cycle of company and community prosperity.”

- Professor Michael Porter

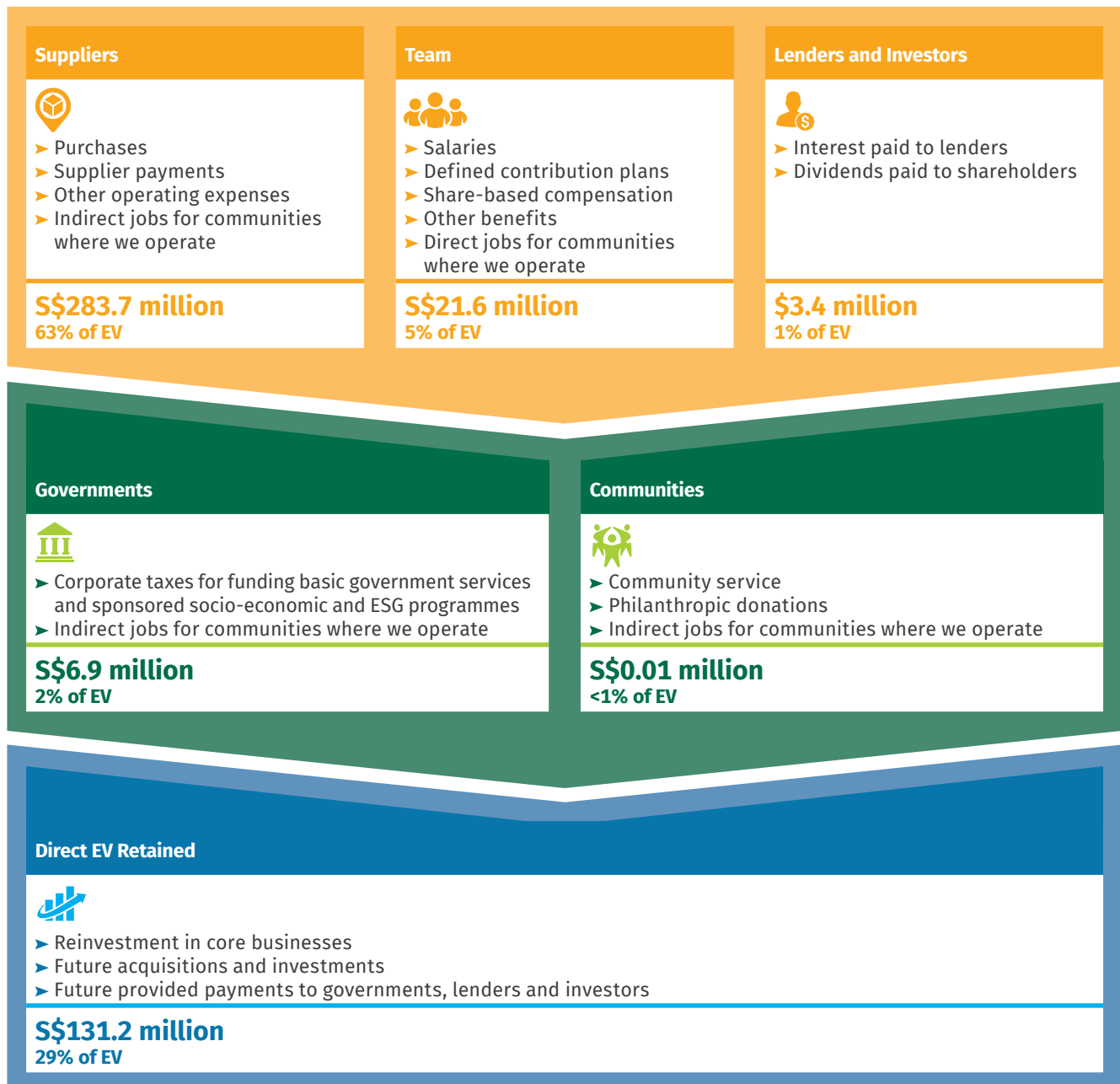
Shared Socio-Economic Value Creation and Distribution in FY2021

Over Boustead Projects’ 25 years of pioneership and contributions to the transformation of Asia’s built environment sector, we have performed our role as a trustworthy corporate citizen, building businesses with a greater purpose – creating sustainable shared socio-economic

value in the process – and developing trusting relationships with key stakeholders. We have generated and distributed tremendous direct economic value (“EV”) and environmental, social and governance (“ESG”) benefits to key stakeholders including our team, clients, partners, suppliers, lenders, shareholders, the media, governments and communities.

Our continuous profitability every year has enabled us to reinvest in creating sustainable shared socio-economic value and delivering progress to key stakeholders, laying the cornerstones for our long-term success and longevity.

In FY2021, S\$446.8 million in direct EV was generated, which was shared among key stakeholders as shown here.



Transformative Technologies Deployment

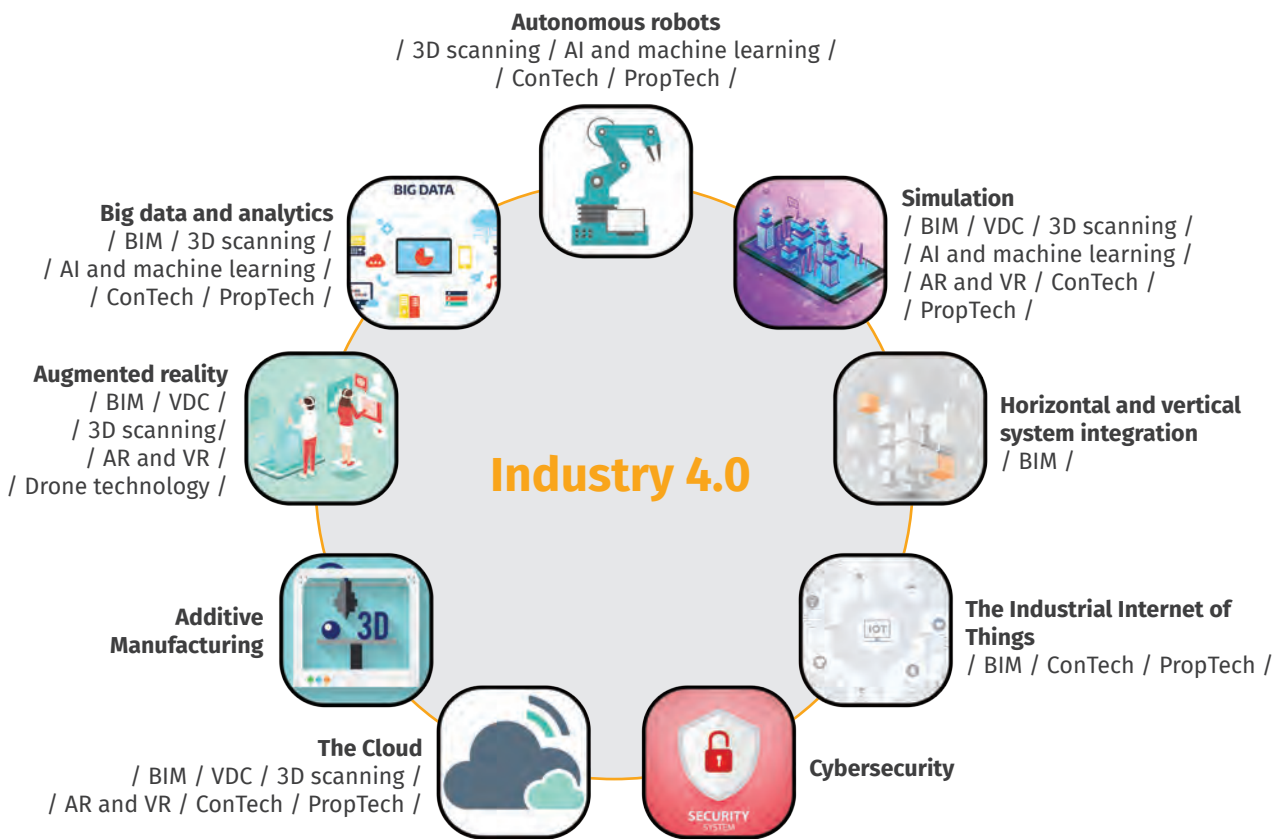
According to Boston Consulting Group (“BCG”), Industry 4.0 – the fourth industrial revolution – is a transformation that makes it possible to gather and analyse data across machines, enabling faster, more flexible and more efficient processes to produce higher quality goods at reduced costs. This will increase productivity, shift economics, foster industrial growth and modify the profile of the workforce and ultimately change the competitiveness of organisations and regions. BCG went

on to name nine technologies that are transforming industrial production as shown below. We have overlaid our already implemented technologies in seven of these areas.

For 25 years, we have been a pioneering force in Singapore’s industrial real estate sector, demonstrating pioneering and transformation in business model and activities including design-and-build (1996), design-build-and-lease (2003), advanced eco-sustainable buildings (2009) and integrated digital delivery (“IDD”) (2017), among others.

As the latest capability in our pioneering approach, our full-fledged IDD approach is guided by Industry 4.0 transformation standards and deploys digitalisation and Cloud-based platforms for 7D building information modelling (“BIM”), virtual design and construction (“VDC”), and design for manufacturing and assembly (“DfMA”). Our progressive adoption of transformative technologies – known as ConTech and PropTech – includes 3D scanning, artificial intelligence (“AI”) and machine learning, augmented reality (“AR”) and virtual reality (“VR”), data analytics and drone technology.

Transformation Initiatives Overlay on Nine Technologies of Industry 4.0



Group at a Glance

Socio-Economic & Sustainability Performance

Environmental, Social and Quality Contributions

Eco-sustainable solutions in action






Under the Building & Construction Authority (“BCA”) Green Mark Programme, we have delivered numerous Green Mark Platinum-

rated business park and industrial developments which continue to provide significant shared economic and ESG benefits to our clients every year and contribute positively to



the environment and community ecosystems around them. In FY2021, our clients and their surrounding ecosystems enjoyed estimated benefits as shown here.



Green Mark Platinum Ratings	Attained in			+	Green Mark Platinum Ratings Attained Prior to FY2019	=	Estimated Annual Savings
	FY2019	FY2020	FY2021				
Number of Green Mark Platinum-rated buildings	1 building	3 buildings	1 building		8 buildings		13 buildings
Energy savings in gigawatt-hours (“GWh”)	1.6 GWh	7.0 GWh	4.2 GWh		34.5 GWh		48.3 GWh

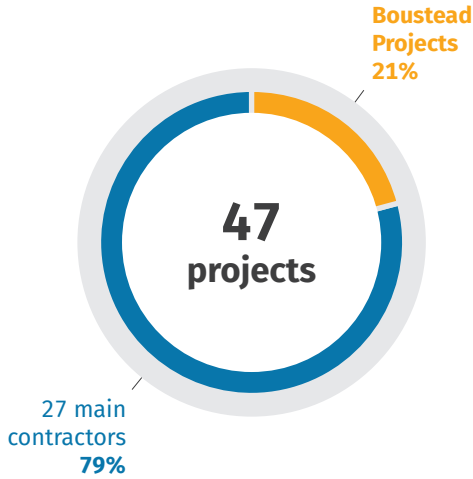
Also equivalent to:				
 Electricity used by 11,206 Singapore homes	 Removing 7,433 cars from the road	 Reducing 79,231 barrels of oil consumed	 CO ₂ stored by 169 square kilometres of forest	 S\$11.4 million in electricity tariff savings

Water savings in cubic metres (“m ³ ”)						
4,390 m ³	44,580 m ³	677 m ³	+	82,715 m ³	=	132,362 m ³

Also equivalent to:	
 Water used to fill 52 Olympic size swimming pools	 S\$0.2 million in water tariff savings

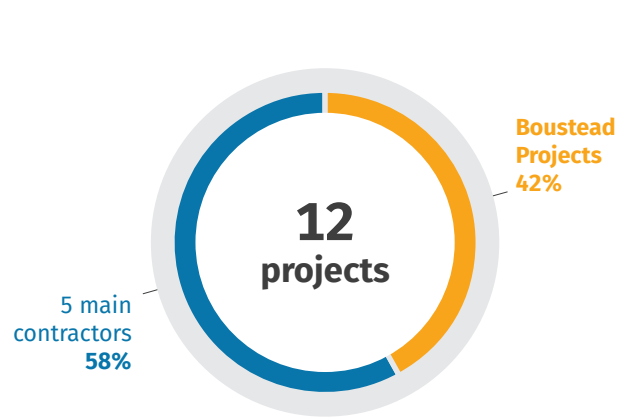
Note: Calculations are based on BCA Green Mark Programme assessments at the time when the Green Mark Platinum was awarded to a specific building, with the main conversion calculations based on the Energy Market Authority’s Singapore Energy Statistics 2020 and PUB’s Water Price Revisions 2017. Other supplementary conversion calculations are based on the US Environmental Protection Agency’s greenhouse gas equivalencies calculator.

Green Mark Platinum Market Share for New Private Sector Industrial Developments



We have built **1 out of every 5** Green Mark Platinum-rated new private sector industrial developments.

Green Mark Platinum Market Share for New Private Sector Logistics Developments



We have built **2 out of every 5** Green Mark Platinum-rated new private sector logistics developments.

Progressive solutions leadership

2009	2011	2013	2017	2019
<p>Applied Materials Building</p> <p>Singapore's 1st Green Mark Platinum-rated development in heavy industry category</p>	<p>bizSAFE Mentor</p> <p>Singapore's 1st and only bizSAFE Mentor in industrial real estate sector (presently one of only eight bizSAFE Mentors)</p>	<p>Bolloré Green Hub</p> <p>Asia's 1st LEED Gold-rated development in logistics sector category</p>	<p>IDD platform with 7D BIM approach</p> <p>Singapore's 1st full-fledged IDD platform with 7D BIM in industrial real estate sector</p>	<p>Surbana Jurong Campus</p> <p>Singapore's 1st Green Mark Platinum – Super Low Energy-rated development in large-scale business park and industrial real estate sector category</p>
<p>2011</p> <p>Rolls-Royce Wide Chord Fan Blade Manufacturing Facility and Rolls-Royce Test Bed Facility</p> <p>Singapore's 1st Green Mark Platinum-rated developments in aerospace sector category</p>	<p>2012</p> <p>Bolloré Green Hub</p> <p>Singapore's 1st Green Mark Platinum-rated development in logistics sector category</p>	<p>2017</p> <p>XP Power</p> <p>Vietnam's 1st Green Mark-rated development in non-residential building category</p>	<p>2017</p> <p>ALICE@Mediapolis</p> <p>Singapore's 1st truly smart business park development</p>	

Group at a Glance Socio-Economic & Sustainability Performance

Quality

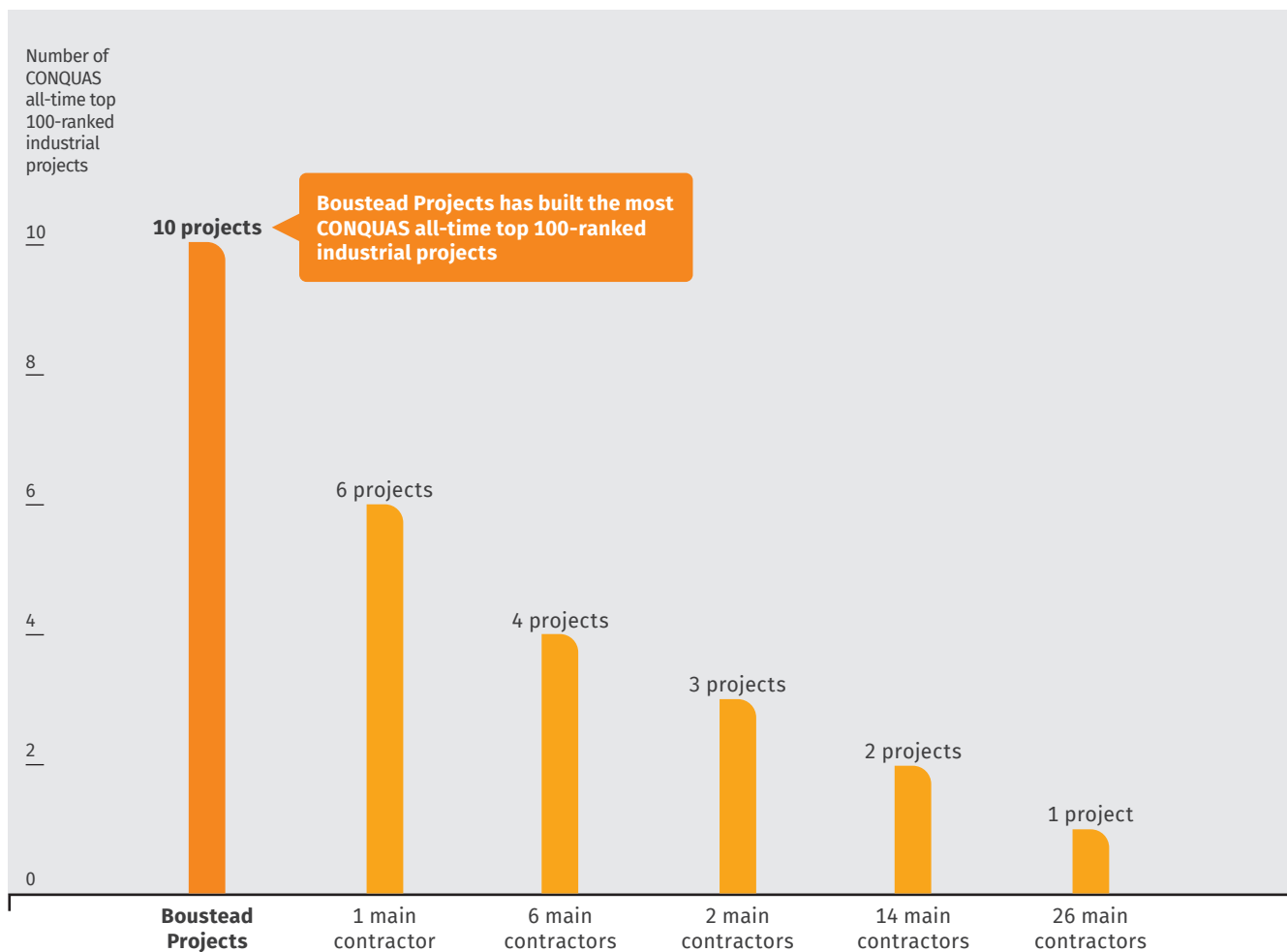
As a promoter of quality, we are a leader in the BCA Construction Quality Assessment System (“CONQUAS”), which is used to measure the quality achieved in a completed construction project in Singapore in respect of structural, architectural, and mechanical & electrical works.

BCA CONQUAS is a voluntary quality assessment in respect to most private sector industrial projects.

During FY2021, DB Schenker Shared Logistics Center (ALPS) received a CONQUAS score of 93.9%, placing the project at 8th on the BCA CONQUAS all-time top 100 industrial projects list.

To date, our efforts in construction quality have been recognised with 10 projects ranked in the BCA CONQUAS all-time top 100 industrial projects list, making us the top main contractor on the list. Our track record of 13 projects on the BCA CONQUAS list is shown on the next page.

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

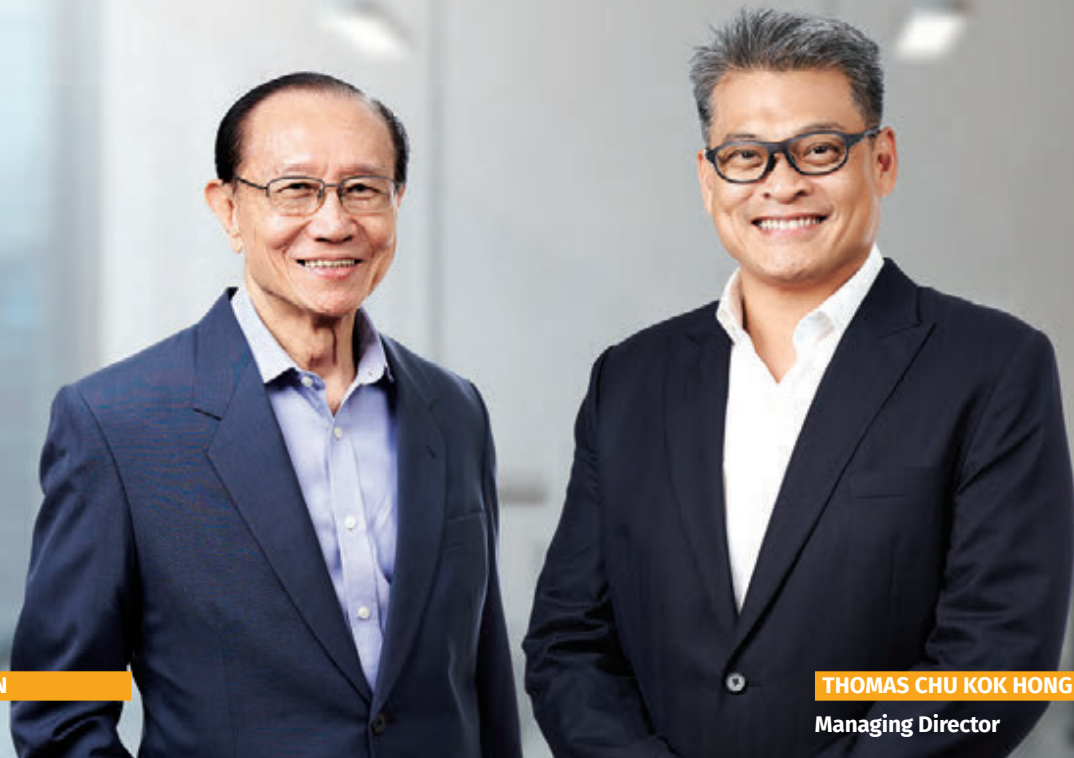


* Updated as at 18 June 2021.

Projects on BCA CONQUAS List*

Projects	CONQUAS Scores	Rank on All-Time Top 100 Industrial Projects List (June 2021)
DB Schenker Shared Logistics Center (ALPS)	93.9%	8th
ALICE@Mediapolis	93.8%	9th
Seagate Singapore Design Center – The Shugart	92.2%	n.a. (commercial project)
Yusen Tuas	92.0%	18th
ST Omega 2	91.5%	21st
Edward Boustead Centre	91.3%	25th
Kerry Logistics Centre – Tampines	90.7%	30th
Bolloré Green Hub	90.3%	34th
Continental Building Phase 3	89.6%	40th
ST Electronics Building	89.1%	47th
ST Engineering Hub	85.1%	80th
Rolls-Royce Test Bed Facility	82.9%	n.a. (outside top 100 projects)
Sun Venture Investments@50 Scotts Road	81.5%	n.a. (commercial project)

Letter to Shareholders



JOHN LIM KOK MIN

Chairman

THOMAS CHU KOK HONG

Managing Director

Summary of message

Not forbearing the COVID-19 global pandemic, Boustead Projects continued to unlock and deliver value to our stakeholders:

- ▶ FY2021 was a year of record profit.
- ▶ Measures were taken to ensure business continuity in the pandemic.
- ▶ A business model uniting the entire industrial real estate value chain has been effective and has been transformed by the Boustead Industrial Fund.

Dear Fellow Shareholders,

It is our pleasure to present to you the Boustead Projects FY2021 Annual Report for the financial year ended 31 March 2021.

FY2021 has been a milestone year, in which we delivered a record profit attributable to you (“net profit”) – our fellow shareholders – crossing the S\$100 million mark for the first time and finishing 493% higher year-on-year at S\$131.7 million. This significant accomplishment was underpinned by the successful launch of Boustead Industrial Fund (“BIF”), a value-unlocking event that had been anticipated by shareholders and which we prioritised to deliver. Nonetheless, hidden beneath this achievement was an environment fraught with the toughest challenges that we have had to face as an organisation, brought on by the COVID-19 pandemic.

Under the guidance of our senior leadership team, significant sacrifices were made and deep experience tapped upon to coordinate business continuity activities in this complex environment. The team should be commended for remaining committed to meeting the challenges head on. This helped our organisation to navigate unprecedented disruptions at our engineering & construction (“E&C”) business segment (previously known

as design-and-build business segment) and make strong progress at our real estate business segment.

Our total revenue was 29% lower year-on-year at S\$301.4 million. Traditionally, our E&C business segment has been the key driver of revenue and also a substantial profit contributor. However, during FY2021, the pandemic and ensuing spread of COVID-19 within the community and foreign labour dormitories, forced the Singapore Government to impose a four-month shutdown of the built environment sector, which affected all of our Singapore project sites. Following the reopening of the built environment sector, we enacted a gradual ramp-up in construction activities in line with government advisories and safe management measures, although this was far from our pre-pandemic peak.

Our record net profit of S\$131.7 million was supported by BIF’s value-unlocking transaction one-off gain of S\$134.8 million (the “BIF Value Unlocking Gain”) recorded following our sale of interests in 14 leasehold properties to BIF – full disposal of 11 properties and partial disposal of equity interests in a subsidiary and two joint ventures – selected from our portfolio of 25 leasehold properties. The BIF Value Unlocking

FY2021 has been a milestone year, in which we delivered a record profit attributable to you – our fellow shareholders – crossing the S\$100 million mark for the first time and finishing 493% higher year-on-year at S\$131.7 million.

Gain more than offset the E&C business segment's elevated pandemic-related costs, lower margins on current projects and lower quantum of cost savings from previously completed projects. Had net profit been adjusted to exclude the BIF Value Unlocking Gain, there would have been a net loss but this was contained at S\$3.2 million, thanks to our entire team's commitment, progressive transformative technologies put in place in past years and a number of cost management measures implemented during FY2021.

FY2021 – A Tale of Two Businesses

In FY2021, the fortunes of our two key business segments – E&C and real estate – were a striking contrast which also revealed the effectiveness of our business model that unites the entire industrial real estate value chain.

E&C business segment revenue was 32% lower year-on-year at S\$264.7 million, due to the prolonged closure of Singapore project sites and conditions imposed by and in response to the pandemic. E&C business segment profit before income tax ("PBT") was 84% lower year-on-year at S\$3.1 million, hit by elevated pandemic-related costs on multiple fronts, although this was buffered by this business segment's S\$19.9 million share of the BIF Value Unlocking Gain, due to

the reversal of previously eliminated construction margin attributable to the E&C business segment. FY2021 has been by far the most challenging year in our history since 1996. While the Asian Financial Crisis, Dot-com Bust and Global Financial Crisis significantly affected the E&C business segment during those crises, they were largely financial crises in nature that reduced foreign direct investments in Singapore and in turn the pipeline of enquiries for this business segment's solutions. In contrast, this pandemic has dented not only business development activities but has directly affected project execution, from prolonged project closures to significantly lower productivity and a severe shortage of foreign labour resources. This combination of multiple simultaneous impacts has left behind sector-wide repercussions.

During this crisis, priorities were first and foremost placed on safeguarding the wellbeing of our stakeholders including our team, subcontractors and their employees, clients and surrounding communities by implementing strict health checks, social distancing measures, split teams and remote working arrangements. Following the reopening of our offices and project sites, whether here in Singapore or overseas, the emphasis was placed

on disinfecting, reconfiguring our mental frames of mind and physical spaces to ensure safe distancing and implementing strict safe management measures. We also initiated difficult but important conversations with our team, clients and subcontractors on topics such as project schedule revisions, cost sharing and how to progress forward in the face of unprecedented challenges. Great efforts were expended to understand the positions of all key stakeholders to ensure that collectively we would be able to survive this pandemic.

We also proactively took several measures to mitigate the impact of delays and to protect the viability and long-term value of our businesses. Cost management measures included organisation-wide cost reviews, a salary freeze for our entire team and a reduction in Board fees and senior management salaries since June 2020. Our Board and executive directors took 10% reductions in directors' fees and base salaries respectively, while the rest of our senior management team was subjected to tiered 5% to 7.5% reductions in base salaries.

Following the reopening of Singapore project sites close to midway through FY2021, the E&C business segment commenced on making up lost ground on several projects in Singapore

Letter to Shareholders

including our two largest projects for JTC Kranji Green and Surbana Jurong Campus. By the end of FY2021, the E&C business segment was also able to secure the temporary occupation permits for joint development projects – 351 on Braddell and Bombardier Singapore Service Centre Phase 2 – while another joint development, Razer SEA HQ received its temporary occupation permit just after the end of FY2021.

While Singapore projects faced pandemic-related delays, specified extensions of time were also received under the COVID-19 (Temporary Measures) Act 2020. Overseas, the situation was much better for projects in China and Malaysia. Sizeable projects in these two overseas markets – including our largest project captured in FY2021 to design and build an advanced integrated high-tech manufacturing and office facility in Penang, Malaysia for a Fortune 500 technology corporation – progressed on schedule, facing only minor disruptions.

Technology continued to play a key role in mitigating risks associated with the pandemic, allowing for highly collaborative activities including integrated digital delivery (“IDD”), design, value engineering and construction to be conducted in a productive and safe manner. During FY2021, our IDD team continued to push forward with transformative technologies implementation and strengthened value propositions in 7D building information modelling (“BIM”) by utilising 3D scanning, artificial intelligence and machine learning, augmented reality (“AR”) and virtual reality (“VR”), data analytics and drone technology. Our team and stakeholders were able to tap on a combination of AR and VR and Cloud-based sharing platforms to review virtual 7D BIM models simultaneously,

without the need for stakeholders to be present in the same room.

Technologies were also implemented to enhance onsite safe management measures – among the world’s strictest measures – at project sites. In a partnership with TraceSafe under the Open Innovation Platform, we outfitted our team and subcontractors’ employees at one project site with TraceSafe’s wearable safety devices. Attached to helmets, these devices can withstand the rugged conditions of the built environment sector and are able to provide real-time contact tracing, safe distancing and geo-fencing capabilities onsite. These devices send signals to individual workers when they breach safe boundaries of separated work zones or are too close to one another, making everybody onsite safer. With the successful implementation at the first project site, TraceSafe is now in the process of being rolled out across all project sites.

In contrast to the impact on the E&C business segment, real estate business segment revenue was 7% higher year-on-year at S\$36.7 million, mainly due to a full-year of rental contribution from the fully-leased Boustead Industrial Park Phase 1 in Vietnam, a short-term sublease for 36 Tuas Road and increased management fees from the Boustead Development Partnership. Real estate business segment PBT was exponentially higher after adding in this business segment’s super majority share of the BIF Value Unlocking Gain.

Other than being instrumental in the successful launch of BIF, the real estate business segment was also responsible for securing a number of sizeable leases for leasehold properties, both completed and under development. New leases totalled over 53,700 square metres of net lettable

area – with the likes of Zuellig Pharma, NETS, Shopee, JustCo and a Fortune 500 technology corporation – over the course of FY2021. 351 on Braddell and Razer SEA HQ also achieved at least two-thirds committed occupancy prior to receiving temporary occupation permits.

In consideration of the successful unlocking of value and capital recycling from BIF, your Board is proposing a final dividend of 0.9 cents per share and a special dividend of 14.5 cents per share for FY2021, subject to shareholders’ approval, after taking into consideration expected capital allocation plans to fund strategic growth and the foreseeable challenging built environment sector.

Transforming Our Business Model with Boustead Industrial Fund

The Board had made the establishment of BIF a priority pre-pandemic but it was thanks to the commitment of our team that BIF was able to launch during the pandemic, even as stakeholder engagements had become more complex and global travel restrictions had taken effect. Had our team not gone through extraordinary efforts, any launch would likely have been delayed by another year.

BIF represents our maiden full-fledged private real estate trust. Strategically, BIF has transformed our business model and integrated platform that unites all parts of the industrial real estate value chain – from value-added capabilities spanning E&C and real estate development and asset management services to fund management services. This significantly enhances our offerings to clients and adds greater flexibility to our structuring of potential development opportunities.

Even as the bulk of our wholly-owned leasehold properties has now been

sold into BIF, we still retain a pipeline of leasehold properties – mainly under joint ventures – with over S\$700 million in expected market valuation. Once eligible assets in Singapore are stabilised, they will have the potential to be injected into BIF. With our existing portfolio and future pipeline of secured development projects, we expect that there will be a steady stream of sponsor assets that can be progressively injected into BIF over several years. As the 100% manager and 25% unitholder of BIF, Boustead Projects will continue to reap the benefits of properties sold to BIF, especially when it expands. Holding the manager role, we will be entitled to base management fees, development fees, acquisition fees, divestment fees and property management fees, similar to what listed REIT managers would receive for managing their respective listed REITs.

BIF has also established our new fund management business, in which we are now able to bring in and manage third-party investors' funds for investments in stabilised recurring-income assets. This flexibility opens our business model to a new set of partners, especially those more interested in investments in de-risked assets rather than partnerships for joint development projects which carry higher risk profiles.

BIF represents a model on which we can base potential future real estate trusts on, if we are able to build up other sizeable leasehold portfolios, particularly in overseas markets.

FY2022 – Another Difficult Year on the Path to Recovery

Given that the margins for projects secured pre-pandemic do not take into consideration subsequent elevated costs, the E&C business segment's performance will continue to be affected in FY2022, as we complete

the last of such projects. Despite the pandemic, we secured about S\$178 million in contracts during FY2021 that are contractually more risk-mitigated and protected against pandemic-related disruptions, which will help us even if the pandemic persists. Nonetheless, lower productivity and foreign labour shortages are expected to remain in the foreseeable future.

Although things may remain slow in some areas, this will not deter us from building upon our credible reputation for being progressive, as demonstrated by our continuing enhancement of our business model, transformative technological implementations and most recent addition of BIF. Our cash levels and balance sheet have never been stronger.

Many questions have been posed on our next steps after the formation of BIF, especially our capital expenditure plans and how we plan to reinvest. As seen with our recent announcement of the signing of the option agreement for the intended formation of KTG & Boustead Industrial Logistics Fund ("KBILF"), we have already taken our next steps. Once consummated, KBILF Phase 1 will allow our joint venture fund to acquire seed assets amounting to about US\$141 million in gross asset value covering about 840,000 square metres of land area and about 550,000 square metres of gross leasable area. KBILF Phase 2 will lead to the acquisition of other potential industrial real estate assets under an identified pipeline of targets, which would have the potential to double the land area and gross leasable area in the portfolio. As one of the only economies to witness GDP growth during the pandemic, Vietnam's potential remains intact. Demographically, Vietnam enjoys a sizeable young population and a skilled workforce catered to the industrial sector. Geo-politically,

Vietnam is well located geographically and has been a beneficiary of the world's political situation.

Apart from KBILF, we are also pursuing a number of development opportunities, both here in Singapore and overseas, and possess the financial strength to diversify our revenue and profit streams in multiple industrial sectors and geographic markets.

Our progressive reputation for transformation continues to contribute in-built resilience that will help us to prevail in this difficult environment.

Words of Appreciation

We would like to thank our leadership and team members for their continued dedication and efforts in not only protecting our progressive reputation but also enhancing the viability and value of our organisation. We would also like to extend our gratitude to all of our partners and key stakeholders – our clients, business partners, associates, bankers, suppliers and you, our shareholders for your continuing support. Last but not least, we would like to express our appreciation to our fellow Board colleagues for their wisdom, guidance and continued advice as we collectively tackle these complex challenges. We believe that our progressive reputation and mindset, and our resilient partnerships set the foundations for us to emerge stronger.

We look forward to meeting you at our virtual Annual General Meeting. In the meantime, may you and your loved ones stay well, healthy and safe during these tumultuous times.

John Lim Kok Min
Chairman

Thomas Chu Kok Hong
Managing Director

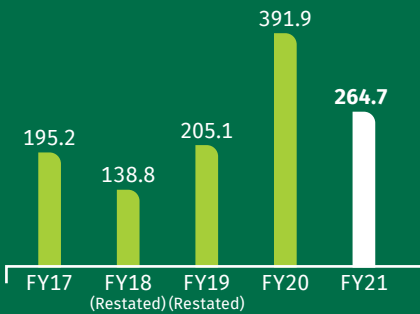
Engineering & Construction

Performance Highlights

Segment Revenue

S\$264.7 million

Year-on-year: ▼ 32%

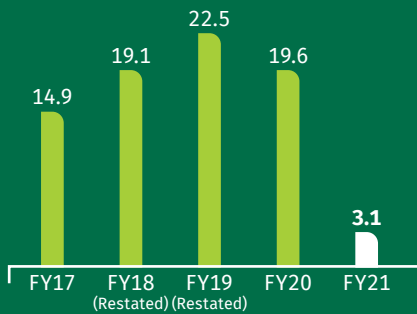


► Revenue was impacted by the COVID-19 pandemic, resulting in prolonged project closures, lower productivity and shortage of foreign labour resources.

Segment Profit before Income Tax ("PBT")

S\$3.1 million

Year-on-year: ▼ 84%

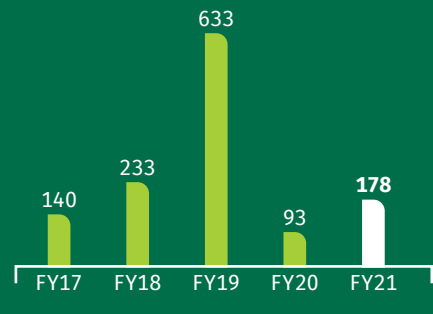


► PBT was impacted by unprecedented pandemic-related costs, higher project execution costs and lower quantum of cost savings.

