Developing Integrated Industrial Real Estate Solutions for

GLOBAL CLIENTS

Boustead Projects Limited
Annual Report 2017

Between the Covers

At Boustead Singapore Limited and Boustead Projects Limited, our business activities revolve around longevity and sustainability.

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

Developing Integrated Industrial Real Estate Solutions for

GLOBAL CLIENTS

As a leading industrial real estate solutions provider in Singapore, Boustead Projects has for over 20 years served clients from all over the world. From reputable small and medium-sized enterprise clients to global clients including Forbes Fortune 500, S&P 500 and Euronext 100 corporations, we have developed integrated industrial real estate solutions to match our clients' local, regional and global ambitions. In essence, we are a trusted partner of many of the world's best corporations in Singapore's industrial real estate sector, helping them to build their next stage of growth.

Our multiple and integrated 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.

As we expand regionally, we are positioned to achieve our vision to be 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 (SGX:AVM) 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. Our wholly-owned design-and-build subsidiary, Boustead Projects E&C Pte Ltd ("BP E&C") 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, food, healthcare and pharmaceutical, high-tech manufacturing, lifestyle, logistics, oil & gas, precision engineering, research & development, 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 the US Green Building Council's Leadership in Energy & Environmental Design (LEED) Program. In Singapore, BP E&C 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 (SGX:F9D), a progressive global Infrastructure-Related Engineering Services and Geo-Spatial Technology Group which is separately listed on the SGX Mainboard.

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

Contents

MEETING GLOBAL REQUIREMENTS

Boustead Projects designs and builds industrial facilities down to the smallest of details to suit clients' customised requirements and deliver true value.

Pioneering the design-and-build methodology, we have built a reputation as the leading design-and-build partner for Singapore's industrial real estate sector. Whether for global corporations expanding regionally or for small and medium-sized enterprises serving international markets, we offer a full suite of industrial real estate solutions tailored to meet every client's unique requirements and specifications.

We take great care to consider, interpret and understand our client's 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 our clients to derive true value from their sizeable investments.

Read more on page 20.

Design-and-Build Revenue

S$195.2 million

was 12% lower year-on-year as the previous year registered higher revenue mainly due to greater work progress in several significant projects.

Design-and-Build Profit Before Income Tax

S$14.9 million

was 7% higher year-on-year mainly due to the unlocking of cost savings from various projects secured earlier.

Total Contract Value

S$2.8 billion

of industrial real estate has been built covering over three million square metres of gross floor area.

Market Leading Positions

#1 in aerospace, logistics and technology industries

and also leading positions in industry clusters: industrial solutions, food, and healthcare and pharmaceutical.

Established Track Record

160+ projects

have been delivered over 20 years.

Perspective of business park development at Mediapolis, one-north, Singapore

REALISING GLOBAL AMBITIONS

The strategic direction to grow Boustead Projects' recurring income base has seen us steadily expand our industrial leasehold portfolio.

We overcome the constraints of our clients pursuing an asset light strategy but who still require custom-built facilities by delivering custom-built facilities leased back to clients under typically long-term leases. This helps our clients to realise their local, regional and global ambitions.

Pioneering the design-build-and-lease methodology, we developed our full suite of development capabilities including feasibility studies, land sourcing, development planning and financing. In recent years, our development offerings have been further enhanced through the Boustead Development Partnership and several other strategic partnerships regionally.

Today, our industrial leasehold portfolio is a result of our development capabilities and ongoing strategy to grow our recurring income base. Currently, our portfolio (both wholly-owned and joint venture properties) contains 17 completed properties and three properties under construction, housing some of the world's most reputable global corporations.

Read more on page 24.

Leasing Revenue

S$33.1 million

was 4% lower year-on-year mainly due to an early lease termination and a few partial vacancies, partially offset by the initial full-year contributions of two leases.

Leasing Profit Before Income Tax

S$21.1 million

was 34% higher year-on-year including the early lease termination compensation and impairment loss on the affected property.

Growing Industrial Leasehold Portfolio

275,000+ square metres

of gross floor area in both wholly-owned and joint venture properties including those under construction.

Diversified Tenant Base

30+ tenants

originating from a diverse range of industries.

Perspective of GSK Asia House, one-north, Singapore

DEVELOPING A GLOBAL OUTLOOK

Boustead Projects actively seeks new opportunities for collaboration across Asia with reputable joint venture partners offering complementary expertise.

We believe that developing a global outlook is necessary for medium to long-term growth. In line with this, establishing strategic partnerships has helped us to strengthen our market leading position in Singapore and cover more ground regionally. Working with like-minded and reputable partners has allowed us to pool our complementary capabilities and expertise to widen our offerings and concurrently take on larger-scale projects, while simultaneously reducing commercial and operational risks related to a particular geographic market, industry cluster or real estate sector.

As we expand regionally, our intention will be two-fold. Firstly, we aim to follow our global clients regionally and support them in establishing high quality industrial facilities in surrounding countries as they expand. Secondly, we aim to bring our many small and medium-sized enterprise clients into the international scene and support them in establishing a regional presence, aiding their transformation from local enterprises into multinational corporations.

Read more on page 30.

Investments Profit Before Income Tax

S$8.9 million

in net gain from the sale of our interest in TripleOne Somerset after deducting divestment fees.

Expanding Reach

4 strategic partnerships

to strengthen our offerings across our geographic markets, with the intention to add more strategic partnerships.

Enhancing Industrial Leasehold Portfolio

101,000+ square metres

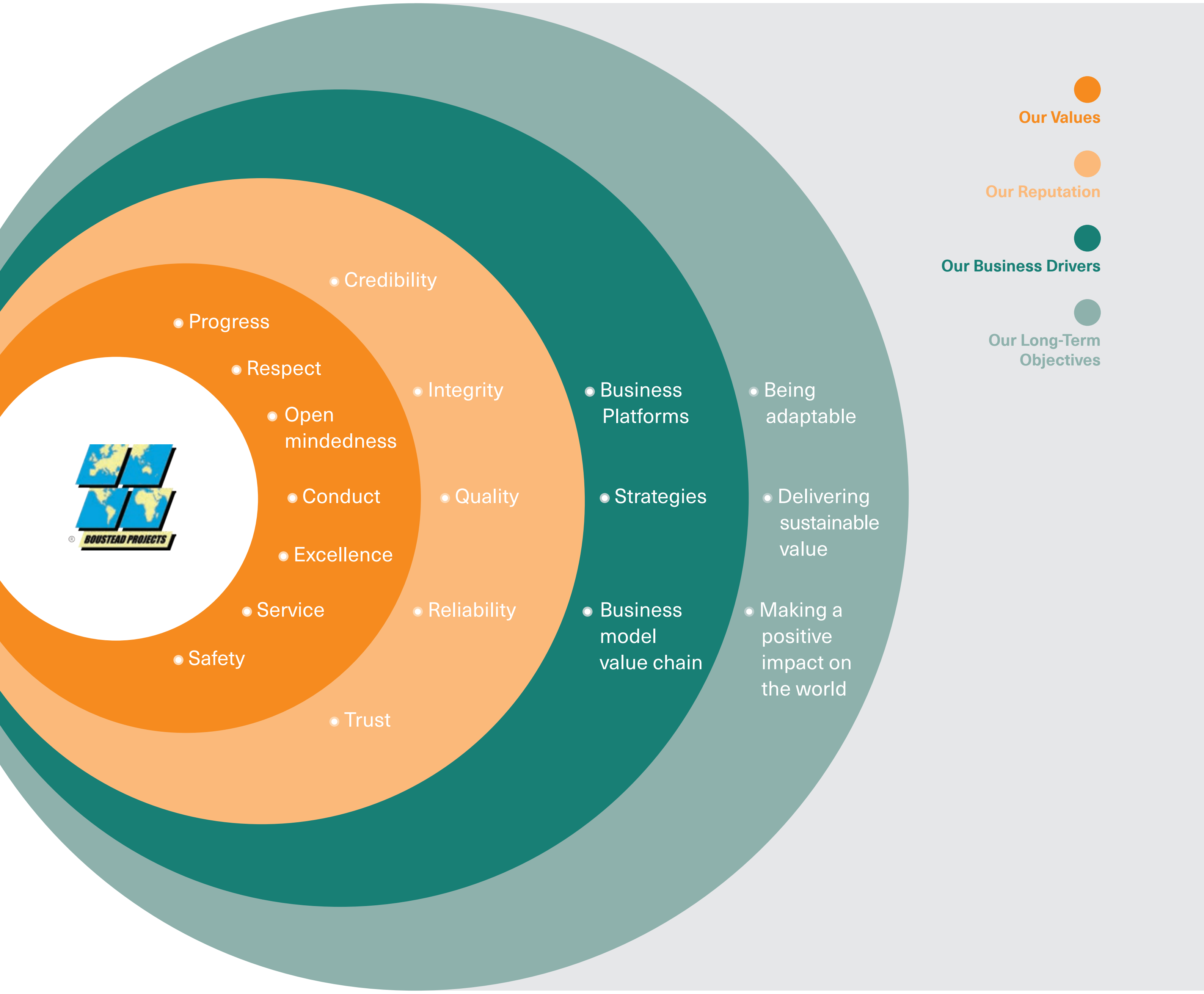
of gross floor area contributed by joint venture properties including those under construction.


Perspective of iBP @ Nusajaya, Malaysia

Business Model

Over Boustead Projects' 20 years of existence dating back to 1996, we have been doing things differently and delivering the difference to many global clients including 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, 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 being 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	Respect	Open mindedness

Conduct	Excellence	Service	Safety

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.

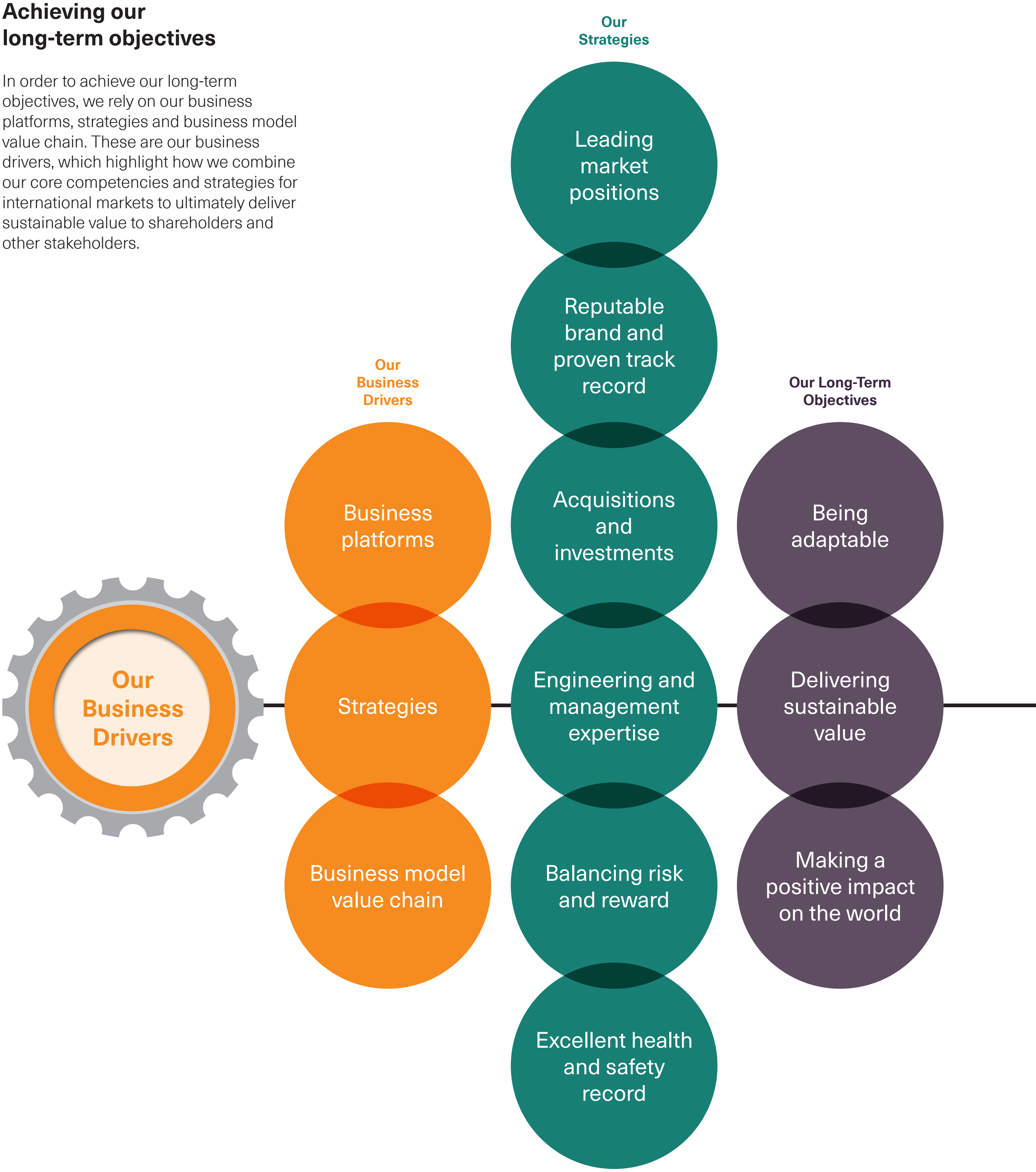
Servicing our clients
We aim to gain an in-depth understanding of our clients' needs so that we are able to provide quality products and deliver progressive answers that create value for our clients in the fast-paced global business environment.

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.

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 positioning on global megatrends
- Regional view with local market knowledge
- Focus on regional development
- 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 corporations

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 160 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

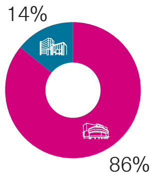
Delivering efficiency, performance and value to our clients

Generating revenue, profit and cash flow in a sustainable manner

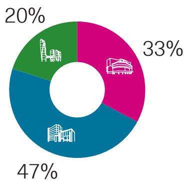
Being adaptable, delivering sustainable value and making a positive impact on the world

Group at a Glance

Group Revenue
S$228.3m
FY2016: S$255.5m



Group Profit Before Income Tax
S$44.9m
FY2016: S$29.7m



Group Net Profit
S$36.1m
FY2016: S$22.9m

Group Contracts Secured
S$140m
FY2016: S$189m

Earnings Per Share*
11.3¢
FY2016: 7.1¢

Net Asset Value Per Share*
71.7¢
FY2016: 60.6¢

Industrial Leasehold Portfolio Gross Floor Area (both completed and under construction)**
275,286 sqm
FY2016: 224,644 sqm

* *Computed on post-subdivision basis.*
** *Includes both wholly-owned and joint venture properties.*

Design-and-Build Business

What we do
Our design-and-build business provides turnkey design-and-build expertise for custom-built facilities for multinational corporations and local enterprises including:
1. Industrial facilities;
2. Commercial buildings; and
3. Industrial and business parks.

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

Read more on page 20.

Leasing Business

What we do
Our leasing business provides development and property management expertise for custom-built facilities to be leased to multinational corporations and local enterprises.

We have 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.

Strategic Partnerships & Investments

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

Read more on page 30.

FY2017 Highlights

- Awarded two design-and-build contracts by AIMS AMP Capital Industrial REIT for industrial facilities in Tuas and Marsiling
- Awarded two design-and-build contracts by Boustead Development Partnership ("BDP") for Continental Building Phase 3 at Kallang iPark and business park development ("MP8") at Mediapolis, one-north

Segment Revenue

S$195.2m

FY2016: S$221.1m

Segment Contracts Secured

S$140m

FY2016: S$189m

Segment Profit Before Income Tax

S$14.9m

FY2016: S$13.9m

Segment Employees

100

FY2016: 113

FY2017 Highlights

- BDP completed GSK Asia House at one-north
- BDP awarded development contracts for Continental Building Phase 3 at Kallang iPark and MP8 at Mediapolis, one-north

Segment Revenue

S$33.1m

FY2016: S$34.4m

Completed Properties in Industrial Leasehold Portfolio**

17

FY2016: 16

Segment Profit Before Income Tax

S$21.1m

FY2016: S$15.8m

Segment Employees

6

FY2016: 6

FY2017 Highlights

- Signed strategic framework agreement with business unit of state-owned enterprise, Guangdong Provincial Supply & Marketing Co-Operative Society to jointly develop key agricultural and commodities logistics networks
- BDP awarded development contracts for Continental Building Phase 3 at Kallang iPark and MP8 at Mediapolis, one-north
- Completed S$27.5 million sale of investment in TripleOne Somerset with net gain of S$8.9 million after deducting divestment fees

Segment Profit Before Income Tax

S$8.9m

FY2016: S$0.0m

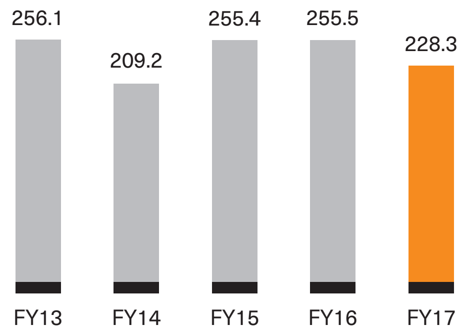
Financial Highlights

	31 Mar 13* S$'000	31 Mar 14 S$'000	31 Mar 15 S$'000	31 Mar 16 S$'000	31 Mar 17 S$'000
Revenue and Profits					
Revenue	256,107	209,165	255,389	255,475	**228,307**
Gross profit	62,489	52,901	57,299	58,967	**58,521**
Profit before income tax	63,584	39,394	33,422	29,709	**44,874**
Total profit	61,925	35,813	24,562	22,865	**36,249**
Profit for the year attributable to equity holders of the Company	61,925	35,813	24,668	22,865	**36,098**
Statement of Financial Position					
Equity attributable to equity holders of the Company	202,883	230,738	252,751	193,966	**229,378**
Non-controlling interests	-	-	(106)	(106)	**-**
Capital Employed	202,883	230,738	252,645	193,860	**229,378**
Trade receivables (non-current)	10,436	9,183	7,438	-	**-**
Other receivables and prepayments (non-current)	-	-	-	3,395	**6,064**
Investment in an associated company	-	1,172	1,094	200	**-**
Investments in joint ventures	-	4,467	10,728	13,755	**32,354**
Available-for-sale financial assets (non-current)	-	17,872	17,872	38,391	**20,519**
Investment properties	50,346	108,962	159,857	146,182	**134,796**
Property, plant and equipment	689	752	815	743	**812**
Net deferred income tax liabilities	(1,951)	(1,772)	(1,816)	(2,737)	**(3,077)**
Net current assets	172,228	140,137	233,355	87,686	**112,942**
Non-current liabilities (excluding deferred income tax liabilities)	(28,865)	(50,035)	(176,698)	(93,755)	**(75,032)**
Assets Employed	202,883	230,738	252,645	193,860	**229,378**
Financial Statistics					
Operating profit over turnover (%)	24.8	18.8	13.1	11.6	**19.7**
Return on equity (%) (Note[1])	30.5	15.5	9.8	11.8	**15.7**
Basic earnings per ordinary share (¢) (Note[2])	19.4	11.2	7.7	7.1	**11.3**
Net asset value per ordinary share (¢) (Note[3])	63.4	72.1	79.0	60.6	**71.7**

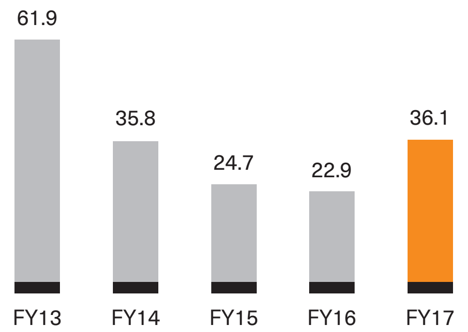
Notes:
1. *Based on profit for the year attributable to equity holders of the Company divided by equity attributable to equity holders of the Company.*
2. *Based on profit for the year attributable to equity holders of the Company divided by post-subdivision weighted average number of ordinary shares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

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

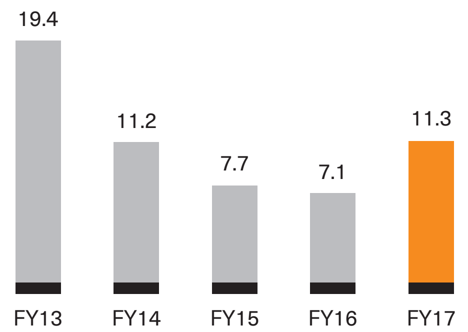
Revenue
(S$'m)



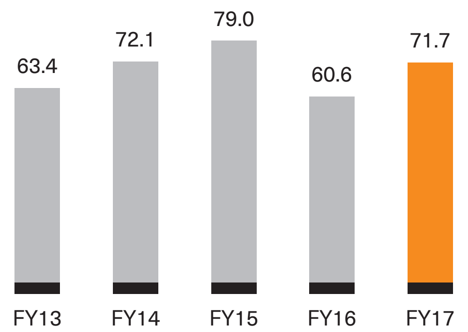
Net Profit
(S$'m)



Earnings Per Ordinary Share
(¢)



Net Asset Value Per Ordinary Share
(¢)



Letter to Shareholders

We have generated over S$2.7 billion in revenue over the past two decades and been profitable every year, despite experiencing three construction recessions including during the Asian Financial Crisis and Global Financial Crisis. This is a demonstration of our resilience even during the most challenging of times.

