Delivering the Difference

Boustead Projects Limited

Annual Report 2016

Delivering the Difference

'With a difference': Used to say that something is unusual, and more interesting or better than other things of the same type. – Cambridge Dictionary

This year, Boustead Projects celebrates 20 years of doing things differently and delivering the difference to clients including many Forbes Fortune 500, S&P 500 and Euronext 100 corporations. We integrate strong design expertise, technical knowledge and experience as both a design-and-build partner and full-scale developer to deliver greater value to clients through real estate solutions tailored to meet their unique needs, processes and strategies. Our multiple capabilities – development, design-and-build, and industrial leasehold portfolio management and ownership – are reinforced by our excellent safety track record and outright market leadership in building eco-sustainable industrial facilities. These differences set us apart from the competition and position us to achieve our vision to become a regional integrated real estate solutions leader offering a full suite of capabilities.

Key Reads Within This Report

Corporate Profile

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

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

On 30 April 2015, Boustead Projects listed on the SGX Mainboard.

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

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

Contents

Seagate Singapore Design Center – The Shugart, Fusionopolis, Singapore

Design-and-Build Business

Customised Solutions

Pioneering the design-and-build methodology, Boustead Projects has built a reputation as the leading design-and-build partner for the industrial real estate sector in Singapore. As every client is different, we offer a wide range and full suite of industrial real estate solutions tailored to suit clients' unique specifications. We take great care to consider, interpret and understand clients' needs, processes and strategies. This is then translated into every detail of design, value engineering and project management so that we can deliver a positive and visible difference, one that enables clients to derive true value from their sizeable investments.

Segment Revenue	Segment Profit Before Income Tax
S$221.1m	S$13.9m

Key Highlights of FY2016

- We delivered Kuehne + Nagel's Singapore Logistics Hub, a Green Mark Platinum-rated logistics facility.
- We delivered the Airbus Asia Training Centre, which will be Airbus' largest flight crew training facility when fully operational in 2019.
- We extended our track record in higher value industries by securing a design-and-build contract for a full-scale data centre.

Read more on page 20.

Continental Building, Kallang iPark, Singapore

Leasing Business

Leasehold Solutions

Pioneering the design-build-and-lease methodology, Boustead Projects has built an industrial leasehold portfolio with long-term leases to many global corporations pursuing an asset light strategy but still requiring custom-built facilities. Our full suite of development capabilities – including feasibility studies, land sourcing and acquisition, development planning and financing – allows us to offer design-build-and-lease and development services suited to clients' business situations. This has been further supported by the Boustead Development Partnership. Currently, our portfolio (both wholly-owned and joint ventures properties) contains 16 completed properties and two properties under construction, housing some of the world's most reputable global corporations. Expanding our portfolio is part of our ongoing strategy to grow our recurring income base.

Segment Revenue	Segment Profit Before Income Tax
S$34.4m	S$15.8m

Key Highlight in FY2016

- We completed Safran Helicopter Engines' new regional headquarters at the Seletar Aerospace Park.

Read more on page 24.

Perspective of iBP @ Nusajaya, Malaysia

Strategic Partnerships

Collaborative Solutions

Strategic partnerships have helped Boustead Projects to strengthen our market leading position in Singapore and cover more ground in Asia. Working with like-minded and reputable partners on several fronts has allowed us to pool our complementary capabilities and expertise to take on larger-scale projects and widen our offerings to clients, while simultaneously reducing commercial and operational risks related to a particular geographic market, industry cluster or real estate sector. We will continue to leverage on our wide business network to actively explore new opportunities for collaboration across Asia.

Key Highlights in FY2016

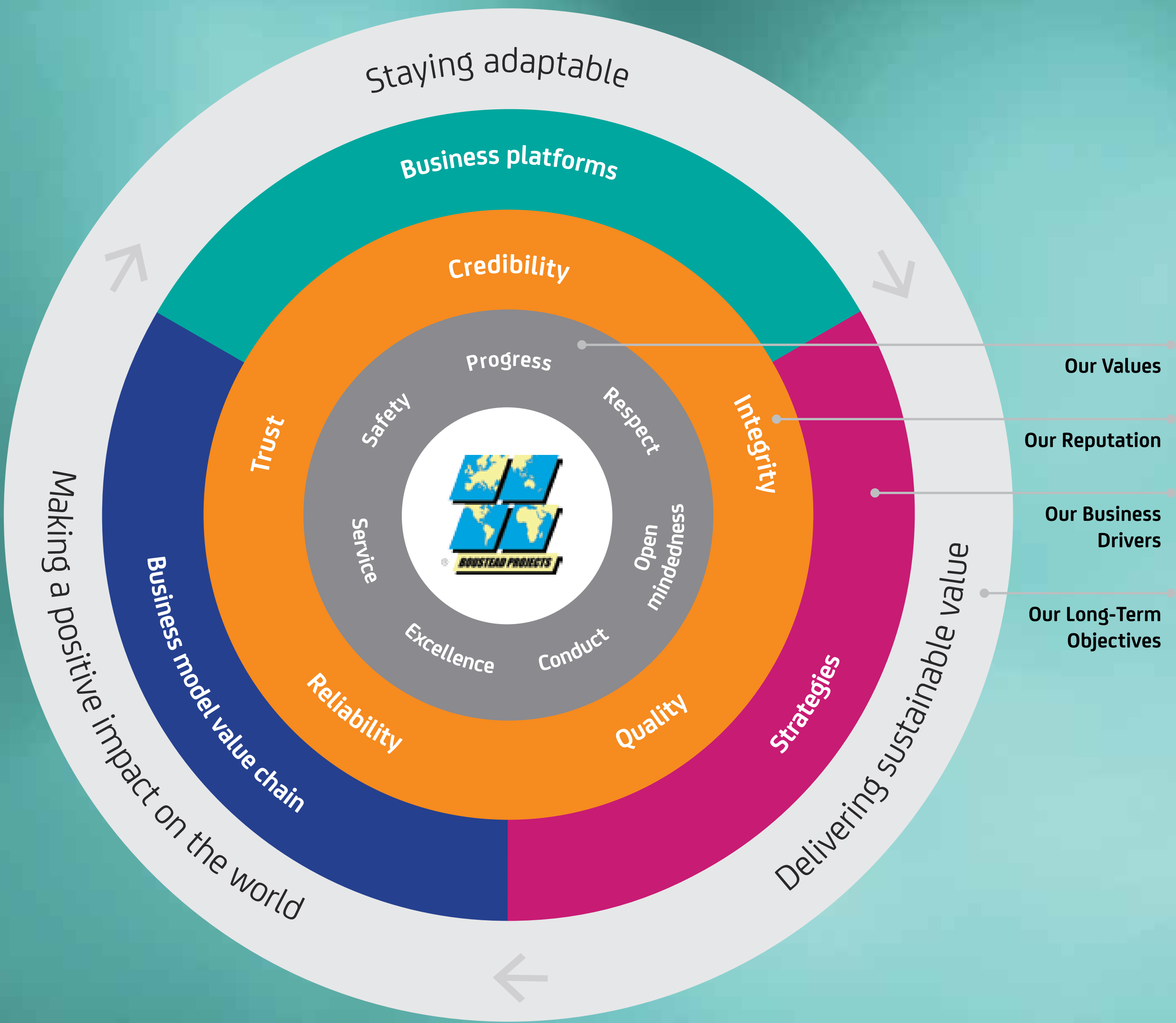
- Phase 1 of iBP @ Nusajaya was successfully launched, with construction well underway.
- We embarked on a new joint venture development for a logistics facility at the Port of Tanjung Pelepas.

Read more on page 30.

Our Business Model

Over Boustead Projects' 20 years of existence dating back to 1996, we have been doing things differently and delivering the difference to clients including many Forbes Fortune 500, S&P 500 and Euronext 100 corporations. Our experienced and versatile teams possess in-depth domain expertise and tremendous industrial real estate experience. We are a knowledge-driven corporation with an excellent track record. Our in-house expertise in undertaking only the high value-added activities across the engineering value chain of activities means that we are able to focus on the details that matter most to our clients.

At the very core of Boustead Projects is our mission (stated below), fortified by our strong human-centric values: progress, respect, open mindedness, conduct, excellence, service and safety (PROCESS). Over time, like Boustead Singapore Limited, we have established our reputation for credibility, integrity, quality, reliability and trust, which together with our values and business drivers, allow us to deliver on our long-term objectives of staying adaptable, delivering sustainable value and making a positive economic, environmental and social impact on the world.



Our Mission

To be a real estate solutions provider with core competencies in design, value engineering and delivery of end-to-end solutions.

Our Corporate Values

Thinking Internationally

We take the international perspective; with international strategy, international business, international clients, international execution and international resources.

We will cater to our clients' needs with robust solutions that fit the context.

Progress
Open mindedness
Excellence
Safety
Respect
Conduct
Service

Striving for progress
We want to be distinguished for:
- Our industry leadership, client-focus, and strong suite of products and services; and
- Our professionalism, excellent financial performance, proven business and management model, and successful growth strategy.

Respecting our employees and stakeholders
We believe in creating a work environment that promotes creativity, excitement and growth for our employees. We want our employees to feel cared for, challenged, empowered and respected because our employees are our best asset; they are Boustead Projects. We believe that by creating the ideal environment for our employees to thrive in, this will eventually translate to delivering sustainable value to shareholders and all other stakeholders.

Keeping an open mind
We endeavour to push the boundaries of current paradigms, processes, research and technology to help our clients to improve their business performance and boost their profitability.

Adhering to the highest standards of ethical and moral conduct
We believe in acting ethically and morally in the way that we conduct business. We are committed to building a climate of fairness, honesty, trust and sincerity, not just with our clients but also with stakeholders such as our partners, employees, shareholders, communities and governments.

Upholding excellence
We aim to deliver excellence in everything that we do.

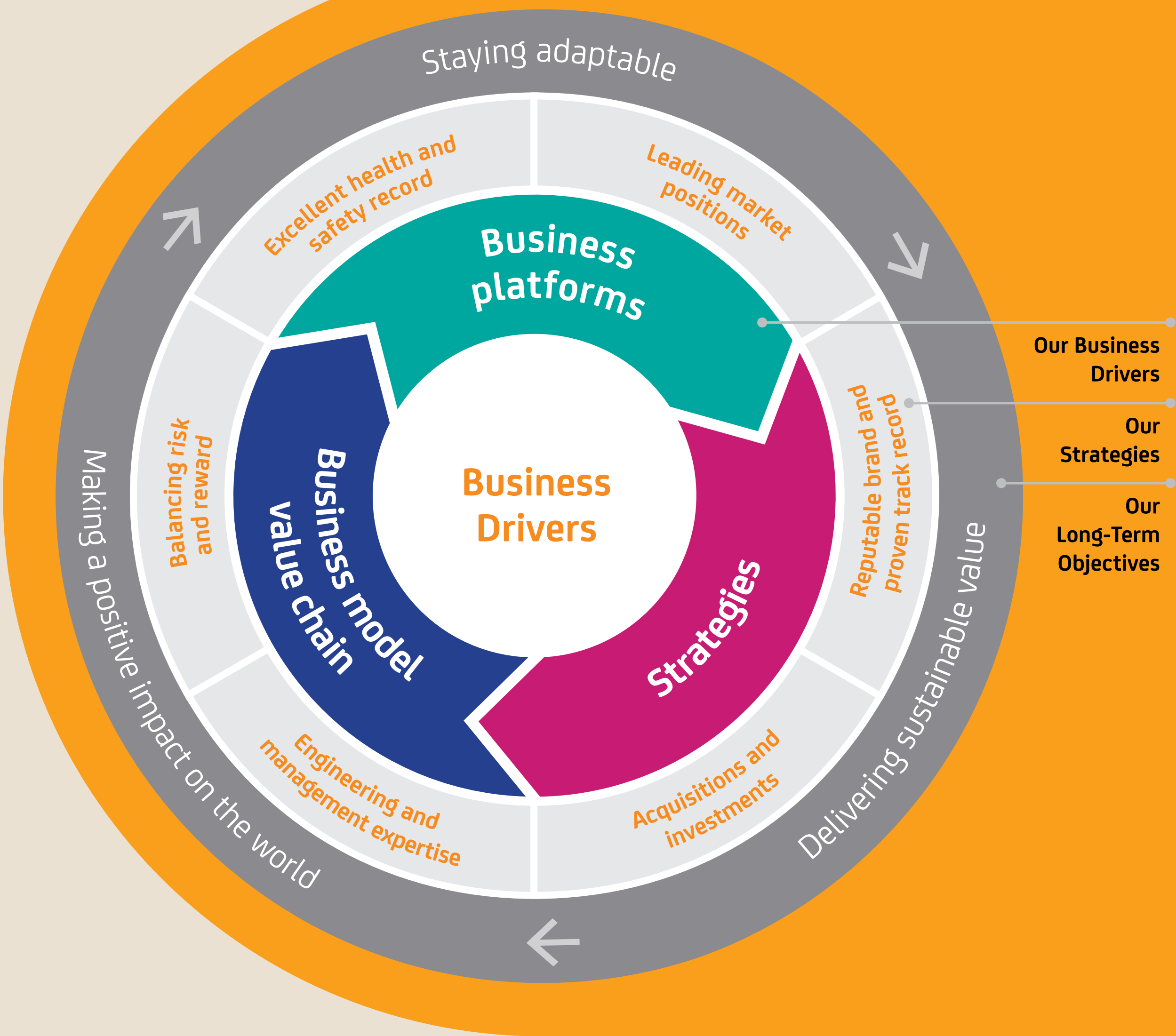
Servicing our clients
We aim to gain an in-depth understanding of our clients' needs so that we are able to provide quality products and deliver progressive answers that create value for our clients in the fast-paced global business environment.

Prioritising safety
We believe in making safety an inherent part of our products, services and work environment. It is our overriding responsibility to comply with safety regulations and to work proactively to prevent accidents and reduce workplace hazards.

Our Business Model

Achieving our long-term objectives

In order to achieve our long-term objectives, we rely on our business platforms, strategies and business model value chain. These are our business drivers, which highlight how we combine our core competencies and strategies for international markets to ultimately deliver sustainable value to shareholders and other stakeholders.



Our Business Platforms

Business intelligence and network

- Successful identification and leveraging on global megatrends
- Regional view with local market knowledge
- Focus on development in South East Asia
- Capabilities spanning design-and-build, development, and management and ownership of industrial facilities
- Broad coverage of industries
- Projects in four countries and counting
- More than 100 clients regionally including world's best MNCs

Performance

- Market leader in Singapore
- Extensive track record
- Delivery of best-in-class design-and-build projects
- Green Mark Platinum industrial leader with first in heavy industry, aerospace and logistics categories
- Commitments to health, safety and environmental performance
- Manager and owner of industrial leasehold portfolio

People

- Top teams in design-and-build for industrial facilities
- Empowering culture
- Ability to attract, motivate and retain talent
- Industry technical experts

Our Strategies

Leading market positions
We have made our mark in niche areas, undertaking important projects at many of Singapore's leading industrial parks, and delivering business and industrial parks, and industrial facilities regionally.

Reputable brand and proven track record
With a strong brand heritage, we have established reputable positions in several industries including the aerospace, high-tech manufacturing, logistics, R&D and technology industries, bringing together engineering skills and proven technology in over 100 projects in four countries.

Acquisitions and investments
Our continuous search for value in acquisitions and investments is aimed at broadening our revenue streams and driving long-term sustainable growth.

Engineering and management expertise
Our teams offer in-depth domain expertise and deliver value engineering, helping our clients to achieve a highly effective cost competitive solution that raises efficiency and sustainability while eliminating wastage.

Balancing risk and reward
We are vigilant in aligning our strategies with risk ownership, ensuring that enhanced shareholder value and rewards are supported by sound risk management.

Excellent health and safety record
We strive to achieve the highest standards for workplace health, safety and environment ("HSE"), for the wellbeing and protection of every individual.
We are a leader and active participant in the bizSAFE Programme initiated by the Workplace Safety & Health Council.
We are a bizSAFE Star and one of only nine bizSAFE Mentors in Singapore, a hallmark of our achievements in HSE.

Our Business Model Value Chain

Upholding our excellent reputation for credibility, integrity, quality, reliability and trust

Designing sustainable products, services and solutions including Green Mark Platinum and LEED-rated buildings

Committing to operational excellence through undertaking development, process, detailed and value engineering, project management, construction management and property management and ownership

Delivering efficiency, performance and value to our clients

Generating revenue, profit and cash flow in a sustainable manner

Staying adaptable, delivering sustainable value and making a positive impact on the world

Group at a Glance

Bringing it all together – another active year

Revenue
S$255.5m

Net Profit
S$22.9m

Contracts Secured
S$189m

Earnings Per Share*
7.1¢

Net Asset Value Per Share*
60.6¢

Industrial Leasehold Portfolio GFA (both completed and under construction)**
223,716sqm

Revenue by Segment	FY15	FY16
Design-and-Build	90%	87%
Leasing	10%	13%

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

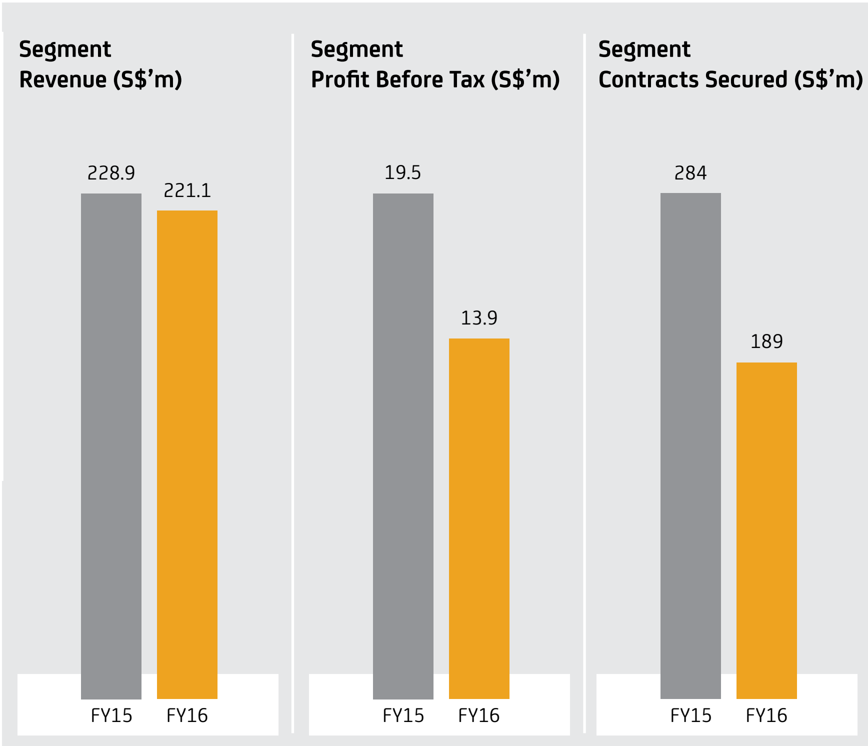
Design-and-Build Business

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

1. Industrial facilities;
2. Commercial buildings; and
3. Business and industrial parks.

Boustead Projects has constructed and developed more than 3,000,000 square metres of industrial real estate in Singapore, Malaysia, Vietnam and China in the aerospace, commercial, electronics, food processing, healthcare, high-tech manufacturing, lifestyle, logistics, oil & gas, petrochemical, precision engineering, R&D, resource recovery, technology and transportation industries.

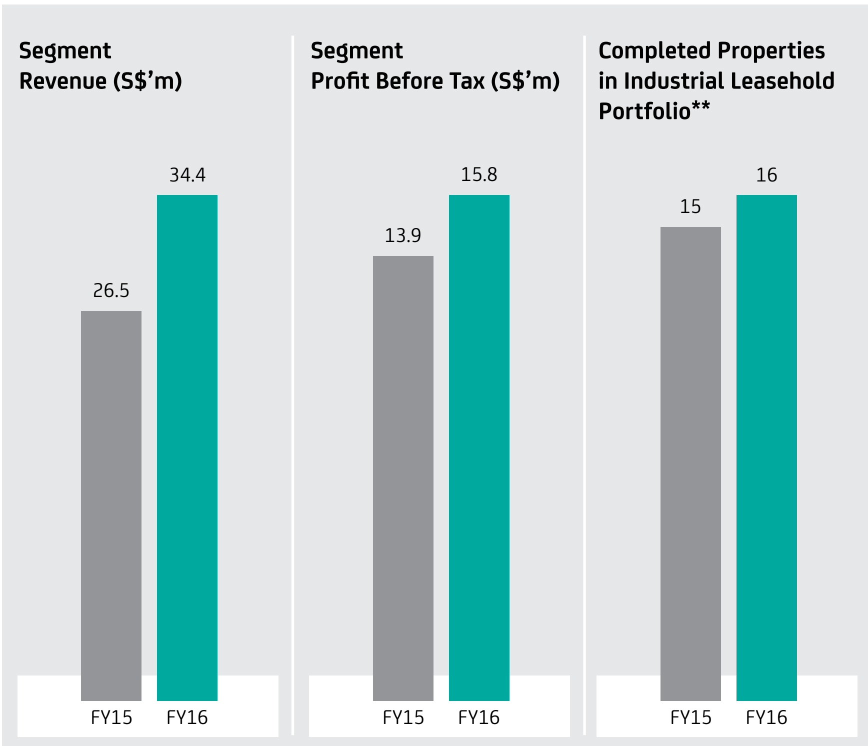
Read more on page 20.



Leasing Business

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

Read more on page 24.



