

DEVELOPING RESILIENT PARTNERSHIPS

Boustead Projects Limited
Annual Report 2020



BOUSTEAD PROJECTS

DEVELOPING RESILIENT PARTNERSHIPS

Against the 'new normal' presented by the COVID-19 pandemic, Boustead Projects believes that our resilient partnerships are more relevant now than ever as governments, businesses and communities need to collaborate to overcome the pandemic and recover from what could be long-lasting economic effects. As an organisation, we continue to develop resilient partnerships to manage the dynamic challenges that are ahead and to bounce back stronger when the global economy recovers.

Resilient partnerships come in all forms in the ecosystem we are part of – from our team and subcontractors to clients and strategic partners. Some of these resilient partnerships aim to enhance and protect the wellbeing of our stakeholders through the use of technology-driven safe management, smart building management and renewable energy solutions, while others involve resilient strategic capital partnerships for the continued financing of developments that are in the pipeline and are critical to our future success.

Our resilient strategic partnerships and in-built resilience are further supported by our strong balance sheet, healthy order backlog and expanding leasehold portfolio, positioning us to continue pursuing growth opportunities and initiatives that advance and shape Asia's built environment sector.

Corporate Profile

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

Our transformative technologies – full-fledged integrated digital delivery and Industry 4.0 transformation standards – are shaping future-ready, custom-built developments. Our in-depth experience covers the aerospace, business park, food, healthcare and pharmaceutical, high-tech manufacturing, logistics, research & development, technology and waste management industries, among others. We are the market leader in pioneering advanced eco-sustainable industrial developments under the BCA's Green Mark Programme and also the quality leader on the BCA's CONQUAS all-time top 100 industrial projects list. In Singapore, BP E&C is one of only eight bizSAFE Mentors and also a bizSAFE Star, the highest qualification that can be attained in recognition of a company's workplace safety and health

("WSH") management programmes. Our WSH efforts have been further recognised with five prestigious WSH Performance Silver Awards and 13 Safety & Health Award Recognition for Projects (SHARP) to date.

On 30 April 2015, Boustead Projects listed on the SGX Mainboard. We were awarded the Singapore Corporate Governance Award in the Newly Listed Category at the Securities Investors Association (Singapore) Investors' Choice Awards 2017. We are one of only 95 SGX-listed corporations on the SGX Fast Track Programme, a programme that aims to affirm listed issuers that have been publicly recognised for high corporate governance standards and have maintained a good compliance track record, with prioritised clearance



Between the Covers

This year, Boustead Projects Limited shares how developing resilient partnerships will help us prevail over the challenges ahead, while Boustead Singapore Limited shares how creating shared value leads to a resilient future.

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

for their corporate action submissions. We are also listed on the MSCI World Micro Cap Index and FTSE ST Fledgling Index.

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

Visit us at www.bousteadprojects.com.

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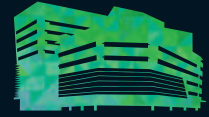
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DESIGN-AND-BUILD BUSINESS



DEVELOPING RESILIENT PARTNERSHIPS THROUGH DESIGNING AND BUILDING LIVEABLE BUILT ENVIRONMENT ECOSYSTEMS

Advancing and shaping Asia's built environment sector, Boustead Projects pioneered the design-and-build approach for industrial developments in Singapore with our inception in 1996. We offer clients turnkey solutions for custom-built smart eco-sustainable business park and high-specification industrial developments. Our integrated digital delivery approach is guided by Industry 4.0 transformation standards and incorporates 7D building information modelling, virtual design and construction, and design for manufacturing and assembly. Our progressive game-changing methodologies include 3D scanning, artificial intelligence and machine learning, data analytics, drone technology and virtual reality. These market-leading capabilities are complemented by green building credentials and value-added services, supported by robust quality, environmental, health and safety management systems.

HIGHLIGHTS

Our design-and-build business has delivered:



Over **200 projects** in
4 countries in the Asia
Pacific.



20% of **Green Mark
Platinum** new private sector
industrial developments.



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



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



DEVELOPING RESILIENT PARTNERSHIPS THROUGH OFFERING FLEXIBLE REAL ESTATE SOLUTIONS

Boustead Projects pioneered the design-build-and-lease or integrated development approach in Singapore in 2003. We offer clients a hybrid solution in which we assume dual roles as the developer-owner of properties, along with that of design-and-build partner to deliver custom-built smart eco-sustainable business park and high-specification industrial developments typically leased to clients under long-term agreements. This has allowed us to build a growing base of quality leasehold properties that provide us with recurring, long-term leasing income. Our market-leading capabilities have since expanded to include development management and asset management services for our growing portfolio of joint venture developments, providing us with additional recurring income streams.

HIGHLIGHTS

Our real estate business has delivered:



A leasehold portfolio with **22 completed properties** (both wholly-owned and jointly-owned) comprising over **351,000 square metres** in gross floor area in **4 countries** in the Asia Pacific.



Over **S\$368 million** in total market valuation for completed wholly-owned properties.



Over **S\$564 million** in total market valuation for completed jointly-owned properties.



Artist's impression of Razer Southeast Asia Headquarters, Singapore

STRATEGIC PARTNERSHIPS & INVESTMENTS



DEVELOPING RESILIENT PARTNERSHIPS THROUGH STRATEGIC CAPITAL AND TECHNOLOGY COLLABORATIONS

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

HIGHLIGHTS

Our strategic partnerships have delivered:



6 strategic capital collaborations with co-investors such as the Boustead Development Partnership, Echo Base-BP Capital, BP Malaysia Airports Subang Aerotech, The Platform-Hanwha ARESF Fund No 1, Perennial Real Estate and THAB.



3 strategic technology collaborations with DSCO, Getronics and Sunseap.



Thousands of mentorships to subcontractors, helping them to strengthen health, safety and security standards, and improving their sustainability, through our role as **1 of only 8 bizSAFE Mentors**.

Mission, Vision & Business Model

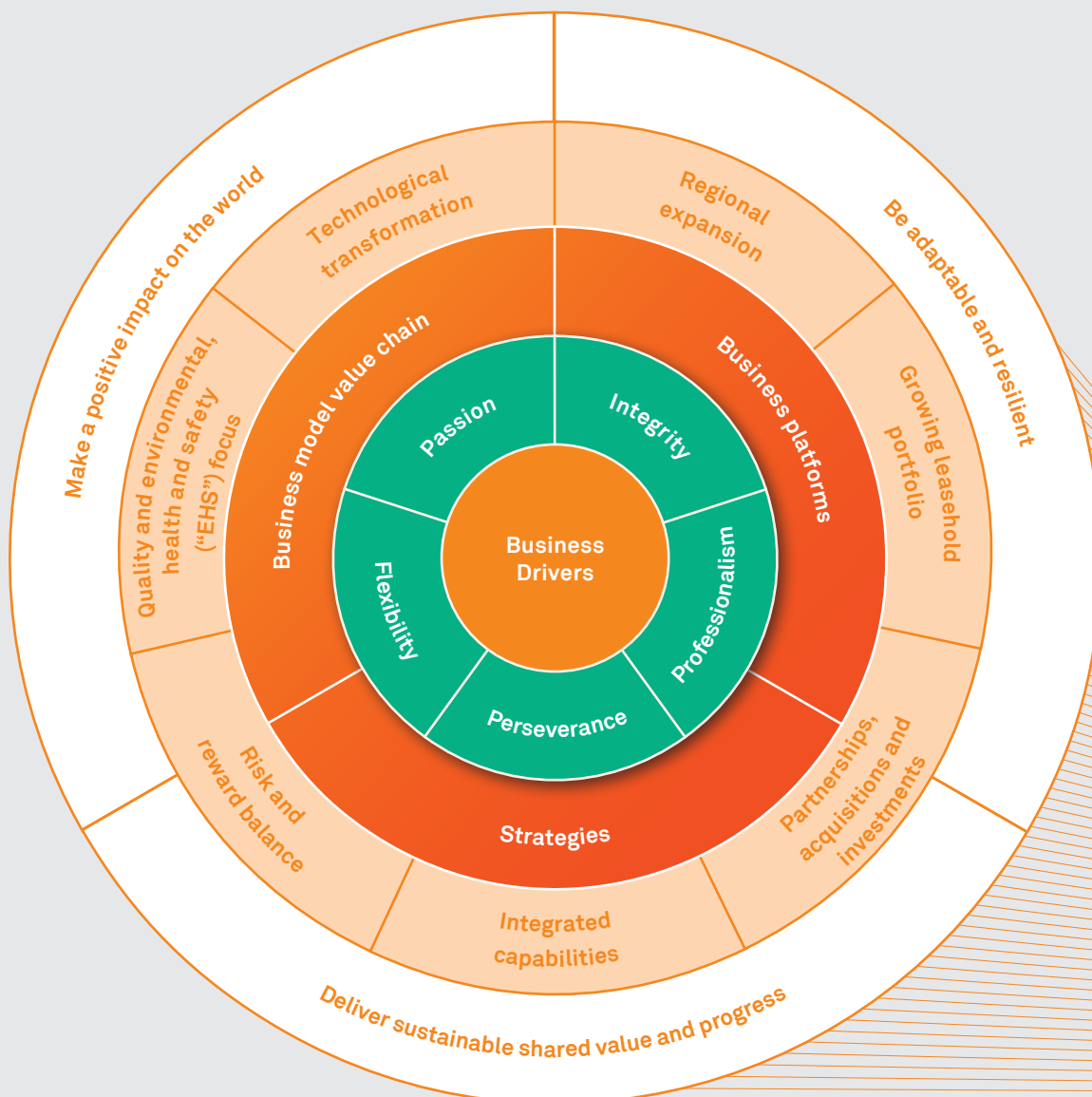
Mission

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

Vision

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

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



Business Platforms

Positioning and presence

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

Performance

- Market leader in Singapore with extensive track record in delivering best-in-class projects
- Green Mark Platinum industrial leader with firsts in heavy industry, aerospace industry and logistics industry categories and first Super Low Energy large-scale industrial development
- CONQUAS all-time top 100 industrial projects quality leader
- Manager and owner of growing leasehold portfolio
- Commitments to quality and EHS performance

People

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

Strategies

Regional expansion

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

Growing leasehold portfolio

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

Partnerships, acquisitions and investments

Our continuous search for strategic partnerships, catalytic acquisitions

and investments is aimed at accelerating our business expansion, enhancing capabilities, broadening revenue streams and driving sustainable long-term growth.

Integrated capabilities

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

Risk and reward balance

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

Quality and EHS focus

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

Technological transformation

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

Business Model Value Chain

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

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

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

Deliver efficiency, performance and value to clients

Generate revenue, profit and cash flow in a sustainable manner

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

Regional Presence



Design-and-Build



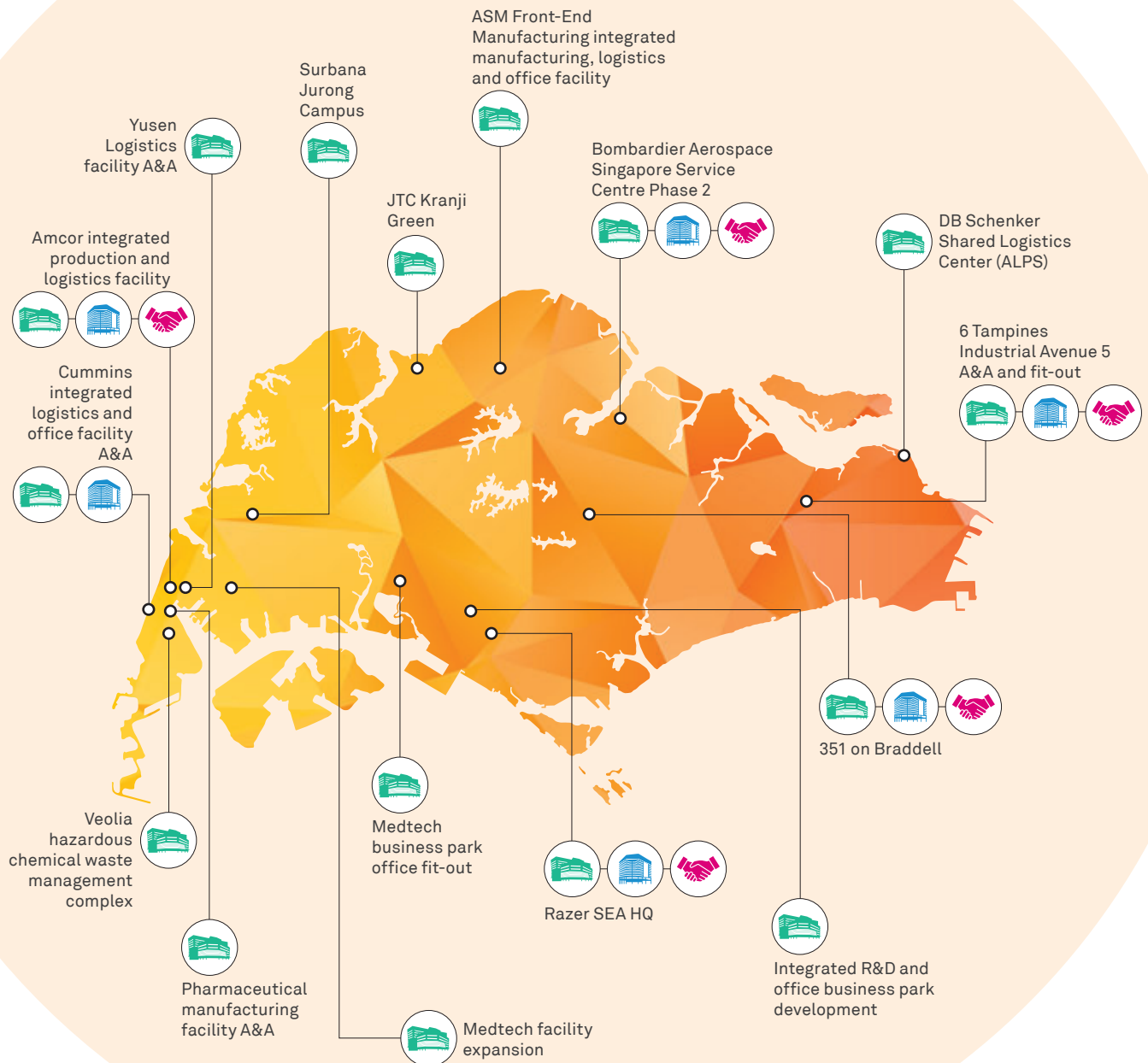
Real Estate



Strategic Partnerships

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

Singapore



Strategic Partnerships

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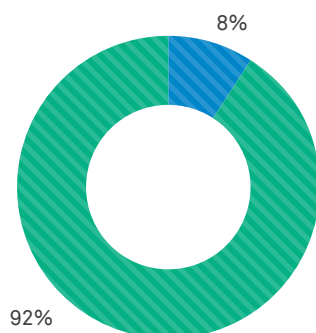
Group at a Glance

Financial Performance

Group Revenue

S\$426.2 million

FY2019: S\$234.2 million

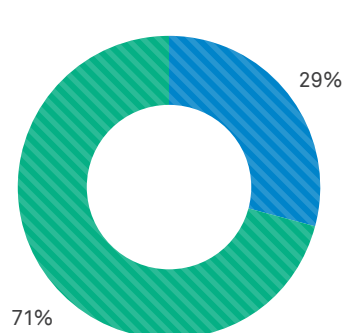


Design-and-Build

Group Profit before Income Tax

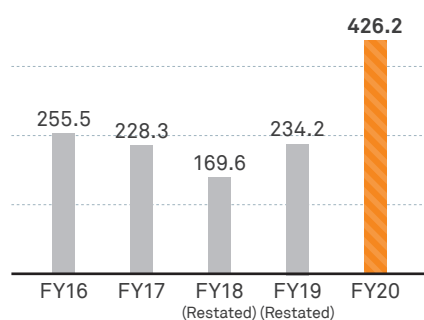
S\$27.5 million

FY2019: S\$35.7 million

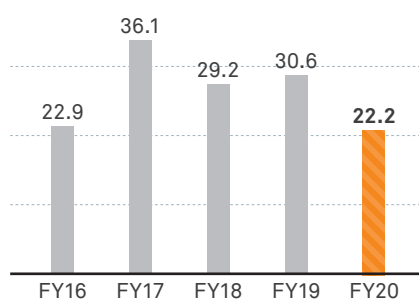


Real Estate

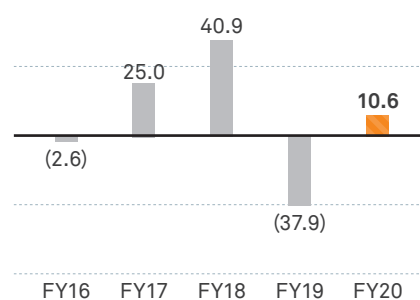
Group Revenue (S\$'M)



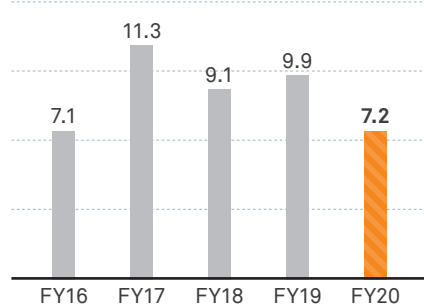
Group Net Profit (S\$'M)



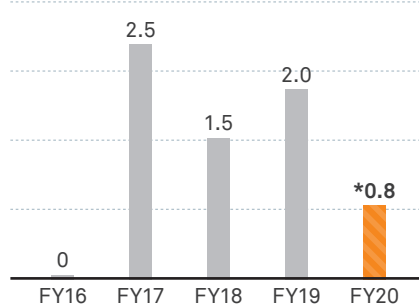
Net Cash/(Debt) Position (S\$'M)



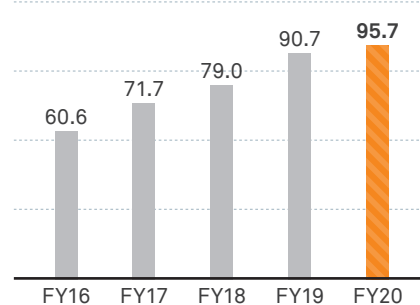
Basic Earnings Per Share (¢)



Gross Dividend Per Share (¢)



Net Asset Value Per Share (¢)



* Includes proposed final dividend of 0.8 cents per share for FY2020.

	FY2016 S\$'000	FY2017 S\$'000	FY2018 S\$'000 (Restated)	FY2019 S\$'000 (Restated)	FY2020 S\$'000
Revenue and Profits					
Revenue	255,475	228,307	169,635	234,223	426,224
Gross profit	58,967	58,521	59,274	47,339	51,935
Profit before income tax	29,709	44,874	35,452	35,675	27,455
Total profit	22,865	36,249	29,151	30,578	22,125
Profit for the year attributable to equity holders of the Company	22,865	36,098	29,151	30,578	22,212
Cash dividends*	-	(7,992)	(4,640)	(6,213)	(2,485)
Statement of Financial Position					
Equity attributable to equity holders of the Company	193,966	229,378	244,101	281,030	297,372
Non-controlling interests	(106)	-	-	-	(87)
Capital Employed	193,860	229,378	244,101	281,030	297,285
Trade receivables (non-current)	-	-	4,619	10,759	19,850
Other receivables and prepayments (non-current)	3,395	6,064	2,651	2,267	1,837
Investments in associated companies	200	-	588	-	3,449
Investments in joint ventures	13,755	32,354	37,148	40,673	60,707
Intangible assets	-	-	-	121	115
Available-for-sale financial assets (non-current)	38,391	20,519	20,519	-	-
Financial assets, at fair value through other comprehensive income	-	-	-	31,426	31,315
Investment properties	146,182	134,796	128,827	182,118	176,713
Property, plant and equipment	743	812	780	913	9,699
Right-of-use assets	-	-	-	-	2,008
Finance lease receivables	-	-	-	-	21,765
Net deferred income tax liabilities	(2,737)	(3,077)	(3,770)	(778)	(431)
Net current assets	87,686	112,942	121,566	97,860	89,593
Non-current liabilities (excluding deferred income tax liabilities)	(93,755)	(75,032)	(68,827)	(84,329)	(119,335)
Assets Employed	193,860	229,378	244,101	281,030	297,285
Financial Statistics					
Operating profit over turnover (%)	11.6	19.7	20.9	15.2	6.4
Return on equity (%) (Note 1)	11.8	15.7	11.9	10.9	7.5
Gross dividend per share (¢)	-	2.5	1.5	2.0	*0.8
Dividend cover (times)	-	4.5	6.1	5.0	*9.0
Basic earnings per share (¢) (Note 2)	7.1	11.3	9.1	9.9	7.2
Net asset value per share (¢) (Note 3)	60.6	71.7	79.0	90.7	95.7
Debt-to-equity (%) (Note 4)	48.2	38.5	28.9	52.0	39.7
Loan-to-valuation (%) (Note 5)	25.7	25.1	20.4	34.3	31.8
Interest coverage (times) (Note 6)	9.3	21.8	21.4	17.6	15.0

Notes:

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

Group at a Glance

Market Review

DESIGN-AND-BUILD BUSINESS



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

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

[➔ Read more on pages 26 to 31.](#)

Market Review

- Competition in Singapore's industrial real estate sector remained intense and margins continued to be pressured.
- With the Singapore Government's Industry Transformation Maps in place, sustainable competitiveness is being driven by the implementation of transformative technologies.
- Post-FY2020, the COVID-19 pandemic resulted in lockdowns that led to a prolonged suspension of construction activities in Singapore.

REAL ESTATE BUSINESS



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

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

[➔ Read more on pages 32 to 39.](#)

Market Review

- Business park and high-tech industrial rents edged up, while logistics rents stayed stable and low-tech industrial rents stabilised in 2019.
- Post-FY2020, the COVID-19 pandemic resulted in lockdowns that will affect demand for real estate in Singapore.

STRATEGIC PARTNERSHIPS & INVESTMENTS



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

[➔ Read more on pages 40 to 43.](#)

Highlights

- Record revenue was supported by conversion of the healthy order backlog carried forward at the end of FY2019.
- Profit before income tax was affected by lower gross margins from ongoing projects, lower quantum of cost savings from previously completed projects, higher overheads due to increased legal costs and lower interest income from the completion of a project under a deferred payment arrangement in the prior year.
- Progress was made on the construction of our two largest projects on record.

Segment Revenue

S\$391.9 million

Year-on-year **▲ 91%** | FY2019: S\$205.1 million

Segment Profit before Income Tax

S\$19.6million

Year-on-year **▼ 13%** | FY2019: S\$22.5 million

Segment Contracts Secured

S\$93 million

Year-on-year **▼ 85%** | FY2019: S\$633 million

Highlights

- Higher revenue was mainly due to the commencement of leases from 85 Tuas South Avenue 1 and Boustead Industrial Park Phase 1 in Vietnam, as well as increased management fees from the Boustead Development Partnership ("BDP").
- Higher profit before income tax was in line with higher revenue, excluding a gain on sale of a property during FY2019.
- Four greenfield and brownfield developments were delivered and increased the leasehold portfolio* to 22 completed properties, including the BDP's maiden acquisition of 6 Tampines Industrial Avenue 5.
- Half the equity interest in our development of 351 on Braddell was syndicated to a new strategic partner.

Segment Revenue

S\$34.3 million

Year-on-year **▲ 18%** | FY2019: S\$29.2 million

Segment Profit before Income Tax

S\$7.9 million

Year-on-year **▲ 8%**** | FY2019: S\$13.2 million

Completed Properties in Leasehold Portfolio*

22

Year-on-year **▲ 16%** | FY2019: 19

* Includes both wholly-owned and jointly-owned properties.
** Excludes one-off S\$5.9 million pre-tax gain on sale of 25 Changi North Rise, net of fees, during FY2019.

Highlights

- Three new strategic partnerships were formed with The Platform-Hanwha ARESF Fund No 1 ("The Platform-Hanwha"), Getronics for smart building solutions and Sunseap for renewable energy solutions.
- The BDP completed Amcor's integrated production and logistics facility, and made a maiden S\$77.4 million acquisition of 6 Tampines Industrial Avenue 5.
- The Platform-Hanwha was secured as a new strategic partner for the development of 351 on Braddell.

Number of Strategic Partnerships

9

Year-on-year **▲ 50%** | FY2019: 6

Group at a Glance

Economic & Sustainability Performance

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

- Professor Michael Porter

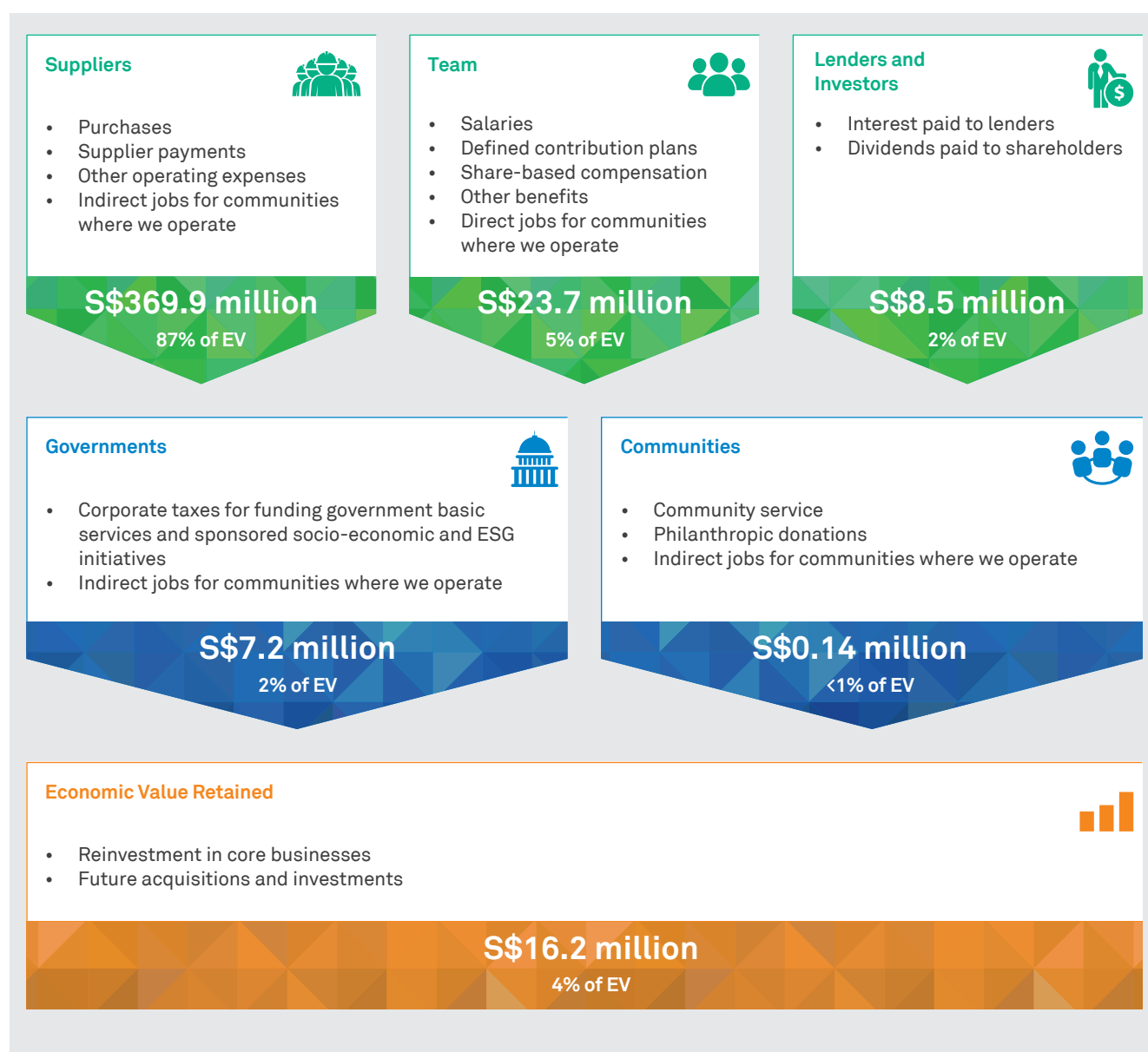
Shared Socio-Economic Value Creation and Distribution in FY2020

Over Boustead Projects' two decades of contributing to the transformation of Asia's industrial landscape, we have performed our role as a trustworthy corporate citizen, building businesses with a greater purpose – creating sustainable shared socio-economic value in the process – and developing trusting relationships with key stakeholders regionally. We have generated and distributed tremendous direct economic value (“EV”) and environmental, social and governance

(“ESG”) benefits to key stakeholders including our team, clients, partners, suppliers, lenders, shareholders, the media, governments and communities.