Dear Fellow Shareholders,
It gives us great pleasure to present to you the Boustead Projects FY2017 Annual Report for the financial year ended 31 March 2017.

In our second year as a listed corporation, we returned a commendable set of results despite the challenging cyclical downtrend affecting Singapore's industrial real estate sector. While our revenue decreased 11% year-on-year to S$228.3 million, our net profit attributable to you – fellow owners of our Company – increased 58% year-on-year to S$36.1 million, boosted by one-off other gains. Adjusting for these gains, normalised net profit would still be a respectable S$24.7 million, 7% higher year-on-year.

FY2017 – Navigating Market Challenges
In the past year, we continued to navigate through the challenges of Singapore's industrial real estate sector and the muted general economic outlook.

At our design-and-build business, segment revenue declined 12% year-on-year to S$195.2 million. The average contract value with revenue recognition in FY2017 was lower compared to the previous year. Consequently, we had to work harder and smarter across many smaller projects in order to build up overall revenue. Despite lower segment revenue, segment profit before income tax ("PBT") climbed 7% year-on-year to S$14.9 million, aided by the unlocking of cost savings from various projects secured earlier.

John Lim Kok Min, Chairman

Thomas Chu Kok Hong, Managing Director

At our leasing business, segment revenue dipped 4% year-on-year to S$33.1 million, mainly affected by AusGroup's early lease termination and a few partial vacancies, even as two leases provided their initial full-year contributions. Despite lower segment revenue, segment PBT rose 34% year-on-year to S$21.1 million, mainly contributed by AusGroup's early lease termination compensation but offset by an impairment loss on the affected property. Normalised leasing PBT rose 3% year-on-year to S$16.2 million.

At the end of FY2017, we completed the sale of our interest in an available-for-sale financial asset, TripleOne Somerset. We invested S$17.9 million in TripleOne Somerset in January 2014. Our sales consideration of S$27.5 million netted a gain of S$8.9 million after deducting divestment fees, giving us a 50% absolute return on investment over three years.

On the business development front and in a difficult market, we were awarded nine contracts totalling S$140 million across Singapore and Vietnam. Singapore's seven contracts were secured mainly from higher value industries which we target, including the aerospace, healthcare and pharmaceutical, infocommunications, precision engineering and research & development ("R&D") sectors. Our strategy to target higher value industries was successful and has effectively strengthened our competitive position in this market segment.

In terms of overseas contracts, it was a quiet year. In Vietnam, we secured two small contracts for commercial and industrial facilities, in preparation for larger projects that we anticipate from this market. However, in our largest overseas market of Malaysia, no new contracts were secured, although we continued to progress on five projects secured there in FY2016.

Given the improved overall profit results, your Board has proposed a maiden total dividend of 2.5 cents, comprising a final ordinary dividend of 1.5 cents and special dividend of 1 cent for your approval. In proposing this dividend, your Board has taken a considered approach in balancing payment to shareholders and reserving funds for our commitments in ongoing development projects as well as for future acquisition and investment opportunities.

During FY2017, our Group celebrated our milestone 20th Anniversary. We have generated over S$2.7 billion in revenue over the past two decades and been profitable every year, despite experiencing three construction recessions including during the Asian Financial Crisis and Global Financial Crisis. This is a demonstration of our resilience even during the most challenging of times.

Strengthening Strategic Multi-Platform Approach

Since our listing on the SGX Mainboard, we have regularly communicated our strategies for medium to long-term growth, which include our integrated business model, strengthening multiple capabilities and prioritising target industries, thereby forming a strategic multi-platform approach.

During the year, this strategic multi-platform approach continued to bear fruit, generating activities for our Group on several fronts.

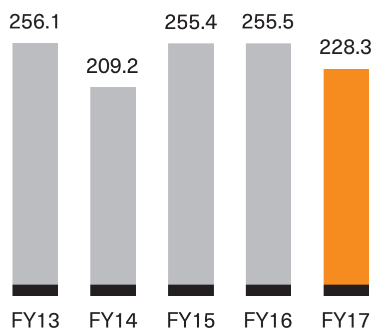
Our major joint development platform in Singapore under the Boustead Development Partnership ("BDP") – established together with a reputable Middle East sovereign wealth fund – had an excellent year. After the lull in FY2016, the BDP saw increased activities during the year, capturing two of Singapore's most prominent development projects available in FY2017 and completing the landmark GlaxoSmithKline headquarters for Asia, named GSK Asia House, at JTC Corporation ("JTC")'s one-north development.

Our first development project captured for the year under the BDP is at Mediapolis, one-north, awarded to us through an extremely stringent JTC concept and price tender process. Upon completion at the end of 2018, this iconic 11-floor multi-tenanted business park development is set to be a vibrant ecosystem and hub for multinational corporations and start-up graduates from knowledge-based and innovation-driven clusters to testbed emerging media concepts, content, services and applications. It will also be a demonstration of our smart building solutions, as we shift into creating industrial facilities that harness the power of the latest intelligent building technology. Interestingly, recent research shows Singapore as the world's best country to find start-up talent, overtaking even Silicon Valley.

Letter to Shareholders

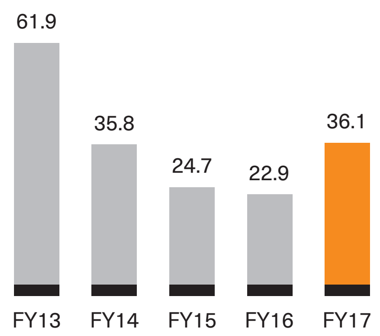
Revenue (S$'m)

S$228.3m



Net Profit (S$'m)

S$36.1m



Meanwhile, Singapore's media and technology sector is the second largest tenant group for office space after the finance sector. This bodes extremely well for the future of our development.

Our second development project for the year under the BDP is Continental Building Phase 3, an 11,153 square metres expansion of Continental Automotive's R&D centre in Singapore. Once again, we were up against tough competition but emerged the winner. This development project further strengthens our long-standing relationship with Continental Automotive, following our successful completion of Phases 1 and 2 in 2012 and 2014 respectively.

Combined, the new BDP developments will add an expected 50,642 square metres of gross floor area ("GFA") to our industrial leasehold portfolio, which has grown to 20 wholly-owned and joint venture properties – both completed and under construction – with over 275,000 square metres of GFA. We continue to actively pursue growth of our recurring income in Singapore and targeted overseas markets, as well as exploring the best option to unlock shareholder value for our industrial leasehold portfolio.

Another joint venture platform in Singapore had a rewarding year. One of our two joint venture consortia led by Perennial Real Estate Holdings Ltd bore fruit early. As mentioned earlier, this was the sale of our interest in TripleOne Somerset. The funds returned from this investment will provide us with higher capital to redeploy into the various potential acquisition and investment opportunities that we have identified.

In Malaysia, our joint venture with AME Construction Sdn Bhd, Tat Hong Holdings Ltd and CSC Holdings Ltd progressed on two projects, iBP @ Nusajaya Phase 1 and a logistics hub at the Port of Tanjung Pelepas. Nearing completion, both projects are expected to contribute to the future results of our Group. In addition, future leasing income from the logistics hub will represent our first share of recurring income from Malaysia. Due to current market conditions in Iskandar Malaysia, we expect the progress of iBP @ Nusajaya Phase 2 to be much slower.

As far as our strategic multi-platform approach goes, we are always seeking to create additional strategic platforms. FY2017 was no exception, with the addition of a new strategic framework agreement and co-investment partnership with a business unit of Chinese state-owned enterprise, Guangdong Provincial Supply & Marketing Co-Operative Society. This strategic framework lays out the ground rules for jointly developing key agricultural and commodities logistics networks in Guangdong Province. While we expect a long gestation before we have an initial project, we now possess a launch pad for multiple projects should these meet our joint venture's investment mandate.

Global Clients

The message that fronts our annual report states, 'Developing Integrated Industrial Real Estate Solutions for Global Clients'. For over two decades, we have built a reputation as the preferred industrial real estate solutions partner to numerous Forbes Fortune 500, S&P 500 and Euronext 100 corporations, along with a multitude of global corporations and reputable small and medium-sized enterprises. Essentially, we are the trusted industrial real estate solutions partner in Singapore's industrial real estate sector for many of the world's best corporations.

As the only generally acknowledged integrated industrial real estate solutions provider listed on the SGX Mainboard, our multiple capabilities cover 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. These multiple capabilities bring a unique offering to the table, our ability to conceptualise and deliver high-tech eco-sustainable industrial facilities and cost-effective solutions that enable our clients to achieve their strategic business goals in building their next stage of growth.

Given the sizeable investments that our clients make whenever they build new customised industrial facilities, they prefer to work with a trusted industrial real estate solutions partner with proven expertise, experience and track record, and the ability to deliver industrial facilities on budget and on time which are designed around their key processes. Increasingly, many of our clients are expanding their presence regionally and have enquired if we can expand together with them, growing our regional activities. This is very much aligned with our vision to be a regional integrated real estate solutions leader with a full suite of capabilities.

As we push forward regionally, our intention will be two-fold. Firstly, we aim to follow our global clients into regional markets, helping them to establish high quality industrial facilities in surrounding countries as they expand. Secondly, where feasible, we also intend to bring our many Singapore small and medium-sized enterprise ("SME") clients into the international scene, helping them to establish a regional presence and transform from local enterprises into multinational corporations. We believe that we have much to offer to both our global clients and Singapore SME clients through our proven solutions, track record, partnerships and flexible offerings.

Further to this, recent climate change initiatives have reinforced our position as the trusted industrial real estate solutions partner to global clients. Under the Paris Agreement of November 2016, Singapore has pledged to reduce greenhouse gas ("GHG") emissions intensity by 36% by 2030 from 2005 levels. As the country's largest GHG emitters, the industrial and building sectors account for close to 75% of the country's total GHG emissions and are logically in focus. Significant efforts will be placed on improving industrial energy efficiency, reducing GHG emissions from industrial processes and implementing Building & Construction Authority ("BCA") Green Mark Programme standards for 80% of all buildings by 2030.

Having delivered 20% of all new private sector Green Mark Platinum-rated industrial facilities on Business 1 and Business 2 industrial-zoned land since the inception of the Green Mark Programme, we are the established market leader in this space. We are also well versed in delivering industrial facilities according to the US Green Building Council's Leadership in Energy & Environmental Design (LEED) Program, an internationally-recognised green building rating system. As the world shifts towards eco-sustainable practices, we plan to play a central role in helping Singapore and our global clients to achieve their eco-sustainable building targets.

Recently, we were awarded a Construction Excellence Award for a prestigious project at Fusionopolis, one-north, and a Building Information Modelling Gold Award in the Organisation Category at the BCA Awards 2017. We intend to build upon these achievements to enhance our smart building and eco-sustainable capabilities to match the requirements of our global clients and be a first-mover in providing smart and eco-sustainable industrial real estate solutions regionally.

FY2018 – Opportunities Amid Challenges

FY2018 is expected to be another challenging year. Notwithstanding, we believe that we can continue to effectively execute on our strategies to enhance our smart building and eco-sustainable capabilities, drive cost and productivity improvements, look for more opportunities regionally, shift even more so into higher value industries, and build additional strategic partnerships and platforms. Our healthy balance sheet and net cash position will allow us to move on viable opportunities at a quicker pace. Simultaneously, we will continue to grow the capabilities and capacity of our regional teams to match our expansion plans. With an order book backlog of S$170 million (at the end of FY2017 plus new orders since), we are well placed to capitalise on opportunities amid challenges.

A Word of Appreciation

We would like to thank our management and staff for their dedicated efforts in a challenging market. We would also like to extend our gratitude to all our clients, business partners, associates, bankers, suppliers and you, our shareholders for your continuing support. Last but not least, we would like to express our appreciation to our fellow Board colleagues for their wisdom, guidance and continued advice.

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
- Food
- Healthcare and pharmaceutical
- High-tech manufacturing
- Lifestyle
- Logistics
- Oil & gas
- Precision engineering
- Research & development
- Resource recovery
- Technology
- Transportation

Geographic Markets

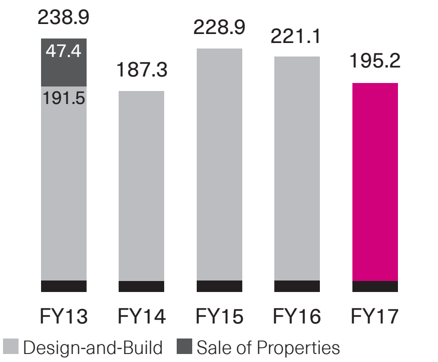
- China
- Malaysia
- Singapore
- Vietnam

Performance Highlights

Segment Revenue (S$'m)

S$195.2m

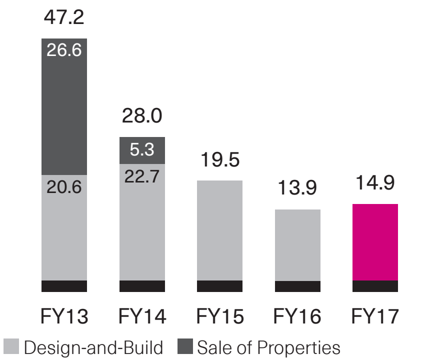
Year-on-year ▼ 12%



Segment Profit Before Income Tax (S$'m)

S$14.9m

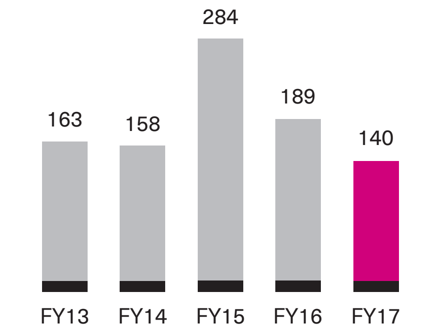
Year-on-year ▲ 7%



Segment Contracts Secured (S$'m)

S$140m

Year-on-year ▼ 26%



Perspective of business park development at Mediapolis, one-north, Singapore

Design-and-Build Business

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

In FY2017, design-and-build revenue fell 12% year-on-year to S$195.2 million, as higher revenue was registered in the previous year due to several projects with significant contract values of which the majority of the construction work was performed in that year. Despite lower revenue, design-and-build profit before income tax grew 7% year-on-year to S$14.9 million, mainly due to the unlocking of cost savings from various projects secured earlier.

Singapore's industrial real estate sector remained highly challenging and competitive. Private sector construction demand was subdued. In addition, gross margins continued to be pressured by the muted general economy and tighter foreign labour policies which have been progressively implemented over the past several years.

During FY2017, seven design-and-build projects were completed spanning the aerospace, food, healthcare and pharmaceutical, lifestyle and oil & gas industries.

JEP Precision Engineering's integrated production and office facility, SA Park, Singapore

Our landmark delivery for the year was for Fortune 500 healthcare and pharmaceutical corporation, GlaxoSmithKline ("GSK")'s new headquarters for Asia, named GSK Asia House. This development project was undertaken through the Boustead Development Partnership ("BDP") – marking our second completed project at JTC Corporation ("JTC")'s 200-hectare world-class one-north development following our completion of the Seagate Singapore Design Center – The Shugart at Fusionopolis, one-north in FY2015. At over 14,300 square metres spread across six floors, GSK Asia House is home to around 800 employees across GSK's pharmaceuticals, vaccines and consumer healthcare businesses in Asia.

Extending our market leading track record in the aerospace industry, we completed yet another project at JTC's 320-hectare world-class Seletar Aerospace Park ("SA Park"). An integrated precision engineering and office facility was delivered for JEP Precision Engineering, a major supplier of high quality precision-engineered products for the aerospace and oil & gas industries regionally. This marks our 10th project at the SA Park and 17th project in the aerospace industry.

We continued to strengthen our market presence in Singapore's western region, which is home to the country's largest industrial cluster. At the Pioneer Sector, we delivered M-Cube, an integrated print production, logistics and office facility for Markono Print Media, next door to Kuehne + Nagel's Singapore Logistics Hub which we completed in FY2016. M-Cube houses eight floors of space, incorporating an advanced automatic storage and retrieval system within its warehouse.

Within the Jurong Industrial Estate, we completed projects in the food industry for two separate clients. The first project is Commonwealth Capital Building, an integrated food processing, logistics and office facility for Commonwealth Capital that features Singapore's first high pressure food processing line and an advanced automatic storage and retrieval system within its cold, chilled and ambient warehouse. The second project is a central baking facility for a leading bakery chain in Singapore that houses central baking operations and cold room facilities.

In the lifestyle industry, we delivered our first project at the Sungei Kadut Industrial Estate, a centre for the regional furniture industry where designers and manufacturers are concentrating their activities and developments. This project is the World Furnishing Hub, an industrial facility for Hafary located a short distance from the upcoming JTC Furniture Hub.

In our key overseas market of Malaysia, we made significant progress on five projects secured in FY2016. At iBP @ Nusajaya, a premier freehold business park joint venture development within Iskandar Malaysia – for which we hold the project management role – the majority of 100 planned units has been completed. We also progressed on the design-and-build of two other projects within Iskandar Malaysia, a joint venture logistics hub at the Port of Tanjung Pelepas, and an eco-packaging facility near the Port of Pasir Gudang. Along Peninsular Malaysia's eastern coast, construction works continued at a petrochemical complex.