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

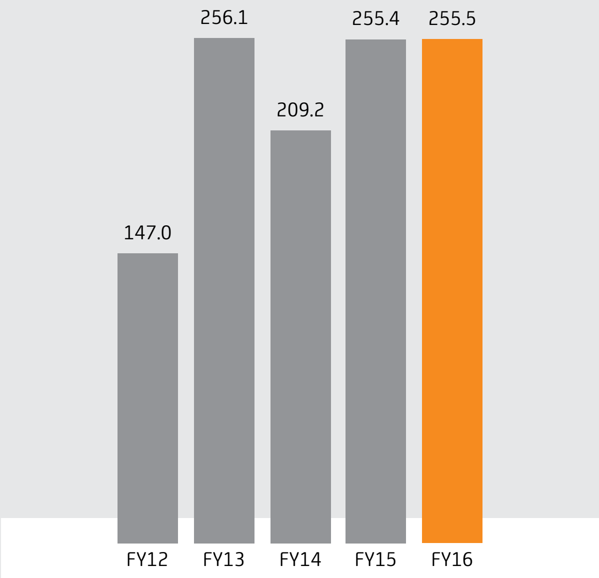
Financial Highlights

	31 Mar 16 S$'000	31 Mar 15 S$'000	31 Mar 14 S$'000	31 Mar 13* S$'000	31 Mar 12* S$'000
Revenue and Profits					
Revenue	255,475	255,389	209,165	256,107	147,038
Gross profit	58,967	57,299	52,901	62,489	38,805
Profit before income tax	29,709	33,422	39,394	63,584	25,214
Total profit	22,865	24,562	35,813	61,925	21,890
Profit for the year attributable to equity holders of the Company	22,865	24,668	35,813	61,925	21,890
Statement of Financial Position					
Equity attributable to equity holders of the Company	193,966	252,751	230,738	202,883	167,944
Non-controlling interests	(106)	(106)	-	-	-
Capital Employed	193,860	252,645	230,738	202,883	167,944
Trade receivables (non-current)	-	7,438	9,183	10,436	7,438
Other receivables and prepayments (non-current)	3,395	-	-	-	-
Investment in an associated company	200	1,094	1,172	-	-
Investments in joint ventures	13,755	10,728	4,467	-	-
Available-for-sale financial assets (non-current)	38,391	17,872	17,872	-	5,465
Investment properties	146,182	159,857	108,962	50,346	52,142
Property, plant and equipment	743	815	752	689	353
Net deferred income tax liabilities	(2,737)	(1,816)	(1,772)	(1,951)	(1,814)
Net current assets	87,686	233,355	140,137	172,228	128,249
Non-current liabilities (excluding deferred income tax liabilities)	(93,755)	(176,698)	(50,035)	(28,865)	(23,889)
Assets Employed	193,860	252,645	230,738	202,883	167,944
Financial Statistics					
Operating profit over turnover (%)	11.6	13.1	18.8	24.8	17.1
Return on equity (%) (Note[1])	11.8	9.8	15.5	30.5	13.0
Basic earnings per ordinary share (cents) (Note[2])	7.1	7.7	11.2	19.4	6.8
Net asset value per ordinary share (cents) (Note[3])	60.6	79.0	72.1	63.4	52.5

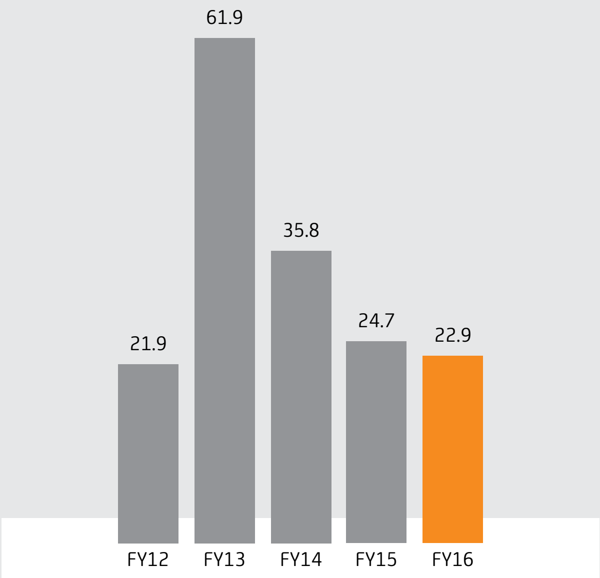
Notes:
1. *Based on profit for the year attributable to equity holders of the Company divided by equity attributable to equity holders of the Company.*
2. *Based on profit for the year attributable to equity holders of the Company divided by 320,000,000 ordinary shares (post-subdivision).*
3. *Based on equity attributable to equity holders of the Company divided by 320,000,000 ordinary shares (post-subdivision).*

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

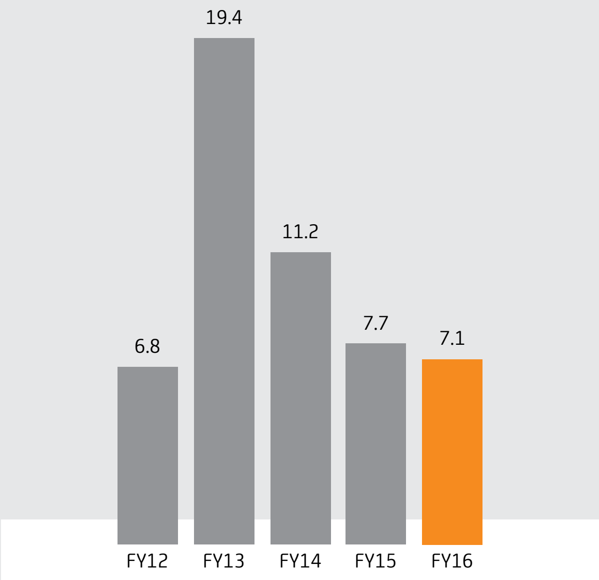
Revenue (S$'m)
4-Year CAGR** 15%



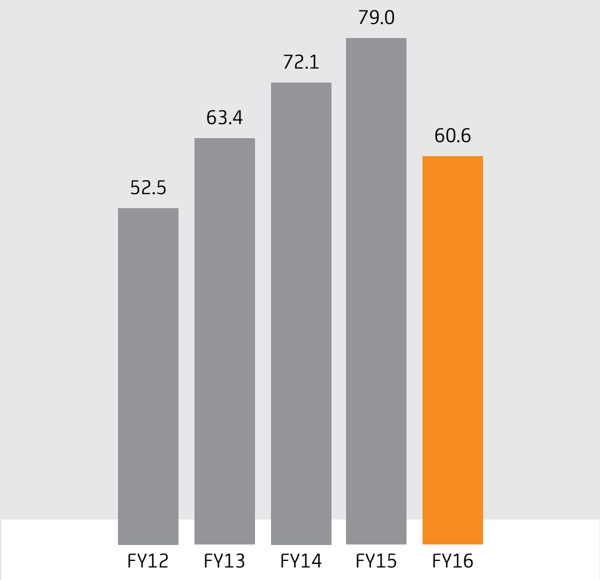
Net Profit (S$'m)
4-Year CAGR** 1%



Earnings Per Ordinary Share (cents)
4-Year CAGR** 1%



Net Asset Value Per Ordinary Share (cents)
4-Year CAGR** 4%



*** Refers to 4-year compounded annual growth rate.*

Letter to Shareholders

John Lim Kok Min
Chairman

Thomas Chu Kok Hong
Managing Director

Dear Fellow Shareholders,
It gives us great pleasure to present to you the Boustead Projects FY2016 Annual Report for the financial year ended 31 March 2016.

Just over a year ago, we listed on the SGX Mainboard as one of only two Mainboard listings for 2015. In our first year as a listed corporation, our revenue was S$255.5 million, comparable year-on-year. However, net profit attributable to you – fellow owners of our Company – was down 7% year-on-year at S$22.9 million as a result of the highly competitive business environment that we operate in. Government measures implemented progressively over the years to reduce Singapore's reliance on foreign labour and to curtail speculative real estate activities have intensified the downtrend in all three real estate sectors – commercial, industrial and residential – resulting in intense margin pressures across the industry.

However, despite this being a difficult year, we had a satisfactory performance.

FY2016 – A Tale of Two Businesses

FY2016 represented for us a tale of contrasting fortunes for our two businesses.

Our 'bread and butter' design-and-build business saw revenue decrease 3% to S$221.1 million. In FY2015, we had the benefit of revenue contribution from

Summary of Message

Our revenue was S$255.5 million. Net profit attributable to owners of our Company was down at S$22.9 million.

Design-and-build PBT declined to S$13.9 million, mainly due to margin pressures caused by the more competitive business environment.

Leasing PBT rose to S$15.8 million.

With an order book backlog of S$208 million, we are healthy and ready to work through challenging times.

our largest design-and-build project, The Shugart for Seagate, with a contract value in excess of S$100 million. In FY2016, the largest project we were working on had a contract value below S$70 million. We had to rely on more projects with lower values to make up the overall revenue. Design-and-build profit before income tax ("PBT") declined 29% to S$13.9 million, mainly due to significant margin pressures caused by the more competitive business environment.

On the other hand, our leasing business – helmed by an expanding industrial leasehold portfolio – continued to improve. Leasing revenue climbed 30% to S$34.4 million, driven by higher revenue generated by greater contributions from three properties completed during FY2015. Leasing PBT rose 14% to S$15.8 million, allowing us to partially buffer the downward pressure on our design-and-build business. In addition, a completed property under the Boustead Development Partnership ("BDP"), an integrated MRO and office facility for Safran Helicopter Engines at the Seletar Aerospace Park, was added to our portfolio taking our numbers to 16 completed properties.

Advancing Strategies for Long-Term Growth

FY2016 was a year of progress in the execution of our longer term growth strategies. These strategies were highlighted in our previous annual report and include the consolidation of our market leading position in Singapore, expanding our overseas presence and pursuing higher value opportunities.

Although prospects for Singapore's industrial real estate sector remained weak, Boustead Projects continued to capture more than our fair share of design-and-build contracts, given our market leading position in the industrial space. In total, we secured 16 contracts worth S$189 million across Singapore, Malaysia and Vietnam. Of these, seven industrial design-and-build contracts were secured at home in Singapore, a credible performance given the difficult business environment.

Overseas, we made good inroads in Malaysia, which we have identified as our second most important geographic market behind Singapore. After delivering our first construction project for a repeat global pharmaceutical client in Kedah, we secured five more contracts, three in Iskandar Malaysia and two on the east coast of Peninsular Malaysia. We firmly believe that Malaysia will continue to underpin the growth in our overseas revenue even as we expand into other geographic markets. Given our strong flow of projects there, we have rapidly expanded our Malaysia team with the right capabilities to meet this growth.

In Vietnam, we secured two fit out contracts for industrial facilities. Although small in value, these contracts allowed us to maintain our presence there while searching for potentially larger opportunities further down the road.

Concurrent with our emphasis on geographic market diversification, we also strengthened our business development activities in securing opportunities in higher value industries. Targeting such industries will allow us to better compete as barriers to entry are higher. In higher value industries, quality, safety standards and technical specifications are more stringent, which suits our emphasis on design and value engineering. Our business model is constantly evolving. In a breakthrough, we were awarded a design-and-build contract to deliver a full-scale data centre for one of Singapore's largest conglomerates. Moving forward, we aim to extend our track record in the aerospace, data centre and telecommunications, and healthcare industries. These are also industry clusters critical to Singapore's future economic transformation and to a larger extent, that of the Asia Pacific as well.

Delivering the Difference

In last year's annual report, we shared with you our approach to unlocking value through multiple capabilities. Our multiple capabilities enable us to 'deliver the difference', differentiating factors that set us apart and make our projects stand out.

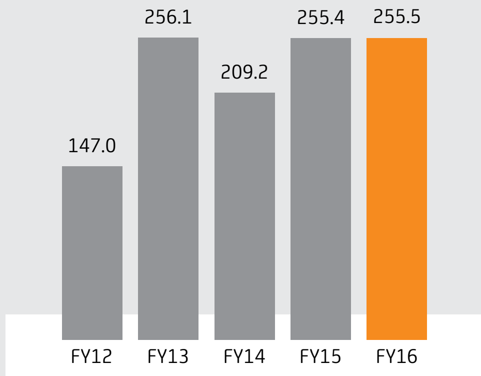
As the only integrated industrial real estate solutions provider listed on the SGX Mainboard, our multiple capabilities cover

Letter to Shareholders

Revenue (S$'m)

S$255.5m

4-Year CAGR 15%



> **We plan to continue executing on our existing strategies, extending our market leading position in Singapore, looking for more opportunities around the region and shifting ever more so into higher value industries.**

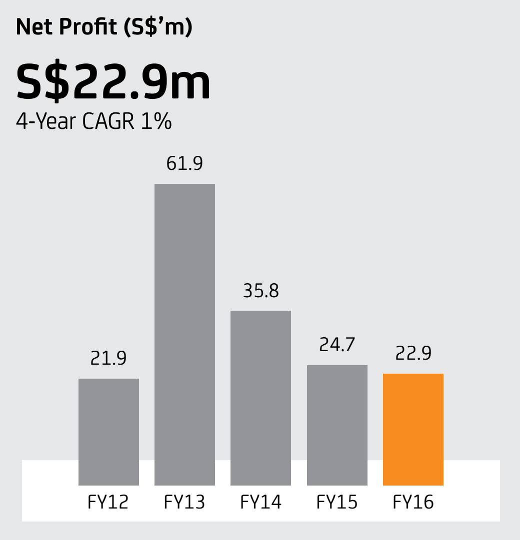
80% of the industrial real estate value chain and can be divided into three core areas: development, design-and-build, and industrial leasehold portfolio management and ownership.

Under our development capabilities, we have a development team that for more than a decade has successfully sourced, acquired, planned, implemented and financed projects. Our development team works closely with the BDP, our co-investment partnership with a reputable Middle East sovereign wealth fund that has the capacity to deliver a potential pipeline of over S$600 million in development and redevelopment projects in Singapore's industrial real estate sector. Despite no new deals being secured under the BDP during FY2016 due to the muted market conditions, the BDP still represents an extremely important growth platform in our mix of capabilities, including helping our industrial leasehold portfolio to reach an ideal size where we could potentially manage and own a REIT. In Iskandar Malaysia, our development team has been actively evaluating potential developments and supporting two joint developments, iBP @ Nusajaya and a logistics project at the Port of Tanjung Pelepas. Construction of Phase 1 of iBP @ Nusajaya is well underway.

Under our design-and-build capabilities, we were the early pioneers of the design-and-build methodology in Singapore and have built up one of the best teams in the industry. Design, value engineering, project management, construction management, asset enhancement, and additions and alterations are all part of our integrated project delivery system that brings various building disciplines under one roof and eliminates significant additional costs, coordination, time and wastage for our clients. This approach has been embraced by our global clients, many of them Forbes Fortune 500, S&P 500 and Euronext 100 corporations. Essentially, we are the trusted design-and-build partner for the world's best corporations.

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

Bolstering our design-and-build offerings, we are also the outright market leader in building Green Mark Platinum-rated eco-sustainable industrial facilities. Having delivered the first Green Mark Platinum-rated industrial facilities in the heavy industry, aerospace and logistics industries, we recently took our tally to eight Green Mark Platinum-rated buildings of which seven are industrial facilities. The latest addition is for the world's



second largest logistics provider, Kuehne + Nagel's Singapore Logistics Hub which received the Green Mark Platinum at the recent BCA Awards. Over 20% of all Green Mark Platinum-rated new non-residential facilities on Business 1 and Business 2 industrial-zoned land in Singapore have been built by us since the inception of the Green Mark Programme. Our Green Mark Platinum clients – Applied Materials, Boustead Singapore, DB Schenker, Kuehne + Nagel, Rolls-Royce, SDV, Seagate and Tat Hong – have enjoyed a combined estimated total energy and water savings of over 33.7 gigawatt hours and 82,700 cubic metres respectively per year. That would be enough to provide electricity for over 7,500 homes in Singapore and fill 33 Olympic size swimming pools every year. As governments and global corporations tackle the effects of climate change, we believe that we are the ideal partner to facilitate integration of eco-sustainable practices into clients' facilities across South East Asia utilising the Green Mark Programme and U.S. Green Building Council's Leadership in Energy & Environmental Design Program, an internationally-recognised green building rating system.

Our development capabilities mentioned earlier resulted in our design-build-and-lease business and our current industrial leasehold portfolio. Before adopting our current strategy to build up our portfolio, we had sold 10 design-build-and-lease properties and four development-for-sale properties for S$575 million, covering more than 276,000 square metres of gross floor area. Today, we have 18 wholly-owned and joint venture properties in our portfolio – both completed and uncompleted – with more than 223,000 square metres. Many of these properties are occupied on extremely long leases by world-class corporations. Our leasing business today is a pillar of strength for us and in FY2016, partially made up for the shortfall in our design-and-build business. We have several options before us to grow and unlock the value of this business and your Board and management will be closely evaluating all these options to enhance and create value for all our shareholders. Part of our growth plans may also include the expansion of our portfolio with the development of leasehold properties in targeted overseas markets.

To top things off, our focus on health, safety and environmental aspects are second to none. As one of just nine bizSAFE Mentors in Singapore, we believe that human life should be of the highest priority, which is why we not only focus on comprehensive safety training for our staff but also provide safety mentorship for all of our subcontractors. Our efforts have resulted in a safety track record that consistently outperforms that of Singapore's construction industry.

This year, we will be celebrating 20 years of delivering the difference.

FY2017 – Building on Our Foundation

The foundation – our platforms for long-term growth – is in place. In FY2017, we plan to continue executing on our existing strategies, extending our market leading position in Singapore, looking for more opportunities around the region and shifting ever more so into higher value industries. Our balance sheet and negligible gearing will allow us to shift gears when the opportunities arise. With an order book backlog of S$208 million (at the end of FY2016 plus new orders since), we are healthy and ready to work through challenging times.

A Word of Appreciation

We would like to say thank you to our management and staff for their efforts in a difficult market and for helping us to upkeep our market leading position.
We would also like to extend our thanks to all of you, our clients, business partners, associates, bankers, suppliers and shareholders for your continuing support. Last but not least, we would like to thank all of our Board colleagues for their wisdom, guidance and continued advice.

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

John Lim Kok Min
Chairman

Thomas Chu Kok Hong
Managing Director

Design-and-Build Business

Market Sectors

- Aerospace
- Commercial
- Electronics
- Food processing
- Healthcare
- High-tech manufacturing
- Lifestyle
- Logistics
- Oil & gas
- Petrochemical
- Precision engineering
- R&D
- Resource recovery
- Technology
- Transportation

Geographic Markets

- East Asia
- South East Asia

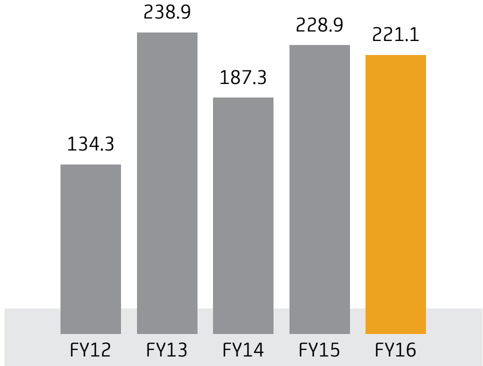
"Boustead Projects' design-and-build business is based on a methodology and project delivery system whereby a client – typically a multinational corporation – appoints us as the design-and-build partner to undertake design, value engineering, project management, construction management and final delivery of a custom-built building. The client is the developer and owner of the land and building. Since our year of establishment in 1996, this has been our core business.

Performance Highlights

Segment Revenue (S$'m)

S$221.1m

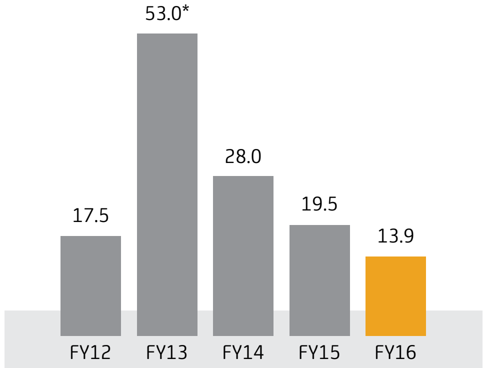
Year-on-Year ▼3%



Segment Profit Before Tax (S$'m)

S$13.9m

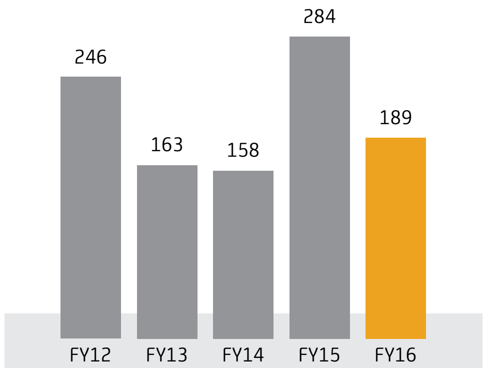
Year-on-Year ▼29%



Segment Contracts Secured (S$'m)

S$189m

Year-on-Year ▼33%



Includes sale of properties and investments.

Perspective of Markono's integrated production, logistics and office facility, Singapore

Design-and-Build Business

1

Design-and-build revenue slipped 3% year-on-year to S$221.1 million, as higher revenue was registered in the previous year due to completion of our largest design-and-build project – Seagate Singapore Design Center, The Shugart – with significant contract value in excess of S$100 million. Design-and-build profit before income tax fell 29% year-on-year to S$13.9 million, mainly due to softer gross margins arising from the more challenging and competitive business environment and a greater share of loss of an associated company and joint ventures resulting from the elimination of intercompany design-and-build profits.

Singapore's industrial real estate sector remained highly challenging in FY2016, with the slowdown in other real estate sectors further increasing competition within the industrial space. Earlier gross margins had already been pressured by the government's policies on foreign labour over the past few years. Figures from the Building & Construction Authority ("BCA") show that construction demand fell from a historic high of S$37.7 billion in 2014 to approximately S$27.2 billion in 2015.

During FY2016, we completed five design-and-build projects spanning the aerospace, healthcare, logistics and resource recovery industries, including one project delivered under the Boustead Development Partnership ("BDP"), which is detailed on page 30 of this annual report. 80% of these projects were built for leading U.S. and European multinational clients ranked among Forbes Fortune 500, Forbes Global 2000 and Euronext 100 corporations, for whom the new industrial facilities represent their strategic expansion in the Asia Pacific.

Our landmark delivery for the year was Kuehne + Nagel's Singapore Logistics Hub, a 50,000 square metres advanced integrated logistics and office facility which was officially opened in January 2016 and recently received the Green Mark Platinum for its excellent eco-sustainable features at the BCA Awards 2016. Kuehne + Nagel is the world's second largest logistics provider and the Singapore Logistics Hub – with 20,000 square metres allocated for an advanced cold storage zone to manage temperature-sensitive goods for biomedical and healthcare clients – represents its largest investment outside of Europe. To date, we have delivered 75% of all Green Mark Platinum-rated logistics facilities in Singapore, including those for three of the world's largest third-party logistics providers: DB Schenker, Kuehne + Nagel and SDV.

In FY2016, we strengthened our position in the aerospace industry as the design-and-build partner of choice with the delivery of two projects. We delivered the Airbus Asia Training Centre ("AATC") located at the world-class 320-hectare Seletar Aerospace Park ("SA Park"). Jointly owned by Airbus and Singapore Airlines, the AATC – a two-floor pilot training centre – will train up to 10,000 flight crew a year. AATC was officially opened in April 2016 and is set to be Airbus' largest flight crew training centre in the world when it is fully operational in 2019. AATC is located directly beside the Satair Airbus Singapore Centre, another project that we had completed for repeat client, Airbus in 2013.

Our second project completed in the aerospace industry during FY2016 was for Safran Helicopter Engines, also located at the SA Park. The project was developed under the BDP.

In Malaysia, we successfully delivered our first construction project in that country, which represents our third project for a repeat client, a Fortune 500 pharmaceutical company. This was for a state-of-the-art medical device manufacturing facility located at the Kulim Hi-Tech Park in Kedah, which will manufacture intraocular lenses, devices implanted in patients to help them to recover their vision after they undergo cataract surgery. The manufacturing facility was opened shortly after the close of FY2016 and will have a production capacity of over four million lenses a year with the addition of new manufacturing lines.