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

In FY2020, S\$425.7 million in direct EV was generated, which was shared among key stakeholders as shown here.



Transformative Technologies Deployment

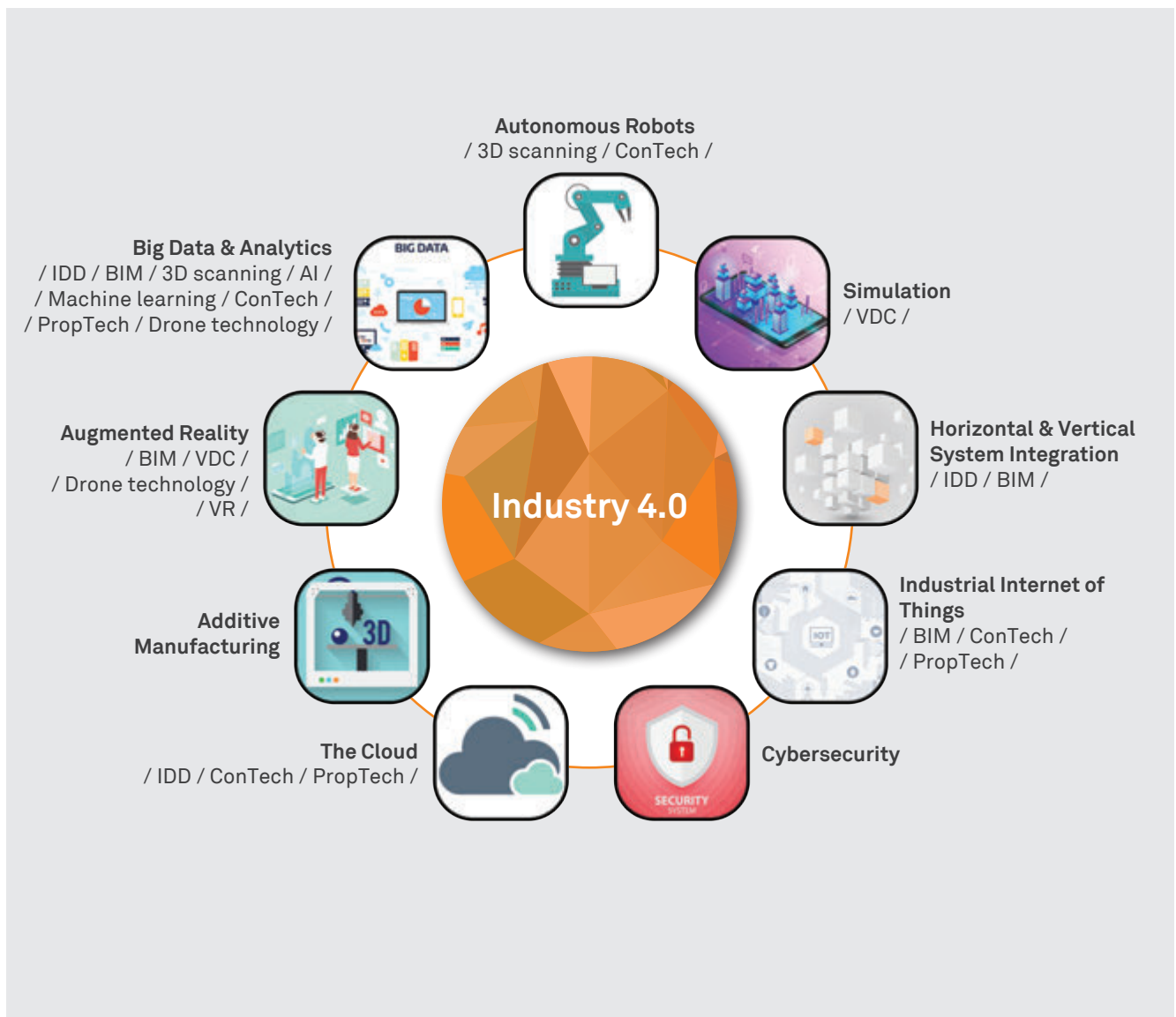
According to Boston Consulting Group (“BCG”), Industry 4.0 – the fourth industrial revolution – is a transformation that makes it possible to gather and analyse data across machines, enabling faster, more flexible and more efficient processes to produce higher quality goods at reduced costs. This will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

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

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

As the latest capability in our pioneering approach, our IDD approach is guided by Industry 4.0 transformation standards and deploys digitalisation and Cloud-based technologies such as 7D building information modelling (“BIM”), virtual design and construction (“VDC”), and design for manufacturing and assembly (“DfMA”). Our progressive game-changing methodologies include 3D scanning, artificial intelligence (“AI”) and machine learning, data analytics, drone technology and virtual reality (“VR”).

Transformation Initiatives Overlay on Nine Technologies of Industry 4.0



Group at a Glance

Economic & Sustainability Performance

Transformational Technologies Deployed Today

Supporting Construction Industry's Transformation



Design-and-Build/Development

Building Operations and Facilities Management



Integrated digital delivery (IDD)

- Building information modelling (BIM) throughout multi-decade building lifecycle, achieving better coordination between different project stakeholders and higher productivity through redesigning conventional work processes around BIM as single-point-of-truth
- Virtual design and construction (VDC) for better and faster decision-making through use of BIM and virtual reality (VR) technology to simulate immersive virtual environments in life-size proportions
- Integrated project planning and tracking by aggregating all construction and scheduling data into single Cloud-based platform
- 3D scanning, artificial intelligence (AI), machine learning and drone technology for automating construction progress scans and updating BIM
- Drone technology for aerial imaging, site progress tracking and surveillance
- Customised mobile digital management solutions integrated with BIM for faster and better identification, tracking and remediation of defects
- Wearable devices and Cloud management software at construction sites to facilitate contact tracing and safe management measures
- Facial recognition technology for site management and security
- Digital operations and maintenance manuals using as-built BIM for asset management and facilities management
- Aerial imaging combined with augmented reality (AR) to create line-of-sight views from marketable units before completion of construction



Design for Manufacturing and Assembly (DfMA)

- Use of prefabricated prefinished volumetric construction (PPVC)
- Customised platform integrated with BIM for better management and real-time tracking of PPVC elements under manufacturing, delivery and installation



Green Building and Eco-Sustainability

- Green Mark Platinum
- LEED
- BiodiverCity
- Customised mobile app allowing tenants to track individual utilities consumption
- Smart building energy management systems
- Rooftop industrial solar energy systems

Supporting Real Estate Industry's Transformation



- Systematic consideration of maintainability of buildings in development and design stages
- Single flexible and scalable technology platform to manage smart developments and future-proof developments against new and ever-changing technologies
- ALICE@Mediapolis' customised mobile app and portal integrated with building management system for better tenant experience and engagement, fostering greater automation, productivity and smart community ecosystem

Supporting Infocommunications and Media ("ICM") Industry's Transformation



Driving technology adoption and exploring new growth areas by leveraging frontier technology

- ALICE@Mediapolis promotes several cross-sector innovation initiatives, such as adoption of frontier technologies like Internet of Things (IoT), immersive media like VR and data analytics from development, design and construction to operations and facilities management
- ALICE@Mediapolis' customised mobile app and portal integrated with building management system for better tenant experience and engagement, fostering greater automation, productivity and smart community ecosystem

Strengthening vibrant core of ICM professionals and companies

- Dedicated in-house digital delivery team supporting internal digital transformation raises internal adoption rates of frontier technologies and methodologies such as 3D scanning, AI and machine learning, data analytics and VR, and pushes for greater integration between different platforms and technologies
- ALICE@Mediapolis is dedicated development within one-north to support growth of ICM industry, offering ecosystem that brings different sectors together with solutions catalysing digitalisation and productivity, helping grow local digital champions

Group at a Glance

Economic & Sustainability Performance

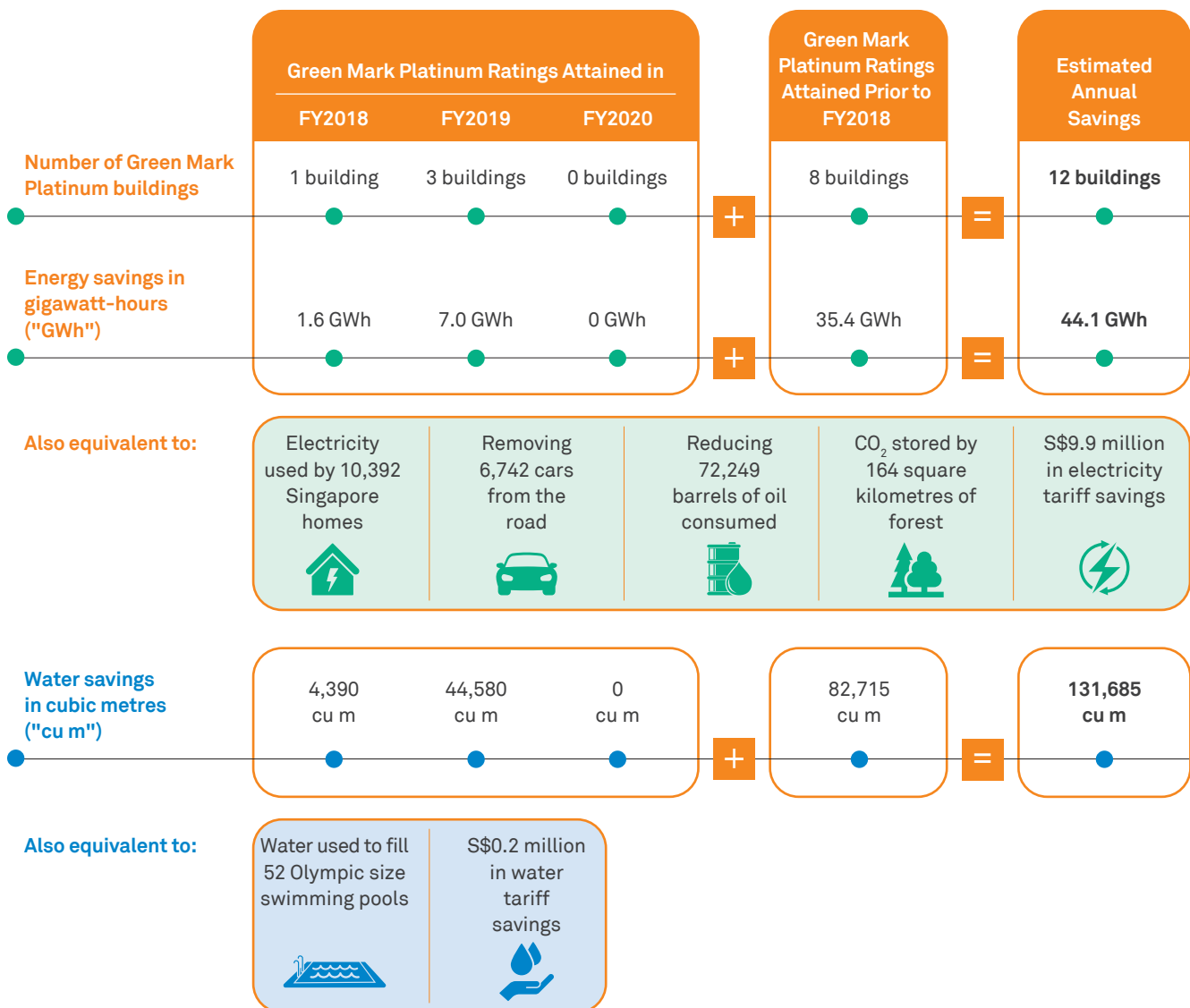
Environmental, Social and Quality Contributions

Eco-sustainable solutions in action

We have delivered numerous Green Mark Platinum-rated business park

and industrial developments which continue to provide significant shared economic, environmental and social benefits to our clients every year and contribute positively to the environment

and community ecosystems around them. In FY2020, our clients and their surrounding ecosystems enjoyed estimated benefits as shown here.



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

Quality

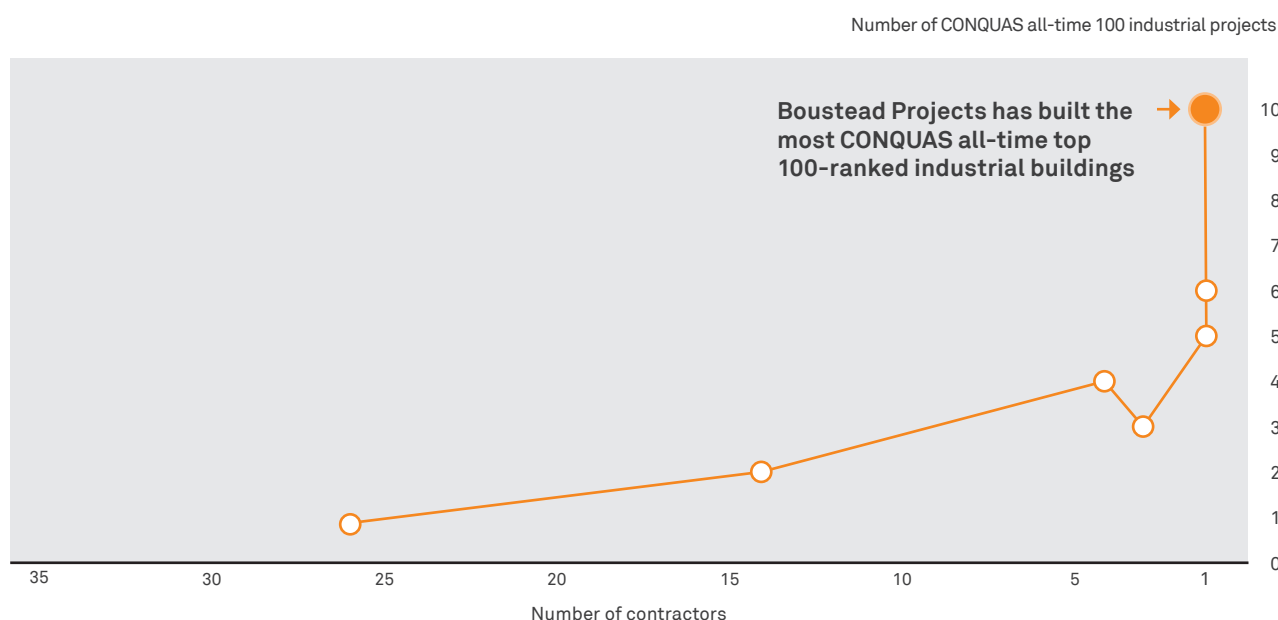
As a promoter of quality, we are a leader in the BCA's Construction Quality Assessment System ("CONQUAS"), which is used to measure the quality achieved in a completed construction project in Singapore in respect of structural, architectural, and mechanical & electrical works. CONQUAS is a voluntary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

assessment in respect to most private sector industrial design-and-build and development projects.

During FY2020, our landmark joint development, ALICE@Mediapolis received a CONQUAS score of 93.8%, while our design-and-build project for Yusen Logistics received a CONQUAS score of 92.0%, placing them at 5th and

13th respectively on the all-time top 100 industrial projects list. To date, our efforts in construction quality have been recognised with 10 projects ranked in the CONQUAS all-time top 100 industrial projects list*, making us the top main contractor on the list. Our track record of 12 projects on the CONQUAS including non-industrial projects is shown here as well.

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



Projects on BCA CONQUAS List*

Project	CONQUAS Score	Rank on All-Time Top 100 Industrial Projects List (May 2020)
ALICE@Mediapolis	93.8%	5th
Seagate Singapore Design Center – The Shugart	92.2%	n.a. (commercial project)
Yusen Tuas	92.0%	13th
ST Omega 2	91.5%	16th
Edward Boustead Centre	91.3%	19th
Kerry Logistics Centre – Tampines	90.7%	23rd
Bolloré Green Hub	90.3%	27th
Continental Building Phase 3	89.6%	33rd
ST Electronics Building	89.1%	40th
ST Engineering Hub	85.1%	72nd
Rolls-Royce Test Bed Facility	82.9%	96th
Sun Venture Investments @ 50 Scotts Road	81.5%	n.a. (commercial project)

* Updated as at 31 May 2020.

Letter to Shareholders

As an organisation, we continue to develop resilient partnerships to manage the dynamic challenges that are ahead and to bounce back stronger when the global economy recovers.

Dear Fellow Shareholders,

As we present our Boustead Projects FY2020 Annual Report to you, our credible performance for the financial year ended 31 March 2020 has been overshadowed by extremely challenging circumstances.

Our performance was achieved in a challenging industry environment which has been aggravated by trade wars, de-globalisation movements and towards the end of the financial year, the onset of the COVID-19 pandemic. Revenue was 82% higher year-on-year at a record S\$426.2 million, driven by conversion of our strong design-and-build order backlog carried over from FY2019 and higher real estate revenue from the commencement of new leases and improved management fees under the Boustead Development Partnership ("BDP").

Despite record revenue, profit attributable to you – our fellow shareholders – was 27% lower year-on-year at S\$22.2 million, mainly due to lower gross margins on ongoing projects, lower quantum of cost savings from previously completed projects, higher overhead costs and the absence of a one-off gain associated with a property sale recorded in FY2019. After adjusting for the after-tax gain on sale of the property and an impairment loss on financial

asset, comparative net profit would be 10% lower year-on-year.

FY2020 – Expanding Design-and-Build and Real Estate Activities

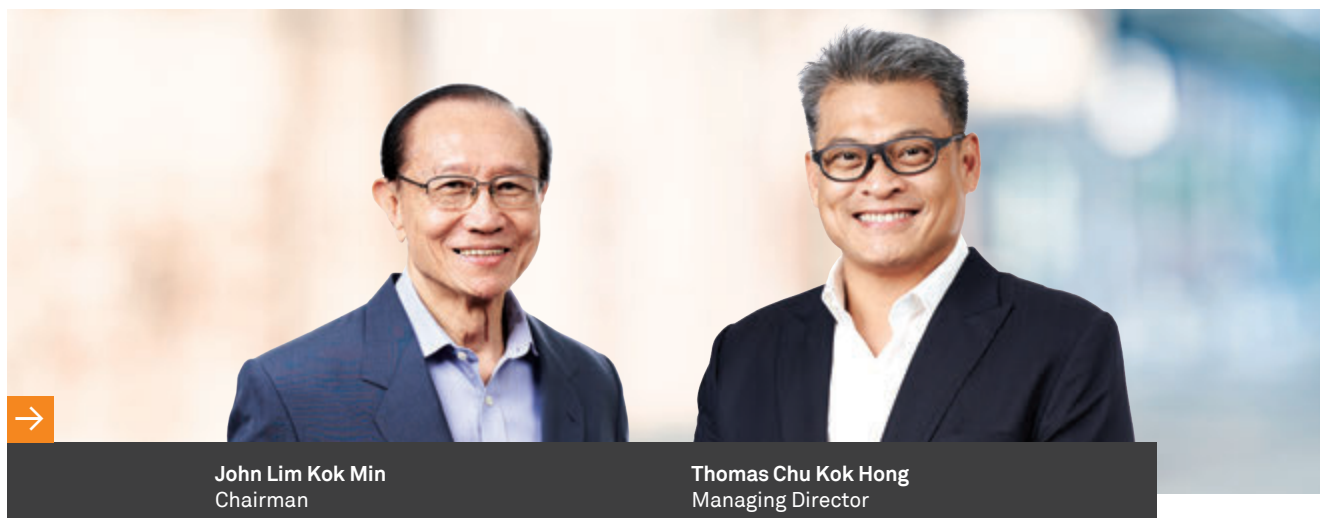
Against the challenging landscape in FY2020, we continued to scale up resources to manage our significantly enlarged design-and-build revenue base, which given the intense margin pressures impacting our industry, is essential for us to grow this segment's profit. Under our real estate business, we expanded our leasehold portfolio of completed income-generating properties (both wholly-owned and jointly-owned), with the growth of jointly-owned properties enabling us to concurrently strengthen our development management and asset management businesses.

At our design-and-build business, segment revenue for FY2020 rose 91% year-on-year to a record S\$391.9 million, supported by our strong order backlog carried forward from FY2019. We made significant progress on our largest public and private sector projects to date, respectively the S\$242 million contract for JTC Kranji Green, Singapore's first multi-storey recycling facility, and the over S\$200 million contract for Surbana Jurong Campus, an iconic global headquarters designed by Safdie Surbana Jurong that is the first large-scale industrial development

to be rated Green Mark Platinum – Super Low Energy, an exemplary project on how building design can mitigate climate change.

Design-and-build profit before income tax ("PBT") for FY2020 was 13% lower year-on-year at S\$19.6 million, which in addition to lower gross margins, lower quantum of cost savings and higher overhead costs mentioned earlier, was also affected by lower interest income due to the completion of a project under a deferred payment arrangement in the prior year. We also incurred higher costs of sales and overhead costs in relation to mobilising and scaling up resources to manage several large projects.

To better manage our internal resources and execute on our sizeable order backlog, we shifted our business development efforts towards pursuing projects in strategic and higher value sectors and new geographies, securing a total of S\$93 million in new contracts for FY2020, followed by an additional S\$97 million of contracts in early FY2021. These include design-and-build contracts from two repeat pharmaceutical and medical technology clients, as well as a significant contract in Malaysia to design-and-build an advanced integrated high-tech manufacturing and office facility for a Fortune 500 technology corporation.



John Lim Kok Min
Chairman

Thomas Chu Kok Hong
Managing Director

During FY2020, we continued our journey to consolidate our position as Singapore's leading design-and-build partner for smart eco-sustainable business park and industrial developments. Further building upon our integrated digital delivery ("IDD") approach guided by Industry 4.0 transformation standards and incorporating 7D building information modelling ("BIM"), virtual design and construction, and design for manufacturing and assembly ("DfMA"), we achieved significantly higher internal adoption rates for game-changing methodologies such as 3D scanning, artificial intelligence and machine learning, data analytics and virtual reality.

Our transformational methodologies are best displayed at our project for JTC Kranji Green. Extensive use of DfMA prefabrication for JTC Kranji Green has demonstrated our capability to work with some of the largest DfMA prefabricated components involved in any industrial project. We were able to achieve a very high level of IDD adoption within this project, which includes: (i) improving project planning and tracking by aggregating all construction and scheduling data into a single Cloud-based platform; (ii) significantly optimising design approvals through virtual walkthroughs of BIM with relevant stakeholders; and

(iii) working towards a digital operations and maintenance manual for the development, which will see the final as-built BIM used for multi-decade facilities management – a first of its kind in Asia.

At our real estate business, segment revenue for FY2020 grew 18% year-on-year to S\$34.3 million, mainly due to the commencement of leasing revenue from 85 Tuas South Avenue 1 and Boustead Industrial Park Phase 1 in Vietnam ("BIP Vietnam Phase 1"), and improved management fees from the BDP. In line with our higher real estate revenue, segment PBT increased 8% year-on-year, excluding the previous year's gain on sale of a property.

During FY2020, we delivered a mix of greenfield and brownfield developments under our leasehold portfolio (both wholly-owned and jointly-owned) including Amcor's integrated production and logistics facility under the BDP, additions & alterations work for 85 Tuas South Avenue 1 to prepare the facility for Cummins and construction of BIP Vietnam Phase 1. For the first time ever, the BDP also acquired a property – 6 Tampines Industrial Avenue 5 for S\$77.4 million – a sizeable high-specification facility which has been converted into a multi-tenanted technology centre, with the majority of net leasable area taken up by a global technology corporation.

The abovementioned properties have boosted the number of completed properties in our leasehold portfolio to 22 properties totalling over 351,000 square metres in gross floor area ("GFA"), with a total market valuation exceeding S\$932 million and supported by a relatively well-staggered lease expiry profile and well-diversified and reputable tenant base. Including projects still under development, the leasehold portfolio will eventually be boosted to a total market valuation exceeding S\$1.2 billion, with over 414,000 square metres in GFA.

In line with our broader strategy to recycle our capital for business expansion and collaborate with strategic partners for co-investment opportunities regionally, we syndicated approximately half of the equity interest in our Braddell Road development – 351 on Braddell – to a new strategic partner, The Platform-Hanwha ARESF Fund No 1 ("The Platform-Hanwha") during FY2020. We continued to advance on initiatives to unlock value from our completed leasehold portfolio and look forward to sharing more details when all arrangements have been finalised.

Towards the end of FY2020, the pandemic struck, leading to an unprecedented level of lockdowns and travel restrictions, resulting in massive socio-economic disruptions. During the pandemic's

Letter to Shareholders

initial stages, we moved quickly to safeguard the wellbeing of our stakeholders including our team, subcontractors and their employees, clients and surrounding communities by implementing strict health checks, social distancing measures, split team and telecommuting arrangements.

In light of the disruptions brought on by the pandemic, our prospects and financial performance for FY2021 are expected to be materially lower than that of FY2020. Given the expected challenges generated by the disruptions, weaker financial performance anticipated for FY2021, need to conserve cash to buffer against global uncertainties in the months ahead and also the lower net profit in FY2020, your Board has proposed a final cash dividend of 0.8 Singapore cents per share for FY2020.