Segment Contracts Secured

S\$178 million

Year-on-year: ▲ 91%



► Higher contracts secured were due to geographic market expansion.

About

With Boustead Projects' inception in 1996, we pioneered the engineering & construction ("E&C") business integrating turnkey engineering, project and construction management services encompassing design-and-build methodologies for the industrial real estate sector in Singapore, helping to advance and shape Asia's built environment sector. We offer clients innovative real estate solutions for custom-built, smart, eco-sustainable and future-ready business park and industrial developments. Our full-fledged integrated digital delivery ("IDD") approach is guided by Industry 4.0 transformation standards and incorporates 7D building information modelling ("BIM"), virtual design and construction ("VDC"), and design for manufacturing and assembly ("DfMA"). Our progressive adoption of transformative technologies – known as ConTech and PropTech – includes 3D scanning, artificial intelligence ("AI") and machine learning, augmented reality ("AR") and virtual reality ("VR"), data analytics and drone technology. These market-leading capabilities are complemented by our green building credentials and supported by robust quality, environmental, health and safety ("EHS") management systems.

Market Sectors

HIGH VALUE-ADDED SECTORS

- Aerospace and automotive
- Agribusiness
- Business park and commercial
- Engineering
- Food & beverage
- Healthcare & pharmaceutical
- High-tech manufacturing
- Infocommunications
- Lifestyle
- Logistics
- Mining, marine, oil & gas, petrochemicals and power
- Packaging
- Precision engineering
- Renewable energy
- Research & development
- Semiconductor
- Technology
- Urban planning
- Waste management

Geographic Markets

4 COUNTRIES

- China
- Malaysia
- Singapore
- Vietnam





AR and VR technology deployment, Singapore.

Engineering & Construction



Market Review

The market was focused on:

- Challenging market conditions due to the COVID-19 pandemic;
- Prolonged closure of built environment sector projects; and
- Supply chain disruptions.

Key Highlights

Our E&C business segment saw impact on:

- Segment revenue due to the pandemic;
- Project site productivity and foreign labour supply; and
- Elevated pandemic-related costs.

In FY2021, Boustead Projects' E&C business segment witnessed lower revenue and PBT, after navigating the most challenging year in our 25-year history, as the impact of the COVID-19 pandemic was deeply felt across all aspects of the E&C business segment.

E&C business segment revenue was 32% lower year-on-year at S\$264.7 million, heavily impacted by the pandemic and the Singapore Government's ensuing built environment sector advisories and measures including four months of closure of Singapore project sites, an enforced gradual ramp-up in construction activities, significantly lower productivity and a severe shortage of foreign labour resources.

E&C business segment PBT was 84% lower year-on-year at S\$3.1 million, largely impacted by lower revenue recognition, pandemic-related acceleration, compliance, prolongation and resumption costs, higher project execution costs and lower quantum of cost savings from previously completed projects, although this was buffered by the business segment's S\$19.9 million share of Boustead Industrial Fund's value-unlocking transaction one-off gain, due to the reversal of previously eliminated construction margin attributable to the E&C business segment. In addition, higher costs

were partially offset by grants received under the Singapore Government's Jobs Support Scheme, the co-sharing of certain costs by government and private sector clients, and with the assumed reliefs granted under the COVID-19 (Temporary Measures) Act 2020.

E&C business segment contracts secured was 91% higher year-on-year at S\$178 million, marking a partial recovery from the multi-year low in FY2020, aided by the securing of more contracts from overseas markets due to our deliberate strategy to focus on geographic market expansion in previous years. In particular, sizeable projects were captured in China and Malaysia including our largest contract secured in FY2021 for the design-and-build of an advanced integrated high-tech manufacturing and office facility for a Fortune 500 technology corporation in Penang, Malaysia. Projects were also captured in high value-added sectors including the healthcare & pharmaceutical, semiconductor and technology sectors, where we continued to strengthen our track records.



1. ASM Front-End Manufacturing's advanced integrated high-tech manufacturing facility, Singapore.
2. Office fit-out for Fortune 500 healthcare corporation's shared office, Singapore.

All of our E&C business segment activities in Singapore are undertaken by our wholly-owned E&C subsidiary and regional centre of excellence, Boustead Projects E&C. Following the reopening of Singapore project sites close to midway through FY2021, Boustead Projects E&C commenced an enforced gradual ramp-up in construction activities and attempted to make up for lost ground on several projects including our two largest projects for JTC Kranji Green and Surbana Jurong Campus. In FY2021, our projects ran across a number of sectors including the aerospace, agribusiness, healthcare & pharmaceutical, logistics, urban planning and waste management sectors.

Our largest project on record and largest government project, JTC Kranji Green – located in the Sungei-Kadut Eco-District in Singapore – is now expected to complete in the latter part of FY2022, after factoring in pandemic-related delays. The project is earmarked to be awarded the Building & Construction Authority (“BCA”) Green

Mark Platinum rating and will be Singapore's first multi-storey recycling facility to house recyclers handling waste streams like metals, paper and plastics. The project will support the growth of environmental technologies and contribute towards Singapore's zero waste commitments, facilitating the recycling of industrial wastes and by-products, as well as supporting industry transformation. With the ongoing construction of JTC Kranji Green, we were able to implement a number of transformative technologies and methodologies that can be applied towards other projects in the future. Chief among these has been the opportunity to execute full-fledged IDD, VDC and DfMA, and pilot technology partnerships to accomplish 7D BIM on an extremely large-scale industrial development.

Our largest private sector project on record, Surbana Jurong Campus – located in the Jurong Innovation District in Singapore – is now expected to complete in early FY2023, after factoring in pandemic-related delays.

Engineering & Construction

The project is Singapore's first large-scale business park and industrial development to be awarded the BCA Green Mark Platinum – Super Low Energy rating. This sprawling campus is set to become Surbana Jurong's global headquarters.

Among projects completed in FY2021, we delivered ASM Front-End Manufacturing's advanced integrated high-tech manufacturing facility incorporating Class 10 cleanrooms. The project was also awarded the BCA Green Mark Gold Plus rating and a Safety & Health Award Recognition for Projects (SHARP) for maintaining an excellent health and safety record. With the completion of the project, we have further strengthened our track record as the leading builder of choice in the technology sector, specifically for the semiconductor industry.

By the end of FY2021, the E&C business segment was also able to secure temporary occupation permits ("TOPs") for joint development projects – 351 on Braddell and Bombardier Singapore Service Centre Phase 2 – while another joint development project, Razer SEA HQ received its TOP just after the end of FY2021.

While Singapore projects faced pandemic-related delays, specified extensions of time were also received under the COVID-19 (Temporary Measures) Act 2020. Overseas,

the situation was much better for projects in China and Malaysia. Sizeable projects in these two overseas markets – including our largest project secured in FY2021 for an advanced integrated high-tech manufacturing and office facility in Penang, Malaysia – progressed on schedule, facing only minor disruptions. Worthy of mention, the Penang project allowed us to showcase our IDD approach and a range of transformative technologies for the first time in an overseas project, helping to distinguish our position from the local competitors in overseas markets.

Technology continued to play a key role in mitigating risks associated with the pandemic, allowing for highly collaborative activities including IDD, design, value engineering and construction to be conducted in a productive and safe manner. During FY2021, our IDD team continued to push forward with transformative technologies implementation, scaling new heights with digitalisation and strengthening value propositions in 7D BIM by utilising 3D scanning, AI and machine learning, AR and VR, data analytics and drone technology. Through use cases ongoing in at least three projects, 7D BIM was demonstrated to show the following real benefits:

- Digital progress documentation reduced the risk of late claims and disputes;
- Clients and senior leadership could conduct virtual project

site visits and review ongoing construction activities without having to physically visit project sites, saving the need for additional logistics, swab testing, time and travelling, and keeping them well, healthy and safe;

- Project management progress updates could be remotely conducted offsite and still allow for key issues to be identified and rectified, while potential miscommunications were significantly reduced; and
- EHS 360-degree virtual reports delivered remote visualisation capabilities, allowing for timely EHS interventions.

Our team and stakeholders were able to tap on a combination of AR and VR and Cloud-based sharing platforms to review virtual 7D BIM models simultaneously, without the need for stakeholders to be present in the same room. Overall, virtual project site visits saved about 500 man-hours per month per project in potential miscommunications and significantly reduced the risks to stakeholders' wellbeing, health and safety, while lowering the potential for government enforced lockdowns of specific project sites due to infected stakeholders entering.

Technologies were also implemented to enhance onsite safe management measures – among the world's



FY2021 Business Highlights

Apr 2020

China

Awarded A&A project for Fortune 500 healthcare corporation's integrated manufacturing and office facility

May 2020

Malaysia

Awarded design-and-build project for Fortune 500 technology corporation's advanced integrated high-tech manufacturing and office facility

Nov 2020

Singapore

Completed design-and-build project for ASM Front-End Manufacturing's advanced integrated high-tech manufacturing facility

Dec 2020

Singapore

Awarded A&A project for Fortune 500 technology corporation's integrated manufacturing and office facility



1. TraceSafe deployment at JTC Kranji Green, Singapore.

strictest measures – at project sites. In a partnership with TraceSafe under the Open Innovation Platform, we outfitted our team and subcontractors’ employees at one project site with TraceSafe’s wearable safety devices. Attached to helmets, these devices can withstand the rugged conditions of the built environment sector and are able to provide real-time contact tracing, safe distancing and geo-fencing capabilities onsite. These devices send signals to individual workers

when they breach safe boundaries of separated work zones or are too close to one another, making everybody onsite safer. With the successful implementation at the first project site, TraceSafe is now in the process of being rolled out across all project sites.

Given that the margins for projects secured pre-pandemic do not take into consideration subsequent elevated costs, the E&C business segment’s

performance will continue to be affected in FY2022, as we complete the last of such projects. Despite the pandemic, we secured about S\$178 million in contracts during FY2021 that are contractually more risk-mitigated and protected against pandemic-related disruptions, which will help us even if the pandemic persists. Nonetheless, lower onsite productivity and foreign labour shortages are expected to remain in the foreseeable future.

Dec 2020

Singapore

Completed A&A project for Boustead Development Partnership’s multi-tenanted advanced technology facility, 6 Tampines Industrial Avenue 5

Feb 2021

Singapore

Awarded design-and-build project for multi-user semiconductor facility

Mar 2021

Singapore

Awarded design-and-build project for Fortune 500 healthcare corporation’s office building

Mar 2021

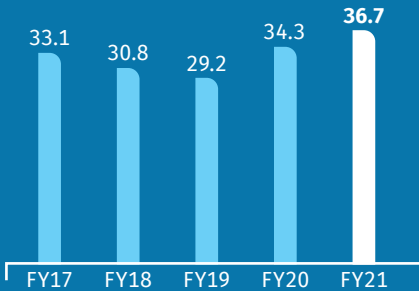
Singapore

Completed design-and-build project for multi-tenanted, multi-user development, 351 on Braddell

Real Estate

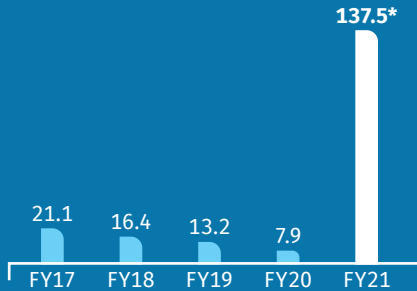
Performance Highlights

Segment Revenue

S\$36.7 millionYear-on-year: \uparrow 7%

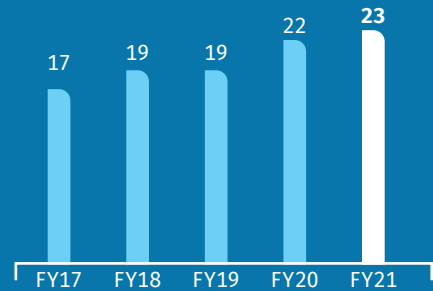
- Record revenue was due to better average occupancy rates and increased management fees from the Boustead Development Partnership.

Segment Profit before Income Tax ("PBT")

S\$137.5 millionYear-on-year: \uparrow 1,641%

- Record PBT was due to BIF's value-unlocking transaction one-off gain.

Completed Leasehold Properties in Portfolio**

23 properties

* Includes BIF's value-unlocking transaction one-off gain.

** Includes properties held under BIF.

About

In 2003, Boustead Projects pioneered the design-build-and-lease or integrated development approach in Singapore. We offer clients hybrid solutions in which we assume dual roles as the developer-owner of leasehold properties, along with that of engineering & construction ("E&C") partner to deliver custom-built, smart, eco-sustainable and future-ready business park and industrial developments. This has allowed us to build a growing portfolio of quality leasehold properties that provide us with recurring, long-term leasing income. Our market-leading capabilities have since expanded to include development management, asset management and fund management services, providing us with additional recurring, long-term income streams. In addition, we successfully launched Boustead Industrial Fund ("BIF"), our maiden full-fledged private real estate trust.

Market Sectors

HIGH VALUE-ADDED SECTORS

- Aerospace and automotive
- Business park and commercial
- Engineering
- Healthcare & pharmaceutical
- Infocommunications
- Logistics
- Marine, oil & gas and power
- Packaging
- Research & development
- Technology

Geographic Markets

4 COUNTRIES

- China
- Malaysia
- Singapore
- Vietnam





GSK Asia House, one-north, Singapore.

Real Estate



Market Review

The market was focused on:

- Challenging market conditions due to the COVID-19 pandemic;
- Prolonged closure of non-essential sector facilities; and
- Landlord-tenant disputes.

Key Highlights

Our real estate business segment achieved:

- Record segment profit on the successful launch of BIF;
- Significant value-unlocking for shareholders; and
- Respectable leasing activities.

In FY2021, Boustead Projects' real estate business segment witnessed record revenue and PBT. Record revenue was supported by better average occupancy rates and increased management fees from the Boustead Development Partnership ("BDP"). Meanwhile, record PBT was due to BIF's value-unlocking transaction one-off gain ("BIF Value Unlocking Gain").

Real estate business segment revenue was 7% higher year-on-year at S\$36.7 million, a new business segment record, mainly due to a full-year of rental contribution from the fully-leased Boustead Industrial Park Phase 1 in Vietnam, a short-term sublease for 36 Tuas Road and increased management fees from the BDP.

Real estate business segment PBT was exponentially higher year-on-year at S\$137.5 million, also a new business segment record, due to the business segment's super majority share of the BIF Value Unlocking Gain.

The highlight of FY2021 was the successful launch of BIF, our maiden full-fledged real estate trust. Strategically, BIF has transformed our business model and integrated platform that unites all parts of the industrial real estate value chain – from value-added capabilities spanning turnkey E&C to real estate

development management, asset management and fund management services. This significantly enhances our offerings to clients and adds greater flexibility to our structuring of potential development opportunities.

The total BIF Value Unlocking Gain was S\$134.8 million recorded following our sale of interests in 14 leasehold properties to BIF – full disposal of 11 properties and partial disposal of equity interests in a subsidiary and two joint ventures – selected from our portfolio of 25 leasehold properties. We continue to hold 100% shareholding of BIF's manager and 25% unitholding of BIF, which will allow us to benefit from the expansion and growth of BIF in the future. Holding the manager role, our real estate business segment will be entitled to management fees and property management fees, similar to what listed REIT managers would receive for managing listed REITs.



1. Bombardier Singapore Service Centre Phases 1 and 2, Seletar Aerospace Park, Singapore.

Even as the bulk of our wholly-owned leasehold properties has now been sold into BIF, we still retain a pipeline of leasehold properties – mainly under joint ventures – with over S\$700 million in expected market valuation. Once assets in Singapore are stabilised, they will potentially be ready for injection into BIF. We expect properties to be progressively injected into BIF at a steady pace, with our remaining eligible leasehold properties enlarging BIF over several years.

While no new development contracts were signed in FY2021, we focused on pushing current projects under development or additions & alterations (“A&A”) into operational status, signing new lease agreements and improving the occupancy rates and weighted average lease expiry (“WALE”) on completed leasehold properties. These projects include 351 on Braddell, Bombardier Singapore Service Centre Phase 2 and Razer SEA HQ, with the first two projects securing their temporary occupation permits (“TOPs”) during FY2021 and the last project receiving its TOP just after the end of FY2021. In addition, an A&A project was completed for the BDP’s 6 Tampines Industrial Avenue 5, which effectively converted the previously single-tenanted high-specification and advanced technology facility into a multi-tenanted advanced technology facility.

A number of sizeable leases were secured both for completed leasehold properties and those still under development. New leases totalled over 53,700 square metres (“sqm”) of net

lettable area – with the likes of Zuellig Pharma, NETS, Shopee, JustCo and a Fortune 500 technology corporation – over the course of FY2021. 351 on Braddell and Razer SEA HQ also achieved at least two-thirds committed occupancy prior to securing their TOPs. The BDP’s 6 Tampines Industrial Avenue 5 also saw its committed occupancy rate significantly improve with the existing anchor tenant taking up additional space. Rental reversions on completed leasehold properties also held steady during FY2021.

Although leasing efforts progressed in many areas, the BDP’s ALICE@Mediapolis (“ALICE”) – a smart business park development that was awarded the Building & Construction Authority Green Mark Platinum rating and caters to the infocommunications, media and technology sectors – witnessed only a minor improvement in its occupancy rate. Most of the building’s remaining vacancy is allocated as Venture Suite space mandatorily set aside for small and medium-sized enterprises and JTC Corporation (“JTC”)’s LaunchPad graduates, a group of clients that has been heavily impacted by the pandemic. In FY2021, the BDP secured a S\$130 million green loan under the UOB Real Estate Sustainable Finance Framework to refinance ALICE, representing our first green loan and endorsing ALICE’s green credentials.

In Vietnam, we remained active. Boustead Industrial Park Phase 1 contributed a full-year of rental revenue on full occupancy, with the anchor tenant recently exercising an option to

extend their lease period. Separately, we entered into a partnership with Khai Toan Joint Stock Company (“KTG”), a leading conglomerate in electrical appliances, building materials and industrial real estate in Vietnam. The initial stage of this partnership saw our joint venture, Echo Base-BP Capital (Vietnam) Pte Ltd complete the acquisition of a 49% shareholding in Boustead & KTG Industrial Management Co Ltd (“BKIM”) – a management company for industrial leasehold properties – in November 2020. After the end of FY2021, we also signed an option agreement with KTG for the proposed acquisition of a 49% shareholding in KTG & Boustead Industrial Logistics Fund (“KBILF”), envisaged to be a leading logistics and industrial real estate development fund, which will develop and own logistics and industrial parks in strategic locations in Vietnam. Should the transaction be completed as planned, seed assets co-sponsored by KTG and Boustead Projects will be acquired and transferred to KBILF and amount to about US\$141 million in gross asset value covering about 840,000 sqm of land area and about 550,000 sqm of gross leasable area. Our contribution of seed assets would include Boustead Industrial Park Phases 1, 2A and 2B.

More details on our strategic partnerships through BIF, BDP, Echo Base-BP Capital Pte Ltd and The Platform-Hanwha ARESF Fund No 1 (“The Platform-Hanwha”) can be found on pages 42 to 43 of this report.

At the end of FY2021, outside of BIF, our completed wholly-owned properties had a total market valuation of over S\$80 million, comprising over 69,000 sqm in gross floor area (“GFA”), with an overall occupancy rate of 100% and WALE of over two years. Outside of BIF, our completed jointly-owned properties had a total market valuation of over S\$469 million, comprising over 135,000 sqm in GFA, with an overall occupancy rate of 86%* and WALE of over six years*.

At the end of FY2021, BIF properties had a total market valuation of over S\$559 million**, comprising over 170,000 sqm in GFA, with an overall occupancy rate of 99% and WALE of over seven years.

* Excludes 351 on Braddell where leasing is still in progress.

** Assumes 100% interest in all 14 properties.

Real Estate

Wholly-Owned Leasehold Properties

At the end of FY2021, our wholly-owned leasehold portfolio contained four completed properties, following the divestment of nine wholly-owned properties and a partial interest in one special purpose vehicle (containing one wholly-owned property) to Boustead Industrial Fund (“BIF”). The following information only takes into account wholly-owned properties in which BIF has no interest.

Key Performance Metrics of Completed Wholly-Owned Properties

S\$80 million
market valuation



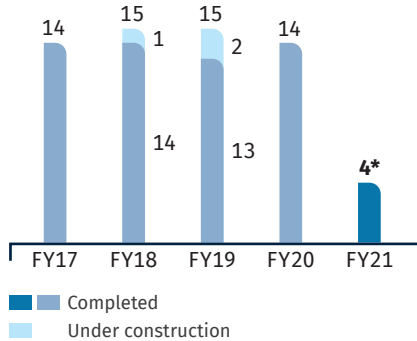
>69,000 sqm
GFA



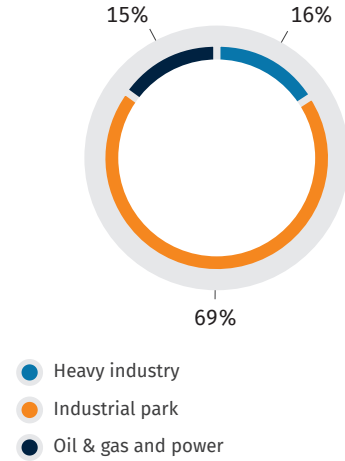
100%
overall occupancy



>2 years
WALE



Breakdown by sector (GFA)



Completed Wholly-Owned Properties



31 Tuas South Avenue 10

Year completed 2014
GFA (sqm) 10,531



36 Tuas Road

Year acquired 2013
GFA (sqm) 11,470



Boustead Industrial Park Phase 1 (Vietnam)

Year completed 2019
GFA (sqm) 33,976



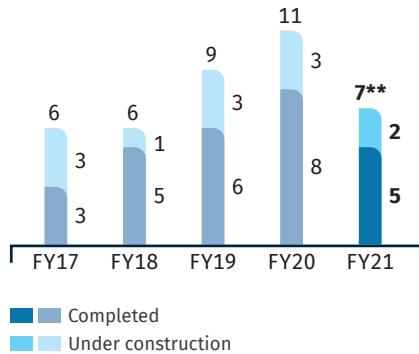
Wuxi Boustead Industrial Development (China)

Year completed 2003 - 2007
GFA (sqm) 13,940

* Divestment of nine properties and partial interest in one special purpose vehicle to BIF.

Jointly-Owned Leasehold Properties

At the end of FY2021, our jointly-owned leasehold portfolio contained five completed properties, following the divestment of two jointly-owned properties and a partial interest in two special purpose vehicles (containing two jointly-owned properties) to BIF. The following information only takes into account jointly-owned properties in which BIF has no interest.



Key Performance Metrics of Completed Jointly-Owned Properties

S\$469 million
market valuation



>135,000 sqm
GFA



86%***
overall occupancy



>6 years***
WALE



351 Braddell Road

Year completed	2021
GFA (sqm)	24,240

Completed Jointly-Owned Properties

6 Tampines Industrial Avenue 5

Year acquired	2019
GFA (sqm)	40,041

98 Tuas Bay Drive

Year completed	2019
GFA (sqm)	7,538

29 Media Circle

Year completed	2018
GFA (sqm)	39,501

Jointly-Owned Properties Under Construction

8 & 12 Seletar Aerospace Heights (Phase 2)

Expected year of completion	2021
Expected GFA (sqm)	>20,700

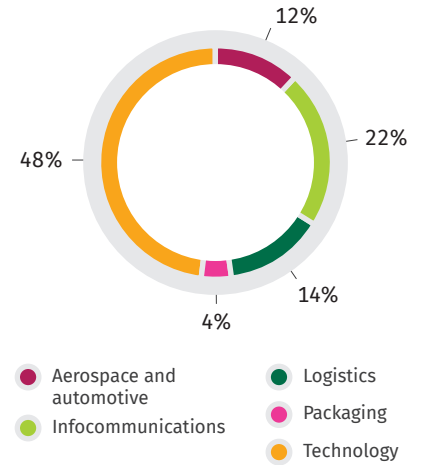
Port of Tanjung Pelepas (Malaysia)

Year completed	2017
GFA (sqm)	24,105

1 One-north Crescent

Expected year of completion	2021
Expected GFA (sqm)	>19,100

Breakdown by sector (GFA)

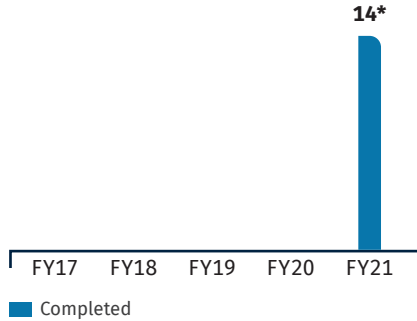


** Divestment of two properties and partial interest in two special purpose vehicles to BIF.
*** Excludes 351 on Braddell where leasing is still in progress.

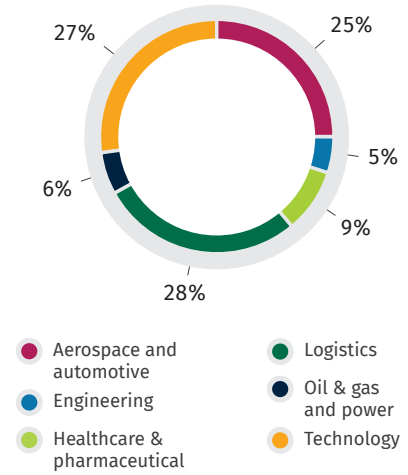
Real Estate

BIF

BIF, our maiden full-fledged private real estate trust was successfully launched during FY2021. At the end of FY2021, BIF contained 11 completed properties and had a partial interest in three special purpose vehicles (containing three completed properties). The following information takes into account any properties in which BIF has an interest.



Breakdown by sector (GFA)



Key Performance Metrics of Completed BIF Properties

s\$559 million*
market valuation



>170,000 sqm
GFA



99%
overall occupancy



>7 years
WALE



Completed BIF Properties



84 Boon Keng Road (Phase 3)

Year completed	2018
GFA (sqm)	11,151



11 Seletar Aerospace Link

Year completed	2015
GFA (sqm)	3,567



FY2021 Business Highlights

Nov 2020

Vietnam

Echo Base-BP Capital (Vietnam) Pte Ltd joint venture completed acquisition of 49% shareholding in BKIM

Dec 2020

Singapore

BDP completed A&A project for 6 Tampines Industrial Avenue 5

Dec 2020

Singapore

BDP received TOP for Bombardier Singapore Service Centre Phase 2

* Assumes 100% interest in all 14 properties.



20-23 Rochester Park

Year completed 2016
GFA (sqm) 14,237



10 Tukang Innovation Drive

Year completed 2014
GFA (sqm) 26,459



82 Ubi Avenue 4

Year completed 2014
GFA (sqm) 8,759



80 Boon Keng Road (Phase 2)

Year completed 2014
GFA (sqm) 4,938



16 Tampines Industrial Crescent

Year completed 2013
GFA (sqm) 20,020



10 Seletar Aerospace Heights (Phase 1)

Year completed 2013
GFA (sqm) 6,290



80 Boon Keng Road (Phase 1)

Year completed 2012
GFA (sqm) 11,312



10 Changi North Way

Year completed 2011
GFA (sqm) 12,019



26 Changi North Rise

Year completed 2011
GFA (sqm) 6,000



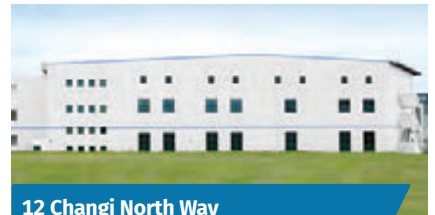
16 Changi North Way

Year completed 2008
GFA (sqm) 11,320



85 Tuas South Avenue 1

Year completed 2008
GFA (sqm) 10,610



12 Changi North Way

Year completed 2005
GFA (sqm) 23,930

Jan 2021

Singapore

BDP completed refinancing for ALICE with first green loan under UOB Real Estate Sustainable Finance Framework

Mar 2021

Singapore

The Platform-Hanwha joint venture received TOP for 351 on Braddell

Mar 2021

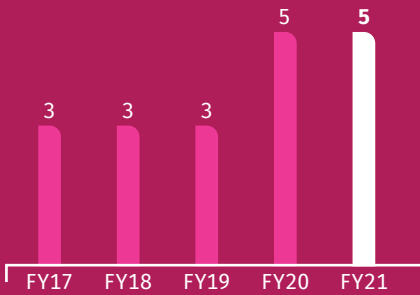
Singapore

Completed BIF transactions, resulting in BIF Value Unlocking Gain of S\$134.8 million

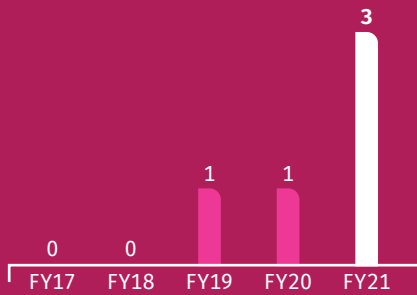
Strategic Partnerships & Investments

Performance Highlights

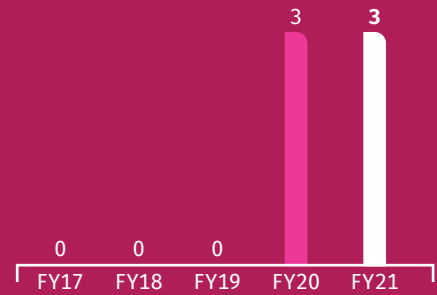
Development Partnerships



Real Estate Trusts and Management Partnerships



Technology Partnerships



About

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

Market Sectors

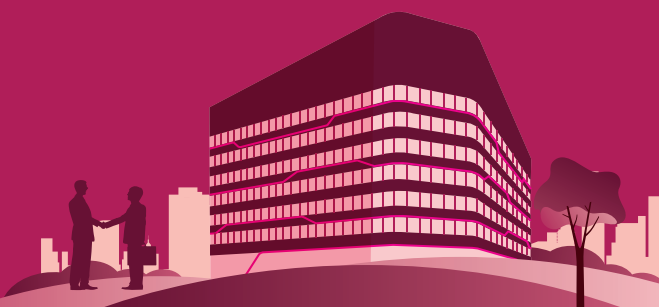
HIGH VALUE-ADDED SECTORS

- ▶ Aerospace and automotive
- ▶ Business park and commercial
- ▶ Data centres
- ▶ Engineering
- ▶ Healthcare & pharmaceutical
- ▶ Infocommunications
- ▶ Logistics
- ▶ Packaging
- ▶ Research & development
- ▶ Smart integrated developments
- ▶ Technology

Geographic Markets

6 COUNTRIES AND TERRITORIES

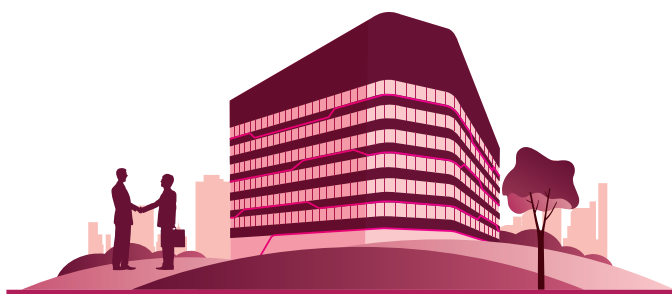
- ▶ China
- ▶ Hong Kong
- ▶ Indonesia
- ▶ Malaysia
- ▶ Singapore
- ▶ Vietnam





ALICE@Mediapolis, one-north, Singapore.

Strategic Partnerships & Investments



In FY2021, Boustead Projects successfully launched Boustead Industrial Fund (“BIF”), our maiden full-fledged real estate trust and commenced a strategic partnership with Khai Toan Joint Stock Company (“KTG”). In this section, we share more about our strategic partnerships and platforms.

DEVELOPMENT PARTNERSHIPS

BP Malaysia Airports Subang Aerotech Sdn Bhd (“BP-MAHB Subang Aerotech”)

Year established:	2019
Partnership type:	Development
Partnership focus:	Aerospace sector
Partner:	Malaysia Airports Holdings Bhd
Investment:	Subang Aerotech Park
Effective interest:	70% shareholding in BP-MAHB Subang Aerotech
Geographic coverage:	Malaysia

The Platform-Hanwha ARESF Fund No 1 (“The Platform-Hanwha”)

Year established:	2019
Partnership type:	Development
Partnership focus:	Business park and industrial real estate sector
Partner:	The Platform-Hanwha
Investment:	351 on Braddell
Effective interest:	50% shareholding in 351 on Braddell
Geographic coverage:	Asia Pacific

Boustead Development Partnership (“BDP”)

Year established:	2014
Partnership type:	Development
Partnership focus:	Business park and industrial real estate sector
Partner:	Reputable Middle East sovereign wealth fund
Investments:	6 leasehold properties
Effective interests:	30% to 51% initial shareholding in each BDP development
Geographic coverage:	Singapore

THAB Development Sdn Bhd (“THAB”)

Year established:	2013
Partnership type:	Development
Partnership focus:	Business park and industrial real estate sector
Partners:	AME Construction Sdn Bhd, Tat Hong Holdings Ltd and CSC Holdings Ltd
Investments:	iBP@Nusajaya and Port of Tanjung Pelepas multi-tenanted logistics hub
Effective interest:	35% shareholding in THAB
Geographic coverage:	Malaysia

Perennial Holdings Pte Ltd (“Perennial”)

Year established:	2012
Partnership type:	Development
Partnership focus:	Commercial real estate and integrated development sector
Partners:	Consortium led by Perennial
Investment:	Beijing Tongzhou Integrated Development Phase 1 (“Beijing Tongzhou Phase 1”)
Effective interest:	4% shareholding in Beijing Tongzhou Phase 1
Geographic coverage:	China and Singapore

REAL ESTATE TRUSTS AND MANAGEMENT PARTNERSHIPS

BIF

Year established:	2021
Partnership type:	Private real estate trust
Partnership focus:	Business park and industrial real estate sector
Partners:	AP SG 21 Pte Ltd (institutional real estate investors) and Metrobilt Construction Pte Ltd (a unit of SGX-listed Metro Holdings Ltd)
Investments:	11 leasehold properties and three special purpose vehicles
Effective interest:	100% shareholding in BIF manager and 25% unitholding in BIF
Geographic coverage:	Singapore

Boustead & KTG Industrial Management Co Ltd (“BKIM”)

Year established:	2020
Partnership type:	Asset and fund management
Partnership focus:	Industrial real estate sector
Partners:	Echo Base-BP Capital (Vietnam) Pte Ltd and KTG
Effective interest:	25% shareholding in BKIM
Geographic coverage:	Vietnam

Echo Base-BP Capital Pte Ltd (“Echo Base”)

Year established:	2018
Partnership type:	Asset and fund management
Partnership focus:	Smart building and integrated development sector
Partners:	Moor House Capital Pte Ltd (majority-owned by Razer co-founder)
Investment:	Asset and fund management for Razer SEA HQ
Effective interest:	50% shareholding in Echo Base
Geographic coverage:	Asia Pacific

TECHNOLOGY PARTNERSHIPS

Data Centres

Year established:	2019
Partnership type:	Data centre solutions
Partnership focus:	Data centre and specialised building sector
Partner:	DSCO Group Pte Ltd (“DSCO”)
Effective interest:	25% shareholding in DSCO
Geographic coverage:	Asia Pacific

PropTech

Year established:	2019
Partnership type:	Smart building technology platform
Partnership focus:	Business park and industrial real estate sector
Partner:	Getronics Solutions (S) Pte Ltd
Geographic coverage:	Asia Pacific

CleanTech

Year established:	2019
Partnership type:	Clean energy solutions
Partnership focus:	Business park and industrial real estate sector
Partner:	Sunseap Leasing Pte Ltd
Geographic coverage:	Asia Pacific

Quality, Safety & Sustainability Awards

Awarded by:			
BCA			
	Construction Excellence, Quality & Productivity Awards	Green Mark Platinum & Super Low Energy	Green Mark Gold Plus & Gold
Total	7 awards	13 awards	14 awards
2020		<ul style="list-style-type: none"> DB Schenker Shared Logistics Center (ALPS) 	<ul style="list-style-type: none"> ASM Front-End Manufacturing (Gold Plus) Razer SEA HQ (Gold Plus) Bombardier Singapore Service Centre Phase 2 (Gold)
2019	<ul style="list-style-type: none"> BP E&C: Construction Productivity Award – Projects (Gold) for Continental Building Phase 3 	<ul style="list-style-type: none"> Surbana Jurong Campus (Green Mark Platinum – Super Low Energy) / 1st Green Mark Platinum – Super Low Energy in large-scale business park and industrial real estate sector category / Bolloré Blue Hub Veolia Singapore Office@Tuas View Circuit 	
2018	<ul style="list-style-type: none"> BP E&C: Green & Gracious Builder Award (Excellent) 	<ul style="list-style-type: none"> ALICE@Mediapolis 	
2017	<ul style="list-style-type: none"> BP E&C: BIM Gold Award – Organisation Category BPL: Construction Excellence Award for Seagate Singapore Design Center – The Shugart 		<ul style="list-style-type: none"> Markono M-Cube (Gold) XP Power (Gold Overseas) / 1st Green Mark in non-residential building category in Vietnam /
2016		<ul style="list-style-type: none"> Kuehne+Nagel Singapore Logistics Hub 	
2015	<ul style="list-style-type: none"> BPL: Green & Gracious Builder Award (Merit) BPL: Construction Productivity Award – Projects (Gold) for Edward Boustead Centre 	<ul style="list-style-type: none"> Edward Boustead Centre Seagate Singapore Design Center – The Shugart 	<ul style="list-style-type: none"> Greenpac Greenhub (Gold Plus)
2014	<ul style="list-style-type: none"> BPL: Construction Excellence Certificate of Merit for Bolloré Green Hub 	<ul style="list-style-type: none"> DB Schenker Shared Logistics Center 3 (Tampines LogisPark) 	<ul style="list-style-type: none"> Greenpac Greenhub (Office Interior Gold Plus) Kerry Logistics Centre – Tampines (Gold) Satair Airbus Singapore Centre (Gold)
2013			<ul style="list-style-type: none"> Greenpac Greenhub (Gold) Jabil Circuit (Gold)
2012		<ul style="list-style-type: none"> Bolloré Green Hub / 1st in logistics sector category / 	
2011		<ul style="list-style-type: none"> Rolls-Royce Wide Chord Fan Blade Manufacturing Facility Rolls-Royce Test Bed Facility / 1st in aerospace sector category / 	
2010			<ul style="list-style-type: none"> IBM Singapore Technology Park (Gold) Sun Venture Investments@50 Scotts Road (Gold)
2009		<ul style="list-style-type: none"> Applied Materials Building / 1st in heavy industry category / 	<ul style="list-style-type: none"> StarHub Green (Gold)

Legend

ASRA: Asia Sustainability Reporting Awards
BCA: Building & Construction Authority
BIM: Building information modelling

BPL: Boustead Projects
BP E&C: Boustead Projects E&C
ESG: Environmental, social and governance

Awarded by:		
USGBC	WSHC	Others
LEED Gold	bizSAFE, Safety & SHARP Awards	ESG, Investor & Quality Awards
4 awards	24 awards	2 awards
<ul style="list-style-type: none"> DB Schenker Shared Logistics Center (ALPS) 	<ul style="list-style-type: none"> ASM Front-End Manufacturing Wilmar HQ 	
	<ul style="list-style-type: none"> Bolloré Blue Hub Veolia Hazardous Chemical Waste Treatment Complex 	<ul style="list-style-type: none"> BPL FY2018 Longevity Report: Asia's Best First Time Sustainability Report Finalist – ASRA
	<ul style="list-style-type: none"> BP E&C: WSH Performance (Silver) Award ALICE@Mediapolis 	
	<ul style="list-style-type: none"> GSK Asia House 	<ul style="list-style-type: none"> BPL: Singapore Corporate Governance Award, Newly Listed Category – SIAS ICA
<ul style="list-style-type: none"> Kuehne+Nagel Singapore Logistics Hub 	<ul style="list-style-type: none"> Kuehne+Nagel Singapore Logistics Hub 	
	<ul style="list-style-type: none"> MTU Asia Pacific HQ 	
	<ul style="list-style-type: none"> DB Schenker Shared Logistics Center 3 (Tampines LogisPark) (Commendation) 	
<ul style="list-style-type: none"> Kerry Logistics Centre – Tampines Bolloré Green Hub / 1st LEED Gold in logistics sector in Asia / 	<ul style="list-style-type: none"> BPL: WSH Performance (Silver) Award Bolloré Green Hub 	
	<ul style="list-style-type: none"> BPL: bizSAFE Mentor BPL: WSH Performance (Silver) Award Rolls-Royce Wide Chord Fan Blade Manufacturing Facility 	
	<ul style="list-style-type: none"> BPL: WSH Performance (Silver) Award BPL: WSH Officer Award Applied Materials Building IBM Singapore Technology Park Le FreePort Singapore Aero Engine Services 	
	<ul style="list-style-type: none"> BPL: bizSAFE Star BPL: WSH Performance (Silver) Award StarHub Green 	

Board of Directors



John Lim Kok Min

Chairman & Independent Non-Executive Director

N AR R

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

Age: 81
Appointed: 25 March 2015
Last re-elected: 26 July 2019

Key areas of experience:

Mr John Lim Kok Min was appointed as our Chairman & Independent Non-Executive Director in 2015. With over 50 years of extensive senior management experience, he is a well-known business veteran who has amassed experience across a diverse range of sectors.