Over the course of FY2016, we secured 16 new contracts worth S$189 million across Singapore, Malaysia and Vietnam. Although prospects for Singapore's industrial real estate sector remained weak during the period, we secured seven design-and-build projects in Singapore, reflecting our market leadership position at home. Of worthy mention, we secured

1. Perspective of JEP's integrated production and office facility, SA Park, Singapore
2. AATC, SA Park, Singapore

a sizeable contract to design-and-build a full-scale data centre for a repeat client, one of Singapore's largest SGX-listed conglomerates. This represents our third project in the data centre and telecommunications industries, one of the higher value industry clusters that we are targeting to build a stronger track record in. We also secured design-and-build contracts in the aerospace and healthcare industries, reflecting our successful penetration into other higher value industries.

Business development efforts in overseas geographic markets also took shape during FY2016. In our key overseas market of Malaysia, we gained traction with a total of five contracts secured there, reflecting the progressive implementation of our strategy to geographically diversify our business. Three contracts were secured within Iskandar Malaysia, a mega economic zone next to Singapore that is considered to be one of the largest under development in South East Asia. These contracts are a project management contract from our joint venture for our premier freehold business park development, iBP @ Nusajaya (Flagship Zone B), a design-and-build contract from our joint venture for a logistics facility at the Port of Tanjung Pelepas (Flagship Zone C) and a design-and-build contract for an eco-packaging facility near the Port of Pasir Gudang (Flagship Zone D). Our remaining two contracts in Malaysia were secured on the east coast of Peninsular Malaysia, where we have two construction contracts for works at a petrochemical complex, awarded by a global engineering, procurement & construction ("EPC") corporation.

In Vietnam, we secured two fit out contracts, one of which is for a Fortune 500 sports apparel corporation. Although the fit out contracts are small in value, they are indicative of Vietnam's industrial real estate sector recovery, which had been in a slump from a period prior to the Global Financial Crisis.

Shortly after the end of FY2016, we clinched a design-and-build contract from AIMS AMP Capital Industrial REIT ("AA REIT") for an integrated ramp-up manufacturing and logistics facility in Singapore. This represents the second redevelopment project that AA REIT has awarded to us and marks the positive continuation of our mutual relationship. Our earlier redevelopment project for AA REIT was completed in mid-2014 when we helped to transform AA REIT's ageing industrial facility at Defu Lane into a high-value six-storey industrial facility.

Moving ahead in FY2017, we will continue to target design-and-build contracts in higher value industries including the aerospace, data centre and telecommunications, healthcare, high-tech manufacturing, R&D and technology industries. We will also continue to geographically diversify our design-and-build business in current overseas markets of Malaysia, Vietnam and China, and potential overseas markets including Indonesia and other countries in South East Asia.

Contract Awards & Achievements in FY2016

MAY 2015

Singapore
S$48m

Integrated commercial and logistics facility, World Furnishing Hub for Hafary; and central baking facility for leading bakery chain

OCT 2015

Singapore
S$59m

Integrated production and office facility for JEP at SA Park; and integrated production, logistics and office facility for Markono

NOV 2015 - FEB 2016

Malaysia, Singapore
S$70m

Logistics facility at Port of Tanjung Pelepas; full-scale data centre for SGX-listed conglomerate; and works at petrochemical complex for global EPC corporation

Leasing Business

Market Sectors

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

Geographic Markets

- China
- Malaysia
- Singapore

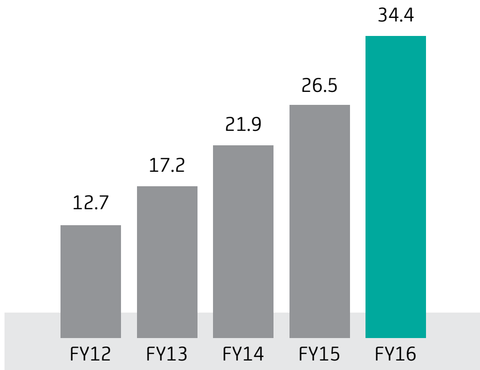
> Boustead Projects' leasing business is based on a hybrid methodology that combines our design-and-build and development capabilities. We assume dual roles as the developer and owner of the land and building, along with that of design-and-build partner to undertake design, value engineering, project management, construction management and final delivery of a custom-built building, which is typically leased to a client under a long-term agreement.

Performance Highlights

Segment Revenue (S$'m)

S$34.4m

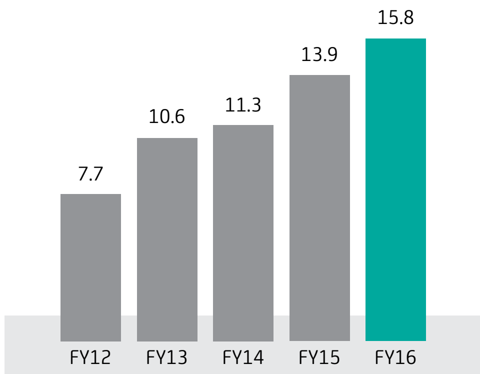
Year-on-Year ▲30%



Segment Profit Before Tax (S$'m)

S$15.8m

Year-on-Year ▲14%



Boustead Projects' Green Mark Platinum-rated global headquarters, Edward Boustead Centre, Singapore

Leasing Business

1

Under our development capabilities, we conduct feasibility studies, land sourcing and acquisition, development planning and financing. Additionally, we also provide asset management and property management services. Since we secured our first design-build-and-lease project in 2001, this has become part of our core business. In 2014, we strengthened our leasing business with another strategic platform helmed under the Boustead Development Partnership ("BDP").

Leasing revenue grew 30% year-on-year to S$34.4 million, attributable to greater contribution from three design-build-and-lease projects completed during FY2015 coupled with the normalisation of leasing revenue from three other properties. Leasing profit before income tax ("PBT") saw a more modest 14% year-on-year increase to S$15.8 million as a result of higher administrative and finance expenses largely associated with the expansion of our industrial leasehold portfolio in the past two years.

The three design-build-and-lease projects that provided greater rental contributions for the first time during FY2016 are Continental Building Phase 2 and facilities for Energy Alloys and MTU.

Following the capture of two inaugural development projects under the BDP for GlaxoSmithKline ("GSK") and Safran Helicopter Engines right at the end of FY2015, design and construction of the two projects proceeded through FY2016. With our fast track design and construction expertise, we completed and added Safran Helicopter Engines' new regional headquarters to our completed industrial leasehold portfolio*, increasing the number of completed properties to 16, of which 15 are in Singapore and one is in China. Representing Safran's first major investment at the Seletar Aerospace Park ("SA Park") and part of its strategy to strengthen its regional footprint and support its growing customer base, the new regional headquarters triples Safran's industrial capacity to support its helicopter engines maintenance, repair and overhaul ("MRO") business servicing both commercial and defence customers. This is Safran's second property within our industrial leasehold portfolio. The BDP's other project for GSK's new global headquarters for Asia is progressing on schedule with expected completion before the end of 3Q FY2017.

In Malaysia, we are developing a new design-build-and-lease project together with joint venture partners at the Port of Tanjung Pelepas. Once completed, this project will be leased as a logistics hub to corporations looking for dedicated quality logistics space located at the port. This project together with GSK's new global headquarters for Asia, are the only two properties in our industrial leasehold portfolio which are still under construction.

Completed development projects under BDP or in conjunction with other joint venture partners, such as Edward

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

1. Safran Helicopter Engines' new regional headquarters, SA Park, Singapore
2. MTU Asia Pacific Headquarters, Tukang Innovation Park, Singapore

Boustead Centre, contribute leasing profits that show up on our profit & loss statements under share of results of associated companies and joint ventures.

In line with our strategic intent to grow our recurring income base in view of challenges posed to our design-and-build business, the continued expansion of our industrial leasehold portfolio has contributed improving revenue and PBT, and cushioned against the weaker margins faced by our design-and-build business. In fact, our leasing business has become a key platform of our business and stable source of recurring income that will help us to consolidate our position in Singapore's challenging industrial real estate sector.

Going forward in FY2017, we remain committed to growing our industrial leasehold portfolio through pursuing opportunities under the BDP and other joint ventures, and potentially through inorganic acquisitions and investments as well.

Contract Awards & Achievements in FY2016

DEC 2015

Singapore

BDP completed Safran Helicopter Engines' regional headquarters at SA Park

FEB 2016

Malaysia

Joint venture design-build-and-lease project for logistics facility at Port of Tanjung Pelepas

Leasing Business

Industrial Leasehold Portfolio

Over the years, Boustead Projects has expanded our industrial leasehold portfolio* as part of our strategy to grow our recurring income base. Currently, our portfolio contains 16 completed properties and two uncompleted properties totalling 223,716 square metres of gross floor area ("GFA"), comprising reputable global corporations which include some of North America's and Europe's best corporations. Our completed properties are displayed here.

Singapore

11 Seletar Aerospace Link

2015 Year of completion
3,566 GFA (sqm)

10 Tukang Innovation Drive

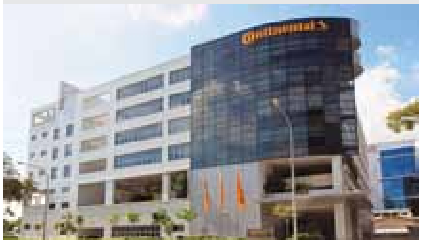
2015 Year of completion
24,800 GFA (sqm)

31 Tuas South Avenue 10

2014 Year of completion
10,524 GFA (sqm)

Continental Building Phase 2
80 Boon Keng Road

2014 Year of completion
4,936 GFA (sqm)



Edward Boustead Centre
82 Ubi Avenue 4

2014 Year of completion
8,759 GFA (sqm)

36 Tuas Road

1995 Year of completion
11,470 GFA (sqm)

16 Tampines Industrial Crescent

2013 Year of completion
20,020 GFA (sqm)

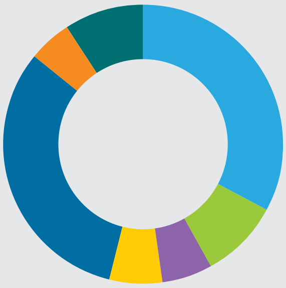
10 Seletar Aerospace Heights

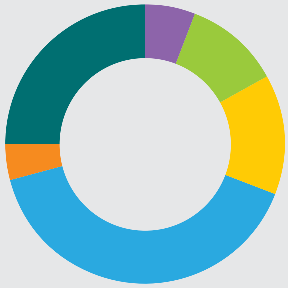
2013 Year of completion
6,290 GFA (sqm)

Continental Building Phase 1
80 Boon Keng Road

2012 Year of completion
11,250 GFA (sqm)

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





Breakdown by Industry (GFA)

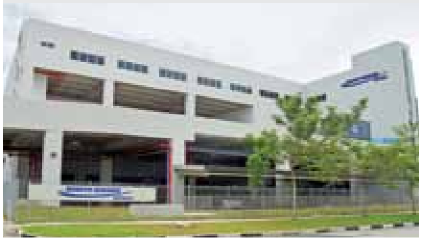
Aerospace & transportation	33%
Engineering	9%
General manufacturing	6%
Healthcare	6%
Logistics	32%
Oil & gas	5%
Technology	9%

Breakdown by Region (GFA)

China	6%
Malaysia	11%
Singapore (Central)	14%
Singapore (East)	40%
Singapore (North)	4%
Singapore (West)	25%

10 Changi North Way

2011 Year of completion | 12,019 GFA (sqm)



26 Changi North Rise

2011 Year of completion | 6,132 GFA (sqm)

16 Changi North Way

2008 Year of completion | 11,320 GFA (sqm)

85 Tuas South Avenue 1

2008 Year of completion | 10,433 GFA (sqm)

25 Changi North Rise

2007 Year of completion | 7,014 GFA (sqm)

12 Changi North Way

2005 Year of completion | 23,881 GFA (sqm)

China

Wuxi Boustead Industrial Development

2003 – 2007 Year of completion | 13,014 GFA (sqm)

Strategic Partnerships

1

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

Our current partnerships include the Boustead Development Partnership ("BDP") and THAB Development Sdn Bhd ("THAB"), as well as two consortiums led by Perennial Real Estate Holdings Ltd.

The BDP is our co-investment partnership formed with a reputable Middle East sovereign wealth fund in August 2014. Under the BDP, we possess a strategic joint venture platform to undertake sizeable design-build-and-lease, development and redevelopment industrial real estate projects in Singapore. FY2016 saw the successful completion of our first development under the BDP, as detailed earlier on pages 26 and 27 of this annual report. While no additional deals were secured under the BDP in FY2016 due to Singapore's muted market conditions, it remains an important growth platform for us with its capacity to deliver a potential pipeline of over S$600 million in projects. The BDP is also seen as playing a key role in the future expansion of our industrial leasehold portfolio.

THAB is a joint venture that we formed with AME Construction Sdn Bhd, SGX-listed Tat Hong Holdings Ltd and SGX-listed CSC Holdings Ltd in 2013 to address our growing presence in Malaysia. THAB is developing

1. Perspective of iBP @ Nusajaya, Malaysia
2. Perspective of Phase 1 of Beijing Tongzhou Integrated Development's retail complex and transportation hub, China

iBP @ Nusajaya (Flagship Zone B), a premier freehold business park located in the Southern Industrial & Logistics Clusters of Iskandar Malaysia. Phase 1 offered 50 units of flexibly-designed detached and semi-detached modern quasi-business and industrial facilities following a successful launch in October 2014. Construction of Phase 1 – which also represents our first development project within Malaysia – is well underway and expected to be completed by the end of FY2017. Phase 2 will offer 50 units and will be launched during a more opportune time. Boustead Projects holds the project management partner role for iBP @ Nusajaya.

In a further endorsement of THAB's successful partnership, the joint venture decided to embark on a second development project in Iskandar Malaysia, this time for a logistics facility at the Port of Tanjung Pelepas ("PTP") (Flagship Zone C). Boustead Projects holds the design-and-build partner role for this joint development.

In China and Singapore, we have partnered consortiums led by SGX-listed Perennial Real Estate Holdings Ltd. At the centre of Beijing Tongzhou's new Central Business District, we hold a 4% stake in Phase 1 of the Beijing Tongzhou Integrated Development, a mixed-use Grade A iconic landmark development which is currently under construction along the famous Grand Canal and is due to be completed by 2018. Phase 1 of this development features a proposed 414,000 square metres commercial complex comprising a five-level retail podium and three towers of office and residential space. With the opening of Universal Studios Beijing in 2020, the annual visitor traffic volume in the Beijing Tongzhou vicinity is projected to exceed 10 million to as high as 15 million visitors. In Singapore, we hold a 5.5% stake in a consortium which purchased TripleOne Somerset, a Grade A property strategically located within the Central Business District and prime Orchard precinct. The 71,215 square metres TripleOne Somerset comprises a two-level retail podium with 17 levels of office space. TripleOne Somerset's asset enhancement initiative ("AEI") and strata-sales of office towers and medical suites recently commenced.

Going forward in FY2017, we will continue to leverage on our wide business network to actively explore new opportunities for collaboration across promising geographic markets in Asia, and new industry clusters and real estate sectors.

Contract Awards & Achievements in FY2016

MAY 2015
Malaysia
THAB commenced construction of iBP @ Nusajaya

DEC 2015
Singapore
BDP completed Safran Helicopter Engines' regional headquarters at Seletar Aerospace Park

FEB 2016
Singapore
THAB commenced construction of logistics facility at PTP

MAR 2016
China
Perennial consortium evaluated construction tenders for Beijing Tongzhou Integrated Development

MAR 2016
Singapore
Perennial consortium evaluated AEI tenders for TripleOne Somerset

Board of Directors

John Lim Kok Min

Chairman & Independent Non-Executive Director

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

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

Date of appointment: 25 March 2015
Date of last re-election: 30 July 2015

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

Wong Yu Wei

Deputy Chairman & Executive Director

- Member, Nominating Committee

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

Date of appointment: 1 December 2008
Date of last re-election: 29 October 2014

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

Thomas Chu Kok Hong

Managing Director & Executive Director

- Member, Nominating Committee

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

Certificate of Real Estate Investment Finance, APREA Institute

Date of appointment: 5 January 2009
Date of last re-election: 30 July 2015

Mr Chu joined Boustead Projects in 1997 and was appointed as Managing Director in 2009. He began his role at Boustead Projects as Project Engineer and was subsequently promoted through various positions such as Project Manager, Business Development Manager and Business Development Director before assuming his current role. He is responsible for day-to-day functions including business development, project management and setting strategic direction.

Mr Chu is also a member of Singapore's Committee on Future Economy's Sub-Committee on Future City. The sub-committee, comprising members from the private and public sector, will study 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.

Chong Lit Cheong

Independent Non-Executive Director

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

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

Date of appointment: 15 May 2015
Date of last re-election: 30 July 2015

Mr Chong was appointed as Independent Non-Executive Director in 2015. He is currently Deputy Group Chief Corporate Officer at CapitaLand Ltd. Prior to this, he was Chief Executive Officer for Regional Investments and also of CapitaLand Commercial Ltd. Before joining the CapitaLand Group, he formerly held positions including Chief Executive Officer of International Enterprise Singapore and JTC Corporation, and Managing Director of the National Science & Technology Board (now called A*STAR). Earlier, he served in the Economic Development Board of Singapore where he was posted to Suzhou, China, to lead the development of the China-Singapore Suzhou Industrial Park. He holds directorships in StorHub Holding Pte Ltd and ST Electronics (Info-Comm Systems) Pte Ltd.

Dr Tan Khee Giap

Independent Non-Executive Director

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

PhD, University of East Anglia

Date of appointment: 25 March 2015
Date of last re-election: 30 July 2015

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

James Lim Jit Teng

Independent Non-Executive Director

- Member, Nominating Committee
- Member, Remuneration Committee

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

Date of appointment: 25 March 2015
Date of last re-election: 30 July 2015

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

Key Management Team

Steven Koh

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

Mr Koh joined Boustead Projects in 1999 as Project Manager. He was subsequently promoted to Senior Project Manager and Operations Director before assuming his current role in 2011. He oversees the operations and project management functions, where he is in charge of the overall operational aspects of Boustead Projects to ensure that projects complete on schedule and meet key performance and specification factors such as profitability, quality, reliability and safety. Prior to joining Boustead Projects, he was Project Engineer at Takenaka Singapore Pte Ltd, where his role was to plan and execute projects from 1994 to 1999.

Key achievements at Boustead Projects:

- Managed largest design-and-build project for Seagate's The Shugart (over S$100m)
- Managed largest logistics project for DB Schenker Shared Logistics Center 3 (Tampines LogisPark) (S$50m to S$75m)
- Managed first project awarded Green Mark Platinum in heavy industry category for Applied Materials Building (S$75m to S$100m)
- Managed first project awarded Green Mark Platinum in aerospace industry category for Rolls-Royce Wide Chord Fan Blade Manufacturing Facility (over S$100m)
- Managed first project awarded Green Mark Platinum in logistics industry category for SDV Green Hub (S$50m to S$75m)
- Overseen management of over 100 projects totalling more than S$2 billion in contract value

Lee Keen Meng

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

Mr Lee joined Boustead Projects in 2009 as Finance Director. He was subsequently promoted to Senior Finance Director before assuming his current role in 2015 upon the listing of Boustead Projects on the SGX Mainboard. He oversees the financial and management reporting, corporate secretarial, mergers and acquisitions, treasury and taxation functions. He has over 20 years of accounting and finance experience. Prior to joining Boustead Projects, he was with Honeywell Pte Ltd from 2004 to 2009, where he joined as South East Asia Controller for the Automation and Control Solutions Business and was subsequently promoted to Asia Pacific Finance Leader for the Process Solutions Lifecycle Solutions and Services Business. He also held positions at Sembcorp Engineers & Constructors Pte Ltd and PSA Corporation Ltd. His audit experience was acquired during his work at the internal audit function of Oversea-Chinese Banking Corporation Ltd and the Auditor-General's Office of Singapore.

Key achievements at Boustead Projects:

- Listing of Boustead Projects on SGX Mainboard in 2015
- Raised more than S$170m in bank financing for industrial leasehold portfolio
- Established tax efficient management, operating and ownership structures for profit repatriation, loss utilisation, investments and divestments

Liew Kau Keen

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

Mr Liew joined Boustead Projects in 2001 as Site Engineer. He was subsequently promoted to Site Manager, Project Manager, Business Development Manager, Senior Business Development Manager and then Deputy Director (Business Development) before assuming his current role in 2015. He oversees the business development, architectural, quantity surveying and mechanical & electrical engineering functions.
He is responsible for driving business development activities in Singapore and South East Asia. From 2007 to 2010, he was at Boustead Projects' subsidiary in Vietnam as a pioneer for business development activities, securing the first two design-and-build contracts in the country and opening up a new overseas geographic market. He has over 15 years of industry experience.

Key achievements at Boustead Projects:

- Secured largest design-and-build contract for Seagate's The Shugart (over S$100m)
- Secured largest design-build-and-lease contract for GSK's Global HQ for Asia (S$50m to S$75m)
- Secured first design-and-build contract in overseas geographic market of Vietnam

Note: Thomas Chu Kok Hong and Wong Yu Wei are profiled under Board of Directors, page 32.

Howard How

Director (Environmental, Health & Safety)

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

Mr How joined Boustead Projects in 2007 as Senior Corporate Safety Manager. He was subsequently promoted to Deputy Director (Environmental, Health & Safety) before assuming his current role in 2015. He oversees the quality assurance and control, and health, safety and environmental ("HSE") functions, leading compliance with legal and statutory requirements. He also ensures adherence to industry standards and best codes of practice. For his excellent contributions to uplifting industry safety standards and improving Boustead Projects' strong safety record, he was awarded the WSH Officer Award at the WSH Awards 2010 hosted by the WSH Council and MOM. He also sits as Committee Member on SCAL's WSH Subcommittee. He has over 15 years of industry experience in the safety field.

Key achievements at Boustead Projects:

- Secured WSH Officer Award in 2010
- Secured four WSH Performance (Silver) Awards from 2009 to 2012
- Secured eight Safety & Health Award Recognition for Projects (SHARP) from 2009 to 2015
- Secured bizSAFE Mentor in 2011
- Secured bizSAFE Star in 2009
- Secured ISO9001:2008, ISO14001:2004, SS506: Part 1:2009 and OHSAS18001:2007 certifications
- Secured Green & Gracious Builder (Merit) certification in 2015

Neo Eng Huat

Director (Operations)

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

Mr Neo joined Boustead Projects in 2007 as Deputy Construction Manager. He was subsequently promoted to Construction Manager and then Deputy Director (Operations) before assuming his current role in 2015. He oversees the construction management and site operations function, leading construction management and site teams in ensuring the smooth progress and delivery of all site works for projects. He has over 35 years of industry experience. Prior to joining Boustead Projects, he held positions at a number of construction corporations including Lian Soon Construction Pte Ltd, Jurong Primewide Pte Ltd and JTCI (Singapore) Pte Ltd.