Although prospects for Singapore's industrial real estate sector remained weak during FY2017, our business development efforts yielded seven contracts in the country worth S$140 million. Two design-and-build contracts were awarded by a repeat client, AIMS AMP Capital Industrial REIT ("AA REIT") for properties at Tuas and Marsiling. In addition, two design-and-build contracts were awarded to us by the BDP for Continental Building Phase 3 and a multi-tenanted business park development ("MP8") at Mediapolis, one-north (detailed on page 27 of this report). A further three contracts were secured in the aerospace, and healthcare and pharmaceutical industries, which are among the higher value industries we target.

Overseas, we continued to intensify our regional business development efforts in China, Malaysia and Vietnam, and other potential markets, setting up an experienced regional team to drive and manage our regional expansion efforts. In Malaysia, although no new projects were secured, deeper insight was gained into the country's market dynamics. In Vietnam, two small contracts were secured from multinational corporations in the healthcare and pharmaceutical, and oil & gas industries.

With conditions in Singapore's real estate market sector expected to remain challenging in FY2018, we will continue to focus on capturing opportunities in higher value industries, driving cost and productivity improvements, and further expanding regionally.

Contract Awards & Achievements in FY2017

Apr 2016
Singapore
Awarded design-and-build contract by AA REIT for industrial facility in Tuas

Aug 2016
Singapore
Awarded design-and-build contract by AA REIT for industrial facility in Marsiling

Jan 2017
Singapore
Awarded design-and-build contract by BDP for Continental Building Phase 3 at Kallang iPark

Jan 2017
Singapore
Awarded design-and-build contract by BDP for MP8 at Mediapolis, one-north

Leasing Business

Market Sectors

- Aerospace and transportation
- Engineering
- General manufacturing
- Healthcare and pharmaceutical
- Infocomm and media
- Logistics
- Oil & gas
- Technology

Geographic Markets

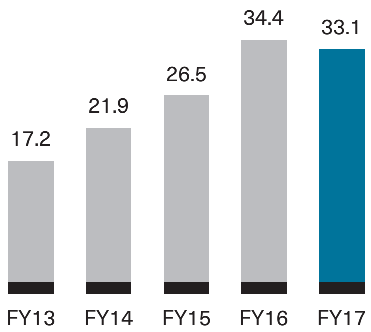
- China
- Malaysia
- Singapore

Performance Highlights

Segment Revenue (S$'m)

S$33.1m

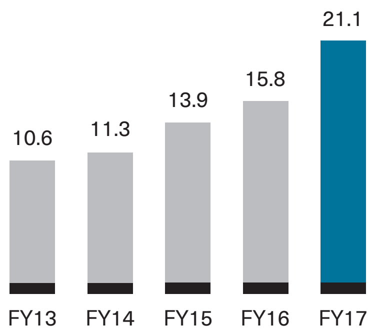
Year-on-year ▼ 4%



Segment Profit Before Income Tax (S$'m)

S$21.1m

Year-on-year ▲ 34%



Perspective of GSK Asia House, one-north, Singapore

Leasing Business

Boustead Projects' leasing business is based on a hybrid methodology in which we assume dual roles as the developer and owner of a property, along with that of design-and-build partner to deliver a custom-built facility typically leased to our client under a long-term agreement. Under our development capabilities, we conduct feasibility studies, land sourcing, 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 the part of our core business that provides long-term recurring income.

In FY2017, leasing revenue declined 4% year-on-year to S$33.1 million, mainly due to AusGroup's early lease termination and a few partial vacancies in our industrial leasehold portfolio*, partially offset by the initial full-year contribution of leases with Jabil and MTU. However, leasing profit before income tax ("PBT") rose 34% year-on-year to S$21.1 million, mainly due to non-recurring other gains and losses, primarily comprising S$9.4 million for AusGroup's early lease termination compensation and offset by a S$3.6 million impairment loss on the affected property. Adjusting for the early lease termination and associated effects, normalised leasing PBT would have increased 3% year-on-year to S$16.2 million.


Perspective of GSK Asia House, one-north, Singapore

During the year, activities undertaken by the Boustead Development Partnership ("BDP") continued to underpin the growth of our industrial leasehold portfolio*. The BDP completed GlaxoSmithKline ("GSK")'s headquarters for Asia, named GSK Asia House near the end of FY2017. This is the first business park space within our industrial leasehold portfolio*. At over 14,300 square metres spread across six floors, GSK Asia House is home to around 800 employees across GSK's pharmaceuticals, vaccines and consumer healthcare businesses in Asia. GSK Asia House has been designed to foster better collaboration, connectivity, leadership and talent development across the region, and incorporates GSK's first shopper science lab in Asia on the ground floor.

Amid intense competition, two new development contracts were also secured under the BDP. These projects are Continental Building Phase 3, a research & development ("R&D") centre expansion for Continental Automotive, and a multi-tenanted business park development ("MP8") at Mediapolis, one-north, awarded through an extremely stringent JTC Corporation ("JTC") concept and price tender process.

Continental Building Phase 3 will adjoin Continental Automotive's existing Continental Building located at Kallang iPark, which is home to one of Continental Automotive's largest R&D centres in Asia. We developed Phases 1 and 2 under design-build-and-lease arrangements in 2012 and 2014 respectively. Phase 3 is expected to add 11,153 square metres of gross floor area ("GFA") to Continental Building and be completed by the second quarter of 2018.

MP8 is our third business park project within one-north, following the GSK Asia House and Seagate Singapore Design Center – The Shugart. Conceptualised as Singapore's first digital media hub, Mediapolis serves to testbed emerging media concepts, content, services and applications. MP8 is set to be the next vibrant business park space catering to the growing knowledge-based and innovation-driven clusters within one-north. A unique, first-of-its-kind building, MP8 will cater to a mix of established corporations and start-up graduates, and is expected to be completed by the fourth quarter of 2018.

In Malaysia, we progressed on the construction of our joint venture logistics hub at the Port of Tanjung Pelepas, which is catered to corporations looking for dedicated quality logistics space located at the port. Half of the space at this logistics hub has already been committed to an anchor tenant.

When constructed, Continental Building Phase 3, MP8 and the logistics hub are expected to increase our industrial leasehold portfolio* by over 74,000 square meters in GFA. Completed development projects with joint venture partners are expected to contribute leasing income that shows up on our profit & loss statements under share of results of associated companies and joint ventures.

The number of properties in our industrial leasehold portfolio* increased to 20, of which 17 are completed and three are still under construction, totalling over 275,000 square metres in GFA. Our portfolio is supported by a relatively well-staggered lease expiry profile, and well-diversified and reputable tenant base. At the end of FY2017, our 14 wholly-owned leasehold properties with about 174,000 square meters in total GFA, had an overall occupancy rate of 87% and a weighted average lease expiry (WALE) in excess of four years.

Our completed industrial leasehold portfolio* is detailed on pages 28 to 29 of this report.

Going forward, 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. We will also continue to evaluate various options to grow and unlock the value of our leasing business.

Contract Awards & Achievements in FY2017

Nov 2016
Singapore
Awarded JTC concept and price tender for MP8 at Mediapolis, one-north

Dec 2016
Singapore
BDP completed GSK Asia House at one-north

Jan 2017
Singapore
BDP awarded development contract by Continental Automotive for Continental Building Phase 3 at Kallang iPark

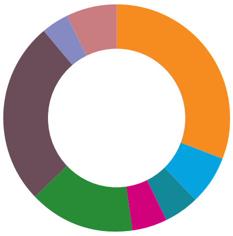
* *Includes both wholly-owned and joint venture properties.*

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 17 completed properties and three properties under construction totalling over 275,000 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.

Breakdown by Industry (GFA)



Aerospace & transportation	31%
Engineering	7%
General manufacturing	5%
Healthcare & pharmaceutical	5%
Infocomm & media	15%
Logistics	26%
Oil & gas	4%
Technology	7%

Breakdown by Region (GFA)

China	5%
Malaysia	9%
Singapore (Central)	29%
Singapore (East)	32%
Singapore (North)	4%
Singapore (West)	21%

Singapore

23 Rochester Park

2016	Year of completion
14,338	GFA (sqm)

11 Seletar Aerospace Link

2015	Year of completion
3,566	GFA (sqm)

10 Tukang Innovation Drive

2014	Year of completion
24,800	GFA (sqm)

31 Tuas South Avenue 10

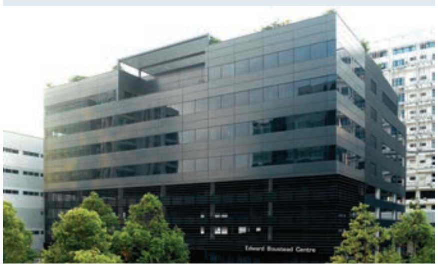
2014	Year of completion
10,526	GFA (sqm)

80 Boon Keng Road (Phase 2)

2014	Year of completion
4,936	GFA (sqm)

82 Ubi Avenue 4

2014	Year of completion
8,759	GFA (sqm)



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

16 Tampines Industrial Crescent

2013	Year of completion
20,020	GFA (sqm)

10 Seletar Aerospace Heights

2013	Year of completion
6,290	GFA (sqm)

80 Boon Keng Road (Phase 1)

2012	Year of completion
11,250	GFA (sqm)

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)

36 Tuas Road

1995	Year of completion
11,470	GFA (sqm)

China

Wuxi Boustead Industrial Park

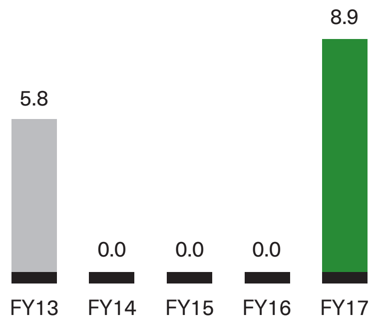
2003 - 2007	Year of completion
13,940	GFA (sqm)

Strategic Partnerships & Investments

Performance Highlights

Segment Profit Before Income Tax (S$'m)

S$8.9m



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

Perspective of iBP @ Nusajaya, Malaysia

Our current partnerships include the Boustead Development Partnership ("BDP") in Singapore, THAB Development Sdn Bhd ("THAB") in Malaysia, a consortium led by SGX-listed Perennial Real Estate Holdings Ltd ("PREH") in China and a recently signed strategic framework agreement ("Framework Agreement") with a business unit of state-owned enterprise, Guangdong Provincial Supply & Marketing Co-Operative Society ("Guangdong Co-Op Society") in China.

BDP

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

FY2017 was an active year for the BDP, as detailed earlier on page 27 of this report. The BDP successfully completed GSK's headquarters for Asia, named GSK Asia House – the first business park development under the BDP. The BDP also continued to play a key role in the expansion of our industrial leasehold portfolio, securing two new development contracts in a difficult market and against strong competition. These projects are Continental Building Phase 3, a research & development ("R&D") centre expansion and a multi-tenanted business park development ("MP8") at Mediapolis, one-north, awarded under a JTC Corporation ("JTC") concept and price tender.

THAB

Established in 2013, THAB is a strategic joint venture platform that we formed with AME Construction Sdn Bhd, SGX-listed Tat Hong Holdings Ltd and SGX-listed CSC Holdings Ltd to address our growing presence in Malaysia. THAB is developing iBP @ Nusajaya, a premier freehold business park located in the Southern Industrial & Logistics Clusters of Nusajaya (Flagship Zone B) and a multi-tenanted logistics hub at the Port of Tanjung Pelepas (Flagship Zone C).

At a successful launch in October 2014, iBP @ Nusajaya Phase 1 offered 50 units of flexibly-designed detached and semi-detached modern quasi-business and industrial facilities. Phase 2 will launch the remaining 50 units during a more opportune time. The majority of the 100 planned units has been completed. At the Port of Tanjung Pelepas, construction of the logistics hub is ongoing.

PREH-Led Consortias

In China and Singapore, we partnered consortia led by PREH. At the centre of Beijing Tongzhou's new Central Business District, we hold a 4% stake in Beijing Tongzhou Integrated Development Phase 1, 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 2020. Phase 1 features a proposed 414,000 square metres commercial complex comprising a five-level retail podium and three towers of office and residential space.

In Singapore, we sold a 5.5% stake in TripleOne Somerset, a Grade A property within the Central Business District and prime Orchard precinct. On the final day of FY2017, we completed the S$27.5 million sale, recognising a net gain of S$8.9 million after deducting divestment fees. We intend to redeploy the sales proceeds to our future projects and working capital requirements.

Guangdong Co-Op Society

Strengthening our regional strategic platforms, we signed a Framework Agreement with Guangdong New Co-Operative Agricultural Products Wholesale Centre Investment Co, Ltd ("Guangdong New Co-Op"), a business unit of Guangdong Co-Op Society, for the purpose of jointly developing key agricultural and commodities logistics networks within Guangdong Province.

The Framework Agreement provides a formal structure to jointly invest, develop, construct and manage a series of key agricultural and commodities logistics networks within Guangdong, which includes the joint acquisition of land, development and construction of logistics infrastructure and parks, and subsequent management or sale of completed projects. Gestation is expected to be long as an initial project that is feasible has yet to be identified.

Going forward in FY2018, we will continue to focus on building additional strategic partnerships and platforms to support our medium to long-term growth efforts in Singapore and across our target overseas markets.

Contract Awards & Achievements in FY2017

Sep 2016
China
Signed Framework Agreement with Guangdong New Co-Op to jointly develop agricultural and commodities logistics networks within Guangdong Province

Jan 2017
Singapore
BDP awarded development contract by Continental Automotive for Continental Building Phase 3 at Kallang iPark

Jan 2017
Singapore
BDP received JTC's approval to co-invest in MP8 at Mediapolis, one-north

Mar 2017
Singapore
Completed S$27.5 million sale of investment in TripleOne Somerset with net gain of S$8.9 million after deducting divestment fees

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: 28 July 2016

Mr Lim was appointed as Chairman and Independent Non-Executive Director in 2015. With over 45 years of extensive senior management experience in the Asia Pacific, 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 several countries in 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: 28 July 2016

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 sectors, studied how Singapore can continue to develop its infrastructure, to support future growth in an inclusive and sustainable manner, and to enhance connectivity with the region.

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: 28 July 2016

Mr Chong was appointed as Independent Non-Executive Director in 2015. He is currently Senior Advisor, Strategic Projects at CapitaLand Ltd. Prior to this, he held appointments as Deputy Group Chief Corporate Officer, Chief Executive Officer for Regional Investments and Chief Executive Officer of CapitaLand Commercial Ltd. Before joining CapitaLand, he 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 C31 Ventures Pte Ltd (a venture capital investment arm of CapitaLand), 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 TEE Land Ltd, BreadTalk Group Ltd and Chengdu Rural Commercial Bank Co Ltd.
He has consulted extensively with various government ministries, statutory boards and government-linked corporations of the Singapore Government, and has been serving as a member of the Resource Panels of the Government Parliamentary Committee for Transport, Government Parliamentary Committee for Finance and Trade & Industry and Government Parliamentary Committee for Defence & Foreign Affairs 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 & 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 $310m 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 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 Asia House (S$50m to S$75m)
- Secured first design-and-build contract in overseas 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 nine Safety & Health Award Recognition for Projects (SHARP) from 2009 to 2016
- Secured bizSAFE Mentor in 2011
- Secured bizSAFE Star in 2009
- Secured ISO9001:2015, ISO14001:2015, SS506: Part 1:2009 and OHSAS18001:2007 certifications
- Secured Green & Gracious Builder (Merit) certification in 2015
- Secured Singapore Quality Class certification in 2017

Neo Eng Huat

Director (Audit & Improvement)

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

Mr Neo joined Boustead Projects in 2007 as Deputy Construction Manager. He was subsequently promoted to Construction Manager, Deputy Director (Operations) and then Director (Operations) before assuming his current role in 2016. He oversees the quality assurance and control functions, leading the construction audit and improvement team in driving continuous improvement efforts. 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 Asia House (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 FY2017 Investor Relations Activities

61
face-to-face/teleconference investor meetings hosted

304
investors met

3
investor conferences/events attended

1
research firm providing coverage:
– CIMB Research

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 holistic communications with 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.

In FY2017, our IR Team met 304 investors at investor conferences, meetings and presentations to share our business strategies and financial performance. All our annual reports, company announcements and financial results announcements for the past two years, as well as substantial information that would be of interest to investors are available at **www.bousteadprojects.com/investor_centre**.

During FY2017, CIMB Research initiated research coverage on Boustead Projects, our first comprehensive rated research coverage from a reputable research firm in Singapore. In addition, Daiwa Capital Markets and Seeking Alpha provided in-depth analytical views on Boustead Projects.

We continued to actively engage with institutional and retail investors, presenting at three investor conferences and presentations held in Singapore: Maybank Kim Eng Invest ASEAN 2016, SGX Corporate Connect Seminar Series and Morgan Stanley Asia Pacific Summit 2016.

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

FY2017 Calendar

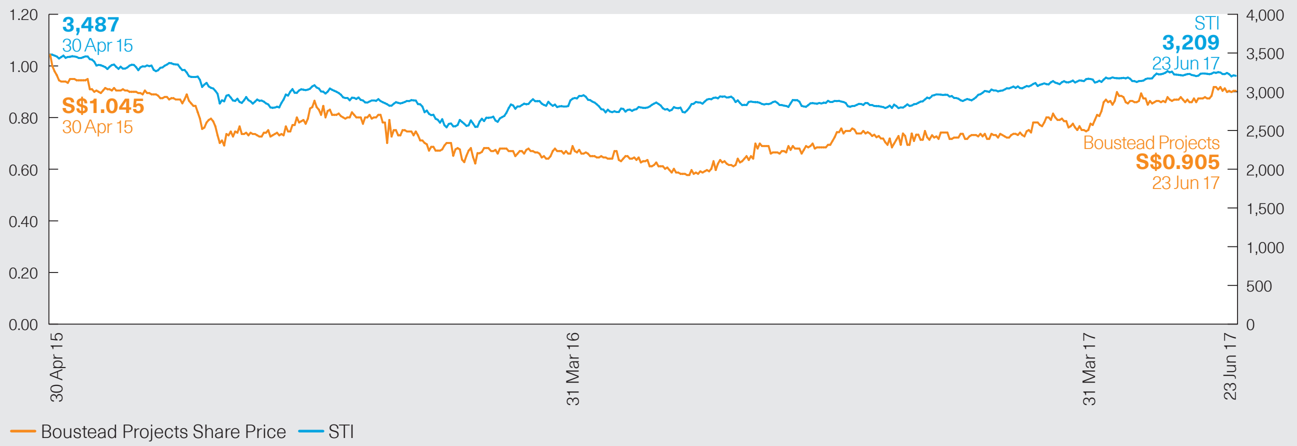
Date	Activity/Event
Apr 2016	• Maybank Kim Eng Securities Conference, Singapore – Maybank Kim Eng Invest ASEAN 2016
May 2016	• FY2016 financial results announcement • FY2016 financial results webcast briefing
Jun 2016	• SGX and Securities Investors Association (Singapore) non-deal presentation, Singapore – SGX Corporate Connect Seminar
Jul 2016	• FY2016 annual report • Annual general meeting • Extraordinary general meeting
Aug 2016	• 1Q FY2017 financial results announcement
Nov 2016	• 2Q FY2017 financial results announcement • Morgan Stanley Conference, Singapore – Morgan Stanley Asia Pacific Summit 2016
Feb 2017	• 3Q FY2017 financial results announcement

Delivering Value to Shareholders

Maiden dividends proposed during FY2017	**2.5¢*** dividends for FY2017	**S$276.8m** market capitalisation at end of FY2017

Share Performance and STI Commentary

Boustead Projects Share Price (S$) — **STI** (Points)



Opening FY2017 at S$0.635, Boustead Projects' share price increased by approximately 43% over the past 15 months, touching a high of S$0.920 on 9 June 2017. Boustead Projects' share price closed at S$0.905 on 23 June 2017.