Current external appointments:

Mr Lim is currently Independent Non-Executive Chairman of IREIT Global Group Pte Ltd and an independent non-executive director of several private corporations.

Previous appointments:

Mr Lim relinquished his role as independent non-executive director of Boustead Singapore Limited in 2015 following his appointment to our Board. He also held several senior management positions including Deputy Group Executive Chairman & President of LMA International NV, Group Chief Executive Officer of Cold Storage Holdings Ltd, and Group Managing Director of JC-MPH Ltd and Pan-United Corporation Ltd. He served as Chairman of the Building & Construction Authority, Gas Supply Pte Ltd, OECD-Asia Network on Corporate Governance of State-Owned Enterprises, Senoko Power Pte Ltd and Singapore Institute of Directors; Deputy Chairman of NTUC FairPrice Co-operative Ltd; and Vice-Chairman of the Agri-Food & Veterinary Authority, Singapore Institute of Management and Temasek Polytechnic.



Wong Yu Wei

Deputy Chairman & Executive Director

N

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

Age: 44
Appointed: 1 December 2008
Last re-elected: 25 August 2020

Key areas of experience:

Mr Wong Yu Wei joined Boustead Projects in 2009 and was appointed as our Deputy Chairman & Executive Director in 2015. He began his role here as Deputy Managing Director and was subsequently promoted to Senior Deputy Managing Director before assuming his current position. With over 10 years of real estate development experience, he is responsible for growing our real estate business including developments, investments, asset management and fund management, as well as overseeing legal matters, overseas business expansion and execution of strategic partnerships and joint ventures.

Previous appointments:

Prior to joining Boustead Projects, Mr Wong held positions within the Boustead Group as General Manager of Strategic Operations at Boustead Singapore Limited, and Business Development Support Consultant and Business Development Coordinator at the Geospatial Division.



Thomas Chu Kok Hong

Managing Director

N

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

Age: 50
Appointed: 5 January 2009
Last re-elected: 25 August 2020

Key areas of experience:

Mr Thomas Chu Kok Hong joined Boustead Projects in 1997 and was appointed as our Managing Director in 2009. He began his role here as Project Engineer and was subsequently promoted several times, penultimately to Business Development Director before assuming his current position. With over 20 years of extensive real estate and built environment sector experience, he assumes overall responsibility for Boustead Projects including strategic execution, business development and project management.

Previous appointments:

Mr Chu sat as a member of the Singapore Government's Committee on Future Economy's Subcommittee on Future City. This subcommittee, comprising members from the private and public sectors, studied how Singapore can continue to develop its infrastructure to support future growth in an inclusive and sustainable manner and to enhance connectivity with the region.

Committee membership

AR Audit & Risk Committee **N** Nominating Committee **R** Remuneration Committee **●** Denotes Chairman of Committee



Tam Chee Chong

Independent Non-Executive Director

AR N

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

Age: 58
Appointed: 1 May 2019
Last re-elected: 26 July 2019

Key areas of experience:

Mr Tam Chee Chong was appointed as our Independent Non-Executive Director in 2019. With over 35 years of extensive corporate and financial advisory experience, he is well-versed in mergers & acquisitions, dispute resolutions, litigation support, corporate restructuring, business turnarounds and major forensic investigations.

Current external appointments:

Mr Tam is currently an independent non-executive director of GSH Corporation Ltd and IFS Capital Ltd, and serves on the board of NTUC Education & Training Fund.

Previous appointments:

Mr Tam has experience with various 'Big 4' accounting firms (Deloitte, KPMG, PwC and Andersen) in Singapore, London and Hong Kong. He was previously Group Chief Financial Officer of Fullerton Healthcare Corporation Ltd and prior to that, also held numerous senior management positions within Deloitte including Deputy Managing Partner – Markets in Singapore and Regional Managing Partner – Financial Advisory Services for Deloitte Southeast Asia Ltd, where he also served on their Board and on their Southeast Asia and Singapore Executive Committees. His public accounting experience includes being the partner in charge of audits on SGX-listed corporations such as Labroy Marine Ltd, Sembcorp Marine Ltd, Singapore Technologies Engineering Ltd, WBL Corporation Ltd and Yeo Hiap Seng Ltd.



Chong Lit Cheong

Independent Non-Executive Director

R AR N

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

Age: 65
Appointed: 15 May 2015
Last re-elected: 26 July 2019

Key areas of experience:

Mr Chong Lit Cheong was appointed as our Independent Non-Executive Director in 2015. With over 35 years of extensive senior management experience, he has a long, proven track record in leadership positions in the private and public sectors, both in Singapore and overseas.

Current external appointments:

Mr Chong is currently Group Chief Corporate Officer of Surbana Jurong Pte Ltd, a non-executive director of AETOS Holdings Pte Ltd and Chairman of Mitbana Pte Ltd.

Previous appointments:

Prior to joining the Surbana Jurong Group, Mr Chong held senior management positions in the CapitaLand Group as Chief Executive Officer ("CEO") of CapitaLand Commercial Ltd, CEO of Regional Investments, Deputy Group Chief Corporate Officer and Senior Advisor, Strategic Projects. He has also held senior management positions including CEO of International Enterprise Singapore and JTC Corporation, and Managing Director of the National Science & Technology Board, and 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.



Professor Yong Kwet Yew

Independent Non-Executive Director

N R

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

Age: 67
Appointed: 1 May 2019
Last re-elected: 26 July 2019

Key areas of experience:

Professor Yong Kwet Yew was appointed as our Independent Non-Executive Director in 2019. With over 40 years of extensive civil engineering experience, he is one of Singapore's leading experts on civil engineering and geotechnical engineering.

Current external appointments:

Professor Yong is currently Professor of Civil & Environmental Engineering and Senior Vice President (Campus Infrastructure) at the National University of Singapore ("NUS"), where he has served for over 40 years and overseen the development of a smart, safe and sustainable campus including the completed S\$1 billion University Town and Yale-NUS College. His research is a microcosm of infrastructure development in Singapore, with the publishing of more than 200 technical publications and delivery of over 30 keynote and guest lectures at international conferences. He is also currently Independent Non-Executive Chairman of BBR Holdings (S) Ltd and Trittech Group Ltd.

Previous appointments:

Professor Yong has chaired and served on the boards and national committees at several of the Singapore Government's ministries and statutory boards including the Building & Construction Authority, Land Transport Authority, Ministry of Defence, Ministry of Finance, Ministry of Environment & Water Resources, Ministry of Manpower and Ministry of National Development. He has also served as an advisor and consultant to government agencies and organisations on over 100 major infrastructure projects in the Asia Pacific.

Key Management Team

Raymond Lum

Chief Operating Officer

- > Bachelor of Engineering (Electrical Engineering) (Hons), National University of Singapore
- > Master of Business Administration, Nanyang Technological University
- > Master of Science (Applied Finance), Singapore Management University
- > Chartered Accountant of Singapore

Key areas of experience:

Mr Raymond Lum joined Boustead Projects in 2018. With over 22 years of extensive engineering and corporate development experience, he is responsible for corporate teams and oversees regional business expansion, mergers and acquisitions (“M&A”), corporate affairs, human resources, legal and IT matters.

Previous appointments:

Prior to joining Boustead Projects, Mr Lum held the position of Head & Vice President of TeleChoice International Ltd, an SGX-listed subsidiary of Singapore Technologies Telemedia Pte Ltd. He also held positions in KPMG Corporate Finance Pte Ltd, SIA Engineering Company Ltd, Squire Mech Pte Ltd and ST Electronics (Info-Software Systems) Pte Ltd. His broad career experience spans business development, contract management, corporate finance, corporate strategy, engineering design and technical implementation, and M&A.

Lee Keen Meng

Chief Financial Officer

- > Bachelor of Commerce (Accounting), University of Queensland, Australia
- > Chartered Accountant of Singapore
- > Certified Practising Accountant, Australia

Key areas of experience:

Mr Lee Keen Meng joined Boustead Projects in 2009. He began his role here as Finance Director and was subsequently promoted to Senior Finance Director before assuming his current position upon the listing of Boustead Projects in 2015. With over 25 years of extensive accounting and finance experience, he is responsible for finance teams and oversees financial and management reporting, treasury and taxation matters.

Previous appointments:

Prior to joining Boustead Projects, Mr Lee held positions at the Auditor-General's Office of Singapore, Honeywell Pte Ltd, Oversea-Chinese Banking Corporation Ltd, PSA Corporation Ltd and Sembcorp Engineers & Constructors Pte Ltd.

Steven Koh

Director (Engineering)

- > Bachelor of Applied Science (Construction Management & Economics), Curtin University of Technology

Key areas of experience:

Mr Steven Koh joined Boustead Projects in 1999. He began his role here as Project Manager and was subsequently promoted several times before assuming his current position in 2021. With over 20 years of extensive industry experience, he is responsible for integrated digital delivery and engineering teams, and advises on process and system improvements, productivity and value engineering initiatives. He also spearheads ongoing innovation and integrated digital delivery technology transformations.

Liew Kau Keen

Director (Business Development)

- > Bachelor of Engineering (Civil Engineering) (Hons), University of Leeds
- > Master of Science (International Construction Management & Engineering), University of Leeds

Key areas of experience:

Mr Liew Kau Keen joined Boustead Projects in 2001. He began his role here as Site Engineer and was subsequently promoted several times, penultimately to Deputy Director (Business Development) before assuming his current position in 2015. With over 20 years of extensive industry experience, he is responsible for engineering & construction business development, architecture, quantity surveying and mechanical & electrical engineering teams and oversees engineering & construction business development activities in South East Asia and China.

Howard How**Director (Environmental, Health & Safety)**

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

Key areas of experience:

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

Current external appointments:

Mr How serves as a member on SCAL's WSH Subcommittee and the National Work at Heights Safety Taskforce.

Neo Eng Huat**Director (Audit & Improvement)**

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

Key areas of experience:

Mr Neo Eng Huat joined Boustead Projects in 2007. He began his role here as Deputy Construction Manager and was subsequently promoted several times, penultimately to Director (Operations) before assuming his current position in 2016. With over 40 years of extensive industry experience, he is responsible for quality assurance and control, and construction audit and improvement teams and ensures continuous improvement efforts.

Previous appointments:

Prior to joining Boustead Projects, Mr Neo held positions at Lian Soon Construction Pte Ltd, JTCI (Singapore) Pte Ltd and Jurong Primewide Pte Ltd.

Nicholas Heng**Director (Projects)**

- > Bachelor of Applied Science (Construction Management), Royal Melbourne Institute of Technology
- > Certified Green Mark Manager, BCA Academy

Key areas of experience:

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

Previous appointments:

Prior to joining Boustead Projects, Mr Heng held positions at Jurong Primewide Pte Ltd, Shimizu Corporation and Toa Corporation.

Charlie Chan**Director (Operations)**

- > Bachelor of Science (Construction Management), Heriot-Watt University

Key areas of experience:

Mr Charlie Chan joined Boustead Projects in 2019. With over 20 years of extensive industry experience managing both public and private sector development and industrial projects, he is responsible for day-to-day construction operations and site management teams.

Previous appointments:

Prior to joining Boustead Projects, Mr Chan held senior project management roles at Master Contract Services Pte Ltd and Progressive Builders Pte Ltd.

Samuel Lim**Director (Real Estate)**

- > Bachelor of Science (Real Estate) (Hons), National University of Singapore

Key areas of experience:

Mr Samuel Lim joined Boustead Projects in 2019. With over 15 years of extensive experience in Singapore and Asia real estate across acquisitions, investments, leasing, developments, portfolio management and REIT management, he is responsible for the real estate business.

Previous appointments:

Prior to joining Boustead Projects, Mr Lim held positions at AEP Investment Management Pte Ltd, Jones Lang LaSalle Property Consultants Pte Ltd and Logos SE Asia Pte Ltd, and also held a position at Boustead Singapore Limited as Senior Investment Manager for Real Estate for nearly five years.

Stakeholder Relations

Summary of FY2021 Investor Relations Activities

39

face-to-face/
teleconference/virtual
investor meetings hosted

FY2020: 55

49

investors met

FY2020: 78

1

investor conference/
event attended

FY2020: 0

3

research firms providing
coverage:

- CIMB Research
- Seeking Alpha
- UOB Kay Hian

Delivering Value to Shareholders

15.4¢*

dividends per share for
FY2021

24.5¢**

total shareholder return per
share since listing in FY2016

S\$323.5m

market capitalisation at end
of FY2021

S\$7.1m

worth of net share buybacks
conducted since listing in
FY2016

Stakeholder Communications

Prior to Boustead Projects being listed on the SGX Mainboard on 30 April 2015, investor relations (“IR”) had been a key facet of Boustead Projects’ holistic communications with stakeholders. Our IR Team has proactively communicated with analysts, investors, the media and global financial community in an accurate, consistent, sincere, timely and transparent manner. In 2018, with the launch of our inaugural Boustead Projects FY2018 Longevity Report (Sustainability Report), we added yet another avenue of annual communications with stakeholders.

All of our annual reports, company announcements and financial results announcements since our listing, as well as substantial information that would be of interest to investors are available at www.bousteadprojects.com/investor-centre. Our Boustead Projects Annual Reports have been award-winning annual reports for four successive years, being either

Platinum or Gold Winners at the world-renowned Hermes Creative Awards from 2017 to 2020. Our Boustead Projects Longevity Reports have also been recognised by leading sustainability experts.

In FY2021, we met 49 investors at investor conferences, meetings and presentations – many on virtual platforms – to share our business strategies and financial performance.

During the year, CGS-CIMB Research and UOB Kay Hian continued comprehensive rated research coverage on Boustead Projects. In addition, Seeking Alpha released in-depth analytical views on Boustead Projects.

We continued to actively engage with institutional and retail investors. We also presented at the SGX & GS Singapore Corporate Day 2021, hosted by SGX and Goldman Sachs, which was our first time attending and presenting at a virtual investor conference.

In October 2020, we released our Boustead Projects FY2020 Longevity Report, presenting an in-depth understanding of how we ensure the longevity of our business and the wider ecosystem that we are interconnected with. We also shared how this translates to delivering sustainable shared socio-economic value and progress to our key stakeholders, along with the communities that we reside in and our collective home – Planet Earth.

Our strong efforts in corporate governance, transparency and sustainability, led to Boustead Projects being listed as one of only 92 SGX-listed corporations on the SGX Fast Track Programme, a programme that aims to affirm listed issuers that have been publicly recognised for high corporate governance standards and have maintained a good compliance track record, with prioritised clearance for their corporate action submissions.

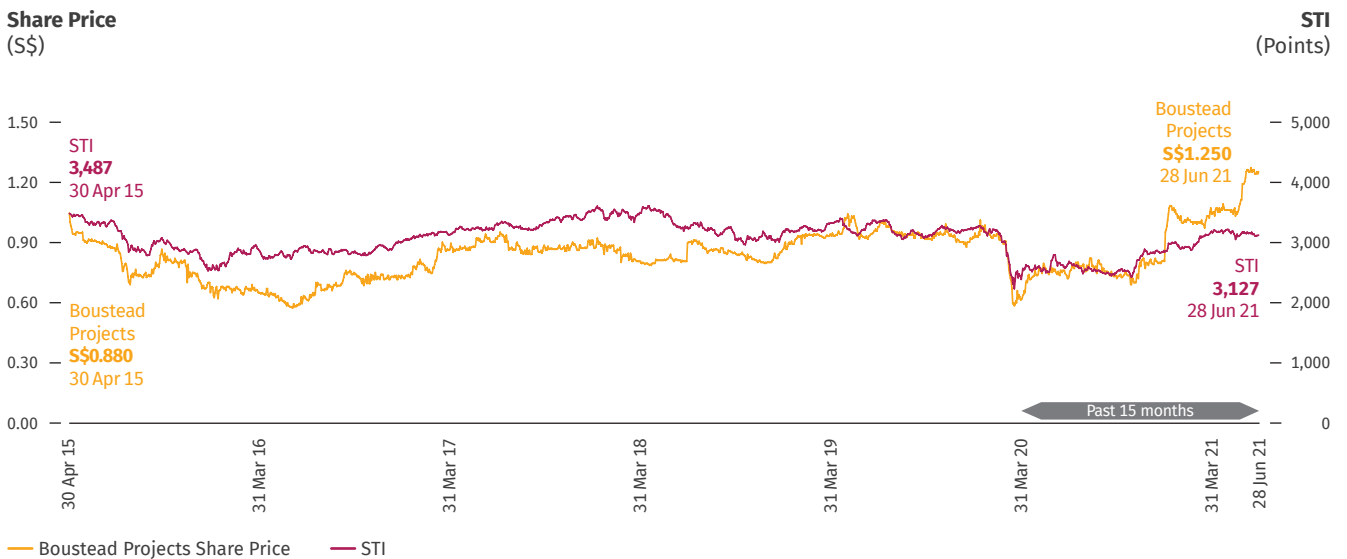
If you have any stakeholder queries, please email us at ir.team@boustead.sg.

* Includes proposed final dividend of 0.9 cents per share and special dividend of 14.5 cents per share for FY2021.

** Includes dividends and net share buybacks but excludes capital gains since listing, for comparative review.

Share Performance and STI Commentary

Opening FY2021 at a near historical low of S\$0.630, Boustead Projects' share price increased by approximately 98% over the past 15 months, touching a low of S\$0.610 on 2 April 2020 and high of S\$1.290 on 7 June 2021, and closing at S\$1.250 on 28 June 2021. The major cause behind the share price reaching a near historical low was the onset of the COVID-19 pandemic.



FY2021 Calendar

Date	Activity/Event
Aug 2020	<ul style="list-style-type: none"> FY2020 Annual Report Annual General Meeting
Sep 2020	<ul style="list-style-type: none"> FY2020 final dividend of 0.8 cents per share
Oct 2020	<ul style="list-style-type: none"> FY2020 Longevity Report
Nov 2020	<ul style="list-style-type: none"> 1H FY2021 financial results announcement
Feb 2021	<ul style="list-style-type: none"> Extraordinary General Meeting for Boustead Industrial Fund
Mar 2021	<ul style="list-style-type: none"> SGX & GS Singapore Corporate Day 2021
May 2021	<ul style="list-style-type: none"> FY2021 financial results announcement

FY2022 Calendar***

Date	Activity/Event
Jul 2021	<ul style="list-style-type: none"> FY2021 Annual Report Annual General Meeting
Aug 2021	<ul style="list-style-type: none"> FY2021 final dividend of 0.9 cents per share (proposed) FY2021 special dividend of 14.5 cents per share (proposed)
Aug 2021	<ul style="list-style-type: none"> FY2021 Longevity Report
Nov 2021	<ul style="list-style-type: none"> 1H FY2022 financial results announcement
May 2022	<ul style="list-style-type: none"> FY2022 financial results announcement

*** Subject to change. Please check www.bousteadprojects.com/investor_centre for the latest updates.

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

Tam Chee Chong

Independent Non-Executive Director

Chong Lit Cheong

Independent Non-Executive Director

Professor Yong Kwet Yew

Independent Non-Executive Director

Audit & Risk Committee

Tam Chee Chong

Chairman

John Lim Kok Min**Chong Lit Cheong**

Nominating Committee

John Lim Kok Min

Chairman

Chong Lit Cheong**Professor Yong Kwet Yew****Tam Chee Chong****Wong Yu Wei****Thomas Chu Kok Hong**

Remuneration Committee

Chong Lit Cheong

Chairman

John Lim Kok Min**Professor Yong Kwet Yew**

Share Registrar

**Boardroom Corporate &
Advisory Services Pte Ltd**

50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

Auditors

PricewaterhouseCoopers LLP

7 Straits View
Marina One, East Tower
Level 12
Singapore 018936

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

Principal Bankers

United Overseas Bank Ltd**DBS Bank Ltd****Malayan Banking Bhd****The Hongkong and Shanghai Banking
Corporation Ltd**

Place of Incorporation

Singapore

Date of Incorporation

29 May 1996

Company Secretary

Tay Chee Wah

Company Registration

199603900E

Registered Office

Boustead Projects Limited

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

Stock Exchange Listing

Singapore Exchange Securities
Trading Ltd

Financial Statements

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Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

The directors present their statement to the members together with the audited consolidated financial statements of the Group for the financial year ended 31 March 2021 and the statement of financial position of the Company as at 31 March 2021.

In the opinion of the directors,

- (a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 93 to 163 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 March 2021 and the financial performance, changes in equity and cash flows of the Group for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

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

John Lim Kok Min
Wong Yu Wei (Huang Youwei)
Chu Kok Hong @ Choo Kok Hong
Tam Chee Chong
Chong Lit Cheong
Professor Yong Kwet Yew

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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 21.04.2021	At 31.03.2021	At 01.04.2020	At 21.04.2021	At 31.03.2021	At 01.04.2020
Boustead Projects Limited						
<u>(No. of ordinary shares)</u>						
John Lim Kok Min	169,296	169,296	169,296	-	-	-
Wong Yu Wei (Huang Youwei)	134,714	113,135	23,863	717,800	717,800	717,800
Chu Kok Hong @ Choo Kok Hong	995,490	963,679	816,823	1,578	1,578	1,578
Shares awards (unvested) granted under the Boustead Projects Restricted Share Plan 2016						
Wong Yu Wei (Huang Youwei)	-	21,579	110,851	-	-	-
Chu Kok Hong @ Choo Kok Hong	-	31,811	178,667	-	-	-
Ultimate Holding Company - Boustead Singapore Limited						
<u>(No. of ordinary shares)</u>						
John Lim Kok Min	579,890	579,890	579,890	-	-	-
Wong Yu Wei (Huang Youwei)	125,765	125,765	125,765	-	-	-
Chu Kok Hong @ Choo Kok Hong	243,432	243,432	243,432	5,478	5,478	5,478
Related corporation - Geologic Private Limited						
<u>(No. of ordinary shares)</u>						
Wong Yu Wei (Huang Youwei)	35,000	35,000	35,000	-	-	-

SHARE OPTIONS

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

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

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

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 statement, and except that certain directors receive remuneration from related corporations in their capacity as directors and/or executives of those related corporations.

Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

SHARE AWARDS

- (a) The Boustead Projects Restricted Share Plan 2016 (the "2016 Share Plan") was approved by the members of the Company at its Extraordinary General Meeting on 28 July 2016. Under the 2016 Share Plan, all eligible executive employees, non-executive directors of the Company as well as associates of controlling shareholders of the Company are invited to participate in the 2016 Share Plan. The selection of an eligible participant shall be determined at the absolute discretion of the committee appointed by the Board to administer the 2016 Share Plan. The participation of an associate of controlling shareholders shall be approved by independent members of the Company.
- (b) The committee administering the 2016 Share Plan comprises three members, all of whom are non-executive directors. "Executive employees" mean confirmed employees of a group entity fulfilling at least an executive role, selected by the committee to participate in the 2016 Share Plan, in accordance with the terms and conditions thereof.
- (c) Details of the 2016 Share Plan are disclosed in Note 6 to the financial statements.
- (d) The members of the committee administering the 2016 Share Plan are:

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

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

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

Date of grant	Balance at 1 April 2020	Share awards granted	Share awards vested	Share awards forfeited	Balance at 31 March 2021
23 October 2017	136,533	-	(136,533)	-	-
13 September 2018	679,457	-	(528,466)	-	150,991
	815,990	-	(664,999)	-	150,991

Name of participant	Number of shares comprised in awards granted during the financial year	Aggregate number of shares comprised in awards since commencement of the 2016 Share Plan to end of financial year	Aggregate number of shares comprised in awards vested since commencement of the 2016 Share Plan to end of financial year	Aggregate number of shares forfeited since commencement of the 2016 Share Plan to end of financial year	Aggregate number of shares comprised in awards outstanding as at end of financial year
Associate of Controlling Shareholder of the Company					
Wong Yu Wei (Huang Youwei)	-	353,243	(331,664)	-	21,579
Employees of the Company's subsidiary	-	2,631,821	(2,436,576)	(65,833)	129,412
	-	2,985,064	(2,768,240)	(65,833)	150,991

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

Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

AUDIT & RISK COMMITTEE

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

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

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

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2021 before their submission to the Board of Directors.

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

INDEPENDENT AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept reappointment.

On behalf of the directors

Wong Yu Wei (Huang Youwei)
Director

Chu Kok Hong @ Choo Kok Hong
Director

Date: 30 June 2021

Corporate Governance

The Board of Directors of Boustead Projects Limited (“**Company**” and the Board of Directors of the Company to be known as, the “**Board**”) is committed to maintaining a high standard of corporate governance and transparency within the Company and its subsidiaries (“**Group**”) in line with the principles and provisions set out in the Code of Corporate Governance 2018 (“**Code**”). This establishes and maintains a legal and ethical environment in the Group to preserve the interests of all shareholders and stakeholders.

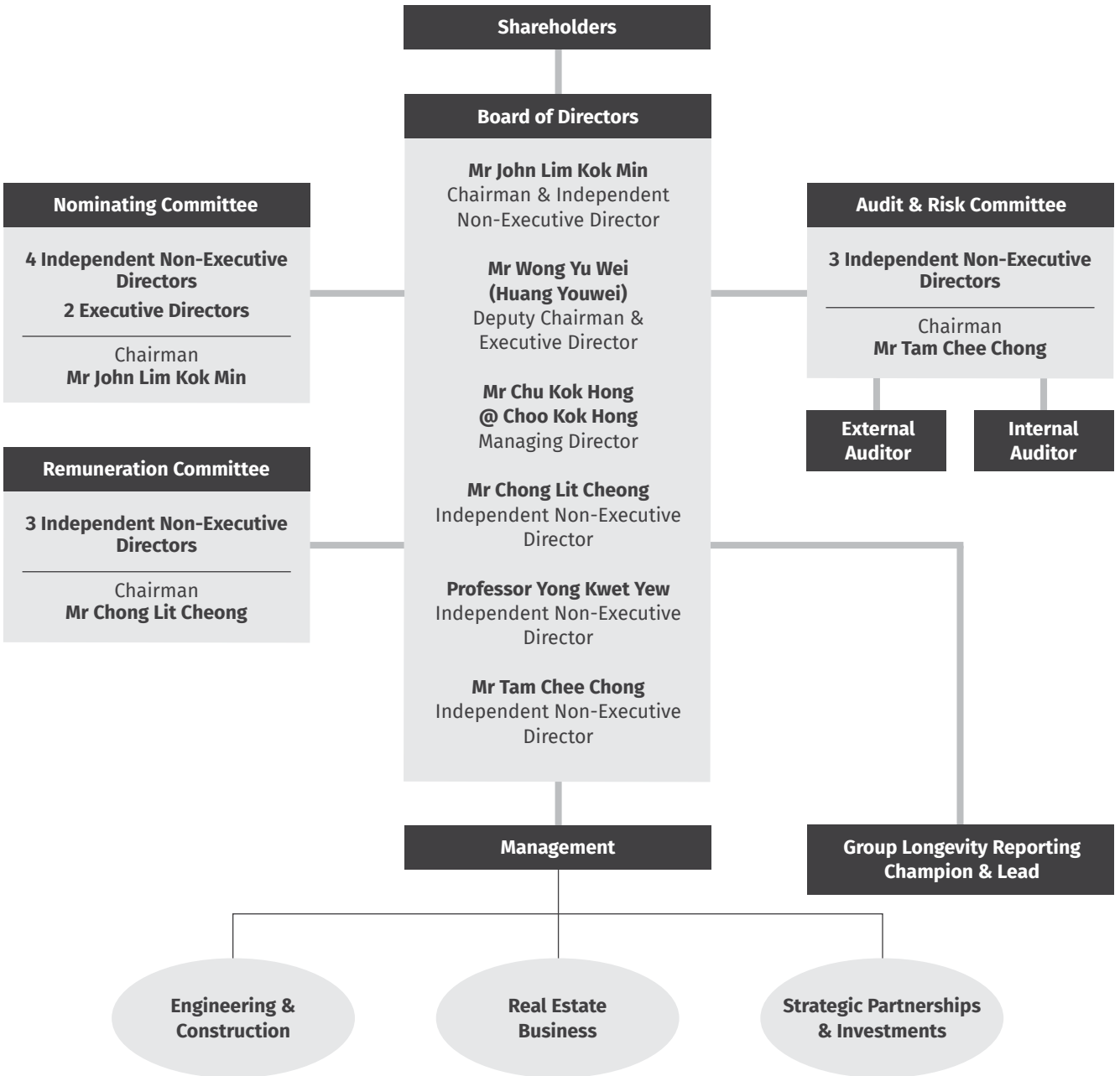
The Board is pleased to present this Corporate Governance Report (“**Report**”) which outlines the Company’s corporate governance practices for the financial year ended 31 March 2021 (“**FY2021**”) with specific reference made to the principles and provisions of the Code and accompanying Practice Guidance issued on 6 August 2018 and updated as of 7 February 2020 (“**Practice Guidance**”), which forms part of the Company’s continuing obligations under the Listing Manual of the Mainboard (“**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). This Report should be read as a whole as other sections of this Report may also have an impact on the specific disclosures made in this Report.

For FY2021, the Company has complied with the principles of the Code in all material respects and, where there are any variations from the provisions of the Code, appropriate explanation for such variation is provided together with details on how the practices which the Company has adopted are consistent with the intent of the relevant principle of the Code.

Corporate Governance

GOVERNANCE FRAMEWORK

The Company's governance structure is as follows:



Corporate Governance

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1 - The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Board Duties and Responsibilities

The Board has the primary responsibility for the overall leadership, control, management and long-term success of the Company. The Board provides guidance to and works with management ("**Management**") to achieve the Company's objectives. It monitors the performance of Management and Management is accountable to the Board for its performance.

The Board 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:

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

The Board also sets the tone for the Group in respect of ethics, organisational culture and business conduct, and ensures proper accountability within the Group. The Board is strongly committed to the highest standards of integrity and ethical behaviour in conducting business. The Company has adopted a Code of Conduct which sets out the standards expected of the Company, Management and its employees on, among other things, anti-bribery and anti-corruption, fair dealing and competition, proper use of corporate positions and resources, confidentiality and privacy obligations, insider trading and whistle-blowing. In addition, the Company has implemented a separate Anti-Bribery and Corruption Policy as well as Whistleblowing Policy, both of which are published on its corporate website. Please see the section on Principle 10 under "Audit & Risk Committee" below for further details.

Under the Code of Conduct adopted by the Company, all directors are required to avoid conflicts of interest or duty or taking improper advantage of their position. Issues of conflict of interest or potential conflict of interest involving director(s) of the Company are dealt with by the Audit & Risk Committee, which comprises independent directors only. Independent directors of the Board also deal with conflicts of interest involving substantial shareholders, and matters which require the decision and determination of the independent directors pursuant to the provisions of the Listing Manual of the SGX-ST or applicable laws and regulations.

Conflict of Interests

As fiduciaries of the Company, all directors of the Company are required to act objectively in the best interests of the Company at all times. The Board exercises independent judgment and due diligence when making decisions for the benefit of the Company. Where a director has a conflict of interest in a particular matter, he/she will be required to declare his/her interest to the Board as soon as is practicable after the relevant facts have come to his/her knowledge, recuse himself/herself from the deliberations and abstain from voting on the matter.

Corporate Governance

Understanding of Directors' Role

The Board implements measures to ensure that both newly appointed as well as existing directors are familiar with the Group's business and operations as well as their duties and responsibilities as directors.

A newly appointed director will, upon appointment, be provided with a formal appointment letter setting out, among other things, the director's role as an executive or non-executive or independent director and the associated duties and responsibilities of such role. A newly appointed director will be given an orientation and comprehensive briefing by Management on the Group's corporate profile, and the Group's strategies, plans, businesses and operations. If a newly appointed director has no prior experience as a director of an issuer listed on SGX-ST, the Company will ensure that such director undergoes training on the roles and responsibilities of a director of a listed issuer as prescribed under the Listing Manual of the SGX-ST.

The Management provides the Board with ongoing updates on material developments in the Group's business and operations, as well as the industry and legal and regulatory environment in which the Group operates. All non-executive directors are invited to request for additional explanations, briefings and informal discussions on any aspect of the Group's business or operations issues at all times. The directors may visit the Group's project sites in order to gain a better understanding of the Group's business and operations.

The Company provides the directors with the opportunity to develop and maintain their skills and knowledge through internal briefings as well as external courses. The Management provides the Board with regular updates on board processes, governance practices and changes to laws and regulations that have a bearing either on the Group or on an individual director. Directors are also encouraged to undergo continuing professional development during the term of their appointment, including attending appropriate external training courses conducted by third parties such as the Singapore Institute of Directors ("**SID**") and external professionals, at the Company's expense.