Key achievements at Boustead Projects:

- Managed largest design-and-build project site for Seagate's The Shugart (over S$100m)
- Managed largest design-build-and-lease project site for GSK's Global HQ for Asia (S$50m to S$75m)
- Overseen management of over 50 project sites totalling more than 1,000,000 sqm of GFA

Nicholas Heng

Director (Projects)

Bachelor of Applied Science (Construction Management), Royal Melbourne Institute of Technology
Certified Green Mark Manager, Building & Construction Authority

Mr Heng joined Boustead Projects in 2007 as Project Manager. He was subsequently promoted to Senior Project Manager and then Deputy Director (Projects) before assuming his current role in 2015. He oversees the project management function, leading project management teams in ensuring that projects are delivered on schedule, according to clients' specifications and meeting all budget, legal and statutory requirements. He has over 15 years of industry experience. Prior to joining Boustead Projects, he held positions at Jurong Primewide Pte Ltd, Toa Corporation and Shimizu Corporation where he worked on several high-profile projects including Changi Airport Terminal 3, HDB Hub and Parkview Square.

Key achievements at Boustead Projects:

- Managed largest design-and-build project for Seagate's The Shugart (over S$100m)
- Managed largest logistics project for DB Schenker Shared Logistics Center 3 (Tampines LogisPark) (S$50m to S$75m)
- Managed first project awarded Green Mark Platinum in heavy industry category for Applied Materials Building (S$75m to S$100m)
- Managed first project awarded Green Mark Platinum in aerospace industry category for Rolls-Royce Wide Chord Fan Blade Manufacturing Facility (over S$100m)
- Managed first design-and-build project within Singapore's Central Business District for 20-floor commercial office building, Robinson Square

Investor Relations

Summary of FY2016 Investor Relations Activities

81
face-to-face/teleconference investor meetings hosted

328
investors met

11
investor conferences/events attended

2
research firms providing coverage:
- CIMB Research
- Insyte Intelligence

Investor Communications

Even before Boustead Projects was listed on the SGX Mainboard on 30 April 2015, investor relations ("IR") had already become a key facet of our communications with our stakeholders. Proactively communicating with analysts, investors, the media and the global financial community in an accurate, consistent, sincere, timely and transparent manner is a priority for us. Prior to our listing, our IR Team met 88 investors over 23 meetings, presented at an investor conference and conducted two non-deal investor presentations to share about our business strategies, financial performance and rationale for the demerger of Boustead Projects from Boustead Singapore Limited ("Boustead Singapore").

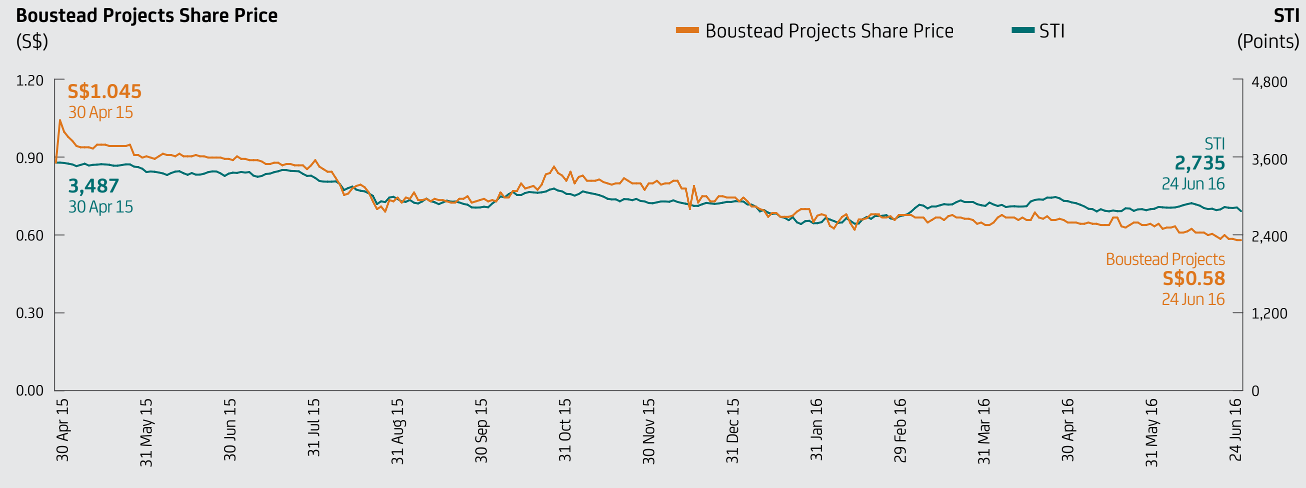
In our inaugural year as a listed corporation, our IR Team met 328 investors in meetings, investor conferences and investor presentations. All of our annual reports, company announcements and financial results announcements for the past year, as well as substantial information that would be of interest to investors are available at www.bousteadprojects.com/investor_centre.

During FY2016, CIMB Research and Insyte Intelligence provided comprehensive non-rated research coverage on us, while DBS Bank, Macquarie Capital Securities and UOB Kay Hian Research did so as part of their research coverage on Boustead Singapore, which included in-depth analytical views on our demerger from Boustead Singapore.

We actively engaged with institutional investors throughout FY2016, presenting at five investor conferences held in Singapore. These were the Maybank Kim Eng Invest ASEAN 2015, SGX CIMB Conference 2015, Macquarie ASEAN Conference 2015, Morgan Stanley Asia Pacific Summit 2015 and the CIMB Malaysia & Singapore Small/Mid Cap Corporate Access Day 2016. We also conducted five non-deal investor presentations with 8 Investment, DBS Bank, CIMB Securities, RHB Securities and UOB Kay Hian in Singapore.

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

Share Performance and STI Commentary



Since commencing trading on the SGX Mainboard at S$0.88 on 30 April 2015, Boustead Projects' share price has declined by approximately 34% over the past 15 months. Boustead Projects' share price closed at S$0.58 on 24 June 2016.

FY2016 Calendar

APR 2015

- Maybank Kim Eng Securities Conference, Singapore – Maybank Kim Eng Invest ASEAN 2015
- UOB Kay Hian Research non-deal presentation, Singapore
- DBS Bank non-deal presentation for institutional clients, Singapore
- Listing on SGX Mainboard

MAY 2015

- FY2015 financial results announcement
- FY2015 financial results audiocast/webcast briefing
- SGX and CIMB Securities Conference, Singapore – SGX CIMB Conference 2015

JUN 2015

- Macquarie Capital Securities non-deal lunch for institutional clients, Singapore – Macquarie Tiffin Lunch
- 8 Investment non-deal presentation, Singapore – 8 Investment Millionaire Investment Program Networking Night

JUL 2015

- FY2015 annual report
- Annual general meeting

AUG 2015

- 1Q FY2016 financial results announcement
- RHB Securities non-deal presentation for institutional clients, Singapore
- Macquarie Capital Securities Conference, Singapore – Macquarie ASEAN Conference 2015

SEP 2015

- CIMB Securities non-deal lunch for institutional clients, Singapore

NOV 2015

- 2Q FY2016 financial results announcement
- Morgan Stanley Conference, Singapore - Morgan Stanley Asia Pacific Summit 2015

FEB 2016

- 3Q FY2016 financial results announcement

MAR 2016

- CIMB Securities Conference, Singapore - CIMB Malaysia & Singapore Small/Mid Cap Corporate Access Day 2016

FY2017 Calendar*

APR 2016

- Maybank Kim Eng Securities Conference, Singapore – Maybank Kim Eng Invest ASEAN 2016

MAY 2016

- FY2016 financial results announcement
- FY2016 financial results audiocast/webcast briefing

JUN 2016

- SGX and Securities Investors Association (Singapore) non-deal presentation, Singapore – SGX Corporate Connect Seminar

JUL 2016

- FY2016 annual report
- Annual general meeting
- Extraordinary general meeting

AUG 2016

- 1Q FY2017 financial results announcement
- Macquarie Capital Securities Conference, Singapore – Macquarie ASEAN Conference 2016

NOV 2016

- 2Q FY2017 financial results announcement

FEB 2017

- 3Q FY2017 financial results announcement

MAY 2017

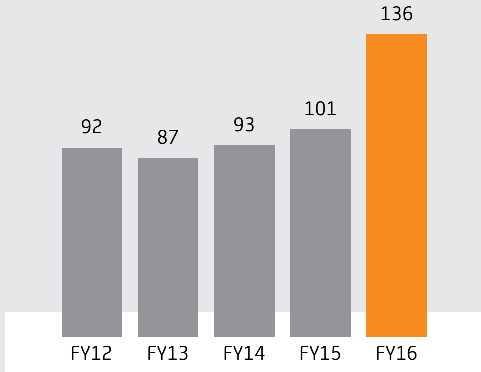
- FY2017 financial results announcement

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

Delivering the Difference

Number of Employees

136
for FY2016



A Regional Corporation
Headquartered in Singapore, Boustead Projects maintains a presence through our regional and local offices in four countries: Singapore, Malaysia, Vietnam and China. As the leading design-and-build partner in Singapore's industrial real estate sector, we continue to lead the way in delivering the difference to clients. As part of our vision, we aspire to deliver the difference as a regional integrated real estate solutions leader offering a full suite of capabilities.

Our successful transformation from a builder of standard logistics facilities and warehouses to a regional integrated real estate solutions provider can be partly attributed to how sustainability guides the way we plan and carry out our business, and is part of our perpetual corporate target to always 'Deliver sustainable value'. Accordingly, sustainability is fused into our business model, corporate values, strategies and business drivers, all of which are presented on pages 8 to 11 of the annual report. Various economic, environmental, social and governance considerations affect how we formulate and execute our business strategies, and these are detailed in the following sections.

Economic

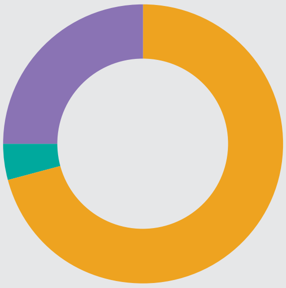
Global industrialists make sizeable investments that continue to power Singapore's economy. We deliver real estate solutions that enable clients to ultimately derive true value from their investments. As the leading design-and-build partner for the industrial real estate sector in Singapore, we tailor our wide range and full suite of industrial real estate solutions to suit the unique specifications of each client, taking great care to consider, interpret and understand their needs, processes and strategies. This is then translated into every detail of design, value engineering and project management so that we can deliver a positive and visible difference in service.

Over the years, we have gradually diversified our business into also developing, managing and owning industrial properties. To improve our earnings visibility and buffer against the volatility inherent in our design-and-build business, we are also focused on growing our recurring income base through the continued expansion of our leasing business.

Environmental

Pioneering eco-sustainable industrial facilities
With the eco-sustainability practices of multinational corporations coming under increasing scrutiny from stakeholders, we have been delivering solutions to help our multinational clients comply with environmental regulations and better manage their ecological footprints.

In Singapore, we are a leader in pioneering eco-sustainable industrial facilities. Having built eight Green Mark Platinum-rated buildings – seven of which are industrial facilities – we have now built 75% of all Green Mark Platinum-rated logistics facilities and over 20% of all Green Mark Platinum-rated new non-residential facilities on Business 1 and Business 2 industrial-zoned land in Singapore since the inception of the Green Mark Programme. We are also the outright market leader in building Green Mark Platinum-rated industrial facilities, with our Green Mark Platinum clients enjoying a combined estimated total energy and water savings of



FY2016 Human Resource Deployment

Singapore Design-and-Build Business	71%
Singapore Leasing Business	4%
Overseas Business	25%

over 33.7 gigawatt hours and 82,700 cubic metres respectively per year, equivalent to providing electricity to over 7,500 homes in Singapore and filling 33 Olympic size swimming pools every year.

Being an environmentally responsible corporation

Boustead Projects is committed to being an environmentally responsible corporation via limiting paper wastage, energy consumption and carbon emissions.
In line with this commitment, we designed and built our global headquarters – Edward Boustead Centre – to attain Green Mark Platinum, leading by example and showcasing to our clients how green building features can be incorporated into the design of all future buildings. Edward Boustead Centre demonstrates our strong values in environmental sustainability.

Social

Safeguarding and sustaining quality, health, safety and environment

Driving our workplace health and safety philosophy is the tagline "Safe work, save lives". At Boustead Projects, our ongoing job is to maintain an accident-free workplace and safeguard the wellbeing of our employees and stakeholders.
We are continuously training our employees through the active execution of health, safety and environmental ("HSE") programmes and aiming to upkeep good safety records by developing relevant risk assessment capabilities and implementing them effectively. Good practices of reviewing safety policies and improving safety practices also extend to work carried out by our appointed fabricators and subcontractors. More than 15% of our employees are dedicated to HSE oversight and programmes.

We are one of only nine bizSAFE Mentors in Singapore and achieved an accident frequency rate ("AFR") of 0.66 incidents per million man-hours worked, lower than the national average of 1.7 in the construction sector for 2015. For the past six years, as part of our role as a bizSAFE Mentor, we have been leading and guiding all of our appointed subcontractors to implement and support good HSE standards at worksites. We also actively promote onsite training seminars and educational workshops with an accredited training provider on a periodic basis, playing an active role in helping subcontractors to achieve higher bizSAFE accreditations. At the same time, we are also guiding existing subcontractors to achieve bizSAFE Star, the highest level that can be attained as part of the Workplace Safety & Health Council ("WSHC")'s bizSAFE Programme.
By setting bizSAFE Level 3 certification as a minimum contract requirement level for the appointment of subcontractors, we strive to promote healthier and safer workplaces for all stakeholders. So far, 92 subcontractors have already obtained at least bizSAFE Level 3 certification.

We continue to actively engage and empower employees and subcontractors through the WSHC Safety Advocate Programme, Innovation & Improvement Incentive Scheme and other implemented programmes to encourage and reward good safety behaviour. Regular engagement with subcontractors is conducted through meetings and site inspections to raise awareness on HSE issues. When safety milestones are reached, our workplace safety and health ('WSH") personnel are also promoted. At the end of the day, our safety philosophy is best affirmed when workers say that they feel safe working at one of our worksites.

To date, our efforts in productivity, quality and safety performance in the

Delivering the Difference

BCA Construction Quality Assessment System (CONQUAS â)

Project	CONQUAS Score	Rank on All-Time Industrial Projects List
Edward Boustead Centre	91.3%	7th
Kerry Logistics Centre	90.7%	9th
SDV Green Hub	90.3%	12th
ST Electronics Building	89.1%	19th
ST Engineering Hub	85.1%	32nd
Rolls-Royce Test Bed Facility	82.9%	52nd

industry have been recognised with six projects ranked in the Building & Construction Authority ("BCA")'s CONQUAS â all-time top 100 industrial projects list, on top of 40 corporate awards and project-related awards. During FY2016, we garnered our eighth Safety & Health Award Recognition for Projects ("SHARP") at the WSH Awards 2015 for the MTU Asia Pacific Headquarters at Tukang Innovation Park. At the recent BCA Awards 2016, Kuehne + Nagel's Singapore Logistics Hub received the Green Mark Platinum, the highest rating that can be achieved by a green eco-sustainable building. The Singapore Logistics Hub was our eighth Green Mark Platinum-rated building delivered of which seven are for industrial facilities. We also delivered the first Green Mark Platinum-rated industrial facilities in the heavy industry, aerospace and logistics industries, and believe that we are the ideal partners to facilitate

integration of eco-sustainable practices into clients' facilities utilising the BCA's Green Mark Programme and U.S. Green Building Council's Leadership in Energy & Environmental Design Program, an internationally-recognised green building rating system.

Adhering to the highest standards of ethical and moral conduct

We strive to always act ethically and morally in our conduct of business and are committed to building a climate of fairness, honesty, trust and sincerity – not just with our clients but also with our partners, employees, shareholders, the community and the government.

Focusing on human capital

We recognise that human capital is a key asset, and that our success is to a large extent driven by the attitude, professionalism, success and technical expertise of our employees. As such, we strive to create and maintain a work environment conducive to our employees and we continue to invest in their professional growth and development.

Philanthropy

Over the years, we have used our annual seventh month dinner event as a fund-raising platform. In 2015, we raised a total sum of S$498,818 in donations for six charities: HCA Hospice Care, Children's Cancer Foundation, The Straits Times School Pocket Money Fund, Students Care Service, Down Syndrome Association and National Arthritis Foundation.

Supporting the local golf scene

We support the local golf scene through our sponsorship of the Boustead Golf Open, an annual tournament that has been part of the Singapore Professional Golfers' Association Tour since 2013.

Governance

We are committed to maintaining a high standard of corporate governance within our Group, in line with the principles set out in Singapore's Code of Corporate Governance 2012. This establishes and maintains a legal and ethical environment within our Group to preserve the interests of all of our shareholders and stakeholders, and is also aligned with our corporate value of adhering to the highest standards of ethical and moral conduct and upholding our excellent reputation for credibility, integrity, quality, reliability and trust. Please refer to pages 49 to 59 of the annual report for more details on our Corporate Governance.

Delivering the Difference

Quality, Safety & Sustainability Awards

	Awarded by:			
	BCA			
	Green Mark Platinum	Green Mark Gold Plus (or LEED Gold*)	Green Mark Gold	Construction Quality Awards
2016	• Kuehne + Nagel Singapore Logistics Hub			
2015	• Edward Boustead Centre • Seagate Singapore Design Center – The Shugart			• BP: Green and Gracious Builder Award (Merit) • BP: Construction Productivity Award – Projects for Edward Boustead Centre • CONQUAS for Edward Boustead Centre
2014	• DB Schenker Shared Logistics Center 3 (Tampines LogisPark)	• Greenpac Greenhub		• BP: Construction Excellence Award (Merit) for SDV Green Hub • CONQUAS for Kerry Logistics Centre • CONQUAS for ST Electronics Building • CONQUAS for ST Electronics Hub
2013		• Kerry Logistics Centre (LEED Gold) • SDV Green Hub (LEED Gold)	• Greenpac Greenhub • Jabil Circuit • Kerry Logistics Centre • Satair Airbus Singapore Centre	• CONQUAS for SDV Green Hub
2012	• SDV Green Hub		• XP Power	• CONQUAS for Rolls-Royce Test Bed Facility
2011	• Rolls-Royce Wide Chord Fan Blade Manufacturing Facility • Rolls-Royce Test Bed Facility			
2010			• IBM Singapore Technology Park • Sun Venture Investments @ 50 Scotts Road	
2009	• Applied Materials Building	• StarHub Green		
2008				

** Awarded by U.S. Green Building Council.*

Awarded by:			
EDB	WSHC		
Solar Pioneer Awards	Overall Safety Awards	SHARP	bizSAFE Awards
		• MTU Asia Pacific Headquarters	
• Greenpac Greenhub	• BP: WSH Performance (Silver) Award	• SDV Green Hub	
	• BP: WSH Performance (Silver) Award	• Rolls-Royce Wide Chord Fan Blade Manufacturing Facility	• BP: bizSAFE Mentor
	• BP: WSH Performance (Silver) Award • BP: WSH Officer Award	• Applied Materials Building • IBM Singapore Technology Park • Singapore Aero Engine Services • The Singapore FreePort	
• Applied Materials Building	• BP: WSH Performance (Silver) Award	• StarHub Green	• BP: bizSAFE Star
			• BP: bizSAFE Partner

Legend

BCA: Building & Construction Authority
BP: Boustead Projects
EDB: Singapore Economic Development Board
LEED: Leadership in Energy & Environmental Design
SHARP: Safety & Health Award Recognition for Projects
WSH: Workplace, Safety & Health
WSHC: Workplace Safety & Health Council

Corporate Information

Directors

John Lim Kok Min
Chairman & Independent Non-Executive Director

Wong Yu Wei
Deputy Chairman & Executive Director

Thomas Chu Kok Hong
Managing Director & Executive Director

Chong Lit Cheong
Independent Non-Executive Director

Dr Tan Khee Giap
Independent Non-Executive Director

James Lim Jit Teng
Independent Non-Executive Director

Audit & Risk Committee

Chong Lit Cheong
(Chairman)

John Lim Kok Min

Dr Tan Khee Giap

Nominating Committee

John Lim Kok Min
(Chairman)

Dr Tan Khee Giap

James Lim Jit Teng

Wong Yu Wei

Thomas Chu Kok Hong

Remuneration Committee

Dr Tan Khee Giap
(Chairman)

Chong Lit Cheong

James Lim Jit Teng

Share Registrar

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

Auditors

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

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

Principal Bankers

United Overseas Bank Ltd

DBS Bank Ltd

Malayan Banking Bhd

The Hongkong and Shanghai Banking Corporation Ltd

Place of Incorporation

Singapore

Date of Incorporation

29 May 1996

Company Secretary

Tay Chee Wah

Company Registration

199603900E

Registered Office

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

Stock Exchange Listing

Singapore Exchange Securities Trading Ltd

Financial Statements

Contents

Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 March 2016 and the balance sheet of the Company as at 31 March 2016.

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 61 to 122 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 2016 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; 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
Dr Tan Khee Giap
James Lim Jit Teng
Chong Lit Cheong

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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 21.04.2016	At 31.03.2016	At 1.4.2015 or date of appointment, if later	At 21.04.2016	At 31.03.2016	At 1.4.2015 or date of appointment, if later
Boustead Projects Limited						
(No. of ordinary shares)						
John Lim Kok Min	169,296	169,296	-	-	-	-
Wong Yu Wei (Huang Youwei)	481,471	481,471	-	-	-	-
Chu Kok Hong @ Choo Kok Hong	243,799	243,799	-	1,578	1,578	-
James Lim Jit Teng	-	-	-	1,113,624	1,113,624	-
Ultimate Holding Company						
- Boustead Singapore Limited						
(No. of ordinary shares)						
John Lim Kok Min	564,322	564,322	564,322	-	-	-
Wong Yu Wei (Huang Youwei)	104,669	63,029	34,273	-	-	-
Chu Kok Hong @ Choo Kok Hong	210,318	147,856	104,051	5,198	5,198	5,198
James Lim Jit Teng	-	-	-	3,759,371	3,759,371	3,712,084
Shares awards (unvested) granted under the Boustead Restricted Share Plan 2011						
Wong Yu Wei (Huang Youwei)	17,719	59,359	87,323	-	-	-
Chu Kok Hong @ Choo Kok Hong	26,578	89,040	130,986	-	-	-
Related corporation						
- Geologic Pte Ltd						
(No. of ordinary shares)						
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.

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

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

Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

AUDIT & RISK COMMITTEE

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

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

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 balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2016 before their submission to the Board of Directors.