FY2021 – Prevailing Over the ‘New Normal’

The Circuit Breaker imposed by the Singapore Government from 7 April to 1 June 2020 led to the suspension of all non-essential construction activities in Singapore, resulting in the closure of our HQ and design-and-build project sites. Although we managed to conduct most of our project management activities through secure Cloud-based technology platforms and telecommuting, nearly all of our physical construction activities have been halted for almost four months since April 2020.

Post-Circuit Breaker, the Building & Construction Authority (“BCA”) has administered a gradual, controlled reopening of Singapore’s construction industry in multiple phases, further delaying the resumption of the majority of construction projects in Singapore, including our own. We only recently received approvals to restart most of our design-and-build projects with preparation works and will continue to work closely with the BCA and relevant authorities to ensure the wellbeing, health and safety of all stakeholders as we resume and scale up operations.

Project completion delays are expected as productivity will be impacted by

the need to comply with new safe management measures, along with the serious shortage of worker resources – a problem affecting Singapore’s entire construction industry due to the high infection levels among foreign workers. This will lead to slower revenue conversion, accompanied by associated resumption, compliance, prolongation and acceleration costs which are still being ascertained given the fluidity of the situation. Later completion of development projects will also correspondingly delay the commencement of leasing income.

We have proactively taken several measures to mitigate the impact of these delays and to protect the viability and long-term value of our businesses. Our cost management measures include organisation-wide cost reviews, a salary freeze for our entire team and a reduction in Board fees and senior management salaries since June 2020. Our Board and executive directors will take 10% reductions in directors’ fees and base salaries respectively, while the rest of our senior management team will be subject to tiered 5% to 7.5% reductions in base salaries.

Our significantly impacted businesses in Singapore have however been somewhat mitigated by our geographic expansion efforts, which recently yielded a significant contract win in Malaysia as mentioned earlier, as well as ongoing projects in China and Vietnam. In Malaysia, our new client was highly impressed by our safety track record, safe work practices and adoption of transformative technologies including the use of IDD and BIM to significantly shorten the project timeframe – technologies not commonly deployed by Malaysia’s construction industry – which allowed our core team in Singapore to secure the contract from decision-makers in Malaysia and the US.

The Singapore Government’s various COVID-19 support measures for businesses have also provided us with much-needed partial relief, particularly through the Jobs Support Scheme and foreign worker levy waivers and rebates. The BCA also announced additional

support measures for the construction sector including co-funding certain safe management implementations. In addition, the Singapore Government will continue to bear the costs of COVID-19 testing for the construction sector until 31 March 2021.

While we expect an increasingly manpower-lean, more closely regulated, dynamic and higher operating cost environment will form part of the ‘new normal’ in the future, our collaborative and progressive approach in staying ahead of the industry transformation curve has competitively positioned us as a design-and-build partner well-equipped to execute projects under challenging conditions. Although split team and telecommuting arrangements necessitated by the pandemic have slightly impacted our team’s overall productivity, they also demonstrate that our business continuity plans are functioning, with our ability to conduct many of our activities remotely and effectively through secure Cloud-based collaboration and productivity platforms that we have invested in and implemented organisation-wide. Our transformative technologies are contributing in-built resilience that will help us prevail in the Singapore construction industry’s greatest crisis in history.

Developing Resilient Partnerships

The unprecedented scale of global disruption brought about by the pandemic has triggered other unprecedented collapses such as in global crude oil prices and simultaneous plunges in GDP worldwide. On the business development front, we have observed clear signs of business slowdown as many corporations postpone expansion and investment plans and enter a cash conservation mode in anticipation of the potential economic hardship ahead.

Against this ‘new normal’, we have chosen ‘Developing Resilient Partnerships’ as the theme for our FY2020 Annual Report because we believe that our resilient partnerships are more relevant now than ever as governments, businesses and communities need to collaborate to

overcome the pandemic and recover from what could be long-lasting economic effects. As an organisation, we continue to develop resilient partnerships that can help us to manage the dynamic challenges that are ahead and to bounce back stronger when the global economy recovers.

Resilient partnerships come in all forms in the ecosystem we are part of – from our team and subcontractors to clients and strategic partners.

Among those most badly affected by the pandemic are our subcontractors whose many employees reside at foreign worker dormitories where infection levels have been high. Throughout this crisis, we have continued to closely engage with our subcontractors on the situation, enabling us to better appreciate the challenges they face and allowing us to render them appropriate assistance and support where possible. The resilience of our supply chain partnerships will be critical to our collective efforts to resolve the issue of worker resource availability even as we restart our Singapore construction projects.

To better protect and track the movement of our subcontractors' employees within our project sites and facilitate contact tracing as part of safe management requirements, we are partnering a local nominee of TraceSafe to deploy its wearable devices and Cloud management software at our Singapore project sites. The first deployment will be at a single project site and once the relevant government approvals and support are obtained, we will work towards expanding this deployment across all Singapore project sites.

In a separate effort to minimise human exposure to onsite activities that can be automated, we are partnering with Airsquare – a startup specialising in image analytics for construction design – to automate the validation of construction progress scans against BIM through the use of 3D scanning, AI and machine learning, and drones. This will reduce inspection times by up to 40% compared to manual inspection methods, automate construction

verification to minimise updating errors in the final BIM and limit the need for our team to expose themselves unnecessarily.

As we push forward with expansion plans, another area of developing resilient partnerships is with strategic capital partners. Selecting resilient strategic capital partners is vital, since they can affect our ability to continue financing developments that are in the pipeline and critical to our future success. Our strong collaborations include the BDP, Echo Base-BP Capital, Perennial Real Estate and most recently, The Platform-Hanwha. The entry of The Platform-Hanwha as our strategic partner for 351 on Braddell has enhanced our current pool of strong, synergistic development partnerships that have enabled us to undertake a wider range and greater number of developments across more real estate sectors and geographic markets.

We also recognise that our provision of smart eco-sustainable business park and industrial developments is dependent on resilient technology partnerships that address both Industry 4.0 transformation standards and climate change. With regards to smart building capabilities, we have partnered with Getronics – a leading global infocommunications technology service provider – to help future-proof our developments with a flexible and scalable platform for new and ever-changing technologies, allowing us to manage smart developments in our leasehold portfolio through a single integrated technology platform.

On the renewable energy front, we have partnered with Sunseap – the largest and most established integrated clean energy solutions provider in Singapore – which is intended to better utilise the rooftop space of our leasehold properties through the potential installation of rooftop industrial solar energy systems and offer lower-cost clean energy solutions to our clients and tenants.

At the beginning of FY2020, we also invested S\$4.2 million for a 25% shareholding in DSCO Group Holdings Pte

Ltd (“DSCO”), a provider of specialised building engineering consulting services in the Asia Pacific, with a strong reputation as a leading designer in data centres. We expect our strategic partnership with DSCO to support our future expansion and augment our design-and-build and development capabilities in high-tech, high value-added projects and intend to leverage DSCO's expertise, experience and reputable position in the high-growth data centre industry to jointly pursue data centre projects.

Our resilient strategic partnerships and in-built resilience are further supported by our strong balance sheet, healthy order backlog and expanding leasehold portfolio, positioning us to continue pursuing growth opportunities and initiatives that advance and shape Asia's built environment sector.

Words of Appreciation

We would like to thank our leadership and team members for their continued dedication and efforts in protecting the viability and value of our organisation in a challenging landscape. We would also like to extend our gratitude to all of our partners and key stakeholders – our clients, business partners, associates, bankers, suppliers and you, our shareholders for your continuing support. Last but not least, we would like to express our appreciation to our fellow Board colleagues for their wisdom, guidance and continued advice as we collectively tackle the challenges ahead. We believe the resilient partnerships we continue to forge will not only help us to weather through this crisis but allow us to emerge stronger.

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

John Lim Kok Min
Chairman

Thomas Chu Kok Hong
Managing Director

Design-And-Build Business



Advancing and shaping Asia's built environment sector, Boustead Projects pioneered the design-and-build approach for industrial developments in Singapore with our inception in 1996. We offer clients turnkey solutions for custom-built smart eco-sustainable business park and high-specification industrial developments. Our integrated digital delivery ("IDD") approach is guided by Industry 4.0 transformation standards and incorporates 7D building information modelling ("BIM"), virtual design and construction ("VDC"), and design for manufacturing and assembly ("DfMA"). Our progressive game-changing methodologies include 3D scanning, artificial intelligence ("AI") and machine learning, data analytics, drone technology and virtual reality ("VR"). These market-leading capabilities are complemented by green building credentials and value-added services, supported by robust quality, environmental, health and safety management systems.

Market Sectors

HIGH VALUE-ADDED INDUSTRIES

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

Geographic Markets

4 COUNTRIES

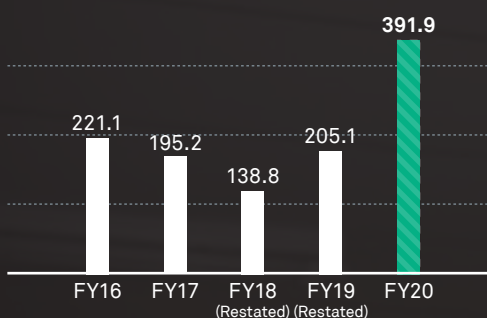
- China
- Malaysia
- Singapore
- Vietnam

Performance Highlights

SEGMENT REVENUE

\$S\$391.9 million

Year-on-year
▲ 91%

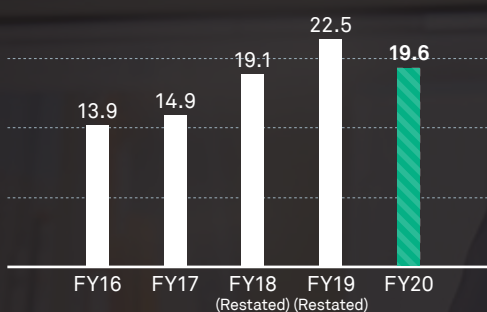


➔ Record revenue on conversion of healthy order backlog at end of FY2019

SEGMENT PROFIT BEFORE INCOME TAX

\$S\$19.6 million

Year-on-year
▼ 13%

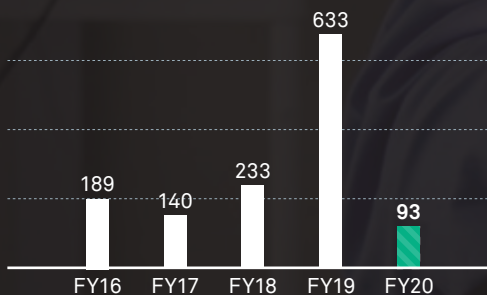


➔ Lower gross margins from ongoing projects, lower quantum of cost savings from previously completed projects, higher overhead costs and lower interest income

SEGMENT CONTRACTS SECURED

\$S\$93 million

Year-on-year
▼ 85%



➔ Focus on securing projects in strategic and higher value sectors and new geographies



Design-And-Build Business



In FY2020, design-and-build revenue was 91% higher year-on-year at a record S\$391.9 million, supported by conversion of the strong order backlog carried forward at the end of FY2019. Design-and-build profit before income tax was 13% lower year-on-year at S\$19.6 million, mainly due to lower gross margins on ongoing projects, lower quantum of cost savings from previously completed projects, higher overhead costs due to increased legal costs and lower interest income after the completion of a project under a deferred payment arrangement in the prior year.

All of our design-and-build activities in Singapore are undertaken by our wholly-owned design-and-build subsidiary and regional centre of excellence, Boustead Projects E&C.

As part of our continued efforts at business and technological transformation, we progressed with the implementation of our digital transformation roadmap during FY2020, further building upon our Industry 4.0 transformation standards and game-changing methodologies. Internal adoption rates significantly increased for methodologies such as 3D scanning, AI and machine learning, data analytics and VR. We also pushed for greater integration between the different platforms and technologies that have enabled our digitalisation journey, supported by our dedicated digital delivery team.

We continue to observe and document positive results from our digitalisation efforts including:

- Better coordination between different project stakeholders and higher productivity achieved through redesigning conventional work processes around our use of BIM as the single-point-of-truth;
- More effective project management through Cloud-based, common data environment solutions. For instance, the implementation of the Lean PlanDo app at our project for JTC Kranji Green (“Kranji Green”) has improved project planning and tracking by aggregating all construction and scheduling data into a single platform;
- Better and faster decision-making in VDC, through our use of BIM and VR technology to simulate immersive virtual environments in life-size proportions;



Construction of JTC Kranji Green, Singapore





3D scanning, artificial intelligence and machine learning in automation of construction progress scans against building information model, Singapore

- Better management and tracking of DfMA prefabricated elements under manufacturing, delivery and installation, and faster and better identification, tracking and remediation of defects through our customisation of mobile digital management solutions; and
- Faster and more accurate construction validation through our use of 3D scanning, AI and machine learning, automation and drones. Our collaboration with Airsquare – a startup specialising in image analytics for construction design – has helped automate the validation of construction progress scans against BIM, reduced inspection times by up to 40% compared to manual inspection methods and minimised updating errors in the final BIM.

Higher productivity, more effective project management, better quality and defects management are expected to ultimately translate into greater savings for our projects over the long-term.

During FY2020, we delivered projects spanning the logistics, manufacturing,

O&G, pharmaceutical, technology and waste management industries, including a number of projects for Fortune 500 corporations. The majority of these projects were in Singapore, which remains our largest geographic market by revenue and profit contribution.

Over at the Airport Logistics Park of Singapore (“ALPS”), we completed our 10th project there and second design-and-build project – DB Schenker Shared Logistics Center (ALPS) – for DB Schenker located at the ALPS, adding to the DB Schenker Megahub completed in 2006. The project also marks the fourth logistics facility we have completed for DB Schenker in Singapore.

Adding to our credentials in the waste management industry, we delivered Veolia’s hazardous chemical waste treatment facility, which includes a laboratory and office building that is Green Mark Platinum-rated.

Under our leasehold portfolio, we finished two projects to be leased on single-tenanted arrangements to Fortune 500 corporations, one of which

was for the Boustead Development Partnership (“BDP”)’s fifth development, Amcor’s integrated production and logistics facility. The other project was for fit-out works and additions & alterations (“A&A”) for 85 Tuas South Avenue 1, meeting the requirements of Cummins for an integrated logistics and office facility.

Overseas, we completed a handful of projects in Malaysia and Vietnam.

Over FY2020, we also proceeded on many of the projects secured during FY2019, which include our largest public and private sector projects to date, respectively the S\$242 million contract for Kranji Green and the over S\$200 million contract for the Surbana Jurong Campus, an iconic global headquarters designed by Safdie Surbana Jurong that is the first large-scale industrial development to be rated Green Mark Platinum – Super Low Energy, located at the upcoming Jurong Innovation District. These two projects are expected to continue contributing significant revenue in the coming year.

Design-And-Build Business



Both projects are demonstrations of our latest technological transformation and have also utilised the heavy-duty tower cranes we purchased, as such cranes are in extremely limited supply in Singapore.

The design-and-build of ASM's integrated advanced high-tech manufacturing facility incorporating Class 10 cleanrooms and which is rated Green Mark Gold Plus, progressed and is nearing completion.

Several projects awarded by joint venture ("JV") partners continued to advance through FY2020. Within one-north, the Razer Southeast Asia Headquarters ("Razer SEA HQ"), a development under the Echo Base-BP Capital JV for an integrated R&D and office business park building to house gaming powerhouse Razer, is progressing on its superstructure works.

At the Seletar Aerospace Park ("SAP"), we progressed on the design-and-build of our 11th project there and the BDP's sixth development, Bombardier Aerospace Singapore Service Centre Phase 2. However, in February 2020, we immediately halted construction activities at the project site and proceeded with full disinfection activities after the detection of a COVID-19 infection of our subcontractor's employee working onsite, with four more of our subcontractor's employees eventually testing positive for infections. We are heartened to share that all five of these subcontractors' employees have subsequently recovered, with the first detected case having bravely battled through two months in the intensive care unit and spending a total of five months in hospital. He was finally discharged at the end of June 2020.

Work also commenced on a project awarded by our latest strategic partnership with new JV partner, The Platform-Hanwha ARESF Fund No 1 for a new smart building development located at Braddell Road, which has been named 351 on Braddell. This smart building is expected to be completed in calendar year 2021. More details on this and our other JV developments can be found on pages 32 to 43 of this report.

At the beginning of FY2020, we completed our strategic investment in a 25% shareholding of associated company DSCO Group Holdings Pte Ltd ("DSCO"), a provider of specialised building engineering consulting services in the Asia Pacific, with a strong reputation in the high-growth data centre industry. During FY2020, we started recognising our share of income attributable to DSCO and



DB Schenker Share Logistics Center (ALPS), Singapore



are leveraging DSCO's expertise and experience to jointly pursue data centre projects.

Over FY2020, competition remained intense and margins continued to be pressured in Singapore's construction industry. To better manage our internal resources and execute on our sizeable order backlog carried forward from the end of FY2019, we shifted our focus to pursuing projects in strategic and higher value sectors and new geographies – securing a total of S\$93 million in new contracts. These include design-and-build contracts from two repeat healthcare and pharmaceutical clients respectively for a production facility and a medical technology facility expansion, further extending our growing track record in the important healthcare, pharmaceutical and medical technology sector.

Our efforts to geographically diversify our business yielded a handful of new projects in China, Malaysia and Vietnam. Shortly after the end of FY2020, our wholly-owned design-and-build subsidiary in Malaysia, BP Engineering Solutions secured a significant contract in terms of scope and size to design-and-build an advanced integrated high-tech manufacturing and office facility in Penang for a Fortune 500 technology corporation. Our new client was highly impressed by our safety track record, safe work practices and adoption of transformative technologies including the use of IDD and BIM to significantly shorten the project timeframe – technologies not commonly deployed by Malaysia's construction industry – which allowed our core team in Singapore to secure the contract from decision-makers in Malaysia and the US.

Prospects in FY2021 are expected to be much more challenging, with the COVID-19 pandemic and the Singapore Government's Circuit Breaker, which resulted in the closure of non-essential workplaces including our HQ and project sites across Singapore.


Post-Circuit Breaker, the Building & Construction Authority ("BCA") has


administered a gradual, controlled reopening of Singapore's construction industry in multiple phases, further delaying the resumption of the majority of construction projects in Singapore, including our own. We only recently received approvals to restart most of our design-and-build projects with preparation works and will continue to work closely with the BCA and relevant authorities to ensure the wellbeing, health and safety of all stakeholders as we resume and scale up operations.


Project completion delays are expected as productivity will be impacted by the need to comply with new safe management measures, along with the serious shortage of worker resources – a problem affecting Singapore's entire construction industry due to the high infection levels among foreign workers. This will lead to slower revenue conversion, accompanied by associated resumption, compliance, prolongation and acceleration costs which are still being ascertained given the fluidity of the situation. Later completion of development projects will also correspondingly delay the commencement of leasing income.


The financial impact resulting from project delays is expected to be partially mitigated by our ongoing efforts to geographically diversify our design-and-build business, various cost reduction measures and the Singapore Government's various COVID-19 support measures for businesses. The Jobs Support Scheme was extended by a month to cover wages paid in August 2020 and the maximum wage subsidy of 75% was also extended to cover the construction sector for wages paid between June 2020 and August 2020. Both the foreign worker levy waiver and rebate were also extended to cover June 2020 and partially cover July 2020. The BCA also announced additional support measures for the construction sector including co-funding certain safe management implementations. In addition, the Singapore Government will continue to bear the costs of COVID-19 testing for the construction sector until 31 March 2021.

FY2020 Highlights

Jul 2019  **Singapore**
Completed Amcor's integrated production and logistics facility for BDP

Aug 2019  **Singapore**
Completed DB Schenker Shared Logistics Center (ALPS) at ALPS

Aug 2019  **Singapore**
Completed A&A for Cummins' integrated logistics and office facility at 85 Tuas South Avenue 1

Oct 2019  **Singapore**
Completed Veolia's hazardous chemical waste treatment facility

Dec 2019  **Singapore**
Awarded design-and-build contract for medtech facility expansion for global medical technology corporation

Real Estate Business



Boustead Projects pioneered the design-build-and-lease or integrated development approach in Singapore in 2003. We offer clients a hybrid solution in which we assume dual roles as the developer-owner of properties, along with that of design-and-build partner to deliver custom-built smart eco-sustainable business park and high-specification industrial developments typically leased to clients under long-term agreements. This has allowed us to build a growing base of quality leasehold properties that provide us with recurring, long-term leasing income. Our market-leading capabilities have since expanded to include development management and asset management services for our growing portfolio of joint venture ("JV") developments, providing us with additional recurring income streams.

Market Sectors

HIGH VALUE-ADDED INDUSTRIES

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

Geographic Markets

4 COUNTRIES

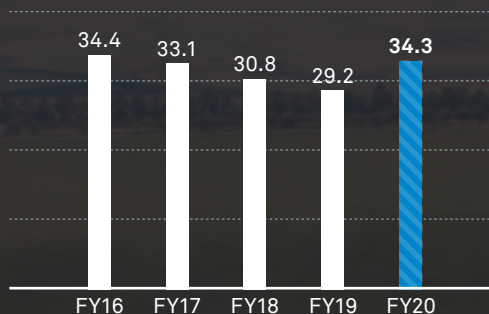
- China
- Malaysia
- Singapore
- Vietnam

Performance Highlights

SEGMENT REVENUE

S\$34.3 million

Year-on-year
▲ 18%

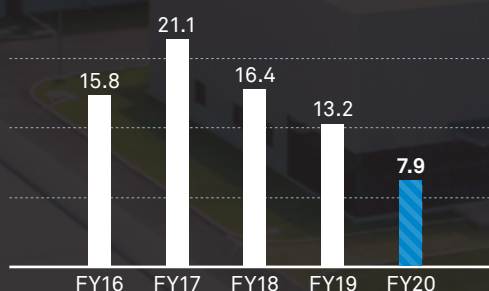


→ Leasing revenue from 85 Tuas South Avenue 1 and Boustead Industrial Park Phase 1 in Vietnam, and increased management fees from Boustead Development Partnership

SEGMENT PROFIT BEFORE INCOME TAX

S\$7.9 million

Year-on-year
▲ 8%*



→ In line with higher leasing revenue

* Excluding one-off S\$5.9 million pre-tax gain from the sale of 25 Changi North Rise, net of fees, during FY2019.



Real Estate Business



In FY2020, real estate revenue was 18% higher year-on-year at S\$34.3 million, mainly due to the commencement of leasing revenue from 85 Tuas South Avenue 1 and Boustead Industrial Park Phase 1 in Vietnam and increased management fees from the Boustead Development Partnership ("BDP"). Real estate profit before income tax was 8% higher year-on-year at S\$7.9 million (excluding the one-off gain recorded in FY2019 from the sale of 25 Changi North Rise), in line with revenue growth and supported by lower administrative expenses.

During FY2020, we continued to expand our leasehold portfolio** of completed, income-generating properties. In addition, the growth of our jointly-owned properties also enabled us to concurrently grow our development

management and asset management businesses.

Under the BDP, we completed Amcor's integrated production and logistics facility – which has started to contribute leasing income – and progressed on the construction of Bombardier Aerospace Singapore Service Centre Phase 2. As mentioned earlier on page 30 of this report, work on the project site was subsequently delayed by the COVID-19 pandemic. We also undertook the BDP's maiden S\$77.4 million acquisition of 6 Tampines Industrial Avenue 5 – a sizeable high-specification and advanced technology facility that we had previously built for a Fortune 500 technology corporation – for conversion into a multi-tenanted advanced technology facility. Concurrent with the completion of the acquisition,

we secured a global technology corporation to anchor the majority of the property's net leasable area ("NLA"), while the remaining space is being marketed.

Over at one-north, we continued to ramp-up occupancy at the BDP's ALICE@Mediapolis, a smart business park development that is Green Mark Platinum-rated and caters to the infocommunications and media industries. Most of the building's business park and white space has been leased, with the remaining vacancy comprising largely of Venture Suite space mandatorily set aside for small and medium-sized enterprises ("SMEs") and JTC's LaunchPad graduates. In view of the lower than expected take-up of Venture Suite space, we sought for and have received JTC's approval to market more of the remaining space to a broader group of qualified corporations.

Elsewhere within one-north, we progressed on the development of the Razer Southeast Asia Headquarters – our maiden development under our Echo Base-BP Capital JV ("Echo Base") – and on marketing the development's remaining space.

Under our wholly-owned properties in Singapore, we completed additions & alterations ("A&A") for 85 Tuas South Avenue 1 which helped drive the year-on-year growth in our leasing revenue as mentioned earlier. We also subleased 36 Tuas Road on a short-term basis with effect from February 2020, as we continue negotiations with various parties on the conversion of the site into a multi-tenanted, high-specification industrial facility to maximise the allowable plot ratio and secure the long-term returns of the property.

In July 2019, we syndicated approximately half of the equity interest in our development for Braddell Road – 351 on Braddell – to our new strategic partner, The Platform-Hanwha ARESF Fund No 1 ("The Platform-Hanwha"). This partial divestment was in line with our broader strategy to recycle our capital for business expansion and to form strategic collaborations with



Cummins' integrated logistics and office facility, Singapore



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

resilient strategic partners for more co-investment opportunities in the Asia Pacific, enabling us to undertake a wider range of developments across more geographic markets.

Overseas, we completed Boustead Industrial Park Phase 1 in Dong Nai, Vietnam ("BIP Vietnam Phase 1") and have successfully leased out nearly all of Phase 1, comprising ready-built facilities amounting to an aggregate of 33,630 square metres in total NLA. Marketing of Phase 2 has commenced, with approximately 12.6 hectares of land available for development. In Malaysia, we made progress on the marketing of the Subang Aerotech Park development undertaken through our JV with Malaysia Airports Holdings Bhd ("BP-MAHB Subang Aerotech").

More details on our strategic partnerships through the BDP, Echo Base, The Platform-Hanwha and BP-MAHB Subang Aerotech can be found on pages 40 to 43 of this report.

Global geo-political uncertainties prevailing through FY2020 contributed to the soft conditions in Singapore's industrial real estate market and impacted industrialists' appetite for built-to-suit projects, translating to fewer quality opportunities. In Malaysia, while our Subang Aerotech Park development initially attracted a healthy level of interest from aerospace-related and logistics companies, enquiry activity was subsequently slowed down by the global geo-political uncertainties, as well as the pandemic near the end of FY2020.

In view of the project delays of our development projects in Singapore due to the Circuit Breaker and phased resumption of construction sites as mentioned earlier on page 31 of this report, the commencement of leasing income from these development projects is also expected to be correspondingly delayed.

In April 2020, legislative changes were passed in Singapore to provide for temporary relief due to the inability to

perform contractual obligations, where the inability was caused to a material extent by the pandemic. Legislative changes were also passed to mandate that landlords provide additional rental relief to eligible SMEs badly affected by COVID-19. SMEs that qualify for rental relief may also elect to serve notice on their landlords to take up a prescribed repayment scheme for a specified portion of their rental arrears.