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

During FY2021, a majority of the directors on the Board have had many years of board experience and are therefore familiar with the duties and responsibilities of a director of a listed issuer. Mr Tam Chee Chong, who did not have prior experience as a director of a listed issuer prior to his appointment as a director of the Company on 1 May 2019, had attended the Listed Entity Director Programme conducted by SID in accordance with the requirements prescribed under the Listing Manual of the SGX-ST. As part of the Board's continuing professional development, a majority of the directors also attended at least one training course during FY2021.

As at the date of this Report, two out of the four non-executive directors on the Board have been directors of the Company for at least five years and were therefore familiar with the Group's business and operations. As part of the induction programme, the two directors who were appointed on 1 May 2019 were given comprehensive briefing by Management on the Group's corporate profile, and the Group's strategies, plans, businesses and operations.

Delegation of Authority

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

Matters which are specifically reserved for the Board's decision include those involving corporate plans and budgets, material acquisitions and disposals of assets, corporate strategy, financial restructuring, share issuances, dividends and other returns to shareholders, major financial decisions such as investment and divestment proposals, incurrence of debt, expenditure beyond a prescribed amount as well as interested party transactions and any other matters as prescribed under the relevant legislations and regulations and the provisions of the Company's Constitution. A resolution of the Board passed by a majority of the directors is required in order to approve such matters.

Corporate Governance

Board Committees

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 Nominating Committee, the Remuneration Committee, and the Audit & Risk Committee, each of which has its own terms of reference that set out the authority and duties of each of the Board Committees.

A description of, among other things, the composition and the terms of reference, and a summary of the activities of the respective Board Committees during FY2021 are set out in the following sections:

- (a) in respect of the Nominating Committee – sections on Principle 4 under “Board Membership” and Principle 5 under “Board Performance”;
- (b) in respect of the Remuneration Committee – sections on Principle 6 under “Procedures for Developing Remuneration Policies” and Principle 7 under “Level and Mix of Remuneration”; and
- (c) in respect of the Audit & Risk Committee – sections on Principle 9 under “Risk Management and Internal Controls” and Principle 10 under “Audit & Risk Committee”.

Board Meetings

The Board meets at least once every quarter. The schedule is normally determined before the fourth quarter of each calendar year for the forthcoming financial year to allow directors to plan for their attendance at these meetings. Where necessary, additional Board meetings will be held to address significant transactions or issues that arise.

Board papers and related materials are sent to Board or Board Committee members in advance prior to each meeting to allow the Board or Board Committee members sufficient time to familiarise themselves with the matters prior to the meetings. Management and senior executives who can provide additional insights into the matters to be discussed are also invited to attend the meetings so as to be at hand to address any questions that the Board or Board Committee members may have.

During the scheduled quarterly meetings, Management will provide the Board with an update on the Group’s business and operations for the relevant quarter and the financial performance for that quarter, and any other significant matters or issues that may have arisen. This allows the Board to have oversight and to develop a better understanding of the progress of the Group’s business and operations as well as any issues and/or challenges encountered by the Group and promotes active engagement with Management.

Unless a director is required to recuse himself/herself from the deliberations and abstain from voting on a matter due to a potential conflict of interest, all members of the Board or Board Committee will participate in the discussions and deliberations at Board and Board Committee meetings. To facilitate attendance and participation, a director who is not able to attend a Board or Board Committee meeting in person is permitted under the Company’s Constitution to participate by way of telephone and video-conference.

The Board and Board Committees may also make decisions by way of resolutions in writing. In such situations, resolutions in writing, together with board papers and related materials, will be circulated to all directors for their consideration and approval. Management will, where necessary, reach out to the directors to provide any explanation or other information as may be required for the directors to deliberate on the matter before approving such written resolutions.

The Board requires directors to be able to commit sufficient time and attention to the affairs of the Company. A discussion of the procedure for assessing the directors’ commitment to the Company is set out in the section “Assessment of Directors’ Commitment” of Principle 4 under “Board Membership”.

During FY2021, a total of four scheduled Board meetings, four scheduled Audit & Risk Committee meetings, one scheduled Nominating Committee meeting and two scheduled Remuneration Committee meetings were held. There were also nine additional Board meetings and two additional Audit & Risk Committee meetings held during FY2021. The Board and Audit & Risk Committee members also had several informal discussions on various issues relating to corporate strategy, risk management and specific significant matters during FY2021.

Corporate Governance

The number of Board and Board Committee meetings held during FY2021 as well as the attendance of each director at these meetings are set out in the table below:

Name of Director	Board		Additional Board Meeting		Audit & Risk Committee		Additional Audit & Risk Committee Meeting		Nominating Committee		Remuneration Committee	
	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended
John Lim Kok Min	4	4	9	9	4	4	2	2	1	1	2	2
Wong Yu Wei (Huang Youwei)	4	4	9	9	-	-	-	-	1	1	-	-
Chu Kok Hong @ Choo Kok Hong	4	4	9	9	-	-	-	-	1	1	-	-
Chong Lit Cheong	4	4	9	9	4	4	2	2	1	1	2	2
Professor Yong Kwet Yew	4	4	9	9	-	-	-	-	1	1	2	2
Tam Chee Chong	4	4	9	9	4	4	2	2	1	1	-	-

Access to Information

The Management recognises that it is essential to provide the Board with complete and adequate information on Group affairs and material events and transactions on a timely and on-going basis in order for the directors to discharge their duties and responsibilities and to make decisions based on relevant and up-to-date information.

The Management regularly provides the Board with management reports and updates relating to the Group's business and operations and financial information, including management accounts of the Group's performance, position and prospects on a quarterly basis. As set out above in the section "Board Meetings", board papers and related materials (including, where appropriate, relevant background or explanatory information, financial analysis and/or external reports) are provided to the Board or Board Committee in advance of the relevant Board or Board Committee meeting. Directors have unrestricted access to the Company's records and information, and are entitled to request from Management and be provided with additional information as needed to make informed decisions. The directors also have separate and independent access to Management as well as the company secretary.

Management and senior executives who can provide additional insights into the matters to be discussed will attend Board and Board Committee meetings to provide any other information required by the Board or the relevant Board Committee, and to answer any queries from the directors. Management may also communicate with the directors outside of formal Board and Board Committee meetings as appropriate through other means, such as electronic mail, telephone or video-conferencing, or separate physical meetings. Any requests by directors for further explanation, briefings or informal discussions on any aspect of the Group's operations are attended to expeditiously by Management.

Where the directors require independent professional advice to facilitate the discharge of their duties and responsibilities, Management will facilitate the appointment of such professional advisor to render advice to the Board. The cost of obtaining such professional advice will be borne by the Company.

Role of Company Secretary

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

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

Corporate Governance

Commitment to Sustainability

The Board is committed to ensuring the Company's longevity and sustainability, including reviewing its performance, policies and practices in relation to material environmental, social and governance ("ESG") topics. For this purpose, the Board is assisted by its robust existing systems including audit, compliance, enterprise risk, financial, environmental, health and safety, human resource, information technology and operational management systems, along with the implementation of the Company's Longevity Reporting Framework (i.e. sustainability reporting framework). The Board also assesses opportunities and risks presented by material ESG topics, which helps the Board to determine the appropriate strategies, policies and practices that will provide the Company with the adaptability and flexibility to seize opportunities to deliver sustainable socio-economic value and progress to key stakeholders, while being well-supported by sound risk management. In determining the Company's risk appetite, the Board considers material ESG topics that may affect reputational risk, ethical and moral considerations, and have significant financial and non-financial implications.

The Company releases an annual standalone Sustainability Report. The FY2021 report will be available on the Company's website by 31 August 2021. The report is prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option and contains the five primary components in compliance with Rule 711B of the Listing Manual of the SGX-ST.

Board Composition and Guidance

Principle 2 - The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Board Composition

As at the date of this Report, the Board members are:

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

Board Independence

As set out in the section "Board Composition" above, the Board currently comprises six directors, four of whom (including the Chairman of the Board) are independent non-executive directors. There is a strong and independent element on the Board with independent non-executive directors comprising a majority of the Board, and no individual or small group of individuals dominating the Board's decision-making. The Board is able to exercise objective judgement on corporate affairs independently, in particular, from Management. This ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined, taking into consideration the long-term interests of the Company and its shareholders.

The Nominating Committee assesses the independence of each director annually in accordance with the guidance in the Code, the Practice Guidance and the Listing Manual of the SGX-ST. Based on the Code, an "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Company. The Nominating Committee also takes into account the existence of any relationships or circumstances, including those identified by the Practice Guidance and the Listing Manual of the SGX-ST, in assessing the independence of a director. Such relationships or circumstances include the employment of a director by the Company or any of its related corporations during the financial year in question or in any of the previous three financial years, a director being on the Board for an aggregate period of more than nine years, the acceptance by a director of any significant compensation from the Company or any of its subsidiaries for the provision of services during the financial year in question or the previous financial year, other than compensation for board service, and a director being related to any organisation to which the Company or any of its subsidiaries made, or from which the Company or any of its subsidiaries received, significant payments or material services during the financial year in question or the previous financial year.

Corporate Governance

To facilitate the assessment of the independence of the directors, each director is required to promptly disclose to the Board any relationship or change in circumstances which may lead to his status as an independent director being affected. If the Board determines that notwithstanding such relationship or circumstances, the director remains independent, the Board shall record its reasons for such determination in formal Board meeting minutes and formally disclose its reasons in the next annual report.

The Nominating Committee has reviewed the independence of each of the directors taking into account the guidance in the Code, the Practice Guidance and the Listing Manual of the SGX-ST, and is satisfied that apart from Mr Wong Yu Wei (Huang Youwei) and Mr Chu Kok Hong @ Choo Kok Hong, both of whom are the only non-independent directors of the Company, all other members of the Board do not have any relationship and are not affected by any of the circumstances identified in the Code, Practice Guidance and Listing Manual of the SGX-ST or any other relationships which may affect their independent judgment and are therefore considered to be independent.

As at the date of this Report, none of the independent directors has served on the Board for more than nine years.

Board Diversity

Provision 2.4 of the Code provides, among other things, that the Board and Board Committees are to be of an appropriate size and comprises directors who as a group provide the appropriate balance and mix of skills, knowledge, experience and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. Provision 2.4 of the Code further provides that the board diversity policy and progress made towards implementing the policy, including objectives, are to be disclosed in the Company's annual report.

While the Board has not adopted a formal board diversity policy, which is a variation from Provision 2.4, the Board recognises the importance of having a diverse Board, in particular, the Board ensures that the collective skills and experiences of the Board as a whole are aligned with the current and future strategic needs of the Company. As at the date of this Report, the Board consists of members with skills and experience in finance, construction technology, large scale project management and fund management. Though the Board consists of members with diverse and relevant attributes, the Company has yet to appoint a female board member. Gender diversity will be one of the criteria under consideration when a vacancy on the Board is to be filled in the future. The final decision on selection of directors will be based on merits against the objective criteria set, after giving due regard to the benefit of diversity.

Considering the nature and scale of the Group's business as well as the constantly evolving nature of business and industry conditions, the Board is satisfied that the size and composition of the Board and its Board Committees are appropriate at present and the current directors have vast business and management experience and varied qualifications and expertise in the areas of finance, accounting, business management and industry knowledge, with varying age profiles.

Taking into account that four out of the six directors are independent non-executive directors and also the varied skills, knowledge and experience of the directors, the Board is of the view that the current Board composition is sufficiently diverse to avoid groupthink and foster constructive debate and that, consistent with the broad principle behind Principle 2 of the Code, the current Board has an appropriate level of independence and diversity of thought and background to enable it to make decisions in the best interests of the Company.

The Board will review its composition from time to time and will seek to maintain a diversity of skills, knowledge, experience, gender, age, ethnicity and other attributes of the directors. Further, the Board will consider adopting a formal board diversity policy in the coming financial year.

Non-Executive Directors

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

To facilitate a more effective check on Management, non-executive directors meet at least once a year without the presence of Management. When necessary, the non-executive directors also meet separately prior to Board meetings. The chairman of such meetings provides feedback to the Board and/or the Chairman of the Board, as appropriate. During FY2021, the non-executive directors met at least twice without the presence of Management.

Corporate Governance

Chairman and Managing Director/Chief Executive Officer

Principle 3 - There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Since the listing of the Company on the SGX-ST in March 2015, there has always been a clear division of responsibilities between the leadership of the Board and the Management, with the roles of the Chairman and the Managing Director being held by separate persons. This provides an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making. As at the date of this Report, Mr John Lim Kok Min, an independent non-executive director, is the Chairman of the Board, and Mr Chu Kok Hong @ Choo Kok Hong is the Managing Director of the Company. The Chairman of the Board does not have an executive position in the Company and is not part of Management.

There is clear separation of roles and responsibilities between the Chairman and the Managing Director. Mr John Lim Kok Min is the Chairman who leads the Board to ensure effectiveness in all aspects of its roles. The company secretary, in consultation with the Chairman, schedules and prepares the agenda for Board meetings. Management staffs who have prepared the board papers or who may provide additional insights are invited to present the papers or attend the Board meetings. The Chairman ensures that sufficient time is allocated for discussion of all agenda items, particularly issues relating to strategy, and ensures that directors are provided with adequate and timely information. He promotes an open environment for debate and ensures that discussions and deliberations are effective. The Chairman is also charged with the role of maintaining high standards of corporate governance and ensuring effective communication between the Board and the shareholders of the Company.

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

Taking into account that the roles of the Chairman and the Managing Director are held by separate persons who each carries out separate responsibilities as set out above, the Board is of the view that the practices adopted by the Company in relation to the division of responsibilities between the leadership of the Board and Management are consistent with the intent of Principle 3 of the Code.

The Board is not required to have, and does not have, a lead independent director as the Chairman is an independent director.

Board Membership

Principle 4 - The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Nominating Committee

The Nominating Committee comprises six directors, four of whom, including the Chairman of the Nominating Committee, are independent directors. As at the date of this Report, the members of the Nominating Committee are:

Mr John Lim Kok Min	Chairman
Mr Chong Lit Cheong	Member
Professor Yong Kwet Yew	Member
Mr Tam Chee Chong	Member
Mr Wong Yu Wei (Huang Youwei)	Member
Mr Chu Kok Hong @ Choo Kok Hong	Member

Terms of Reference

The objectives of the Nominating Committee are to provide a formal, transparent and objective procedure for appointing Board members and to recommend for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each Board Committee separately, as well as the contribution by the Chairman and each individual director to the Board.

Corporate Governance

According to the written terms of reference of the Nominating Committee, read together with the Code, the principal functions of the Nominating Committee include:

- (a) review and recommend candidates for appointments to the Board and Board Committees, as well as candidates for senior management staff;
- (b) review of board succession plans for the directors, in particular, the Chairman and the Managing Director;
- (c) develop a process for the evaluation of the performance of the Board, the Board Committees and the directors;
- (d) review of training and professional development programmes for the Board;
- (e) review and recommend directors for re-appointment or re-election;
- (f) review and recommend candidates to be nominees on the boards and board committees of the listed companies and entities within the Group;
- (g) determine the independence of the directors;
- (h) review 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) undertake generally such other functions and duties as may be required by law or the Listing Manual of the SGX-ST, and by amendments made thereto from time to time.

During FY2021, the activities of the Nominating Committee include reviewing and recommending nomination for re-appointment or re-election or renewal of appointment of directors, and determining the independence of the directors.

Selection of New Directors

The Board has put in place a process for the selection and appointment of new directors.

The Nominating Committee will assess candidates and make recommendations to the Board for appointment as directors. As part of such assessment process, the Nominating Committee will review the expertise, skills and attributes of the current directors on the Board, identify its future needs and shortlist candidates with the appropriate profiles for nomination. Knowledge of the Company's construction and real estate industry and corporate governance practices, and prior experience as a director of a listed issuer in Singapore, are, among other things, the criteria used to identify and evaluate the potential new directors. The search may be conducted through professional recruiters, as well as various contacts and recommendations. The objective of this process is to seek to maintain a diversity of skills, knowledge, experience, gender, age, ethnicity and other attributes necessary to effectively meet the needs of the Company.

Shortlisted candidate would be required to furnish his/her curriculum vitae stating in detail his/her qualification, working experience and employment history. In addition, such candidate may be required to complete certain prescribed forms to enable the Nominating Committee to assess the candidate's independence, if applicable. The Nominating Committee interviews each prospective candidate with appropriate profile to assess suitability and to ensure that the candidate is aware of the expectation and commitment required and makes recommendations to the Board for approval and adoption.

Re-Nomination of Directors

Under the Company's Constitution, one-third of the 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 ("AGM"). Based on such 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 the existing director's competencies, attendance, participation, contribution and competing commitments when deciding whether to recommend that director for re-election.

Pursuant to Article 94 of the Company's Constitution, Mr John Lim Kok Min and Mr Chong Lit Cheong shall be retiring at the AGM to be held on 28 July 2021.

Corporate Governance

The Nominating Committee has considered the contribution of Mr John Lim Kok Min and Mr Chong Lit Cheong and recommended to the Board their re-election as directors at the AGM to be held on 28 July 2021. The Board has concurred with the Nominating Committee's recommendation for their re-election as directors at the AGM to be held on 28 July 2021. If re-elected, Mr John Lim Kok Min will remain as the Chairman of the Board, the Chairman of the Nominating Committee and a member of the Audit & Risk Committee as well as a member of the Remuneration Committee, and Mr Chong Lit Cheong will remain as the Chairman of the Remuneration Committee and a member of the Audit & Risk Committee and a member of the Nominating Committee. Both Mr John Lim Kok Min and Mr Chong Lit Cheong, upon re-election, will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

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

Assessment of Independence

As set out under the section on Principle 2 under "Board Independence", the Nominating Committee assesses annually whether or not a director is independent in accordance with the guidance in the Code, the Practice Guidance and the Listing Manual of the SGX-ST.

To facilitate this process, each director is required to complete a Director's Independence Confirmation based on the guidance in the Code, the Practice Guidance and the Listing Manual of the SGX-ST and to disclose, among other things, his/her relationship(s) with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Company. An independent director shall notify the Nominating Committee immediately, if as a result of a change in circumstances, he/she no longer meets the criteria for independence. The Nominating Committee shall review the change in circumstances and make its recommendations to the Board.

Each independent director has completed the Director's Independence Confirmation to confirm his independence for FY2021. The Nominating Committee has reviewed the independence of each independent director in accordance with the guidance in the Code, the Practice Guidance the Listing Manual of the SGX-ST and is satisfied that apart from Mr Wong Yu Wei (Huang Youwei) and Mr Chu Kok Hong @ Choo Kok Hong, both of whom are the only non-independent directors of the Company, all other members of the Board, i.e. Mr John Lim Kok Min, Mr Chong Lit Cheong, Professor Yong Kwet Yew and Mr Tam Chee Chong, do not have any relationship and are not affected by any of the circumstances identified in the Code, Practice Guidance and Listing Manual of the SGX-ST or any other relationships which may affect their independent judgment and are therefore considered to be independent. Independent directors comprise a majority of the Board.

Assessment of Directors' Commitment

The Nominating Committee assesses annually whether a director is able to and has been adequately carrying out his or her duties and responsibilities as a director and, in particular, whether a director who serves on multiple boards is able to commit the necessary time and attention to serve on the Board. In performing its review, the Nominating Committee will consider factors that include:

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

The Nominating Committee has not imposed a limit on the maximum number of listed company board representations and/or other principal commitments which a director may hold at this point of time. The Nominating Committee recognises that the time and attention that each director can devote to the Company depends on many factors that may vary from individual to individual, and believes the imposition of a limit may not be meaningful. Instead, the Nominating Committee assesses holistically, and on a case-by-case basis, whether a director is able to carry out, and has been adequately carrying out, his or her duties and responsibilities as a director taking into account, among other things, the factors mentioned above.

Consistent with the principle that each director is expected to be able to, and to adequately, carry out his or her duties as a director, the Board does not encourage the appointment of alternate directors. No alternate director was appointed to the Board during FY2021.

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 First Appointment	Date of Last Re-election	Current Directorships in Listed Companies	Past Directorships in Listed Companies (in last three years)
John Lim Kok Min	Chairman & Independent Non-Executive Director	25 March 2015	26 July 2019	IREIT Global Group Pte Ltd as Managers for IREIT Global	Silverlake Axis Ltd
Wong Yu Wei (Huang Youwei)	Deputy Chairman & Executive Director	1 December 2008	25 August 2020 -	-	-
Chu Kok Hong @ Choo Kok Hong	Managing Director	5 January 2009	25 August 2020 -	-	-
Chong Lit Cheong	Independent Non-Executive Director	15 May 2015	26 July 2019	-	-
Professor Yong Kwet Yew	Independent Non-Executive Director	1 May 2019	26 July 2019	BBR Holdings (S) Ltd Tritech Group Ltd	-
Tam Chee Chong	Independent Non-Executive Director	1 May 2019	26 July 2019	GSH Corporation Limited IFS Capital Ltd	-

Please also refer to the section “Board of Directors” on pages 46 to 47, and the section “Additional Information on Directors Seeking Re-election Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST” on pages 83 to 88, of the Annual Report for information on other principal commitments of the directors.

The Nominating Committee is of the view that, during FY2021, each director has devoted sufficient time and attention to the affairs of the Company and has been able to discharge their respective duties and responsibilities as director effectively. The Nominating Committee has also reviewed and is satisfied that none of the directors held such a significant number of listed company directorships and/or other principal commitments which may affect his or her ability to serve on the Board effectively. In particular, those directors who hold multiple listed company directorships and other principal commitments have devoted sufficient time and attention to the affairs of the Company and adequately discharged their duties and responsibilities as directors of the Company during FY2021.

Board Performance

Principle 5 - The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Assessment of Composition and Skill Set of the Board

As part of the formal annual assessment of the effectiveness of the Board as a whole and its Board Committees, and individual directors (including the Chairman) as described in the section “Evaluation Process and Criteria” below, the Nominating Committee reviews on an annual basis the composition and skill sets of the Board to determine whether they are adequate and appropriate having regard to the nature and scope of the Company’s operations.

The annual evaluation of the Board is conducted by the Nominating Committee to assess whether each director continues to contribute effectively and demonstrate commitment to the role. This exercise also provides a platform for the Board members to exchange feedback on the Board’s strengths and shortcomings with a view to strengthening the effectiveness of the Board. It also helps the Nominating Committee in determining (i) whether to re-nominate directors who are due for retirement at the next AGM, (ii) whether any replacement of existing directors or appointment of new directors is required, and (iii) whether directors with multiple board representatives are able to discharge, and have adequately discharged, their duties as directors of the Company.

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

Corporate Governance

Evaluation Process and Criteria

The Board, based on the recommendation of the Nominating Committee, adopts a formal process with objective performance criteria for the annual evaluation of the effectiveness and performance of the Board as a whole, each Board Committee as well as each individual director (including the Chairman).

In relation to the evaluation of the Board, the assessment parameters include evaluation of the Board's composition, access to information, the quality of Board processes, accountability and the Board's performance in relation to discharging its principal responsibilities.

In relation to the evaluation of the Board Committees, the assessment parameters include the standard of conduct of each Board Committee, its structure and reporting process to the Board.

In relation to the evaluation of each individual director (including the Chairman), the assessment takes into account numerous factors, including the director's attendance, participation and contribution at the Board and various Board Committee meetings.

The evaluation process of the Board and the Board Committees involves the directors completing the relevant evaluation forms which are designed to incorporate the assessment parameters referred to above. The company secretary will summarise the results of all the evaluations of the Board and the Board Committee and present them to the Nominating Committee for review. The evaluation process of individual director will be undertaken by way of the Nominating Committee Chairman interviewing each individual director separately on how each individual director would evaluate themselves and their peers. The Nominating Committee Chairman will present the feedback received from each director along with his own feedback (if any) during the Nominating Committee meeting. Areas where the Board's performance and effectiveness could be enhanced and recommendations for improvement will be discussed by the Board and, where appropriate, implemented.

The Nominating Committee (which comprises all the members of the Board as at the date of this Report) has conducted an evaluation of the Board, the Board Committees and individual directors (including the Chairman) in respect of FY2021. No external facilitator was engaged for the purpose of these evaluations as the Nominating Committee and the Board are of the view that the current evaluation process is adequate. Moving forward, the Board will consider such engagement where appropriate.

Based on the evaluation for FY2021, the Nominating Committee and the Board are satisfied with the performance and effectiveness of the Board as a whole, each Board Committee as well as the individual directors (including the Chairman).

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6 - The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Level and Mix of Remuneration

Principle 7 - The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Disclosure on Remuneration

Principle 8 - The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Remuneration Committee

The Remuneration Committee comprises three non-executive directors, all of whom, including the Chairman of the Remuneration Committee, are also independent directors. As at the date of this Report, the members of the Remuneration Committee are:

Mr Chong Lit Cheong	Chairman
Mr John Lim Kok Min	Member
Professor Yong Kwet Yew	Member

Corporate Governance

Terms of Reference

According to the written terms of reference of the Remuneration Committee, read together with the Code, the Remuneration Committee has, among other things, a formal, transparent and objective procedure for developing policies on director and executive remuneration, as well as for fixing the remuneration packages of individual directors and key management personnel. The Remuneration Committee also implements and administers the Boustead Projects Restricted Share Plan 2016 (“**2016 Share Plan**”) (on which further information is set out in the section “Boustead Projects Restricted Share Plan 2016” below).

The Remuneration Committee recommends for the Board’s endorsement, a remuneration framework which covers all aspects of remuneration, including but not limited to directors’ fees, salaries, allowances, bonuses, benefits-in-kind and termination terms, as well as specific remuneration packages, for the Board and key management personnel.

The Remuneration Committee, with recommendation from Management, will put forward the list of employees and the amount of share awards to be granted under the 2016 Share Plan to the Board for endorsement.

The Remuneration Committee also reviews the Company’s obligations arising from termination of the service contracts of executive directors and key management personnel to ensure that they contain fair and reasonable termination clauses.

No director, including the members of the Remuneration Committee, shall be involved in discussions concerning his own remuneration. The Remuneration Committee’s recommendations are submitted to the Board for endorsement.

In carrying out its terms of reference, the Remuneration Committee has direct access to the Company’s Deputy Director, Human Resources, who acts as the secretary for the Remuneration Committee, should they have any queries on human resources matters. The Remuneration Committee may also obtain independent external legal and other professional advice as it deems necessary. The expenses for such advice will be borne by the Company. The Remuneration Committee did not appoint any remuneration consultants in FY2021.

During FY2021, the activities of the Remuneration Committee include making recommendations to the Board on the framework of remuneration for the Board and key management personnel and the specific remuneration packages for each director as well as for the key management personnel.

Remuneration Policy and Framework

From a broad perspective, the remuneration policy and framework for determining directors’ fees and the remuneration of executive directors and the key management personnel adopted by the Company is designed with a view to paying competitive remuneration to attract, retain and motivate the directors to provide good stewardship of the Company and the key management personnel to successfully manage the Company for the long term. Specifically, the remuneration policy and framework aims to motivate directors and key management personnel to exert their best efforts to work towards the growth of the Group, to improve the Company’s performance and to protect and promote the interests of all shareholders. The remuneration policy and framework 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 remuneration policy and framework ensures that independent directors are not overly-compensated to the extent that their independence may be compromised. The directors’ fees are recommended by the Remuneration Committee and endorsed by the Board for approval by the shareholders of the Company at AGMs.

Remuneration of Non-Executive Directors

The remuneration of the non-executive directors is in the form of fixed fees. The directors’ fees payable to the non-executive directors are based on a basic fee for serving as director and additional fees for serving on Board Committees. When reviewing the structure and level of directors’ fees for the non-executive directors, the Remuneration Committee takes into consideration the respective roles and responsibilities undertaken in the Board and its Board Committees and the frequency of Board and Board Committee meetings. The Chairman of each Board Committee is paid a higher fee compared with the member of the respective committees in view of the greater responsibility and commitment required by that office. The payment of fees to non-executive directors is subject to the approval of the shareholders of the Company at each AGM.

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Apart from the fixed fees described above, the independent non-executive directors are also eligible to participate in the 2016 Share Plan. The Board believes that allowing independent non-executive directors to participate in the 2016 Share Plan will give them a stake in the Company while providing the Company with additional flexibility in compensating them for their services, and enabling the Company to attract and retain experienced and qualified individuals from a wide range of professional backgrounds to join the Board. As at the date of this Report, none of the independent non-executive directors has accepted any share awards under this 2016 Share Plan. A description of the 2016 Share Plan is set out in the section “Boustead Projects Restricted Share Plan 2016” below.

In FY2021, the framework for the remuneration of independent non-executive directors is as follows:

	Before 10% reduction	After 10% reduction
Board Member	S\$30,000	S\$27,000
Group Chairman	S\$20,000	S\$18,000
Audit & Risk Committee		
Chairman	S\$20,000	S\$18,000
Member	S\$10,000	S\$9,000
Nominating Committee		
Chairman	S\$10,000	S\$9,000
Member	S\$5,000	S\$4,500
Remuneration Committee		
Chairman	S\$10,000	S\$9,000
Member	S\$5,000	S\$4,500

Attendance Fee is fixed at S\$2,000 per board meeting, cap to S\$10,000 per year.

Information on the directors’ fees of independent non-executive directors for FY2021 is set out in the section “Remuneration of Independent Non-Executive Directors for FY2021” below.

The non-executive directors took a 10% reduction in directors’ fees with effect from 1 June 2020, and the figures above reflect the reduced remuneration for the period from 1 June 2020 to 31 March 2021.

Remuneration of Executive Directors and Management

Executive directors do not receive directors’ fees. Instead, they are remunerated as members of Management. The Remuneration Committee conducts an annual review to ensure that the remuneration of the executive directors commensurate with their performance and that of the Company. In structuring the remuneration framework, the Remuneration Committee also considers their contributions as well as the financial performance conditions, which include both quantitative and qualitative targets that have been achieved during the year.

The remuneration package of the executive directors and the key management personnel primarily comprises a mix of a fixed component and a variable component. A significant and appropriate portion of remuneration of executive directors and key management personnel is structured as a variable component with a view to aligning Management remuneration with the interests of shareholders and other stakeholders, and to link rewards to corporate and individual performance so as to promote the long-term sustainability and success of the Group.

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The fixed component is in the form of a base salary which is determined based on various criteria, including the individual's role and responsibilities, experience and competencies as well as performance and market competitiveness. This is approved by the Board based on the Remuneration Committee's recommendations and reviewed annually.

The variable component is in the form of an annual variable performance bonus that is linked to the Group's corporate performance and individual performance. Specifically, the remuneration of certain Management personnel is linked directly to the Group's financial performance through a profit-sharing formula as well as individual key performance indicators.

Complementing the fixed and variable components of the remuneration package described above is the long-term incentive in the form of share awards that can be granted under the 2016 Share Plan. This long-term incentive is applicable only to selected employees whose role and services have been identified to be of significant importance to the performance and growth of the Company. Such long-term incentives would give recognition to these selected employees and promote commitment, dedication and loyalty to the Group. There was no grant of share awards to eligible employees for FY2021. A description of the 2016 Share Plan is set out in the section "Boustead Projects Restricted Share Plan 2016" below.

Information on the remuneration paid to the executive directors and certain other key management personnel for FY2021 is set out in the section "Remuneration of Executive Directors, Key Management Personnel and Key Executives for FY2021" below.

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

Remuneration of Independent Non-Executive Directors for FY2021

The aggregate directors' fees paid to the independent non-executive directors for FY2021 amounted to S\$246,250, details of which are set out below:

Name of Director	Directors' Fee	Total
	S\$	S\$
John Lim Kok Min	78,750	78,750
Chong Lit Cheong*	60,417	60,417
Professor Yong Kwet Yew	46,666	46,666
Tam Chee Chong	60,417	60,417

* Director's fees were paid to Surbana Jurong Private Limited.

The payment of the directors' fees of S\$250,000 for FY2021 has been approved by shareholders as a lumpsum at the AGM held on 25 August 2020.

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Remuneration of Executive Directors, Key Management Personnel and Key Executives for FY2021

The remuneration of the key management personnel (including the executive directors) and certain key executives for FY2021 in bands of S\$250,000 are set out below:

Name	Salary	Bonus	Fees	Other Benefits	Total
<u>Executive Directors</u>					
S\$500,000 to S\$749,999					
Chu Kok Hong @ Choo Kok Hong	72%	21%	-	7%	100%
S\$250,000 to S\$499,999					
Wong Yu Wei (Huang Youwei)	58%	34%	-	8%	100%
<u>Key Management Personnel</u>					
S\$750,000 to S\$999,999					
Samuel Lim Swee Hong	33%	63%	-	4%	100%
S\$250,000 to S\$499,999					
Lee Keen Meng	58%	33%	-	9%	100%
Lum Wai Meng	72%	18%	-	10%	100%
<u>Key Executives</u>					
S\$250,000 to S\$499,999					
Steven Koh Boon Teik	64%	26%	-	10%	100%
Heng Eng Kiat	63%	26%	-	11%	100%
Liew Kau Keen	64%	24%	-	12%	100%
How Tan Hong	65%	24%	-	11%	100%
Ho Tai Wing	44%	47%	-	9%	100%
Below S\$250,000					
Quek Choon Hock*	90%	0%	-	10%	100%

* Appointed during FY2021.

The total remuneration paid to the above key management personnel and key executives, other than the executive directors, for FY2021 was S\$3,135,866.61.

The Board has, after careful deliberation, decided to disclose the remuneration of the Managing Director, Mr Chu Kok Hong @ Choo Kok Hong, and the executive director, Mr Wong Yu Wei (Huang Youwei), for FY2021 in remuneration bands of S\$250,000 and by a percentage breakdown in terms of categories and components, instead of disclosing the exact remuneration. This is a variation from Provision 8.1(a) of the Code which provides, among other things, that the amounts of remuneration of each individual director and the chief executive officer are disclosed in the annual report.

The Board believes that it is not in the interests of the Company and the Group for the remuneration of the executive directors to be disclosed in exact dollar terms as the Company considers such information to be commercially sensitive, taking into account, in particular, the competitive pressures in the talent market and the potential adverse impact on the Group in the event that the Company's executive directors are solicited for other employment.

The Board notes that this Report has disclosed the procedure for developing policies on director and executive remuneration (under the section "Terms of Reference"), the overall remuneration policy and framework (under the section "Remuneration Policy and Framework"), as well as the specific remuneration policy and framework applicable to non-executive directors and executive directors and Management (under the sections "Remuneration of Non-Executive Directors" and "Remuneration of Executive Directors and Management"). The disclosure of such information, together with the executive directors' remuneration in bands of S\$250,000 with a breakdown of the level and mix of the remuneration in the above table, provide shareholders with sufficient insight into the compensation of the executive directors and is consistent with the intent of Principle 8.

There is no termination, retirement and post-employment benefits granted to directors, Managing Director or the key management personnel.

Corporate Governance

Save for Mr Wong Yu Wei (Huang Youwei), who is the son of the Company's substantial shareholder, Mr Wong Fong Fui, there is no employee who is a substantial shareholder of the Company, or is an immediate family member of any of the directors, chief executive officer or a substantial shareholder of the Company, and whose remuneration exceeds S\$100,000 during FY2021. Mr. Wong Yu Wei's remuneration for FY2021 is disclosed in bands of S\$250,000 with a breakdown on the level and mix of remuneration in the section "Remuneration of Executive Directors, Key Management Personnel and Key Executives for FY2021" table. This is a variation from Provision 8.2 of the Code which provides, among other things, that the remuneration of such employees be disclosed in bands no wider than S\$100,000. The reasons for disclosing the remuneration of Mr Wong Yu Wei (Huang Youwei) in bands of S\$250,000 with a breakdown on the level and mix of remuneration are set out above, and such disclosure is consistent with the intent of Principle 8 for the same reasons as set out above.

Boustead Projects Restricted Share Plan 2016

The 2016 Share Plan was approved by the members of the Company at its Extraordinary General Meeting on 28 July 2016. Under the 2016 Share Plan, all eligible executive employees, non-executive directors of the Company as well as associates of controlling shareholders of the Company are invited to participate in the 2016 Share Plan. The selection of eligible participants in the 2016 Share Plan shall be determined at the absolute discretion of the committee appointed by the Board to administer the 2016 Share Plan. The participation of associates of controlling shareholders shall be approved by independent members of the Company. Further information on the 2016 Share Plan can be found on page 56 of the Annual Report.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9 - The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board has overall responsibility for risk governance and determines the Company's risk tolerance level and risk policies, and the extent of risks which the Company is able to take in order to achieve its strategic objectives and value creation. The Company maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets, and to manage risks. The system provides reasonable but not absolute assurance against material misstatements or loss, and to safeguard assets and ensure maintenance of proper accounting records, reliability of financial information, compliance with relevant legislation, regulations and best practices, and the identification and containment of business risks. The Audit & Risk Committee assists the Board in monitoring the effectiveness of the risk management and internal control systems and procedures of the Company. The Board, through the Audit & Risk Committee, reviews the effectiveness of the risk management and internal control systems and procedures of the Company at least once annually.