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

INDEPENDENT AUDITOR

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

On behalf of the directors

Wong Yu Wei (Huang Youwei)
Director

Chu Kok Hong @ Choo Kok Hong
Director

Singapore
27 June 2016

Corporate Governance

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

The Board is pleased to present the Corporate Governance Report (the “Report”) which outlines the Company’s corporate governance practices with specific reference made to the principles and guidelines of the Code, which forms part of the continuing obligations of the Listing Rules of the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”). Where there are deviations from the Code, appropriate explanations are provided.

BOARD MATTERS

Principle 1: The Board’s Conduct of Affairs

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

- approval of corporate strategies;
- approval of the Group’s annual operating and capital budgets;
- approval for the release of financial results announcements;
- approval of the annual report and accounts;
- convening of shareholders’ meetings;
- recommendations of dividend payments and other distributions to shareholders;
- approval of material acquisition and disposal of assets; and
- approval of the Group’s risk appetite and internal controls.

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

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

The current members of the Board have been directors of the Company for at least one year and they have familiarised themselves with the Company’s business operations and governance practices. Newly appointed directors are given comprehensive briefings by management on the business operations, strategies and plans of the Group. All non-executive directors are welcome to request for additional explanations, briefings and informal discussions on any aspect of the Group’s operations or business issues at all times.

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

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

The Board conducts scheduled meetings on a regular basis. Where necessary, additional Board meetings are also held to address significant transactions or issues that arise. A total of 4 formal Board meetings, 4 formal Audit & Risk Committee meetings, 1 formal Nominating meeting and 1 formal Remuneration meeting were held in the course of the year under review. Further to these, the Board and Audit & Risk Committee members also held several informal discussions on various issues relating to corporate strategy, risk management and to address any specific significant matters that may arise.

Corporate Governance

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

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

Notes:

(1) *A Remuneration Committee meeting was held on 28 April 2016 to discuss the remuneration matters of the directors for the financial year ended 31 March 2016.*

(2) *Mr John Lim Kok Min was appointed Chairman of the Nominating Committee with effect from 1 October 2015 in place of Dr Tan Khee Giap who remains as a member of the Nominating Committee.*

(3) *Mr John Lim Kok Min relinquished his role as a member of the Remuneration Committee with effect from 1 October 2015.*

(4) *Mr James Lim Jit Teng relinquished his role as a member of the Audit & Risk Committee with effect from 1 October 2015.*

(5) *Mr Chong Lit Cheong was appointed Chairman of the Audit & Risk Committee with effect from 1 October 2015 in place of Mr John Lim Kok Min who remains as a member of the Audit & Risk Committee.*

The Company's Constitution allow a Board meeting to be conducted by way of teleconference and video-conference.

Principle 2: Board Composition and Guidance

Presently, the Board comprises six directors, four of whom are independent directors. The Board is of the view that the current board size is appropriate, taking into account the nature and scope of the Company's operations. The Board is also able to exercise objective judgement on corporate affairs independently, in particular, from the management of the Company.

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

John Lim Kok Min (Chairman and Independent Non-Executive Director)
Wong Yu Wei (Huang Youwei) (Deputy Chairman and Executive Director)
Chu Kok Hong @ Choo Kok Hong (Managing Director and Executive Director)
Dr Tan Khee Giap (Independent Non-Executive Director)
James Lim Jit Teng (Independent Non-Executive Director)
Chong Lit Chong (Independent Non-Executive Director)

Non-executive directors constructively help develop proposals on strategy and capital management. They also set objectives and targets for management, review and monitor management performance. At meetings of the Board, the Directors are free to discuss and openly challenge the views presented by Management and other Directors. The decision making process is an objective one.

To facilitate a more effective check on management, non-executive directors also meet at least once a year without the presence of management.

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

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

Corporate Governance

Principle 3: Chairman and Managing Director/Chief Executive Officer

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

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

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

Principle 4: Board Membership

Nominating Committee

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

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

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

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

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

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

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

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

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

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

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

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

New directors are appointed by the Board after the Nominating Committee recommends their appointment. When the need for a new director arises, the Nominating Committee will review the expertise, skills and attributes of the Board, identify its needs and shortlist candidates with the appropriate profiles for nomination. The search may be through professional recruiters, contacts and recommendations.

The objective of this process is to ensure the Board collectively has the diversity, skills, knowledge and experience necessary to meet the needs of the Company.

Corporate Governance

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

Name	Position	Date of Appointment	Date of Last Re-election	Current Directorships in Listed Companies	Past Directorships in Listed Companies (in last three years)
John Lim Kok Min	Chairman & Independent Non-Executive Director	25 March 2015	30 July 2015	Silverlake Axis Ltd IREIT Global Group Pte Ltd as Managers for IREIT Global	Boustead Singapore Limited Forterra Real Estate Pte Ltd
Wong Yu Wei (Huang Youwei)	Deputy Chairman & Executive Director	1 December 2008	29 October 2014	-	-
Chu Kok Hong @ Choo Kok Hong	Managing Director & Executive Director	5 January 2009	30 July 2015	-	-
Dr Tan Khee Giap	Independent Non-Executive Director	25 March 2015	30 July 2015	TEE Land Limited Breadtalk Group Limited Artivision Technologies Limited	Forterra Real Estate Pte Ltd Hi-P International Limited
James Lim Jit Teng	Independent Non-Executive Director	25 March 2015	30 July 2015	-	-
Chong Lit Cheong	Independent Non-Executive Director	15 May 2015	30 July 2015	-	Quill Capita Management Sdn Bhd as Manager of Quill Capita Trust Capitaland Commercial Trust Management Ltd as Manager of Capitaland Commercial Trust

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

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

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

a. The respective director's actual conduct on the Board;
b. The assessment of the effectiveness of the individual director;
c. Assessment of the time and attention given by each director to the affairs of the Company and the Group.

Corporate Governance

In view of the foregoing, the Nominating Committee has not determined a maximum number of listed company board representations which any director may hold as the Nominating Committee has reviewed and is satisfied that all Directors, who sit on multiple Boards, have been able to devote sufficient time and attention to the affairs of the Company to adequately discharge their duties as Directors of the Company, notwithstanding their multiple Board appointments.

The Board does not encourage the appointment of alternate directors. No alternate director is appointed to the Board.

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

Pursuant to the Constitution of the Company, Mr Wong Yu Wei (Huang Youwei) and Mr Chong Lit Cheong shall be retiring at the Annual General Meeting to be held on 28 July 2016 ("2016 AGM"). At the recommendation of the Nominating Committee, they will be seeking re-election at the 2016 AGM.

In addition, Mr John Lim Kok Min, who was re-appointed during the Company's last Annual General Meeting to hold office until next Annual General Meeting pursuant to Section 153(6) of the Singapore's Companies Act, Chapter 50 (which has been repealed with effect from 3 January 2016), will be seeking shareholders' approval for re-appointment as a director at the 2016 Annual General Meeting to allow him to continue in office.

Key information on the Company's directors are set on pages 32 to 33 of the Annual Report.

Principle 5: Board Performance

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

The Nominating Committee assesses and recommends to the Board as to whether retiring directors are suitable for re-election. It also carries out an annual evaluation of the Board with the aim of assessing how well the Board, its committees, the directors and the Chairman are performing.

Principle 6: Access to Information

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

The Board has separate and independent access to the management team and the company secretary, as well as to all Board and Board committee minutes, resolutions and information papers. The Board and its independent directors may take independent advice as and when necessary to enable it or the independent directors to discharge their responsibilities effectively.

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

REMUNERATION MATTERS

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

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

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

Corporate Governance

The objectives of the Remuneration Committee are to provide a formal, transparent and objective procedure for fixing the remuneration packages of individual directors and key management personnel.

The Remuneration Committee reviews and approves recommendations on remuneration policies and packages to attract, retain and motivate directors and key management personnel to exert their best efforts to work towards the growth of the Group, the protection and promotion of the interests of all shareholders and the improvement of corporate performance. The review of remuneration packages takes into consideration the long term interests of the Group and ensures that the interests of the directors and key management personnel are aligned with those of shareholders. The review covers all aspects of remuneration, including but not limited to, salaries, fees, allowances, bonuses and benefits-in-kind. No member of the Remuneration Committee shall be involved in discussions concerning his own remuneration. The Committee's recommendations are submitted to the Board for endorsement.

The Remuneration Committee has appointed an external remuneration consultant, Korn Ferry Hay Group, to assist in the establishment of a proposed Restricted Share Plan for the Company. Korn Ferry Hay Group has no relationship with the Company. The Company also had the benefit of relevant data from market surveys carried out by leading firms of compensation consultants.

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

The 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. However, the Company is reviewing its human resource policies to determine the feasibility of incorporating such contractual provisions.

The remuneration of the directors in bands of S$250,000, are set out below:-

Remuneration of Directors for the year ended 31 March 2016

Name of Director	Salary	Bonus	Directors' Fee	Other Benefits	Total
S$1,000,000 to S$1,249,999					
Chu Kok Hong @ Choo Kok Hong	42%	48%	-	10%	100%
S$500,000 to S$749,999					
Wong Yu Wei (Huang Youwei)	41%	47%	-	12%	100%
Below S$250,000					
John Lim Kok Min	-	-	100%	-	100%
Dr Tan Khee Giap	-	-	100%	-	100%
James Lim Jit Teng	-	-	100%	-	100%
Chong Lit Cheong*	-	-	100%	-	100%

* *Directors' fee paid to CapitaLand Limited*

The gross remuneration received by Key Executives for the year ended 31 March 2016

Remuneration Range

S$500,000 to S$750,000
Steven Koh Boon Teik

S$250,000 to S$500,000
Lee Keen Meng
Heng Eng Kiat
Neo Eng Huat
Liew Kau Keen
How Tan Hong

Corporate Governance

The Board believes that it is for the benefit of the Company and the Group that the remuneration of the Executive Directors is not disclosed in dollar terms as the Company considers information pertaining to the remuneration of its Executive Directors to be commercially sensitive.

In addition, individual or aggregate remuneration quantum and the remuneration breakdown into percentages of its Key Executives who are not directors of the Company will not be provided due to the Company's concern that such disclosure may be prejudicial to its business interest given the highly competitive environment it is operating in as well as competitive pressure it faces in the talent market.

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

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

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

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

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

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

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

Principle 11: Risk Management and Internal Controls

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

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

Based on the internal controls policy and procedures established and maintained by the Group, the work performed by the external auditors and the reviews conducted by management and the internal auditor, the Board, with the concurrence of the Audit & Risk Committee, is of the opinion that the Group's internal controls were adequate to address financial, operational, compliance and information technology risks as at 31 March 2016.

In addition, the Audit & Risk Committee and the Board have received assurance from the Managing Director and the Chief Financial Officer that as of 31 March 2016:

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

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

Corporate Governance

Principle 12: Audit & Risk Committee

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Corporate Governance

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

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

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

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

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

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

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

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

The Audit & Risk Committee has undertaken a review of the nature and value of non-audit services provided to the Group by the external auditors during the financial year and is satisfied that the independence of the external auditors has not been impaired by the provision of these services. The Company has complied with Rule 712 and Rule 715 read together with Rule 716 of the Listing Manual of the SGX-ST in relation to the appointment of auditing firms.

Whistle-blowing Policy

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

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

Principle 13: Internal Audit

The Audit & Risk Committee oversees the implementation of an effective system of internal controls as well as putting in place a risk management framework to continually identify, evaluate and manage significant business risks of the Group. To support the Audit & Risk Committee in their role, the Audit & Risk Committee shall approve the appointment of an experienced and qualified personnel as Internal Auditor to carry out the internal audit function for the Group. The internal auditor shall report to the Audit & Risk Committee Chairman and his performance and compensation shall be reviewed by the Audit & Risk Committee. Annually, the Audit & Risk Committee shall review and approve audit plans and resource requirement prepared by the Internal Auditor and shall ensure that the Internal Auditor is able to effectively and adequately discharge his duties. The Internal Auditor shall have unrestricted access to all documents, records, properties, and personnel of the Group and unrestricted direct access to the Audit & Risk Committee in carrying out his duties and responsibilities.

Corporate Governance

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholder Rights
Principle 15: Communication with Shareholders
Principle 16: Conduct of Shareholder Meetings

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

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

The Constitution of the Company allows each shareholder to appoint up to two proxies to attend and vote at general meetings on his/her behalf. On 3 January 2016, amendments to the Companies Act (Cap. 50) came into force, under which, among other things certain members, defined as "relevant intermediary" are allowed to attend and participate in general meetings without being constrained by the two-proxy requirement. Relevant intermediary includes corporations holding licenses in providing nominee and custodial services and CPF Board which purchases shares on behalf of the CPF investors.

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

Shareholders are also given the opportunity to participate effectively and vote at general meetings, where relevant rules and procedures governing such meeting are clearly communicated. All resolutions at general meetings of the Company will be voted by poll as required by Rule 730A(2) of the Listing Manual.

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

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

DEALINGS IN SECURITIES

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

MATERIAL CONTRACTS

Since the end of the previous financial year, no material contracts involving the interest of the managing director/chief executive officer, each director or controlling shareholder of the Company has been entered into by the Company or any of its subsidiaries, and no such contract subsisted as at 31 March 2016.

Corporate Governance

INTERESTED PERSON TRANSACTIONS

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

For the financial year ended 31 March 2016, the following transactions that the Group entered into would be regarded as interested person transactions pursuant to the Listing Manual of the SGX-ST:-

Name of interested person		Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S$100,000)	
		31.3.16 S$'000	**31.3.15 S$'000**
Boustead Singapore Limited ("**BSL**") & its subsidiaries ("**BSL Group**")			
i)	Provision of central management and administration services by the BSL Group [1]	**40**	480
ii)	Lease of office premises from the BSL Group [1] (includes shared expenses such as IT, utilities and common area usage)	**194**	435
iii)	Provision of loans to the BSL Group [1]	**-**	122,930
iv)	Interest income from the BSL Group [1]	**51**	656
v)	Reimbursement to BSL for the issue of BSL shares to employees of the Company pursuant to the Boustead Restricted Share Plan 2011 [1]	**514**	482
vi)	BSL's sale of shares in its entire holding in the Entities [1]	**20,478[3]**	7,178[2]
vii)	Assignment of the Boustead Real Estate Fund Shareholder's Loan from BSL to the Company [1]	**-**	13,250
viii)	Assignment of the loan from BSL to the Company on the loan granted by BSL to Perennial Tongzhou Development Pte. Ltd.	**716**	-

Notes:

(1) *This is deemed to have been specifically approved by shareholders upon the distribution of shares by dividend in specie of 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 to the extent that there is no subsequent changes to the terms of such agreement.*

(2) *Boustead Trustee Pte. Ltd. of 2 ordinary shares; Boustead Real Estate Fund of 10,000 units, Boustead Property Services Pte. Ltd. of 2 ordinary shares; Boustead Funds Management Pte. Ltd. of 2 ordinary shares and registered capital of USD1.55 million (approximately RMB12.8 million) of Wuxi Boustead Industrial Development Co., Ltd (collectively known as the "Entities").*

(3) *Perennial Tongzhou Development Pte. Ltd. of 367,142 ordinary shares.*

Independent Auditor's Report

TO THE MEMBERS OF BOUSTEAD PROJECTS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Boustead Projects Limited (the "Company") and its subsidiaries (the "Group") set out on pages 61 to 122, which comprise the consolidated balance sheet of the Group and balance sheet of the Company as at 31 March 2016, and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016, and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

Report on other Legal and Regulatory Requirements

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

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore
27 June 2016

Consolidated Statement of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	2016 $'000	2015 $'000
Revenue	5	**255,475**	255,389
Cost of sales	6	**(196,508)**	(198,090)
Gross profit		**58,967**	57,299
Other income	8	**4,581**	4,112
Other losses - net	9	**(128)**	(465)
Expenses			
- Selling and distribution	6	**(4,017)**	(4,140)
- Administrative	6	**(23,034)**	(20,257)
- Finance	10	**(3,985)**	(1,909)
Share of loss of an associated company and joint ventures	18, 19	**(2,675)**	(1,218)
Profit before income tax		**29,709**	33,422
Income tax expense	11	**(6,844)**	(8,860)
Total profit		**22,865**	24,562
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation	30	**(1,650)**	199
Other comprehensive (loss)/income, net of tax		**(1,650)**	199
Total comprehensive income		**21,215**	24,761
Profit/(loss) attributable to:			
Equity holders of the Company		**22,865**	24,668
Non-controlling interests		**-***	(106)
		22,865	24,562
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company		**21,215**	24,867
Non-controlling interests		**-***	(106)
		21,215	24,761
Earnings per share for profit attributable to equity holders of the Company ($ per share)			
Basic and diluted earnings per share	12	**0.07**	0.08

* *Less than $1,000*

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

Balance Sheets – Group and Company

AS AT 31 MARCH 2016

		Group		Company	
	Note	2016 $'000	2015 $'000	2016 $'000	2015 $'000
ASSETS					
Current assets					
Cash and cash equivalents	13	**90,876**	114,279	**71,700**	92,419
Properties held for sale	14	**30,413**	30,437	**-**	-
Trade receivables	15	**69,737**	63,227	**60,872**	50,122
Other receivables and prepayments	15	**17,398**	195,027	**133,778**	224,278
Foreign exchange contract	16	**13**	-	**13**	-
Contracts work-in-progress	17	**6,133**	7,810	**3,453**	7,552
		214,570	410,780	**269,816**	374,371
Non-current assets					
Trade receivables	15	**-**	7,438	**-**	7,438
Other receivables and prepayments	15	**3,395**	-	**-**	-
Investment in an associated company	18	**200**	1,094	**-**	-
Investments in joint ventures	19	**13,755**	10,728	**17,203**	12,298
Investments in subsidiaries	20	**-**	-	**29,135**	2,438
Available-for-sale financial assets	21	**38,391**	17,872	**38,391**	17,872
Investment properties	22	**146,182**	159,857	**-**	-
Property, plant and equipment	23	**743**	815	**714**	791
Deferred income tax assets	26	**-**	32	**-**	-
		202,666	197,836	**85,443**	40,837
Total assets		**417,236**	608,616	**355,259**	415,208
LIABILITIES					
Current liabilities					
Borrowings	24	**5,095**	12,105	**-**	-
Trade and other payables	25	**102,877**	153,626	**158,554**	190,301
Income tax payable		**8,231**	11,307	**4,497**	7,400
Foreign exchange contract	16	**306**	-	**306**	-
Contracts work-in-progress	17	**10,375**	387	**10,375**	387
		126,884	177,425	**173,732**	198,088
Non-current liabilities					
Borrowings	24	**88,354**	174,374	**-**	-
Trade payables	25	**5,401**	2,324	**5,401**	2,324
Deferred income tax liabilities	26	**2,737**	1,848	**1**	1
		96,492	178,546	**5,402**	2,325
Total liabilities		**223,376**	355,971	**179,134**	200,413
NET ASSETS		**193,860**	252,645	**176,125**	214,795
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	27	**15,000**	15,000	**15,000**	15,000
Retained profits	29	**182,081**	239,216	**161,125**	199,795
Other reserves	30	**(3,115)**	(1,465)	**-**	-
		193,966	252,751	**176,125**	214,795
Non-controlling interests		**(106)**	(106)	**-**	-
Total equity		**193,860**	252,645	**176,125**	214,795

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

Consolidated Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	Share capital	Retained profits	Other reserves	Equity attributable to equity holders of the Company	Non-controlling interests	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000
2016							
Beginning of financial year		**15,000**	**239,216**	**(1,465)**	**252,751**	**(106)**	**252,645**
Profit for the year		**-**	**22,865**	**-**	**22,865**	**-***	**22,865**
Other comprehensive loss for the year		**-**	**-**	**(1,650)**	**(1,650)**	**-**	**(1,650)**
Total comprehensive income/(loss) for the year		**-**	**22,865**	**(1,650)**	**21,215**	**-***	**21,215**
Dividends	28	**-**	**(80,000)**	**-**	**(80,000)**	**-**	**(80,000)**
End of financial year		**15,000**	**182,081**	**(3,115)**	**193,966**	**(106)**	**193,860**
2015							
Beginning of financial year		15,000	214,548	1,190	230,738	-	230,738
Profit for the year		-	24,668	-	24,668	(106)	24,562
Other comprehensive income for the year		-	-	199	199	-	199
Total comprehensive income/(loss) for the year		-	24,668	199	24,867	(106)	24,761
Effects of corporate restructuring (Note 2)		-	-	(2,854)	(2,854)	-	(2,854)
End of financial year		15,000	239,216	(1,465)	252,751	(106)	252,645

* *Less than $1,000*

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

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	2016 $'000	2015 $'000
Cash flows from operating activities			
Profit before income tax		**29,709**	33,422
Adjustments for:			
- Depreciation expense		**6,593**	4,246
- Share of loss of an associated company and joint ventures		**2,675**	1,218
- Employee share-based compensation expense		**514**	482
- Fair value losses on foreign exchange contracts		**104**	-
- Interest income		**(3,365)**	(2,960)
- Finance expenses		**3,985**	1,909
- Unrealised currency translation losses/(gains)		**128**	(167)
		40,343	38,150
Change in working capital:			
- Trade and other receivables		**(6,636)**	(12,809)
- Contracts work-in-progress		**11,665**	(9,511)
- Trade and other payables		**(4,765)**	9,812
Cash generated from operations		**40,607**	25,642
Interest received		**3,365**	2,960
Interest paid		**(3,985)**	(1,909)
Income tax paid		**(8,999)**	(6,106)
Net cash provided by operating activities		**30,988**	20,587
Cash flows from investing activities			
Purchase of property, plant and equipment		**(224)**	(324)
Additions to investment properties		**-**	(54,880)
Purchase of available-for-sale financial assets		**(20,519)**	-
Consideration paid for acquisition of subsidiaries		**(7,178)**	-
Proceeds from repayment of loan by ultimate holding company		**130,430**	12,934
Proceeds from repayment of loan by an associated company		**-**	7,487
Proceeds from repayment of loans by joint ventures		**51,981**	221
Loans to joint ventures		**(11,399)**	(58,596)
Loan to a related party		**(2,710)**	-
Net cash provided by/(used in) investing activities		**140,381**	(93,158)
Cash flows from financing activities			
Proceeds from borrowings		**-**	141,084
Repayment of borrowings		**(93,030)**	(6,760)
Loan from ultimate holding company		**-**	282
Repayment of loan from ultimate holding company		**(20,750)**	(2,246)
Dividends paid		**(80,000)**	-
Net cash (used in)/provided by financing activities		**(193,780)**	132,360
Net (decrease)/increase in cash and cash equivalents		**(22,411)**	59,789
Cash and cash equivalents			
Beginning of financial year	13	**114,279**	54,598
Effect of currency translation on cash and cash equivalents		**(992)**	(108)
End of financial year	13	**90,876**	114,279

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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

1. GENERAL INFORMATION

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

The principal activities of the Company are to design-and-build and develop industrial facilities and industrial parks for lease or sale. The principal activities of its subsidiaries, associated company and joint ventures are set out in Note 2 of the financial statements.