With the completion of Amcor's facility, BIP Vietnam Phase 1 and the acquisition of 6 Tampines Industrial Avenue 5 during FY2020, the number of completed properties in our leasehold portfolio** increased to 22 properties totalling over 351,000 square metres in gross floor area ("GFA"), with a total market valuation exceeding S\$932 million and supported by a relatively well-staggered lease expiry profile and well-diversified and reputable tenant base. Including projects still under development, the leasehold portfolio will eventually be boosted to a total market valuation exceeding S\$1.2 billion, with over 414,000 square metres in GFA.


Our completed wholly-owned properties had a total market valuation of over S\$368 million and comprised over 202,000 square metres in GFA, with an overall occupancy rate of 98% and a weighted average lease expiry ("WALE") of over five years. Our completed jointly-owned properties had a total market valuation of over S\$564 million and comprised over 149,000 square metres in GFA and – excluding ALICE where leasing is still in progress and 6 Industrial Avenue 5 which was undergoing asset enhancement and fit-out works as at the end of FY2020 – had an overall occupancy rate of 99% and a WALE of approximately six years.


Details of our leasehold portfolio can be found on pages 36 to 39 of this report.


During FY2020, we continued to advance on initiatives to unlock value from our completed leasehold portfolio and look forward to sharing more details when all arrangements have been finalised.


FY2020 Highlights

Jul 2019  **Singapore**
BDP completed development of Amcor's integrated production and logistics facility

Jul 2019  **Singapore**
Formed new strategic partnership with The Platform-Hanwha for development of 351 on Braddell

Aug 2019  **Singapore**
Completed A&A for Cummins' integrated logistics and office facility at 85 Tuas South Avenue 1

Nov 2019  **Vietnam**
Completed development of BIP Vietnam Phase 1

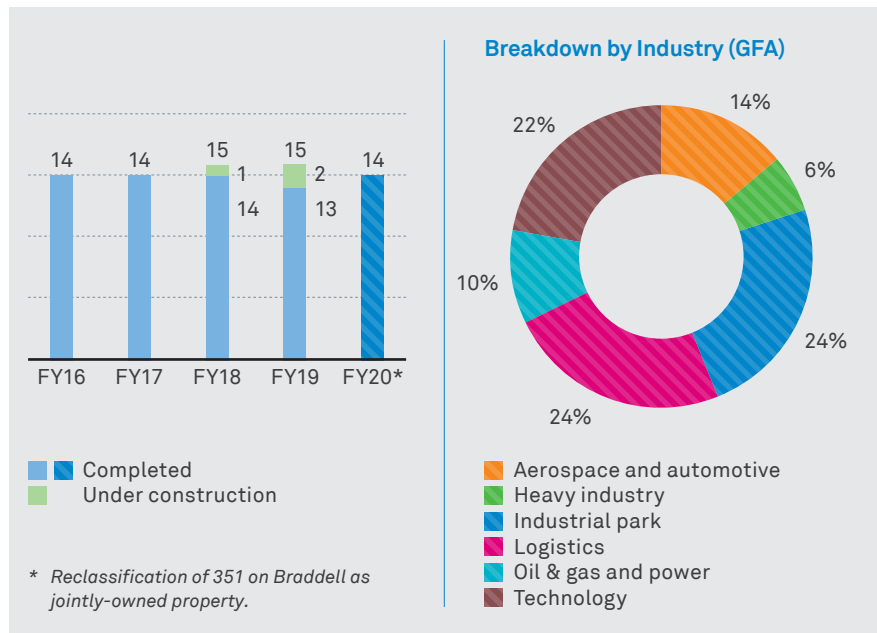
Dec 2019  **Singapore**
BDP acquired 6 Tampines Industrial Avenue 5

Real Estate Business



Wholly-Owned Leasehold Portfolio

At the end of FY2020, our wholly-owned leasehold portfolio contained 14 completed properties, following the completion of Boustead Industrial Park Phase 1 in Vietnam. In addition, 351 on Braddell – a development that is still under construction – has been reclassified from a wholly-owned property to a jointly-owned property following our syndication of 49% of our equity interest in the development to The Platform-Hanwha ARESF Fund No 1 (“The Platform-Hanwha”). Our completed wholly-owned properties had a total market valuation of over S\$368 million and comprised over 202,000 square metres in gross floor area (“GFA”), with an overall occupancy rate of 98% and a weighted average lease expiry (“WALE”) of over five years. These properties are mainly leased to reputable global corporations in high value-added industries.



Completed



10 Tukang Innovation Drive

1

Year completed 2014
GFA (sqm) 26,459



36 Tuas Road

4

Year acquired 2013
GFA (sqm) 11,470



31 Tuas South Avenue 10

2

Year completed 2014
GFA (sqm) 10,527



16 Tampines Industrial Crescent

5

Year completed 2013
GFA (sqm) 20,020



80 Boon Keng Road (Phase 2)

3

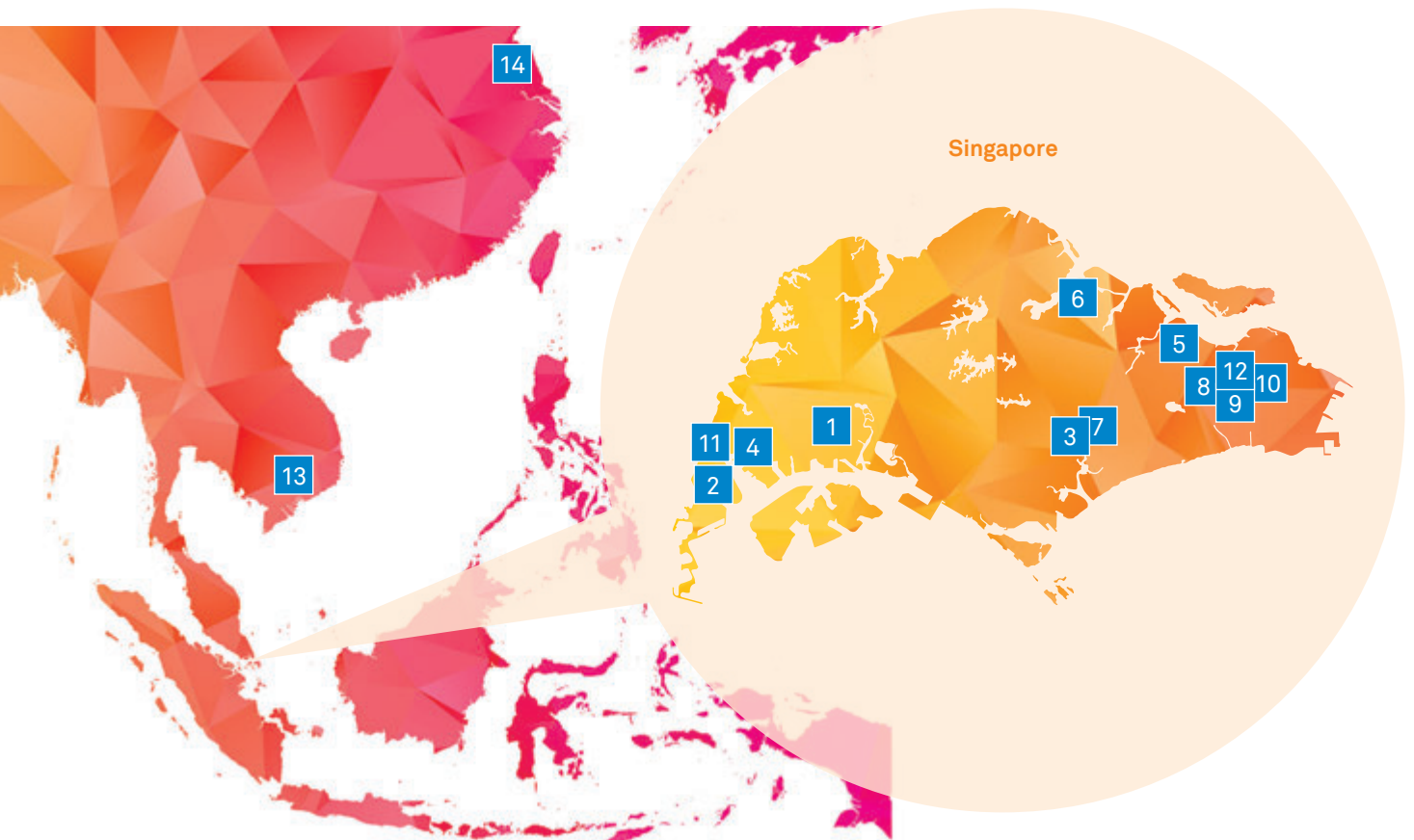
Year completed 2014
GFA (sqm) 4,938



10 Seletar Aerospace Heights

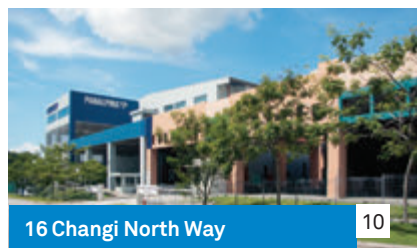
6

Year completed 2013
GFA (sqm) 6,290

**80 Boon Keng Road (Phase 1)**

7

Year completed 2012
GFA (sqm) 11,312

**16 Changi North Way**

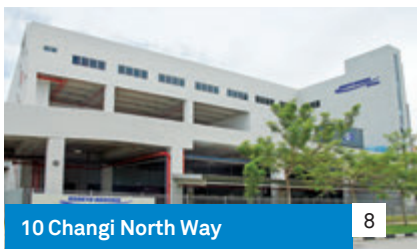
10

Year completed 2008
GFA (sqm) 11,320

**Boustead Industrial Park Phase 1 (Vietnam)**

13

Year completed 2019
GFA (sqm) 33,976

**10 Changi North Way**

8

Year completed 2011
GFA (sqm) 12,019

**85 Tuas South Avenue 1**

11

Year completed 2008
GFA (sqm) 10,610

**Wuxi Boustead Industrial Development**

14

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

**26 Changi North Rise**

9

Year completed 2011
GFA (sqm) 6,000

**12 Changi North Way**

12

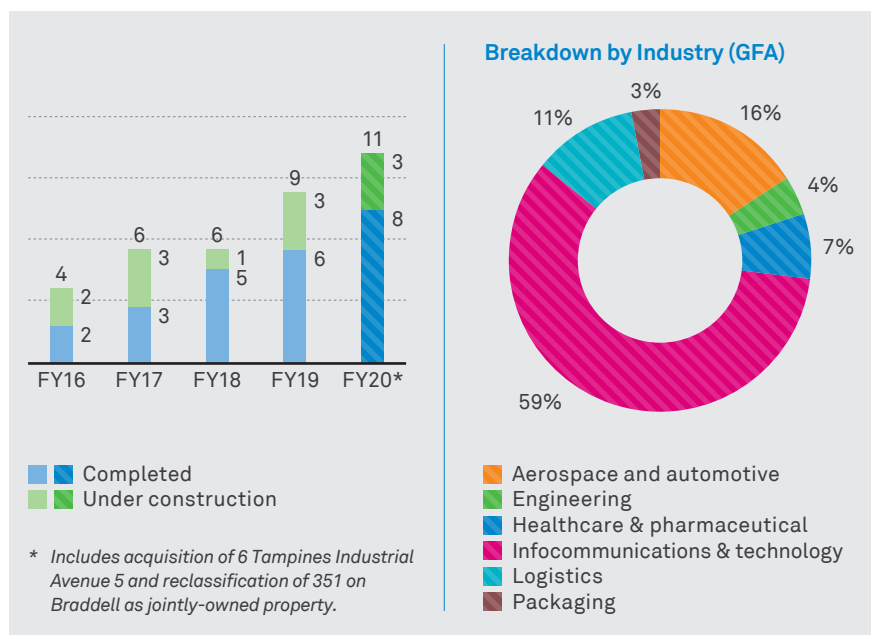
Year completed 2005
GFA (sqm) 23,929

Real Estate Business



Jointly-Owned Leasehold Portfolio

At the end of FY2020, our jointly-owned leasehold portfolio contained eight completed properties and three properties under construction. During FY2020, we acquired 6 Tampines Industrial Avenue 5 under the Boustead Development Partnership (“BDP”) and reclassified 351 on Braddell as a jointly-owned property after our syndication of equity interest in the development to The Platform-Hanwha. Our completed jointly-owned properties had a total market valuation of S\$564 million and comprised over 149,000 square metres in GFA, and – excluding ALICE where leasing is still in progress and 6 Tampines Industrial Avenue 5 which was undergoing asset enhancement and fit-out works as at the end of FY2020 – had an overall occupancy rate of 99% and a WALE of approximately six years. These properties are mainly leased to reputable global corporations in high value-added industries.



Completed



6 Tampines Industrial Avenue 5

Year acquired 2019
GFA (sqm) 40,041



84 Boon Keng Road (Phase 3)

Year completed 2018
GFA (sqm) 11,151



98 Tuas Bay Drive

Year completed 2019
GFA (sqm) 7,538



23 Rochester Park

Year completed 2016
GFA (sqm) 14,338



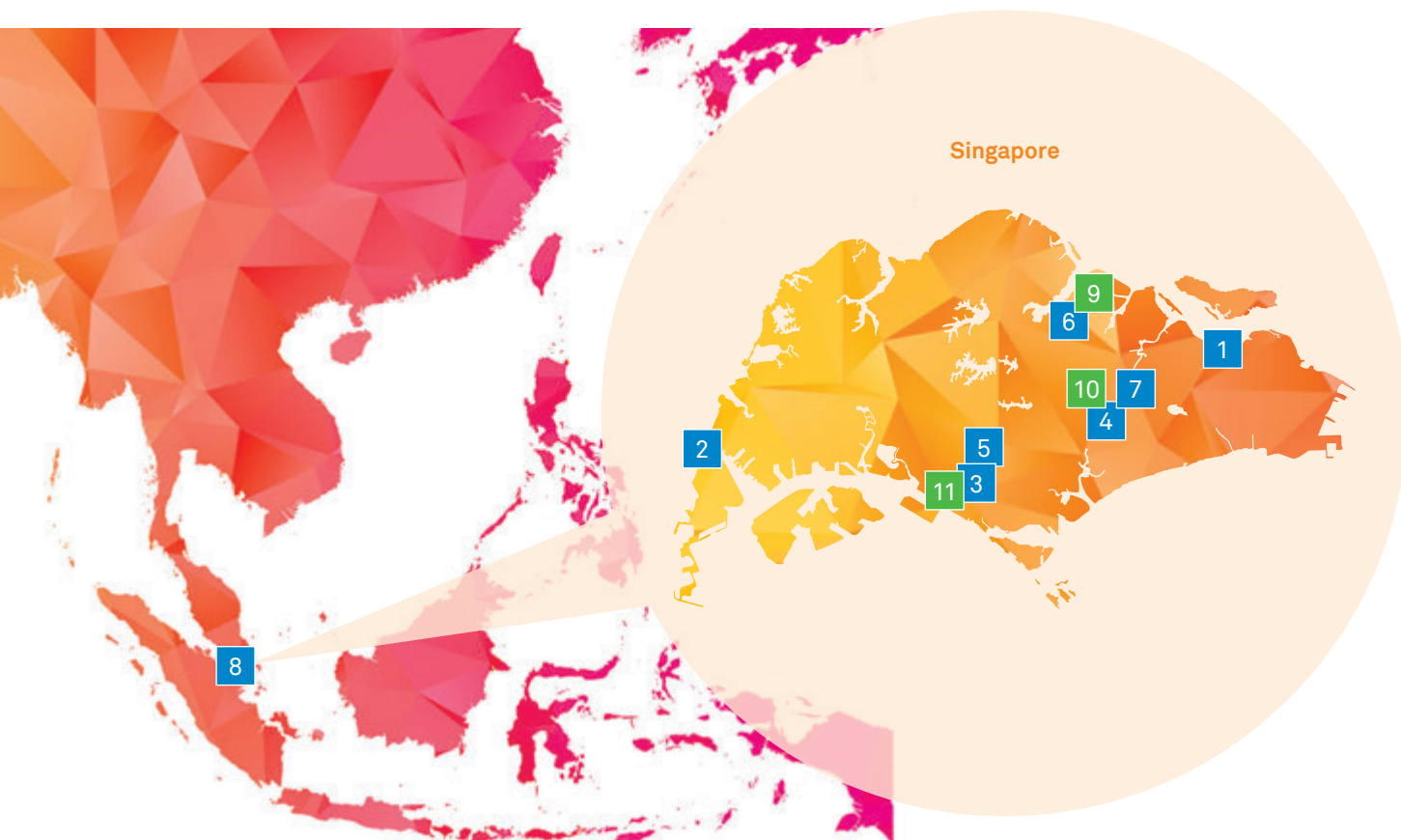
29 Media Circle

Year completed 2018
GFA (sqm) 39,618



11 Seletar Aerospace Link

Year completed 2015
GFA (sqm) 3,567



Under Construction



82 Ubi Avenue 4

7

Year completed 2014
GFA (sqm) 8,759



Seletar Aerospace Heights (Phase 2)

9

Expected year of completion 2020/2021
Expected GFA (sqm) Over 19,000



**Port of Tanjung Pelepas,
Iskandar Malaysia**

8

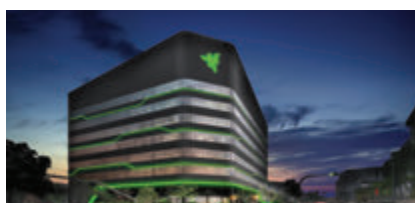
Year completed 2017
GFA (sqm) 24,105



Braddell Road

10

Expected year of completion 2021
Expected GFA (sqm) Over 24,100



One-north Crescent

11

Expected year of completion 2020/2021
Expected GFA (sqm) Over 19,200

Strategic Partnerships & Investments



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

Market Sectors

HIGH VALUE-ADDED INDUSTRIES

- Aerospace and automotive
- Business park and commercial
- Data centres
- Engineering
- Healthcare & pharmaceutical
- Infocommunications
- Logistics
- Packaging
- Research & development ("R&D")
- Smart mixed developments
- Technology

Geographic Markets

6 COUNTRIES AND TERRITORIES

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





AMCOR FLEXIBLES SINGAPORE PTE LTD
95 Tanjong Pagar Square #2000

Amcor's integrated production and logistics facility, Singapore

Strategic Partnerships & Investments



In FY2020, we formed three new strategic partnerships with The Platform-Hanwha ARESF Fund No 1 ("The Platform-Hanwha"), Getronics Solutions (S) Pte Ltd ("Getronics") and Sunseap Leasing Pte Ltd ("Sunseap"). These new collaborations complement our existing strategic partnerships including the Boustead Development Partnership ("BDP"), Echo Base-BP Capital Pte Ltd ("Echo Base") and DSCO Group Holdings Pte Ltd ("DSCO") in Singapore, BP Malaysia Airports Subang Aerotech Sdn Bhd ("BP-MAHB Subang Aerotech") and THAB Development Sdn Bhd ("THAB") in Malaysia and a consortium led by SGX-listed Perennial Real Estate Holdings Ltd ("PREH") in China.

BDP

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

FY2020 was another active year for the BDP, which completed a fifth development, Amcor's integrated production and logistics facility; is progressing on a sixth development, Bombardier Aerospace Singapore Service Centre Phase 2; and acquired a seventh property, 6 Tampines Industrial

Avenue 5. During the year, the BDP also progressed with the asset stabilisation of ALICE@Mediapolis.

Echo Base

Established in 2018, Echo Base is our strategic JV real estate fund management and services platform focused on the development, investment and management of smart buildings and integrated developments across the Asia Pacific, specifically in selected global gateway cities. Echo Base is equally owned by Boustead Projects and Moor House Capital Pte Ltd, a company that is majority-owned by Razer's co-founder. This partnership facilitates our entry into new real estate sectors across a wider geographical reach.

During FY2020, Echo Base progressed on developing the Razer Southeast Asia Headquarters, a high-tech smart business park development under Snakepit-BP LLP, our JV with Razer's co-founder and other private investors.

DSCO

Acquired at the beginning of FY2020 for S\$4.2 million for a 25% shareholding, DSCO is a provider of specialised building engineering consulting services in the Asia Pacific, with a strong reputation as a leading designer in data centres. We expect our strategic investment in DSCO to support our future expansion and augment our design-and-build and development capabilities in high-tech, higher value sectors and intend to leverage DSCO's expertise, experience and reputable position in the high-growth data centre industry to jointly pursue data centre projects.

BP-MAHB Subang Aerotech

Established in 2019, BP-MAHB Subang Aerotech is our 70-30 strategic JV platform with Malaysia Airports Holdings Bhd ("MAHB") to develop the Subang Aerotech Park in Selangor, an aerospace and high-tech park that comprises potentially over 140,000



Ceremonial signing by Lawrence Wu, President & Executive Director of Sunseap Group (left) and Thomas Chu, Managing Director of Boustead Projects (right)



square metres of land next to the Sultan Abdul Aziz Shah Airport (also known as Subang Airport), to be leased to corporations serving the aerospace industry. This partnership further expands our overseas presence in a higher value sector, tapping on our leading experience, expertise and track record in the aerospace sector.

During FY2020, marketing of the Subang Aerotech Park commenced with a healthy level of interest from aerospace-related and logistics companies but was subsequently slowed down by global geo-political uncertainties, as well as the COVID-19 pandemic.

The Platform-Hanwha

During FY2020, we syndicated about half of the equity interest in our development of 351 on Braddell to our new strategic JV partner, The Platform-Hanwha. This partnership has strengthened our pool of co-investment partners in the Asia Pacific.

Getronics

During FY2020, we commenced our collaboration with Getronics – a leading global infocommunications technology service provider – which is intended to enable us to deliver next generation smart industrial buildings by leveraging Getronics' technologies and to augment our integrated suite of transformative digital real estate solutions addressing the entire multi-decade lifecycle of buildings. Getronics' smart technologies will help future-proof our development projects with a flexible and scalable platform for new and ever-changing technologies, allowing us to manage smart developments in our leasehold portfolio on a single technology platform.

Sunseap

During FY2020, we signed a framework agreement with Sunseap – the largest and most established integrated clean energy solutions company in Singapore

– on the potential installation of rooftop industrial solar energy systems at our real estate projects and potential provision of lower-cost clean energy solutions to our clients and tenants. This partnership is intended to better utilise rooftop space – an important asset within our leasehold portfolio. Promoting eco-sustainability through greater use of renewable energy aligns with our leading position as a builder and developer of smart eco-sustainable business park and industrial developments.

THAB


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

PREH Consortium


Established in 2012, we joined a consortium led by PREH to develop Beijing Tongzhou Integrated Development Phase 1, a mixed-use Grade A iconic landmark development at the centre of Beijing Tongzhou's Central Business District. We hold a 4% shareholding in Phase 1, which features a proposed 413,000 square metres of gross floor area with an eight-level retail podium, two office towers and one residential tower, with targeted completion in 2023. In FY2020, the fair value of our investment in Phase 1 was S\$31.3 million.


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


FY2020 Highlights

Apr 2019  **Singapore**
Acquired 25% shareholding in DSCO

Jul 2019  **Singapore**
Formed new strategic partnership with The Platform-Hanwha for development of 351 on Braddell

Sep 2019  **Singapore**
Signed MoU with Getronics to collaborate on integrated smart building solutions

Dec 2019  **Singapore**
BDP acquired 6 Tampines Industrial Avenue 5

Feb 2020  **Singapore**
Signed framework agreement with Sunseap to collaborate on renewable and clean energy solutions

Quality, Safety & Sustainability Awards

	Awarded by:		
	BCA		
	Construction Excellence, Quality & Productivity Awards	Green Mark Platinum & Super Low Energy	Green Mark Gold Plus & Gold
Total	7 awards	12 awards	13 awards
2020			<ul style="list-style-type: none"> • ASM Front-End Manufacturing (Gold Plus) • Bombardier Aerospace Singapore Service Centre Phase 2 (Gold)
2019	<ul style="list-style-type: none"> • BP E&C: Construction Productivity Award – Projects (Gold) for Continental Building Phase 3 	<ul style="list-style-type: none"> • Surbana Jurong Campus (Super Low Energy) / 1st Super Low Energy in large-scale industrial category / • Bolloré Blue Hub • Veolia Singapore Office@Tuas View Circuit 	
2018	<ul style="list-style-type: none"> • BP E&C: Green & Gracious Builder Award (Excellent) 	<ul style="list-style-type: none"> • ALICE@Mediapolis 	
2017	<ul style="list-style-type: none"> • BP E&C: BIM Gold Award – Organisation Category • BP: Construction Excellence Award for Seagate Singapore Design Center – The Shugart 		<ul style="list-style-type: none"> • Markono M-Cube (Gold) • XP Power (Gold Overseas) / 1st Green Mark in non-residential building category in Vietnam /
2016		<ul style="list-style-type: none"> • Kuehne+Nagel Singapore Logistics Hub 	
2015	<ul style="list-style-type: none"> • BP: Green & Gracious Builder Award (Merit) • BP: Construction Productivity Award – Projects (Gold) for Edward Boustead Centre 	<ul style="list-style-type: none"> • Edward Boustead Centre • Seagate Singapore Design Center – The Shugart 	<ul style="list-style-type: none"> • Greenpac Greenhub (Gold Plus)
2014	<ul style="list-style-type: none"> • BP: Construction Excellence Certificate of Merit for Bolloré Green Hub 	<ul style="list-style-type: none"> • DB Schenker Shared Logistics Center 3 (Tampines LogisPark) 	<ul style="list-style-type: none"> • Greenpac Greenhub (Office Interior Gold Plus) • Kerry Logistics Centre (Gold) • Satair Airbus Singapore Centre (Gold)
2013			<ul style="list-style-type: none"> • Greenpac Greenhub (Gold) • Jabil Circuit (Gold)
2012		<ul style="list-style-type: none"> • Bolloré Green Hub / 1st in logistics category / 	
2011		<ul style="list-style-type: none"> • Rolls-Royce Wide Chord Fan Blade Manufacturing Facility • Rolls-Royce Test Bed Facility / 1st in aerospace category / 	
2010			<ul style="list-style-type: none"> • IBM Singapore Technology Park (Gold) • Sun Venture Investments@50 Scotts Road (Gold)
2009		<ul style="list-style-type: none"> • Applied Materials Building / 1st in heavy industry category / 	<ul style="list-style-type: none"> • StarHub Green (Gold)

Legend

ASRA: Asia Sustainability Reporting Awards
 BCA: Building & Construction Authority
 BIM: Building Information Modelling

BP: Boustead Projects
 BP E&C: Boustead Projects E&C
 ES: Enterprise Singapore

ESG: Environmental, social and governance
 LEED: Leadership in Energy & Environmental Design
 SHARP: Safety & Health Award Recognition for Projects

Awarded by:		
USGBC	WSHC	Others
LEED Gold	bizSAFE, Safety & SHARP Awards	ESG, Investor & Quality Awards
3 awards	22 awards	3 awards
	<ul style="list-style-type: none"> Bolloré Blue Hub Veolia Hazardous Chemical Waste Treatment Complex 	<ul style="list-style-type: none"> BP FY2020 Longevity Report: Asia's Best First Time Sustainability Report Finalist – ASRA
	<ul style="list-style-type: none"> BP E&C: WSH Performance (Silver) Award ALICE@Mediapolis 	
	<ul style="list-style-type: none"> GSK Asia House 	<ul style="list-style-type: none"> BP: Singapore Corporate Governance Award, Newly Listed Category – SIAS ICA BP E&C: Singapore Quality Class Certification under ES Business Excellence Framework
<ul style="list-style-type: none"> Kuehne+Nagel Singapore Logistics Hub 	<ul style="list-style-type: none"> Kuehne+Nagel Singapore Logistics Hub 	
	<ul style="list-style-type: none"> MTU Asia Pacific HQ 	
	<ul style="list-style-type: none"> DB Schenker Shared Logistics Center 2 (Tampines LogisPark) (Commendation) 	
<ul style="list-style-type: none"> Kerry Logistics Centre Bolloré Green Hub / 1st LEED Gold in logistics industry in Asia / 		
	<ul style="list-style-type: none"> BP: WSH Performance (Silver) Award Bolloré Green Hub 	
	<ul style="list-style-type: none"> BP: bizSAFE Mentor BP: WSH Performance (Silver) Award Rolls-Royce Wide Chord Fan Blade Manufacturing Facility 	
	<ul style="list-style-type: none"> BP: WSH Performance (Silver) Award BP: WSH Officer Award Applied Materials Building IBM Singapore Technology Park Le FreePort Singapore Aero Engine Services 	
	<ul style="list-style-type: none"> BP: bizSAFE Star BP: WSH Performance (Silver) Award StarHub Green 	

Board of Directors

John Lim Kok Min



Chairman & Independent Non-Executive Director

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

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

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

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

Wong Yu Wei



Deputy Chairman & Executive Director

- Member, Nominating Committee

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

Appointed: 1 December 2008
Last re-elected: 26 July 2018

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

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

Appointed: 5 January 2009
Last re-elected: 27 July 2017

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

Chong Lit Cheong



Independent Non-Executive Director

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

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

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

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

Professor Yong Kwet Yew



Independent Non-Executive Director

- Member, Nominating Committee
- Member, Remuneration Committee

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

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

Professor Yong was appointed as our Independent Non-Executive Director in 2019. He is currently Professor of Civil & Environmental Engineering and Senior Vice President (Campus Infrastructure) at the National University of Singapore (“NUS”), where he has served for over 40 years and overseen the development of a smart, safe and sustainable campus including the completed S\$1 billion University Town and Yale-NUS College. His research is a microcosm of infrastructure development in Singapore, with the publishing of more than 200 technical publications and delivery of over 30 keynote and guest lectures at international conferences. He is currently independent non-executive Chairman of BBR Holdings (S) Ltd and Tritech Group Ltd. He has previously chaired and served on the boards and national committees at several of the Singapore Government’s ministries and statutory boards including the Building & Construction Authority, Land Transport Authority, Ministry of Defence, Ministry of Finance, Ministry of Environment & Water Resources, Ministry of Manpower and Ministry of National Development. He has also served as a consultant to corporations and government agencies on over 100 major infrastructure projects in the Asia Pacific.