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 such risks. The Management reviews all significant control policies and procedures and all significant matters will be highlighted to the Audit & Risk Committee and the Board. The financial risk management objectives and policies are outlined in the financial statements.

An Enterprise Risk Management ("ERM") framework established and maintained by the Company sets out the Group's internal processes to enable significant strategic, financial, operational, compliance and IT risks within the relevant Group companies to be identified, assessed, monitored, managed and evaluated. The Management reviews the risk register on a regular basis with the objective of assigning clear accountability and ownership of risks at the operating level to manage risks, and any emerging or material risks will be highlighted to the Board in a timely manner. Strong emphasis is placed on creating risk awareness, promoting accountability and setting the appropriate tone at the top.

Reviews of the Group's risk exposure are conducted every quarter during the Audit & Risk Committee meetings to be followed by an overall assessment at the end of each financial year.

Based on the internal controls policy and procedures established and maintained by the Group, the work performed by the internal and external auditors, reviews conducted by Management and various Board Committees (including the Audit & Risk Committee), and the assurance from the Managing Director and the relevant key management personnel, the Board, with the concurrence of the Audit & Risk Committee, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective to address financial, operational, compliance and information technology risks as at 31 March 2021.

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In addition, the Audit & Risk Committee and the Board have received assurance from:

- (a) the Managing Director and the Chief Financial Officer that as of 31 March 2021, the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- (b) the Managing Director and other key management personnel that as of 31 March 2021, the Group's risk management and internal control systems to address the key financial, operational, compliance and information technology risks affecting the operations are adequate and effective to meet the needs of the Group in its current business environment.

The Board notes that the system of risk management and internal controls established provide reasonable but not absolute assurance that the Group will not be significantly affected by any event that can be reasonably foreseen or anticipated as it strives to achieve its business objectives.

Audit & Risk Committee

Principle 10 - The Board has an Audit Committee ("AC") which discharges its duties objectively.

Audit & Risk Committee

The Audit & Risk Committee comprises three non-executive directors, all of whom, including the Chairman of the Audit & Risk Committee, are also independent directors. As at the date of this Report, the members of the Audit & Risk Committee are:

Mr Tam Chee Chong	Chairman
Mr John Lim Kok Min	Member
Mr Chong Lit Cheong	Member

All the members of the Audit & Risk Committee have recent and relevant accounting or related financial management expertise or experience.

None of the members of the Audit & Risk Committee are former partners or directors of the Company's existing auditing firm within the previous two-year period nor does any of the Audit & Risk Committee members has any financial interest in the Company's existing auditing firm.

Terms of Reference

The Audit & Risk Committee is governed by written terms of reference of the Audit & Risk Committee and the principal functions of the Audit & Risk Committee include:

- (a) overseeing the adequacy of the controls established by 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 with external and internal auditors and reporting to the Board at least annually the adequacy and effectiveness of the Company's risk management system and internal controls system, including financial, operational, compliance and information technology controls (such review can be carried out internally or with the assistance of any competent third parties);
- (e) reviewing with internal auditors, the program, 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 adequacy, effectiveness and independence of the internal audit function;
- (g) reviewing the scope and results of the external audit, and the adequacy, independence and objectivity of the external auditors;

Corporate Governance

- (h) reviewing with external auditors the impact of any new or proposed changes in accounting principles or regulatory requirements on the financial information;
- (i) making recommendations to the Board 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 (including the interested person transactions disclosed in the Company's Introductory Document dated 31 March 2015) or the 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) review the assurance from the Managing Director and the Chief Financial Officer on the financial records and financial statements and the assurance from key management personnel regarding the adequacy and effectiveness of the risk management and internal control systems;
- (l) monitoring the investments in 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;
- (m) reviewing filings with the SGX-ST or other regulatory bodies which contain the Company's financial information and ensure proper disclosure;
- (n) commissioning and reviewing the findings of internal investigations into matters where there is any suspected fraud or irregularity or 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;
- (o) reviewing policy and arrangements by which 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;
- (p) reviewing the risk management structure (including all hedging policies) and any oversight of the risk management processes and activities to mitigate and manage risk at acceptable levels determined by the directors;
- (q) reporting to the Board the work performed by the Audit & Risk Committee in carrying out its functions;
- (r) reviewing the co-operation given by officers to the external auditors; and
- (s) performing any other act as delegated by the Board and approved by the Audit & Risk Committee.

The Audit & Risk Committee is authorised to investigate any matter within its written terms of reference. The Audit & Risk Committee has full access to and the co-operation of Management and is given access to such resources as may be 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 of the Company have unrestricted access to the Audit & Risk Committee.

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

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

During FY2021, the activities of the Audit & Risk Committee include reviewing the audit plans with external and internal auditors, the scope and results of the external audit, and the independence and objectivity of the external auditors, and the adequacy and effectiveness of the Company's internal controls and risk management systems.

Corporate Governance

External Auditor

The Board is responsible for the initial appointment of the external auditor. Shareholders then approve the appointment at the AGM of the Company. The external auditor holds office until its removal or resignation. The Audit & Risk Committee assesses the external auditor based on the requirements of the Listing Manual of the SGX-ST as well as other factors such as the performance and quality of its audit and the independence and objectivity of the auditor, and recommends its appointment to the Board.

The Audit & Risk Committee has undertaken a review of the nature and value of all non-audit services provided to the Group by the current external auditors during FY2021 and is satisfied that the independence of the external auditors has not been affected by the provision of these services. The audit fees and non-audit fees paid or payable to the external auditors for FY2021 are set out below:

	S\$'000	Total Fees Paid (%)
Audit fees	193	95
Non-audit fees	11	5
Total fees	204	100

The Company confirmed that it has complied with Rule 712 and Rule 715 read together with Rule 716 of the Listing Manual of the SGX-ST in relation to the appointment of the external auditor.

The Audit & Risk Committee has also reviewed the Group's audited consolidated financial statements for FY2021 and discussed with Management and the external auditor the following significant matters which involved management judgment:

Significant matters	How the Audit & Risk Committee reviewed these matters and what decisions were made
Accounting for Engineering & Construction Contracts	<p>The Audit & Risk Committee reviewed the methodology used in the recognition of contract revenue and contract costs over time and had considered management's assumptions, and estimates used in the determination of the total construction cost, variations or claims that will affect the measure of progress, revenue and profit margins recognised and found them to be reasonable.</p> <p>The accounting for Engineering & Construction contracts were also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for the financial year ended 31 March 2021. Refer to page 90 of this Annual Report.</p>

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 decides on the appointment, selection, termination and remuneration of internal auditor appointed to carry out the internal audit function for the Group. The primary reporting line of the internal audit function is to the Audit & Risk Committee Chairman. Annually, the Audit & Risk Committee will review and approve audit plans and the resource requirement prepared by the internal auditor and shall ensure that the internal auditor is able to effectively and adequately discharge its duties. The Company's internal audit function is performed by the Internal Audit Department of its holding company, Boustead Singapore Limited.

The internal auditor has unrestricted access to all documents, records, properties and personnel of the Group and unrestricted direct access to the Audit & Risk Committee in carrying out its duties and responsibilities, and has appropriate standing within the Company.

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

The Company may engage external service provider to perform internal audit service as and where required.

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

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

The Audit & Risk Committee meets at least once a year with the external auditors, and with the internal auditors, in each case, without the presence of Management.

Corporate Governance

Whistleblowing Policy

The Group is committed to meeting a high standard of ethical conduct in the conduct of the Group's operations, and has put in place a Whistleblowing Policy to facilitate independent investigation of any reportable conduct and appropriate follow-up actions.

The Whistleblowing Policy, endorsed by the Audit & Risk Committee, provides for a mechanism by which employees of the Group and third parties may, in good faith and in confidence, raise concerns or observations about possible corporate malpractice and impropriety in financial reporting or other matters directly to the Chairman of the Audit & Risk Committee, who is also a member of the Whistleblowing Committee specifically constituted for this purpose. The Whistleblowing Committee consists of the Chairman of the Audit & Risk Committee, Deputy Director, Human Resources and Senior Vice President, Internal Audit. The policy framework ensures independent investigation of issues or concerns raised and implementation of appropriate follow-up action, and provides assurance that employees will be protected from reprisal within the limits of the law. The Whistleblowing Policy and the avenues for reporting are made available to employees of the Group and third parties, and are also available on the Company's website. The Management is required to report to the Audit & Risk Committee at every quarterly meeting whether they have received any whistleblower report in that quarter.

There were no reported incidents pertaining to whistleblowing during FY2021.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11 - The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Shareholder Rights

The Company recognises the importance of maintaining accountability and transparency with 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, half-year and full-year financial results and announcements of significant transactions that are released on SGXNET. Shareholders are also able to access investor-related information of the Group through a well-maintained and updated corporate website at www.bousteadprojects.com.

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

Conduct of General Meetings

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

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

Article 77A of the Company's Constitution also allows the directors to approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow members who are unable to vote in person at any general meeting, the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile. The Company has not previously implemented voting in absentia by mail, electronic mail or facsimile due to concerns relating to the authentication of shareholder identity and other related security and integrity issues.

To safeguard shareholders' interest, separate resolution is proposed on each substantially separate issue at the general meetings of shareholders, unless the issues are interdependent and linked so as to form one significant proposal. All the resolutions at general meetings are in single item resolutions. Where the resolutions are combined, the Company will explain the reasons and material implications in the notice of meeting. Detailed information of the resolutions are provided in the explanatory notes to the Notice of AGM in the Annual Report.

Corporate Governance

All resolutions at general meetings of the Company are voted by poll as required by Rule 730A(2) of the Listing Manual of the SGX-ST. The detailed results of the electronic poll voting on each resolution tabled at general meetings, including the total number of votes “for”, “against” or “abstain” in relation to each resolution tabled, are announced immediately at the general meetings and via SGXNET thereafter.

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. During FY2021, the AGM of the Company was held on 25 August 2020 and an Extraordinary General Meeting (“EGM”) of the Company was held on 25 February 2021, and all the directors of the Company attended both the AGM and EGM.

Minutes of general meetings, which incorporate substantial and relevant comments or queries from shareholders relating to the agenda of the meetings, and responses from the Board and Management, will be prepared by the company secretary and published on SGXNET and the Company’s corporate website within one month after its general meetings. This is consistent with Provision 11.5 of the Code and the requirement of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (“Order”).

In view of the COVID-19 control measures in place within Singapore under the COVID-19 (Temporary Measures) Act 2020 and subsidiary legislation, such as the COVID-19 (Temporary Measures) (Control Order) Regulations 2020, the Company’s AGM and general meetings may be conducted by way of physical meeting or electronic means pursuant to the Order or held in accordance with existing law or legal instrument, if doing so would not breach prevailing safe management measures. It is presently uncertain when the COVID-19 control measures may be lifted, and when the COVID-19 outbreak will fully stabilise within Singapore. In the interest of transparency and accountability, and taking these factors into account, the Board is of the view that the Company should proceed with its AGM for FY2021 by electronic means on 28 July 2021. The Board is satisfied that the alternative means for shareholders to submit questions are adequate to provide shareholders with the necessary oversight regarding the Company’s operations.

Dividend Policy

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on, among other things, 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. However, subject to the above, it is the Company’s aim to declare and pay a sustainable dividend annually. The Company has been declaring dividends annually since financial year ended 31 March 2017.

In view of the very challenging conditions resulting from the COVID-19 pandemic and the significant adverse impact that the pandemic is expected to have on the Company’s financial results for the financial year ending 31 March 2022, the Board has recommended a final and special tax exempt one-tier dividend of 0.9 Singapore cents per ordinary share and 14.5 Singapore cents per ordinary share for FY2021 respectively. The Company will be seeking the approval of shareholders at the forthcoming AGM to be held for the declaration of the said proposed final dividend.

Engagement with Shareholders

Principle 12 - The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

The Company provides avenues for communication between the Board and all shareholders. The AGM is the principal forum for dialogue with shareholders. Shareholders are encouraged to participate effectively and vote at general meetings, where relevant rules and procedures governing such meeting are clearly communicated.

All material information on the performance and development of the Group and of the Company is disclosed in an accurate, comprehensive and timely manner through SGXNET, announcements, media releases and the Company’s website. The Company does not practice selective disclosure of material information. All materials on the half-year and full-year financial results are available on the Company’s website and are accompanied by a media release in English.

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

Corporate Governance

The Company has instituted an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders. For details on the Group's IR activities in FY2021, please refer to the Stakeholder Relations section on pages 50 to 51 of this Annual Report.

Further, to enable shareholders to contact the Company easily, the contact details of the IR Team are set out on all announcements as well as on the Company's website. The IR Team has procedures in place for responding to investors' queries as soon as applicable.

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13 - The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Managing Stakeholders' Relationships

The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups, which form part of its sustainability practices. The Company defines key or material stakeholders as being groups that its businesses may have a significant impact on or vice versa, and who have a vested interest in the way the Company conducts its business. The Company deems stakeholder relations to be important for the sustainable growth of its businesses, and a common consideration for the Company is whether a specific business expansion can provide sustainable profit and simultaneously create direct and indirect benefits for as many key stakeholders in as many economic and ESG facets as possible.

Accordingly, the Company seeks to maintain an open and transparent dialogue with its material stakeholders. The Company regularly engages its stakeholders through various platforms and channels to ensure that its business interests are aligned with those of the stakeholders, to understand and address their concerns so as to improve services and products' standards, as well as to sustain business operations for long term growth. Stakeholders identified by the Company include the Board, Management, shareholders, employees, clients, strategic partners, suppliers, lenders, investors, media, government and regulators and local communities.

The Company has identified the material ESG topics of relevance to its key stakeholders (i.e. the Company's business model, strategies and outlook; corporate governance; smart eco-sustainable solutions; quality and transformation; economic performance; business ethics; data and information security; talent acquisition, development, management and retention; succession planning; health and safety; environment as well as legal and regulatory compliance) taking into account stakeholders' views, needs and interests, and periodically reviews these on an ongoing basis. The Board oversees the management and monitoring of these matters as part of the Company's sustainability practices.

As a commitment to its stakeholders, the Company will disclose its strategy, practices and performance on these material ESG matters in the FY2021 Longevity Report (Sustainability Report), which will be available on the Company's website by 31 August 2021.

Corporate Website

The Company maintains a current corporate website at www.bousteadprojects.com to communicate and engage with stakeholders. The Company's corporate website contains various information pertaining to the Group and the Company which serves as an important resource for investors and all stakeholders. The website is updated from time to time.

Measures Implemented to Protect Stakeholders from COVID-19

During the initial stages of the global COVID-19 pandemic, the Company moved quickly to safeguard the wellbeing of its stakeholders including its employees, subcontractors and their employees, clients and surrounding communities by implementing preventive and control measures such as strict health checks, social distancing measures, split team and telecommuting arrangements. The Company has implemented a large number of safe management measures – in line with or exceeding Singapore Government-advised levels – which have been detailed in the past FY2020 Longevity Report (Sustainability Report) and will be once again shared in the upcoming FY2021 Longevity Report (Sustainability Report).

The Company continues to monitor the COVID-19 situation and the Company's Human Resources department will update employees and implement safety management measures issued by government from time to time.

Corporate Governance

Recognition

With effect from November 2019, the Company is one of the SGX-listed corporations on the SGX Fast Track Programme which aims to affirm listed issuers that have been publicly recognised for high corporate governance standards and for maintaining a good compliance track record with prioritised clearance for their corporate action submissions.

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 period commencing one month before the announcement of the Company's half year and full year financial statements, 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, Chapter 289 of Singapore, and observe laws against insider trading at all times.

MATERIAL CONTRACTS

Since the end of the previous financial year, no material contracts involving the interest of the Managing Director/chief executive officer, each director or controlling shareholder of the Company have been entered into by the Company or any of its subsidiaries, and no such contract subsisted as at 31 March 2021.

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 FY2021, the following transactions that the Group entered into would be regarded as interested person transactions pursuant to the Listing Manual of the SGX-ST:

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000)	
	Full-year ended 31.3.21 S\$'000	Full-year ended 31.3.20 S\$'000
Boustead Singapore Limited ("BSL") & its subsidiaries ("BSL Group")		
Expenses for office premises from the BSL Group ⁽¹⁾ (includes shared expenses such as IT, utilities and common area usage)	89	292

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

Corporate Governance

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

Mr John Lim Kok Min and Mr Chong Lit Cheong are the directors seeking re-election at the forthcoming AGM to be held on 28 July 2021 (collectively, the “Retiring Directors”).

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

Name of Director	John Lim Kok Min	Chong Lit Cheong
Date of Appointment	25/03/2015	15/05/2015
Date of last re-appointment (if applicable)	26/07/2019	26/07/2019
Age	81	65
Country of principal residence	Singapore	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the work experience and suitability of Mr John Lim Kok Min for re-appointment as the Non-Executive Director of the Company. The Board has concluded that Mr John Lim Kok Min possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the work experience and suitability of Mr Chong Lit Cheong for re-appointment as the Non-Executive Director of the Company. The Board has concluded that Mr Chong Lit Cheong possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Director, Chairman of the Board, Chairman of the Nominating Committee, member of the Audit & Risk Committee and member of the Remuneration Committee.	Independent Non-Executive Director, Chairman of the Remuneration Committee, member of the Audit & Risk Committee and member of the Nominating Committee.
Professional qualifications	Bachelor of Arts (Economics) (Hons), University of Malaya	Mombusho (Colombo Plan) Scholar Bachelor of Engineering (Electronics), University of Tokyo
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil

Corporate Governance

Name of Director	John Lim Kok Min	Chong Lit Cheong
Conflict of interest (including any competing business)	Nil	Nil
Working experience and occupation(s) during the past 10 years	<p>Chairman of In.Corp Global Pte Ltd</p> <p>Independent non-executive director of Silverlake Axis Ltd</p> <p>Independent non-executive director of Boustead Singapore Limited</p> <p>Chairman of Gas Supply Pte Ltd</p> <p>Chairman of Singapore Institute of Directors</p>	<p>Aug 2017 to present Group Chief Corporate Officer of Surbana Jurong Pte Ltd</p> <p>Jan 2015 to Jul 2017 Senior Advisor, Strategic Relations & Deputy Group Chief Corporate Officer, CapitaLand Limited</p> <p>Jan 2013 to Dec 2014 CEO, Regional Investments, CapitaLand Limited</p> <p>Feb 2011 to Dec 2013 CEO, CapitaLand Commercial Limited, a wholly owned subsidiary of CapitaLand Limited</p> <p>Jun 2006 to Jan 2011 CEO, International Enterprise Singapore, a statutory board under the Ministry of Trade & Industry</p> <p>Jan 2001 to May 2006 CEO, JTC Corporation, a statutory board under the Ministry of Trade & Industry</p>
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries	Yes	Nil
Shareholding Details	<p><u>The Company</u> Direct interest – 169,296 ordinary shares</p> <p><u>Boustead Singapore Limited</u> Direct interest of 579,890 ordinary shares</p>	N.A.

Corporate Governance

Name of Director	John Lim Kok Min	Chong Lit Cheong
Other Principal Commitments (as defined in the Code) including directorships – Past (for the last 5 years)	<ol style="list-style-type: none"> 1. Chairman of In.Corp Global Pte Ltd 2. Independent non-executive director of Silverlake Axis Ltd 	<ol style="list-style-type: none"> 1. CapitaLand Limited 2. Mapletree Industrial Trust Management Ltd 3. Quill Capita Management Sdn Bhd 4. Singapore Management University Strategy & Advisory Board 5. Singapore Changi International Airport Pte Ltd
Other Principal Commitments (as defined in the Code) including directorships – Present	<ol style="list-style-type: none"> 1. Independent non-executive Chairman of IREIT Global Group Pte Ltd 2. Director of Nexus International School Pte. Ltd. 3. Director of TWG Tea Company Pte. Ltd. 4. Director of Taylor’s Education Pte. Ltd. 5. Director of Nexus Foundation Limited 	<ol style="list-style-type: none"> 1. Surbana Jurong Pte Ltd 2. AETOS Holdings Pte Ltd 3. Mitbana Pte Ltd

Corporate Governance

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

Corporate Governance

Name of Director	John Lim Kok Min	Chong Lit Cheong
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

Corporate Governance

Name of Director	John Lim Kok Min	Chong Lit Cheong
Disclosure applicable to the appointment of Director only.		
Any prior experience as a director of an issuer listed on the Exchange?	N.A.	N.A.
If yes, please provide details of prior experience.	N.A.	N.A.
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	N.A.	N.A.
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable)	N.A.	N.A.

Independent Auditor's Report

TO THE MEMBERS OF BOUSTEAD PROJECTS LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Opinion

In our opinion, the accompanying consolidated financial statements of Boustead Projects Limited ("the Company") and its subsidiaries ("the Group") and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated statement of comprehensive income of the Group for the financial year ended 31 March 2021;
- the statements of financial position of the Group and the Company as at 31 March 2021;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

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

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

Independence

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

Our Audit Approach

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

Independent Auditor's Report

TO THE MEMBERS OF BOUSTEAD PROJECTS LIMITED

Our Audit Approach (cont'd)

Key Audit Matters

Key audit matters are those matters that, in our professional judgements, were of most significance in our audit of the financial statements for the financial year ended 31 March 2021 ("reporting date"). These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Revenue recognition of Engineering & Construction contracts</p> <p>Refer to Note 3 (Critical accounting estimates, assumptions and judgements), Note 4 (Revenue) to the financial statements.</p> <p>During the financial year ended 31 March 2021, revenue from Engineering & Construction contracts amounted to \$264,713,000, which represented 88% of the Group's total revenue.</p> <p>Revenue from Engineering & Construction contracts are recognised over time by reference to the progress towards satisfaction of performance obligations under the contracts. Measurement of progress of the projects at the reporting date is based on the proportion of contract costs incurred to-date over the estimated total contract costs.</p> <p>Revenue from Engineering & Construction contracts are also adjusted with variations to the contracts claimable from customers, as well as liquidated damages due to delays or other causes, payable to customers.</p> <p>The Coronavirus Disease 2019 ("COVID-19") pandemic has significantly slowed down the progress of the Group's Engineering & Construction contracts due to ongoing measures being adopted to address the outbreak since early 2020. The delay may lead to potential liquidated damage claims by customers and costs overrun, resulting in loss-making contracts. The uncertainty and judgements involved in determining budgeted costs and profit margins have a significant impact on the revenue and profit.</p> <p>We focus on this area because of the significant management's judgements are required to estimate:</p> <ul style="list-style-type: none"> - the total contract costs which affected the measurement of progress of the projects at the reporting date and accordingly revenue recognized; - the variations or claims from sub-contractors; and - provision for liquidated damages recognised within revenue from these contracts. 	<p>We have performed the following audit procedures to address the Key Audit Matter:</p> <p>We have obtained an understanding of the progress of projects through discussions with management and examination of documents such as contracts and correspondences with customers, variation order claims from sub-contractors and advice from external legal advisers.</p> <p>In relation to total contract revenue, our audit procedures include the following:</p> <ol style="list-style-type: none"> a. Traced the total contract sums to contracts and agreed variation orders; and b. Assessed the progress of construction against contractual timeline for delays and the adequacy of provision for liquidated damages. <p>In relation to total contract costs, our audit procedures include the following:</p> <ol style="list-style-type: none"> a. Selected samples of costs incurred and traced to supplier invoices and sub-contractors' billings; and b. Selected samples of projects in progress at the reporting date and tested estimation of cost-to-complete by tracing to quotations and/or contracts with sub-contractors and suppliers. <p>In relation to the revenue recognised for projects in progress at the reporting date, we have:</p> <ol style="list-style-type: none"> a. Recomputed the measurement of progress based on the proportion of contract costs incurred to-date to the estimated total contract costs; and b. Recomputed the revenue for the current financial year based on the measurement of progress and traced to the accounting records. <p>Based on the audit procedures performed, we have assessed management estimation of the revenue on Engineering & Construction contracts to be reasonable.</p> <p>We have assessed that the disclosures in the financial statements in relation to the sensitivity of estimations on revenue and costs on Engineering & Construction contracts to be appropriate.</p>

Independent Auditor's Report

TO THE MEMBERS OF BOUSTEAD PROJECTS LIMITED

Other Information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Independent Auditor's Report

TO THE MEMBERS OF BOUSTEAD PROJECTS LIMITED

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

PricewaterhouseCoopers LLP

Public Accountants and Chartered Accountants
Singapore, 30 June 2021

Consolidated Statement of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	2021 \$'000	2020 \$'000
Revenue	4	301,405	426,224
Cost of sales	5	(283,838)	(374,289)
Gross profit		17,567	51,935
Other income	7	3,348	3,811
Other gains/(losses) - net	8	132,868	(333)
Impairment loss on financial asset	14	(1,527)	(918)
Expenses			
- Selling and distribution	5	(3,360)	(3,496)
- Administrative	5	(16,171)	(15,550)
- Finance	9	(3,221)	(4,564)
Share of profit/(loss) of associates and joint ventures	10	11,060	(3,430)
Profit before income tax		140,564	27,455
Income tax expense	11	(8,922)	(5,330)
Total profit		131,642	22,125
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges			
- Realised and transferred to profit or loss	31	-	17
Currency translation differences arising from consolidation	31	(560)	248
Items that will not be reclassified subsequently to profit or loss:			
Financial assets, at fair value through other comprehensive income ("FVOCI")			
- Fair value gain/(loss)	31	106	(111)
Other comprehensive (loss)/income, net of tax		(454)	154
Total comprehensive income		131,188	22,279
Profit attributable to:			
Equity holders of the Company		131,688	22,212
Non-controlling interests		(46)	(87)
		131,642	22,125
Total comprehensive income attributable to:			
Equity holders of the Company		131,234	22,366
Non-controlling interests		(46)	(87)
		131,188	22,279
Earnings per share for profit attributable to equity holders of the Company (cents per share)			
- Basic	12	42.3	7.2
- Diluted	12	42.3	7.1

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

Statements of Financial Position

– Group and Company

AS AT 31 MARCH 2021

	Note	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	13	297,987	128,447	237,770	80,939
Trade receivables	14	68,544	60,062	610	1,468
Other receivables and prepayments	14	35,693	87,980	179,134	200,979
Inventories	15	2,565	-	-	-
Properties held for sale	16	-	26,726	-	-
Right-of-use assets	20	-	9,096	-	-
Finance lease receivables	20	430	430	-	-
Contract assets	17	10,783	26,712	-	-
		416,002	339,453	417,514	283,386
Non-current assets					
Trade receivables	14	20,211	19,850	-	-
Other receivables and prepayments	14	60,374	1,837	-	-
Financial assets, at FVOCI	18	31,421	31,315	31,421	31,315
Property, plant and equipment	19	9,271	9,699	-	-
Right-of-use assets	20	1,138	2,008	109	-
Finance lease receivables	20	20,794	21,765	-	-
Investment properties	21	82,588	176,713	-	-
Intangible assets		110	115	-	-
Investments in associates	22	4,671	3,449	3,752	3,177
Investments in joint ventures	23	70,123	60,707	69,428	69,530
Investments in subsidiaries	24	-	-	33,378	39,870
Deferred income tax assets	27	8,190	4,611	-	-
		308,891	332,069	138,088	143,892
Total assets		724,893	671,522	555,602	427,278
LIABILITIES					
Current liabilities					
Trade and other payables	25	132,572	125,211	287,290	109,187
Lease liabilities		1,379	3,008	87	-
Income tax payable		20,337	9,338	1,226	267
Contract liabilities	17	48,180	20,741	-	-
Borrowings	26	208	91,562	-	57,679
		202,676	249,860	288,603	167,133
Non-current liabilities					
Trade and other payables	25	50,011	13,376	-	-
Lease liabilities		43,516	79,629	16	-
Borrowings	26	2,292	26,330	-	-
Deferred income tax liabilities	27	675	5,042	324	438
		96,494	124,377	340	438
Total liabilities		299,170	374,237	288,943	167,571
NET ASSETS		425,723	297,285	266,659	259,707
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	28	15,000	15,000	15,000	15,000
Treasury shares	28	(7,236)	(7,477)	(7,236)	(7,477)
Retained profits	30	409,200	280,003	247,805	240,700
Other reserves	31	8,892	9,846	11,090	11,484
		425,856	297,372	266,659	259,707
Non-controlling interests		(133)	(87)	-	-
Total equity		425,723	297,285	266,659	259,707

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

Consolidated Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	Share capital	Treasury shares	Retained profits	Other reserves	Equity attributable to equity holders of the Company	Non-controlling interests	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2021								
Balance as at 1 April 2020		15,000	(7,477)	280,003	9,846	297,372	(87)	297,285
Profit for the financial year		-	-	131,688	-	131,688	(46)	131,642
Other comprehensive income for the financial year		-	-	-	(454)	(454)	-	(454)
Total comprehensive income for the financial year		-	-	131,688	(454)	131,234	(46)	131,188
Dividends	29	-	-	(2,491)	-	(2,491)	-	(2,491)
Purchase of treasury shares	28	-	(292)	-	-	(292)	-	(292)
Employee share-based compensation								
- Value of employee services	31(b)(ii)	-	-	-	33	33	-	33
- Treasury shares re-issued	28	-	533	-	(533)	-	-	-
Total transactions with owners, recognised directly in equity		-	241	(2,491)	(500)	(2,750)	-	(2,750)
Balance as at 31 March 2021		15,000	(7,236)	409,200	8,892	425,856	(133)	425,723
2020								
Balance as at 1 April 2019		15,000	(8,244)	264,004	10,270	281,030	-	281,030
Profit for the financial year		-	-	22,212	-	22,212	(87)	22,125
Other comprehensive loss for the financial year		-	-	-	154	154	-	154
Total comprehensive loss for the financial year		-	-	22,212	154	22,366	(87)	22,279
Dividends	29	-	-	(6,213)	-	(6,213)	-	(6,213)
Employee share-based compensation								
- Value of employee services	31(b)(ii)	-	-	-	189	189	-	189
- Treasury shares re-issued	28	-	767	-	(767)	-	-	-
Total transactions with owners, recognised directly in equity		-	767	(6,213)	(578)	(6,024)	-	(6,024)
Balance as at 31 March 2020		15,000	(7,477)	280,003	9,846	297,372	(87)	297,285

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

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	2021 \$'000	2020 \$'000
Cash flows from operating activities			
Profit before income tax		140,564	27,455
Adjustments for:			
- Amortisation of intangible asset		6	6
- Depreciation of right-of-use assets		3,275	3,372
- Depreciation expense		5,988	6,989
- Share of (profit)/loss of associates and joint ventures		(11,060)	3,430
- Impairment loss on financial asset		1,527	918
- Elimination of share of unrealised construction, project management and acquisition fee margins		2,455	8,198
- Employee share-based compensation expense		33	189
- Interest income		(3,348)	(3,811)
- Finance expenses		3,221	4,564
- Gain on disposal/partial disposal of properties, a subsidiary and joint ventures		(132,499)	-
- Currency exchange (gains)/losses - net		(369)	333
		9,793	51,643
Change in working capital, net of effects from disposal of a subsidiary:			
- Trade and other receivables		(12,629)	(19,536)
- Contract assets and liabilities – net		43,371	45,279
- Inventories		(2,565)	-
- Properties held for sale		(243)	(47)
- Trade and other payables		4,213	36,781
Cash generated from operations		41,940	114,120
Interest received		2,630	2,513
Interest paid		(927)	(2,240)
Income tax paid		(6,850)	(7,212)
Net cash provided by operating activities		36,793	107,181
Cash flows from investing activities			
Purchase of property, plant and equipment		(638)	(4,844)
Addition to investment properties		(8,464)	(11,531)
Investment in associates		(14,251)	(87)
Proceeds from disposal of properties		240,800	-
Proceeds from disposal of a subsidiary and joint ventures		25,813	7,440
Notes issued by/loan to an associate		(59,000)	(1,666)
Capital contributions to joint ventures		(10,720)	(26,266)
Loan to a joint venture		-	(58,000)
Repayment of loans by joint ventures		79,334	-
Deposits paid for investment		(4,615)	-
Dividends received from joint ventures		8,362	3,840
Net cash provided by/(used in) investing activities		256,621	(91,114)
Cash flows from financing activities			
Repayment of borrowings		(117,892)	(41,856)
Proceeds from borrowings		2,500	57,679
Principal payment of lease liability		(3,452)	(3,470)
Interest payment of lease liability		(2,294)	(2,324)
Purchase of treasury shares		(292)	-
Dividends paid to equity holders of the Company		(2,491)	(6,213)
Net cash (used in)/provided by financing activities		(123,921)	3,816
Net increase in cash and cash equivalents		169,493	19,883
Cash and cash equivalents			
Beginning of financial year		128,447	108,328
Effect of currency translation on cash and cash equivalents		47	236
End of financial year	13	297,987	128,447

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

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

Reconciliation of liabilities arising from financing activities

	Non-cash changes								
	1 April 2020	Proceeds from borrowings	Principal and interest payments	Addition during the financial year	Remeasurement/Modification of lease liability	Disposal of properties and a subsidiary	Interest expense	Foreign exchange movement	31 March 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Bank borrowings	117,892	2,500	(118,819)	-	-	-	927	-	2,500
Lease liabilities	82,637	-	(5,746)	111	(45)	(33,674)	2,294	(682)	44,895

	Non-cash changes								
	1 April 2019	Proceeds from borrowings	Principal and interest payments	Adoption of SFRS(I) 16	Addition during the financial year	Disposal of subsidiary	Interest expense	Foreign exchange movement	31 March 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Bank borrowings	146,276	57,679	(44,096)	-	-	(44,207)	2,240	-	117,892
Lease liabilities	-	-	(5,794)	82,335	2,715	-	2,324	1,057	82,637

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

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

Disposal of properties, interest in a subsidiary and joint ventures to Boustead Industrial Fund (“BIF”)

Please refer to Note 35(b) for the details of the transaction.

The effects of the disposal of the subsidiary as part of the transaction on the cash flows of the Group are as follows:

	2021 \$'000
Carrying amounts of assets and liabilities disposed:	
Cash and cash equivalents	1,992
Trade and other receivables	2,737
Investment property	34,517
Trade and other payables	(775)
Income tax payable	(419)
Lease liability	(7,408)
Deferred tax liability	(1,576)
Net asset disposed of	29,068
Retained interest in joint venture	(14,825)
Gain on disposal	9,542
Sales proceeds receivable	(517)
Unrealised gain on disposal due to retained interests in BIF	3,181
Cash proceeds from disposal	26,449
Less: Cash and cash equivalents in subsidiary disposed of	(1,992)
Net cash inflow on disposal	24,457

Including proceeds from disposal of joint ventures, the total cash flow from disposal of a subsidiary and joint ventures amounted to \$25,813,000.

On 30 July 2019, the Group disposed its wholly-owned subsidiary, CP-SH1 Pte Ltd (“CP-SH1”), which owned 49% interest in BP-Braddell LLP (“BP-Braddell”), for a cash consideration of \$8,203,000. As the remaining 51% interest in BP-Braddell is held by the Group’s wholly-owned subsidiary, BP-SH1 Pte Ltd, BP-Braddell was a wholly-owned subsidiary of the Group prior to the disposal of CP-SH1.

After the transaction, CP-SH1 and BP-Braddell ceased to be subsidiaries and BP-Braddell became a joint venture of the Group. The effects of the disposal on the cash flows of the Group were as follows:

	2020 \$'000
Carrying amounts of assets and liabilities disposed:	
Cash and cash equivalents	763
Trade receivables	3,979
Investment property	59,538
Trade and other payables	(3,333)
Borrowings	(44,207)
Net assets disposed of	16,740
Retained interest in joint venture	(8,537)
Cash proceeds from disposal	8,203
Less: Cash and cash equivalents in subsidiaries disposed of	(763)
Net cash inflow on disposal	7,440

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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 of investment holding and to provide engineering and construction services including design-and-build service, as well as development of industrial facilities and industrial parks for lease or sale. The principal activities of associates, joint ventures and subsidiaries are set out in Notes 22, 23 and 24 of the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

The preparation of financial statements in conformity with SFRS(I)s requires management to exercise its judgements 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 judgements or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective on 1 April 2020

On 1 April 2020, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) (“INT SFRS(I)”) 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 SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.

Early adoption of amendment to SFRS(I) 16 Leases

The Group has elected to early adopt the amendments to SFRS(I) 16 which introduced a practical expedient for a lessee to elect not to assess whether a rent concession is a lease modification, if all the following conditions are met:

- (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- (c) there is no substantive change to other terms and conditions of the lease.

The Group has elected to apply this practical expedient to all property leases. As a result of applying the practical expedient, rent concessions of \$249,000 (Note 5) were recognised as negative variable lease payments (i.e. reduction in the rental expenses) in the profit or loss during the financial year.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Revenue recognition

(a) *Revenue from Engineering & Construction contracts*

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

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

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

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

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

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

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Revenue recognition (cont'd)

(b) *Sale of industrial properties*

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

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

(c) *Interest income*

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

(d) *Rental income*

Refer to Note 2.23 for the accounting policy for rental income.