2. CORPORATE RESTRUCTURING

For the purpose of the listing on the Singapore Exchange on 30 April 2015, the name of the Company was changed from Boustead Projects Pte Ltd to Boustead Projects Limited.

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2. CORPORATE RESTRUCTURING (cont'd)

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

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

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

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

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

The consideration for the acquisition of the subsidiaries amounted to $7,178,000 (included within "trade and other payables" as at 31 March 2015), of which $4,784,000 related to an entity acquired via a subsidiary of the Company. The consideration was settled on 29 April 2015. The difference between the consideration for the acquisition of the subsidiaries and the amount of the share capital of the subsidiaries has been recognised separately as merger reserve, a component of equity. Refer to Note 30 for the movement in merger reserve.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2. CORPORATE RESTRUCTURING (cont'd)

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

Name of companies	Principal activities	Country of business incorporation	Equity holding	
			2016 %	**2015 %**
Significant subsidiaries held by the Company				
PIP Pte Ltd [(1)]	Provide project management, design, construction and property-related services	Singapore	**100**	100
BP-CA Pte Ltd [(1)]	Holding of property for rental income	Singapore	**100**	100
BP-SFN Pte Ltd [(1)]	Holding of property for rental income	Singapore	**100**	100
BP-UMS Pte Ltd [(1)]	Holding of property for rental income	Singapore	**100**	100
BP-Tuas1 Pte Ltd [(1)]	Holding of property for rental income	Singapore	**100**	100
CN Logistics Pte Ltd [(1)]	Holding of property for rental income	Singapore	**100**	100
BP-BBD Pte Ltd [(1)]	Holding of property for rental income	Singapore	**100**	100
BP-JCS Pte Ltd [(1)]	Holding of property for rental income	Singapore	**100**	100
BP-TN Pte Ltd [(1)]	Holding of property for rental income	Singapore	**100**	100
BP-EA Pte Ltd [(1)]	Holding of property for rental income	Singapore	**100**	100
BP-PRC Pte Ltd [(1)]	Investment holding	Singapore	**100**	100
Wuxi Boustead Industrial Development Co. Ltd [(3)]	Development of industrial space for lease/sale	People's Republic of China	**100**	100
BP Engineering Solutions Sdn Bhd [(2)]	Provide project management, design, construction and property-related services	Malaysia	**100**	100
BP Lands Sdn Bhd [(2)]	Investment holding	Malaysia	**100**	100
Boustead Projects E&C Pte Ltd [(1)]	Provide project management, design, construction and property-related services	Singapore	**100**	100
Boustead Projects (Vietnam) Co. Ltd [(3)]	Design-and-build contractors	Vietnam	**100**	100
Boustead Real Estate Fund [(1)]	Private business trust	Singapore	**100**	100
Boustead Trustees Pte Ltd [(1)]	Trustee for real estate trust	Singapore	**100**	100
Boustead Funds Management Pte Ltd [(1)]	Property fund management	Singapore	**100**	100
Boustead Property Services Pte Ltd [(1)]	Management of properties	Singapore	**100**	100

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2. CORPORATE RESTRUCTURING (cont'd)

Name of companies	Principal activities	Country of business incorporation	Equity holding 2016 %	Equity holding 2015 %
Significant subsidiaries held by the Company (cont'd)				
BP-TM Ptd Ltd [5]	Investment holding	Singapore	**100**	-
BP-IDN Ptd Ltd [5]	Investment holding	Singapore	**100**	-
BP-DC Ptd Ltd [5]	Development of industrial space for lease/sale	Singapore	**100**	-
PT Boustead Projects Land [5]	Property development for lease/sale	Indonesia	**100**	-
Boustead Projects (Thailand) Co. Ltd [4]	Provide project management, design, construction and property-related services	Thailand	**100**	100
Boustead Crescendas Holdings Ptd Ltd [4]	Investment holding	Singapore	**55**	55
Boustead Projects Investments Ptd Ltd [1][4]	Holding of property for rental income	Singapore	**100**	100
BP-Conti Alloy Ptd Ltd [1][4]	Holding of property for rental income	Singapore	**100**	100
Significant joint ventures held by the Company				
BP-Ubi Development Pte Ltd [1]	Holding of property for rental income	Singapore	**50**	50
BP-Vista LLP [1]	Holding of property for rental income	Singapore	**30**	30
BP-SF Turbo LLP [1]	Holding of property for rental income	Singapore	**50**	50
Significant associated company held by the Company's subsidiary				
THAB Development Sdn Bhd [3]	Development of industrial space for lease/sale	Malaysia	**35**	35

(1) *Audited by PricewaterhouseCoopers LLP, Singapore*
(2) *Audited by PricewaterhouseCoopers, Malaysia*
(3) *Audited by other auditors*
(4) *In the process of voluntary liquidation/strike-off*
(5) *Newly incorporated during the year*

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

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

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Interpretations and amendments to published standards effective in the financial year ended 31 March 2016

On 1 April 2015, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

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

FRS 108 Operating segments

The Group has adopted the above amendment to FRS 108 on 1 April 2015. The amendment is applicable for annual periods beginning on or after 1 July 2014. It sets out the required disclosures on the judgements made by management in aggregating operating segments. This includes description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics. The standard is further amended to require a reconciliation of segment assets to entity's assets when segment assets are reported.

The Group has included the required disclosures in Note 36 of the financial statements.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.2 Revenue recognition

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

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

(a) Construction contracts

Refer to Note 3.6 for the accounting policy for revenue from construction contracts.

(b) Sale of industrial properties

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

- the Group has transferred to the buyer the significant risks and rewards of ownership of the 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 revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(c) Interest income

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

(d) Rental income

Refer to Note 3.16(b)(i) for the accounting policy for rental income.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 Group accounting

(a) Subsidiaries

(i) Consolidation

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

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

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

(ii) Acquisitions

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

(iii) Disposals

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

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

Please refer to Note 3.22 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 2016

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 Group accounting (cont'd)

(b) Transactions with non-controlling interests

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

(c) An associated company and joint ventures

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

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

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

(i) Acquisitions

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

(ii) Equity method of accounting

In applying the equity method of accounting, the Group's share of its associated company and joint ventures' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from an associated company and joint ventures are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company or joint ventures equals to or exceeds its interest in an associated company or joint ventures, the Group does not recognise further losses, unless it has legal or constructive obligations to make or has made, payments on behalf of the associated company or joint ventures. If the associated company or joint ventures subsequently report profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

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

(iii) Disposals

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

Please refer to Note 3.22 for the accounting policy on investments in an associated company and joint ventures in the separate financial statements of the Company.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.4 Property, plant and equipment

(a) Measurement

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

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

(b) Depreciation

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

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

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

(c) Subsequent expenditure

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

(d) Disposal

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

3.5 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of 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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.6 Construction contracts

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

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

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

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

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

3.7 Investment properties

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

Investment property 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 30 years for leasehold buildings and 15 (2015: 10) 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 2016

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.8 Impairment of non-financial assets

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

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

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

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

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

An impairment loss for an asset 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.

3.9 Financial assets

(a) Classification

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

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "cash and cash equivalents" (Note 13), "trade and other receivables" (Note 15) and "contracts work-in-progress" (Note 17) on the balance sheet.

(ii) Available-for-sale financial assets

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.9 Financial assets (cont'd)

(b) Recognition and derecognition

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

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

(c) Initial measurement

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

(d) Subsequent measurement

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

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

(e) Impairment

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

(i) Loans and receivables

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

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

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

(ii) Available-for-sale financial assets

In addition to the objective evidence of impairment described in Note 3.9(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.10 Offsetting financial instruments

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

3.11 Properties held for sale

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

3.12 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.

3.13 Trade and other payables

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

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

3.14 Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. For net investment hedge, the fair value changes on the effective portion of the hedging instruments are recognised in other comprehensive income. 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.

(a) Net investment hedge

Currency forwards and options

The Group has entered into currency forwards and options that qualify as net investment hedges of foreign operation. The fair value changes on the effective portion of the currency forwards and options designated as net investment hedges are recognised in other comprehensive income in the consolidated financial statements, accumulated in the foreign currency translation reserve. On disposal of the foreign operation or maturity of the currency forwards and options, any fair value changes previously recognised in other comprehensive income is reclassified to profit or loss.

The fair value changes relating to the ineffective portion of the hedge are recognised immediately in profit or loss.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.15 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 fair values of currency forwards and options are determined using actively quoted forward exchange rates.

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

3.16 Leases

(a) When the Group is the lessee:

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

(i) Lessee - Operating leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases are recognised in profit or loss on a straight-line basis over the period of the lease.

(b) When the Group is the lessor:

The Group leases investment properties and properties held for sale under operating leases to non-related parties.

(i) Lessor - Operating leases

Leases of investment properties and properties held for sale where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the lease term.

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.17 Income taxes

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

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

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

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

Deferred income tax is measured:

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

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

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

3.18 Provisions

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

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.19 Employee compensation

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

(a) Defined contribution plans

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

(b) Share-based compensation

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

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

3.20 Currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, fair value changes on the effective portion of foreign exchange contracts designated and qualifying as net investment hedge and currency translation differences arising from net investment in foreign operations, are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.20 Currency translation (cont'd)

(c) Translation of Group entities' financial statements

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

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

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

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

3.21 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.

3.22 Investments in subsidiaries, an associated company and joint ventures

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

3.23 Segment reporting

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

3.24 Share capital

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

3.25 Dividends to the Company's shareholders

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

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

(a) Revenue recognition – construction contracts

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

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

If the percentage of completion at the balance sheet date had been higher/lower by 1% (2015: 1%) from management's estimates, the Group's revenue and gross profit would have been higher/lower by $2,895,000 (2015: $1,627,000) and $139,000 (2015: $97,000) respectively.

(b) Allowance for foreseeable losses on construction contracts

Judgement is exercised in determining foreseeable losses on construction contracts. In making such judgement, the Group evaluates by relying on past experience and cost estimates. A significant degree of estimate is required in assessing the cost estimates based on suppliers' quotation or engineers' estimates and taking into consideration the escalation of costs in the country in which the project takes place. As at 31 March 2016, the contracts work-in-progress amounting to $4,242,000 is a net liability comprising of progress billings in excess of the cumulative costs incurred plus recognised profits (less recognised losses). As at 31 March 2015, the contract work-in-progress amounting to $7,423,000 is a net asset comprising cumulative costs incurred plus recognised profits (less recognised losses) in excess of progress billings.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

5. REVENUE

	2016 $'000	2015 $'000
Construction contract revenue	**221,089**	228,883
Property rental income	**34,386**	26,506
	255,475	255,389

6. EXPENSES BY NATURE

	2016 $'000	2015 $'000
Sub-contractor fees and other construction costs	**190,210**	194,105
Directors' fees	**244**	-
Employee compensation (Note 7)	**12,757**	12,244
Depreciation expense (Note 22 and 23)	**6,593**	4,246
Fees on audit services paid/payable to:		
- auditor of the Company for statutory audit	**179**	158
- auditor of the Company for other audit services	**-**	145
- other auditors	**5**	15
Property tax	**3,452**	2,512
Rental expenses	**4,845**	3,978
Maintenance expenses	**666**	465
Selling expenses	**293**	182
Legal and professional fees	**2,693**	2,823
Fair value losses on foreign exchange contracts	**104**	-
Others	**1,518**	1,614
Total cost of sales, selling and distribution and administrative expenses	**223,559**	222,487

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

7. EMPLOYEE COMPENSATION

	2016 $'000	2015 $'000
Wages and salaries	**11,448**	11,127
Employer's contribution to defined contribution plans including Central Provident Fund	**795**	635
Share-based compensation expense	**514**	482
	12,757	12,244

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

Awards granted under the 2011 Share Plan may be subject to time-based and/or performance-based restrictions. For the Company, time-based restricted awards granted under the 2011 Share Plan will vest only after satisfactory completion of time-based service conditions, that is, after the participant has served the Company for a specified number of years.

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

Details of the shares in the Company's ultimate holding company under the 2011 Share Plan outstanding during the year are as follows:

	2016	2015
Number of shares		
Outstanding at beginning of financial year	**865,788**	639,809
Granted during the year	**-**	442,966
Vested during the year	**(276,773)**	(216,987)
Outstanding at the end of financial year	**589,015**	865,788

In FY2015, the fair value of the shares granted under the 2011 Share Plan was $1.87. The fair value was determined based on the ultimate holding company's market share price on grant date.

The ultimate holding company recharges the share-based compensation expense to the Company when incurred. The Group and Company recognised total expenses of $514,000 (2015: $482,000) relating to equity settled share-based compensation transactions during the financial year.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

8. OTHER INCOME

	2016 $'000	2015 $'000
Interest income		
- Non-related parties	**2,648**	1,717
- Associated company	**159**	445
- Related party	**57**	-
- Joint ventures	**450**	142
- Ultimate holding company	**51**	656
	3,365	2,960
Sublease income	**1,216**	1,152
	4,581	4,112

9. OTHER LOSSES - NET

	2016 $'000	2015 $'000
Currency exchange losses - net	**(128)**	(465)

10. FINANCE EXPENSES

	2016 $'000	2015 $'000
Interest expense	**3,985**	1,909

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

11. INCOME TAXES

Income tax expense

	2016 $'000	2015 $'000
Tax expense attributable to profit is made up of:		
Current income tax	**6,977**	8,978
Deferred income tax (Note 26)	**459**	44
	7,436	9,022
(Over)/under provision in prior financial years		
Current income tax	**(1,054)**	(162)
Deferred income tax (Note 26)	**462**	-
	(592)	(162)
	6,844	8,860

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:

	2016 $'000	2015 $'000
Profit before tax	**29,709**	33,422
Share of loss of an associated company and joint ventures, net of tax	**2,675**	1,218
Profit before tax and share of loss of an associated company and joint ventures	**32,384**	34,640
Tax calculated at tax rate of 17% (2015: 17%)	**5,505**	5,889
Effects of		
- tax incentives	**(552)**	(286)
- expenses not deductible for tax purposes	**1,104**	619
- intra-group unrealised gains subject to tax	**1,243**	2,809
- income not subject to tax	**(19)**	-
- different tax rates in other countries	**233**	236
- other	**(78)**	(245)
- over provision in prior financial years	**(592)**	(162)
Tax charge	**6,844**	8,860

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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.

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

	2016	**2015**
Profit attributable to equity holders of the Company ($'000)	**22,865**	24,668
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**320,000**	320,000
Basic earnings per share ($)	**0.07**	0.08

(b) Diluted earnings per share

The Company has no dilutive potential ordinary shares.

13. CASH AND CASH EQUIVALENTS

	Group		**Company**	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
Cash at bank and on hand	**36,298**	27,736	**25,100**	6,136
Short-term bank deposits	**54,578**	86,543	**46,600**	86,283
	90,876	114,279	**71,700**	92,419

The short-term bank deposits have maturities of less than a year and earn interest at a weighted average rate of 1.95% (2015: 1.21%) per annum as at balance sheet date. The carrying amounts of these assets approximate their fair value.

Cash and cash equivalents belonging to a subsidiary of the Group amounting to $4,423,000 (2015: $1,965,000) is held in the People's Republic of China ("PRC") and is subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through normal dividends.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

14. PROPERTIES HELD FOR SALE

The Group has the following properties held for sale:

Location		Description/Area	Tenure
(1)	Singapore No. 12 Changi North Way	Industrial/ Gross floor: 23,881 sq metres	60 years from 16 January 2005
(2)	Singapore No. 16 Changi North Way	Industrial/ Gross floor: 11,320 sq metres	27 years 4 months from 1 September 2007 with an option to extend a further 30 years
(3)	Singapore No. 25 Changi North Rise	Industrial/ Gross floor: 7,014 sq metres	30 years from 1 February 2007
(4)	Singapore No. 85 Tuas South Avenue 1	Industrial/ Gross floor: 10,433 sq metres	30 years from 16 April 2007 with an option to extend a further 23 years
(5)	People's Republic of China No. 3 Xin Mei Road Plot 117, Wuxi New District Wuxi Jiangsu	Industrial/ Gross floor: 4,663 sq metres	50 years from 15 April 2003
(6)	People's Republic of China No. 7 Xin Mei Road Plot 117, Wuxi New District Wuxi Jiangsu	Industrial/ Gross floor: 6,038 sq metres	50 years from 15 April 2003
(7)	People's Republic of China No. 18 Xin Mei Road Plot 117, Wuxi New District Wuxi Jiangsu	Industrial/ Gross floor: 3,238 sq metres	50 years from 15 April 2003

As at 31 March 2016, properties held for sale amounting to $8,984,000 (2015: $28,935,000) are pledged to the banks for banking facilities (Note 24).

Independent professional valuations of the Group's properties held for sale have been performed by independent valuers with appropriate recognised professional qualifications and recent experience with the location and category of the properties being valued. The valuation of $103,420,000 (2015: $107,220,000) is based on the sales comparison method and income method for comparative properties. Key inputs used in the valuations are the estimated annual net rent, internal rate of return and comparable sales in the area.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

15. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
Trade and other receivables and prepayments – current				
Trade receivables from:				
- Non-related parties	**42,977**	40,674	**36,021**	27,569
- Joint ventures	**10,891**	-	**10,876**	-
- Associated company	**131**	-	**-**	-
Retention sum receivables	**15,738**	22,553	**13,975**	22,553
Trade receivables	**69,737**	63,227	**60,872**	50,122
Other receivables and prepayments				
Loans to:				
- Ultimate holding company	**-**	130,430	**-**	122,930
- Subsidiaries	**-**	-	**126,380**	50,287
Less: Allowance for impairment of loan to a subsidiary	**-**	-	**(2,115)**	(2,115)
	-	-	**124,265**	48,172
- Joint venture	**5,453**	50,940	**5,453**	50,940
- Associated company	**3,676**	4,032	**-**	-
- Related party	**2,710**	-	**-**	-
Loans – net	**11,839**	185,402	**129,718**	222,042
Other receivables from:				
- Non-related parties	**2,948**	4,035	**1,869**	146
- Subsidiaries	**-**	-	**1,475**	400
- Joint venture	**318**	176	**318**	176
- Associated company	**474**	283	**-**	-
Deposits	**661**	1,923	**250**	1,417
Prepayments	**1,158**	3,208	**148**	97
Total other receivables and prepayments	**17,398**	195,027	**133,778**	224,278
Trade and other receivables and prepayments – non-current				
Retention sum receivables	**-**	7,438	**-**	7,438
Other receivables and prepayments				
Other receivables from:				
- Non-related parties	**1,186**	-	**-**	-
Prepayments	**2,209**	-	**-**	-
Total other receivables and prepayments	**3,395**	-	**-**	-

In FY2015, the loan to ultimate holding company was unsecured, borne interest at an average of 0.42% per annum and was repayable on demand.

The loans to subsidiaries are unsecured, bear interest up to 0.42% (2015: 0.42%) per annum and are repayable on demand. The loan to a joint venture is unsecured, bears interest at 1.50% (2015: 1.50%) above Singapore Interbank Offered Rate ("SIBOR") per annum and is repayable on demand. The loan to an associated company is unsecured, bears interest at 0.50% (2015: 0.50%) above Kuala Lumpur Interbank Offered Rate ("KLIBOR") per annum and is repayable on demand. The loan to a related party is unsecured, bears interest at 1.40% (2015: Nil) above KLIBOR per annum and is repayable on demand.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

16. FOREIGN EXCHANGE CONTRACTS

		Group Fair value		Company Fair value	
	Contract notional amount $'000	Asset $'000	Liability $'000	Asset $'000	Liability $'000
2016					
Net investment hedges					
- Currency forward	**4,333**	**-**	**(306)**	**-**	**(306)**
- Option	**3,200**	**13**	**-**	**13**	**-**
		13	**(306)**	**13**	**(306)**

17. CONTRACTS WORK-IN-PROGRESS

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Contracts work-in-progress:				
Amounts due from contract customers	**6,133**	7,810	**3,453**	7,552
Aggregate contract costs incurred and profits recognised to date	**36,930**	52,983	**31,945**	26,978
Less: Progress billings	**(30,797)**	(45,173)	**(28,492)**	(19,426)
	6,133	7,810	**3,453**	7,552
Contract work-in-progress				
Amounts due to contract customers	**10,375**	387	**10,375**	387
Progress billings	**98,206**	15,422	**98,206**	15,422
Less: Aggregate contract costs incurred and profits recognised to date	**(87,831)**	(15,035)	**(87,831)**	(15,035)
	10,375	387	**10,375**	387

As at 31 March 2016, there are no (2015: $Nil) advances received from customers for contract work.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

18. INVESTMENT IN AN ASSOCIATED COMPANY

Set out below is the associated company of the Group as at 31 March 2016. The associated company as listed below has share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation is also its principal place of business.

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

THAB Development Sdn Bhd ("THAB") was set up as a property development company cum 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. Construction has commenced following the launch of phase 1 in October 2014. Any share of results from the sale of industrial plots will be recognised upon completion of construction.

THAB has taken bank financing to finance its development and the Group has granted a proportional corporate guarantee to the bank as security for the loan of $27,110,000 (2015: $25,834,000).

Summarised financial information for associated company

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

Summarised balance sheet

	THAB Development Sdn Bhd and its subsidiary As at 31 March	
	2016 $'000	**2015 $'000**
Current assets	**75,185**	47,665
Non-current assets	**3,329**	1,075
Current liabilities	**(38,073)**	(20,461)
Non-current liabilities	**(37,612)**	(25,058)
Net assets	**2,829**	3,221

Summarised statement of comprehensive income

	THAB Development Sdn Bhd and its subsidiary For the financial year ended 31 March	
	2016 $'000	**2015 $'000**
Revenue	**-**	-
Loss before income tax	**(32)**	(127)
Loss after income tax and total comprehensive loss	**(392)**	(127)

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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

Reconciliation of summarised financial information

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

	THAB Development Sdn Bhd and its subsidiary As at 31 March	
	2016 $'000	**2015 $'000**
Net assets		
Beginning of financial year	**3,221**	3,348
Loss for the financial year	**(392)**	(127)
End of financial year	**2,829**	3,221
Interest in associated company (35%)	**990**	1,127
Elimination of share of unrealised construction profits	**(660)**	-
Currency translation difference	**(130)**	(33)
Carrying value	**200**	1,094

19. INVESTMENTS IN JOINT VENTURES

	Company	
	2016 $'000	**2015 $'000**
Beginning of financial year	**12,298**	4,863
Additions	**-**	-*
Shareholders' loans	**4,905**	7,435
End of financial year	**17,203**	12,298

* *Less than $1,000*

Set out below are the joint ventures of the Group as at 31 March 2016, which in the opinion of the directors are material to the Group. The joint ventures are funded via a combination of share capital and shareholders' loans. The countries of incorporation of these joint ventures are also their principal places of business.