Tam Chee Chong



Independent Non-Executive Director

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

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

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

Mr Tam was appointed as our Independent Non-Executive Director in 2019. With 34 years of extensive corporate and financial advisory experience, he has worked with various Big 4 accounting firms in Singapore, London and Hong Kong. He is also experienced in mergers & acquisitions, dispute resolutions, litigation support, corporate restructuring, business turnarounds and major forensic investigations. He is currently independent non-executive director of GSH Corporation Ltd and IFS Capital Ltd, Chairman of Kembangan-Chai Chee Citizens’ Consultative Committee and serves on the boards of NTUC Education & Training Fund and Halogen Foundation Singapore. He was previously Group Chief Financial Officer of Fullerton Healthcare Corporation Ltd and prior to that, held numerous executive positions within Deloitte including Deputy Managing Partner – Markets in Singapore and Regional Managing Partner – Financial Advisory Services for Deloitte Southeast Asia Ltd, where he also served on its Board and on its Southeast Asia and Singapore Executive Committees. His public accounting experience includes being the partner in charge of audits on SGX-listed corporations such as Labroy Marine Ltd, Sembcorp Marine Ltd, Singapore Technologies Engineering Ltd, WBL Corporation Ltd and Yeo Hiap Seng Ltd.

Key Management Team

Raymond Lum

Chief Operating Officer

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

Mr Lum joined Boustead Projects in 2018. With over 22 years of extensive engineering and corporate development experience, he is responsible for corporate teams and oversees international business expansion, mergers and acquisitions ("M&A"), corporate affairs, human resources, investor relations, legal and IT matters. Prior to this, he held the position of Head & Vice President of TeleChoice International Ltd, an SGX-listed subsidiary of Singapore Technologies Telemedia Pte Ltd. He also held positions in KPMG Corporate Finance Pte Ltd, SIA Engineering Company Ltd, Squire Mech Pte Ltd and ST Electronics (Info-Software Systems) Pte Ltd. His broad career experience spans business development, contract management, corporate finance, corporate strategy, engineering design and technical implementation, and M&A.

Lee Keen Meng

Chief Financial Officer

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

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

Steven Koh

Deputy Managing Director (Operations)

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

Mr Koh joined Boustead Projects in 1999. He began his role here as Project Manager and was subsequently promoted several times, penultimately to Operations Director before assuming his current position in 2011. With over 20 years of extensive industry experience, he is responsible for operations and project management teams and ensures that projects complete on schedule, according to clients' specifications and meet all key performance indicators for profitability, quality, reliability and safety. He also spearheads ongoing innovation and integrated digital delivery technology transformations.

Liew Kau Keen

Director (Business Development)

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

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

Howard How

Director (Environmental, Health & Safety)

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

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

Neo Eng Huat

Director (Audit & Improvement)

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

Mr Neo joined Boustead Projects in 2007. He began his role here as Deputy Construction Manager and was subsequently promoted several times, penultimately to Director (Operations) before assuming his current position in 2016. With over 40 years of extensive industry experience, he is responsible for quality assurance and control, and construction audit and improvement teams and ensures continuous improvement efforts. Prior to this, he held positions at Lian Soon Construction Pte Ltd, JTCI (Singapore) Pte Ltd and Jurong Primewide Pte Ltd.

Nicholas Heng

Director (Projects)

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

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

Charlie Chan

Director (Operations)

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

Mr Chan joined Boustead Projects in 2019. With over 20 years of extensive industry experience managing both public and private sector development and industrial projects, he is responsible for day-to-day construction operations and site management teams. Prior to joining Boustead Projects, he held senior project management roles at Master Contract Services Pte Ltd and Progressive Builders Pte Ltd.

Samuel Lim

Director (Real Estate)

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

Mr Lim joined Boustead Projects in 2019. With over 15 years of extensive experience in Singapore and Asia real estate across acquisitions, investments, leasing, origination, portfolio management and REIT management, he is responsible for the real estate business. Prior to this, he held positions at AEP Investment Management Pte Ltd, Jones Lang LaSalle Property Consultants Pte Ltd and Logos SE Asia Pte Ltd, and also held a position within Boustead Singapore Limited as Senior Business Development Manager for Real Estate for nearly five years.

Stakeholder Relations

Stakeholder Communications

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

All our annual reports, company announcements and financial results announcements since our listing, as well as substantial information that would be of interest to investors are available at www.bousteadprojects.com/investor-centre.

In FY2020, we met 78 investors at investor conferences, meetings and presentations to share our business strategies and financial performance.

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

We continued to actively engage with institutional and retail investors, although we did not present at any major investor conferences.

In August 2019, we released our Boustead Projects FY2019 Longevity Report, presenting an in-depth understanding of how we ensure the longevity of our business and the wider ecosystem that we are interconnected with. We also shared how this translates to delivering sustainable shared socio-economic value and progress to our key stakeholders, along with the communities that we reside in and our collective home – Planet Earth.

Our strong efforts in corporate governance, transparency and sustainability, led to Boustead Projects being listed as one of only 95 SGX-listed corporations on the SGX Fast

Track Programme, a programme that aims to affirm listed issuers that have been publicly recognised for high corporate governance standards and have maintained a good compliance track record, with prioritised clearance for their corporate action submissions. We also contributed to our parent company’s achievements, with Boustead Singapore Limited honoured with the Most Transparent Company (Winner) in the Industrials Category and Sustainability Award (Runner-Up) in the Mid Cap Category at the Securities Investors Association (Singapore) Investors’ Choice Awards 2019.

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

Summary of FY2020 Investor Relations Activities

55

face-to-face/
teleconference investor
meetings hosted

(FY2019: 45)

78

investors met

(FY2019: 382)

0

investor conferences/
events attended

(FY2019: 3)

3

research firms
providing coverage:

- CIMB Research
- Seeking Alpha
- UOB Kay Hian

Delivering Value to Shareholders

0.8¢*

dividends for FY2020

9.2¢**

total return to shareholders
since listing in FY2016

S\$198.8m

market capitalisation
at end of FY2020

S\$7.5m

worth of net share buybacks
conducted since listing in FY2016

* Includes proposed final dividend of 0.8 cents for FY2020.

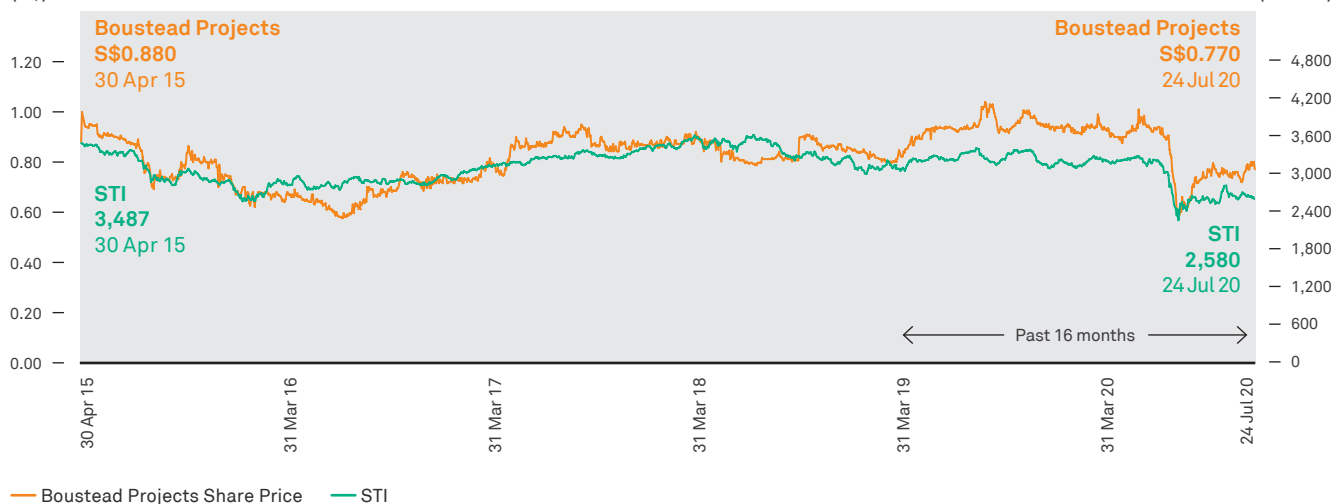
** Includes dividends and net share buybacks but excludes capital gains since listing, for comparative review.

FY2020 Calendar

Date	Activity/Event
Jul 2019	<ul style="list-style-type: none"> FY2019 annual report Annual general meeting
Aug 2019	<ul style="list-style-type: none"> 1Q FY2020 financial results announcement FY2019 longevity report
Sep 2019	<ul style="list-style-type: none"> FY2019 final dividend of 1.5 cents and special dividend of 0.5 cents
Nov 2019	<ul style="list-style-type: none"> 2Q FY2020 financial results announcement
Jul 2020	<ul style="list-style-type: none"> FY2020 financial results announcement

FY2021 Calendar***

Date	Activity/Event
Aug 2020	<ul style="list-style-type: none"> FY2020 annual report Annual general meeting
Sep 2020	<ul style="list-style-type: none"> FY2020 final dividend of 0.8 cents (proposed)
Oct 2020	<ul style="list-style-type: none"> FY2020 longevity report
Nov 2020	<ul style="list-style-type: none"> 1H FY2021 financial results announcement
May 2021	<ul style="list-style-type: none"> FY2021 financial results announcement

Share Performance and STI Commentary**Boustead Projects Share Price**
(S\$)**STI**
(Points)

Opening FY2020 at S\$0.920, Boustead Projects' share price decreased by approximately 16% over the past 16 months, touching a high of S\$1.040 on 14 May 2019 and low of S\$0.585 on 19 March 2020 and recovering to close at S\$0.770 on 24 July 2020. A major cause behind the share price decrease was the onset of the COVID-19 pandemic.

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

Corporate Information

Directors

John Lim Kok Min
Chairman & Independent
Non-Executive Director

Wong Yu Wei
Deputy Chairman &
Executive Director

Thomas Chu Kok Hong
Managing Director &
Executive Director

Chong Lit Cheong
Independent Non-Executive
Director

Professor Yong Kwet Yew
Independent Non-Executive
Director

Tam Chee Chong
Independent Non-Executive
Director

Audit & Risk Committee

Tam Chee Chong
Chairman

John Lim Kok Min

Chong Lit Cheong

Nominating Committee

John Lim Kok Min
Chairman

Chong Lit Cheong

Professor Yong Kwet Yew

Tam Chee Chong

Wong Yu Wei

Thomas Chu Kok Hong

Remuneration Committee

Chong Lit Cheong
Chairman

John Lim Kok Min

Professor Yong Kwet Yew

Share Registrar

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

Auditors

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

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

Principal Bankers

United Overseas Bank Ltd

DBS Bank Ltd

Malayan Banking Bhd

**The Hongkong and Shanghai
Banking Corporation Ltd**

Place of Incorporation

Singapore

Date of Incorporation

29 May 1996

Company Secretary

Tay Chee Wah

Company Registration

199603900E

Registered Office

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

Stock Exchange Listing

**Singapore Exchange Securities
Trading Ltd**

Financial Statements

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Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 March 2020 and the statement of financial position of the Company as at 31 March 2020.

In the opinion of the directors,

- (a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 93 to 159 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 March 2020 and the financial performance, changes in equity and cash flows of the Group for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

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

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

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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 21.04.2020	At 31.03.2020	At 01.04.2019	At 21.04.2020	At 31.03.2020	At 01.04.2019
Boustead Projects Limited						
<u>(No. of ordinary shares)</u>						
John Lim Kok Min	169,296	169,296	169,296	-	-	-
Wong Yu Wei (Huang Youwei)	113,135	23,863	611,017	717,800	717,800	17,800
Chu Kok Hong @ Choo Kok Hong	963,679	816,823	571,576	1,578	1,578	1,578
Shares awards (unvested) granted under the Boustead Projects Restricted Share Plan 2016						
Wong Yu Wei (Huang Youwei)	21,579	110,851	223,697	-	-	-
Chu Kok Hong @ Choo Kok Hong	31,811	178,667	398,414	-	-	-
Ultimate Holding Company						
- Boustead Singapore Limited						
<u>(No. of ordinary shares)</u>						
John Lim Kok Min	579,890	579,890	564,322	-	-	-
Wong Yu Wei (Huang Youwei)	125,765	125,765	122,388	-	-	-
Chu Kok Hong @ Choo Kok Hong	243,432	243,432	236,896	5,198	5,198	5,198
Related corporation						
- Geologic Private Limited						
<u>(No. of ordinary shares)</u>						
Wong Yu Wei (Huang Youwei)	35,000	35,000	35,000	-	-	-

DIRECTORS' CONTRACTUAL BENEFITS

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

Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

SHARE AWARDS

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

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

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

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

Date of grant	Balance at 1 April 2019	Share awards granted	Share awards vested	Share awards forfeited	Balance at 31 March 2020
23 October 2017	614,420	-	(477,887)	-	136,533
13 September 2018	1,173,665	-	(469,467)	(24,741)	679,457
	1,788,085	-	(947,354)	(24,741)	815,990

Name of participant	Number of shares comprised in awards granted during the financial year	Aggregate number of shares comprised in awards since commencement of the 2016 Share Plan to end of financial year	Aggregate number of shares comprised in awards vested since commencement of the 2016 Share Plan to end of financial year	Aggregate number of shares forfeited since commencement of the 2016 Share Plan to end of financial year	Aggregate number of shares comprised in awards outstanding as at end of financial year
Associate of Controlling Shareholder of the Company					
Wong Yu Wei (Huang Youwei)	-	353,243	(242,392)	-	110,851
Employees of the Company's subsidiary	-	2,631,821	(1,860,849)	(65,833)	705,139
	-	2,985,064	(2,103,241)	(65,833)	815,990

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

Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

AUDIT & RISK COMMITTEE

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

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

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

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2020 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

29 July 2020

Corporate Governance

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

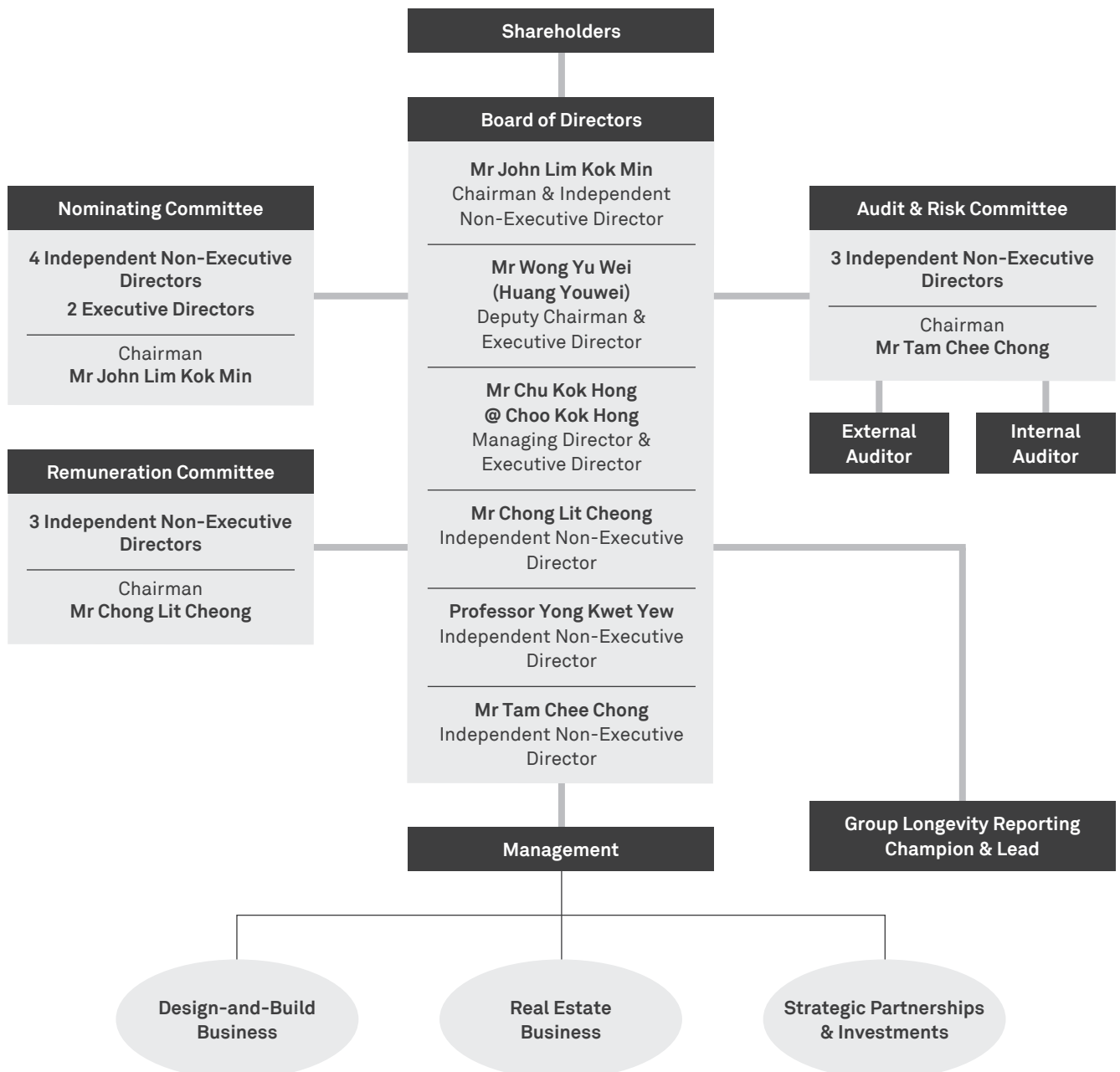
The Board is pleased to present this Corporate Governance Report (“**Report**”) which outlines the Company’s corporate governance practices for the financial year ended 31 March 2020 (“**FY2020**”) with specific reference made to the principles and provisions of the Code and accompanying Practice Guidance issued on 6 August 2018 and updated as of 7 February 2020 (“**Practice Guidance**”), which forms part of the continuing obligations of the Listing Rules of the Mainboard of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). However, this Report should be read as a whole as other sections of this Report may also have an impact on the specific disclosures made in this Report.

Except where specifically stated, the Company has adhered to the principles and provisions as set out in the Code for FY2020. Where the Company’s practices vary from any provisions of the Code, these variations are identified together with an explanation of the reason for the variation and an explanation on how the practices which the Company has adopted are consistent with the intent of the relevant principle.

Corporate Governance

GOVERNANCE FRAMEWORK

The Company's governance structure is as follows:



Corporate Governance

BOARD MATTERS

The Board's Conduct of Affairs

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

Board Duties and Responsibilities

The Company is headed by an effective Board that is collectively responsible for the overall leadership, control, management and long-term success of the Company. The Board provides guidance to and works with management ("**Management**") to achieve the Company's objectives and monitors the performance of Management, and Management is accountable to the Board for its performance.

The Board approves the Group's strategic plans, key business initiatives, major investments and funding decisions. Additionally, the Board has direct responsibility for decision-making in respect of various specific matters, including:

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

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

Additionally, under the Code of Conduct adopted by the Company, the directors are required, without prejudice to their duties and responsibilities as directors generally, to avoid conflicts of interest or duty, or taking improper advantage of their position. Issues of conflict of interest or potential conflict of interest involving directors of the Company are dealt with by the Audit and Risk Committee which comprises independent directors only. Independent directors of the Board also deal with conflict of interest issues relating to substantial shareholders, and matters which require the decision and determination of the independent directors pursuant to the provisions of the Listing Manual of the SGX-ST or applicable laws and regulations.

Corporate Governance

Conflict of Interests

All directors of the Company are required to act objectively in the best interests of the Company as fiduciaries at all times. The directors exercise independent judgment and due diligence when making decisions, and for the benefit of the Company. Consistent with this principle, every director is required to promptly disclose any conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Company as soon as is practicable after the relevant facts have come to his/her knowledge. Where a director has a conflict of interest in a particular matter, he or she will be required to declare his/her interest to the Board, recuse himself/herself from the deliberations and abstain from voting on the matter. Directors must obtain the permission of the Chairman of the Board to serve in any capacity in a business, company or other organisation outside of the Company, as there may be a possibility that such a role or duty could conflict with the best interests of the Company.

Understanding of Directors' Role

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

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

On an ongoing basis, the Board as a whole is kept up-to-date on pertinent developments in the Group's business and operations, as well as the industry and legal and regulatory environment in which the Group operates. All non-executive directors are invited to request for additional explanations, briefings and informal discussions on any aspect of the Group's business or operations issues at all times. The directors may, at any time, visit the Group's project sites in order to gain a better understanding of the Group's business and operations.

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

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

During FY2020, a majority of the current non-executive directors on the Board have many years of board experience and were therefore familiar with the duties and responsibilities of a director of a listed issuer. Mr Tam Chee Chong, who was one of the two directors appointed as director of the Company on 1 May 2019 and who did not have prior experience as a director of a listed issuer, had attended the Listed Entity Directors Programme conducted by SID in accordance with the requirements under the Listing Manual of the SGX-ST. As part of their continual professional development, a majority of the directors also attended at least two training courses during FY2020.

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

Corporate Governance

Delegation of Authority

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

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

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

Board Committees

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

A description of, among other things, composition and the terms of reference, and a summary of the activities of the respective Board Committees during FY2020 is set out in the sections on Principle 4 under "Board Membership" and Principle 5 under "Board Performance" (in respect of the Nominating Committee), the sections on Principle 6 under "Procedures for Developing Remuneration Policies" and Principle 7 under "Level and Mix of Remuneration" (in respect of the Remuneration Committee), and the sections on Principle 9 under "Risk Management and Internal Controls" and Principle 10 under "Audit & Risk Committee" (in respect of the Audit & Risk Committee).

Board Meetings

The Board conducts a minimum of four scheduled meetings a year. This schedule is normally determined before the fourth quarter of each calendar year for the forthcoming financial year to allow directors to plan for attendance at these meetings. Where necessary, additional Board meetings are also held to address significant transactions or issues that arise.

Board papers and related materials are sent to Board or Board Committee members in advance prior to each meeting. This allows them to prepare for the meetings and to enable discussions to focus on any questions or issues that they may have or identify.

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

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

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

Corporate Governance

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

During FY2020, a total of four formal Board meetings, four formal Audit & Risk Committee meetings, one formal Nominating Committee meetings and two formal Remuneration Committee meetings were held. Additionally, one ad hoc Board meeting was held during FY2020. The Board and Audit & Risk Committee members also had several informal discussions on various issues relating to corporate strategy, risk management and specific significant matters during FY2020.

The attendance of the directors at scheduled regular as well as ad hoc Board and Board Committee meetings during FY2020 was as follows:

Name of Director	Board		Ad Hoc Board		Audit & Risk Committee		Nominating Committee		Remuneration Committee	
	No. Held ⁽¹⁾	No. Attended	No. Held ⁽¹⁾	No. Attended	No. Held ⁽¹⁾	No. Attended	No. Held ⁽¹⁾	No. Attended	No. Held ⁽¹⁾	No. Attended
John Lim Kok Min	4	4	1	1	4	4	1	1	2	2
Wong Yu Wei (Huang Youwei)	4	4	1	1	-	-	1	1	-	-
Chu Kok Hong @ Choo Kok Hong	4	4	1	1	-	-	1	1	-	-
Chong Lit Cheong	4	4	1	1	4	4	1	1	2	2
Professor Yong Kwet Yew ⁽²⁾	4	4	1	1	-	-	1	1	2	2
Tam Chee Chong ⁽³⁾	4	4	1	1	4	4	1	1	-	-
James Lim Jit Teng ^{(4) (5)}	4	1	1	-	4	1	1	-	2	1

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

⁽²⁾ Professor Yong Kwet Yew was appointed as a director on 1 May 2019 and subsequently appointed as a member of the Nominating Committee and Remuneration Committee on 1 May 2019.