(e) *Management fee income*

Management fee from provision of project and development services, asset, property and lease management services are recognised over time as the services are rendered, except for acquisition and performance fees which are recognised at a point in time as and when the services are rendered.

2.3 Government grants

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

Government grants receivable are recognised in profit or loss over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are deducted against the related expenses.

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Group accounting

(a) *Subsidiaries*

(i) *Consolidation*

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

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

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

(ii) *Acquisitions*

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

(iii) *Disposals*

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

Any retained equity interest in the entity is 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 2.5 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 2021

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Group accounting (cont'd)

(b) *Associates and joint ventures*

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

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

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

(i) *Acquisitions*

Investments in associates 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 associates or joint ventures represents the excess of the cost of acquisition of associates or joint ventures over the Group's share of the fair value of the identifiable net assets of associates or joint ventures and is included in the carrying amount of the investments.

(ii) *Equity method of accounting*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associates' or joint ventures' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from associates or joint ventures are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in associates or joint ventures equals to or exceeds its interest in the associates 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 associate or joint venture. If the associate or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

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

(iii) *Disposals*

When there are changes in the interest in an associate or a joint venture, without losing significant influence or joint control, the difference between the carrying amount of the interest disposed and proceeds is recognised in profit or loss.

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

Please refer to Note 2.5 for the accounting policy on investments in associates and joint ventures in the separate financial statements of the Company.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.5 Investments in subsidiaries, associates and joint ventures

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

2.6 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:

	<u>Estimated useful lives</u>
Plant and machinery	5 - 15 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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.7 Intangible asset

Club Membership

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

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

2.8 Investment properties

Investment properties are properties and right-of-use assets relating to leasehold land that are held for long-term rental yields and/or for capital appreciation. Investment properties include properties that are being constructed or developed for future use as investment properties.

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

Depreciation is calculated using the straight-line method to allocate depreciable amounts over the estimated useful lives of 12 to 50 years for leasehold land and buildings and 15 years for machinery and equipment. No depreciation is provided for investment properties under construction and depreciation commences when the asset is ready for its intended use. The estimated useful lives and depreciation method are reviewed at each balance sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.9 Impairment of non-financial assets

Property, plant and equipment

Intangible asset

Investment properties

Investments in subsidiaries, associates and joint ventures

Right-of-use assets

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

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

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

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

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

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

2.10 Properties held for sale

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Financial assets

(a) *Classification and measurement*

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

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

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

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

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

At initial recognition

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

At subsequent measurement

(i) *Debt instruments*

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

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

(ii) *Equity instruments*

Equity instruments mainly comprise of financial assets, at FVOCI.

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

(b) *Impairment*

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Financial assets (cont'd)

(c) *Recognition and derecognition*

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

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

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

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

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

2.12 Derivative financial instruments

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

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

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.13 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.

2.14 Borrowing costs

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

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

2.15 Financial guarantees

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

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

- (a) amount initially recognised less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and
- (b) the amount of expected loss allowance computed using the impairment methodology under Note 2.11.

2.16 Trade and other payables

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

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

2.17 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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.18 Offsetting financial instruments

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

2.19 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. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the 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, associates 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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.20 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.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

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

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

2.21 Employee compensation

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

(a) *Defined contribution plans*

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

(b) *Employee share-based compensation*

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.22 Currency translation

(a) *Functional and presentation currency*

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

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the 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.

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

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

(c) *Translation of Group entities' financial statements*

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

- (i) assets and liabilities are translated at the closing exchange rates at the balance sheet 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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.23 Leases

(a) *When the Group is the lessee:*

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets (except for those which meets the definition of an investment property) are presented within "Right-of-use assets".

Right-of-use asset which meets the definition of an investment property is presented within "Investment properties" and accounted for in accordance with Note 2.8.

- Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees
- The exercise price of a purchase option if reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For a contract that contains both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease components for property leases and account for these as one single lease component.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.23 Leases (cont'd)

(a) *When the Group is the lessee: (cont'd)*

- Lease liabilities (cont'd)

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There are modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- Short term and low value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

- Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

(b) *When the Group is the lessor:*

The Group leases out investment properties and properties held for sale under operating leases and sub-leases its right-of-use of a leasehold land to non-related parties.

- Lessor – Operating leases

Leases 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 2021

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.23 Leases (cont'd)

(b) When the Group is the lessor: (cont'd)

- Lessor – Subleases

In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognises the net investment in the sublease within "Finance lease receivables". Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. Lease liability relating to the head lease is retained in the balance sheet, which represents the lease payments owed to the head lessor.

When the sublease is assessed as an operating lease, the Group recognises lease income from sublease in profit or loss within "Other income". The right-of-use asset relating to the head lease is not derecognised.

For a contract which contains lease and non-lease components, the Group allocates the consideration based on a relative stand-alone selling price basis.

2.24 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on a weighted average cost basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.25 Share capital and treasury shares

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

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

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

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

2.26 Dividends to the Company's shareholders

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

2.27 Cash and cash equivalents

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

2.28 Segment reporting

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

(a) ***Impact of Coronavirus Disease 2019 ("COVID-19") pandemic***

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Group's operations have been affected in various degrees, with the Group's Engineering & Construction contracts (secured pre-pandemic) in Singapore being most affected. These measures resulted in significant costs increase associated to the resumption of work after "Circuit Breaker", prolongation and acceleration costs in completing the projects. The delay in completion of the Group's Engineering & Construction contracts correspondingly delayed the recognition of construction revenue and the commencement of leasing income for projects owned by joint ventures of the Group.

The resulting additional costs were partially mitigated by grants received under the Singapore Government's Jobs Support Scheme ("JSS"), Foreign Worker Levy waiver and rebates, the co-sharing of certain costs by government and private sector clients, and reliefs granted under the COVID-19 (Temporary Measures) Act 2020 ("COTMA") passed by the Singapore government.

The Group has considered the market conditions (including the impact of COVID-19) as at 31 March 2021 in making estimates and judgements on the recoverability of assets and provision of liabilities as at that date. The significant estimates and judgements applied on revenue recognition and provision of onerous contracts relating to the Group's Engineering & Construction contracts are disclosed in Note 3(b).

As at the date these financial statements are authorised for issuance, the global COVID-19 pandemic situation remains fluid with continuing border closures and labour shortages. Accordingly, the Group cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions and additional COTMA relief measures that could be made available to the Group for the financial year ending 31 March 2022.

(b) ***Revenue recognition of Engineering & Construction Contracts***

Since the beginning of 2020, the COVID-19 pandemic had caused delays in receipts of overseas construction material and labour supplies for certain Engineering & Construction contracts of the Group. Subsequently, the Singapore Government introduced "Circuit Breaker" measures during which the Group's construction projects ceased activities till 19 June 2020. Following resumption, the construction activities had been slow due to compliance with Safe Management Measures and availability of worker resources. These events have caused projects to delay beyond their original contracted dates of completion, resulted in additional costs (associated to resumption, prolongation and acceleration) to complete the projects and consequently delayed the recognition of construction revenue.

(i) Estimated total project costs

As disclosed in Note 2.2(a), revenue on Engineering & Construction contracts is recognised over time using the input method. Under the input method, estimated total contract costs on each project is a key input that is subject to significant estimation uncertainty. At every balance sheet date, management re-evaluates, inter alia, the estimated total contract costs by updating the estimated contract costs to be incurred from the balance sheet date to the completion date of the projects ("costs-to-complete").

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

In making the estimated cost-to-complete, management has taken into consideration disruptions in labour and material supplies and the related delays in project completion caused by the COVID-19 pandemic as at the balance sheet date. Management has assessed that total construction costs would exceed the construction revenue of two on-going Engineering & Construction contracts as at the balance sheet date by \$7,317,000 (Note 25).

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

(b) *Revenue recognition of Engineering & Construction Contracts (cont'd)*

(i) Estimated total project costs (cont'd)

For on-going projects at the balance sheet date, if the estimated contract costs to be incurred from the balance sheet date to the completion date is higher/lower by 5% (2020: 5%) from management's estimates, the Group's revenue and profit before tax would have been lower/higher by \$7,832,000 (2020: \$7,279,000) and \$12,033,000 respectively (2020: \$7,279,000).

The COVID-19 situation continues to evolve post the balance sheet date, including manpower shortages and related increases in manpower costs as a result of border control quotas. This may cause further extension in the completion dates of the projects and hence incur further prolongation and acceleration costs. Such cost estimation would be revised in the accounting periods where the changes in circumstances arise.

(ii) Estimation of customers' claim on liquidated damages for delay in completion of projects

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

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

In the estimation of liquidated damages payable to the Group's customers in respect of delay in completion of Engineering & Construction contracts as at the balance sheet date, the Group had taken into account delays caused by the COVID-19 pandemic, including the cessation of construction activities required by the Singapore Government during the Circuit Breaker period and the slow resumption of construction activities from 19 June 2020. In assessing the liquidated damages payable to the customers, management has also taken into consideration the application of COTMA, which provides temporary reliefs due to the inability to perform contractual obligations, where the inability was caused to a material extent by the COVID-19 pandemic.

(c) *Estimation of sub-contractors' claim on variation orders*

Payment claims from sub-contractors are subject to physical surveys of construction performed, verification to agreed schedule and pricing in contracts and consideration of other relevant circumstances and events by the Group before payments are made. As at 31 March 2021, the Group had payment claims from sub-contractors which were disputed by the Group and not recognised in the financial statements, taking into account relevant counter-claims to the sub-contractors and information known and available to management at the date of these financial statements.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

4. REVENUE

	Over time \$'000	At a point in time \$'000	Total \$'000
Group			
2021			
Revenue from Engineering & Construction contracts	264,713	-	264,713
Management fee income	3,737	2,260	5,997
	268,450	2,260	270,710
Property rental income			32,263
Less: Government grant expense – rent concession			(1,568)
			301,405
2020			
Revenue from Engineering & Construction contracts	391,919	-	391,919
Management fee income	3,789	-	3,789
	395,708	-	395,708
Property rental income			30,516
			426,224

Government grant expense relates to government grant income (Note 5(a)) received from the Singapore Government that were transferred to tenants in the form of rental rebates and rental waivers during the financial year.

5. EXPENSES BY NATURE

	Group	
	2021 \$'000	2020 \$'000
Sub-contractor fees and other construction costs	261,987	348,316
Directors' fees	252	275
Employee compensation (Note 6)	21,624	23,743
Depreciation expense (Note 19, 20(a)(i) and 21)	9,263	10,361
Auditor's remuneration paid/payable to:		
- auditor of the Company	193	182
- other auditors	30	31
Other fees on non-audit services paid/payable to:		
- auditor of the Company	11	43
- other auditors	139	85
Property tax (a)	1,474	3,159
Rental (rebate)/expenses (b)	(193)	301
Maintenance expenses	2,115	2,029
Utilities expenses	480	108
Amortisation of intangible asset	6	6
Marketing expenses	350	413
Legal and professional fees	3,211	3,103
Training and recruitment expenses	373	443
Travel expenses	69	361
Collaboration costs	983	(157)
Others	1,002	533
Total cost of sales, selling and distribution and administrative expenses	303,369	393,335

- (a) Included within property tax are grant income of \$1,377,000 in which the Group has passed the benefits to its tenants during the financial year (Note 4).
- (b) Included within rental (rebate)/expenses are COVID-19 related rent concessions received from lessors of \$249,000 to which the Group applied the practical expedient as disclosed in Note 2.1.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

6. EMPLOYEE COMPENSATION

	Group	
	2021 \$'000	2020 \$'000
Wages and salaries	19,707	21,811
Employer's contribution to defined contribution plans including Central Provident Fund	1,884	1,743
Share-based compensation expense (Note 31(b)(ii))	33	189
	21,624	23,743

Government grants under the Job Support Scheme ("JSS") amounting to \$4,669,000 (2020: \$692,000) were recorded as a reduction to the wages and salaries during the financial year ended 31 March 2021. The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers received cash grants in relation to the gross monthly wages of eligible employees.

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

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

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

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

Details of the share awards granted and vested pursuant to the 2016 Share Plan during the financial year are as follows:

	2021	2020
Number of share awards		
Balance at the beginning of financial year	815,990	1,788,085
Forfeited during the financial year	-	(24,741)
Vested and issued during the financial year	(664,999)	(947,354)
Balance at the end of financial year	150,991	815,990

Share awards outstanding at the end of the financial year had a weighted average remaining contractual life of less than one month (2020: less than one year).

The fair value was determined based on the market value of the Company's shares at the grant date. No share awards were granted during the financial year.

The Company re-issued its treasury shares for share awards vested during the financial year. Cost of the treasury shares re-issued was \$0.80 (2020: \$0.81) each.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

7. OTHER INCOME

	Group	
	2021	2020
	\$'000	\$'000
<i>Interest income on financial assets measured at amortised cost</i>		
- Bank deposits	1,314	1,709
- Loan to joint venture	164	274
- Loan to associates	388	574
- Loan to a related party	338	401
- Notes issued by an associate (Note 14)	328	-
- Others	97	114
	2,629	3,072
Finance income on sublease	719	739
	3,348	3,811

The related party above is a subsidiary of an associate.

8. OTHER GAINS/(LOSSES) - NET

	Group	
	2021	2020
	\$'000	\$'000
Currency exchange gains/(losses) - net	369	(333)
Gain on disposal/partial disposal of properties, a subsidiary and joint ventures (Note 35(b))	132,499	-
	132,868	(333)

9. FINANCE EXPENSES

	Group	
	2021	2020
	\$'000	\$'000
Interest expense		
- Bank borrowings	927	2,240
- Lease liabilities (Note 20(a)(ii))	2,294	2,324
	3,221	4,564

10. SHARE OF PROFIT/(LOSS) OF ASSOCIATES AND JOINT VENTURES

	Group	
	2021	2020
	\$'000	\$'000
Share of profit/(loss) after income tax		
- Associates (Note 22)	(720)	(666)
- Joint ventures (Note 23)	11,780	(2,764)
	11,060	(3,430)

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

11. INCOME TAXES

Income tax expense

	Group	
	2021 \$'000	2020 \$'000
Tax expense attributable to profit is made up of:		
- Profit for the financial year:		
Current income tax		
- Singapore	15,592	6,613
- Foreign	644	48
	16,236	6,661
Deferred income tax (Note 27)	(7,193)	51
	9,043	6,712
- (Over)/Under provision in prior financial years		
Current income tax	(346)	(984)
Deferred income tax (Note 27)	225	(398)
	(121)	(1,382)
	8,922	5,330

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:

	2021 \$'000	2020 \$'000
Profit before tax	140,564	27,455
Share of (profit)/loss of associates and joint ventures, net of tax	(11,060)	3,430
Profit before tax and share of (profit)/loss of associates and joint ventures	129,504	30,885
Tax calculated at tax rate of 17% (2020: 17%)	22,016	5,250
Effects of		
- tax incentives	(254)	(209)
- deferred tax assets not recognised	46	-
- expenses not deductible for tax purposes	2,980	1,592
- income not subject to tax	(16,954)	(251)
- different tax rates in other countries	219	27
- others	990	303
- over provision in prior financial years	(121)	(1,382)
Tax charge	8,922	5,330

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

12. EARNINGS PER SHARE

(a) Basic earnings per share

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

	2021	2020
Profit attributable to equity holders of the Company (\$'000)	131,688	22,212
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	311,246	310,654
Basic earnings per share (cents per share)	42.3	7.2

(b) Diluted earnings per share

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

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

	2021	2020
Profit attributable to equity holders of the Company (\$'000)	131,688	22,212
Weighted average number of ordinary shares outstanding for diluted earnings per share ('000)	311,397	311,470
Diluted earnings per share (cents per share)	42.3	7.1

13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash at bank and on hand	218,906	51,756	163,520	8,939
Short-term bank deposits	79,081	76,691	74,250	72,000
	297,987	128,447	237,770	80,939

Cash and cash equivalents belonging to subsidiaries of the Group amounting to \$11,648,000 (2020: \$11,445,000) held in the People's Republic of China and the Socialist Republic of Vietnam are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the countries, other than through normal dividends.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

14. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current				
<i>Trade receivables from:</i>				
- Non-related parties	41,706	39,438	35	13
- Joint ventures	7,757	9,948	-	-
- Associate	2,330	-	-	-
- Related party	607	952	-	-
<i>Retention sum receivables from:</i>				
- Non-related parties	13,998	9,386	575	1,455
- Joint ventures	2,146	338	-	-
Trade receivables	68,544	60,062	610	1,468
<i>Other receivables and prepayments</i>				
<i>Loans to:</i>				
- Subsidiaries	-	-	169,684	195,019
Less: Allowance for impairment of loan to a subsidiary	-	-	(2,084)	(2,198)
	-	-	167,600	192,821
- Associate	17,840	17,649	-	-
Less: Allowance for impairment of loan to an associate (Note 33b)	(4,049)	(1,689)	-	-
	13,791	15,960	-	-
- Related party	7,964	7,784	-	-
- Joint venture	-	58,558	-	-
Loans – net	21,755	82,302	167,600	192,821
<i>Other receivables from:</i>				
- Non-related parties	2,465	2,313	494	660
- Fellow subsidiaries	103	8	-	-
- Related party	578	552	-	-
- Associates	4,657	34	529	-
- Joint ventures	53	224	53	-
- Subsidiaries	-	-	7,604	7,389
	7,856	3,131	8,680	8,049
Tax recoverable	143	151	-	-
Deposits	4,972	1,056	2,799	60
Prepayments	967	1,340	55	49
Total other receivables and prepayments	35,693	87,980	179,134	200,979

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Non-current				
<i>Retention sum receivables from:</i>				
- Non-related parties	15,538	14,900	-	-
- Joint ventures	4,673	4,950	-	-
Trade receivables	20,211	19,850	-	-
<i>Other receivables and prepayments</i>				
Notes issued by an associate (Note 22 and 35(b))	59,000	-	-	-
Other receivables	584	741	-	-
Prepayments	790	1,096	-	-
Total other receivables and prepayments	60,374	1,837	-	-

The loans to subsidiaries are unsecured, bear interest up to 1.70% (2020: 2.04%) per annum and are repayable on demand.

Loan to an associate, THAB Development Sdn Bhd (Note 22) is unsecured, bears interest at 0.50% (2020: 0.50%) above Kuala Lumpur Interbank Offered Rate ("KLIBOR") per annum and is repayable on demand. During the financial year, an allowance for impairment of the loan receivable was recognised as follows:

	2021 \$'000	2020 \$'000
<i>Allowance for impairment loss</i>		
Balance at beginning of financial year	1,689	-
Share of loss (Note 22)	833	771
Impairment loss recognised in profit and loss	1,527	918
Balance at end of financial year	4,049	1,689

Loan to a related party, a subsidiary of an associate, THAB PTP Sdn Bhd (Note 22) is unsecured, bears interest at 2.00% (2020: 2.00%) above KLIBOR per annum and is repayable on demand.

Loan to a joint venture (Note 23) for financial year ended 31 March 2020 was unsecured, beared interest at 2.00% above Singapore Interbank Offered Rate ("SIBOR") per annum. The amount was repaid during the financial year ended 31 March 2021.

The notes issued by an associate, Boustead Industrial Fund, are unsecured, bear interest of 7.0% per annum and are repayable on 3 March 2031, with the option to extend for another 10 years. The notes are "qualifying debt securities" for the purposes of the Singapore Income Tax Act, which entail a 10% concessionary tax rate on the net interest income earned by the noteholders.

Other receivables due from fellow subsidiaries, a related party, associates, joint ventures and subsidiaries are unsecured, interest-free and are repayable on demand.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

15. INVENTORIES

	Group	
	2021 \$'000	2020 \$'000
Construction materials	2,565	-

16. PROPERTIES HELD FOR SALE

As at 31 March 2020, the Group has the following properties held for sale:

Location	Description	Terms of lease
(1) Singapore No. 12 Changi North Way*	Industrial/ Gross floor area ("GFA"): 23,881 sq metres	30 years from 16 January 2005 with an option to extend a further 30 years
(2) Singapore No. 16 Changi North Way*	Industrial/ GFA: 11,320 sq metres	27 years 4 months from 1 September 2007 with an option to extend a further 30 years
(3) Singapore No. 85 Tuas South Avenue 1*	Industrial/ GFA: 10,433 sq metres	30 years from 16 April 2007 with an option to extend a further 23 years
(4) People's Republic of China No. 3 Xin Mei Road Plot 117, Wuxi New District Wuxi Jiangsu#	Industrial/ GFA: 3,737 sq metres	50 years from 15 April 2003
(5) People's Republic of China No. 7 Xin Mei Road Plot 117, Wuxi New District Wuxi Jiangsu#	Industrial/ GFA: 6,038 sq metres	50 years from 15 April 2003
(6) People's Republic of China No. 18 Xin Mei Road Plot 117, Wuxi New District Wuxi Jiangsu#	Industrial/ GFA: 3,238 sq metres	50 years from 15 April 2003

* Sold to an associate during the financial year ended 31 March 2021 (Note 35(b))

Reclassified to Investment properties (Note 21)

As at 31 March 2020, properties held for sale amounting to \$9,400,000 were pledged to the banks for banking facilities (Note 26). Valuations of the Group's properties held for sale had been performed by independent valuers with appropriate recognised professional qualifications and recent experience with the location and category of the properties being valued. The valuers had considered the direct comparison method for comparative properties and capitalisation approach in deriving the valuation of \$92,771,000 as at 31 March 2020, net of lease payments. Key inputs used in the valuations were the estimated annual net rent, internal rate of return and comparable sales in the area. The outbreak of COVID-19 had resulted in market uncertainty and volatility, and accordingly the valuation of properties held for sale might fluctuate more rapidly and significantly subsequent to valuation date as compared to normal market conditions. The fair values of properties held for sale were within Level 3 of the fair value hierarchy.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

17. CONTRACT ASSETS AND LIABILITIES

	Group		
	31 March		1 April
	2021 \$'000	2020 \$'000	2019 \$'000
Contract assets	10,783	26,712	69,945
Contract liabilities	48,180	20,741	18,695
<i>Trade receivables from contracts with customers*</i>			
Current	66,800	51,473	36,828
Non-current	20,211	19,850	10,759

* These balances are presented within Trade receivables in Note 14.

Contract assets relate to fixed price Engineering & Construction contracts where the revenue accrued from progressive work done exceeds related billings to clients. Contract assets as at 31 March 2021 decreased as the Group provided less services and transferred less goods ahead of the agreed payment schedules.

Contract liabilities relate to fixed price Engineering & Construction contracts where billings to clients exceed revenue accrued for progressive work done. Contract liabilities as at 31 March 2021 increased due to more contracts in progress where the Group billed and received consideration ahead of the provision of services.

(a) Revenue recognised in relation to contract liabilities

Revenue recognised in current financial year that was included in the contract liabilities balance at the beginning of the period was \$20,741,000 (2020: \$18,695,000).

(b) Unsatisfied performance obligations

As at 31 March 2021, the aggregate amount of transaction price allocated to the remaining performance obligation was \$351,551,000 (2020: \$399,556,000) and the Group expects to recognise this revenue over the next 1 to 2 years.

18. FINANCIAL ASSETS, AT FVOCI

	Group and Company	
	2021 \$'000	2020 \$'000
Beginning of financial year	31,315	31,426
Fair value gain/(loss)	106	(111)
End of financial year	31,421	31,315

The Group holds a 5.27% unquoted equity interest in Perennial Tongzhou Development Pte. Ltd. ("PTD"), which represents a 4.00% effective interest in Beijing Tongzhou Integrated Development (Phase 1), a mixed-use property project located in Tongzhou District, Beijing, The People's Republic of China.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

18. FINANCIAL ASSETS, AT FVOCI (cont'd)

The fair value of the investment is determined using an asset based valuation model taking into consideration the fair value of the underlying properties being developed by PTD. The fair value of the underlying property as at 31 March 2021 is based on a valuation performed by an independent professional property valuer. Details of the significant valuation techniques and key inputs used in the determination of fair value categorised under Level 3 of the fair value hierarchy are as follows:

Valuation technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Income capitalisation approach	Capitalisation rate	4% - 5% (2020: 4% - 5%)	The higher the capitalisation rate, the lower the fair value.

The outbreak of COVID-19 has resulted in market uncertainty and volatility, and accordingly the valuation of investment property may fluctuate more rapidly and significantly subsequent to valuation date as compared to normal market conditions.

19. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery	Office computers	Office equipment, furniture and fittings	Renovations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
2021					
<i>Cost</i>					
Beginning of financial year	9,829	1,641	287	327	12,084
Additions	-	514	124	-	638
End of financial year	9,829	2,155	411	327	12,722
<i>Accumulated depreciation</i>					
Beginning of financial year	1,000	1,036	182	167	2,385
Depreciation charge	633	343	43	47	1,066
End of financial year	1,633	1,379	225	214	3,451
Net book value					
End of financial year	8,196	776	186	113	9,271
2020					
<i>Cost</i>					
Beginning of financial year	709	1,241	272	230	2,452
Additions	9,120	400	15	97	9,632
End of financial year	9,829	1,641	287	327	12,084
<i>Accumulated depreciation</i>					
Beginning of financial year	491	777	150	121	1,539
Depreciation charge	509	259	32	46	846
End of financial year	1,000	1,036	182	167	2,385
Net book value					
End of financial year	8,829	605	105	160	9,699

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

20. LEASES

(a) The Group as a lessee

Nature of the Group's leasing activities

The Group leases leasehold land for use as investment properties and properties held for sale in Singapore, the People's Republic of China and the Socialist Republic of Vietnam for remaining lease periods ranging from 4 to 36 years. The Group also leases buildings as warehouses and offices.

For the Group's properties located in Singapore, the Group is required to pay Jurong Town Corporation ("JTC") annual land rent in respect of certain of land use as investment properties and properties held for sale, except for the properties where upfront payments were made. The annual land rent is based on market rent in the relevant year of the current lease term and the lease provides that any increase in annual land rent from year to year shall not exceed 5.5% of the annual land rent for the immediate preceding year. The leases are non-cancellable with remaining lease terms of up to 23 years, with option to extend a further 30 years for one of the leases.

The right-of-use of the land for investment properties is presented within investment properties (Note 21).

The right-of-use of the land for properties held for sale, leased office space for the purpose of back-office operations and warehouse for storage are presented as right-of-use assets on the statement of financial position.

There is no externally imposed covenant on these lease arrangements.

(i) *Carrying amount and depreciation charge during the financial year*

	Right-of-use assets			Right-of-use assets classified within investment properties	
	Leasehold land	Office	Warehouse	Leasehold land	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
Net book value					
At 1 April 2020	9,573	1,531	-	50,845	61,949
Reclassification	(633)	-	-	633	-
Additions	-	-	117	181	298
Modification of lease liability	303	-	-	-	303
Disposals	(8,047)	-	-	(17,748)	(25,795)
Disposal of a subsidiary	-	-	-	(7,264)	(7,264)
Depreciation charge	(1,077)	(633)	(8)	(1,557)	(3,275)
Currency translation differences	12	-	-	(570)	(558)
At 31 March 2021	131	898	109	24,520	25,658

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

20. LEASES (cont'd)

(a) The Group as a lessee (cont'd)

(i) Carrying amount and depreciation charge during the financial year (cont'd)

During the current year, the Group renegotiated and modified an existing lease contract for a leasehold land by extending the lease term at revised lease payments. As this extension is not part of the terms and conditions of the original lease contract, it is accounted for as a lease modification with an addition to the right-of-use assets.

	Right-of-use assets		Right-of use assets classified within investment property	Total
	Leasehold land	Office	Leasehold land	
	\$'000	\$'000	\$'000	

Group

Net book value

At 1 April 2019	-	-	-	-
Adoption of SFRS(I) 16	9,963	-	49,763	59,726
Reclassification	-	-	55,837	55,837
Additions	815	1,900	-	2,715
Disposal of a subsidiary	-	-	(53,600)	(53,600)
Depreciation charge	(1,208)	(369)	(1,795)	(3,372)
Currency translation differences	3	-	640	643
At 31 March 2020	9,573	1,531	50,845	61,949

(ii) Interest expense

	Group	
	2021	2020
	\$'000	\$'000
Interest expense on lease liabilities	2,294	2,324

(iii) Lease expense not capitalised in lease liabilities

	Group	
	2021	2020
	\$'000	\$'000
Lease expense – short-term leases	56	301

(iv) Total cash outflow for all the leases for the financial year was \$5,802,000 (2020: \$6,095,000).

(v) Extension options

The leases for one leasehold land and one office contain extension periods for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension options.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

20. LEASES (cont'd)

(b) The Group as a lessor

Nature of the Group's leasing activities – Group as a lessor

The Group has leased out investment properties and properties held for sale to non-related parties for monthly lease payments. Where considered necessary to reduce credit risk, the Group may obtain bank guarantees for the payment of leases. These leases are classified as operating leases because the risk and rewards incidental to ownership of the assets are not substantially transferred.

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

	Group	
	2021 \$'000	2020 \$'000
Less than one year	6,047	30,753
One to two years	4,012	28,310
Two to three years	2,675	26,027
Three to four years	2,051	21,262
Four to five years	438	16,114
More than five years	-	35,424
	15,223	157,890

Lease income from investment properties are disclosed in Note 21.

Nature of the Group's leasing activities – Group as an intermediate lessor

Subleases – classified as finance leases

The Group's sub-lease of its right-of-use of a leasehold land is classified as a finance lease because the sub-lease is for the entire remaining lease term of the head lease. The net investment in the sub-lease is recognised under "Finance lease receivables".

Finance income recognised on the sub-lease during the financial year is \$719,000 (2020: \$739,000).

The following table shows the maturity analysis of the undiscounted lease payments to be received:

	Group	
	2021 \$'000	2020 \$'000
Less than one year	1,126	1,155
One to two years	1,126	1,155
Two to three years	1,126	1,155
Three to four years	1,126	1,155
Four to five years	1,126	1,155
More than five years	27,880	29,751
Total undiscounted lease payments	33,510	35,526
Less: Unearned finance income	(12,286)	(13,331)
Net investment in finance lease	21,224	22,195
Current	430	430
Non-current	20,794	21,765
Total	21,224	22,195

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21. INVESTMENT PROPERTIES

	Land	Building and other costs	Right-of-use assets	Total
	\$'000	\$'000	\$'000	\$'000
Group				
2021				
<i>Cost</i>				
Beginning of financial year	-	169,753	54,922	224,675
Reclassification from Properties held for sale	-	2,078	672	2,750
Additions	-	8,464	181	8,645
Disposals	-	(71,481)	(19,311)	(90,792)
Disposal of a subsidiary	-	(36,975)	(7,821)	(44,796)
Currency translation differences	-	(345)	(573)	(918)
End of financial year	-	71,494	28,070	99,564
<i>Accumulated depreciation</i>				
Beginning of financial year	-	43,885	4,077	47,962
Reclassification from Properties held for sale	-	-	39	39
Depreciation charge	-	4,922	1,557	6,479
Disposals	-	(25,655)	(1,563)	(27,218)
Disposal of a subsidiary	-	(9,722)	(557)	(10,279)
Currency translation differences	-	(4)	(3)	(7)
End of financial year	-	13,426	3,550	16,976
Net book value				
End of financial year	-	58,068	24,520	82,588
2020				
<i>Cost</i>				
Beginning of financial year	58,119	164,023	-	222,142
Adoption of SFRS(I) 16	-	-	49,763	49,763
Reclassification	(58,119)	-	58,119	-
Additions	-	11,531	-	11,531
Disposal of a subsidiary	-	(5,938)	(53,600)	(59,538)
Currency translation differences	-	137	640	777
End of financial year	-	169,753	54,922	224,675
<i>Accumulated depreciation</i>				
Beginning of financial year	2,282	37,742	-	40,024
Reclassification	(2,282)	-	2,282	-
Depreciation charge	-	6,143	1,795	7,938
End of financial year	-	43,885	4,077	47,962
Net book value				
End of financial year	-	125,868	50,845	176,713

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

21. INVESTMENT PROPERTIES (cont'd)

The following amounts are recognised in profit or loss:

	Group	
	2021 \$'000	2020 \$'000
Rental income	24,350	24,076
Direct operating expenses arising from:		
- Investment properties that generate rental income	5,445	5,968

As at 31 March 2021, details of the Group's investment properties are as follows:

Location	Description	Existing use	Terms of lease
<u>Singapore</u>			
31 Tuas South Ave 10	Industrial facilities	Rental	30 years lease from 16 December 2013
36 Tuas Road	Industrial facilities	Rental	12 years lease from 1 October 2013 with an option to extend a further 30 years
<u>Socialist Republic of Vietnam</u>			
Road No. 3, Nhon Trach II Industrial Park - Nhon Phu, Phu Hoi Commune, Nhon Trach District, Dong Nai Province	Industrial facilities	Phase 1 - Rental	39 years 2 months lease from 22 December 2017
		Phase 2 – Construction in progress	
<u>People's Republic of China</u>			
No. 3 Xin Mei Road Plot 117, Wuxi New District Wuxi Jiangsu	Industrial facilities	Rental	50 years from 15 April 2003
No. 7 Xin Mei Road Plot 117, Wuxi New District Wuxi Jiangsu	Industrial facilities	Rental	50 years from 15 April 2003
No. 18 Xin Mei Road Plot 117, Wuxi New District Wuxi Jiangsu	Industrial facilities	Rental	50 years from 15 April 2003

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

21. INVESTMENT PROPERTIES (cont'd)

During the financial year ended 31 March 2021, the following investment properties were sold to an associate (Note 35(b)):

Location	Description	Existing use	Terms of lease
<u>Singapore</u>			
10 Seletar Aerospace Heights	Industrial facilities	Rental	30 years lease from 1 June 2012
80 Boon Keng Road	Industrial facilities	Rental	Phase 1 – 30 years lease from 1 April 2011 with an option to extend a further 26 years Phase 2 – 30 years lease from 1 October 2013 with an option to extend a further 16 years
16 Tampines Industrial Crescent	Industrial facilities	Rental	30 years lease from 16 June 2012
26 Changi North Rise	Industrial facilities	Rental	30 years lease from 30 April 2010 with an option to extend a further 30 years
10 Changi North Way	Industrial facilities	Rental	24 years lease from 16 September 2010 with an option to extend a further 30 years
10 Tukang Innovation Drive	Industrial facilities	Rental	30 years lease from 1 November 2013

As at 31 March 2020, investment properties amounting to \$43,113,000 were pledged to banks for banking facilities (Note 26).

Valuations of the Group's investment properties have been performed by independent professional valuers with appropriate recognised professional qualifications and recent experience with the location and category of the properties being valued. The valuers have considered the direct comparison method for comparative properties, discounted cash flow method and capitalisation approach in deriving the valuation of \$88,174,000 (2020: \$277,423,000), net of lease payments.

Key inputs used in the valuations are the estimated annual net rent, discount rate and comparable sales in the area. The outbreak of COVID-19 has resulted in market uncertainty and volatility, and accordingly the valuation of investment property may fluctuate more rapidly and significantly subsequent to valuation date as compared to normal market conditions.

The fair values of investment properties are within Level 3 of the fair value hierarchy.

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22. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Beginning of financial year	3,449	-	3,177	-
Investment in Boustead Industrial Fund (Note 35(b))	13,675	-	-	-
Investment in DSCO Group Holdings Pte. Ltd.	576	3,177	575	3,177
Share of loss, net of tax (Note 10)	(720)	(666)	-	-
Unrealised construction, project management and acquisition fee margins	(264)	(33)	-	-
Unrealised gain on disposal due to retained interests - net of tax	(45,376)	-	-	-
Loss accounted for against loans (Note 14)	833	771	-	-
Reclassification to current liabilities (Note 25)	(58)	235	-	-
Reclassification to non-current liabilities (Note 25)	32,536	-	-	-
Currency translation differences	20	(35)	-	-
End of financial year	4,671	3,449	3,752	3,177

Set out below are associates of the Group as at 31 March 2021. The associates as listed below have share capital consisting of ordinary shares or units, which are held directly by the Group. The associates are funded via a combination of share capital, notes and shareholders' loans which are presented in "Other receivables".

Name of entity	Country of business/incorporation	% of ownership interest	
		2021	2020
THAB Development Sdn Bhd ⁽¹⁾	Malaysia	35%	35%
DSCO Group Holdings Pte. Ltd. ⁽²⁾	Singapore	25%	25%
Boustead Industrial Fund ⁽³⁾	Singapore	25%	-

⁽¹⁾ Audited by KPMG PLT, Malaysia.

⁽²⁾ Audited by RSM Chio Lim LLP, Singapore.

⁽³⁾ Incorporated during the financial year and not required to be audited for the financial year ended 31 March 2021.

THAB Development Sdn Bhd ("THAB") was set up as a property development and investment holding company. THAB acquired six parcels of industrial vacant land in Nusajaya, Iskandar Malaysia with the purpose of developing the land for sale and lease. The development was completed in April 2017 and share of results from the sale of industrial plots has been recognised as and when the properties are sold. As at 31 March 2021 and 2020, there are remaining 47 ready built factory units, 4 plots of vacant land, and a sales gallery that remain unsold.