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

19. INVESTMENTS IN JOINT VENTURES (cont'd)

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

	2016 $'000	2015 $'000
BP-Ubi Development Pte Ltd	**-**	546
BP-Vista LLP	**3,325**	6,818
BP-SF Turbo LLP	**1,580**	71
	4,905	7,435

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

BP-Ubi Development, an investment holding company, has a 100% owned subsidiary, BP-Ubi Industrial Pte Ltd ("BP-Ubi Industrial") which is in the business of holding property for rental income.

BP-Ubi Industrial has taken financing from the bank to finance its development of the investment property and the Group has granted a proportional corporate guarantee to the bank as security for the loan of $22,050,000 (2015: $22,850,000).

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

BP-Vista LLP ("BP-Vista")

On 28 December 2014, the Company established a partnership, BP-Vista with a Middle-Eastern sovereign wealth fund to jointly acquire land and develop an investment property at One-North Business Park, Singapore for lease.

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

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

On 30 December 2014, the Company established a partnership, BP-SF Turbo with the same Middle-Eastern sovereign wealth fund to jointly develop an investment property at Seletar Aerospace Park, Singapore for lease.

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

The investment property was completed during the financial year ended 31 March 2016.

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

19. INVESTMENTS IN JOINT VENTURES (cont'd)

Summarised financial information for joint ventures

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

Summarised balance sheet

	BP-Vista LLP		BP-SF Turbo LLP		BP-Ubi Development Pte Ltd and its subsidiary		Total	
	As at 31 March		As at 31 March		As at 31 March		As at 31 March	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Current assets	**3,899**	5,662	**856**	142	**1,915**	1,775	**6,670**	7,579
Includes:								
- Cash and cash equivalents	**1,109**	1,039	**648**	142	**1,433**	1,596	**3,190**	2,777
Non-current assets	**93,950**	68,012	**9,989**	26	**31,884**	33,123	**135,823**	101,161
Current liabilities	**(16,446)**	(51,096)	**(5,616)**	(168)	**(2,328)**	(2,647)	**(24,390)**	(53,911)
Includes:								
- Financial liabilities (excluding trade and other payables)	**(5,453)**	(50,940)	**-**	(142)	**(800)**	(800)	**(6,253)**	(51,882)
- Other liabilities (including trade and other payables)	**(10,993)**	(156)	**(5,616)**	(26)	**(1,528)**	(1,847)	**(18,137)**	(2,029)
Non-current liabilities	**(81,413)**	(22,720)	**(5,087)**	-	**(32,068)**	(32,868)	**(118,568)**	(55,588)
Includes:								
- Financial liabilities	**(47,600)**	-	**(1,786)**	-	**(21,250)**	(22,050)	**(70,636)**	(22,050)
Net (liabilities)/assets	**(10)**	(142)	**142**	-*	**(597)**	(617)	**(465)**	(759)

* *Less than $1,000*

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

19. INVESTMENTS IN JOINT VENTURES (cont'd)

Summarised statement of comprehensive income

	BP-Vista LLP		BP-SF Turbo LLP		BP-Ubi Development Pte Ltd and its subsidiary		Total	
	For the financial year ended 31 March		For the financial year ended 31 March		For the financial year ended 31 March		For the financial year ended 31 March	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Revenue	**-**	-	**329**	-	**3,168**	1,618	**3,497**	1,618
Interest income	**142**	-	**-**	-	**8**	71	**150**	71
Expenses	**(10)**	(142)	**(187)**	-	**(2,944)**	(2,207)	**(3,141)**	(2,349)
Includes:								
- Depreciation and amortisation	**-**	-	**(124)**	-	**(1,407)**	(1,269)	**(1,531)**	(1,269)
- Interest expense	**-**	(142)	**(14)**	-	**(631)**	(374)	**(645)**	(516)
- Other expenses	**(10)**	-*	**(49)**	-*	**(906)**	(564)	**(965)**	(564)
Profit/(loss) before income tax	**132**	(142)	**142**	-*	**232**	(518)	**506**	(660)
Income tax expense	**-**	-	**-**	-	**(212)**	(82)	**(212)**	(82)
Profit/(loss) after income tax and total comprehensive income	**132**	(142)	**142**	**-***	**20**	(600)	**294**	(742)

* *Less than $1,000*

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

Reconciliation of summarised financial information

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

	BP-Vista LLP		BP-SF Turbo LLP		BP-Ubi Development Pte Ltd and its subsidiary		Total	
	As at 31 March		As at 31 March		As at 31 March		As at 31 March	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Net liabilities								
Beginning of financial year	**(142)**	-	**-***	-	**(617)**	(17)	**(759)**	(17)
Profit/(loss) for the financial year	**132**	(142)	**142**	-*	**20**	(600)	**294**	(742)
End of financial year	**(10)**	(142)	**142**	-*	**(597)**	(617)	**(465)**	(759)
Interests in joint ventures (30%; 50%; 50%)	**(3)**	(43)	**71**	-*	**(299)**	(309)	**(231)**	(352)
Shareholders' loans	**10,143**	6,818	**1,651**	71	**5,409**	5,409	**17,203**	12,298
Elimination of share of unrealised construction profits	**(516)**	-	**(1,544)**	-	**(1,157)**	(1,218)	**(3,217)**	(1,218)
Carrying value	**9,624**	6,775	**178**	71	**3,953**	3,882	**13,755**	10,728

* *Less than $1,000*

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

20. INVESTMENTS IN SUBSIDIARIES

	Company	
	2016 **$'000**	**2015** **$'000**
Unquoted equity shares at cost		
Beginning of financial year	**2,671**	233
Additions	**15,000**	2,438
Disposals	**-**	-*
End of financial year	**17,671**	2,671
Loan to a subsidiary	**11,697**	-
Total investments in subsidiaries	**29,368**	2,671

* *Less than $1,000*

	Company	
	2016 **$'000**	**2015** **$'000**
Movement in the impairment loss		
Beginning and end of financial year	**233**	233
Investments in subsidiaries - net	**29,135**	2,438

The addition during the financial year ended 31 March 2016 relate to Boustead Projects E&C Pte Ltd.

The loan to a subsidiary form part of the Company's net investment in the subsidiary. The loan is unsecured, bears interest at 0.50% (2015: Nil) above KLIBOR per annum. Repayment of the loan is neither planned nor likely to occur in the foreseeable future.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

21. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group and Company	
	2016 $'000	**2015 $'000**
Beginning of financial year	**17,872**	17,872
Additions	**20,519**	-
End of financial year	**38,391**	17,872

Available-for-sale financial assets are analysed as follows:

	Group and Company	
	2016 $'000	**2015 $'000**
Unquoted securities		
- Equity securities, at fair value	**17,872**	17,872
- Equity securities, at cost	**20,519**	-
	38,391	17,872

Included within available-for-sale financial assets is an unquoted equity security amounting to $17,872,000 (2015: $17,872,000) carried at fair value. There is no active market for the security and the fair value is determined based on the share of the investee's underlying net assets adjusted for recent property valuation.

The remaining available-for-sale financial asset is an unquoted equity security amounting to $20,519,000 (2015: $Nil) carried at cost. There is no active market for the security and the fair value cannot be reasonably measured.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

22. INVESTMENT PROPERTIES

	Group	
	2016 $'000	2015 $'000
Cost		
Beginning of financial year	**170,648**	115,768
Additions	**-**	54,880
Adjustments on costs finalisation	**(7,378)**	-
End of financial year	**163,270**	170,648
Accumulated depreciation		
Beginning of financial year	**10,791**	6,806
Depreciation charge	**6,297**	3,985
End of financial year	**17,088**	10,791
Net book value		
End of financial year	**146,182**	159,857

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

The following amounts are recognised in profit and loss:

	Group	
	2016 $'000	2015 $'000
Rental income	**24,650**	17,319
Direct operating expenses arising from:		
- Investment properties that generate rental income	**5,378**	3,725

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

22. INVESTMENT PROPERTIES (cont'd)

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

Location	Description	Existing use	Terms of lease
10 Seletar Aerospace Heights	Industrial/Leasehold	Rental	30 years from 1 June 2012
80 Boon Keng Road (Phase 1)	Industrial/Leasehold	Rental	56 years from 1 April 2011
16 Tampines Industrial Cresent	Industrial/Leasehold	Rental	30 years from 16 June 2012
26 Changi North Rise	Industrial/Leasehold	Rental	60 years from 30 April 2010
10 Changi North Way	Industrial/Leasehold	Rental	54 years from 16 September 2010
80 Boon Keng Road (Phase 2)	Industrial/Leasehold	Rental	46 years from 1 October 2013
31 Tuas South Ave 10	Industrial/Leasehold	Rental	30 years from 16 December 2013
10 Tukang Innovation Drive	Industrial/Leasehold	Rental	30 years from 1 November 2013
36 Tuas Road	Industrial/Leasehold	Rental	12 years from 1 October 2013

Independent professional valuations of the Group's investment properties have been performed by independent valuers with appropriate recognised professional qualifications and recent experience with the location and category of the properties being valued. The valuation of $259,800,000 (2015: $264,600,000) is based on the sales comparison method and income method for comparative properties. Key inputs used in the valuations are the estimated annual net rent, internal rate of return and comparable sales in the area.

As at 31 March 2016, investment properties amounting to $47,870,000 (2015: $159,857,000) have been pledged to banks for banking facilities (Note 24).

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

22. INVESTMENT PROPERTIES (cont'd)

Fair value hierarchy

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

	Fair value measurements using		
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Description	**$'000**	**$'000**	**$'000**
Recurring fair value measurements			
31 March 2016			
Investment properties:			
- Industrial buildings - Singapore	**-**	**-**	**259,800**
31 March 2015			
Investment properties:			
- Industrial buildings - Singapore	-	-	264,600

Revision of useful lives of machinery and equipment within investment properties

During the financial year, the estimated total useful lives of machinery and equipment within investment properties were revised. The net effect of the change in the current year was a decrease in depreciation expense of $1,230,000.

Assuming the assets are held till the end of their useful lives, depreciation in future years in relation to these assets will be:

	$'000	
Financial year ending 31 March		
2017 – 2020	1,230	lower per year
2021	1,216	lower per year
2022	1,093	lower per year
2023	736	lower per year
2024	419	higher per year
2025	789	higher per year
2026	2,110	higher per year
2027	2,044	higher per year
2028	1,835	higher per year
2029	1,120	higher per year
2030	878	higher per year

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

23. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery	Office computers	Office equipment, furniture and fittings	Renovations	Total
	$'000	$'000	$'000	$'000	$'000
Group					
2016					
Cost					
Beginning of financial year	**430**	**1,101**	**301**	**134**	**1,966**
Additions	**-**	**210**	**6**	**8**	**224**
Disposal	**-**	**-**	**(6)**	**-**	**(6)**
Reclassification	**-**	**-**	**23**	**(23)**	**-**
End of financial year	**430**	**1,311**	**324**	**119**	**2,184**
Accumulated depreciation					
Beginning of financial year	**199**	**716**	**192**	**44**	**1,151**
Depreciation charge	**86**	**157**	**27**	**26**	**296**
Disposal	**-**	**-**	**(6)**	**-**	**(6)**
Reclassification	**-**	**-**	**3**	**(3)**	**-**
End of financial year	**285**	**873**	**216**	**67**	**1,441**
Net book value					
End of financial year	**145**	**438**	**108**	**52**	**743**
2015					
Cost					
Beginning of financial year	411	993	212	26	1,642
Additions	19	108	89	108	324
End of financial year	430	1,101	301	134	1,966
Accumulated depreciation					
Beginning of financial year	115	574	179	22	890
Depreciation charge	84	142	13	22	261
End of financial year	199	716	192	44	1,151
Net book value					
End of financial year	231	385	109	90	815

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

23. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Plant and machinery	Office computers	Office equipment, furniture and fittings	Renovations	Total
	$'000	$'000	$'000	$'000	$'000
Company					
2016					
Cost					
Beginning of financial year	**430**	**1,096**	**274**	**127**	**1,927**
Additions	**-**	**197**	**6**	**7**	**210**
Reclassification	**-**	**-**	**23**	**(23)**	**-**
End of financial year	**430**	**1,293**	**303**	**111**	**2,137**
Accumulated depreciation					
Beginning of financial year	**199**	**713**	**187**	**37**	**1,136**
Depreciation charge	**86**	**155**	**21**	**25**	**287**
Reclassification	**-**	**-**	**3**	**(3)**	**-**
End of financial year	**285**	**868**	**211**	**59**	**1,423**
Net book value					
End of financial year	**145**	**425**	**92**	**52**	**714**
2015					
Cost					
Beginning of financial year	411	993	185	24	1,613
Additions	19	103	89	103	314
End of financial year	430	1,096	274	127	1,927
Accumulated depreciation					
Beginning of financial year	115	574	174	22	885
Depreciation charge	84	139	13	15	251
End of financial year	199	713	187	37	1,136
Net book value					
End of financial year	231	383	87	90	791

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

24. BORROWINGS

	Group	
	2016 **$'000**	**2015** **$'000**
Current		
Bank borrowings	**5,095**	12,105
Non-current		
Bank borrowings	**88,354**	174,374
Total borrowings	**93,449**	186,479

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	
	2016 **$'000**	**2015** **$'000**
6 months or less	**93,449**	186,479

(a) Security granted

Total borrowings include secured liabilities of $93,449,000 (2015: $186,479,000) for the Group. Bank borrowings are secured over investment properties (Note 22) and properties held for sale (Note 14).

(b) Fair value of non-current borrowings

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

25. TRADE AND OTHER PAYABLES

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Trade and other payables – current				
Trade payables to:				
- Non-related parties - billed	**16,553**	21,113	**15,002**	15,353
- Non-related parties - unbilled	**50,687**	65,537	**47,402**	65,537
	67,240	86,650	**62,404**	80,890
Other payables to:				
- Non-related parties	**8,563**	13,786	**57**	979
- Ultimate holding company	**-**	7,178	**-**	2,534
- Fellow subsidiary	**-**	17	**-**	17
- Subsidiary	**-**	-	**-**	45
	8,563	20,981	**57**	3,575
Retention sum payables	**22,200**	20,436	**20,548**	20,436
Accruals for operating expenses	**4,874**	4,809	**3,593**	4,197
Loan from ultimate holding company	**-**	20,750	**-**	-
Loans from subsidiaries	**-**	-	**71,952**	81,203
Trade and other payables – current	**102,877**	153,626	**158,554**	190,301
Trade payables – non-current				
Retention sum payables	**5,401**	2,324	**5,401**	2,324

In FY2015, other payables to ultimate holding company, fellow subsidiary and subsidiary were unsecured, interest free and repayable on demand. The loan from ultimate holding company was unsecured, borne interest at an average of 0.25% per annum and was repayable on demand.

Loans from subsidiaries are unsecured, bear interest up to 0.42% (2015: 0.42%) per annum and are repayable on demand.

Included in trade payables to non-related parties is a provision for liquidated damages amounting to $2,369,000 (2015: $892,000). During the financial year, there was $2,369,000 (2015: $892,000) charged to cost of sales.

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

26. DEFERRED INCOME TAXES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

	Group		Company	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
Deferred income tax assets				
- To be recovered within one financial year	**-**	32	**-**	-
- To be recovered after one financial year	**-**	-	**-**	-
	-	32	**-**	-
Deferred income tax liabilities				
- To be settled within one financial year	**-**	-	**-**	-
- To be settled after one financial year	**2,737**	1,848	**1**	1
	2,737	1,848	**1**	1

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

<u>**Group**</u>

Deferred income tax liabilities

	Accelerated tax depreciation
	$'000
2016	
Beginning of financial year	**1,848**
Charged to profit or loss	**889**
End of financial year	**2,737**
2015	
Beginning of financial year	1,772
Charged to profit or loss	76
End of financial year	1,848

Notes to the Financial Statements

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26. DEFERRED INCOME TAXES (cont'd)

Group

Deferred income tax assets

	Others
	$'000
2016	
Beginning of financial year	**32**
Charged to profit or loss	**(32)**
End of financial year	**-**
2015	
Beginning of financial year	-
Credited to profit or loss	32
End of financial year	32

Company

Deferred income tax liabilities

	Accelerated tax depreciation
	$'000
2016	
Beginning and end of financial year	**1**
2015	
Beginning and end of financial year	1

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27. SHARE CAPITAL

	No. of ordinary shares	Amount $'000
Group and Company		
2016		
Beginning of financial year	**15,000,000**	**15,000**
Post sub-division and end of financial year	**320,000,000**	**15,000**
2015		
Beginning and end of financial year	15,000,000	15,000

All issued ordinary shares are fully paid up. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

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

28. DIVIDENDS

	Group	
	2016 $'000	2015 $'000
Ordinary dividends paid		
Dividends paid in respect of the previous financial year of 25.00* cents (2015: Nil) per share (Note 29)	**80,000**	-

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

29. RETAINED PROFITS

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

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

	Company	
	2016 $'000	2015 $'000
Beginning of financial year	**199,795**	134,228
Net profit	**41,330**	65,567
Dividends paid (Note 28)	**(80,000)**	-
End of financial year	**161,125**	199,795

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

30. OTHER RESERVES

	Group	
	2016 $'000	**2015 $'000**
(a) Composition:		
Foreign currency translation reserve	**(261)**	1,389
Merger reserve (Note 2)	**(2,854)**	(2,854)
	(3,115)	(1,465)

	Group	
	2016 $'000	**2015 $'000**
(b) Movements:		
(i) Foreign currency translation reserve		
Beginning of financial year	**1,389**	1,190
Net currency translation differences arising from consolidation	**(1,461)**	199
Net currency translation difference on a currency forward designated as a hedge against a foreign subsidiary	**(189)**	-
End of financial year	**(261)**	1,389
(ii) Merger reserve		
Beginning of financial year	**(2,854)**	-
Effects of corporate restructuring	**-**	(2,854)
End of financial year	**(2,854)**	(2,854)

Other reserves are non-distributable.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

31. COMMITMENTS

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

The Group leases land from non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

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

	2016 $'000	2015 $'000
Not later than one financial year	**4,558**	4,531
Between one and five financial years	**18,231**	18,126
Later than five financial years	**143,117**	145,747
	165,906	168,404

Operating lease payments represent rent payable by the Group for the leases of leasehold land premises and are subjected to revisions at periodic intervals. The operating lease commitments estimated above are determined based on the prevailing land rent rates as at balance sheet date.

(b) Operating lease commitments - where the Group is a lessor

The Group leases out industrial space to non-related parties under non-cancellable operating leases. The leases have varying terms, escalation clauses and renewal rights.

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

	2016 $'000	2015 $'000
Not later than one financial year	**31,586**	31,222
Between one and five financial years	**95,636**	103,470
Later than five financial years	**112,424**	131,081
	239,646	265,773

Operating lease receivables are subjected to revisions at periodic intervals based on terms and conditions of the lease agreements. The operating lease commitments estimated above are determined based on the prevailing rent rates as at balance sheet date.

32. CONTINGENCIES

(a) The Company has given guarantees in favour of banks in respect of loan facilities granted to its subsidiaries, an associated company and a joint venture. The outstanding guarantees amount to $100,762,000 (2015: $131,474,000) at the balance sheet date.

(b) The Company has entered into performance guarantees of $35,065,000 (2015: $44,970,000) issued by banks in favour of third parties in respect of performance on construction contracts.

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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 Group uses financial instruments such as currency forwards and options to hedge certain financial risk exposures.

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 dominant operations in Singapore and Malaysia.

The Group is exposed to currency translation risk on the net assets in foreign operations. Currency exposure to the net assets of the Group's foreign operations in China, Malaysia and Vietnam are managed primarily through natural hedges of matching assets and liabilities and using derivatives such as foreign exchange contracts. Management reviews periodically so that the net exposure is kept at an acceptable level.

As at the end of the financial year, the Group has entered into foreign exchange contracts to hedge against the currency risk arising from the Group's net investments in a subsidiary in Malaysia. The outstanding foreign exchange contracts has notional amount totalling $7,533,000 (2015: $Nil). The net negative fair value of foreign exchange contracts is $293,000 (2015: $Nil) comprising assets of $13,000 (2015: $Nil) and liabilities of $306,000 (2015: $Nil) at the balance sheet date. If the MYR weakened/strengthened against SGD by 8% (2015: 8%) with all other variables including tax rate being held constant, the financial effects arising from the foreign exchange contracts on the Group would be an increase in other comprehensive income of $603,000 (2015: $Nil)/decrease in other comprehensive income of $347,000 (2015: $Nil). With the currency translation differences arising from the Group's net investments in the subsidiary in Malaysia, the overall financial effects on the Group would be a decrease in other comprehensive income of $333,000 (2015: $Nil)/increase in other comprehensive income of $589,000 (2015: $Nil).

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") and Renminbi ("RMB").

(ii) Price risk

The Group and the Company are exposed to equity security price risk arising from the investments held as available-for-sale financial assets.

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

If prices for available-for-sale financial assets had changed by 10% (2015: 10%) with all other variables including tax rate being held constant, the effects on profit after tax and other comprehensive income would have been:

	Increase/(Decrease)			
	2016		2015	
	Profit after tax	Other comprehensive income	Profit after tax	Other comprehensive income
	($'000)	($'000)	($'000)	($'000)
Group and Company				
Unquoted equity securities				
- increased by	**-**	**3,839**	-	1,787
- decreased by	**-**	**(3,839)**	-	(1,787)

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

33. FINANCIAL RISK MANAGEMENT (cont'd)

(a) Market risk (cont'd)

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

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

The Group's borrowings at variable rates are denominated mainly in SGD. If the SGD interest rates had been higher/lower by 1% (2015: 1%) with all other variables including tax rate being held constant, the Group's profit after tax would have been lower/higher by $677,000 (2015: lower/higher by $71,000) as a result of higher/lower interest income from loans to ultimate holding company, a joint venture, an associated company and a related party and higher/lower interest expense on borrowings. If the SGD interest rates had been higher/lower by 1% (2015: 1%) with all other variables including tax rate being held constant, the Company's profit after tax would have been higher/lower by $479,000 (2015: higher/lower by $1,169,000), as a result of higher/lower interest income on loans to ultimate holding company, subsidiaries and a joint venture and higher/lower interest expense on loans from subsidiaries.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits and trade receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit standing and history, and obtaining sufficient collateral or buying credit insurance where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

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

Before accepting any new customer, the Group 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 engage with the customer to resolve the causes of the overdue payment. There are five (2015: three) external customers which individually represent more than 5% of the Group's and Company's total trade receivables.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the balance sheet. In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially assessed up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, management believes that there is no further credit provision required in excess of the allowance for impairment of receivables.

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade and other receivables that are neither past due nor impaired are substantially due from companies with good collection track records with the Group and the Company.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

33. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Credit risk (cont'd)

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables and a loan to a subsidiary.