FY2018 Calendar**

Date	Activity/Event
Apr 2017	• CIMB Securities non-deal lunch for institutional investors, Singapore
May 2017	• FY2017 financial results announcement • FY2017 financial results webcast briefing
Jul 2017	• FY2017 annual report • Annual general meeting • Extraordinary general meeting
Aug 2017	• 1Q FY2018 financial results announcement • FY2017 final dividend payment of 1.5 cents (proposed) • FY2017 special dividend payment of 1.0 cent (proposed)
Nov 2017	• 2Q FY2018 financial results announcement
Feb 2018	• 3Q FY2018 financial results announcement
May 2018	• FY2018 financial results announcement

* *Includes proposed final dividend of 1.5 cents and special dividend of 1.0 cent for FY2017.*
** *Subject to change. Please check www.bousteadprojects.com/investor_centre for the latest updates.*

Longevity Through Sustainability

At Boustead Singapore Limited and Boustead Projects Limited, our business activities revolve around longevity and sustainability.

Building longevity through sustainability

Boustead Projects' transformation into a leading industrial real estate solutions provider in Singapore would not have been achieved without embedding sustainability into our corporate values, business model, strategies, platforms and drivers, all of which are presented on pages 8 to 11 of this report. As an operating philosophy, sustainability guides the way we plan and carry out our business, and is part of our perpetual corporate target to always deliver sustainable value. We are mindful of our economic, environmental and social impact and our role as a corporate citizen serving global clients, as outlined in this section.

On a separate note, we have embarked on our formal sustainability reporting journey and look forward to releasing our inaugural FY2018 Sustainability Report in the next year.

ECONOMIC

Engineering critical infrastructure

Our industrial real estate solutions provide global clients with a home away from home, where employment thrives and innovative products are created, helping them to build their next stage of growth.

Global clients

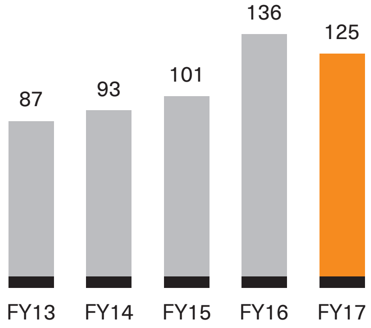
For over two decades, we have built a reputation as the preferred industrial real estate solutions partner to numerous Forbes Fortune 500, S&P 500 and Euronext 100 corporations, along with a multitude of global corporations and reputable small and medium-sized enterprises ("SMEs"). Given the sizeable investments that our clients make whenever they build new customised industrial facilities, they prefer to work with a trusted industrial real estate solutions partner with proven expertise, experience and track record, and the ability to deliver industrial facilities on budget and on time which are designed around their key processes. Increasingly, many of our clients are expanding their presence regionally and have enquired if we can expand together with them, growing our regional activities. This is very much aligned with our vision to be a regional integrated real estate solutions leader with a full suite of capabilities.

As we push forward regionally, our intention will be two-fold. Firstly, we aim to follow our global clients into regional markets, helping them to establish high quality industrial facilities in surrounding countries as they expand. Secondly, where feasible, we also intend to bring our many Singapore SME clients into the international scene, helping them to establish a regional presence and transform from local enterprises into multinational corporations. We believe that we have much to offer to both our global clients and Singapore SME clients through our proven solutions, track record, partnerships and flexible offerings.

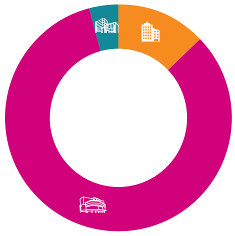
Our geographic diversification into our target regional markets of China, Malaysia, Vietnam and Indonesia is also intended to help mitigate concentration risk involved in overexposure to any one geographic market.

Number of employees

125



FY2017 Human Resource Deployment



Group HQ & Corporate Services	13%
Design-and-Build Business	83%
Leasing Business	4%

Professional degrees*	61%
General degrees	8%
Others	31%

Recurring income base

We are focused on growing our recurring income base to improve our earnings visibility and buffer against the volatility inherent in our project-based businesses. This is evident in the continued expansion of our industrial leasehold portfolio, which now contributes a greater share of our profit as compared to our design-and-build business.

Upholding excellence

We aim to deliver excellence in our operations. To date, our efforts in construction excellence have been recognised with six projects ranked in the Building & Construction Authority ("BCA")'s CONQUAS â all-time top 100 industrial projects list. CONQUAS is the BCA's benchmark for construction quality. Furthering our commitment to holistic quality and environmental practices, we attained recertification under ISO9001:2015 for quality management systems and ISO14001:2015 for environmental management systems.

At the annual BCA Awards held in June 2017, we were awarded a Construction Excellence Award ("CEA") for the Seagate Singapore Design Center – The Shugart at Fusionopolis, one-north, while our wholly-owned design-and-build subsidiary, Boustead Projects E&C ("BP E&C") clinched a Building Information Modelling ("BIM") Gold Award in the Organisation Category. The CEA accords recognition to construction projects that have demonstrated the highest standards of construction excellence in Singapore, while the BIM Award (Organisation Category) recognises outstanding organisations for going the extra mile in BIM and Virtual Design & Construction ("VDC") adoption at the organisational level and also recognises organisations for their outstanding examples of BIM and VDC use in enhancing their own productivity. Earlier in May 2017, BP E&C also achieved the Singapore Quality Class certification under SPRING Singapore's Business Excellence Framework. We intend to build upon these achievements to enhance our smart building and eco-sustainable capabilities to match the requirements of our global clients and be a first-mover in providing smart and eco-sustainable industrial real estate solutions regionally.

ENVIRONMENTAL

Providing eco-sustainable industrial solutions

The world's industrial sector consumes the most energy among end-user sectors at about 54% of the world's total delivered energy. As a leader in pioneering eco-sustainable industrial facilities, we offer solutions that help our clients to comply with environmental regulations and better manage their ecological footprints.

Having delivered eight new Green Mark Platinum-rated buildings – seven of which are industrial facilities – we have now built over 40% of all new private sector Green Mark Platinum-rated logistics facilities and 20% of all new private sector Green Mark Platinum-rated industrial facilities on Business 1 and Business 2 industrial-zoned land in Singapore since the inception of the BCA Green Mark Programme. We are the established market leader in building Green Mark Platinum-rated industrial facilities, with

* *Degrees in disciplines including accounting, architecture, construction, engineering, law and quantity surveying.*

Longevity Through Sustainability

BCA Construction Quality Assessment System (CONQUAS â)		
Project	**CONQUAS Score**	**Rank on All-Time Industrial Projects List (June 2017)**
Seagate Singapore Design Center – The Shugart	92.2%	Not applicable (commercial project)
Edward Boustead Centre	91.3%	8th
Kerry Logistics Centre	90.7%	10th
SDV Green Hub	90.3%	13th
ST Electronics Building	89.1%	21st
ST Engineering Hub	85.1%	35th
Rolls-Royce Test Bed Facility	82.9%	56th
Sun Venture Investments @ 50 Scotts Road	81.5%	Not applicable (commercial project)

Green Mark Platinum clients enjoying an estimated total energy and water savings of over 33.7 gigawatt hours and 82,700 cubic metres respectively per year, equivalent to providing electricity to about 7,500 homes in Singapore and filling 33 Olympic size swimming pools every year.

Being an environmentally responsible corporation

We are committed to being an environmentally responsible corporation via limiting paper wastage, energy consumption and carbon emissions. Aligned with this commitment, we designed and built our global headquarters – Edward Boustead Centre – to attain Green Mark Platinum, leading by example and showcasing to 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. Building on our green initiative started in FY2015 when we adopted a paperless electronic format for our annual reports, we are proposing to phase out CD copies of annual reports beginning with our future FY2018 Annual Report – a measure that we hope shareholders will support at the upcoming extraordinary general meeting. Help us to take our commitment a step further.

Advancing our pledge to sound environmental practices, we attained recertification under ISO14001:2015 for environmental management systems. We are committed to continued excellence in our environmental performance and will push the boundaries of current technology to help clients improve their operational performance in an environmentally sustainable manner.

SOCIAL

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 clients but also with partners, employees, shareholders, the community and government.

Governance

We will maintain a high standard of corporate governance within the 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 shareholders and stakeholders, and is also aligned with our corporate value of adhering to the highest standards of ethical and moral conduct, and in upholding our excellent reputation for credibility, integrity, quality, reliability and trust. Please refer to pages 50 to 64 of this report for more details on our corporate governance.

A regional corporation driven by a multinational workforce

We maintain a regional presence through our local offices across five countries, embracing a multi-cultural and multi-faceted workforce that enables us to reach beyond our shores.

Focusing on human capital

As a predominantly knowledge-driven corporation focusing on activities of high value-add, we recognise that human capital is our 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 invest in their professional development. Most of our employees hold knowledge-intensive and highly-skilled positions, with 61% of our workforce being professional and construction specialist degree holders.

Prioritising safety

Our ongoing job is to maintain an accident-free workplace and safeguard the wellbeing of employees and stakeholders. We are continuously training employees through the active execution of occupational health and safety 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. Prioritising safety makes sound business sense as accidents or incidents may result not only in projects being delayed or suspended – which can result in significant financial penalties – but also in the loss of lives. As such, we always strive to improve our safety record.

Our wholly-owned design-and-build subsidiary, BP E&C is one of only nine bizSAFE Mentors recognised by the Workplace Safety & Health Council ("WSHC") in Singapore and achieved an accident frequency rate ("AFR") of 1.29 incidents per million man-hours worked, lower than the national average AFR of 1.7 in the construction sector for 2016. 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.

In addition, we actively engage and empower our employees and subcontractors through the WSHC Safety Advocate Programme, Innovation & Improvement Incentive Scheme and other implemented programmes to encourage and reward good safety behaviour. We periodically conduct educational workshops and onsite training seminars with an accredited training provider, playing an active role in helping subcontractors to achieve higher bizSAFE accreditations. More than 80% of BP E&C's subcontractors have attained bizSAFE Star, the highest qualification that can be attained in recognition of a company's health, safety and environmental management programme.

Philanthropy

Over the years, we have been involved in different philanthropic activities, which include using our annual seventh month dinner event as a fund-raising platform for different charities. During FY2017, we hosted our annual seventh month dinner event and 20th Anniversary Charity Golf & Dinner, using these as a fund-raising platform to raise a total sum of over S$299,000 in donations for our corporate social responsibility partner and sole beneficiary, Students Care Service.

BLURRING BOUNDARIES BETWEEN ECONOMIC, ENVIRONMENTAL AND SOCIAL IMPACT

Increasingly, we are seeing blurring boundaries between economic, environmental and social impact, with businesses and projects that generate vast economic value, while simultaneously having a significant positive influence on the environment and all stakeholders. A case in point, Boustead Projects has delivered numerous Green Mark Platinum-rated and LEED-certified* buildings, helping global clients to meet their sustainability goals, reduce energy and water consumption and realise savings from doing so – all of which are having a positive effect on their corporate image.

* *Certified under US Green Building Council's Leadership in Energy & Environmental Design (LEED) Program.*

Longevity Through Sustainability

Quality, Safety & Sustainability Awards				
Awarded by: BCA				
	Green Mark Platinum	Green Mark Gold Plus/LEED Gold	Green Mark Gold	Construction Quality & Other Awards
2017				• BP: Construction Excellence Award for Seagate Singapore Design Center – The Shugart • BP E&C: BIM Gold Award – Organisation Category
2016	• Kuehne + Nagel Singapore Logistics Hub	• Kuehne + Nagel Singapore Logistics Hub (LEED Gold)		• CONQUAS for Seagate Singapore Design Center – The Shugart
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 (Green Mark Gold Plus)		• BP: Construction Excellence Certificate of 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	• CONQUAS for Sun Venture Investments @ 50 Scotts Road
2009	• Applied Materials Building	• StarHub Green (Green Mark Gold Plus)		
2008				

Legend

BCA: Building & Construction Authority
BIM: Building Information Modelling
BP: Boustead Projects
BP E&C: Boustead Projects E&C
EDB: Economic Development Board of Singapore
LEED: Leadership in Energy & Environmental Design

	Awarded by:		
	WSHC		Others
	bizSAFE & Overall Safety Awards	SHARP	Other Awards
			• BP E&C: Singapore Quality Class Certification under SPRING Singapore's Business Excellence Framework
		• Kuehne + Nagel Singapore Logistics Hub	
		• MTU Asia Pacific HQ	
	• BP: WSH Performance (Silver) Award	• SDV Green Hub	• Solar Pioneer Award for Greenpac Greenhub under EDB
	• BP: bizSAFE Mentor • BP: WSH Performance (Silver) Award	• Rolls-Royce Wide Chord Fan Blade Manufacturing Facility	
	• BP: WSH Performance (Silver) Award • BP: WSH Officer Award	• Applied Materials Building • IBM Singapore Technology Park • Singapore Aero Engine Services • The Singapore FreePort	
	• BP: bizSAFE Star • BP: WSH Performance (Silver) Award	• StarHub Green	• Solar Pioneer Award for Applied Materials Building under EDB
	• BP: bizSAFE Partner		

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)

James Lim Jit Teng

Chong Lit Cheong

Share Registrar

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

Auditors

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

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

Principal Bankers

United Overseas Bank 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 2017

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 March 2017 and the statement of financial position of the Company as at 31 March 2017.

In the opinion of the directors,

(a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 69 to 126 are drawn up so as to give a true and fair view of the statement of financial position of the Company and of the Group as at 31 March 2017 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, other than as disclosed under "Share awards" in this report.

Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

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 21.04.2017	At 31.03.2017	At 1.4.2016	At 21.04.2017	At 31.03.2017	At 1.4.2016
Boustead Projects Limited						
(No. of ordinary shares)						
John Lim Kok Min	169,296	169,296	169,296	-	-	-
Wong Yu Wei (Huang Youwei)	481,471	481,471	481,471	-	-	-
Chu Kok Hong @ Choo Kok Hong	280,699	280,699	243,799	1,578	1,578	1,578
James Lim Jit Teng	-	-	-	1,113,624	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)	122,388	104,669	63,029	-	-	-
Chu Kok Hong @ Choo Kok Hong	236,896	210,318	147,856	5,198	5,198	5,198
James Lim Jit Teng	-	-	-	3,759,371	3,759,371	3,759,371
Shares awards (unvested) granted under the Boustead Restricted Share Plan 2011						
Wong Yu Wei (Huang Youwei)	-	17,719	59,359	-	-	-
Chu Kok Hong @ Choo Kok Hong	-	26,578	89,040	-	-	-
Related corporation						
- Geologic Pte Ltd						
(No. of ordinary shares)						
Wong Yu Wei (Huang Youwei)	35,000	35,000	35,000	-	-	-

Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

SHARE AWARDS

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

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

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

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

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

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

(e) There were no shares awarded pursuant to 2016 Share Plan during the financial year.

(f) There were no participants who received 5% or more of the total number of shares available under the 2016 Share Plan. No awards have been granted to directors of the Company or controlling shareholders and their associates since the commencement of the 2016 Share Plan to the end of the financial year.

Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

AUDIT & RISK COMMITTEE

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

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 statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2017 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 2017

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 form part of the continuing obligations of the Listing Rules of the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST"). However, this Report should be read as a whole as other sections of this Report may also have an impact on the specific disclosures.

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

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

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

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

Additionally, independent directors of the Board deal with conflict of 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 Board conducts a minimum of 4 scheduled meetings a year. This schedule is normally determined before the fourth quarter of each calendar year for the forthcoming financial year. Where necessary, additional Board meetings are also held to address significant transactions or issues that arise. A total of five formal Board meetings, five formal Audit & Risk Committee meetings, one formal Nominating Committee meeting and one formal Remuneration Committee meeting were held in the course of the year under review. Additionally, three ad hoc Board meetings were also held during the year under review. Audit & Risk Committee members also had several informal discussions on various issues relating to corporate strategy, risk management and specific significant matters during this period.

Corporate Governance

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

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

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

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

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

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

The current non-executive members of the Board have many years of board experience and have been directors of the Company for at least two years. Since their appointment in 2015, 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 directors may, at any time, visit the Group's projects sites in order to gain a better understanding of business operations. Management had conducted a site visit for the non-executive directors during the year under review.

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 (arranged by the Company or initiated by the directors themselves) at the Company's expense.

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

A formal letter is provided to each director upon his appointment, setting out the director's duties and obligations. Newly appointed directors are given an orientation and comprehensive briefings by management on the Group's businesses and operations. No new director was appointed during the year under review.

Corporate Governance

Principle 2: Board Composition and Guidance

Presently, the Board comprises six directors, four of whom are independent directors. The Board is of the view that the current board size is appropriate, taking into account the nature and scope of the Company's operations. No individual or group of individuals dominates the Board's decision-making and the Board is also able to exercise objective judgement on corporate affairs independently, in particular, from the management of the Company.

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

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

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

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

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

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

No director has served beyond nine years in the Company.

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

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

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

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

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

Corporate Governance

Principle 3: Chairman and Managing Director/Chief Executive Officer

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

Mr John Lim Kok Min is the Chairman who leads the Board to ensure effectiveness 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 strategy and ensures that directors are provided with adequate and timely information. He promotes an open environment for debate and ensures that discussions and deliberations are effective. The Chairman is also charged with the role of maintaining high standards of corporate governance.

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

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

Principle 4: Board Membership

Nominating Committee

The Nominating Committee comprises 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) (Deputy Chairman and Executive Director)
5. Chu Kok Hong @ Choo Kok Hong (Managing Director and Executive Director)

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

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

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

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

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

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

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

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

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

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

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

Corporate Governance

Pursuant to the Constitution of the Company, Mr Chu Kok Hong @ Choo Kok Hong and Dr Tan Khee Giap shall be retiring at the Annual General Meeting to be held on 27 July 2017 ("2017 AGM"). At the recommendation of the Nominating Committee, they will be seeking re-election at the 2017 AGM.