THAB PTP Sdn Bhd ("THAB PTP"), a subsidiary of THAB, was set up as a property development company to acquire land in Malaysia for the purpose of developing an investment property for lease.

As at 31 March 2021, the carrying amount of the Group's equity investment in THAB is \$Nil (2020: \$Nil) as the Group's share of loss in THAB Group had exceeded its cost of equity investment.

However, the Group has continued to equity account for its share of loss in THAB in excess of the Group's equity investment amounting to \$1,604,000 as at 31 March 2021 (2020: \$771,000) against the Group's loan to THAB that, in substance, form part of the Group's net investment in THAB. Details of the loans provided to THAB by the Group are disclosed in Note 14.

In addition, THAB PTP, a subsidiary of THAB had obtained bank financing for its development which the Group has granted a proportional corporate guarantee as security for the loan. Accordingly, the Group has continued to equity account for its share of loss in THAB PTP in excess of the Group's equity investment amounting to \$1,406,000 as at 31 March 2021 (2020: \$1,464,000). These are presented within current liabilities (Note 25). The outstanding bank loan of THAB PTP amounted to \$8,490,000 (2020: \$9,211,000) as at 31 March 2021. Details of the loan provided to THAB PTP by the Group are disclosed in Note 14.

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22. INVESTMENTS IN ASSOCIATES (cont'd)

Boustead Industrial Fund ("BIF") is a private trust that invest in, administer and manage certain investments in logistics, business parks and industrial properties. The Group's interest in BIF arose from the transaction described in Note 35(b). In addition to equity interest amounting to \$13,675,000, the Group also held Notes issued by BIF amounting to \$59,000,000 as at 31 March 2021. Details of the Notes are disclosed in Note 14.

As at 31 March 2021, the carrying amount of the Group's equity interest in BIF, net of unrealised gain amounting to \$32,536,000 is presented within non-current liabilities (Note 25).

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

	Group	
	2021 \$'000	2020 \$'000
THAB and its subsidiary	(799)	(938)
Boustead Industrial Fund	(571)	-
Immaterial associate - DSCO Group Holdings Pte. Ltd.	650	272
	(720)	(666)

Summarised statement of financial position of material associates

	THAB and its subsidiary		Boustead Industrial Fund
	2021 \$'000	2020 \$'000	2021 \$'000
Current assets	67,476	51,723	18,694
Non-current assets	2	16,938	493,813
Current liabilities	(62,663)	(60,933)	(8,971)
Non-current liabilities	(8,610)	(9,167)	(451,322)
Net (liabilities)/asset	(3,795)	(1,439)	52,214

Summarised statement of comprehensive income of material associates

	THAB and its subsidiary		Boustead Industrial Fund
	2021 \$'000	2020 \$'000	2021 \$'000
Revenue	1,401	4,662	3,112
Loss before income tax	(2,193)	(2,297)	(2,450)
Loss after income tax and total comprehensive loss	(2,356)	(2,877)	(2,486)
Share of loss, net of tax (35%, 25%)	(825)	(1,007)	(622)
Amortisation of previously capitalised unrealised gains and losses	26	69	51
Share of loss after income tax, representing total comprehensive loss	(799)	(938)	(571)

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

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22. INVESTMENTS IN ASSOCIATES (cont'd)

Reconciliation of summarised financial information of material associates

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

	THAB and its subsidiary		Boustead Industrial Fund
	2021 \$'000	2020 \$'000	2021 \$'000
Net (liabilities)/assets			
Beginning of financial year	(1,439)	1,438	-
Loss for the financial year	(2,356)	(2,877)	(2,486)
Issuance of equity units	-	-	54,700
End of financial year	(3,795)	(1,439)	52,214
Interest in associates (35%, 25%)	(1,328)	(504)	13,054
Unrealised construction, project management and acquisition fee margins	(1,466)	(1,492)	(214)
Unrealised gain on disposal due to retained interests	-	-	(45,376)
Currency translation differences	(216)	(239)	-
	(3,010)	(2,235)	(32,536)
Reclassification to current liabilities (Note 25)	1,406	1,464	-
Reclassification to non-current liabilities (Note 25)	-	-	32,536
Reclassification to allowance for impairment loss (Note 14)	1,604	771	-
Carrying value	-	-	-

As at 31 March 2021, the Group's associates do not have any contingent liabilities and capital commitment.

23. INVESTMENTS IN JOINT VENTURES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Beginning of financial year	60,707	40,673	69,530	59,156
Capital contribution	10,720	26,266	2,483	10,573
Capital repayment	(21,334)	-	(18,571)	-
Partial disposal of subsidiary (Note 24)	14,825	8,537	16,795	-
Partial disposal of joint venture	-	-	(809)	-
Impairment loss on investment in a joint venture	-	-	-	(199)
Share of profit/(loss), net of tax (Note 10)	11,780	(2,764)	-	-
Unrealised construction and project management margins	(2,050)	(8,165)	-	-
Unrealised gain on disposal of properties (Note 35(b))	3,730	-	-	-
Dividends received	(8,362)	(3,840)	-	-
Others	107	-	-	-
End of financial year	70,123	60,707	69,428	69,530

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23. INVESTMENTS IN JOINT VENTURES (cont'd)

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

Name of entity	Principal activities	Country of business/ incorporation	% of ownership interest	
			2021	2020
BP-Vista LLP ⁽¹⁾⁽⁵⁾	Dormant	Singapore	30%	30%
BP-DOJO LLP ⁽¹⁾⁽⁷⁾	Holding of property for rental income	Singapore	51%	51%
BP-Ubi Development Pte. Ltd. and its subsidiary ⁽¹⁾⁽⁵⁾	Dormant	Singapore	50%	50%
BP-SF Turbo LLP ⁽¹⁾⁽⁶⁾	Holding of property for rental income	Singapore	25.5%	50%
BP-CA3 LLP ⁽¹⁾	Holding of property for rental income	Singapore	50%	50%
BP-AMC LLP ⁽¹⁾⁽⁷⁾	Holding of property for rental income	Singapore	51%	51%
BP-BBD2 Pte. Ltd. ⁽¹⁾⁽⁷⁾	Holding of property for rental income	Singapore	51%	51%
Snakepit-BP LLP ⁽¹⁾	Holding of property for rental income	Singapore	28%	28%
Snakepit-BP 1 Pte. Ltd. ⁽¹⁾⁽⁷⁾	Investment holding	Singapore	5%	5%
Echo Base-BP Capital Pte. Ltd. and its subsidiary ⁽¹⁾	Provide real estate consultancy and management services	Singapore	50%	50%
Boustead & KTG Industrial Management Company Limited ⁽²⁾⁽⁴⁾	Provide real estate consultancy and management services	Socialist Republic of Vietnam	25%	-
EFactory Vietnam Co Ltd ⁽²⁾	Provide real estate consultancy and management services	Socialist Republic of Vietnam	50%	50%
BP-Braddell LLP ⁽¹⁾	Holding of property for rental income	Singapore	50%	51%
BP-TPM LLP ⁽¹⁾⁽⁷⁾	Holding of property for rental income	Singapore	51%	51%
BP-TN Pte. Ltd. ⁽¹⁾⁽³⁾⁽⁷⁾	Holding of property for rental income	Singapore	51%	-

⁽¹⁾ Audited by PricewaterhouseCoopers LLP, Singapore.

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

⁽³⁾ The Group held 100% equity interest in the investee prior to 3 March 2021.

⁽⁴⁾ Incorporated during the financial year.

⁽⁵⁾ Became dormant after the transaction with BIF as disclosed in Note 35(b).

⁽⁶⁾ The Group disposed a net 24.5% equity interest in the investee to BIF as disclosed in Note 35(b).

⁽⁷⁾ As the Group has joint control as a result of contractual agreements and rights to the net assets of the entity, the entity is therefore classified as a joint venture.

The subsidiary of BP-Ubi Development Pte. Ltd. had obtained bank financing for its development of an investment property in which the Group granted a proportional corporate guarantee as security for the bank loan. The outstanding bank loan amounted to \$Nil as at 31 March 2021 (2020: \$18,850,000).

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

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23. INVESTMENTS IN JOINT VENTURES (cont'd)

The Group has committed to provide funding if called, to its joint ventures amounting to \$3,188,000 as at 31 March 2021 (2020: \$13,596,000).

The carrying amounts of the Group's material joint ventures, namely BP-DOJO LLP, BP-TPM LLP, BP-Vista LLP, BP-Braddell LLP, BP-TN Pte. Ltd. and BP-Ubi Development Pte. Ltd. and its subsidiary are as follows:

	Group	
	2021 \$'000	2020 \$'000
BP-DOJO LLP	13,749	14,753
BP-TPM LLP	13,365	15,036
BP-Vista LLP	21	6,191
BP-Braddell LLP	11,541	-*
BP-TN Pte. Ltd.	14,903	-
BP-Ubi Development Pte. Ltd. and its subsidiary	601	-*
Immaterial joint ventures	15,943	24,727
	70,123	60,707

* Not material in financial year ended 31 March 2020

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

	Group	
	2021 \$'000	2020 \$'000
BP-DOJO LLP	(750)	(3,009)
BP-TPM LLP	(332)	(237)
BP-Vista LLP	8,760	317
BP-Braddell LLP	(103)	-*
BP-TN Pte. Ltd.	83	-
BP-Ubi Development Pte. Ltd. and its subsidiary	3,610	-*
Immaterial joint ventures	512	165
	11,780	(2,764)

* Not material in financial year ended 31 March 2020

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23. INVESTMENTS IN JOINT VENTURES (cont'd)

Summarised financial information for material joint ventures

Set out below are the summarised financial information for BP-DOJO LLP, BP-TPM LLP, BP-Vista LLP, BP-Braddell LLP, BP-TN Pte. Ltd. and BP-Ubi Development Pte. Ltd. and its subsidiary.

Summarised statement of financial position

As at 31 March	BP-DOJO LLP		BP-TPM LLP		BP-Vista LLP	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current assets	14,601	10,032	8,252	8,525	3,196	13,172
Includes:						
- Cash and cash equivalents	8,909	4,882	3,721	2,627	3,101	4,494
Non-current assets	171,282	178,321	82,511	81,658	-	119,534
Current liabilities	(6,567)	(138,302)	(2,423)	(59,877)	(3,126)	(2,094)
Includes:						
- Financial liabilities (excluding trade and other payables)	-	(131,640)	-	(58,000)	-	-
- Other liabilities (including trade and other payables)	(6,567)	(6,662)	(2,423)	(1,877)	(3,126)	(2,094)
Non-current liabilities	(131,641)	-	(60,693)	-	-	(96,331)
Includes:						
- Financial liabilities	(131,641)	-	(60,693)	-	-	(96,331)
Net assets	47,675	50,051	27,647	30,306	70	34,281

As at 31 March	BP-Braddell LLP		BP-TN Pte. Ltd.	BP-Ubi Development Pte. Ltd. and its subsidiary	
	2021 \$'000	2020 \$'000	2021 \$'000	2021 \$'000	2020 \$'000
Current assets	9,578	3,416	4,976	2,319	6,100
Includes:					
- Cash and cash equivalents	7,864	2,902	2,112	2,266	5,601
Non-current assets	105,530	78,156	44,031	-	26,456
Current liabilities	(9,520)	(2,487)	(1,393)	(1,117)	(2,737)
Includes:					
- Financial liabilities (excluding trade and other payables)	-	-	-	-	(800)
- Other liabilities (including trade and other payables)	(9,520)	(2,487)	(1,393)	(1,117)	(1,937)
Non-current liabilities	(75,842)	(55,577)	(8,758)	-	(18,560)
Includes:					
- Financial liabilities (excluding trade and other payables)	(75,842)	(53,623)	(7,165)	-	(18,050)
- Other liabilities (including trade and other payables)	-	(1,954)	(1,593)	-	(510)
Net assets	29,746	23,508	38,856	1,202	11,259

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23. INVESTMENTS IN JOINT VENTURES (cont'd)

Summarised statement of comprehensive income

Financial year ended 31 March	BP-DOJO LLP		BP-TPM LLP		BP-Vista LLP	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Revenue	11,113	9,582	6,464	-	10,285	11,440
Interest income	26	38	-	-	1	23
Other income	972	928	1,753	67	20,218	3,177
Expenses	(14,487)	(17,353)	(8,941)	(531)	(7,066)	(11,891)
Includes:						
- Depreciation and amortisation	(7,204)	(7,216)	(4,450)	-	(4,064)	(5,409)
- Interest expense	(2,847)	(4,244)	(1,181)	-	(1,387)	(2,930)
- Other expenses	(4,436)	(5,893)	(3,310)	(531)	(1,615)	(3,552)
(Loss)/profit after income tax, representing total comprehensive (loss)/income	(2,376)	(6,805)	(724)	(464)	23,438	2,749
Share of (loss)/profit, net of tax (51%, 51%, 30%)	(1,212)	(3,471)	(369)	(237)	7,031	825
Amortisation of previously capitalised unrealised gains and other adjustments	462	462	37	-	1,729	(508)
Share of (loss)/profit after income tax, representing total comprehensive (loss)/income	(750)	(3,009)	(332)	(237)	8,760	317

Financial year ended 31 March	BP-Braddell LLP		BP-TN Pte. Ltd. #	BP-Ubi Development Pte. Ltd. and its subsidiary	
	2021 \$'000	2020 \$'000	2021 \$'000	2021 \$'000	2020 \$'000
Revenue	444	-	493	2,220	3,260
Interest income	4	38	1	17	86
Other income	10	-	-	7,447	142
Expenses	(683)	(65)	(376)	(2,365)	(3,494)
Includes:					
- Depreciation and amortisation	(315)	-	(169)	(1,040)	(1,383)
- Interest expense	(129)	-	(21)	(339)	(662)
- Other expenses	(239)	(65)	(120)	(815)	(1,266)
- Income tax expense	-	-	(66)	(171)	(183)
(Loss)/profit after income tax, representing total comprehensive (loss)/income	(225)	(27)	118	7,319	(6)
Share of (loss)/profit, net of tax (50%, 51%, 50%)	(113)	(14)	60	3,660	(3)
Amortisation of previously capitalised unrealised gains and other adjustments	10	-	23	(50)	70
Share of (loss)/profit after income tax, representing total comprehensive (loss)/income	(103)	(14)	83	3,610	67

BP-TN Pte. Ltd. ceased to be a subsidiary and became a joint venture on 3 March 2021. The amounts represent results subsequent to 3 March 2021.

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

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23. 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-DOJO LLP		BP-TPM LLP		BP-Vista LLP	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Net assets						
Beginning of financial year	50,051	56,856	30,306	-	34,281	39,332
(Loss)/profit for the financial year	(2,376)	(6,805)	(724)	(464)	23,438	2,749
Dividends paid	-	-	-	-	(13,778)	(7,800)
Capital (repayment)/contribution	-	-	(1,935)	30,770	(43,871)	-
End of financial year	47,675	50,051	27,647	30,306	70	34,281
Interests in joint ventures (51%; 51%; 30%)	24,314	25,526	14,100	15,456	21	10,284
Unrealised construction and project management margins	(10,565)	(10,773)	(735)	(420)	-	(4,093)
Carrying value	13,749	14,753	13,365	15,036	21	6,191

	BP-Braddell LLP		BP-TN Pte. Ltd.	BP-Ubi Development Pte. Ltd. and its subsidiary	
	2021 \$'000	2020 \$'000	2021 \$'000	2021 \$'000	2020 \$'000
Net assets					
Beginning of financial year/period	23,508	16,238	38,738[#]	11,259	11,265
(Loss)/profit for the financial year/period	(225)	(27)	118[#]	7,319	(6)
Dividends paid	-	-	-	(6,558)	-
Capital contribution/(repayment)	6,463	7,297	-	(10,818)	-
End of financial year/period	29,746	23,508	38,856	1,202	11,259
Interests in joint ventures (2021: 50%; 51%; 50%, 2020: 51%; Nil%; 50%)	14,873	8,523 [*]	19,817	601	5,630
Unrealised construction and project management margins	(3,332)	(1,680)	(4,914)	-	(1,136)
Carrying value	11,541	6,843	14,903	601	4,494

* As at 31 March 2020, the Group has only contributed 36% of its capital contribution to BP-Braddell LLP. The remaining contribution was subsequently made in the financial year ended 31 March 2021.

[#] BP-TN Pte. Ltd. ceased to be a subsidiary and became a joint venture on 3 March 2021. The amounts represent financial information subsequent to 3 March 2021.

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24. INVESTMENTS IN SUBSIDIARIES

	Company	
	2021 \$'000	2020 \$'000
<i>Unquoted equity shares at cost</i>		
Beginning of financial year	17,926	17,676
Additions	-	250
End of financial year	17,926	17,926
Less: Allowance for impairment losses	(233)	(233)
	17,693	17,693
Loan to a subsidiary	21,841	22,177
Less: Allowance for impairment losses	(6,156)	-
Total investments in subsidiaries	33,378	39,870

The loan to a subsidiary forms part of the Company's net investment in the subsidiary. The loan is unsecured, bears interest at 0.50% (2020: 0.50%) above KLIBOR per annum. Repayment of the loan is neither planned nor likely to occur in the foreseeable future.

The Company assessed the carrying amount of its investments in subsidiaries for indicators of impairment. Based on the assessment, the Company recognised an impairment loss of \$6,156,000 (2020: \$Nil) on its investment in a wholly-owned subsidiary. The recoverable amount of the subsidiary was estimated taking into consideration the fair values of the underlying assets and the liabilities of the subsidiary. The fair value measurement was categorised as Level 3 of the fair value hierarchy based on the inputs in the valuation techniques used.

The Group had the following significant subsidiaries:

Name of entity	Principal activities	Country of business/ incorporation	Equity holding	
			2021 %	2020 %
Boustead Projects E&C Pte. Ltd. ⁽¹⁾	Provide design, engineering, project management, construction management and property-related services	Singapore	100	100
BP Engineering Solutions Sdn Bhd ⁽²⁾	Provide design, engineering, project management, construction management and property-related services	Malaysia	100	100
Boustead Projects (Vietnam) Co. Ltd ⁽³⁾	Provide design, engineering, project management, construction management and property-related services	Socialist Republic of Vietnam	100	100
PIP Pte. Ltd. ⁽¹⁾	Provide project management, design, construction and property-related services	Singapore	100	100
BP-CA Pte. Ltd. ⁽¹⁾⁽¹⁰⁾	Dormant	Singapore	100	100
BP-SFN Pte. Ltd. ⁽¹⁾⁽¹⁰⁾	Dormant	Singapore	100	100
BP-Tuas 1 Pte. Ltd. ⁽¹⁾⁽¹⁰⁾	Dormant	Singapore	100	100
CN Logistics Pte. Ltd. ⁽¹⁾⁽¹⁰⁾	Dormant	Singapore	100	100
BP-BBD Pte. Ltd. ⁽¹⁾⁽¹⁰⁾	Dormant	Singapore	100	100
BP-JCS Pte. Ltd. ⁽¹⁾⁽¹⁰⁾	Dormant	Singapore	100	100
BP-TN Pte. Ltd. ⁽¹⁾⁽⁹⁾	Holding of property for rental income	Singapore	-	100
BP-EA Pte. Ltd. ⁽¹⁾	Holding of property for rental income	Singapore	100	100
Wuxi Boustead Industrial Development Co. Ltd ⁽⁸⁾	Development of industrial space for lease/sale	People's Republic of China	100	100

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

24. INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of entity	Principal activities	Country of business/ incorporation	Equity holding	
			2021 %	2020 %
Boustead Real Estate Fund ⁽¹⁾	Private business trust	Singapore	100	100
Boustead Trustees Pte. Ltd. ⁽¹⁾	Trustee for real estate trust	Singapore	100	100
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 Industrial Funds Management Pte. Ltd. ⁽¹⁾	Property fund management	Singapore	100	100
BIF Property Services Pte. Ltd. ⁽⁶⁾⁽¹⁾	Property fund management	Singapore	100	-
BP-Real Estate Investment Pte. Ltd. ⁽⁶⁾⁽¹⁾	Investment holding	Singapore	100	-
BP-PRC Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100	100
BP Lands Sdn Bhd ⁽²⁾	Investment holding	Malaysia	100	100
BP-Vietnam Development Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100	100
BP-GD1 Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100	100
BP-SH1 Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100	100
BP-TM Pte. Ltd. ⁽⁷⁾	Dormant	Singapore	100	100
BP-IDN Pte. Ltd. ⁽⁷⁾	Dormant	Singapore	100	100
BP-TPM1 Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100	100
Boustead Projects Land (Vietnam) Co. Ltd ⁽³⁾	Holding of property for rental income	Socialist Republic of Vietnam	100	100
PT Boustead Projects Land ⁽⁷⁾	Dormant	Indonesia	100	100
BP-UMS Pte. Ltd. ⁽¹⁾⁽⁵⁾	Dormant	Singapore	100	100
BP Xilin Sdn. Bhd. (formerly known as: BP Batu Kawan Sdn Bhd) ⁽⁴⁾	Investment holding	Malaysia	100	100
BP Aerotech (Subang) Sdn Bhd ⁽⁴⁾	Investment holding	Malaysia	100	100
BP Malaysia Airports Subang Aerotech Sdn. Bhd. ⁽²⁾	Investment holding	Malaysia	70	70
BPMA HS Sdn. Bhd. ⁽²⁾	Development of building projects	Malaysia	70	70

⁽¹⁾ Audited by PricewaterhouseCoopers LLP, Singapore.

⁽²⁾ Audited by KPMG PLT, Malaysia.

⁽³⁾ Audited by RSM Vietnam Auditing & Consulting Company Limited, Vietnam.

⁽⁴⁾ Audited by CLW & Associates, Malaysia.

⁽⁵⁾ In the process of voluntary liquidation/strike-off.

⁽⁶⁾ Incorporated during the financial year.

⁽⁷⁾ Not required to be audited.

⁽⁸⁾ Audited by Wuxi DaZhong Certified Public Accountants China Co., Ltd.

⁽⁹⁾ On 3 March 2021, the Group disposed 49% of its equity interest in the investee (Note 35(b)) and it became an investment in joint venture of the Group.

⁽¹⁰⁾ Became dormant after the transaction with BIF as disclosed in Note 35(b).

Notes to the Financial Statements

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25. TRADE AND OTHER PAYABLES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current				
Trade payables	86,305	94,231	481	1,772
Other payables to:				
- Non-related parties	1,468	329	9	9
- Fellow subsidiary	12	14	-	-
- Subsidiaries	-	-	17,180	13,731
	1,480	343	17,189	13,740
Retention sum payables	15,772	14,000	1,144	2,907
Accruals for operating expenses	14,481	6,918	3,716	1,376
Advanced billings - Property rental income	1,091	2,844	-	-
Share of accumulated loss in excess of cost of investment in an associate (Note 22)	1,406	1,464	-	-
Deposits	4,720	5,411	30	30
Provision for onerous contracts	7,317	-	-	-
Loans from subsidiaries	-	-	264,730	89,362
	132,572	125,211	287,290	109,187
Non-current				
Retention sum payables	17,475	13,376	-	-
Unrealised gain on disposal due to retained interests in an associate - net (Note 22)	32,536	-	-	-
	50,011	13,376	-	-

Other payables to a fellow subsidiary and subsidiaries are unsecured, interest free and repayable on demand.

Loans from subsidiaries are unsecured, bear interest up to 1.70% (2020: 2.04%) per annum and are repayable on demand.

26. BORROWINGS

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Bank borrowings				
- Current	208	91,562	-	57,679
- Non-current	2,292	26,330	-	-
Total	2,500	117,892	-	57,679

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

26. BORROWINGS (cont'd)

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		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
3 months or less	-	117,892	-	57,679

(a) Security granted

As at 31 March 2020, total borrowings included secured liabilities of \$60,213,000 for the Group. The bank borrowings were secured over the Group's investment properties (Note 21) and properties held for sale (Note 16).

(b) Fair value of non-current borrowings

As at 31 March 2021, carrying amount of non-current borrowings of \$2,292,000 with fixed interest rate approximated their fair values, which was computed based on the present value of the cash flows on the borrowings discounted at the rate of 2%. The borrowing rate is based on of an equivalent instrument that the directors expected would be available to the Group at the balance sheet date.

As at 31 March 2020, carrying amounts of non-current borrowings of \$26,330,000 approximated their fair values as all the amounts were at floating interest rates and were revised every one to three months.

The fair value of borrowings are within Level 2 of the fair values hierarchy.

27. DEFERRED INCOME TAXES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same tax authority. The amounts, determined after appropriate offsetting, are shown on the statement of financial position as follows:

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Deferred income tax assets	8,190	4,611	-	-
Deferred income tax liabilities	(675)	(5,042)	(324)	(438)
	7,515	(431)	(324)	(438)

The Group has unrecognised tax losses of \$Nil (2020: \$335,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation.

Deferred income tax liabilities of \$235,000 (2020: \$207,000) have not been recognised for the withholding and other taxes that will be payable on the earnings of an overseas subsidiary when remitted to the holding company. These unremitted profits are permanently reinvested and amount to \$4,705,000 (2020: \$4,146,000) at the balance sheet date.

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

27. DEFERRED INCOME TAXES (cont'd)

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

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Deferred income tax liabilities				
<u>Accelerated tax depreciation</u>				
Beginning of financial year	4,471	3,974	438	-
(Credited)/Charged to profit or loss	(2,139)	497	(114)	438
Disposal of a subsidiary	(1,051)	-	-	-
End of financial year	1,281	4,471	324	438
<u>Others</u>				
Beginning of financial year	571	-	-	-
(Credited)/Charged to profit or loss	(104)	571	-	-
Disposal of a subsidiary	(362)	-	-	-
Others	331	-	-	-
End of financial year	436	571	-	-
Total				
End of financial year	1,717	5,042	324	438
Deferred income tax assets				
<u>Unrealised construction and project management margins</u>				
Beginning of financial year	4,611	3,196	-	-
(Charged)/Credited to profit or loss	(437)	1,415	-	-
Disposal of a subsidiary	163	-	-	-
End of financial year	4,337	4,611	-	-
<u>Tax losses</u>				
Beginning of financial year	-	-	-	-
Credited to profit or loss	5,162	-	-	-
End of financial year	5,162	-	-	-
<u>Others</u>				
Others	(267)	-	-	-
Total				
End of financial year	9,232	4,611	-	-

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28. SHARE CAPITAL AND TREASURY SHARES

	No. of ordinary shares		Amount	
	Issued share capital	Treasury shares	Share capital	Treasury shares
	'000	'000	\$'000	\$'000
Group and Company				
2021				
Beginning of financial year	320,000	(9,346)	15,000	(7,477)
Purchase of treasury shares	-	(292)	-	(292)
Treasury shares re-issued	-	665	-	533
End of financial year	320,000	(8,973)	15,000	(7,236)
2020				
Beginning of financial year	320,000	(10,293)	15,000	(8,244)
Treasury shares re-issued	-	947	-	767
End of financial year	320,000	(9,346)	15,000	(7,477)

All issued ordinary shares are fully paid up. There is no par value for these ordinary shares. Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

The Company re-issued \$665,000 (2020: 947,000) treasury shares in the Company during the financial year pursuant to the Boustead Projects Restricted Share Plan 2016 at the buyback price of \$0.80 (2020: \$0.81) each.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

29. DIVIDENDS

	Group	
	2021 \$'000	2020 \$'000
Ordinary dividends paid		
Dividends paid in respect of the previous financial year of 0.8 cents (2020: 1.5 cents) per share	2,491	4,660
Special dividends paid		
Dividends paid in respect of the previous financial year of Nil cents (2020: 0.5 cents) per share	-	1,553
	2,491	6,213

At the forthcoming Annual General Meeting on 28 July 2021, a final ordinary dividend of 0.9 cents per share and special dividend of 14.5 cents per share amounting to a total of \$47,898,000 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 March 2022.

30. RETAINED PROFITS

- (a) Retained profits of the Group are distributable except for:
- (i) accumulated retained profits of associates and joint ventures amounting to \$3,497,000 (2020: \$986,000)
 - (ii) 10% of accumulated retained profits of a subsidiary in the People's Republic of China amounting to \$339,000 (2020: \$276,000).
- (b) Retained profits of the Company are distributable. Movement in retained profits for the Company is as follows:

	Company	
	2021 \$'000	2020 \$'000
Beginning of financial year	240,700	242,581
Net profit	9,596	4,332
Dividends paid (Note 29)	(2,491)	(6,213)
End of financial year	247,805	240,700

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31. OTHER RESERVES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
(a) Composition:				
Foreign currency translation reserve	656	1,216	-	-
Share-based compensation reserve	124	635	124	635
Capital reserve	64	53	64	53
Merger reserve	(2,854)	(2,854)	-	-
Fair value reserve	10,902	10,796	10,902	10,796
Hedging reserve	-	-	-	-
	8,892	9,846	11,090	11,484
(b) Movement:				
(i) <u>Foreign currency translation reserve</u>				
Beginning of financial year	1,216	968	-	-
Net currency translation differences arising from consolidation	(560)	248	-	-
End of financial year	656	1,216	-	-
(ii) <u>Share-based compensation reserve</u>				
Beginning of financial year	635	1,236	635	1,236
Employee share-based compensation				
- Value of employee services (Note 6)	33	189	33	189
- Treasury shares re-issued (Note 28)	(544)	(790)	(544)	(790)
End of financial year	124	635	124	635
(iii) <u>Capital reserve</u>				
Beginning of financial year	53	30	53	30
Treasury shares re-issued (Note 28)	11	23	11	23
End of financial year	64	53	64	53
(iv) <u>Merger reserve</u>				
Beginning and end of financial year	(2,854)	(2,854)	-	-
(v) <u>Fair value reserve</u>				
Beginning of financial year	10,796	10,907	10,796	10,907
Fair value gain/(loss)	106	(111)	106	(111)
End of financial year	10,902	10,796	10,902	10,796
(vi) <u>Hedging reserve</u>				
Beginning of financial year	-	(17)	-	-
Realised and transferred to profit or loss	-	17	-	-
End of financial year	-	-	-	-

Other reserves are non-distributable.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

32. CONTINGENCIES

- (a) As at the balance sheet date, the Group and the Company has the following guarantees whereby the directors are of the view that it is more likely than not that no amount will be payable under these arrangements. The earliest period that the guarantees could be called is upon demand.
- (i) The Group has given guarantees in favour of banks in respect of loan facilities granted to a related party* and a joint venture. The outstanding guarantees amount to \$2,972,000 (2020: \$12,649,000) at the balance sheet date.
 - (ii) The Company has given guarantees in favour of banks in respect of loan facilities granted to its subsidiaries, a related party* and a joint venture. The outstanding guarantees amount to \$2,972,000 (2020: \$72,863,000) at the balance sheet date.
 - (iii) The Company has entered into performance guarantees of \$69,774,000 (2020: \$79,020,000) issued by banks in favour of third parties in respect of performance on construction contracts.

* A related party refers to a subsidiary of an associate.

- (b) On 27 November 2018, the Company was served with a writ of summons (Suit No 1141 of 2020), filed by YCH Holdings (Pte) Ltd ("YCH") in the High Court of the Republic of Singapore (the "Suit"). YCH was claiming breach of contractual obligations, damage and costs.

On 24 May 2020, the Company reached a settlement with YCH without admission of liability and purely with a view to resolving the suit amicably, as well as to prevent escalating of legal costs. Under the agreement, the Company paid YCH \$800,000 and retained the sum of \$2,335,000 that YCH previously had paid to the Company. YCH had applied to the Court to discontinue the Suit on 28 May 2020. By consent of YCH and the Company, the Court granted leave to discontinue the Suit on 1 June 2020.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

33. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management team then establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies. Financial risk management is carried out by finance personnel.

(a) Market risk

(i) Currency risk

The Group operates in Asia with significant operation in Singapore. It also has operations in Malaysia, the Socialist Republic of Vietnam and People's Republic of China albeit in a smaller scale.

Translation risks of overseas net investments are not hedged through hedging instruments.

Currency exposure to the net assets of the Group's foreign operations in the People's Republic of China, Malaysia and the Socialist Republic of Vietnam are managed primarily through natural hedges of matching assets and liabilities. Management reviews periodically so that the net exposure is kept at an acceptable level.

The Group does not have any other significant unhedged exposure to currency risks as sales and purchases are primarily denominated in the respective functional currencies of the Group entities, mainly Singapore Dollars ("SGD"), Malaysian Ringgit ("MYR"), Renminbi ("RMB") and Vietnamese Dong ("VND").

(ii) Price risk

The Group and the Company is exposed to equity security price risk arising from its investment classified as financial assets, at FVOCI. Please refer to Note 18 for details of the fair value measurement.

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

As at 31 March 2021, the Group's exposure to cash flow interest rate risks arises mainly from loans to an associate and loan to a related party* (2020: borrowings, loans to an associate, loans to a related party* and loans to a joint venture) at variable rates.

If the SGD interest rates had been higher/lower by 1% with all other variables including tax rate being held constant, the Group's profit after tax for the financial year ended 31 March 2021 would have been higher/lower by \$182,000 (2020: lower/higher by \$325,000) as a result of higher/lower interest income from loans to an associate and loans to a related party* and higher/lower interest expense on borrowings (2020: higher/lower interest income from loans to an associate, loans to a related party* and loans to a joint venture and higher/lower interest expense on borrowings).

As at 31 March 2021, the Company's exposure to cash flow interest rate risks arises mainly from loans to/from subsidiaries (2020: borrowings and loans to/from subsidiaries) at variable rates. The Group's borrowings at variable rates are denominated in SGD.

If the SGD interest rates had been higher/lower by 1% with all other variables including tax rate being held constant, the Company's profit after tax for the financial year ended 31 March 2021 would have been lower/higher by \$806,000 (2020: higher/lower by \$380,000), as a result of higher/lower interest income on loans to subsidiaries and higher/lower interest expense on loans from subsidiaries (2020: higher/lower interest income on loans to subsidiaries and higher/lower interest expense on borrowings and loans from subsidiaries).

* A related party refers to a subsidiary of an associate.

Notes to the Financial Statements

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33. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group adopts the policy of dealing only with customers of appropriate credit standing and history, and obtaining appropriate and sufficient collateral such as security deposits or bankers guarantee from customers, where appropriate, to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Before accepting any new customer, the Group assesses the potential customer's credit quality and their financial ability to pay for the services engaged. Management periodically monitors and reviews the customer's long overdue payment and proactively engages with the customer to resolve the causes of the overdue payment. As at 31 March 2021, there are four (2020: three) external customers and one (2020: three) joint venture which individually represents more than 5% of the Group's total trade receivables. There is one (2020: two) external customer which individually represents more than 5% of the Company's total trade receivables.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the statement of financial position except for corporate guarantees provided to banks on loan facilities of subsidiaries, a joint venture and a related party, disclosed in Note 32 to the financial statements.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially assessed up to the balance sheet date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, management believes that there is no further credit provision required in excess of the allowance for impairment of receivables.

Trade receivables and contract assets

In measuring expected credit losses ("ECL"), trade receivables and contract assets are grouped based on shared credit risk characteristics. The contract assets relate mainly to projects where the revenue has been accrued ahead of billings to customers, which have substantially the same risk characteristics as the trade receivables for the same contracts.

The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Some of the forward-looking macroeconomic factors include:

- Historical default rate of the customer
- Any publicly available information on the customer
- Any macroeconomic or geopolitical information relevant to the customer
- Any other objectively supportable information on the quality and abilities of the customer's management relevant for its performance

Notes to the Financial Statements

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33. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Trade receivables (including retention receivables) and contract assets grouped with shared risk characteristics as at 31 March 2021 and 31 March 2020 are as follows:

	Group 2021			
	Current and not due	Past due under 3 months	Past due over 3 months	Total
	\$'000	\$'000	\$'000	\$'000
- Singapore				
• Trade receivables	64,471	2,156	163	66,790
• Contract assets	3,425	-	-	3,425
- Socialist Republic of Vietnam				
• Trade receivables	1,906	-	140	2,046
• Contract assets	212	-	-	212
- Malaysia				
• Trade receivables	17,828	221	598	18,647
• Contract assets	7,146	-	-	7,146
- People's Republic of China				
• Trade receivables	-	1,272	-	1,272
	94,988	3,649	901	99,538

	Group 2020			
	Current and not due	Past due under 3 months	Past due over 3 months	Total
	\$'000	\$'000	\$'000	\$'000
- Singapore				
• Trade receivables	76,263	128	94	76,485
• Contract assets	26,272	-	-	26,272
- Socialist Republic of Vietnam				
• Trade receivables	2,403	-	-	2,403
• Contract assets	440	-	-	440
- Malaysia				
• Trade receivables	1,004	-	-	1,004
- People's Republic of China				
• Trade receivables	20	-	-	20
	106,402	128	94	106,624

The amount of trade receivables that are past due for more than 3 months are immaterial. Accordingly, the Group's trade receivables and contract assets are subject to immaterial credit loss.