⁽³⁾ Mr Tam Chee Chong was appointed as a director on 1 May 2019 and subsequently appointed as a member of the Audit & Risk Committee and Nominating Committee on 1 May 2019.

⁽⁴⁾ Mr James Lim Jit Teng retired as a director of the Company on 26 July 2019 and consequently ceased to be a member of the Audit & Risk Committee, Nominating Committee and Remuneration Committee.

⁽⁵⁾ Mr James Lim Jit Teng attended one (1) Board, Audit and Risk Committee and Remuneration Committee meetings as a member before his cessation as member of these Board Committees on 26 July 2019.

Access to Information

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

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

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

The directors also have separate and independent access to Management as well as the company secretary. In addition, where the directors require independent professional advice to facilitate the discharge of their duties and responsibilities, Management will facilitate the appointment of a professional advisor to render the advice to the Board and keep the Board informed of such advice. The cost of obtaining such professional advice will be borne by the Company.

Corporate Governance

Role of Company Secretary

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

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

Commitment to Sustainability

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

The Company releases an annual standalone Sustainability Report, of which the FY2020 report will be available on the Company's website by 29 October 2020. The report is prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option and contains the five primary components in compliance with Rule 711B of the Listing Manual of the SGX-ST.

Board Composition and Guidance

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

Board Composition

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

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)
Chong Lit Cheong (Independent Non-Executive Director)
Professor Yong Kwet Yew (Independent Non-Executive Director)
Tam Chee Chong (Independent Non-Executive Director)

Board Independence

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

Corporate Governance

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

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

The Nominating Committee has reviewed the independence of each of the current directors taking into account the guidance in the Code, the Practice Guidance and the SGX-ST Listing Manual, and is satisfied that apart from Mr Wong Yu Wei (Huang Youwei) and Mr Chu Kok Hong @ Choo Kok Hong, all of the other directors are independent.

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

Board Diversity

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

As at the date of this Report, while the Board has not adopted a formal board diversity policy, which is a variation from Provision 2.4, the Board recognises the importance of having a Board comprising persons whose diverse skills, knowledge, experience and attributes provide for effective direction for the Group. On gender diversity, although the Board does not currently have a female member, the Board does consider gender as an important aspect of diversity alongside factors such as the age, ethnicity and educational background of its members.

Considering the nature and scale of the Group’s business as well as the constantly evolving nature of business and industry conditions, the Board is satisfied that the size and composition of the Board and its Board Committees are appropriate at present and the current directors have vast business and management experience and varied qualifications and expertise in the areas of finance, accounting, business management and industry knowledge, with varying age profiles. Gender diversity will be an important criteria under consideration when a vacancy on the Board is to be filled in future.

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

The Board will review its composition from time to time and will seek to maintain a diversity of skills, knowledge, experience, gender, age, ethnicity and other attributes of the directors. Further, the Board will consider adopting a formal board diversity policy at an appropriate juncture in due course.

Corporate Governance

Non-Executive Directors

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

To facilitate a more effective check on Management, non-executive directors meet at least once a year without the presence of Management. When necessary, the non-executive directors also meet separately prior to Board meetings. The chairman of such meetings provides feedback to the Board and/or the chairman of the Board, as appropriate. During FY2020, the non-executive directors met at least once without the presence of Management.

Chairman and Managing Director/Chief Executive Officer

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

Since the listing of the Company on the SGX-ST in March 2015, there has always been a clear division of responsibilities between the leadership of the Board and Management, with the roles of the Chairman and the Managing Director being held by separate persons. This provides an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making. As at the date of this Report, Mr John Lim Kok Min is the Chairman and Independent Non-Executive Director, and Mr Chu Kok Hong @ Choo Kok Hong is the Managing Director.

For FY2020, the Company has not set out in writing the division of responsibilities between the Chairman and the Managing Director, which is a variation from Provision 3.2. Nevertheless, as the Chairman of the Board does not have an executive position in the Company and is not part of Management, and the Company currently maintains a Delegation of Authority matrix detailing which decisions require Board approval, the Board is of the view that there is, at present, no immediate necessity for a separate document to set out in writing the division of roles and responsibilities between the Chairman and the Managing Director, which are sufficiently distinct. The details of the Delegation of Authority matrix are set out in the section “Delegation of Authority” above. Further, taking into account that the roles of the Chairman and the Managing Director are held by separate persons who each carry out separate responsibilities as set out below, the Board is of the view that the practices adopted by the Company in relation to the division of responsibilities between the leadership of the Board and Management are consistent with the intent of Principle 3.

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

Mr Chu Kok Hong @ Choo Kok Hong, the Managing Director, 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 and operations. He is assisted by the Deputy Chairman & Executive Director, Mr Wong Yu Wei (Huang Youwei).

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

Corporate Governance

Board Membership

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

Nominating Committee

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

1. John Lim Kok Min, Chairman (Independent Non-Executive Director)
2. Chong Lit Cheong (Independent Non-Executive Director)
3. Professor Yong Kwet Yew (Independent Non-Executive Director)
4. Tam Chee Chong (Independent Non-Executive Director)
5. Wong Yu Wei (Huang Youwei)
6. Chu Kok Hong @ Choo Kok Hong

Terms of Reference

The objectives of the Nominating Committee are to provide a formal, transparent and objective procedure for appointing Board members and to recommend for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each Board Committee separately, as well as the contribution by the Chairman and each individual director to the Board. According to the written terms of reference of the Nominating Committee, read together with the Code, the principal functions of the Nominating Committee include:

- (a) reviewing and recommending candidates for appointments to the Board and Board Committees (excluding the appointment of existing members of the Board to each of the Audit & Risk Committee, Nominating Committee and Remuneration Committee for the purposes of the initial establishment of such 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 directors for re-appointment or re-election;
- (f) reviewing and recommending candidates to be nominees on the boards and board committees of the listed companies and entities within the Group;
- (g) determining the independence of the directors;
- (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 SGX-ST Listing Manual, and by amendments made thereto from time to time.

During FY2020, the activities of the Nominating Committee included reviewing and recommending candidates for appointment to the Board, reviewing and recommending nomination for re-appointment or re-election or renewal of appointment of directors, and determining the independence of the directors.

Corporate Governance

Selection of New Directors

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

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

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

Re-Nomination of Directors

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

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

Pursuant to Article 94 of the Company's Constitution, Mr Chu Kok Hong @ Choo Kok Hong and Mr Wong Yu Wei (Huang Youwei) shall be retiring at the AGM to be held on 25 August 2020. At the recommendation of the Nominating Committee, Mr Chu Kok Hong @ Choo Kok Hong and Mr Wong Yu Wei (Huang Youwei) will be seeking re-election at the forthcoming AGM. If re-elected, Mr Chu Kok Hong @ Choo Kok Hong will remain as Managing Director and Executive Director and a member of the Nominating Committee, and Mr Wong Yu Wei (Huang Youwei) will remain as Deputy Chairman and Executive Director and a member of the Nominating Committee.

The Nominating Committee has considered the performance and contribution of Mr Chu Kok Hong @ Choo Kok Hong and Mr Wong Yu Wei (Huang Youwei) and recommended to the Board their re-election as directors at the AGM to be held on 25 August 2020. The Board has concurred with the Nominating Committee to recommend their re-election as directors at the AGM to be held on 25 August 2020.

Please see the relevant details of Mr Chu Kok Hong @ Choo Kok Hong and Mr Wong Yu Wei (Huang Youwei), each of whom is standing for re-election as a director at the forthcoming AGM, as required to be disclosed pursuant to Rule 720(6) of the Listing Manual of the SGX-ST in the section "Additional Information on Directors Seeking Re-election Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST" below.

Corporate Governance

Assessment of Independence

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

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

Each independent director has completed the Director’s Independence Confirmation to confirm his independence for FY2020. The Nominating Committee has reviewed the independence of each director in accordance with the guidance in the Code, the Practice Guidance the SGX-ST Listing Manual and is satisfied of the independence of the independent directors, i.e. Mr John Lim Kok Min, Mr Chong Lit Cheong, Professor Yong Kwet Yew and Mr Tam Chee Chong, who collectively comprise a majority of the Board.

Assessment of Directors’ Commitment

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

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

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

Consistent with the principle that each director is expected to be able to, and to adequately, carry out his or her duties as a director, the Board does not encourage the appointment of alternate directors. No alternate director was appointed to the Board during FY2020.

Corporate Governance

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

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

Please also refer to the sections “Board of Directors” on pages 46 to 47, and the section “Additional Information on Directors Seeking Re-election Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST” on pages 85 to 88, of the Annual Report 2020 for information on other principal commitments of the directors.

The Nominating Committee is of the view that, during FY2020, the directors have devoted sufficient time and attention to the affairs of the Company and have been able to discharge their duties and responsibilities as directors effectively. The Nominating Committee has also reviewed and is satisfied that none of the directors held such a significant number of listed company directorships and other principal commitments as to potentially affect their ability to serve on the Board and, in particular, that those directors who hold multiple listed company directorships and other principal commitments have devoted sufficient time and attention to the affairs of the Company and adequately discharged their duties and responsibilities as directors of the Company during FY2020.

Corporate Governance

Board Performance

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

Assessment of Composition and Skill Set of the Board

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

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

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

Evaluation Process and Criteria

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

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

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

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

The evaluation process of the Board, the Board Committees and each director (including the Chairman) involves the directors completing the relevant evaluation forms which are designed to incorporate the assessment parameters referred to above. In the case of evaluation of each director, the relevant evaluation forms cover both self-evaluation and peer evaluation. The company secretary will summarise the results of all the evaluations and present it to the Nominating Committee for review. Areas where the Board’s performance and effectiveness could be enhanced and recommendations for improvement will be discussed by the Board and, where appropriate, implemented.

The Nominating Committee (which comprises all the members of the Board as at the date of this Report) has conducted an evaluation of the Board, the Board Committees and individual directors (including the Chairman) in respect of FY2020. No external facilitator was engaged for the purpose of these evaluations as the Nominating Committee and the Board are of the view that the current evaluation process is adequate. Moving forward, where appropriate, the Board will consider such engagement.

Based on such evaluation, the Nominating Committee and the Board are satisfied with the performance and effectiveness of the Board and the Board Committees as a whole, as well as the individual directors (including the Chairman) for FY2020.

Formal assessment of the executive directors has also been conducted for FY2020 and relevant feedback has been given.

Following the review in FY2020, the Board is of the view that the Board and the Board Committees operate effectively and the Chairman and directors are contributing to the overall effectiveness of the Board.

Corporate Governance

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

Level and Mix of Remuneration

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

Disclosure on Remuneration

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

Remuneration Committee

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

1. Chong Lit Cheong, Chairman (Independent Non-Executive Director)
2. John Lim Kok Min (Independent Non-Executive Director)
3. Professor Yong Kwet Yew (Independent Non-Executive Director)

Mr Chong Lit Cheong was appointed as Chairman of the Remuneration Committee with effect from 14 November 2019 in place of Mr John Lim Kok Min.

Terms of Reference

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

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

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

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

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

In carrying out its terms of reference, the Remuneration Committee has direct access to the Company’s Deputy Director, Human Resources, who acts as the secretary for the Remuneration Committee, should they have any queries on human resources matters. The Remuneration Committee may also obtain independent external legal and other professional advice as it deems necessary. The expenses of such advice will be borne by the Company. The Remuneration Committee did not appoint any remuneration consultants in FY2020, having last done so in the previous financial year ended 31 March 2019 (“**FY2019**”).

During FY2020, the activities of the Remuneration Committee included making recommendations to the Board on the framework of remuneration for the Board and key management personnel and the specific remuneration packages for each director as well as for the key management personnel.

Corporate Governance

Remuneration Policy and Framework

From a broad perspective, the remuneration policy and framework for fixing directors' fees, executive directors and the key management personnel remuneration adopted by the Company are designed with a view to paying competitive remuneration to attract, retain and motivate the directors to provide good stewardship of the Company and the key management personnel to successfully manage the Company for the long term. Specifically, the remuneration policy and framework aims to motivate directors and key management personnel to exert their best efforts to work towards the growth of the Group, the improvement of the Company's performance and the protection and promotion of the interests of all shareholders, and takes into consideration the long-term interests of the Group and ensures that the interests of the directors and key management personnel are aligned with those of shareholders. The remuneration policy and framework also aim to ensure that independent directors are not overly-compensated to the extent that their independence may be compromised. The directors' fees are recommended by the Remuneration Committee and endorsed by the Board for approval by the shareholders of the Company at AGMs.

Remuneration of Non-Executive Directors

The remuneration of the non-executive directors is in the form of a fixed fee. The directors' fees payable to the non-executive directors are determined in accordance with their level of contribution, taking into account factors such as effort, time spent and responsibilities for serving on the Board and Board Committees. The directors' fees paid to independent non-executive directors also take into consideration their roles and responsibilities and existing market practice. The payment of fees to non-executive directors is subject to the approval of the Company at each AGM.

Apart from the fixed fees described above, the independent non-executive directors are also eligible to participate in the 2016 Share Plan. The Board believes that allowing independent non-executive directors to participate in the 2016 Share Plan will give them a stake in the Company while providing the Company with additional flexibility in compensating them for their services, and enabling the Company to attract and retain experienced and qualified individuals from a wide range of professional backgrounds to join the Company. No shares have been awarded to independent non-executive directors under the 2016 Share Plan to date. A description of the 2016 Share Plan is set out in the section "Boustead Projects Restricted Share Plan 2016" below.

In FY2020, the framework for the remuneration of independent non-executive directors is as follows:

Board Member	S\$30,000
Group Chairman	S\$20,000
Audit and Risk Committee	
Chairman	S\$20,000
Member	S\$10,000
Nominating Committee	
Chairman	S\$10,000
Member	S\$5,000
Remuneration Committee	
Chairman	S\$10,000
Member	S\$5,000

Information on the directors' fees of independent non-executive directors for FY2020 is set out in the section "Remuneration of Independent Non-Executive Directors for FY2020" below.

Corporate Governance

Remuneration of Executive Directors and Management

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

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

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

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

Complementing the fixed and variable components of the remuneration package described above is the long-term incentive in the form of share awards that can be granted under the 2016 Share Plan. This long-term incentive is applicable only to selected employees whose role and services have been identified to be of significant importance to the performance and growth of the Company. Such long-term incentives would give recognition to these selected employees and promote commitment, dedication and loyalty to the Group. There was no grant of share awards to eligible employees for FY2020. A description of the 2016 Share Plan is set out in the section "Boustead Projects Restricted Share Plan 2016" below.

Information on the remuneration paid to the executive directors and certain other key management personnel for FY2020 is set out in the section "Remuneration of Executive Directors, Key Management Personnel and Key Executives for FY2020" below.

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

Remuneration of Independent Non-Executive Directors for FY2020

The aggregate directors' fees paid to the independent non-executive directors for FY2020 amounted to S\$272,250, details of which are set out below:

Name of Director	Directors' Fee	Total
	S\$	S\$
John Lim Kok Min	87,098	87,098
Chong Lit Cheong*	67,098	67,098
Professor Yong Kwet Yew	44,834	44,834
Tam Chee Chong	53,221	53,221
James Lim Jit Teng**	20,000	20,000

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

** Mr James Lim Jit Teng retired as a director of the Company on 26 July 2019.

The payment of the directors' fees of S\$280,000 for FY2020 has been approved by shareholders as a lumpsum at the AGM held on 26 July 2019.

Corporate Governance

Remuneration of Executive Directors, Key Management Personnel and Key Executives for FY2020

The remuneration of the key management personnel (including the executive directors) and certain key executives for FY2020 in bands of S\$250,000 are set out below:

Name	Salary	Bonus	Fees	Other Benefits	Total
<u>Executive Directors</u>					
S\$750,000 to S\$999,999					
Chu Kok Hong @ Choo Kok Hong	57%	34%	-	9%	100%
S\$500,000 to S\$749,999					
Wong Yu Wei (Huang Youwei)	58%	31%	-	11%	100%
<u>Key Management Personnel</u>					
S\$250,000 to S\$499,999					
Steven Koh Boon Teik	59%	29%	-	12%	100%
Lee Keen Meng	59%	29%	-	12%	100%
Lum Wai Meng	63%	29%	-	8%	100%
<u>Key Executives</u>					
S\$250,000 to S\$499,999					
Heng Eng Kiat	58%	29%	-	13%	100%
Neo Eng Huat	61%	31%	-	8%	100%
Liew Kau Keen	58%	29%	-	13%	100%
How Tan Hong	58%	30%	-	12%	100%
Below S\$250,000					
Samuel Lim Swee Hong*	92%	0%	-	8%	100%
Charlie Chan Tuck Fatt*	65%	23%	-	12%	100%

* Appointed during FY2020.

The total remuneration paid to the above key management personnel and key executives, other than the executive directors, for FY2020 was S\$2,853,781.

The Board has, after careful deliberation, decided to disclose the remuneration of the Managing Director and executive director, Mr Chu Kok Hong @ Choo Kok Hong, and the executive director, Mr Wong Yu Wei (Huang Youwei), for FY2020 in remuneration bands of S\$250,000 and by a percentage breakdown in terms of categories and components, instead of disclosing the exact remuneration. This is a variation from Provision 8.1(a) of the Code which provides, among other things, that the amounts of remuneration of each individual director and the CEO are disclosed in the annual report.

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

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

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

Corporate Governance

Save for Mr Wong Yu Wei (Huang Youwei), who is the son of the Company's substantial shareholder, Mr Wong Fong Fui, there is no employee who is a substantial shareholder of the Company, or is an immediate family member of any of the directors, chief executive officer or a substantial shareholder of the Company, and whose remuneration exceeds S\$100,000 during FY2020. Mr Wong Yu Wei's remuneration for FY2020 is disclosed in bands of S\$250,000 with a breakdown on the level and mix of remuneration in the section "Remuneration of Key Management Personnel for FY2020" table. This is a variation from Provision 8.2 of the Code which provides, among other things, that the remuneration of such employees be disclosed in bands no wider than S\$100,000. The reasons for disclosing the remuneration of Mr Wong Yu Wei (Huang Youwei) in bands of S\$250,000 with a breakdown on the level and mix of remuneration are set out above, and such disclosure is consistent with the intent of Principle 8 for the same reasons as set out above.

Boustead Projects Restricted Share Plan 2016

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

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

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

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

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

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

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

Corporate Governance

Based on the internal controls policy and procedures established and maintained by the Group, the work performed by the external auditors and the reviews conducted by Management and the internal auditor, the Board, with the concurrence of the Audit & Risk Committee, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective to address financial, operational, compliance and information technology risks as at 31 March 2020.

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

- (a) the Managing Director and the Chief Financial Officer that as of 31 March 2020, the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- (b) the Managing Director and other key management personnel that as of 31 March 2020, the Group's risk management and internal control systems to address the key financial, operational, compliance and information technology risks affecting the operations are adequate and effective to meet the needs of the Group in its current business environment.

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

AUDIT & RISK COMMITTEE

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

Audit & Risk Committee

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

- 1. Tam Chee Chong, Chairman (Independent Non-Executive Director)
- 2. John Lim Kok Min (Independent Non-Executive Director)
- 3. Chong Lit Cheong (Independent Non-Executive Director)

Mr Tam Chee Chong was appointed as the Chairman of the Audit & Risk Committee with effect from 14 November 2019 in place of Mr Chong Lit Cheong.

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

As at the date of this Report, the Audit & Risk Committee does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

Terms of Reference

According to the written terms of reference of the Audit & Risk Committee, the principal functions of the Audit & Risk Committee include:

- (a) overseeing the adequacy of the controls established by Management to identify and manage areas of potential risk and to safeguard the assets of the Company;
- (b) evaluating the processes in place to ensure that accounting records are properly maintained in accordance with statutory requirements and financial information provided to shareholders and the directors is accurate and reliable;
- (c) reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;

Corporate Governance

- (d) reviewing with external and internal auditors and reporting to the Board at least annually the adequacy and effectiveness of the Company's internal controls system, including financial, operational, compliance and information technology controls (such review can be carried out internally or with the assistance of any competent third parties);
- (e) reviewing with internal auditors, the program, scope and results of the internal audit and Management's response to their findings to ensure that appropriate follow-up measures are taken;
- (f) reviewing the effectiveness of the 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 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 (including the interested person transactions disclosed in the Company's Introductory Document dated 31 March 2015) or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the regulations of the SGX-ST, and are reasonable and in the best interests of the Company;
- (k) monitoring the investments in customers, suppliers and competitors made by the directors, controlling shareholders and their respective associates who are involved in the management of or have shareholding interests in similar or related business of the Company and making assessments on whether there are any potential conflicts of interests;
- (l) reviewing filings with the SGX-ST or other regulatory bodies which contain the Company's financial information and ensure proper disclosure;
- (m) commissioning and reviewing the findings of internal investigations into matters where there is any suspected fraud or irregularity or failure of internal controls or infringement of any law, rule and regulation which has or is likely to have a material impact on the Company's operating results and/or financial position;
- (n) reviewing policy and arrangements by which staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensuring that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken;
- (o) reviewing the risk management structure (including all hedging policies) and any oversight of the risk management processes and activities to mitigate and manage risk at acceptable levels determined by the directors;
- (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 officers to the external auditors; and
- (r) performing any other act as delegated by the Board and approved by the Audit & Risk Committee.

In performing its functions, the Audit & Risk Committee will also:

- (a) review at least annually the adequacy and effectiveness of the Company's risk management systems;
- (b) review the assurance from the Managing Director and the Chief Financial Officer on the financial records and financial statements;
- (c) review the adequacy and independence of the Company's internal audit function; and
- (d) review the adequacy of the external audit.

Corporate Governance

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

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

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

During FY2020, the activities of the Audit & Risk Committee included reviewing the audit plans with external and internal auditors, the scope and results of the external audit, and the independence and objectivity of the external auditors, and the adequacy and effectiveness of the Company's internal controls and risk management systems.

External Auditor

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

The Audit & Risk Committee has undertaken a review of the nature and value of all non-audit services provided to the Group by the current external auditors during FY2020 and is satisfied that the independence of the external auditors has not been affected by the provision of these services. The audit fees and non-audit fees paid or payable to the external auditors for FY2020 are set out below:

	S\$'000	% of Total Fees Paid
Audit fees	182	81
Non-audit fees	43	19
Total fees	225	100

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 the external auditor.

The Audit & Risk Committee has also reviewed the Group's audited consolidated financial statements for FY2020 and discussed with Management and the external auditor the following significant matters which involved management judgment:

Significant matters	How the Audit & Risk Committee reviewed these matters and what decisions were made
Accounting for Design & Build Construction Contracts	<p>The Audit & Risk Committee reviewed the methodology used in the recognition of contract revenue and contract costs over time and had considered management's assumptions, and estimates used in the determination of the total construction cost, variations or claims that will affect the measure of progress, revenue and profit margins recognised and found them to be reasonable.</p> <p>The Accounting for Construction contract was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for the financial year ended 31 March 2020. Refer to page 90 of this Annual Report.</p>

Corporate Governance

Internal Audit

The Audit & Risk Committee oversees the implementation of an effective system of internal controls as well as putting in place a risk management framework to continually identify, evaluate and manage significant business risks of the Group. To support the Audit & Risk Committee in their role, the Audit & Risk Committee decides on the appointment, selection, termination and remuneration of experienced and qualified in-house personnel as internal auditor to carry out the internal audit function for the Group and the primary reporting line of the internal audit function is to the Audit & Risk Committee Chairman. Annually, the Audit & Risk Committee will review and approve audit plans and the resource requirement prepared by the internal auditor and shall ensure that the internal auditor is able to effectively and adequately discharge his duties. The Company's internal audit function was performed by the Internal Audit Department of its holding company, Boustead Singapore Limited.

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

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

The Company engages external experts as when and where required.

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

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

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

Whistleblowing Policy

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

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

There were no reported incidents pertaining to whistleblowing during FY2020.

Corporate Governance

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

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

Shareholder Rights

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

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

Conduct of General Meetings

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

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

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

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

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

Shareholders are given the opportunity to raise questions and clarify any issues that they may have relating to the resolutions to be passed. The Board and senior management are present at each general meeting to respond to any questions from shareholders. The Group's external auditors are also present to address queries regarding the conduct of the audit and the preparation and content of the auditors' report. During FY2020, the AGM of the Company held on 26 July 2019 was the only general meeting that was held, and all the directors of the Company (save for Mr Tam Chee Chong, who was absent with apologies) attended the AGM.

Corporate Governance

The Company's usual practice is that the company secretary prepares minutes of general meetings, which incorporate substantial and relevant comments or queries from shareholders relating to the agenda of the meetings, and responses from the Board and Management. The Company's previous practice was that the minutes of AGMs were not made available on its corporate website, which is a variation from Provision 11.5 which provides that the company publishes minutes of general meetings on its corporate website as soon as practicable. Nevertheless, the minutes were made available to shareholders upon request, and the Company is of the view that this is consistent with the intent of Principle 11 as this would achieve the same effect of treating all shareholders fairly and equitably and giving shareholders a balanced and understandable assessment of the Company's performance, position and prospects.

As from FY2020, the Company will be publishing the minutes of its AGMs on its corporate website as soon as practicable. Without prejudice to the foregoing, pursuant to the requirement of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company will be publishing the minutes of the forthcoming AGM to be held by way of electronic means on 25 August 2020 within 1 month after the AGM on SGXNet and its corporate website.

In view of the COVID-19 control measures in place within Singapore under the COVID-19 (Temporary Measures) Act 2020 and subsidiary legislation, such as the COVID-19 (Temporary Measures) (Control Order) Regulations 2020, physical attendance of shareholders at the Company's AGM is prohibited, and general meetings may only be conducted by way of electronic means pursuant to the Order or held in accordance with existing law or legal instrument, if doing so would not breach prevailing safe management measures. It is presently uncertain when the COVID-19 control measures may be lifted, and when the COVID-19 outbreak will fully stabilise within Singapore. In the interest of transparency and accountability, and taking these factors into account, the Board is of the view that the Company should, notwithstanding it has obtained an automatic extension to 29 September 2020 for its AGM to be held, proceed with its AGM for FY2020 by electronic means on 25 August 2020. The Board is satisfied that the alternative means for shareholders to submit questions are adequate to provide shareholders with the necessary oversight regarding the Company's operations.

Dividend Policy

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on, among other things, the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the directors may deem appropriate. However, subject to the above, it is the Company's aim to declare and pay a sustainable dividend annually. It should be noted that the Company has declared and paid dividends of 1.5 cents of final dividend and 1.0 cents of special dividend in the financial year ended 31 March 2017, 1.5 cents of final dividend in the financial year ended 31 March 2018, and 1.5 cents of final dividend and 0.5 cents of special dividend in FY2019.