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

	Group		Company	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
Past due over 3 months	**3,622**	219	**3,622**	219

Financial assets past due and impaired relate to a loan to a subsidiary by the Company. The carrying amount of the loan to a subsidiary determined to be impaired and the movement in the related allowance for impairment are as follows:

	Company	
	2016 $'000	**2015 $'000**
Past due over 3 months	**2,115**	2,115
Less: Allowance for impairment	**(2,115)**	(2,115)
	-	-
Balance at beginning of financial year	**2,115**	1,967
Currency translation difference	**-**	148
Balance at end of financial year	**2,115**	2,115

There are no (2015: Nil) impaired trade receivables as at 31 March 2016.

Notes to the Financial Statements

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33. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions at a short notice. At the balance sheet date, assets held by the Group and the Company for managing liquidity risk included cash and short-term bank deposits as disclosed in Note 13.

Management monitors rolling forecasts of the liquidity reserve (comprises undrawn borrowing facilities and cash and cash equivalents (Note 13)) of the Group and the Company on the basis of expected cash flow. This is generally carried out at the local level in the operating companies of the Group in accordance with the practice and limits set by the Group. In addition, the Group's liquidity management policy involves considering the level of liquid assets necessary to meet projected cash flows, monitoring liquidity ratios and maintaining debt financing plans.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months approximate their carrying amounts as the impact of discounting is not significant.

	Less than 1 year	Between 2 and 5 years	Over 5 years
	$'000	**$'000**	**$'000**
Group			
At 31 March 2016			
Trade and other payables	**102,887**	**5,401**	**-**
Borrowings	**7,537**	**68,531**	**27,362**
At 31 March 2015			
Trade and other payables	153,626	2,324	-
Borrowings	16,550	134,493	53,587
Company			
At 31 March 2016			
Trade and other payables	**86,602**	**5,401**	**-**
Loans from subsidiaries	**72,254**	**-**	**-**
At 31 March 2015			
Trade and other payables	109,098	2,324	-
Loans from subsidiaries	81,544	-	-

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

33. FINANCIAL RISK MANAGEMENT (cont'd)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on gearing ratios and the level of total net tangible assets, which are in tandem with the requirements of the banks. The banks require the Group to have minimum total net tangible assets of $90,000,000 (2015: $90,000,000), a maximum total liability gearing ratio of 275% (2015: 275%) and maximum consolidated gearing of 1.5 (2015: 1.5) times. The Group's strategy which was unchanged from 2015, is to maintain gearing ratios and minimum level of total net tangible assets within the banks' requirements.

The total liability gearing ratio is calculated as a percentage of consolidated total liabilities divided by the consolidated tangible networth and the maximum consolidated gearing ratio is calculated as total bank debts divided by tangible net worth.

The Group is in compliance with all externally imposed capital requirements for the financial years ended 31 March 2016 and 31 March 2015.

(e) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheets and in Note 16 and Note 21 to the financial statements, except for the following:

	Group		Company	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
Loans and receivables	**184,172**	384,573	**269,655**	381,712
Financial liabilities at amortised cost	**201,727**	342,429	**163,955**	192,625

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

33. FINANCIAL RISK MANAGEMENT (cont'd)

(f) Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
Group and Company				
31 March 2016				
Assets				
Available-for-sale financial asset	**-**	**-**	**17,872**	**17,872**
Foreign exchange contract	**-**	**13**	**-**	**13**
	-	**13**	**17,872**	**17,885**
Liabilities				
Foreign exchange contract	**-**	**306**	**-**	**306**
	-	**306**	**-**	**306**
31 March 2015				
Assets				
Available-for-sale financial asset	-	-	17,872	17,872
	-	-	17,872	17,872

During the financial year ended 31 March 2016, there were no (2015: Nil) transfers between Level 1 or level 2 to Level 3 of the fair value hierarchy.

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. The fair value of foreign exchange contracts is determined using quoted forward currency rates at the balance sheet date.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

33. FINANCIAL RISK MANAGEMENT (cont'd)

(f) Fair value measurements (cont'd)

Level 3 instruments comprise one (2015: one) unquoted equity investment as at balance sheet date. The fair value of the available-for-sale financial asset amounting to $17,872,000 as at 31 March 2016 (2015: $17,872,000) is determined based on the share of the investee's underlying net assets adjusted for recent property valuation. As the valuation technique for the instrument is based on significant unobservable inputs, the instrument is classified as Level 3. The higher the underlying net assets and the property valuation, the higher the valuation of the available-for-sale financial asset.

The share of underlying net assets and property valuation adjustment as at 31 March 2016 are $17,872,000 (2015: $17,872,000) and $Nil (2015: $Nil), respectively.

An independent professional valuation of the investee's property has been performed by an independent valuer, with an appropriate recognised professional qualification, and recent experience with the location and category of the property being valued. The valuation is based on the income method. In the opinion of the directors, the valuation which was performed prior to the end of the reporting period approximates the fair value of the property as at 31 March 2016.

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

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

34. IMMEDIATE AND ULTIMATE HOLDING COMPANY

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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

	2016 $'000	2015 $'000
Share of central management and administration expenses payable to a fellow subsidiary	**40**	480
Rental expense to a fellow subsidiary (includes shared expenses such as IT, utilities and common area usage)	**194**	435
Rental expenses to a joint venture	**320**	-
Project management and development management fees from joint ventures	**(885)**	-
Construction management fee from an associated company	**(1,400)**	-
Asset management and property management fees from a joint venture	**(17)**	-
Interest income from related parties		
- ultimate holding company	**(51)**	(656)
- joint ventures	**(450)**	(142)
- associated company	**(159)**	(445)
- related party (a subsidiary of an associated company)	**(57)**	-
	(717)	(1,243)

Outstanding balances at 31 March 2016 and 31 March 2015 arising from sale/purchase of goods and services, are unsecured and receivable/payable within 12 months from balance sheet date and are disclosed in Notes 15 and 25 respectively.

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	2016 $'000	2015 $'000
Wages and salaries	**2,567**	2,517
Post-retirement benefits	**59**	56
Share-based compensation expense	**224**	121
	2,850	2,694

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

36. SEGMENT INFORMATION

Segment information is presented in respect of the Group's reportable segment provided to the senior management which comprises the Managing Director, Executive Director and Chief Financial Officer for the purpose of resource allocation and assessment of segment performance.

The senior management considers the business from both a business and geographical segment perspective.

The Group's businesses comprise the following:

(i) Design-and-Build:Provision of design-and-build expertise for industrial facilities.

(ii) Leasing: Owning and leasing of industrial facilities.

Geographically, senior management manages and monitors the business in two primary geographic areas, namely Singapore and Malaysia.

(a) Segment revenue and results

The segment information for the reportable segments is as follows:

	Design-and-build		Leasing		Elimination		Group	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**	**2016 $'000**	**2015 $'000**	**2016 $'000**	**2015 $'000**
Revenue								
External revenue	**221,089**	228,883	**34,386**	26,506	**-**	-	**255,475**	255,389
Internal revenue	**569**	74,141	**-**	-	**(569)**	(74,141)	**-**	-
Total revenue	**221,658**	303,024	**34,386**	26,506	**(569)**	(74,141)	**255,475**	255,389
Results								
Segment result	**19,330**	32,874	**18,312**	15,188	**(7,313)**	(15,691)	**30,329**	32,371
Interest income	**1,922**	2,311	**1,443**	649	**-**	-	**3,365**	2,960
Finance expense							**(3,985)**	(1,909)
Profit before tax							**29,709**	33,422
Income tax expense							**(6,844)**	(8,860)
Total profit							**22,865**	24,562

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment results represent profit earned by each segment without allocation of finance costs and income tax expense. This is the measure reported to the senior management for the purposes of resource allocation and assessment of segment performance.

	Design-and-build		Leasing		Group	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**	**2016 $'000**	**2015 $'000**
Depreciation expense	**295**	261	**6,298**	3,985	**6,593**	4,246
Share of loss/(profit) of an associated company and joint ventures	**2,864**	875	**(189)**	343	**2,675**	1,218
Property related expenses	**412**	296	**8,792**	6,848	**9,204**	7,144

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

36. SEGMENT INFORMATION (cont'd)

(b) Segment assets and liabilities

	Design-and-build		Leasing		Group	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**	**2016 $'000**	**2015 $'000**
Segment assets						
Segment assets	**191,899**	379,419	**211,382**	217,343	**403,281**	596,762
Investment in an associated company	**200**	1,094	**-**	-	**200**	1,094
Investments in joint ventures	**-**	-	**13,755**	10,728	**13,755**	10,728
Deferred income tax assets	**-**	-	**-**	-	**-**	32
Consolidated total assets					**417,236**	608,616
Additions to:						
- property, plant and equipment	**215**	324	**9**	-	**224**	324
- investment properties	**-**	-	**-**	54,880	**-**	54,880
- investments in joint ventures	**-**	-	**4,905**	7,435	**4,905**	7,435
Segment liabilities						
Segment liabilities	**107,408**	114,642	**105,000**	228,174	**212,408**	342,816
Income tax payable/ Deferred income tax liabilities	**-**	-	**-**	-	**10,968**	13,155
Consolidated total liabilities					**223,376**	355,971

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 2016

36. SEGMENT INFORMATION (cont'd)

(c) Revenue from core businesses

	Group	
	2016 $'000	**2015 $'000**
Design-and-build	**221,089**	228,883
Leasing	**34,386**	26,506
	255,475	255,389

(d) Geographical information

The Group operates primarily in Singapore and Malaysia. 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		Other countries		Group	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**	**2016 $'000**	**2015 $'000**	**2016 $'000**	**2015 $'000**
Revenue								
External sales	**229,415**	227,996	**24,475**	26,561	**1,585**	832	**255,475**	255,389
Non-current assets	**162,867**	171,376	**216**	1,111	**6**	7	**163,089**	172,494

(e) Information about major customers

There are two (2015: two) customers from the Group's design-and-build segment representing more than 10% of the Group's revenue. The customers contribute $44,527,000 and $39,993,000 (2015: $97,029,000 and $26,561,000) respectively in revenue to the Group.

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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 2016 or later periods and which the Group has not early adopted:

- **FRS 16 *Property plant and equipment* and FRS 38 *Intangible assets*** (effective for annual periods beginning on or after 1 April 2016)

  This amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. This has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. The presumption may only be rebutted in certain limited circumstances. These are where the intangible asset is expressed as a measure of revenue; or where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

  This amendment is not expected to have any significant impact on the financial statements of the Group.

- **FRS 111 *Joint Arrangements*** (effective for annual periods beginning on or after 1 April 2016)

  This amendment provides new guidance on how to account for the acquisition of an interest in a joint venture operation that constitutes a business. The amendments require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a 'business'. The amendments are applicable to both the acquisition of the initial interest in a joint operation and the acquisition of additional interest in the same joint operation. However, a previously held interest is not re-measured when the acquisition of an additional interest in the same joint operation results in retaining joint control.

  This amendment is not expected to have any significant impact on the financial statements of the Group.

- **FRS 110 *Consolidated financial statements* and FRS 28 *Investments in associates and joint ventures*** (effective for annual periods beginning on or after 1 April 2016)

  These amendments address an inconsistency between FRS 110 and FRS 28 in the sale or contribution of assets between an investor and its associate or joint venture. A full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if those assets are in a subsidiary.

  This amendment is not expected to have any significant impact on the financial statements of the Group.

- **FRS 1 *Presentation of financial statements*** (effective for annual periods beginning on or after 1 April 2016)

  The amendment clarifies guidance in FRS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

  This amendment is not expected to have any significant impact on the financial statements of the Group.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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

- **FRS 115 *Revenue from contracts with customers*** (effective for annual periods beginning on or after 1 January 2018)

  This is the converged standard on revenue recognition. It replaces FRS 11 Construction contracts, FRS 18 Revenue, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

  - Step 1: Identify the contract(s) with a customer
  - Step 2: Identify the performance obligations in the contract
  - Step 3: Determine the transaction price
  - Step 4: Allocate the transaction price to the performance obligations in the contract
  - Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

  FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

  The Group is assessing the impact of FRS 115.

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

  The complete version of FRS 109 replaces most of the guidance in FRS 39. FRS 109 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through Profit or Loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI. There is now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 39.

  For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value, through profit or loss. FRS 109 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under FRS 39.

  The Group is assessing the impact of FRS 109.

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 27 June 2016.

Management & Principal Activities

BOUSTEAD PROJECTS GROUP HEADQUARTERS

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

Main: +65 6748 3945
Fax: +65 6748 9250
Web: www.bousteadprojects.com

Managing Director: Thomas Chu
Executive Director & Senior Deputy Managing Director: Wong Yu Wei

Boustead Projects E&C Pte Ltd
82 Ubi Avenue 4
#07-01 Edward Boustead Centre
Singapore 408832

Main: +65 6748 3945
Fax: +65 6748 9250
Web: www.bousteadprojects.com

Managing Director: Thomas Chu
Executive Director & Senior Deputy Managing Director: Wong Yu Wei

Boustead Projects E&C provides technical consulting services and design-and-build expertise for industrial facilities in Singapore.

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

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

Director: Wong Yu Wei

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

BP Lands is an investment holding company in Malaysia.

Management & Principal Activities

Boustead Projects (Vietnam) Co Ltd
3A Floor, Lafayette Building
8 Phung Khac Khoan Street
Dakao Ward, District 1
Ho Chi Minh City
Vietnam

Main: +84 8 3829 5674
Fax: +84 8 3829 5681

General Director: Liew Kau Keen

Boustead Projects (Vietnam) provides technical consulting services and design-and-build expertise for industrial facilities in Vietnam.

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

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

Legal Representative: Wong Yu Wei

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

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

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

Director: Wong Yu Wei

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

Statistics of Shareholdings

AS AT 17 JUNE 2016

SHARE CAPITAL

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

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%**
1 - 99	147	4.03	5,222	0.00
100 - 1,000	852	23.36	493,631	0.15
1,001 - 10,000	2,082	57.07	7,312,462	2.29
10,001 - 1,000,000	555	15.21	29,113,481	9.10
1,000,001 AND ABOVE	12	0.33	283,075,204	88.46
TOTAL	**3,648**	**100.00**	**320,000,000**	**100.00**

LOCATION OF SHAREHOLDERS

Country	No. of Shareholders	%	No. of Shares	%**
SINGAPORE	3,526	96.65	317,160,491	99.11
MALAYSIA	75	2.06	2,204,741	0.69
OTHERS	47	1.29	634,768	0.20
TOTAL	**3,648**	**100.00**	**320,000,000**	**100.00**

Statistics of Shareholdings

AS AT 17 JUNE 2016

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%**
1	BOUSTEAD SINGAPORE LIMITED	163,861,009	51.21
2	RAFFLES NOMINEES (PTE) LIMITED	78,932,426	24.67
3	HSBC (SINGAPORE) NOMINEES PTE LTD	15,658,818	4.89
4	DBS NOMINEES (PRIVATE) LIMITED	8,550,646	2.67
5	CITIBANK NOMINEES SINGAPORE PTE LTD	5,693,653	1.78
6	MAYBANK KIM ENG SECURITIES PTE. LTD.	2,935,920	0.92
7	YEO KER KUANG	1,605,467	0.50
8	HELEN TAN CHENG HOONG	1,549,800	0.48
9	WONG SHAW SENG REGI	1,145,000	0.36
10	UOB KAY HIAN PRIVATE LIMITED	1,069,313	0.33
11	WONG HENG CHONG	1,063,533	0.33
12	OCBC SECURITIES PRIVATE LIMITED	1,009,619	0.32
13	DB NOMINEES (SINGAPORE) PTE LTD	950,719	0.30
14	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	914,102	0.29
15	DBSN SERVICES PTE. LTD.	840,644	0.26
16	G PANNIR SELVAM	708,749	0.22
17	CHANG CHING CHAU @ TEW KING CHANG	638,550	0.20
18	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	588,277	0.18
19	GAN KIM CHO @ GAN KIM CHOR	524,067	0.16
20	CHAN CHEE WENG	510,151	0.16
	Total	**288,750,463**	**90.23**

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	%	Deemed Interest	%
Wong Fong Fui	-	-	224,242,603	70.08
Boustead Singapore Limited	163,861,009	51.21	-	-

Note:

Mr Wong Fong Fui is deemed interested in 52,690,334 shares, representing approximately 16.47% 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 51.21%) held by Boustead Singapore Limited; and

(ii) 7,691,260 shares (representing approximately 2.40%) 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 17 June 2016 was approximately 29.27%.** This is in compliance with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited, which requires at least 10% of the issued ordinary shares of the company to be held by the public.

** *The percentage of issued ordinary shares is calculated based on the total number of issued shares, excluding treasury shares of the Company.*

Notice of Annual General Meeting

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

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Boustead Projects Limited (the "Company") will be held at Room MR331, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Thursday, 28 July 2016 at 9.00 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 2016 and the Independent Auditors' Report thereon. **Resolution 1**

2. To re-elect Mr Wong Yu Wei (Huang Youwei) as a director retiring under Article 94 of the Company's Constitution. **Resolution 2**

3. To re-elect Mr Chong Lit Cheong as a director retiring under Article 94 of the Company's Constitution. **Resolution 3**

   Note:
   Mr Chong Lit Cheong will, upon re-election as a director of the Company, remain as the Chairman 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.

4. To re-appoint Mr John Lim Kok Min as a director of the Company. **Resolution 4**

   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 the Nominating Committee and member of the Audit & Risk Committee. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.
   [See Explanatory Note 1]

5. To approve directors' fees of up to $244,000 for the financial year ending 31 March 2017, payable quarterly in arrears (2016: $244,000).
   [See Explanatory Note 2] **Resolution 5**

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 6**

AS SPECIAL BUSINESS

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

7. **Authority to allot and issue shares pursuant to Section 161 of the Singapore Companies Act**

   That authority be and is hereby given to the directors of the Company to:

   (i) (a) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or

   (b) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

   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

Notice of Annual General Meeting

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

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

provided that:

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

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

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

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

(iii) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the 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 3] **Resolution 7**

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

By Order of the Board

Tay Chee Wah
Company Secretary
11 July 2016

Notice of Annual General Meeting

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

Explanatory Notes on Ordinary and Special Business to be transacted

1. Mr John Lim Kok Min was re-appointed during the Company's last Annual General Meeting to hold office until next Annual General Meeting pursuant to Section 153(6) of the Singapore's Companies Act, Chapter 50, which has been repealed with effect from 3 January 2016. Accordingly, there is a need to re-appoint him during the coming Annual General Meeting to allow him to continue in office.

2. The Ordinary Resolution 5 is to allow the Company to pay directors' fees to all independent non-executive directors in arrears on a quarterly basis.

3. The Ordinary Resolution 7 is to enable the directors to issue shares in the Company up to 50% of the total number of issued shares excluding treasury shares in the capital of the Company (in the case of issuance other than on a pro-rata basis to existing shareholders, such aggregate number of shares not to exceed 20% of the total number of issued shares excluding treasury shares in the capital of the Company) for such purposes as they consider to be in the interests of the Company.

Notes:

(1) A member (other than a Relevant Intermediary*) entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A shareholder of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company.

(2) Where a member (other than a Relevant Intermediary*) appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.

(3) A Relevant Intermediary may appoint more than 2 proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).

(4) The instrument appointing a proxy must be signed by the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

(5) If a proxy is to be appointed, the instrument appointing a proxy must be duly deposited at the registered office of the Company at 82 Ubi Avenue 4, #07-01 Edward Boustead Centre, Singapore 408832 not later than 48 hours before the time appointed for the holding of the AGM.

* A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act (Chapter 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities Futures Act (Chapter 289) of Singapore and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting 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 Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (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.

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Proxy Form

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

IMPORTANT:

1. For investors who have used their CPF monies to buy shares in the capital of Boustead Projects Limited, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
2. Pursuant to Section 181(1C) of the Companies Act, Chapter 50 of Singapore, Relevant Intermediaries may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
3. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

Annual General Meeting to be held on
28 July 2016 at 9.00 a.m.
(Before completing this form, please see notes below)

I/We (Name) (NRIC/ Passport Number)

of

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

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, 28 July 2016 at 9.00 a.m. and at any adjournment thereof in the manner indicated below:

	Ordinary Resolutions:	For	Against
Resolution 1	To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 31 March 2016 and the Independent Auditors' Report thereon.		
Resolution 2	To re-elect Mr Wong Yu Wei (Huang Youwei) as a director of the Company.		
Resolution 3	To re-elect Mr Chong Lit Cheong as a director of the Company.		
Resolution 4	To re-appoint Mr John Lim Kok Min as a director of the Company.		
Resolution 5	To approve directors' fees of up to $244,000 for the year ending 31 March 2017, payable quarterly in arrears.		
Resolution 6	To re-appoint Messrs PricewaterhouseCoopers LLP as auditors of the Company and to authorise the directors to fix their remuneration.		
Resolution 7	To authorise the directors to allot and issue shares pursuant to Section 161 of the Singapore Companies Act.		

(Please indicate with a cross "X" in the spaces provided whether you wish your vote/votes to be cast for or against the Resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, your proxy/proxies may vote or abstain as he/she thinks fit.)

Signed this day of 2016

Signature(s) of Member(s) or Common Seal

Total no. of shares	No. of shares
In CDP Register	
In Register of Members	

Proxy Form

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

Notes:

1. A member (other than a Relevant Intermediary*) entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.

2. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.

3. A member of the Company having a share capital who is a Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified). In such event, the Relevant Intermediary shall submit a list of its proxies together with the information required in this form of proxy including the number and class of shares in relation to which each proxy has been appointed, to the registered office of the Company at 82 Ubi Avenue 4, #07-01 Edward Boustead Centre, Singapore 408832.

   "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

4. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Cap. 289) of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all shares held by the member.

5. This instrument appointing a proxy or proxies (together with the power of attorney (if any) under which it is signed or a certified copy thereof), must be deposited at the registered office of the Company at 82 Ubi Avenue 4, #07-01 Edward Boustead Centre, Singapore 408832 not less than 48 hours before the time fixed for holding the AGM.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

8. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the AGM in person. CPF Investors and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.

9. Agent Banks acting on the request of CPF Investors who wish to attend the AGM as Observers are required to submit in writing, a list with details of the investor's name, NRIC/Passport number, addresses and number of shares held. The list, signed by an authorised signatory of the agent bank, should reach the Company Secretary, at the Secretary's Office at 82 Ubi Avenue 4, #07-01 Edward Boustead Centre, Singapore 408832, not less than 48 hours before the time fixed for holding the AGM.

GENERAL:
The Company shall be entitled to reject a proxy form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject a proxy form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 11 July 2016.

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BOUSTEAD PROJECTS LIMITED
Company Registration No.: 199603900E

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#07-01 Edward Boustead Centre
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www.bousteadprojects.com