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

Name	Position	Date of Appointment	Date of Last Re-election	Current Directorships in Listed Companies	Past Directorships in Listed Companies (in last three years)
John Lim Kok Min	Chairman & Independent Non-Executive Director	25 March 2015	28 July 2016	Silverlake Axis Ltd IREIT Global Group Pte Ltd as Managers for IREIT Global	Boustead Singapore Limited Forterra Real Estate Pte Ltd as Manager for Forterra Trust
Wong Yu Wei (Huang Youwei)	Deputy Chairman & Executive Director	1 December 2008	28 July 2016	-	-
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	Forterra Real Estate Pte Ltd as Manager for Forterra Trust Artivision Technologies 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	28 July 2016	-	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-half of the Board continues to be independent directors. The Board comprises directors capable of exercising objective judgement on corporate affairs of the Company, independent of management.

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

Corporate Governance

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 preparation for and participation at Board meetings;
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.

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

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

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 current expertise, skills and attributes of the Board, identify its future needs and shortlist candidates with the appropriate profiles for nomination. The search may be through professional recruiters, contacts and recommendations. The objective of this process is to ensure the Board collectively has, at all times, the diversity, skills, knowledge and experience necessary to effectively meet the needs of the Company.

Key information on the Company's directors are set out 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, geographic locations and scope of the Company's operations.

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 is performing. This formal evaluation process assesses the effectiveness of the Board as a whole. Assessment parameters include evaluation of the Board's composition, access to information, the quality of Board processes, accountability and the Board's performance in relation to discharging its principal responsibilities. The Nominating Committee has reviewed and is satisfied with the performance and effectiveness of the Board as a whole for the financial year ended 31 March 2017.

The Nominating Committee has conducted its evaluation of the Board in respect of the financial year ended 31 March 2017. No external facilitator was engaged for the purpose of this evaluation as the Nominating Committee assesses that its current evaluation process is adequate.

In view of the size and composition of the Board, the Nominating Committee, with the concurrence of the Board, has decided it is not necessary for the Nominating Committee to assess the effectiveness of each Board Committee and individual directors for the year under review.

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

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

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

The Nominating Committee intends to conduct formal assessments for individual directors from financial year ending 31 March 2018.

Corporate Governance

Principle 6: Access to Information

Management recognises that it is essential to provide 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, where necessary, management will arrange to personally meet and brief each director before seeking the Board's approval on a particular issue. Any requests by directors for further explanation, briefings or informal discussions on any aspect of the Group's operations are always facilitated expeditiously.

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

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

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

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

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

REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

The Remuneration Committee 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)

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

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

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

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

The Remuneration Committee has not appointed any external remuneration consultant for the year under review.

Corporate Governance

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

Principle 8: Level and Mix of Remuneration

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

Complementing the basic salary and variable components of the remuneration package are long-term incentives in the form of share awards that can be granted under the Boustead Projects Restricted Share Plan 2016. This long-term incentive is applicable only to selected employees whose role and services have been identified to be of significant importance to the performance and growth of the Company. Such long-term incentives would give recognition to these selected employees and promote commitment, dedication and loyalty to the Group.

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

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

As approved by the Company in the Extraordinary General Meeting on 28 July 2016, the Company has established the Boustead Projects Restricted Share Plan 2016 under which non-executive directors are eligible to participate. No shares have been awarded to non-executive directors to date. An award under the Boustead Projects Restricted Share Plan 2016 is subject to a vested period of 4 years.

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

Principle 9: Disclosure on Remuneration

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

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

Remuneration of Directors for the year ended 31 March 2017

Name of Director	Salary	Bonus	Directors' Fee	Other Benefits	Total
S$750,000 to S$999,999					
Chu Kok Hong @ Choo Kok Hong	49%	42%	-	9%	100%
S$500,000 to S$749,999					
Wong Yu Wei (Huang Youwei)	52%	36%	-	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.*

Corporate Governance

Remuneration of key executives for the year ended 31 March 2017

Name of Executive	Salary	Bonus	Fees	Other Benefits	Total
S$250,000 to S$499,999					
Steven Koh Boon Teik	50%	36%	-	14%	100%
Lee Keen Meng	50%	38%	-	12%	100%
Heng Eng Kiat	50%	34%	-	16%	100%
Neo Eng Huat	51%	34%	-	15%	100%
Liew Kau Keen	50%	34%	-	16%	100%
How Tan Hong	50%	34%	-	16%	100%

Although the Code recommends the full disclosure of the remuneration of each individual director and the CEO, the Board believes that disclosure in such detail, particularly of the executive directors, may be prejudicial to the business interests of the Group given the highly competitive environment it is operating in as well as competitive pressures in the talent market.

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

The total remuneration paid to the above 6 key executives for the financial year ended 31 March 2017 was S$2,146,004.

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

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

The Boustead Projects Restricted Share Plan 2016 (the "2016 Share Plan") was approved by the members of the Company at its Extraordinary General Meeting on 28 July 2016. Under the 2016 Share Plan, all eligible executive employees, non-executive directors of the Company as well as associate of controlling shareholders of the Company are invited to participate in the 2016 Share Plan. The selection of eligible participants shall be determined at the absolute discretion of the Committee appointed by the Board to administer the 2016 Share Plan. The participation of associates of controlling shareholders shall be approved by independent members of the Company. Further information on the 2016 Share Plan can be found on page 48 of the Annual Report.

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

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

For the financial year ended 31 March 2017, based on both executive directors' contributions to the Group's financial performance and their achievements, they were entitled to be remunerated with variable performance bonuses.

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.

Corporate Governance

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

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

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

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

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

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

Management provides the Board with information on management accounts and updates on a timely basis in order 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 the governance of risk and determines the Company's levels of risk tolerance and risk polices. The Board ensures that management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets, and to manage risks. The system is intended to provide reasonable but not absolute assurance against material misstatements or loss, and to safeguard assets and ensure maintenance of proper accounting records, reliability of financial information, compliance with relevant legislation, regulations and best practices, and the identification and containment of business risks. The effectiveness of the risk management and internal control systems and procedures is monitored and reviewed 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. This will assist in safeguarding and creating shareholder value.

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

Based on the internal controls policy and procedures established and maintained by the Group, the work performed by the external auditors and the reviews conducted by management and the internal auditor, the Board, with the concurrence of the Audit & Risk Committee, is of the opinion that the Group's risk management and internal controls systems were adequate and effective to address financial, operational, compliance and information technology risks as at 31 March 2017.

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 2017:

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

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

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

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 so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;

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

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

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

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

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

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

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

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

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

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

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

Corporate Governance

The Audit & Risk Committee in the discharge of its functions, including investigating any matter within its terms of reference shall have full access and cooperation of the management. The Audit & Risk Committee shall also have full discretion to invite any director, executive officer or employee to attend its meetings to provide clarifications. The external and internal auditors shall have unrestricted access to the Audit & Risk Committee.

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

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

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

The Audit & Risk Committee has undertaken a review of the nature and value of non-audit services provided to the Group by the external auditors during the financial year and is satisfied that the independence of the external auditors has not been impaired by the provision of these services. The breakdown of their fees for audit services is found on Note 5 to the financial statements on page 88.

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

The Audit & Risk Committee has reviewed the Group's audited consolidated financial statements for the financial year ended 31 March 2017 and discussed with management and the external auditors the significant matters which involved management judgment:-

Significant matters	How the Audit & Risk Committee reviewed these matters and what decisions were made
Contract revenue recognition using the percentage-of-completion ("POC") method	The Audit & Risk Committee reviewed the contract revenue recognition using the POC method and considered management's judgments, assumptions and methodologies used in the determination of the POC and found them to be reasonable. The contract revenue recognition using the POC method was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for the financial year ended 31 March 2017. Refer to page 66 of this Annual Report.

Whistle-blowing Policy

The Group is committed to a high standard of ethical conduct and has in place a whistle-blowing policy framework and arrangements endorsed by the Audit & Risk Committee, which provide channels for employees of the Group and third parties, in good faith and in confidence, to raise concerns or observations about possible corporate malpractices, improprieties in financial reporting, suspected fraud, corruption, dishonest practices, or other misdemeanors directly to (i) the Audit & Risk Committee Chairman or (ii) the Chief Financial Officer. Details of the whistle-blowing policies and arrangements have been made available to all employees. It has a well-defined process which ensures independent investigation of issues/concerns raised and appropriate follow-up actions, and provides assurance that employees will be protected from reprisal within the limits of the law. The whistle-blowing policy and the email addresses of reporting are available in the Company's website. Management is required to report to the Audit & Risk Committee if they receive any whistle-blowing case in every quarterly meeting.

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

The Company has zero tolerance for corruption and bribery.

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

Corporate Governance

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

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

Principle 13: Internal Audit

The Audit & Risk Committee oversees the implementation of an effective system of internal controls as well as putting in place a risk management framework to continually identify, evaluate and manage significant business risks of the Group. To support the Audit & Risk Committee in their role, the Audit & Risk Committee shall approve the appointment of an experienced and qualified person as Internal Auditor to carry out the internal audit function for the Group and the internal auditor shall report to the Audit & Risk Committee Chairman. Annually, the Audit & Risk Committee shall review and approve audit plans and resource requirements 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.

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

The Company engages external experts as when and where required.

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

The Audit & Risk Committee reviews the adequacy and effectiveness of the Group's internal audit function on an annual basis and is satisfied with its adequacy and effectiveness.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholder Rights

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

A copy of the annual report, together with the Notice of AGM, is sent to every shareholder. The Notice of AGM is also published in the press.

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

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

Corporate Governance

Principle 15: Communication with Shareholders

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

The Company has a policy of maintaining regular communication with all shareholders and relevant stakeholders. For details on the Group's Investor Relations activities, please refer to the IR section on pages 36 to 37 of this Annual Report.

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

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

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

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

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

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

Principle 16: Conduct of Shareholder Meetings

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

If shareholders are unable to attend the meetings, the Company's Constitution allows all shareholders to appoint up to two proxies to the general meetings and to vote on their behalf through proxy form sent in advance.

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

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

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

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

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

Corporate Governance

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 2017.

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 2017, 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$100,000)**	
		31.3.17 S$'000	**31.3.16 S$'000**
	Boustead Singapore Limited ("BSL") & its subsidiaries ("BSL Group")		
i)	Provision of central management and administration services by the BSL Group [1]	-	40
ii)	Lease of office premises from the BSL Group [1] (includes shared expenses such as IT, utilities and common area usage)	**178**	194
iii)	Interest income from the BSL Group [1]	-	51
iv)	Reimbursement to BSL for the issue of BSL shares to employees of the Company pursuant to the Boustead Restricted Share Plan 2011 [1]	**332**	514
v)	BSL's sale of shares in its entire holding in Perennial Tongzhou Development Pte. Ltd. of 367,142 ordinary shares [1]	-	20,478
vi)	Assignment of the loan from BSL to the Company on the loan granted by BSL to Perennial Tongzhou Development Pte. Ltd.	-	716

(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.

Independent Auditor's Report

TO THE MEMBERS OF BOUSTEAD PROJECTS LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the accompanying consolidated financial statements of Boustead Projects Limited (the "Company") and its subsidiaries (the "Group") and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated statement of financial position of the Group as at 31 March 2017;
- the statement of financial position of the Company as at 31 March 2017;
- the consolidated statement of comprehensive income of the Group for the year then ended;
- the consolidated statement of changes in equity of the Group for the year then ended;
- the consolidated statement of cash flows of the Group for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

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

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

Independence

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

Independent Auditor's Report

TO THE MEMBERS OF BOUSTEAD PROJECTS LIMITED

Our Audit Approach

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 March 2017. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Contract revenue recognition using the percentage-of-completion ("POC") method *Refer to Note 3 (Critical accounting estimates, assumptions and judgements) and Note 16 (Contracts work-in-progress)* During the financial year ended 31 March 2017, revenue from construction contract amounted to S$195,217,000 and it represented 86% of the total revenue of the Group. The Group uses the percentage-of-completion method to account for its contract revenue in accordance with FRS 11 Construction Contracts. We focused on the revenue recognition and provision for foreseeable losses under the percentage-of-completion method due to the significant management assumptions required in estimating the total contract costs.	We obtained an understanding of the projects under construction through discussions with management and project managers, conducted site visits and examined project documentation (including contracts, correspondences with customers on delays or extension of time). In relation to total contract revenue for project in progress, our audit procedures include the following: • traced total contract sums to contract entered into by the Group and its customers; and • recomputed the percentage of completion. In relation to total contracts costs, our audit procedures include the following: • traced the cost to complete for selected projects by substantiating costs that have been committed to quotations and contracts entered; • assessed the competence of the surveyors; • tested the reasonableness of the cost to complete for selected projects, focusing on those with significant activities during the year; and • assessed the reasonableness of cost incurred against our understanding of the project. Based on the audit procedures performed above, we have assessed management's estimates to be reasonable. We then recomputed the cumulative contract revenue and the contract revenue for the current financial year as well as the amount of foreseeable loss (where relevant) for each project, and traced to the accounting records and found it to be appropriate. We have also assessed the disclosures of the assumptions and the sensitivity in the financial statements to be appropriate.

Independent Auditor's Report

TO THE MEMBERS OF BOUSTEAD PROJECTS LIMITED

Other Information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Independent Auditor's Report

TO THE MEMBERS OF BOUSTEAD PROJECTS LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Yee Chen Fah.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 27 June 2017

Consolidated Statement of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	Note	2017 $'000	2016 $'000
Revenue	4	**228,307**	255,475
Cost of sales	5	**(169,786)**	(196,508)
Gross profit		**58,521**	58,967
Other income	7	**3,581**	4,581
Other gains/(losses) - net	8	**14,698**	(128)
Expenses			
- Selling and distribution	5	**(4,013)**	(4,017)
- Administrative	5	**(22,829)**	(23,034)
- Finance	9	**(2,391)**	(3,985)
Share of loss of an associated company and joint ventures	10	**(2,693)**	(2,675)
Profit before income tax		**44,874**	29,709
Income tax expense	11	**(8,625)**	(6,844)
Total profit		**36,249**	22,865
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation	29	**(1,011)**	(1,650)
Other comprehensive loss, net of tax		**(1,011)**	(1,650)
Total comprehensive income		**35,238**	21,215
Profit attributable to:			
Equity holders of the Company		**36,098**	22,865
Non-controlling interests		**151**	-*
		36,249	22,865
Total comprehensive income attributable to:			
Equity holders of the Company		**35,087**	21,215
Non-controlling interests		**151**	-*
		35,238	21,215
Earnings per share for profit attributable to equity holders of the Company (cents per share)			
Basic earnings per share	12	**11.3**	7.1
Diluted earnings per share	12	**11.3**	7.1

* *Less than $1,000*

Statements of Financial Position – Group and Company

AS AT 31 MARCH 2017

	Note	Group 2017 $'000	Group 2016 $'000	Company 2017 $'000	Company 2016 $'000
ASSETS					
Current assets					
Cash and cash equivalents	13	**113,374**	90,876	**100,164**	71,700
Properties held for sale	14	**30,612**	30,413	**-**	-
Trade receivables	15	**64,185**	69,737	**43,272**	60,872
Other receivables and prepayments	15	**41,681**	17,398	**143,309**	133,778
Derivative financial instrument		**-**	13	**-**	13
Contracts work-in-progress	16	**8,436**	6,133	**2,468**	3,453
		258,288	214,570	**289,213**	269,816
Non-current assets					
Other receivables and prepayments	15	**6,064**	3,395	**-**	-
Investment in an associated company	17	**-**	200	**-**	-
Investments in joint ventures	18	**32,354**	13,755	**37,263**	17,203
Investments in subsidiaries	19	**-**	-	**28,282**	29,135
Available-for-sale financial assets	20	**20,519**	38,391	**20,519**	38,391
Investment properties	21	**134,796**	146,182	**-**	-
Property, plant and equipment	22	**812**	743	**506**	714
		194,545	202,666	**86,570**	85,443
Total assets		**452,833**	417,236	**375,783**	355,259
LIABILITIES					
Current liabilities					
Borrowings	23	**18,295**	5,095	**-**	-
Trade and other payables	24	**106,695**	102,877	**167,419**	158,554
Income tax payable		**10,898**	8,231	**4,651**	4,497
Derivative financial instrument		**-**	306	**-**	306
Contracts work-in-progress	16	**9,458**	10,375	**-**	10,375
		145,346	126,884	**172,070**	173,732
Non-current liabilities					
Borrowings	23	**70,059**	88,354	**-**	-
Trade payables	24	**4,973**	5,401	**3,170**	5,401
Deferred income tax liabilities	25	**3,077**	2,737	**77**	1
		78,109	96,492	**3,247**	5,402
Total liabilities		**223,455**	223,376	**175,317**	179,134
NET ASSETS		**229,378**	193,860	**200,466**	176,125
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	26	**15,000**	15,000	**15,000**	15,000
Treasury shares	26	**(35)**	-	**(35)**	-
Retained profits	28	**218,179**	182,081	**185,141**	161,125
Other reserves	29	**(3,766)**	(3,115)	**360**	-
		229,378	193,966	**200,466**	176,125
Non-controlling interests		**-**	(106)	**-**	-
Total equity		**229,378**	193,860	**200,466**	176,125

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

Consolidated Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	Note	Share capital	Treasury shares	Retained profits	Other reserves	Equity attributable to equity holders of the Company	Non-controlling interests	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
2017								
Beginning of financial year		**15,000**	**-**	**182,081**	**(3,115)**	**193,966**	**(106)**	**193,860**
Profit for the year		**-**	**-**	**36,098**	**-**	**36,098**	**151**	**36,249**
Other comprehensive loss for the year		**-**	**-**	**-**	**(1,011)**	**(1,011)**	**-**	**(1,011)**
Total comprehensive income/(loss) for the year		**-**	**-**	**36,098**	**(1,011)**	**35,087**	**151**	**35,238**
Distributions		**-**	**-**	**-**	**-**	**-**	**(45)**	**(45)**
Purchase of treasury shares	26	**-**	**(35)**	**-**	**-**	**(35)**	**-**	**(35)**
Employee share option scheme - Value of employee services	29(b)(ii)	**-**	**-**	**-**	**360**	**360**	**-**	**360**
End of financial year		**15,000**	**(35)**	**218,179**	**(3,766)**	**229,378**	**-**	**229,378**
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	27	-	-	(80,000)	-	(80,000)	-	(80,000)
End of financial year		15,000	-	182,081	(3,115)	193,966	(106)	193,860

* *Less than $1,000*

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	Note	2017 $'000	2016 $'000
Cash flows from operating activities			
Profit before income tax		**44,874**	29,709
Adjustments for:			
- Depreciation expense		**7,080**	6,593
- Impairment loss on an investment property		**3,551**	-
- Share of loss of an associated company and joint ventures		**2,693**	2,675
- Employee share-based compensation expense		**692**	514
- Fair value losses on derivative financial instrument		**(105)**	104
- Gain on disposal of an available-for-sale financial asset - net		**(8,913)**	-
- Write-off of accrued leasing income		**954**	-
- Interest income		**(2,325)**	(3,365)
- Finance expenses		**2,391**	3,985
- Currency exchange losses - net		**71**	128
		50,963	40,343
Change in working capital:			
- Trade and other receivables		**(322)**	(6,636)
- Contracts work-in-progress		**(3,219)**	11,665
- Properties held for sale		**(164)**	-
- Trade and other payables		**2,381**	(4,765)
Cash generated from operations		**49,639**	40,607
Interest received		**2,325**	3,365
Interest paid		**(2,391)**	(3,985)
Income tax paid		**(5,619)**	(8,999)
Net cash provided by operating activities		**43,954**	30,988
Cash flows from investing activities			
Purchase of property, plant and equipment		**(392)**	(224)
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
Proceeds from disposal of an available-for-sale financial asset		**1,375**	-
Proceeds from repayment of loans by joint ventures		**5,453**	51,981
Loans to joint ventures		**(20,370)**	(11,399)
Loan to a related party		**(2,054)**	(2,710)
Net cash (used in)/provided by investing activities		**(15,988)**	140,381
Cash flows from financing activities			
Purchase of treasury shares		**(35)**	-
Repayment of borrowings		**(5,095)**	(93,030)
Repayment of loan from ultimate holding company		**-**	(20,750)
Dividends received from a joint venture		**266**	-
Dividends paid to equity holders of the Company		**-**	(80,000)
Dividends paid to non-controlling interests		**(45)**	-
Net cash used in financing activities		**(4,909)**	(193,780)
Net increase/(decrease) in cash and cash equivalents		**23,057**	(22,411)
Cash and cash equivalents			
Beginning of financial year	13	**90,876**	114,279
Effect of currency translation on cash and cash equivalents		**(559)**	(992)
End of financial year	13	**113,374**	90,876

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

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

1. GENERAL INFORMATION

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with 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 3.