Notes to the Financial Statements

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33. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Credit risk (cont'd)

Cash and cash equivalent

The Group and the Company held cash and cash equivalents with reputable banks which are assessed to be of lower credit risk. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

Finance lease receivables and other receivables

Finance lease receivables, loans to a related party, a joint venture and subsidiaries, notes issued by an associate, and other receivables are measured on 12-month expected credit losses and subject to immaterial credit loss, except for loan to a subsidiary as disclosed in Note 24. An allowance for credit loss, measured on 12-month expected credit loss basis amounting to \$6,156,000 (2020: \$Nil) has been made against the loan to a subsidiary of \$21,841,000 (2020: \$22,177,000) (Note 24).

The Group monitors the credit risk of the associate based on the past due information to assess if there is any significant increase in credit risk. An allowance for credit loss, measured on 12-month expected credit loss basis amounting to \$4,049,000 (2020: \$1,689,000) has been made against the loan to an associate of \$17,840,000 (2020: \$17,649,000) (Note 14).

Financial guarantee

The Company has issued financial guarantees to banks for borrowings of its subsidiaries, a joint venture and a related party. The Company has assessed that its subsidiaries, a joint venture and a related party have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At the balance sheet date, assets held by the Group and the Company for managing liquidity risk included cash and short-term bank deposits as disclosed in Note 13.

Management monitors rolling forecasts of the liquidity reserve (comprises undrawn borrowing facilities and cash and cash equivalents (Note 13)) of the Group and the Company on the basis of expected cash flow. This is generally carried out at the local level in the operating companies of the Group in accordance with the practice and limits set by the Group. In addition, the Group's liquidity management policy involves considering the level of liquid assets necessary to meet projected cash flows, monitoring liquidity ratios and maintaining debt financing plans.

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

33. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Liquidity risk (cont'd)

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. The maximum amount of the financial guarantee contracts is allocated to the earliest period in which the guarantee could be called.

	Less than 1 year	Between 2 and 5 years	Over 5 years
	\$'000	\$'000	\$'000
Group			
At 31 March 2021			
Trade and other payables	129,487	17,475	-
Borrowings	257	2,374	-
Lease liabilities	3,255	10,211	73,688
Financial guarantees	2,972	-	-
At 31 March 2020			
Trade and other payables	123,747	13,376	-
Borrowings	93,046	26,992	-
Lease liabilities	6,130	20,844	113,703
Financial guarantees	12,649	-	-
Company			
At 31 March 2021			
Trade and other payables	22,560	-	-
Loans from subsidiaries	269,230	-	-
Financial guarantees	2,972	-	-
At 31 March 2020			
Trade and other payables	19,825	-	-
Loans from subsidiaries	91,185	-	-
Financial guarantees	72,863	-	-

(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 \$120,000,000, a maximum total liability gearing ratio of 275% and a maximum consolidated gearing of 1.5 times. The Group's strategy which was unchanged from 2020, is to maintain gearing ratios and minimum level of total net tangible assets within the banks' requirements.

The total liability gearing ratio is calculated as a percentage of consolidated total liabilities divided by the consolidated tangible net worth and the maximum consolidated gearing ratio is calculated as total bank debts divided by tangible net worth. Tangible net worth is calculated as the sum of share capital and retained profits.

The Group is in compliance with all externally imposed capital requirements for the financial years ended 31 March 2021 and 31 March 2020.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

33. FINANCIAL RISK MANAGEMENT (cont'd)

(e) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position including derivative financial instruments and in Note 18 to the financial statements, except for the following:

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Financial assets, at amortised cost	500,351	316,403	417,424	283,337
Financial liabilities, at amortised cost	193,266	332,874	287,393	166,854

(f) Fair value measurements

The table below presents assets and liabilities recognised and measured at fair value and classified by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- 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
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
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Group

31 March 2021

Assets

Financial assets, at FVOCI	-	-	31,421	31,421
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31 March 2020

Assets

Financial assets, at FVOCI	-	-	31,315	31,315
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Company

31 March 2021

Assets

Financial assets, at FVOCI	-	-	31,421	31,421
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31 March 2020

Assets

Financial assets, at FVOCI	-	-	31,315	31,315
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Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

33. FINANCIAL RISK MANAGEMENT (cont'd)

(f) Fair value measurements (cont'd)

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of the reporting period.

There were no transfers between the levels of fair value hierarchy during the financial year.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. In infrequent circumstances, where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3.

The following table presents the changes in Level 3 instruments:

	Financial assets, at FVOCI \$'000
2021	
Beginning of financial year	31,315
Fair value gain recognised in other comprehensive income	106
End of financial year	31,421
2020	
Beginning of financial year	31,426
Fair value loss recognised in other comprehensive income	(111)
End of financial year	31,315

Valuation techniques and inputs disclosed in Note 18 to the financial statements.

34. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The Company's immediate and ultimate holding company is Boustead Singapore Limited, incorporated in the Republic of Singapore and listed on the Singapore Exchange.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

	Group	
	2021 \$'000	2020 \$'000
Office expense to a fellow subsidiary (includes shared expenses such as IT, utilities and common area usage)	89	292
Lease payment to a joint venture	631	555
Lease payment to an associate	69	-
Rental rebate from a joint venture	(249)	-
Project and development management fees from joint ventures*	(529)	(1,722)
Construction contract revenue from joint ventures*	(29,444)	(47,972)
Assets, property and lease management fees from joint ventures	(2,527)	(1,826)
Assets, acquisition and property management fees from an associate*	(1,116)	-
Interest income from:		
- associate	(716)	(574)
- related party (a subsidiary of an associate)	(338)	(401)
- joint venture	(164)	(274)

* Transaction values disclosed are after elimination of the Group's shares in the transaction.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

35. RELATED PARTY TRANSACTIONS (cont'd)

(b) Disposal/partial disposal of properties, a subsidiary and joint ventures to Boustead Industrial Fund ("BIF")

On 3 March 2021, the Group (including two joint ventures of the Group) disposed properties, 49.0% equity interest of its wholly-owned subsidiary, BP-TN Pte. Ltd. ("BP-TN"), 49.0% interest of its joint venture, BP-SF Turbo LLP ("Turbo") and 50.0% interest of its joint venture, BP-CA3 LLP to Boustead Industrial Fund ("BIF").

The Group's share of the consideration from the disposals amounted to \$332,874,000. As at 31 March 2021, consideration due to the Group amounting to \$517,000 in relation to sale of interest in BP-TN, \$12,000 in relating to sale of interest in Turbo and \$3,800,000 in relation to sale of a property, remained outstanding. These amounts would be received subject to the finalisation of certain conditions.

The Group used part of the cash consideration to subscribe for notes amounting to \$59,000,000 and 25% equity units amounting to \$13,675,000 issued by BIF.

After the transaction, BP-TN ceased to be a subsidiary and became a joint venture of the Group, and BIF became an associate of the Group. In addition, a wholly-owned subsidiary of the Group, Boustead Industrial Fund Management Pte. Ltd. became the Fund Manager of BIF.

Total gains on the transaction, net of rental guarantee and unrealised gain arising from retained interest in BIF, recognised by the Group during the financial year ended 31 March 2021 are as follows:

	2021 \$'000
Gain on disposal of properties	162,960
Gain on partial disposal of a subsidiary	12,723
Gain on partial disposal of a joint venture	1,473
Less: unrealised gain on disposal/partial disposal of properties, a subsidiary and joint ventures	(44,657)
Gain on disposal/partial disposal of properties, a subsidiary and joint ventures	132,499
Share of gain on disposal of properties by joint ventures	14,920
Less: unrealised gain on share of gain on disposal of properties by joint ventures	(3,730)
	143,689

After considering tax, the net gains on the transaction recognised by the Group during the financial year 31 March 2021 are \$134,759,000.

As part of the disposal, the Group has provided rental guarantee to BIF of up to \$25,500,000 to cover monthly rental shortfall for a period of 12 months from the transaction completion date on 3 March 2021. The Group has estimated and recognised a provision for rental guarantee payable amounting to \$2,793,000 as at 31 March 2021.

BIF is committed to acquire the remaining 51.0% ownership interest in BP-CA3 LLP after the expiry of assignment prohibition period imposed by JTC Corporation in approximately 4 years time from the balance sheet date.

(c) Key management personnel compensation

Key management personnel compensation is as follows:

	2021 \$'000	2020 \$'000
Wages and salaries	2,591	2,519
Employer's contribution to defined contribution plans, including Central Provident Fund	87	87
Share-based compensation expense	14	107
	2,692	2,713

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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, Chief Financial Officer and Chief Operation 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) Engineering & Construction: Provision of Engineering & Construction services.
- (ii) Real Estate: Owning, leasing and sale of properties.
- (iii) Investment: Owning of financial assets.

(a) Segment revenue and results

The segment information for the reportable segments is as follows:

	Engineering & Construction		Real Estate		Group	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Revenue						
External revenue	264,713	391,919	36,692	34,305	301,405	426,224
Total revenue	264,713	391,919	36,692	34,305	301,405	426,224
Results						
Segment results	2,380	18,428	138,057	9,780	140,437	28,208
Includes:						
- Depreciation expense	(1,029)	(824)	(4,959)	(6,165)	(5,988)	(6,989)
- Depreciation of right-of-use assets	(1,290)	(1,007)	(1,985)	(2,365)	(3,275)	(3,372)
- Amortisation of intangible asset	(6)	(6)	-	-	(6)	(6)
- Sub-contractor fees and other construction costs	(261,987)	(348,316)	-	-	(261,987)	(348,316)
- Other gains/(losses) – net	19,732	64	113,136	(397)	132,868	(333)
- Impairment loss on financial asset	-	-	(1,527)	(918)	(1,527)	(918)
- Employee compensation	(17,258)	(19,385)	(4,366)	(4,358)	(21,624)	(23,743)
- Share of profit/(loss) of associates and joint ventures	646	272	10,414	(3,702)	11,060	(3,430)
- Marketing expenses	(4)	(73)	(346)	(340)	(350)	(413)
- Legal and professional fees	(2,297)	(2,567)	(914)	(536)	(3,211)	(3,103)
- Property related expenses	109	(488)	(3,469)	(4,829)	(3,360)	(5,317)
Interest income	771	1,245	2,577	2,566	3,348	3,811
Finance expense	(68)	(113)	(3,153)	(4,451)	(3,221)	(4,564)
Profit before tax	3,083	19,560	137,481	7,895	140,564	27,455
Income tax expense					(8,922)	(5,330)
Total profit					131,642	22,125

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Segment results represent profit earned by each segment without allocation of income tax expense. This is the measure reported to the senior management for the purposes of resource allocation and assessment of segment performance.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

36. SEGMENT INFORMATION (cont'd)

(b) Segment assets and liabilities

	Engineering & Construction		Real Estate		Investment		Group	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Segment assets								
Segment assets	163,470	139,761	374,227	357,161	31,421	31,315	569,118	528,237
Investments in associates	4,671	3,449	-	-	-	-	4,671	3,449
Investments in joint ventures	-	-	70,123	60,707	-	-	70,123	60,707
Loan to an associate and a joint venture	-	-	13,791	74,518	-	-	13,791	74,518
Notes issued by an associate	-	-	59,000	-	-	-	59,000	-
Deferred income tax assets	-	-	-	-	-	-	8,190	4,611
Consolidated total assets							724,893	671,522
Additions to:								
- property, plant and equipment	573	9,625	65	7	-	-	638	9,632
- investment properties	-	-	8,464	11,531	-	-	8,464	11,531
- investment in associates	576	3,177	13,675	-	-	-	14,251	3,177
- investments in joint ventures	-	-	10,720	26,266	-	-	10,720	26,266
Segment liabilities								
Segment liabilities	178,919	148,263	65,297	210,130	-	-	244,216	358,393
Unrealised gain on disposal due to retained interests	-	-	32,536	-	-	-	32,536	-
Share of accumulated loss	-	-	1,406	1,464	-	-	1,406	1,464
Income tax payable	-	-	-	-	-	-	20,337	9,338
Deferred income tax liabilities	-	-	-	-	-	-	675	5,042
Consolidated total liabilities							299,170	374,237

For the purposes of monitoring segment performance and allocating resources between segments, the senior management monitors the tangible and financial assets, as well as the financial liabilities attributable to each segment.

All assets are allocated to reportable segments other than deferred income tax assets.

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

36. SEGMENT INFORMATION (cont'd)

(c) Geographical information

The Group operates primarily in Singapore and has operations in Malaysia and the Socialist Republic of Vietnam. The Group's revenue from external customers and non-current assets (excluding financial assets and deferred income tax assets) by geographical locations are as follows:

	Singapore		Malaysia		Socialist Republic of Vietnam		Other countries		Group	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Revenue										
External sales	226,691	416,256	67,501	1,232	3,734	7,337	3,479	1,399	301,405	426,224
Non-current assets	129,316	221,557	150	27	36,508	32,197	2,717	6	168,691	253,787

(d) Information about major customers

For the financial year ended 31 March 2021, there are three (2020: three) customers from the Group's Engineering & Construction segment that each contributed more than 10% of the Group's revenue. The customers contributed \$30,483,000, \$58,057,000 and \$65,120,000 (2020: \$54,865,000, \$99,454,000 and \$58,052,000) respectively in revenue to the Group.

37. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 April 2021 and which the Group has not early adopted.

Amendments to SFRS(I) 1-1 Presentation of Financial Statements:

Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023)

The narrow-scope amendments to SFRS(I) 1-1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the balance sheet date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

The Group does not expect any significant impact arising from applying these amendments.

Amendments to SFRS(I) 1-16 Property, Plant and Equipment: Proceeds before Intended Use (effective for annual periods beginning on or after 1 January 2022)

The amendment to SFRS(I) 1-16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

The Group does not expect any significant impact arising from applying these amendments.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

Amendments to SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract (effective for annual periods beginning on or after 1 January 2022)

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the costs of fulfilling it and any compensation or penalties arising from failure to fulfil it. The amendment to SFRS(I) 1-37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts.

The Group does not expect any significant impact arising from applying these amendments.

38. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Boustead Projects Limited on 30 June 2021.

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
Deputy Chairman & Executive Director: Wong Yu Wei

Boustead Projects E&C Pte Ltd

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

Main: +65 6748 3945

Managing Director: Thomas Chu

Boustead Projects E&C provides technical consulting services and turnkey engineering & construction (“E&C”) expertise for custom-built, smart, eco-sustainable and future-ready business park and industrial developments in Singapore.

Boustead Funds Management Pte Ltd

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

Main: +65 6748 3945

Director: Wong Yu Wei

Boustead Funds Management provides real estate development management, asset management and fund management services.

Boustead Industrial Fund Management Pte Ltd

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

Main: +65 6748 3945

Director: Wong Yu Wei

As the manager of Boustead Industrial Fund, Boustead Industrial Fund Management provides real estate development management, asset management and fund management services.

Boustead Property Services Pte Ltd

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

Main: +65 6748 3945

Director: Wong Yu Wei

Boustead Property Services provides leasing and property management services.

Management & Principal Activities

BP Engineering Solutions Sdn Bhd

BP Lands Sdn Bhd

No 127-02, Jalan Mutiara Emas 2A
Taman Mount Austin
81100 Johor Bahru
Johor
Malaysia

Main: +60 7 287 2022

Director: Wong Yu Wei

BP Engineering Solutions provides technical consulting services and E&C expertise for custom-built, smart, eco-sustainable and future-ready business park and industrial developments in Malaysia.

BP Lands is an investment holding company in Malaysia.

Boustead Projects (Vietnam) Co Ltd

1st Floor, Song Da Tower
14B Ky Dong Street
Ward 9, District 3
Ho Chi Minh City
Vietnam

Main: +84 28 3829 5674

General Director: Liew Kau Keen

Boustead Projects (Vietnam) provides technical consulting services and E&C expertise for custom-built, smart, eco-sustainable and future-ready business park and industrial developments in Vietnam.

Boustead Projects Land (Vietnam) Co Ltd

Belt Road 3, Nhon Trach 2 – Nhon Phu Industrial Park
Phu Hoi Commune, Nhon Trach District
Dong Nai Province
Vietnam

Main: +84 28 3829 5674

General Director: Tran Quang Trung

Boustead Projects Land (Vietnam) provides development management, leasing management and property management services in Vietnam.

Wuxi Boustead Industrial Development Co Ltd

55 Xin Mei Road
Wuxi New District, Wuxi
214028 Jiangsu Province
China

Main: +86 510 8522 7491

Legal Representative: Thomas Chu

Wuxi Boustead Industrial Development provides technical consulting services and E&C expertise for custom-built, smart, eco-sustainable and future-ready business park and industrial developments in Wuxi, China. In addition, Wuxi Boustead Industrial Development is an investment holding company in Wuxi, China.

Statistics of Shareholdings

AS AT 18 JUNE 2021

SHARE CAPITAL

Number of ordinary shares	:	311,178,731*
Number/Percentage of treasury shares	:	8,821,269 (2.83%)
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share. The Company cannot exercise any voting rights in respect of shares held by it as treasury shares.

* Excludes treasury shares

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%**
1 - 99	231	6.74	8,247	0.00
100 - 1,000	710	20.72	399,497	0.13
1,001 - 10,000	1,876	54.74	7,736,718	2.49
10,001 - 1,000,000	598	17.45	34,577,857	11.11
1,000,001 AND ABOVE	12	0.35	268,456,412	86.27
TOTAL	3,427	100.00	311,178,731	100.00

LOCATION OF SHAREHOLDERS

Country	No. of Shareholders	%	No. of Shares	%**
SINGAPORE	3,346	97.64	309,029,925	99.31
MALAYSIA	52	1.52	1,767,555	0.57
OTHERS	29	0.84	381,251	0.12
TOTAL	3,427	100.00	311,178,731	100.00

Statistics of Shareholdings

AS AT 18 JUNE 2021

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%**
1	BOUSTEAD SINGAPORE LIMITED	163,861,009	52.66
2	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	52,920,528	17.01
3	DBS NOMINEES (PRIVATE) LIMITED	14,670,870	4.71
4	HSBC (SINGAPORE) NOMINEES PTE LTD	9,172,723	2.95
5	RAFFLES NOMINEES (PTE.) LIMITED	6,857,008	2.20
6	ABN AMRO CLEARING BANK N.V.	6,799,441	2.19
7	CITIBANK NOMINEES SINGAPORE PTE LTD	5,353,955	1.72
8	MAYBANK KIM ENG SECURITIES PTE.LTD	2,253,910	0.72
9	IFAST FINANCIAL PTE. LTD.	2,023,214	0.65
10	YEO KER KUANG	1,605,467	0.52
11	HELEN TAN CHENG HOONG	1,549,800	0.50
12	PHILLIP SECURITIES PTE LTD	1,388,487	0.45
13	CHU KOK HONG (CHOO KOK HONG)	995,490	0.32
14	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	960,490	0.31
15	LEW WING KIT	853,000	0.27
16	ROLLES RUDOLF JURGEN AUGUST OR NELLY MENON MRS NELLY ROLLES @Y M L	814,900	0.26
17	UOB KAY HIAN PRIVATE LIMITED	776,689	0.25
18	WONG SHAW SENG REGI	700,000	0.22
19	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	664,703	0.21
20	CHANG CHING CHAU @ TEW KING CHANG	638,550	0.21
Total		274,860,234	88.33

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	%	Deemed Interest	%**
Wong Fong Fui	-	-	224,242,603	72.06
Boustead Singapore Limited	163,861,009	52.66	-	-

Note:

Mr Wong Fong Fui is deemed interested in 52,690,334 shares, representing approximately 16.93% of the total issued share capital of the company, held through nominees. In addition, Mr Wong, through his interest in not less than 20% of the issued share capital of the following entities, is also deemed interested in :-

- (i) 163,861,009 shares (representing approximately 52.66%) held by Boustead Singapore Limited; and
- (ii) 7,691,260 shares (representing approximately 2.47%) held by Bright Assets Enterprises Limited.

SHAREHOLDINGS IN THE HANDS OF THE PUBLIC

The percentage of shareholdings in the hands of the public as at 18 June 2021 was approximately 29.65%.** This is in compliance with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited, which requires at least 10% of the issued ordinary shares of the company to be held by the public.

** The percentage of issued ordinary shares is calculated based on the total number of issued shares, excluding treasury shares of the Company.

Notice of Annual General Meeting

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

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Boustead Projects Limited (the “Company”) will be held by way of electronic means on Wednesday, 28 July 2021 at 10.30 a.m. to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and Audited Financial Statements for the year ended 31 March 2021 and the Independent Auditors’ Report thereon. **Resolution 1**
2. To approve a final tax-exempt (one-tier) dividend of 0.9 cents per ordinary share for the year ended 31 March 2021. **Resolution 2**
3. To approve a special tax-exempt (one-tier) dividend of 14.5 cents per ordinary share for the year ended 31 March 2021. **Resolution 3**
4. To re-elect the following directors retiring under Article 94 of the Company’s Constitution.
 - (i) Mr John Lim Kok Min **Resolution 4**
 - (ii) Mr Chong Lit Cheong **Resolution 5**

Note:

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

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

5. To approve directors’ fees of up to \$280,000 for the financial year ending 31 March 2022, payable quarterly in arrears (2021: \$250,000).
[See Explanatory Note 1] **Resolution 6**
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 7**

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 Companies Act, Chapter 50 of Singapore (“Companies Act”)**
That authority be and is hereby given to the directors of the Company (“Directors”) to:
 - (i) (a) issue shares in the capital of the Company (“shares”) whether by way of rights, bonus or otherwise; and/or
 - (b) make or grant offers, agreements or options (collectively, “instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

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

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

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BOUSTEAD PROJECTS LIMITED
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provided that:

- (i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of instruments made or granted pursuant to this resolution) does not exceed fifty per cent (50%) of the total number of issued shares (excluding any treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company (including shares to be issued in pursuance of instruments made or granted pursuant to this resolution) does not exceed twenty per cent (20%) of the total number of issued shares (excluding any treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below);
- (ii) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the percentage of issued shares shall be based on the total number of issued shares (excluding any treasury shares and subsidiary holdings) in the capital of the Company at the time this resolution is passed, after adjusting for:
 - (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this resolution is passed; and
 - (b) any subsequent bonus issue or consolidation or subdivision of shares;
- (iii) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (iv) (unless revoked or varied by the Company in general meeting) the authority conferred by this resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

[See Explanatory Note 2]

Resolution 8

8. The proposed renewal of the Share Buy-Back Mandate

All capitalised terms used in this resolution which are not defined herein shall have the same meaning ascribed to them in the Addendum to Shareholders dated 6 July 2021.

That:

- (i) for the purposes of the Companies Act, and such other laws and regulations as may for the time being be applicable, approval be and is hereby given for the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the share capital of the Company ("Shares") not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (a) on-market share purchases ("On-Market Share Purchase"), transacted on the SGX-ST; and/or
 - (b) off-market share purchases ("Off-Market Share Purchase") (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable ("Share Buy-Back Mandate");
- (ii) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buy-Back Mandate shall, at the discretion of the Directors, either be cancelled or held as treasury shares and dealt with in accordance with the Companies Act;

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- (iii) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Ordinary Resolution and the expiring on the earlier of:
- (a) the date on which the next Annual General Meeting of the Company is held or required by law to be held;
 - (b) the date on which the purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated; or
 - (c) the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked;

- (iv) for the purposes of this Ordinary Resolution:

“Prescribed Limit” means ten per cent (10%) of the total issued ordinary share capital of the Company (excluding any treasury shares and subsidiary holdings) as at the date of passing of this Ordinary Resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of Shares of the Company shall be taken to be the total number of issued Shares of the Company as altered after such capital reduction (excluding any treasury shares and subsidiary holdings);

“Relevant Period” means the period commencing from the date on which the last Annual General Meeting of the Company was held and expiring on the date of the next Annual General Meeting of the Company is held or is required by law to be held, or the date on which the purchases of the Shares are carried out to the full extent mandated, whichever is earlier, unless prior to that, it is varied or revoked by resolution of the shareholders of the Company in general meeting;

“Maximum Price” in relation to a Share to be purchased, means an amount (excluding brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses) not exceeding:

- (a) in the case of an On-Market Share Purchase, 105% of the Average Closing Price;
- (b) in the case of an Off-Market Share Purchase, 120% of the Average Closing Price,

where:

“Average Closing Price” means the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, immediately preceding the date of making the On-Market Share Purchase or, as the case may be, the day of the making of the offer pursuant to the Off-Market Share Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5) Market Day period and the day on which the purchases are made;

“day of the making of the offer” means the day on which the Company announces its intention to make an offer for the purchase of Shares from the shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Share Purchase; and

“Market Day” means a day on which the SGX-ST is open for trading in securities;

- (v) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including, without limitation, executing such documents as may be required) as they and/or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Ordinary Resolution.

[See Explanatory Note 3]

Resolution 9

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9. **Authority to grant awards and issue shares pursuant to the Boustead Projects Restricted Share Plan 2016**

That authority be and is hereby given to the Directors to grant awards in accordance with the provisions of the Boustead Projects Restricted Share Plan 2016 and to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the grant of awards under the Boustead Projects Restricted Share Plan 2016, provided that the aggregate number of new shares to be issued pursuant to the Boustead Projects Restricted Share Plan 2016 shall not exceed fifteen per cent (15%) of the issued ordinary share capital of the Company (excluding any treasury shares and subsidiary holdings) from time to time.

[See Explanatory Note 4]

Resolution 10

10. **Authority to allot and issue shares pursuant to the Boustead Projects Limited Scrip Dividend Scheme**

That authority be and is hereby given to the Directors to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the application of the Boustead Projects Limited Scrip Dividend Scheme.

[See Explanatory Note 5]

Resolution 11

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

NOTICE OF RECORD AND PAYMENT DATE FOR FINAL AND SPECIAL DIVIDENDS

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed from 5.00 p.m. on 6 August 2021 for the purpose of determining shareholders' entitlements to the final and special dividends to be paid on 18 August 2021, subject to and contingent upon shareholders' approval for the proposed dividends being obtained at the forthcoming Annual General Meeting of the Company.

Duly completed transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 6 August 2021 will be registered before entitlements to the dividends are determined.

By Order of the Board

Tay Chee Wah
Company Secretary
6 July 2021

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Explanatory Notes on Ordinary and Special Business to be transacted

1. The Ordinary Resolution 6 is to allow the Company to pay directors' fees to all non-executive directors in arrears on a quarterly basis.
2. The Ordinary Resolution 8 is to enable the Directors to issue shares in the Company up to fifty per cent (50%) of the total number of issued shares excluding any treasury shares and subsidiary holdings in the capital of the Company (in the case of issuance other than on a pro-rata basis to existing shareholders, such aggregate number of shares not to exceed twenty per cent (20%) of the total number of issued shares excluding any treasury shares and subsidiary holdings in the capital of the Company) for such purposes as they consider to be in the interests of the Company.
3. The proposed Ordinary Resolution 9 is to empower the Directors of the Company from the date of the Annual General Meeting until the date of the next Annual General Meeting is to be held or is required by law to be held, whichever is the earlier, to make purchases (whether by way of On-Market Share Purchases or Off-Market Share Purchases on an equal access scheme) from time to time of up to ten per cent (10%) of the total number of Shares (excluding treasury shares and subsidiary holdings) at prices up to but not exceeding the Maximum Price. The rationale for, the authority and limitation on, the source of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate are set out in greater detail in the Addendum accompanying this Notice of Annual General Meeting.
4. The Ordinary Resolution 10 is to allow the Directors to grant awards and issue shares pursuant to the Boustead Projects Restricted Share Plan 2016.
5. The Ordinary Resolution 11 is to allow the Directors to issue shares pursuant to the Boustead Projects Limited Scrip Dividend Scheme.

Notes:

(1) Pre-Registration

The Annual General Meeting ("AGM") is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM are set out in this Notice of AGM which has been uploaded on SGXNet and the Company's website on the same day. The announcement and this Notice of AGM may also be accessed at <https://www.sgx.com/securities/company-announcements> and <https://www.bousteadprojects.com>.

A member will be able to participate at the AGM by watching the AGM proceedings via a "live" audio-visual webcast and audio-only feed via mobile phones, tablets or computers. In order to do so, a member must pre-register by 10.30 a.m. on 25 July 2021, at <http://smartagm.sg/bousteadprojectsAGM> for the Company to authenticate his/her/its status as a member. Authenticated members will receive email instructions on how to access the "live" webcast of the proceedings of the AGM by 10.30 a.m. on 27 July 2021. Members who do not receive an email by 12 noon on 27 July 2021, but have registered by the 25 July 2021 deadline, may contact the Company at agm.teame@boardroomlimited.com.

Investors holding Shares through relevant intermediaries (as defined in Section 181 of the Companies Act) ("Investors") (other than CPF/SRS investors) will not be able to pre-register at <http://smartagm.sg/bousteadprojectsAGM> for the "live" webcast of the AGM. An Investor (other than CPF/SRS investors) who wish to participate in the "live" webcast of the AGM should instead approach his/her/its relevant intermediary as soon as possible in order for the relevant intermediary to make the necessary arrangements to pre-register. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her/its name, email address and NRIC/Passport number) to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, via email to agm.teame@boardroomlimited.com no later than 10.30 a.m. on 25 July 2021.

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(2) Submission of Proxy Form

Due to the current COVID-19 control measures in Singapore, a member may not attend in person, and may only attend the AGM by observing and listening to the proceedings of the AGM by electronic means. A member will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A member (whether individual or corporate) must appoint the Chairman of the AGM ("Chairman") as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The Chairman, as proxy, need not be a member of the Company. The instrument for the appointment of proxy ("proxy form") may be accessed at the Company's website at <https://www.bousteadprojects.com> or the SGXNet. Where a member (whether individual or corporate) appoints the Chairman as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman as proxy for that resolution will be treated as invalid.

The proxy form is not valid for use by Investors (including CPF/SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her/its relevant intermediary as soon as possible to specify his/her/its voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator by 5.00 p.m. on 16 July 2021, being 7 working days before the date of the AGM to submit his/her voting instructions.

The proxy form must be submitted to the Company in the following manner:

- (a) if submitted by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
- (b) if submitted electronically, be submitted via email to agm.teame@boardroomlimited.com,

in either case, by 10.30 a.m. on 26 July 2021, being 48 hours before the time appointed for holding this AGM.

A member who wishes to submit the proxy form must complete and sign the proxy form attached with this Annual Report or download it from the Company's website or the SGXNet, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

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. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument a proxy is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.

The Company shall be entitled to reject the instrument appointing the Chairman as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman as proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman as proxy).

In the case of members of the Company whose Shares are entered against his/her/its names in the Depository Register, the Company may reject any proxy form submitted if such members are not shown to have Shares entered against his/her/its names in the Depository Register (as defined in Part IIIAA of the Securities and Futures Act, Chapter 289 of Singapore), as at 72 hours before the time appointed for holding this AGM as certified by The Central Depository (Pte) Limited to the Company.

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(3) Submission of Questions

Members and Investors will not be able to ask questions “live” during the webcast of this AGM. All members and Investors may submit questions relating to the business of this AGM by 10.30 a.m. on 25 July 2021:

- (a) via the pre-registration website at <http://smartagm.sg/bousteadprojectsAGM>;
- (b) by email to bousteadprojects.agm2021@boustead.sg; or
- (c) by post to the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult to submit questions by post, members and Investors are strongly encouraged to submit their questions via the pre-registration website or by email. The Company will endeavour to answer all substantial and relevant questions prior to, or at this AGM, by electronic means.

(4) Annual Report and other documents:

The Annual Report for the financial year ended 31 March 2021 (“Annual Report 2021”) which was issued and released on 6 July 2021 can be accessed at SGXNet and at the Company’s website at <https://www.bousteadprojects.com>.

(5) Further Information

For further information on the conduct of the AGM and the alternative arrangements, shareholders can refer to the Company’s website at <https://www.bousteadprojects.com>. Shareholders who wish to remotely observe the AGM proceedings are reminded that the AGM is private. The invitation to attend the AGM via “live” audio-visual webcast or “live” audio-only stream is not to be forwarded to anyone who is not a shareholder or who is not authorised to attend the AGM.

Recording of the AGM proceedings in whatever form is also strictly prohibited. The Company seeks shareholders’ patience and understanding during the AGM proceedings in the event of any technical disruptions.

- (6) Due to the constantly evolving COVID-19 situation in Singapore, the Company may be required to change the arrangements for the AGM at short notice. Shareholders should check the Company’s website at <https://www.bousteadprojects.com> or SGXNet for the latest updates on the status of the AGM.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

Proxy Form

BOUSTEAD PROJECTS LIMITED
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**Annual General Meeting to be held on
28 July 2021 at 10.30 a.m.**
(Before completing this form, please see notes below)

IMPORTANT:

1. The Annual General Meeting ("AGM") is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Alternative arrangements relating to attendance at the AGM via electronic means (in particular, arrangements by which the meeting can be electronically accessed via "live" audio-visual webcast or audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the Notice of AGM dated 6 July 2021. The Notice of AGM may be accessed at the Company's IR website at <https://www.bousteadprojects.com>, and will also be made available on SGXNet at <https://www.sgx.com/securities/company-announcements>.
3. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.
4. This proxy form is not valid for use by investors holding shares in the Company ("Shares") through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50 of Singapore)) ("Investors") (including investors holding through Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("SRS") ("CPF/SRS investors")) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her/its relevant intermediary as soon as possible to specify voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator by 5.00 p.m. on 16 July 2021, being 7 working days before the date of the AGM to submit his/her voting instructions.
5. By submitting an instrument appointing the Chairman of the AGM as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of the AGM dated 6 July 2021.
6. Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the AGM as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.

I/We _____ (Name) _____ (NRIC/Passport/Co. Reg. No.)

of _____

being a member/members of the above-named Company, hereby appoint the Chairman of the Annual General Meeting of the Company as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be convened and held by way of electronic means on Wednesday, 28 July 2021 at 10.30 a.m. and at any adjournment thereof in the manner indicated below:

	Ordinary Resolutions:	For	Against	Abstain
Resolution 1	To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 31 March 2021 and the Independent Auditors' Report thereon.			
Resolution 2	To approve a final tax-exempt (one-tier) dividend of 0.9 cents per ordinary share for the year ended 31 March 2021.			
Resolution 3	To approve a special tax-exempt (one-tier) dividend of 14.5 cents per ordinary share for the year ended 31 March 2021.			
Resolution 4	To re-elect Mr John Lim Kok Min as a director of the Company.			
Resolution 5	To re-elect Mr Chong Lit Cheong as a director of the Company.			
Resolution 6	To approve directors' fees of up to \$280,000 for the financial year ending 31 March 2022, payable quarterly in arrears.			
Resolution 7	To re-appoint Messrs PricewaterhouseCoopers LLP as auditors of the Company and to authorise the directors to fix their remuneration.			
Resolution 8	To authorise the directors to allot and issue shares pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore.			
Resolution 9	To approve the proposed renewal of the Share Buy-Back Mandate.			
Resolution 10	To authorise the directors to grant awards and issue shares pursuant to the Boustead Projects Restricted Share Plan 2016.			
Resolution 11	To authorise the directors to allot and issue shares pursuant to the Boustead Projects Limited Scrip Dividend Scheme.			

(You may tick (✓) within the relevant box to vote for or against, or abstain from voting, in respect of all your Shares for each resolution. Alternatively, you may indicate the number of Shares that you wish to vote for or against, and/or abstain from voting, for each resolution in the relevant box. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman as your proxy for that resolution will be treated as invalid.**)

Signed this _____ day of _____ 2021

Signature(s) of Member(s) or Common Seal

Total no. of shares	No. of shares
In CDP Register	
In Register of Members	



Proxy Form

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Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you only have shares registered in your name in the Register of Members (maintained by or on behalf 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. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. Due to the current COVID-19 control measures in Singapore, a member may not attend in person, and may only attend the AGM by observing and listening to the proceedings of the AGM by electronic means. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. This proxy form may be accessed at the Company's website at <https://www.bousteadprojects.com>, and will also be made available on SGXNet at <https://www.sgx.com/securities/company-announcements>. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstention from voting, in respect of a Resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as a proxy for that Resolution will be treated as invalid.

CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 16 July 2021.

3. The Chairman of the AGM, as proxy, need not be a member of the Company.
4. The instrument appointing the Chairman of the AGM as proxy must be submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
 - (b) if submitted electronically, be submitted via email to agm.teame@boardroomlimited.com,

in either case, by 10.30 a.m. on 26 July 2021, being 48 hours before the time appointed for holding this AGM.

A member who wishes to submit the proxy form must complete and sign the proxy form attached with this Annual Report or download it from the Company's website or the SGXNet, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

5. The instrument appointing the Chairman of the AGM as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument appointing the Chairman of the AGM as proxy is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.
6. The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor is not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment) appointing the Chairman of the AGM as proxy. In addition, in the case of a member whose shares are entered against his name in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as proxy lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 6 July 2021.

BOUSTEAD PROJECTS LIMITED

Company Registration Number: 199603900E

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