In view of the very challenging conditions resulting from the COVID-19 pandemic and the significant adverse impact that the pandemic is expected to have on the Company's financial results for the financial year ending 31 March 2021, the Board has recommended a final tax exempt one-tier dividend of 0.8 Singapore cents per ordinary share for FY2020. The Company will be seeking the approval of shareholders at the forthcoming AGM to be held for the declaration of the said proposed final dividend.

Engagement with Shareholders

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

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

All material information on the performance and development of the Group and of the Company is disclosed in 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 half-yearly and full year financial results are available on the Company's website and is accompanied by a press release in English.

Corporate Governance

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 instituted an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders. The Company is committed to the timely, accurate and comprehensive disclosure of all material information, and has a dedicated IR team which focuses on facilitating communications with shareholders and other stakeholders and the carrying out of regular communications and outreach activities (including investor conferences, meetings and presentations), as described above. For details on the Group’s Investor Relations activities in FY2020, please refer to the IR section on pages 50 to 51 of this Annual Report.

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

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

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

Managing Stakeholders’ Relationships

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

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

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

As a commitment to its stakeholders, the Company will disclose its strategy, practices and performance on these material ESG matters in its third Sustainability Report, which will be available on the Company’s website by 29 October 2020.

Corporate Governance

Corporate Website

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

Measures Implemented to Protect Stakeholders from COVID-19

During the initial stages of the global COVID-19 pandemic, the Company moved quickly to safeguard the well-being of its stakeholders including its employees, subcontractors and their employees, clients and surrounding communities by implementing preventive and control measures such as strict health checks, social distancing measures, split team and telecommuting arrangements. During the "yellow" level of the Disease Outbreak Response System Condition ("DORSCON"), the Company implemented temperature screening twice a day for all workers and instructed them to inform their supervisors and seek immediate medical attention if they were unwell. When the DORSCON level was raised to "orange", the Company stopped all mass meetings/activities at its office and project sites, broke down meetings into smaller functional groups, and compartmentalised the different construction trades to minimise contact.

DEALINGS IN SECURITIES

The Company, its directors and officers, including employees who have access to price-sensitive information, are not to deal in the Company's securities on short-term considerations and during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements (if the Company announces its quarterly financial statements, whether required by the SGX-ST or otherwise), or one month before the announcement of the Company's half year and full year financial statements (if the Company does not announce its quarterly financial statements), and ending on the date of announcement of the relevant results. The Company, its directors and officers, including employees who have access to price-sensitive information, are expected to comply with the Securities and Futures Act, Chapter 289 of Singapore, and observe laws against insider trading at all times.

MATERIAL CONTRACTS

Since the end of the previous financial year, no material contracts involving the interest of the Managing Director/chief executive officer, each director or controlling shareholder of the Company have been entered into by the Company or any of its subsidiaries, and no such contract subsisted as at 31 March 2020.

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 FY2020, 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)	
	31.3.20 S\$'000	31.3.19 S\$'000
Boustead Singapore Limited ("BSL") & its subsidiaries ("BSL Group")		
Lease of office common area from the BSL Group ⁽¹⁾ (includes shared expenses such as IT, utilities and common area usage)	292	169

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

Corporate Governance

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

Mr Chu Kok Hong @ Choo Kok Hong and Mr Wong Yu Wei (Huang Youwei) are the directors seeking re-election at the forthcoming AGM to be held on 25 August 2020 (collectively, the “Retiring Directors”).

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

Name of Director	Mr Chu Kok Hong @ Choo Kok Hong	Mr Wong Yu Wei (Huang Youwei)
Date of Appointment	05/01/2009	01/12/2008
Date of last re-appointment (if applicable)	27/07/2017	26/07/2018
Age	49	43
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the work experience and suitability of Mr Chu Kok Hong @ Choo Kok Hong for re-appointment as the Managing Director and Executive Director of the Company. The Board has concluded that Mr Chu Kok Hong @ Choo Kok Hong possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the work experience and suitability of Mr Wong Yu Wei (Huang Youwei) for re-appointment as the Deputy Chairman and Executive Director of the Company. The Board has concluded that Mr Wong Yu Wei (Huang Youwei) possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive	Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Managing Director and Executive Director and member of the Nominating Committee	Deputy Chairman and Executive Director and member of the Nominating Committee
Professional qualifications	Bachelor of Engineering (Civil) (Hons), University of Melbourne	Bachelor of Civil Engineering (Hons), University of New South Wales
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	The son of the Company's substantial shareholder, Mr Wong Fong Fui.
Conflict of interest (including any competing business)	Nil	Nil

Corporate Governance

Name of Director	Mr Chu Kok Hong @ Choo Kok Hong	Mr Wong Yu Wei (Huang Youwei)
Working experience and occupation(s) during the past 10 years	2009 to present Managing Director and Executive Director of the Company	2015 to present Deputy Chairman and Executive Director of the Company 2007 - 2015 Senior Deputy Managing Director of the Company
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries	Yes	Yes
Shareholding Details	<u>The Company</u> Direct interest of 963,679 ordinary shares Indirect interest of 1,578 ordinary shares <u>Boustead Singapore Limited</u> Direct interest of 243,432 ordinary shares Indirect interest of 5,198 ordinary shares	<u>The Company</u> Direct interest of 113,135 ordinary shares Indirect interest of 717,800 ordinary shares <u>Boustead Singapore Limited</u> Direct interest of 125,765 ordinary shares
Other Principal Commitments (as defined in the Code) including directorships – Past (for the last 5 years)	Nil	1. Perennial Tongzhou Holdings Pte. Ltd. 2. Perennial Tongzhou Development Pte. Ltd.
Other Principal Commitments (as defined in the Code) including directorships – Present	Nil	1. Perennial Tongzhou Holdings Pte. Ltd. 2. Perennial Tongzhou Development Pte. Ltd.

Corporate Governance

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

Corporate Governance

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

Independent Auditor's Report

TO THE MEMBERS OF BOUSTEAD PROJECTS LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Opinion

In our opinion, the accompanying consolidated financial statements of Boustead Projects Limited ("the Company") and its subsidiaries ("the Group") and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated statement of comprehensive income of the Group for the financial year ended 31 March 2020;
- the consolidated statement of financial position of the Group and statement of financial position of the Company as at 31 March 2020;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

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

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

Independence

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

Our Audit Approach

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

Independent Auditor's Report

TO THE MEMBERS OF BOUSTEAD PROJECTS LIMITED

Our Audit Approach (cont'd)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 March 2020 ("reporting date"). These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Revenue recognition of Design & Build contracts</p> <p>Refer to Note 3 (Critical accounting estimates, assumptions and judgement), Note 4 (Revenue) and Note 38 (Event subsequent to the reporting date) to the financial statements.</p> <p>During the financial year ended 31 March 2020, revenue from Design & Build contracts amounted to \$391,919,000, which represented 92% of the Group's total revenue.</p> <p>Revenue from Design & Build contracts are recognised over time by reference to the progress towards satisfaction of performance obligations under the contracts. Measurement of progress of the projects at the reporting date is based on the proportion of contract costs incurred to-date over the estimated total contract costs.</p> <p>Revenue from Design & Build contracts are also adjusted with variations to the contracts claimable from customers, as well as liquidated damages due to delays or other causes, payable to customers.</p> <p>Significant judgement is required to estimate:</p> <ul style="list-style-type: none"> - the total contract costs which affected the measurement of progress of the projects at the reporting date and accordingly revenue recognised; - the variations or claims from sub-contractors; and - provision for liquidated damages recognised within revenue from these contracts. <p>Subsequent to the reporting date, the Singapore Government introduced COVID-19 "Circuit Breaker" measures in which the Group's Design & Build construction projects ceased activities till 19 June 2020, after which resumption of activities is slow. As at the date of these financial statements, the global COVID-19 situation remains very fluid and the assessment of the probable impact of the COVID-19 disruptions in respect of the delay in completion of Design & Build contracts and construction costs is still ongoing.</p>	<p>We have performed the following audit procedures to address the Key Audit Matter:</p> <p>We have obtained an understanding of the progress of projects through discussions with management and examination of documents such as contracts and correspondences with customers, variation order claims from sub-contractors and advice from external legal advisers.</p> <p>In relation to total contract revenue, our audit procedures include the following:</p> <ol style="list-style-type: none"> Traced the total contract sums to contracts and agreed variation orders; and Assessed the progress of construction against contractual timeline for delays and the adequacy of provision for liquidated damages. <p>In relation to total contract costs, our audit procedures include the following:</p> <ol style="list-style-type: none"> Selected samples of costs incurred and traced to supplier invoices and sub-contractors' billings; and Selected samples of projects in progress at the reporting date and tested estimation of cost-to-complete by tracing to quotations and/or contracts with sub-contractors and suppliers. <p>In relation to the revenue recognised for projects in progress at the reporting date, we have:</p> <ol style="list-style-type: none"> Recomputed the measurement of progress based on the proportion of contract costs incurred to-date to the estimated total contract costs; and Recomputed the revenue for the current financial year based on the measurement of progress and traced to the accounting records. <p>Based on the audit procedures performed, we have assessed management estimation of the revenue on Design & Build contracts to be reasonable.</p> <p>We have assessed that the disclosures in the financial statements in relation to the sensitivity of estimations on revenue and costs on Design & Build contracts to be appropriate.</p> <p>We have assessed the disclosures in the financial statements in relation to the estimation uncertainty on the impact of COVID-19 on the Design & Build contracts to be appropriate.</p>

Independent Auditor's Report

TO THE MEMBERS OF BOUSTEAD PROJECTS LIMITED

Other Information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SSAs, we exercise professional 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.

Independent Auditor's Report

TO THE MEMBERS OF BOUSTEAD PROJECTS LIMITED

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

PricewaterhouseCoopers LLP

Public Accountants and Chartered Accountants

Singapore, 29 July 2020

Consolidated Statement of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	2020 \$'000	2019 \$'000 (Restated)
Revenue	4	426,224	234,223
Cost of sales	5	(374,289)	(186,884)
Gross profit		51,935	47,339
Other income	7	3,811	5,478
Other (losses)/gains - net	8	(333)	6,032
Impairment loss on financial asset	15	(918)	-
Expenses			
- Selling and distribution	5	(3,496)	(3,174)
- Administrative	5	(15,550)	(15,100)
- Finance	9	(4,564)	(2,283)
Share of loss of associated companies and joint ventures	10	(3,430)	(2,617)
Profit before income tax		27,455	35,675
Income tax expense	11	(5,330)	(5,097)
Total profit		22,125	30,578
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges			
- Fair value losses	30	-	(17)
- Realised and transferred to profit or loss	30	17	-
Currency translation differences arising from consolidation	30	248	(437)
Items that will not be reclassified subsequently to profit or loss:			
Financial assets, at fair value through other comprehensive income ("FVOCI")			
- Fair value (loss)/gain	30	(111)	231
Other comprehensive income/(loss), net of tax		154	(223)
Total comprehensive income		22,279	30,355
Profit attributable to:			
Equity holders of the Company		22,212	30,578
Non-controlling interests		(87)	-
		22,125	30,578
Total comprehensive income attributable to:			
Equity holders of the Company		22,366	30,355
Non-controlling interests		(87)	-
		22,279	30,355
Earnings per share for profit attributable to equity holders of the Company (cents per share)			
Basic	12	7.2	9.9
Diluted	12	7.1	9.8

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

Statements of Financial Position

- Group and Company

AS AT 31 MARCH 2020

		Group		Company	
	Note	2020	2019	2020	2019
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and cash equivalents	13	128,447	108,328	80,939	54,947
Properties held for sale	14	26,726	26,670	-	-
Trade receivables	15	60,062	48,543	1,468	5,817
Other receivables and prepayments	15	87,980	40,974	200,979	142,585
Derivative financial instruments		-	13	-	-
Contract assets	16	26,712	69,945	-	420
Right-of-use assets	21	9,096	-	-	-
Finance lease receivables	21	430	-	-	-
		339,453	294,473	283,386	203,769
Non-current assets					
Trade receivables	15	19,850	10,759	-	-
Other receivables and prepayments	15	1,837	2,267	-	-
Investments in associated companies	17	3,449	-	3,177	-
Investments in joint ventures	18	60,707	40,673	69,530	59,156
Investments in subsidiaries	19	-	-	39,870	39,754
Intangible assets		115	121	-	-
Financial assets, at FVOCI	20	31,315	31,426	31,315	31,426
Investment properties	22	176,713	182,118	-	-
Property, plant and equipment	23	9,699	913	-	-
Right-of-use assets	21	2,008	-	-	-
Finance lease receivables	21	21,765	-	-	-
Deferred income tax assets	26	4,611	3,196	-	-
		332,069	271,473	143,892	130,336
Total assets		671,522	565,946	427,278	334,105
LIABILITIES					
Current liabilities					
Borrowings	24	91,562	66,519	57,679	-
Trade and other payables	25	125,211	100,496	109,187	70,459
Income tax payable		9,338	10,873	267	2,136
Derivative financial instruments		-	30	-	-
Lease liabilities	21	3,008	-	-	-
Contract liabilities	16	20,741	18,695	-	-
		249,860	196,613	167,133	72,595
Non-current liabilities					
Borrowings	24	26,330	79,757	-	-
Trade payables	25	13,376	4,572	-	-
Lease liabilities	21	79,629	-	-	-
Deferred income tax liabilities	26	5,042	3,974	438	-
		124,377	88,303	438	-
Total liabilities		374,237	284,916	167,571	72,595
NET ASSETS		297,285	281,030	259,707	261,510
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	27	15,000	15,000	15,000	15,000
Treasury shares	27	(7,477)	(8,244)	(7,477)	(8,244)
Retained profits	29	280,003	264,004	240,700	242,581
Other reserves	30	9,846	10,270	11,484	12,173
		297,372	281,030	259,707	261,510
Non-controlling interests		(87)	-	-	-
Total equity		297,285	281,030	259,707	261,510

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

Consolidated Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	Share capital	Treasury shares	Retained profits	Other reserves	Equity attributable to equity holders of the Company	Non-controlling interests	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2020								
Balance as at 1 April 2019		15,000	(8,244)	264,004	10,270	281,030	-	281,030
Profit for the financial year		-	-	22,212	-	22,212	(87)	22,125
Other comprehensive income for the financial year		-	-	-	154	154	-	154
Total comprehensive income for the financial year		-	-	22,212	154	22,366	(87)	22,279
Dividends		-	-	(6,213)	-	(6,213)	-	(6,213)
Employee share-based compensation		-	-	-	-	-	-	-
- Value of employee services	30(b)(ii)	-	-	-	189	189	-	189
- Treasury shares re-issued		-	767	-	(767)	-	-	-
Total transactions with owners, recognised directly in equity		-	767	(6,213)	(578)	(6,024)	-	(6,024)
Balance as at 31 March 2020		15,000	(7,477)	280,003	9,846	297,372	(87)	297,285
2019								
Balance as at 1 April 2018		15,000	(8,885)	238,066	10,596	254,777	-	254,777
Profit for the financial year		-	-	30,578	-	30,578	-	30,578
Other comprehensive loss for the financial year		-	-	-	(223)	(223)	-	(223)
Total comprehensive loss for the financial year		-	-	30,578	(223)	30,355	-	30,355
Dividends		-	-	(4,640)	-	(4,640)	-	(4,640)
Employee share-based compensation		-	-	-	-	-	-	-
- Value of employee services	30(b)(ii)	-	-	-	538	538	-	538
- Treasury shares re-issued		-	641	-	(641)	-	-	-
Total transactions with owners, recognised directly in equity		-	641	(4,640)	(103)	(4,102)	-	(4,102)
Balance as at 31 March 2019		15,000	(8,244)	264,004	10,270	281,030	-	281,030

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

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	2020 \$'000	2019 \$'000
Cash flows from operating activities			
Profit before income tax		27,455	35,675
Adjustments for:			
- Amortisation of intangible asset		6	4
- Depreciation of right-of-use assets		3,372	-
- Depreciation expense		6,989	6,573
- Share of loss of associated companies and joint ventures		3,430	2,617
- Impairment loss on financial asset		918	-
- Unrealised construction and project management margins		8,198	8,248
- Employee share-based compensation expense		189	538
- Interest income		(3,811)	(4,317)
- Finance expenses		4,564	2,283
- Gain on disposal of property		-	(5,890)
- Currency exchange losses/(gains) - net		333	(142)
		51,643	45,589
Change in working capital:			
- Trade and other receivables		(19,536)	(2,186)
- Contract assets and liabilities – net		45,279	(42,250)
- Properties held for sale		(47)	(445)
- Trade and other payables		36,781	5,068
Cash generated from operations		114,120	5,776
Interest received		2,513	4,317
Interest paid		(2,240)	(2,283)
Income tax paid		(7,212)	(7,848)
Net cash provided by/(used in) operating activities		107,181	(38)
Cash flows from investing activities			
Purchase of property, plant and equipment		(4,844)	(520)
Addition to investment properties		(11,531)	(59,573)
Addition to intangible asset		-	(125)
Proceeds from disposal of a subsidiary		7,440	-
Proceeds from disposal of a property - net		-	10,395
Government grant received		-	92
Investment in an associated company		(87)	-
Loan to an associated company		(1,666)	(3,916)
Capital contributions to joint ventures		(26,266)	(15,190)
Loan to a joint venture		(58,000)	-
Deposits paid for property, plant and equipment		-	(4,788)
Deposits paid for investment		-	(3,089)
Dividends received from joint ventures		3,840	2,600
Net cash used in investing activities		(91,114)	(74,114)
Cash flows from financing activities			
Repayment of borrowings		(41,856)	(35,541)
Proceeds from borrowings		57,679	111,313
Principal payment of lease liability		(3,470)	-
Interest payment of lease liability		(2,324)	-
Dividends paid to equity holders of the Company		(6,213)	(4,640)
Net cash provided by financing activities		3,816	71,132
Net increase/(decrease) in cash and cash equivalents		19,883	(3,020)
Cash and cash equivalents			
Beginning of financial year	13	108,328	111,386
Effect of currency translation on cash and cash equivalents		236	(38)
End of financial year	13	128,447	108,328

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

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

Reconciliation of liabilities arising from financing activities

	Non-cash changes						
	1 April 2019	Principal and interest payments - net	Adoption of SFRS(I) 16	Addition during the financial year	Disposal of subsidiary	Interest expense	Foreign exchange movement
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Bank borrowings	146,276	13,583	-	-	(44,207)	2,240	-
Lease liabilities	-	(5,794)	82,335	2,715	-	2,324	1,057
							117,892
							82,637

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

Disposal of subsidiary

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

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

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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 associated companies, joint ventures and subsidiaries are set out in Notes 17, 18 and 19 of the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

(a) Interpretations and amendments to published standards effective on 1 April 2019

On 1 April 2019, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) (“INT SFRS(I)”) that are mandatory for application for the financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group’s accounting policies and had no material effect on the amounts reported for the current or prior financial years except for the adoption of SFRS(I) 16 *Leases*:

Adoption of SFRS(I) 16 *Leases*

(i) *When the Group is the lessee*

Details of the Group’s leases are disclosed in Note 21.

The Group’s accounting policy on leases before and after the adoption of SFRS(I) 16 are as disclosed in 2.23(a) and 2.23(b) respectively.

On initial application of SFRS(I) 16, the Group has elected to apply the following practical expedients:

- a) For all contracts entered into before 1 April 2019 and that were previously identified as leases under SFRS(I) 1-17 *Leases* and SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, the Group has not reassessed if such contracts contain leases under SFRS(I) 16; and

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.1 Basis of preparation (cont'd)

(a) Interpretations and amendments to published standards effective on 1 April 2019 (cont'd)

Adoption of SFRS(I) 16 Leases (cont'd)

(i) *When the Group is the lessee (cont'd)*

b) On a lease-by-lease basis, the Group has:

- i) applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
- ii) relied on previous assessments on whether leases are onerous as an alternative to performing an impairment review;
- iii) accounted for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases;
- iv) excluded initial direct costs in the measurement of the right-of-use ("ROU") asset at the date of initial application; and
- v) used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

There were no onerous contracts as at 1 April 2019.

For leases previously classified as operating leases on 1 April 2019, the Group has applied the following transition provisions:

- (a) The Group chose to measure its ROU assets at a carrying amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of transition.
- (b) Recognised its lease liabilities by discounting the remaining lease payments as at 1 April 2019 using the incremental borrowing rate for each individual lease or, if applicable, the incremental borrowing rate for each portfolio of leases with reasonably similar characteristic.

(ii) *When the Group is a lessor*

There are no material changes to accounting by the Group as a lessor except when the Group is an intermediate lessor (Note 2.1(a)(iii)).

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.1 Basis of preparation (cont'd)

(a) Interpretations and amendments to published standards effective on 1 April 2019 (cont'd)

Adoption of SFRS(I) 16 Leases (cont'd)

(iii) When the Group is the intermediate lessor

The Group has leased land under a head lease arrangement and has subleased the same asset to non-related parties as an intermediate lessor. Prior to the adoption of SFRS(I) 16, a sublease is classified as an operating lease when the head lease is an operating lease. The intermediate lessor recorded rental income in respect of the sublease on a straight-line basis over the term of the sublease and recorded rental expense in respect of the head lease on a straight-line basis over the term of the head lease.

Under SFRS(I) 16, accounting by the Group as an intermediate lessor depends on the classification of the sublease with reference to the ROU asset arising from the head lease rather than the underlying asset.

On 1 April 2019, the Group has reassessed the classification of the sublease based on the remaining contractual terms and condition of the head lease. Based on this assessment, the sublease has been classified as a finance lease with \$22,609,000 recognised as finance lease receivables on 1 April 2019.

Subsequent accounting for subleases is disclosed in Note 2.23(b).

The effects of adoption of SFRS(I) 16 on the Group's financial statements as at 1 April 2019 are as follows:

	Increase
	\$'000
Investment properties	49,763
Right-of-use assets	9,963
Finance lease receivables	22,609
Lease liabilities	82,335

An explanation of the differences between the operating lease commitments previously disclosed in the Group's financial statements as at 31 March 2019 and the lease liabilities recognised in the statement of financial position as at 1 April 2019 is as follows:

	\$'000
Operating lease commitment disclosed as at 31 March 2019	54,608
Add: Land lease payable to JTC	91,127
Less: Discounting effect using weighted average incremental borrowing rate of 4.06%	(63,400)
Lease liabilities recognised as at 1 April 2019	82,335

Further details of the Group's leases are disclosed in Note 21.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.1 Basis of preparation (cont'd)

(b) Change in presentation of costs by function

Payroll related costs

The Group changed its presentation for payroll-related costs directly attributable to construction projects. Such payroll-related costs, which were previously classified under “administrative expenses” and “selling and distribution expenses”, are now classified under “cost of sales” on the income statement. This change is intended to provide a more accurate reflection of the Group’s projects’ gross margin and does not impact the total profit.

Direct operating expenses of leasehold properties

The Group changed its presentation for direct operating expenses from leasehold properties. Such direct operating expenses, which were previously classified under “administrative expenses” and are now classified under “cost of sales” on the income statement. This change is intended to provide a more accurate reflection of the Group’s gross margin and does not impact the total profit.

The above changes described were applied retrospectively and their effects on the Group’s consolidated statement of comprehensive income for the financial year ended 31 March 2019 are as follows:

	Consolidated Statement of Comprehensive Income for the financial year ended 31 March 2019		
	As previously reported	(Increase)/ decrease	As restated
	\$'000	\$'000	\$'000
Cost of sales	(173,643)	(13,241)	(186,884)
Expenses			
- Selling and distribution	(4,744)	1,570	(3,174)
- Administrative	(26,771)	11,671	(15,100)
Total profit	30,578	-	30,578

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Revenue recognition

(a) *Revenue from Design & Build contracts*

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

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

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

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

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

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

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Revenue recognition (cont'd)

(b) *Sale of industrial properties*

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

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

(c) *Interest income*

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

(d) *Rental income*

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

2.3 Government grants

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

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

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

2.4 Group accounting

(a) *Subsidiaries*

(i) *Consolidation*

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

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Group accounting (cont'd)

(a) *Subsidiaries (cont'd)*

(ii) *Acquisitions*

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

(iii) *Disposals*

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

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

Please refer to Note 2.5 for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Group accounting (cont'd)

(b) *Associated companies and joint ventures*

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

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

Investments in associated companies 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 associated companies 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 associated companies or joint ventures represents the excess of the cost of acquisition of associated companies or joint ventures over the Group's share of the fair value of the identifiable net assets of associated companies 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 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 associated companies or joint venture equals to or exceeds its interest in the associated companies 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 "investments in associated companies" and "investments in joint ventures" on the statement of financial position and a proportionate reduction in "revenue" and "cost of sales" on the consolidated statement of comprehensive income. The accounting policies of associated companies or joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) *Disposals*

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.5 Investments in subsidiaries, associated companies and joint ventures

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

2.6 Property, plant and equipment

(a) *Measurement*

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

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

(b) *Depreciation*

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

	<u>Estimated useful lives</u>
Plant and machinery	5 - 15 years
Office computers	5 years
Office equipment, furniture and fittings	5 years
Renovations	5 years

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

(c) *Subsequent expenditure*

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

(d) *Disposal*

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

2.7 Intangible asset

Club Membership

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.8 Investment properties

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

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

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

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

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

2.9 Impairment of non-financial assets

Property, plant and equipment

Intangible asset

Investment properties

Investments in subsidiaries, associated companies and joint ventures

Right-of-use assets

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

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

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

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

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.10 Properties held for sale

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

2.11 Financial assets

(a) *Classification and measurement*

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

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

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

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

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

At initial recognition

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

At subsequent measurement

(i) *Debt instruments*

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

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

(ii) *Equity instruments*

Equity instruments mainly comprise of financial assets, at FVOCI.

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

(b) *Impairment*

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Financial assets (cont'd)

(c) *Recognition and derecognition*

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

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

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

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

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

2.12 Derivative financial instruments and hedging activities

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

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

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

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

The following hedge qualified as cash flow under SFRS(I) 9. The Group's management strategies and hedge documentation are aligned with the requirements of SFRS(I) 9.

Cash flow hedge - Interest rate swaps

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.13 Borrowings

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

2.14 Borrowing costs

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

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

2.15 Financial guarantees

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

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

- (a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and
- (b) the amount of expected loss computed using the impairment methodology under SFRS(I) 9.

2.16 Trade and other payables

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

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

2.17 Fair value estimation of financial assets and liabilities

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.18 Offsetting financial instruments

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

2.19 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

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

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

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

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.20 Provisions

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

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

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

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

2.21 Employee compensation

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

(a) *Defined contribution plans*

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

(b) *Employee share-based compensation*

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.22 Currency translation

(a) *Functional and presentation currency*

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

(b) *Transactions and balances*

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

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

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

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

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

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

- (i) assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.23 Leases

(a) *The accounting policy for leases before 1 April 2019 are as follows:*

(i) *When the Group is the lessee*

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

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

(ii) *When the Group is the lessor*

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

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

(b) *The accounting policy for leases from 1 April 2019 are as follows:*

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

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

- *Right-of-use assets*

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

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

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.23 Leases (cont'd)

(b) The accounting policy for leases from 1 April 2019 are as follows: (cont'd)

(i) When the Group is the lessee: (cont'd)

• Lease liabilities

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

Lease payments include the following:

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

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

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

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

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

• Short term and low value leases

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

• Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments. Details of the variable lease payments are disclosed in Note 21.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.23 Leases (cont'd)

(b) *The accounting policy for leases from 1 April 2019 are as follows: (cont'd)*

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

The accounting policy applicable to the Group as a lessor in the comparative period were the same under SFRS(I) 16 except when the Group is an intermediate lessor.