Interpretations and amendments to published standards effective in the financial year ended 31 March 2017

On 1 April 2016, 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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 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 2.6 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 2.16(b)(i) for the accounting policy for rental income.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 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 statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

(iii) Disposals

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

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

Please refer to Note 2.22 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 2017

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 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

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

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

(iii) Disposals

Investments in an associated company and joint ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company or joint venture is a financial asset, the retained equity interest is 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 2.22 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 2017

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 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 reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

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

(d) Disposal

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.5 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.

2.6 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 reporting 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.

Variations in contract work, claims and incentive payments are included in 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 and they are capable of being reliably measured.

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 statement of financial position 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 reporting 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".

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.7 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 42 years for leasehold buildings and 15 years for machinery and equipment. No depreciation is provided for investment properties under construction and depreciation commences when the asset is ready for its intended use. The estimated useful lives and depreciation method are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

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

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

2.8 Impairment of non-financial assets

Property, plant and equipment
Investment properties
Investments in subsidiaries, 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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.9 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 purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are presented as "cash and cash equivalents" (Note 13), "trade and other receivables" (Note 15) and "contracts work-in-progress" (Note 16) on the statement of financial position.

(ii) Available-for-sale financial assets

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

(b) Recognition and derecognition

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

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

(c) Initial measurement

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

(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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.9 Financial assets (cont'd)

(e) Impairment

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

(i) Loans and receivables

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

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

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

(ii) Available-for-sale financial assets

In addition to the objective evidence of impairment described in Note 2.9(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 there is objective evidence of impairment, the cumulative loss that had been recognised in other comprehensive income is reclassified from equity to profit or loss. The amount of cumulative loss that is reclassified is measured as the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss. The impairment losses recognised as an expense for an equity security are not reversed through profit or loss in subsequent period.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.10 Offsetting financial instruments

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

2.11 Properties held for sale

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

2.12 Borrowings

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

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

2.13 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.

2.14 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.

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 2017

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.15 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 reporting date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis are also used to determine the fair values of the financial instruments.

The 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.

2.16 Leases

(a) When the Group is the lessee:

The Group leases land from non-related parties and office space from a related company (Note 30 (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 2017

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.17 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 reporting date.

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

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

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

Deferred income tax is measured:

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

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

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

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

2.18 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 2017

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.19 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) Employee share-based compensation

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

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

2.20 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 reporting date are recognised in profit or loss. However, in the consolidated financial statements, fair value changes on the effective portion of derivative financial instruments 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.

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.20 Currency translation (cont'd)

(c) Translation of Group entities' financial statements

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

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

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

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

2.21 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.

2.22 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 statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.23 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.

2.24 Share capital and treasury shares

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

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

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

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

2.25 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 2017

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

In the application of the Group's accounting policies, which are described in Note 2, 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.

Critical accounting estimates and assumptions

Revenue recognition – construction contracts

The Group has significant contracts that are on-going as at 31 March 2017, as disclosed in Note 16. For these contracts, management has to estimate the total contract costs to complete, which are used to measure the stage of completion for the Group's recognition of construction revenue. When it is probable that the total contract costs will exceed the total construction revenue, a provision for foreseeable losses is recognised as expense immediately.

Significant assumptions are used to estimate these total contract costs to complete. In making such assumptions, the Group evaluates by relying on the expertise of the surveying engineers to determine the progress of the construction and also on past experience of cost estimates.

If the percentage of completion at the reporting date had been higher/lower by 1% (2016: 1%) from management's estimates, the Group's revenue and gross profit would have been higher/lower by $2,162,000 (2016: $2,895,000) and $197,000 (2016: $139,000) respectively. As at 31 March 2017, the Group recognised an allowance for foreseeable losses on contracts work-in-progress amounting to $110,000 (2016: $Nil).

4. REVENUE

	2017 $'000	2016 $'000
Construction contract revenue	**195,217**	221,089
Property rental income	**33,090**	34,386
	228,307	255,475

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

5. EXPENSES BY NATURE

	2017 $'000	2016 $'000
Sub-contractor fees and other construction costs	**163,022**	190,210
Directors' fees	**244**	244
Employee compensation (Note 6)	**13,297**	12,757
Depreciation expense (Note 21 and 22)	**7,080**	6,593
Fees on audit services paid/payable to:		
- auditor of the Company for statutory audit	**165**	163
- other auditors	**28**	20
Property tax	**3,505**	3,452
Rental expenses	**4,822**	4,845
Maintenance expenses	**822**	666
Selling expenses	**241**	293
Legal and professional fees	**1,111**	2,693
Write-off of accrued leasing income	**954**	-
Others	**1,337**	1,623
Total cost of sales, selling and distribution and administrative expenses	**196,628**	223,559

6. EMPLOYEE COMPENSATION

	2017 $'000	2016 $'000
Wages and salaries	**11,777**	11,448
Employer's contribution to defined contribution plans including Central Provident Fund	**828**	795
Share-based compensation expense payable to the ultimate holding company	**332**	514
Share-based compensation expense (Note 29(b)(ii))	**360**	-
	13,297	12,757

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

6. EMPLOYEE COMPENSATION (cont'd)

(a) Employee share plans – Boustead Restricted Share Plan 2011

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

The awards granted under the 2011 Share Plan are subject to performance-based restrictions which will only vest after a further period of service beyond the performance target completion date.

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:

	2017	2016
Number of shares		
Outstanding at beginning of financial year	**589,009**	865,788
Vested during the year	**(411,827)**	(276,779)
Outstanding at the end of financial year	**177,182**	589,009

The fair value of the share awards granted under the 2011 Share Plan was determined based on the market share price at the 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 $332,000 (2016: $514,000) relating to such equity settled share-based compensation transactions during the financial year.

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

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

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

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

As at 31 March 2017, there are no awards granted under the 2016 Share Plan.

During the financial year, the Group has made a provision of $360,000 for share awards in relation to current year's performance. These share awards will be granted and vested in the next financial year, subject to approval by the committee appointed by the Board to administer the 2016 Share Plan.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

7. OTHER INCOME

	2017 $'000	2016 $'000
Interest income		
- Non-related parties	**1,988**	2,648
- Associated company	**140**	159
- Related party	**170**	57
- Joint ventures	**27**	450
- Ultimate holding company	**-**	51
	2,325	3,365
Sublease income	**1,256**	1,216
	3,581	4,581

8. OTHER GAINS/(LOSSES) - NET

	2017 $'000	2016 $'000
Currency exchange losses - net	**(71)**	(128)
Impairment loss on an investment property	**(3,551)**	-
Gain on disposal of an available-for-sale financial asset - net	**8,913**	-
Compensation from termination of lease	**9,407**	-
	14,698	(128)

9. FINANCE EXPENSES

	2017 $'000	2016 $'000
Interest expense	**2,391**	3,985

10. SHARE OF LOSS OF AN ASSOCIATED COMPANY AND JOINT VENTURES

	2017 $'000	2016 $'000
Share of (losses)/profits after income tax		
- An associated company	**(602)**	(137)
- Joint ventures	**99**	121
	(503)	(16)
Elimination of share of unrealised construction profits		
- An associated company	**(586)**	(660)
- Joint ventures	**(1,604)**	(1,999)
	(2,190)	(2,659)
	(2,693)	(2,675)

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

11. INCOME TAXES

Income tax expense

	2017 $'000	2016 $'000
Tax expense attributable to profit is made up of:		
Current income tax		
- Singapore	**8,873**	6,217
- Foreign	**261**	760
	9,134	6,977
Deferred income tax (Note 25)	**810**	459
	9,944	7,436
(Over)/under provision in prior financial years		
Current income tax	**(849)**	(1,054)
Deferred income tax (Note 25)	**(470)**	462
	(1,319)	(592)
	8,625	6,844

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:

	2017 $'000	2016 $'000
Profit before tax	**44,874**	29,709
Share of loss of an associated company and joint ventures, net of tax	**2,693**	2,675
Profit before tax and share of loss of an associated company and joint ventures	**47,567**	32,384
Tax calculated at tax rate of 17% (2016: 17%)	**8,086**	5,505
Effects of		
- tax incentives	**(647)**	(552)
- expenses not deductible for tax purposes	**2,393**	1,104
- intra-group unrealised gains subject to tax	**195**	1,243
- income not subject to tax	**(133)**	(19)
- different tax rates in other countries	**88**	233
- other	**(38)**	(78)
- over provision in prior financial years	**(1,319)**	(592)
Tax charge	**8,625**	6,844

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

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.

	2017	2016
Profit attributable to equity holders of the Company ($'000)	**36,098**	22,865
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**319,997**	320,000
Basic earnings per share (cents per share)	**11.3**	7.1

(b) Diluted earnings per share

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

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

	2017	2016
Profit attributable to equity holders of the Company ($'000)	**36,098**	22,865
Weighted average number of ordinary shares outstanding for diluted earnings per share ('000)	**320,000**	320,000
Diluted earnings per share (cents per share)	**11.3**	7.1

13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Cash at bank and on hand	**48,071**	36,298	**39,164**	25,100
Short-term bank deposits	**65,303**	54,578	**61,000**	46,600
	113,374	90,876	**100,164**	71,700

The short-term bank deposits have maturities of less than a year and earn interest at a weighted average rate of 1.63% (2016: 1.95%) per annum as at reporting date. The carrying amounts of these assets approximate their fair value.

Cash and cash equivalents belonging to a subsidiary of the Group amounting to $4,594,000 (2016: $4,423,000) 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 2017

14. PROPERTIES HELD FOR SALE

The Group has the following properties held for sale:

Location	Description/Area	Terms of lease
(1) Singapore No. 12 Changi North Way	Industrial/ Gross floor: 23,881 sq metres	30 years from 16 January 2005 with an option to extend a further 30 years
(2) Singapore No. 16 Changi North Way	Industrial/ Gross floor: 11,320 sq metres	27 years 4 months from 1 September 2007 with an option to extend a further 30 years
(3) Singapore No. 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 2017, properties held for sale amounting to $9,070,000 (2016: $8,984,000) are pledged to the banks for banking facilities (Note 23).

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 $99,659,000 (2016: $103,420,000) 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.

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

15. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2017 $'000	**2016 $'000**	**2017 $'000**	**2016 $'000**
Trade and other receivables and prepayments – current				
Trade receivables from:				
- Non-related parties	**38,672**	42,977	**28,736**	36,021
- Joint ventures	**6,814**	10,891	**3,174**	10,876
- Related party (a subsidiary of an associated company)	**5,405**	-	**-**	-
- Associated company	**-**	131	**-**	-
Retention sum receivables	**13,294**	15,738	**11,362**	13,975
Trade receivables	**64,185**	69,737	**43,272**	60,872
Other receivables and prepayments				
Loans to:				
- Subsidiaries	**-**	-	**114,858**	126,380
Less: Allowance for impairment of loan to a subsidiary	**-**	-	**(2,166)**	(2,115)
	-	-	**112,692**	124,265
- Joint venture	**-**	5,453	**-**	5,453
- Associated company	**3,406**	3,676	**-**	-
- Related party	**4,527**	2,710	**-**	-
Loans – net	**7,933**	11,839	**112,692**	129,718
Other receivables from:				
- Non-related parties	**30,270**	2,648	**26,991**	1,869
- Subsidiaries	**-**	-	**2,224**	1,475
- Joint venture	**196**	318	**155**	318
- Associated company	**527**	474	**-**	-
- Related party	**223**	-	**-**	-
Tax recoverable	**567**	300	**-**	-
Deposits	**1,427**	661	**1,115**	250
Prepayments	**538**	1,158	**132**	148
Total other receivables and prepayments	**41,681**	17,398	**143,309**	133,778
Other receivables and prepayments – non-current				
Other receivables and prepayments				
Other receivables from:				
- Non-related parties	**4,196**	1,186	**-**	-
Prepayments	**1,868**	2,209	**-**	-
Total other receivables and prepayments	**6,064**	3,395	**-**	-

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

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

As at 31 March 2017, included within other receivables - current from non-related parties is an amount of $26,125,000, being the remaining portion of consideration from the Group's and Company's disposal of its entire shareholding in an unquoted equity security (Note 20).

The loans to subsidiaries are unsecured, bear interest up to 1.50% (2016: 0.42%) per annum and are repayable on demand. The loan to a joint venture was unsecured, bore interest at 1.50% above Singapore Interbank Offered Rate ("SIBOR") per annum and was repayable on demand. The loan to an associated company is unsecured, bears interest at 0.50% (2016: 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% (2016: 1.40%) above KLIBOR per annum and is repayable on demand.

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

16. CONTRACTS WORK-IN-PROGRESS

	Group		Company	
	2017 $'000	**2016 $'000**	**2017 $'000**	**2016 $'000**
Contracts work-in-progress:				
Amounts due from contract customers	**8,436**	6,133	**2,468**	3,453
Aggregate contract costs incurred and profits recognised to date	**73,012**	36,930	**39,899**	31,945
Less: Allowance for foreseeable losses	**(110)**	-	**-**	-
Less: Progress billings	**(64,466)**	(30,797)	**(37,431)**	(28,492)
	8,436	6,133	**2,468**	3,453
Contract work-in-progress:				
Amounts due to contract customers	**9,458**	10,375	**-**	10,375
Progress billings	**43,574**	98,206	**-**	98,206
Less: Aggregate contract costs incurred and profits recognised to date	**(34,116)**	(87,831)	**-**	(87,831)
	9,458	10,375	**-**	10,375

As at 31 March 2017, there are no (2016: $Nil) advances received from customers for contract work.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

17. INVESTMENT IN AN ASSOCIATED COMPANY

	Group	
	2017 $'000	**2016 $'000**
Beginning of financial year	**200**	1,094
Currency translation differences	**(47)**	(97)
Share of loss, net of tax	**(602)**	(137)
Elimination of share of unrealised construction profits	**(586)**	(660)
Deferred gain	**1,035**	-
End of financial year	**-**	200

Set out below is the associated company of the Group as at 31 March 2017. 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	
		2017	**2016**
THAB Development Sdn Bhd and its subsidiary [1]	Malaysia	**35%**	35%

[1] *Audited by KPMG, Malaysia*

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, estimated to be in the financial year ending 31 March 2018.

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 $28,799,000 (2016: $27,110,000).

Summarised financial information for an associated company

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

Summarised statement of financial position

	THAB Development Sdn Bhd and its subsidiary As at 31 March	
	2017 $'000	**2016 $'000**
Current assets	**93,425**	75,185
Non-current assets	**10,504**	3,329
Current liabilities	**(59,762)**	(38,073)
Non-current liabilities	**(43,059)**	(37,612)
Net assets	**1,108**	2,829

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

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

Summarised statement of comprehensive income

	THAB Development Sdn Bhd and its subsidiary For the financial year ended 31 March	
	2017 $'000	**2016 $'000**
Revenue	**-**	-
Profit/(loss) before income tax	**301**	(32)
Loss after income tax and total comprehensive loss	**(1,721)**	(392)

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

Reconciliation of summarised financial information

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

	THAB Development Sdn Bhd and its subsidiary As at 31 March	
	2017 $'000	**2016 $'000**
Net assets		
Beginning of financial year	**2,829**	3,221
Loss for the financial year	**(1,721)**	(392)
End of financial year	**1,108**	2,829
Interest in associated company (35%)	**388**	990
Elimination of share of unrealised construction profits	**(1,246)**	(660)
Currency translation difference	**(177)**	(130)
Deferred gain	**1,035**	-
Carrying value	**-**	200

As at 31 March 2017, the Group's interest is reduced to zero due to elimination of share of unrealised construction profits and a deferred gain recognised (Note 24). There are no contingent liabilities and capital commitment relating to the Group's interest in the associated company.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

18. INVESTMENTS IN JOINT VENTURES

	Group		Company	
	2017 $'000	**2016 $'000**	**2017 $'000**	**2016 $'000**
Beginning of financial year	**13,755**	10,728	**17,203**	12,298
Capital contribution	**20,370**	4,905	**20,060**	4,905
Share of profits, net of tax	**99**	121	**-**	-
Elimination of share of unrealised construction profits	**(1,604)**	(1,999)	**-**	-
Elimination of dividends	**(266)**	-	**-**	-
End of financial year	**32,354**	13,755	**37,263**	17,203

Set out below are the joint ventures of the Group as at 31 March 2017 and 2016. The joint ventures are funded via a combination of share capital and shareholders' loans.

Name of entity	Principal activities	Country of business/ incorporation	% of ownership interest	
			2017	**2016**
BP-Vista LLP [1]	Holding of property for rental income	Singapore	**30%**	30%
BP-DOJO LLP [1][2]	Holding of property for rental income	Singapore	**51%**	-
BP-Ubi Development Pte Ltd and its subsidiary [1]	Holding of property for rental income	Singapore	**50%**	50%
BP-SF Turbo LLP [1]	Holding of property for rental income	Singapore	**50%**	50%
BP-CA3 LLP [1][2]	Holding of property for rental income	Singapore	**50%**	-

(1) *Audited by PricewaterhouseCoopers LLP, Singapore*

(2) *Newly incorporated during the year*

The subsidiary of BP-Ubi Development Pte Ltd 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 $21,250,000 (2016: $22,050,000). There are no other contingent liabilities relating to the Group's interest in the joint ventures. The Group has $14,195,000 (2016: $3,707,000) of commitments to provide funding if called, relating to its joint ventures.

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

	Group	
	2017 $'000	**2016 $'000**
BP-Vista LLP	**10,909**	9,624
BP-DOJO LLP	**16,861**	-
Other joint ventures	**4,584**	4,131
	32,354	13,755

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18. INVESTMENTS IN JOINT VENTURES (cont'd)

Summarised financial information for joint ventures

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

Summarised statement of financial position

	BP-Vista LLP As at 31 March		BP-DOJO LLP As at 31 March	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Current assets	**7,273**	3,899	**10,164**	-
Includes:				
- Cash and cash equivalents	**3,589**	1,109	**3,744**	-
Non-current assets	**136,088**	93,950	**95,253**	-
Current liabilities	**(7,697)**	(16,446)	**(7,928)**	-
Includes:				
- Financial liabilities (excluding trade and other payables)	**-**	(5,453)	**(4,355)**	-
- Other liabilities (including trade and other payables)	**(7,697)**	(10,993)	**(3,573)**	-
Non-current liabilities	**(136,637)**	(81,413)	**(97,496)**	-
Includes:				
- Financial liabilities	**(92,766)**	(47,600)	**(64,080)**	-
Net liabilities	**(973)**	(10)	**(7)**	-

Summarised statement of comprehensive income

	BP-Vista LLP For the financial year ended 31 March		BP-DOJO LLP For the financial year ended 31 March	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Revenue	**2,742**	-	**-**	-
Interest income	**-**	142	**-**	-
Expenses	**(3,705)**	(10)	**(7)**	-
Includes:				
- Depreciation and amortisation	**(2,174)**	-	**-**	-
- Interest expense	**(1,012)**	-	**-**	-
- Other expenses	**(519)**	(10)	**(7)**	-
(Loss)/Profit after income tax, representing total comprehensive income	**(963)**	132	**(7)**	-

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.

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18. INVESTMENTS IN JOINT VENTURES (cont'd)

Reconciliation of summarised financial information

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

	BP-Vista LLP As at 31 March		BP-DOJO LLP As at 31 March	
	2017 $'000	**2016 $'000**	**2017 $'000**	**2016 $'000**
Net liabilities				
Beginning of financial year	**(10)**	(142)	**-**	-
(Loss)/Profit for the financial year	**(963)**	132	**(7)**	-
End of financial year	**(973)**	(10)	**(7)**	-
Interests in joint ventures (30%; 51%)	**(292)**	(3)	**(4)**	-
Shareholders' loans	**13,161**	10,143	**17,042**	-
Elimination of share of unrealised construction profits	**(1,960)**	(516)	**(177)**	-
Carrying value	**10,909**	9,624	**16,861**	-

The aggregate information about the Group's investments in joint ventures that are not individually material are as follows:

	For the financial year ended 31 March	
	2017 $'000	**2016 $'000**
Share of profit/(loss) after income tax, representing total comprehensive profit	**409**	(1,402)
Aggregate carrying value	**4,584**	4,131

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19. INVESTMENTS IN SUBSIDIARIES

	Company	
	2017 $'000	**2016 $'000**
Unquoted equity shares at cost		
Beginning of financial year	**17,671**	2,671
Additions	**5**	15,000
Disposals	**-***	-
End of financial year	**17,676**	17,671
Less: Allowance for impairment losses	**(233)**	(233)
	17,443	17,438
Loan to a subsidiary	**10,839**	11,697
Total investments in subsidiaries	**28,282**	29,135

* *Less than $1,000*

The loan to a subsidiary form part of the Company's net investment in the subsidiary. The loan is unsecured, bears interest at 0.50% (2016: 0.50%) above KLIBOR per annum. Repayment of the loan is neither planned nor likely to occur in the foreseeable future.

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19. INVESTMENTS IN SUBSIDIARIES (cont'd)

The Group had the following subsidiaries as at 31 March 2017 and 2016:

Name of companies	Principal activities	Country of business/ incorporation	Equity holding	
			2017 %	2016 %
Significant subsidiaries held by the Company				
Boustead Projects E&C Pte Ltd [1]	Provide project management, design, construction and property-related services	Singapore	**100**	100
BP Engineering Solutions Sdn Bhd [2]	Provide project management, design, construction and property-related services	Malaysia	**100**	100
Boustead Projects (Vietnam) Co. Ltd [3]	Design-and-build contractors	Vietnam	**100**	100
PIP Pte Ltd [1]	Provide project management, design, construction and property-related services	Singapore	**100**	100
BP-CA Pte Ltd [1]	Holding of property for rental income	Singapore	**100**	100
BP-SFN Pte Ltd [1]	Holding of property for rental income	Singapore	**100**	100
BP-UMS Pte Ltd [1]	Holding of property for rental income	Singapore	**100**	100
BP-Tuas 1 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
Wuxi Boustead Industrial Development Co. Ltd [9]	Development of industrial space for lease/sale	People's Republic of China	**100**	100
Boustead Real Estate Fund [1]	Private business trust	Singapore	**100**	100
Boustead Trustees Pte Ltd [1]	Trustee for real estate trust	Singapore	**100**	100
Boustead Funds Management Pte Ltd [1]	Property fund management	Singapore	**100**	100
Boustead Property Services Pte Ltd [1]	Management of properties	Singapore	**100**	100

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19. INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of companies	Principal activities	Country of business/ incorporation	Equity holding	
			2017 %	2016 %
Significant subsidiaries held by the Company (cont'd)				
BP-PRC Pte Ltd [(1)]	Investment holding	Singapore	**100**	100
BP Lands Sdn Bhd [(2)]	Investment holding	Malaysia	**100**	100
BP-GD1 Pte Ltd [(5),(6)]	Investment holding	Singapore	**100**	-
BP-TM Pte Ltd [(6)]	Investment holding	Singapore	**100**	100
BP-IDN Pte Ltd [(6)]	Investment holding	Singapore	**100**	100
BP-DC Pte Ltd [(7)]	Investment holding	Singapore	**-**	100
Boustead Projects (Thailand) Co. Ltd [(4)]	Provide project management, design, construction and property-related services	Thailand	**100**	100
Boustead Projects Investments Pte Ltd [(4)]	Holding of property for rental income	Singapore	**100**	100
BP-Conti Alloy Pte Ltd [(4)]	Holding of property for rental income	Singapore	**100**	100
Boustead Crescendas Holdings Pte Ltd [(8)]	Investment holding	Singapore	**-**	55

(1) *Audited by PricewaterhouseCoopers LLP, Singapore*
(2) *Audited by PricewaterhouseCoopers, Malaysia*
(3) *Audited by RSM Vietnam*
(4) *In the process of voluntary liquidation/strike-off*
(5) *Newly incorporated during the year*
(6) *Not required to be audited as the company is exempted from audit*
(7) *Disposed during the year*
(8) *Liquidated during the year*
(9) *Audited by Zhonghui Certified Public Accountants LLP Wuxi Branch*

20. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group and Company	
	2017 $'000	2016 $'000
Beginning of financial year	**38,391**	17,872
Additions	**-**	20,519
Disposals	**(17,872)**	-
End of financial year	**20,519**	38,391

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20. AVAILABLE-FOR-SALE FINANCIAL ASSETS (cont'd)

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

	Group and Company	
	2017 $'000	**2016 $'000**
Unquoted securities		
- Equity securities, at fair value (Note (a))	**-**	17,872
- Equity securities, at cost (Note (b))	**20,519**	20,519
	20,519	38,391

(a) As at 31 March 2016, included within available-for-sale financial assets was an unquoted equity security amounting to $17,872,000 carried at fair value. There was no active market for the security and the fair value was determined based on the share of the investee's underlying net assets adjusted for recent property valuation.

On 25 January 2017, the Group entered into a sale and purchase agreement to dispose of its entire shareholding in the unquoted equity security amounting to $17,872,000, at a consideration of $27,500,000, before transaction cost of $715,000. The transaction cost of $715,000 is included within accruals for operating expenses (Note 24). The disposal was completed on 31 March 2017 and a net gain on disposal amounting to $8,913,000 (Note 8) was recognised. The consideration and net gain have been provisionally determined pending finalisation of the Net Asset Value ("NAV") of the unquoted equity security from an independent auditor.

(b) Included within available-for-sale financial asset is an unquoted equity security amounting to $20,519,000 (2016: $20,519,000) carried at cost.

This relates to a 5.27% equity interest in Perennial Tongzhou Development Pte. Ltd., representing 4.0% effective interest in Beijing Tongzhou Integrated Development (Phase 1), a mixed-use project located in Beijing's Tongzhou District. There is no active market for the security and the fair value cannot be reasonably measured.

The unquoted equity investment is held for long-term investment purpose and management currently has no intention to dispose it.

21. INVESTMENT PROPERTIES

	Group	
	2017 $'000	**2016 $'000**
Cost		
Beginning of financial year	**163,270**	170,648
Adjustments on costs finalisation	**(1,078)**	(7,378)
End of financial year	**162,192**	163,270
Accumulated depreciation and impairment losses		
Beginning of financial year	**17,088**	10,791
Depreciation charge	**6,757**	6,297
Impairment charge	**3,551**	-
End of financial year	**27,396**	17,088
Net book value		
End of financial year	**134,796**	146,182

Investment properties are leased to non-related parties under operating leases (Note 30).

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21. INVESTMENT PROPERTIES (cont'd)

The following amounts are recognised in profit and loss:

	Group	
	2017 $'000	**2016 $'000**
Rental income	**25,257**	24,650
Direct operating expenses arising from:		
- Investment properties that generate rental income	**5,408**	5,378

As at 31 March 2017, 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	30 years from 1 April 2011 with an option to extend a further 26 years
16 Tampines Industrial Crescent	Industrial/Leasehold	Rental	30 years from 16 June 2012
26 Changi North Rise	Industrial/Leasehold	Rental	30 years from 30 April 2010 with an option to extend a further 30 years
10 Changi North Way	Industrial/Leasehold	Rental	24 years from 16 September 2010 with an option to extend a further 30 years
80 Boon Keng Road (Phase 2)	Industrial/Leasehold	Rental	30 years from 1 October 2013 with an option to extend a further 16 years
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 with an option to extend a further 30 years

As at 31 March 2017, investment properties amounting to $45,320,000 (2016: $47,870,000) have been pledged to banks for banking facilities (Note 23).

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 $252,100,000 (2016: $259,800,000) 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.

The fair values of investment properties are within level 3 of the fair value hierarchy.

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22. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery	Office computers	Office equipment, furniture and fittings	Renovations	Total
	$'000	$'000	$'000	$'000	$'000
<u>**Group**</u>					
2017					
Cost					
Beginning of financial year	**430**	**1,311**	**324**	**119**	**2,184**
Additions	**240**	**72**	**67**	**13**	**392**
Disposal	**-**	**(2)**	**-**	**(7)**	**(9)**
End of financial year	**670**	**1,381**	**391**	**125**	**2,567**
Accumulated depreciation					
Beginning of financial year	**285**	**873**	**216**	**67**	**1,441**
Depreciation charge	**101**	**156**	**38**	**28**	**323**
Disposal	**-**	**(2)**	**-**	**(7)**	**(9)**
End of financial year	**386**	**1,027**	**254**	**88**	**1,755**
Net book value					
End of financial year	**284**	**354**	**137**	**37**	**812**
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**

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

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

	Plant and machinery	Office computers	Office equipment, furniture and fittings	Renovations	Total
	$'000	$'000	$'000	$'000	$'000
<u>**Company**</u>					
2017					
Cost					
Beginning of financial year	**430**	**1,293**	**303**	**111**	**2,137**
Additions	**-**	**72**	**-**	**4**	**76**
End of financial year	**430**	**1,365**	**303**	**115**	**2,213**
Accumulated depreciation					
Beginning of financial year	**285**	**868**	**211**	**59**	**1,423**
Depreciation charge	**86**	**156**	**23**	**19**	**284**
End of financial year	**371**	**1,024**	**234**	**78**	**1,707**
Net book value					
End of financial year	**59**	**341**	**69**	**37**	**506**
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**

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

23. BORROWINGS

	Group	
	2017 $'000	**2016 $'000**
Current		
Bank borrowings	**18,295**	5,095
Non-current		
Bank borrowings	**70,059**	88,354
Total borrowings	**88,354**	93,449

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

	Group	
	2017 $'000	**2016 $'000**
6 months or less	**88,354**	93,449

(a) Security granted

Total borrowings include secured liabilities of $88,354,000 (2016: $93,449,000) for the Group. Bank borrowings are secured over investment properties (Note 21) 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.

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Trade and other payables – current				
Trade payables to:				
- Non-related parties - billed	**12,474**	16,553	**4,786**	15,002
- Non-related parties - unbilled	**60,018**	50,687	**48,736**	47,402
	72,492	67,240	**53,522**	62,404
Other payables to:				
- Non-related parties	**5,044**	8,563	**59**	57
- Fellow subsidiary	**27**	-	**-**	-
- Subsidiary	**-**	-	**18,785**	-
	5,071	8,563	**18,844**	57
Retention sum payables	**21,008**	22,200	**19,491**	20,548
Accruals for operating expenses	**8,124**	4,874	**4,381**	3,593
Loans from subsidiaries	**-**	-	**71,181**	71,952
Trade and other payables – current	**106,695**	102,877	**167,419**	158,554
Trade payables – non-current				
Retention sum payables	**4,973**	5,401	**3,170**	5,401

Other payables to a fellow subsidiary and a subsidiary are unsecured, interest free and repayable on demand.

Loans from subsidiaries are unsecured, bear interest up to 1.50% (2016: 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 $4,000,000 (2016: $2,369,000). During the financial year, there was $1,631,000 (2016: $2,369,000) charged to cost of sales.

Included in accruals for operating expenses is a deferred gain from investments in an associated company amounting to $1,035,000 (2016: $Nil).

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25. DEFERRED INCOME TAXES

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

	Group		Company	
	2017 $'000	**2016 $'000**	**2017 $'000**	**2016 $'000**
Deferred income tax liabilities				
- To be settled after one financial year	**3,077**	2,737	**77**	1
	3,077	2,737	**77**	1

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

	Group		Company	
	2017 $'000	**2016 $'000**	**2017 $'000**	**2016 $'000**
Deferred income tax liabilities				
Accelerated tax depreciation				
Beginning of financial year	**2,737**	1,848	**1**	1
Charged to profit or loss	**340**	889	**76**	-
End of financial year	**3,077**	2,737	**77**	1
Deferred income tax assets				
Others				
Beginning of financial year	**-**	32	**-**	-
Charged to profit or loss	**-**	(32)	**-**	-
End of financial year	**-**	-	**-**	-

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26. SHARE CAPITAL AND TREASURY SHARES

	No. of ordinary shares		Amount	
	Issued share capital	Treasury shares	Share capital	Treasury shares
	'000	'000	$'000	$'000
Group and Company				
2017				
Beginning of financial year	**320,000**	**-**	**15,000**	**-**
Treasury shares purchased	**-**	**(40)**	**-**	**(35)**
End of financial year	**320,000**	**(40)**	**15,000**	**(35)**
2016				
Beginning of financial year	15,000	-	15,000	-
Post sub-division and end of financial year	320,000	-	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.

The Company acquired 40,000 shares in the Company in the open market during the financial year. The total amount paid to acquire the shares was $35,000 and this is presented as a component within shareholders' equity.

27. DIVIDENDS

	Group	
	2017 $'000	2016 $'000
Ordinary dividends paid		
Dividends paid in respect of the previous financial year (2016: 25.00 cents*) per share (Note 28)	**-**	80,000

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

At the forthcoming Annual General Meeting on 27 July 2017, a final ordinary dividend of 1.5 cents per share and special dividend of 1.0 cent per share amounting to a total of $7,999,000 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 March 2018.

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28. RETAINED PROFITS

(a) Retained profits of the Group are distributable except for 10% of accumulated retained profits of a China subsidiary amounting to $121,000 (2016: $74,000).

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

	Company	
	2017 $'000	**2016 $'000**
Beginning of financial year	**161,125**	199,795
Net profit	**24,016**	41,330
Dividends paid (Note 27)	**-**	(80,000)
End of financial year	**185,141**	161,125

29. OTHER RESERVES

	Group		Company	
	2017 $'000	**2016 $'000**	**2017 $'000**	**2016 $'000**
(a) Composition:				
Foreign currency translation reserve	**(1,272)**	(261)	**-**	-
Share-based compensation reserve	**360**	-	**360**	-
Merger reserve	**(2,854)**	(2,854)	**-**	-
	(3,766)	(3,115)	**360**	-

	Group		Company	
	2017 $'000	**2016 $'000**	**2017 $'000**	**2016 $'000**
(b) Movement:				
(i) Foreign currency translation reserve				
Beginning of financial year	**(261)**	1,389	**-**	-
Net currency translation differences arising from consolidation	**(1,011)**	(1,650)	**-**	-
End of financial year	**(1,272)**	(261)	**-**	-
(ii) Share-based compensation reserve				
Beginning of financial year	**-**	-	**-**	-
Employee share-based compensation				
- Value of employee services (Note 6)	**360**	-	**360**	-
End of financial year	**360**	-	**360**	-
(iii) Merger reserve				
Beginning and end of financial year	**(2,854)**	(2,854)	**-**	-

Other reserves are non-distributable.

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30. COMMITMENTS

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

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

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

	2017 $'000	2016 $'000
Not later than one financial year	**4,634**	4,909
Between one and five financial years	**17,609**	19,081
Later than five financial years	**131,666**	143,117
	153,909	167,107

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

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

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

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

	2017 $'000	2016 $'000
Not later than one financial year	**28,852**	32,774
Between one and five financial years	**77,071**	104,697
Later than five financial years	**94,934**	127,787
	200,857	265,258

Operating lease receivables are subjected to revisions at periodic intervals based on terms and conditions of the lease agreements.

31. 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 $95,858,000 (2016: $100,762,000) at the reporting date.

(b) The Company has entered into performance guarantees of $25,906,000 (2016: $35,065,000) 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 reporting 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 2017

32. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management team then establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies. Financial risk management is carried out by finance personnel.

(a) Market risk

(i) Currency risk

The Group operates in Asia with significant operations in Singapore and Malaysia.

During the financial year, translation risks of overseas net investments are not hedged by hedging instruments.

Currency exposure to the net assets of the Group's foreign operations in China, Malaysia and Vietnam are managed primarily through natural hedges of matching assets and liabilities. Management reviews periodically so that the net exposure is kept at an acceptable level.

In the last financial year, translation risk of the Group's net investments in a subsidiary in Malaysia was hedged by derivative financial instruments. These derivative financial instruments were not renewed during the financial year due to management's outlook of the currency, the intention to have a long-term business presence in Malaysia and to a certain extent, the Central Bank of Malaysia imposing restrictions in the offshore non-deliverable forwards contracts.

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 not exposed to any equity security price risk.

(iii) Cash flow and fair value interest rate risks

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

The Group's exposure to cash flow interest rate risks arises mainly from borrowings, loans to 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 subsidiaries and a joint venture and loans from subsidiaries at variable rates.

The Group's borrowings at variable rates are denominated in SGD. If the SGD interest rates had been higher/lower by 1% (2016: 1%) with all other variables including tax rate being held constant, the Group's profit after tax would have been lower/higher by $667,000 (2016: lower/higher by $677,000) as a result of higher/lower interest income from loans to 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% (2016: 1%) with all other variables including tax rate being held constant, the Company's profit after tax would have been higher/lower by $345,000 (2016: higher/lower by $479,000), as a result of higher/lower interest income on loans to subsidiaries and a joint venture and higher/lower interest expense on loans from subsidiaries.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

32. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits, trade receivables and other 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 seven (2016: five) external customers which individually represent more than 5% of the Group's total trade receivables. There are nine (2016: five) external customers which individually represent more than 5% of the Company's total trade receivables.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the statement of financial position. 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 2017

32. 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.

The age analysis of trade receivables (excluding retention sum receivables) past due but not impaired is as follows:

	Group		Company	
	2017 $'000	**2016 $'000**	**2017 $'000**	**2016 $'000**
Past due over 3 months	**5,073**	3,622	**2,674**	3,622

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	
	2017 $'000	**2016 $'000**
Past due over 3 months	**2,166**	2,115
Less: Allowance for impairment	**(2,166)**	(2,115)
	-	-
Balance at beginning of financial year	**2,115**	2,115
Currency translation difference	**51**	-
Balance at end of financial year	**2,166**	2,115

There are no (2016: $Nil) impaired trade receivables as at 31 March 2017.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

32. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At the reporting date, assets held by the Group and the Company for managing liquidity risk included cash and short-term bank deposits as disclosed in Note 13.

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

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months approximate their carrying amounts as the impact of discounting is not significant. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

	Less than 1 year	Between 2 and 5 years	Over 5 years
	$'000	$'000	$'000
Group			
At 31 March 2017			
Trade and other payables	**106,695**	**4,973**	**-**
Borrowings	**20,485**	**50,181**	**24,665**
At 31 March 2016			
Trade and other payables	102,887	5,401	-
Borrowings	7,537	68,531	27,362
Company			
At 31 March 2017			
Trade and other payables	**96,238**	**3,170**	**-**
Loans from subsidiaries	**72,076**	**-**	**-**
Financial guarantees	**121,764**	**-**	**-**
At 31 March 2016			
Trade and other payables	86,602	5,401	-
Loans from subsidiaries	72,254	-	-
Financial guarantees	135,827	-	-

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

32. 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 (2016: $90,000,000), a maximum total liability gearing ratio of 275% (2016: 275%) and maximum consolidated gearing of 1.5 (2016: 1.5) times. The Group's strategy which was unchanged from 2016, is to maintain gearing ratios and minimum level of total net tangible assets within the banks' requirements.

The total liability gearing ratio is calculated as a percentage of consolidated total liabilities divided by the consolidated tangible net worth and the maximum consolidated gearing ratio is calculated as total bank debts divided by tangible net worth. Tangible net worth is calculated as the sum of share capital and retained profits.

The Group is in compliance with all externally imposed capital requirements for the financial years ended 31 March 2017 and 31 March 2016.

(e) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and in Note 20 to the financial statements, except for the following:

	Group		Company	
	2017 $'000	**2016 $'000**	**2017 $'000**	**2016 $'000**
Loans and receivables	**231,334**	184,172	**289,081**	269,655
Financial liabilities at amortised cost	**200,022**	201,727	**170,589**	163,955

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

32. FINANCIAL RISK MANAGEMENT (cont'd)

(f) Fair value measurements

There is no assets and liabilities measured at fair values as at 31 March 2017.

The following table presents assets and liabilities measured at fair value as at 31 March 2016 and classified by level of the following fair value measurement hierarchy:

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

(ii) 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

(iii) 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
Derivative financial instrument	-	13	-	13
	-	13	17,872	17,885
Liabilities				
Derivative financial instrument	-	306	-	306
	-	306	-	306

There were no transfers between Level 1 or Level 2 to Level 3 of the fair value hierarchy for the financial years ended 31 March 2017 and 31 March 2016.

(i) Level 2 fair value measurement

The fair value of financial instruments that were not traded in an active market (for example, over-the-counter derivatives) was determined using valuation techniques. The Group uses a variety of methods and makes assumptions that were based on market conditions existing at each reporting date. The fair value of derivative financial instruments was determined using quoted forward currency rates at the reporting date.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

32. FINANCIAL RISK MANAGEMENT (cont'd)

(f) Fair value measurements (cont'd)

(ii) Level 3 fair value measurement

As at 31 March 2016, Level 3 instruments comprise one unquoted equity investment. The fair value of the available-for-sale financial asset amounting to $17,872,000 was determined based on the share of the investee's underlying net assets adjusted for recent property valuation. As the valuation technique for the instrument was based on significant unobservable inputs, the instrument was 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.

As at 31 March 2016, the share of underlying net assets and property valuation adjustment were $17,872,000 and $Nil, respectively.

An independent professional valuation of the investee's property had 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 was based on the income method. In the opinion of the directors, the valuation which was performed prior to the end of the reporting period approximated 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 available-for-sale financial assets have been disposed during the financial year as disclosed in Note 20 in the financial statements.

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.

33. 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 2017

34. 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

	2017 $'000	2016 $'000
Share of central management and administration expenses payable to a fellow subsidiary	-	40
Rental expense to a fellow subsidiary (includes shared expenses such as IT, utilities and common area usage)	**178**	194
Rental expense to a joint venture	**356**	320
Project and development management fees from joint ventures	**(777)**	(885)
Construction contract revenue from joint ventures	**(49,156)**	(28,296)
Asset and property management fees from joint ventures	**(38)**	(17)
Construction contract revenue from a related party	**(6,562)**	-
Construction management fee from an associated company	**(785)**	(1,400)
Interest income from related parties		
- ultimate holding company	-	(51)
- joint ventures	**(27)**	(450)
- associated company	**(140)**	(159)
- related party (a subsidiary of an associated company)	**(170)**	(57)
	(337)	(717)

Outstanding balances at 31 March 2017 and 31 March 2016 arising from sale/purchase of goods and services, are unsecured and receivable/payable within 12 months from reporting date and are disclosed in Notes 15 and 24 respectively.

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	2017 $'000	2016 $'000
Wages and salaries	**2,324**	2,313
Employer's contribution to defined contribution plans, including Central Provident Fund	**69**	63
Share-based compensation expense	**360**	224
	2,753	2,600

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

35. 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.

(iii) Investment: Owning of available-for-sale financial assets.

Management monitors performance across all the geographic areas, and aggregates the financial results into Singapore, Malaysia and other countries, with Singapore and Malaysia contributing materially to the overall Group's financial results.

(a) Segment revenue and results

The segment information for the reportable segments is as follows:

	Design-and-build		Leasing		Investment		Elimination		Group	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Revenue										
External revenue	**195,217**	221,089	**33,090**	34,386	**-**	-	**-**	-	**228,307**	255,475
Internal revenue	**-**	569	**-**	-	**-**	-	**-**	(569)	**-**	-
Total revenue	**195,217**	221,658	**33,090**	34,386	**-**	-	**-**	(569)	**228,307**	255,475
Results										
Segment result	**14,899**	19,330	**22,274**	18,312	**8,913**	-	**(1,146)**	(7,313)	**44,940**	30,329
Includes:										
- Depreciation expense	**(306)**	(295)	**(6,774)**	(6,298)	**-**	-	**-**	-	**(7,080)**	(6,593)
- Share of (loss)/profit of an associated company and joint ventures	**(2,893)**	(2,864)	**200**	189	**-**	-	**-**	-	**(2,693)**	(2,675)
- Property related expenses	**(407)**	(412)	**(8,969)**	(8,792)	**-**	-	**-**	-	**(9,376)**	(9,204)
Interest income	**1,156**	1,922	**1,169**	1,443	**-**	-	**-**	-	**2,325**	3,365
Finance expense									**(2,391)**	(3,985)
Profit before tax									**44,874**	29,709
Income tax expense									**(8,625)**	(6,844)
Total profit									**36,249**	22,865

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Segment results represent profit earned by each segment without allocation of finance costs and income tax expense. This is the measure reported to the senior management for the purposes of resource allocation and assessment of segment performance.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

35. SEGMENT INFORMATION (cont'd)

(b) Segment assets and liabilities

	Design-and-build		Leasing		Investment		Group	
	2017 $'000	**2016 $'000**	**2017 $'000**	**2016 $'000**	**2017 $'000**	**2016 $'000**	**2017 $'000**	**2016 $'000**
Segment assets								
Segment assets	**198,389**	153,508	**201,571**	211,382	**20,519**	38,391	**420,479**	403,281
Investment in an associated company	**-**	200	**-**	-	**-**	-	**-**	200
Investments in joint ventures	**-**	-	**32,354**	13,755	**-**	-	**32,354**	13,755
Consolidated total assets							**452,833**	417,236
Additions to:								
- property, plant and equipment	**339**	215	**53**	9	**-**	-	**392**	224
- investments in joint ventures	**-**	-	**20,370**	4,905	**-**	-	**20,370**	4,905
Segment liabilities								
Segment liabilities	**112,714**	107,408	**96,766**	105,000	**-**	-	**209,480**	212,408
Income tax payable/ Deferred income tax liabilities	**-**	-	**-**	-	**-**	-	**13,975**	10,968
Consolidated total liabilities							**223,455**	223,376

For the purposes of monitoring segment performance and allocating resources between segments, the senior management monitors the tangible and financial assets, as well as the financial liabilities attributable to each segment.

All assets are allocated to reportable segments.

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

35. SEGMENT INFORMATION (cont'd)

(c) Revenue from core businesses

	Group	
	2017 $'000	**2016 $'000**
Design-and-build	**195,217**	221,089
Leasing	**33,090**	34,386
	228,307	255,475

(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	
	2017 $'000	**2016 $'000**	**2017 $'000**	**2016 $'000**	**2017 $'000**	**2016 $'000**	**2017 $'000**	**2016 $'000**
Revenue								
External sales	**208,813**	229,415	**18,435**	24,475	**1,059**	1,585	**228,307**	255,475
Non-current assets	**169,800**	162,867	**25**	216	**5**	6	**169,830**	163,089

(e) Information about major customers

There are two (2016: two) customers from the Group's design-and-build segment representing more than 10% of the Group's revenue. The customers contributed $46,985,000 and $27,268,000 (2016: $44,527,000 and $39,993,000) respectively in revenue to the Group.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

36. 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 2017 or later periods and which the Group has not early adopted:

- **FRS 115 *Revenue from contracts with customers* (effective for annual periods beginning on or after 1 April 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.

  During the financial year, the Group performed a preliminary assessment of FRS 115 and was of the view that the impact is minimal. This is subject to changes arising from a more detailed ongoing analysis.

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

  The complete version of FRS 109 replaces most of the guidance in FRS 39. FRS 109 retains 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.

  For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designed 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.

  There is now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through OCI, contract assets under FRS 115 Revenue from contracts with customers, lease receivables, loan commitments and certain financial guarantee contracts.

  During the financial year, the Group performed a preliminary assessment of FRS 109. It currently measures its investment in an unquoted equity security at cost (Note 20). Under FRS 109, the Group will be required to measure the investment at fair value. Any difference between the previous carrying amount under FRS 39 and the fair value would be recognised in the opening retained profits when the Group applies FRS 109.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

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

- **FRS 116 *Leases* (effective for annual periods beginning on or after 1 April 2019)**

  FRS 116 will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

  The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has noncancellable operating lease commitments as disclosed in Note 30(a). However, the Group has yet to determine to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

  Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under FRS 116.

37. 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 2017.

Management & Principal Activities

BOUSTEAD PROJECTS GROUP HEADQUARTERS

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

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

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

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

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

Managing Director: Thomas Chu
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 05-26, Level 5
Indah Walk 3
Jalan Indah 15, Bukit Indah
81200 Nusajaya, Johor
Malaysia

Main: +60 7 235 0203
+60 7 235 0204
Fax: +60 7 235 0205

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, development management and property management services.

Statistics of Shareholdings

AS AT 16 JUNE 2017

SHARE CAPITAL

Number of ordinary shares	:	319,700,200*
Number/Percentage of treasury shares	:	299,800 (0.094%)
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share. The Company cannot exercise any voting rights in respect of shares held by it as treasury shares.

* *Excludes treasury shares*

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%**
1 - 99	164	4.73	5,773	0.00
100 - 1,000	810	23.37	465,577	0.15
1,001 - 10,000	1,938	55.91	6,916,734	2.16
10,001 - 1,000,000	541	15.61	27,075,072	8.47
1,000,001 AND ABOVE	13	0.38	285,237,044	89.22
TOTAL	**3,466**	**100.00**	**319,700,200**	**100.00**

LOCATION OF SHAREHOLDERS

Country	No. of Shareholders	%	No. of Shares	%**
SINGAPORE	3,337	96.28	317,225,489	99.23
MALAYSIA	93	2.68	1,823,475	0.57
OTHERS	36	1.04	651,236	0.20
TOTAL	**3,466**	**100.00**	**319,700,200**	**100.00**

Statistics of Shareholdings

AS AT 16 JUNE 2017

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%**
1	BOUSTEAD SINGAPORE LIMITED	163,861,009	51.25
2	RAFFLES NOMINEES (PTE) LIMITED	80,443,146	25.16
3	HSBC (SINGAPORE) NOMINEES PTE LTD	15,793,386	4.94
4	DBS NOMINEES (PRIVATE) LIMITED	7,088,828	2.22
5	CITIBANK NOMINEES SINGAPORE PTE LTD	5,830,261	1.82
6	MAYBANK KIM ENG SECURITIES PTE. LTD.	3,000,497	0.94
7	YEO KER KUANG	1,605,467	0.50
8	HELEN TAN CHENG HOONG	1,549,800	0.48
9	DB NOMINEES (SINGAPORE) PTE LTD	1,329,419	0.42
10	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,317,223	0.41
11	WONG SHAW SENG REGI	1,200,000	0.38
12	UOB KAY HIAN PRIVATE LIMITED	1,154,475	0.36
13	WONG HENG CHONG	1,063,533	0.33
14	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	650,277	0.20
15	DBSN SERVICES PTE. LTD.	643,323	0.20
16	CHANG CHING CHAU @ TEW KING CHANG	638,550	0.20
17	CIMB SECURITIES (SINGAPORE) PTE. LTD.	589,834	0.18
18	CHAN CHEE WENG	510,151	0.16
19	WONG KET SEONG @ WONG KET YIN	500,000	0.16
20	WONG YU WEI (HUANG YOUWEI)	481,471	0.15
	Total	**289,250,650**	**90.46**

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	%	Deemed Interest	%
Wong Fong Fui	-	-	224,242,603	70.14
Boustead Singapore Limited	163,861,009	51.25	-	-

Note:

Mr Wong Fong Fui is deemed interested in 52,690,334 shares, representing approximately 16.48% 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 51.25%) held by Boustead Singapore Limited; and

(ii) 7,691,260 shares (representing approximately 2.41%) 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 16 June 2017 was approximately 31.61%.** 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 300-302, Level 3, Suntec Singapore Convention and Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Thursday, 27 July 2017 at 10.30 a.m. to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 31 March 2017 and the Independent Auditors' Report thereon. **Resolution 1**

2. To approve a final tax-exempt (one-tier) dividend of 1.5 cents per ordinary share for the year ended 31 March 2017. **Resolution 2**

3. To approve a special tax-exempt (one-tier) dividend of 1.0 cent per ordinary share for the year ended 31 March 2017. **Resolution 3**

4. To re-elect the following directors retiring under Article 94 of the Company's Constitution.

   a) Mr Chu Kok Hong @ Choo Kok Hong **Resolution 4**
   b) Dr Tan Khee Giap **Resolution 5**

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

5. To approve directors' fees of up to $244,000 for the financial year ending 31 March 2018, payable quarterly in arrears (2017: $244,000).
   [See Explanatory Note 1] **Resolution 6**

6. To re-appoint Messrs PricewaterhouseCoopers LLP as auditors of the Company to hold office until the next Annual General Meeting and to authorise the directors to fix their remuneration. **Resolution 7**

AS SPECIAL BUSINESS

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

7. **Authority to allot and issue shares pursuant to Section 161 of the 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 2] **Resolution 8**

8. **Authority to grant awards and issue shares pursuant to the Boustead Projects Restricted Share Plan 2016**

That authority be and is hereby given to the directors of the Company to grant awards in accordance with the provisions of the Boustead Projects Restricted Share Plan 2016 and to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the grant of awards under the Boustead Projects Restricted Share Plan 2016, provided that the aggregate number of new shares to be issued pursuant to the Boustead Projects Restricted Share Plan 2016 shall not exceed fifteen per cent (15%) of the issued ordinary share capital of the Company (excluding treasury shares) from time to time.

[See Explanatory Note 3] **Resolution 9**

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

Notice of Annual General Meeting

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

NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT DATE

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed from 5.00 p.m. on 4 August 2017 for the purpose of determining shareholders' entitlements to the final and special dividends to be paid on 18 August 2017, subject to and contingent upon shareholders' approval for the proposed dividends being obtained at the forthcoming Annual General Meeting of the Company.

Duly completed transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 4 August 2017 will be registered before entitlements to the dividends are determined.

By Order of the Board

Tay Chee Wah
Company Secretary
10 July 2017

Explanatory Notes on Ordinary and Special Business to be transacted

1. The Ordinary Resolution 6 is to allow the Company to pay directors' fees to all independent non-executive directors in arrears on a quarterly basis.

2. The Ordinary Resolution 8 is to enable the directors to issue shares in the Company up to 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.

3. The Ordinary Resolution 9 is to allow the directors to grant awards and issue shares pursuant to the Boustead Projects Restricted Share Plan 2016.

Notice of Annual General Meeting

BOUSTEAD PROJECTS LIMITED
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(Company Registration Number: 199603900E)

Notes:

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

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

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

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

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

* A Relevant Intermediary is:

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

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

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

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Proxy Form

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

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
27 July 2017 at 10.30 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 (%)

or failing him/her/them, the Chairman of the Annual General Meeting of the Company as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, 27 July 2017 at 10.30 a.m. and at any adjournment thereof in the manner indicated below:

	Ordinary Resolutions:	For	Against
Resolution 1	To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 31 March 2017 and the Independent Auditors' Report thereon.		
Resolution 2	To approve a final tax-exempt (one-tier) dividend of 1.5 cents per ordinary share for the year ended 31 March 2017.		
Resolution 3	To approve a special tax-exempt (one-tier) dividend of 1.0 cent per ordinary share for the year ended 31 March 2017.		
Resolution 4	To re-elect Mr Chu Kok Hong @ Choo Kok Hong as a director of the Company.		
Resolution 5	To re-elect Dr Tan Khee Giap as a director of the Company.		
Resolution 6	To approve directors' fees of up to $244,000 for the year ending 31 March 2018, payable quarterly in arrears.		
Resolution 7	To re-appoint Messrs PricewaterhouseCoopers LLP as auditors of the Company and to authorise the directors to fix their remuneration.		
Resolution 8	To authorise the directors to allot and issue shares pursuant to Section 161 of the Singapore Companies Act.		
Resolution 9	To authorise the directors to grant awards and issue shares pursuant to the Boustead Projects Restricted Share Plan 2016.		

(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 2017

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

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

Proxy Form

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

Notes:

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

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

3. A member of the Company having a share capital who is a Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified). In such event, the Relevant Intermediary shall submit a list of its proxies together with the information required in this form of proxy including the number and class of shares in relation to which each proxy has been appointed, to the registered office of the Company at 82 Ubi Avenue 4, #07-01 Edward Boustead Centre, Singapore 408832.

   "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 AGM dated 10 July 2017.

design & production by **Q-Plus Design**

BOUSTEAD PROJECTS LIMITED
Company Registration Number: 199603900E

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