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

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

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

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

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.

2.26 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.

2.27 Segment reporting

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENT

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

(a) Impact of COVID-19

In the beginning of 2020, the COVID-19 pandemic had caused delays in receipts of overseas construction material and labour supplies for certain Design & Build contracts of the Group. Subsequent to the financial year ended 31 March 2020, the Singapore Government introduced "Circuit Breaker" measures in which the Group's construction projects ceased activities till 19 June 2020, after which resumption of construction activities have been slow due to compliance with Safe Management Measures and availability of worker resources.

While legislative changes have been passed in Singapore to provide temporary relief due to the inability to perform contractual obligations, where the inability was caused to a material extent by the COVID-19 pandemic, project delays may also result in associated resumption, prolongation and acceleration costs, although mitigated by the Singapore Government's various COVID-19 support measures for businesses such as Job Support Schemes and Foreign Worker Levy waiver and rebates. Delayed completion of the Group's Design & Build contracts may also correspondingly delay the commencement of leasing income when the projects are owned by the joint ventures of the Group.

In the estimation of liquidated damages payable to the Group's customers in respect of delay in completion of Design & Build contracts as at 31 March 2020, the Group had not taken into account delays caused by the COVID-19 pandemic, including post reporting date events such as the cessation of construction activities required by the Government during the Circuit Breaker period and the slow resumption of construction activities from 19 June 2020. In addition, the assessment of whether the total construction costs would exceed the construction revenue of on-going Design & Build contracts as at 31 March 2020 ("onerous contracts") as a result of the above events is still ongoing. Provision for onerous contracts, if any will be recognised in the subsequent financial periods.

(b) Estimation of total contract costs

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

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

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

For on-going projects at the reporting date, if the estimated contract cost to be incurred from the reporting date to the completion date is higher/lower by 5% from management's estimates, the Group's revenue and profit before tax would have been lower/higher by \$7,279,000.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

(c) Estimation of customers' claim on liquidated damages

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

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

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

Payment claims from sub-contractors are subject to physical surveys of construction performed, verification to agreed schedule and pricing in contracts and consideration of other relevant circumstances and events by the Group before payments are made. As at 31 March 2020, the Group had payment claims from sub-contractors which were disputed by the Group and not recognised in the financial statements, taking into account relevant counter-claims to the sub-contractors and information known and available to management at the date of these financial statements.

4. REVENUE

	2020 \$'000	2019 \$'000
Revenue from Design & Build Contract – recognised over time	391,919	205,061
Property rental income	34,305	29,162
	426,224	234,223

5. EXPENSES BY NATURE

	2020 \$'000	2019 \$'000
Sub-contractor fees and other construction costs	348,316	166,905
Directors' fees	275	217
Employee compensation (Note 6)	23,743	18,626
Depreciation expense (Note 21(a), 22 and 23)	10,361	6,573
Auditor's remuneration paid/payable to:		
- auditor of the Company for statutory audit	182	169
- other auditors	31	31
Other fees on non-audit services paid/payable to:		
- auditor of the Company	43	12
Property tax	3,159	3,239
Rental expenses	301	4,275
Maintenance expenses	2,029	1,720
Marketing expenses	413	154
Legal and professional fees	3,103	1,787
Training and recruitment expenses	443	349
Travel expenses	361	257
Others	575	844
Total cost of sales, selling and distribution and administrative expenses	393,335	205,158

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

6. EMPLOYEE COMPENSATION

	2020 \$'000	2019 \$'000
Wages and salaries	21,811	16,698
Employer's contribution to defined contribution plans including Central Provident Fund	1,743	1,390
Share-based compensation expense (Note 30(b)(ii))	189	538
	23,743	18,626

Government grants under the Jobs Support Scheme ("JSS") amounting to \$692,000 have been recorded as a reduction to the wages and salaries during the financial year ended 31 March 2020.

JSS is a temporary scheme introduced in Singapore Budget 2020 to help enterprises impacted by COVID-19 retain local employees. Under JSS, employers receive cash grants in 2020 in relation to the gross monthly wages of eligible employees paid in the months of October 2019 to August 2020.

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

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

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

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

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

	2020	2019
Number of share awards		
Balance at the beginning of financial year	1,788,085	1,024,040
Granted during the financial year	-	1,564,887
Forfeited during the financial year	(24,741)	-
Vested and issued during the financial year	(947,354)	(800,842)
Balance at the end of financial year	815,990	1,788,085

Share awards outstanding at the end of the financial year had a weighted average remaining contractual life of 1 year (2019: 2 years).

No share awards were granted during the financial year. The fair value of the share awards granted in the prior year under 2016 Share Plan was \$0.81 each. The fair value was determined based on the market value of the Company's shares at the grant date.

The Company re-issued its treasury shares for share awards vested during the financial year. Cost of the treasury shares re-issued was \$0.83 (2019: \$0.83) each.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

7. OTHER INCOME

	2020 \$'000	2019 \$'000
<i>Interest income</i>		
- Non-related parties	1,823	3,418
- Joint venture	274	-
- Associated company	574	515
- Related party	401	384
	3,072	4,317
Sublease rental income	-	1,161
Finance income on sublease	739	-
	3,811	5,478

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

8. OTHER (LOSSES)/GAINS - NET

	2020 \$'000	2019 \$'000
Currency exchange (losses)/gains - net	(333)	142
Gain on disposal of property (Note 14)	-	5,890
	(333)	6,032

9. FINANCE EXPENSES

	2020 \$'000	2019 \$'000
<i>Interest expense</i>		
- Bank borrowings	2,240	2,283
- Lease liabilities	2,324	-
	4,564	2,283

10. SHARE OF LOSS OF ASSOCIATED COMPANIES AND JOINT VENTURES

	2020 \$'000	2019 \$'000
<i>Share of loss after income tax</i>		
- Associated companies (Note 17)	(666)	(1,370)
- Joint ventures (Note 18)	(2,764)	(1,247)
	(3,430)	(2,617)

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

11. INCOME TAXES

Income tax expense

	2020 \$'000	2019 \$'000
Tax expense attributable to profit is made up of:		
Current income tax		
- Singapore	6,613	8,555
- Foreign	48	390
	6,661	8,945
Deferred income tax (Note 26)	51	(1,600)
	6,712	7,345
Over provision in prior financial years		
Current income tax	(984)	(856)
Deferred income tax (Note 26)	(398)	(1,392)
	(1,382)	(2,248)
	5,330	5,097

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:

	2020 \$'000	2019 \$'000
Profit before tax	27,455	35,675
Share of loss of associated companies and joint ventures, net of tax	3,430	2,617
Profit before tax and share of loss of associated companies and joint ventures	30,885	38,292
Tax calculated at tax rate of 17% (2019: 17%)	5,250	6,510
Effects of		
- tax incentives	(209)	(175)
- expenses not deductible for tax purposes	1,592	763
- income not subject to tax	(251)	(88)
- different tax rates in other countries	27	177
- others	303	158
- over provision in prior financial years	(1,382)	(2,248)
Tax charge	5,330	5,097

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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.

	2020	2019
Profit attributable to equity holders of the Company (\$'000)	22,212	30,578
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	310,654	309,544
Basic earnings per share (cents per share)	7.2	9.9

(b) Diluted earnings per share

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

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

	2020	2019
Profit attributable to equity holders of the Company (\$'000)	22,212	30,578
Weighted average number of ordinary shares outstanding for diluted earnings per share ('000)	311,470	311,495
Diluted earnings per share (cents per share)	7.1	9.8

13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cash at bank and on hand	51,756	88,389	8,939	44,947
Short-term bank deposits	76,691	19,939	72,000	10,000
	128,447	108,328	80,939	54,947

The carrying amounts of these assets approximate their fair value.

Cash and cash equivalents belonging to subsidiaries of the Group amounting to \$11,445,000 (2019: \$13,404,000) held in China and Vietnam are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the countries, other than through normal dividends.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

14. PROPERTIES HELD FOR SALE

As at 31 March 2020, 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 area ("GFA"): 23,881 sq metres	30 years from 16 January 2005 with an option to extend a further 30 years
(2) Singapore No. 16 Changi North Way	Industrial/ GFA: 11,320 sq metres	27 years 4 months from 1 September 2007 with an option to extend a further 30 years
(3) Singapore No. 85 Tuas South Avenue 1	Industrial/ GFA: 10,433 sq metres	30 years from 16 April 2007 with an option to extend a further 23 years
(4) People's Republic of China No. 3 Xin Mei Road Plot 117, Wuxi New District Wuxi Jiangsu	Industrial/ GFA: 3,737 sq metres	50 years from 15 April 2003
(5) People's Republic of China No. 7 Xin Mei Road Plot 117, Wuxi New District Wuxi Jiangsu	Industrial/ GFA: 6,038 sq metres	50 years from 15 April 2003
(6) People's Republic of China No. 18 Xin Mei Road Plot 117, Wuxi New District Wuxi Jiangsu	Industrial/ GFA: 3,238 sq metres	50 years from 15 April 2003

As at 31 March 2020, properties held for sale amounting to \$9,400,000 (2019: \$9,400,000) are pledged to the banks for banking facilities (Note 24).

During the financial year ended 31 March 2019, the Group disposed its property located at 25 Changi North Rise, Singapore, at a gain of \$5,890,000 (Note 8).

Independent professional valuations of the Group's properties held for sale have been performed by independent valuers with appropriate recognised professional qualifications and recent experience with the location and category of the properties being valued. The valuers have considered the direct comparison method for comparative properties and capitalisation approach in deriving the valuation of \$92,771,000 (2019: \$93,888,000), net of lease payments.

Key inputs used in the valuations are the estimated annual net rent, internal rate of return and comparable sales in the area. The outbreak of COVID-19 has resulted in market uncertainty and volatility, and accordingly the valuation of properties held for sale may fluctuate more rapidly and significantly subsequent to valuation date as compared to normal market conditions.

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

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15. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current				
<i>Trade receivables from:</i>				
- Non-related parties	39,438	33,590	13	1,878
- Joint ventures	9,948	3,293	-	-
- Related party	952	958	-	-
<i>Retention sum receivables from:</i>				
- Non-related parties	9,386	6,084	1,455	2,336
- Joint ventures	338	4,618	-	1,603
Trade receivables	60,062	48,543	1,468	5,817
<i>Other receivables and prepayments</i>				
Loans to:				
- Subsidiaries	-	-	195,019	135,731
Less: Allowance for impairment of loan to a subsidiary	-	-	(2,198)	(2,095)
	-	-	192,821	133,636
- Associated company	17,649	15,377	-	-
Less: Allowance for impairment of loan to an associated company (Note 33b)	(1,689)	-	-	-
	15,960	15,377	-	-
- Related party	7,784	7,479	-	-
- Joint venture	58,558	-	-	-
Loans – net	82,302	22,856	192,821	133,636
<i>Other receivables from:</i>				
- Non-related parties	2,313	5,408	660	130
- Fellow subsidiaries	8	-	-	-
- Related party	552	504	-	-
- Associated company	34	-	-	-
- Joint venture	224	8	-	166
- Subsidiaries	-	-	7,389	5,015
	3,131	5,920	8,049	5,311
Tax recoverable	151	372	-	-
Deposits	1,056	9,990	60	3,599
Prepayments	1,340	1,836	49	39
Total other receivables and prepayments	87,980	40,974	200,979	142,585

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Non-current				
<i>Retention sum receivables from:</i>				
- Non-related parties	14,900	10,383	-	-
- Joint ventures	4,950	376	-	-
Trade receivables	19,850	10,759	-	-
<i>Other receivables and prepayments</i>				
Other receivables	741	951	-	-
Prepayments	1,096	1,316	-	-
Total other receivables and prepayments	1,837	2,267	-	-

The loans to subsidiaries are unsecured, bear interest up to 2.04% (2019: 1.78%) per annum and are repayable on demand.

Loan to an associated company, THAB Development Sdn Bhd (Note 17) is unsecured, bears interest at 0.50% (2019: 0.50%) above Kuala Lumpur Interbank Offered Rate ("KLIBOR") per annum and is repayable on demand. During the financial year, an allowance for impairment of the loan receivable is recognised as follows:

	2020	2019
	\$'000	\$'000
<u>Allowance for impairment loss</u>		
Balance at beginning of financial year	-	-
Reclassification (Note 17)	771	-
Impairment loss recognised in profit and loss	918	-
Balance at end of financial year	1,689	-

Loan to a related party, a subsidiary of an associated company, THAB PTP Sdn Bhd (Note 17) is unsecured, bears interest at 2.00% (2019: 2.00%) above KLIBOR per annum and is repayable on demand.

Loan to a joint venture (Note 18) is unsecured, bears interest at 2.00% (2019: Nil) above Singapore Interbank Offered Rate ("SIBOR") per annum and is repayable on demand.

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

16. CONTRACT ASSETS AND LIABILITIES

Contract assets relate to fixed price Design & Build construction contracts where the revenue accrued from progressive work done exceeds related billings to clients. Contract assets as at the reporting date have decreased as a sizeable project under a deferred payment arrangement was completed and billed during the financial year ended 31 March 2020.

Contract liabilities relate to fixed price Design & Build construction contracts where billings to clients exceed revenue accrued for progressive work done. Current liabilities have increased due to more contracts in progress where the Group billed and received consideration ahead of the provision of services.

(a) Revenue recognised in relation to contract liabilities

Revenue recognised during the financial year ended 31 March 2020 in relation to contract liabilities at 1 April 2019 was \$18,695,000 (2019: \$7,872,000).

(b) Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the remaining performance obligation is \$399,556,000 (2019: \$644,877,000) and the Group expects to recognise this revenue over the next 1 to 2 years.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

17. INVESTMENTS IN ASSOCIATED COMPANIES

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Beginning of financial year	-	588	-	-
Acquisition	3,177	-	3,177	-
Share of loss, net of tax (Note 10)	(666)	(1,370)	-	-
Unrealised construction and project management margins	(33)	(430)	-	-
Reclassification to allowance for impairment loss (Note 15)	771	-	-	-
Reclassification to current liabilities (Note 25)	235	1,229	-	-
Currency translation differences	(35)	(17)	-	-
End of financial year	3,449	-	3,177	-

Set out below are associated companies of the Group as at 31 March 2020. The associated companies as listed below has share capital consisting solely of ordinary shares, which are held directly by the Group. The associated companies are funded via a combination of share capital and shareholders' loans.

Name of entity	Place of business/ country of incorporation	% of ownership interest	
		2020	2019
THAB Development Sdn Bhd ⁽¹⁾	Malaysia	35%	35%
DSCO Group Holdings Pte. Ltd. ⁽²⁾	Singapore	25%	-

⁽¹⁾ Audited by KPMG PLT, Malaysia.

⁽²⁾ Acquired during the financial year and audited by RSM Chio Lim LLP, Singapore.

THAB Development Sdn Bhd ("THAB") was set up as a property development and investment holding company. THAB acquired six parcels of industrial vacant land in Nusajaya, Iskandar Malaysia with the purpose of developing the land for sale and lease. The development was completed in April 2017 and share of results from the sale of industrial plots has been recognised as and when the properties are sold.

THAB PTP Sdn Bhd ("THAB PTP"), a subsidiary of THAB, was set up as a property development company to acquire land in Malaysia for the purpose of developing an investment property for lease.

The carrying amount of the Group's equity investment in THAB as at 31 March 2020 is \$Nil (2019: \$Nil) as the Group's share of loss in THAB Group had exceeded its cost of equity investment. However, as THAB PTP had obtained bank financing for its development which the Group has granted a proportional corporate guarantee as security for the loan, the Group has continued to equity account for its share in the loss of THAB PTP in excess of the Group's equity investment amounting to \$1,464,000 as at 31 March 2020 (2019: \$1,229,000). The outstanding loan of THAB PTP amounted to \$9,211,000 as at 31 March 2020 (2019: \$9,860,000).

Details of loans provided to THAB and THAB PTP by the Group are disclosed in Note 15.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

17. INVESTMENTS IN ASSOCIATED COMPANIES (cont'd)

On 1 April 2019, the Group acquired 25% equity interest in DSCO Group Holdings Pte. Ltd. ("DSCO"), a provider of specialised building engineering consultant services in the Asia Pacific.

The Group's share of results of its material associated company is as follows:

	Group	
	2020 \$'000	2019 \$'000
THAB and its subsidiary	(938)	(1,370)
Other associated company	272	-
	(666)	(1,370)

Summarised statement of financial position of THAB and its subsidiary:

	2020 \$'000	2019 \$'000
Current assets	51,723	56,946
Non-current assets	16,938	18,190
Current liabilities	(60,933)	(56,743)
Non-current liabilities	(9,167)	(16,955)
Net assets	(1,439)	1,438

Summarised statement of comprehensive income of THAB and its subsidiary:

	2020 \$'000	2019 \$'000
Revenue	4,662	3,005
Loss before income tax	(2,297)	(3,915)
Loss after income tax and total comprehensive loss	(2,877)	(4,033)
Share of loss, net of tax	(1,007)	(1,412)
Amortisation of previously capitalised unrealised gains and losses	69	42
Share of loss after income tax, representing total comprehensive loss	(938)	(1,370)

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

17. INVESTMENTS IN ASSOCIATED COMPANIES (cont'd)

Reconciliation of summarised financial information of THAB and its subsidiary:

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in THAB and its subsidiary is as follows:

	2020 \$'000	2019 \$'000
Net assets		
Beginning of financial year	1,438	5,471
Loss for the financial year	(2,877)	(4,033)
End of financial year	(1,439)	1,438
Interest in associated companies (35%)	(504)	503
Unrealised construction and project management margins	(1,492)	(1,530)
Currency translation differences	(239)	(202)
	(2,235)	(1,229)
Reclassification to current liabilities (Note 25)	1,464	1,229
Reclassification to allowance for impairment loss (Note 15)	771	-
Carrying value	-	-

As at 31 March 2020, the Group's associated companies do not have any contingent liabilities and capital commitment.

18. INVESTMENTS IN JOINT VENTURES

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Beginning of financial year	40,673	37,148	59,156	44,240
Capital contribution	26,266	15,190	10,573	14,916
Partial disposal of subsidiary (Note 19)	8,537	-	-	-
Impairment loss on investment in a joint venture	-	-	(199)	-
Share of loss, net of tax (Note 10)	(2,764)	(1,247)	-	-
Unrealised construction and project management margins	(8,165)	(7,818)	-	-
Dividends received	(3,840)	(2,600)	-	-
End of financial year	60,707	40,673	69,530	59,156

Notes to the Financial Statements

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18. INVESTMENTS IN JOINT VENTURES (cont'd)

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

Name of entity	Principal activities	Country of business/ incorporation	% of ownership interest	
			2020	2019
BP-Vista LLP ⁽¹⁾	Holding of property for rental income	Singapore	30%	30%
BP-DOJO LLP ⁽¹⁾	Holding of property for rental income	Singapore	51%	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⁾	Holding of property for rental income	Singapore	50%	50%
BP-AMC LLP ⁽¹⁾	Holding of property for rental income	Singapore	51%	51%
BP-BBD2 Pte Ltd ⁽¹⁾	Holding of property for rental income	Singapore	51%	51%
Snakepit-BP LLP ⁽¹⁾	Holding of property for rental income	Singapore	28%	28%
Snakepit-BP 1 Pte Ltd ⁽¹⁾	Investment holding	Singapore	5%	5%
Echo Base-BP Capital Pte Ltd ⁽¹⁾	Provide real estate consultancy and management services	Singapore	50%	50%
EFactory Vietnam Co Ltd ⁽²⁾	Provide real estate consultancy and management services	Vietnam	50%	50%
BP-Braddell LLP ⁽¹⁾⁽⁴⁾	Holding of property for rental income	Singapore	51%	-
BP-TPM LLP ⁽¹⁾⁽³⁾	Holding of property for rental income	Singapore	51%	-

⁽¹⁾ Audited by PricewaterhouseCoopers LLP, Singapore.

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

⁽³⁾ Newly incorporated during the year.

⁽⁴⁾ A wholly-owned subsidiary of the Group as at 31 March 2019.

The subsidiary of BP-Ubi Development Pte Ltd had obtained bank financing for its development of an investment property in which the Group granted a proportional corporate guarantee as security for the loan. The outstanding loan amounted to \$18,850,000 as at 31 March 2020 (2019: \$19,650,000).

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

Notes to the Financial Statements

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18. INVESTMENTS IN JOINT VENTURES (cont'd)

The Group has committed to provide funding if called, to its joint ventures amounting to \$13,596,000 as at 31 March 2020 (2019: \$16,138,000).

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

	Group	
	2020	2019
	\$'000	\$'000
BP-DOJO LLP	14,753	19,114
BP-TPM LLP	15,036	-
BP-Vista LLP	6,191	8,739
Other joint ventures	24,727	12,820
	60,707	40,673

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

	Group	
	2020	2019
	\$'000	\$'000
BP-DOJO LLP	(3,009)	(2,492)
BP-TPM LLP	(237)	-
BP-Vista LLP	317	676
Other joint ventures	165	569
	(2,764)	(1,247)

Summarised financial information for material joint ventures

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

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18. INVESTMENTS IN JOINT VENTURES (cont'd)

Summarised statement of financial position

	BP-DOJO LLP		BP-TPM LLP		BP-Vista LLP	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets	10,032	6,536	8,525	-	13,172	14,793
Includes:						
- Cash and cash equivalents	4,882	5,157	2,627	-	4,494	5,563
Non-current assets	178,321	184,452	81,658	-	119,534	124,942
Current liabilities	(138,302)	(8,270)	(59,877)	-	(2,094)	(4,072)
Includes:						
- Financial liabilities (excluding trade and other payables)	(131,640)	-	(58,000)	-	-	-
- Other liabilities (including trade and other payables)	(6,662)	(8,270)	(1,877)	-	(2,094)	(4,072)
Non-current liabilities	-	(125,862)	-	-	(96,331)	(96,331)
Includes:						
- Financial liabilities	-	(125,862)	-	-	(96,331)	(96,331)
Net assets	50,051	56,856	30,306	-	34,281	39,332

Summarised statement of comprehensive income

	BP-DOJO LLP		BP-TPM LLP		BP-Vista LLP	
	For the financial year ended 31 March		For the financial year ended 31 March		For the financial year ended 31 March	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	9,582	903	-	-	11,440	12,050
Interest income	38	23	-	-	23	53
Other income	928	43	67	-	3,177	-
Expenses	(17,353)	(6,172)	(531)	-	(11,891)	(10,455)
Includes:						
- Depreciation and amortisation	(7,216)	(3,036)	-	-	(5,409)	(5,395)
- Interest expense	(4,244)	(1,694)	-	-	(2,930)	(2,919)
- Other expenses	(5,893)	(1,442)	(531)	-	(3,552)	(2,141)
(Loss)/profit after income tax, representing total comprehensive (loss)/income	(6,805)	(5,203)	(464)	-	2,749	1,648
Share of (loss)/profit, net of tax (51%, 51%, 30%)	(3,471)	(2,654)	(237)	-	825	494
Amortisation of previously capitalised unrealised gains and losses	462	162	-	-	(508)	182
Share of (loss)/profit after income tax, representing total comprehensive (loss)/income	(3,009)	(2,492)	(237)	-	317	676

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

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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-DOJO LLP		BP-TPM LLP		BP-Vista LLP	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net assets						
Beginning of financial year	56,856	46,980	-	-	39,332	44,684
(Loss)/profit for the financial year	(6,805)	(5,203)	(464)	-	2,749	1,648
Dividends paid	-	-	-	-	(7,800)	(7,000)
Capital contribution	-	15,079	30,770	-	-	-
End of financial year	50,051	56,856	30,306	-	34,281	39,332
Interests in joint ventures (51%; 51%; 30%)	25,526	28,997	15,456	-	10,284	11,800
Unrealised construction and project management margins	(10,773)	(9,883)	(420)	-	(4,093)	(3,061)
Carrying value	14,753	19,114	15,036	-	6,191	8,739

19. INVESTMENTS IN SUBSIDIARIES

	Company	
	2020	2019
	\$'000	\$'000
<i>Unquoted equity shares at cost</i>		
Beginning of financial year	17,676	17,676
Additions	250	-
End of financial year	17,926	17,676
Less: Allowance for impairment losses	(233)	(233)
	17,693	17,443
Loan to a subsidiary	22,177	22,311
Total investments in subsidiaries	39,870	39,754

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% (2019: 0.50%) above KLIBOR per annum. Repayment of the loan is neither planned nor likely to occur in the foreseeable future.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

19. INVESTMENTS IN SUBSIDIARIES (cont'd)

The Group had the following significant subsidiaries:

Name of companies	Principal activities	Country of business/ incorporation	Equity holding	
			2020 %	2019 %
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⁾	Provide project management, design, construction and property-related services	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-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
BP-Braddell LLP ⁽¹⁾⁽⁹⁾	Holding of property for rental income	Singapore	-	100
Wuxi Boustead Industrial Development Co. Ltd ⁽⁸⁾	Development of industrial space for lease/sale	People's Republic of China	100	100
Boustead Real Estate Fund ⁽¹⁾	Private business trust	Singapore	100	100
Boustead Trustees Pte Ltd ⁽¹⁾	Trustee for real estate trust	Singapore	100	100
Boustead Funds Management Pte Ltd ⁽¹⁾	Property fund management	Singapore	100	100
Boustead Property Services Pte Ltd ⁽¹⁾	Management of properties	Singapore	100	100
Boustead Industrial Funds Management Pte Ltd ⁽⁶⁾⁽¹⁾	Property fund management	Singapore	100	-
BP-PRC Pte Ltd ⁽¹⁾	Investment holding	Singapore	100	100

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

19. INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of companies	Principal activities	Country of business/ incorporation	Equity holding	
			2020 %	2019 %
BP Lands Sdn Bhd ⁽²⁾	Investment holding	Malaysia	100	100
BP-Vietnam Development Pte Ltd ⁽¹⁾	Investment holding	Singapore	100	100
BP-GD1 Pte Ltd ⁽¹⁾	Investment holding	Singapore	100	100
BP-SH1 Pte Ltd ⁽¹⁾	Investment holding	Singapore	100	100
CP-SH1 Pte Ltd ⁽⁹⁾	Investment holding	Singapore	-	100
BP-TM Pte Ltd ⁽⁷⁾	Investment holding	Singapore	100	100
BP-IDN Pte Ltd ⁽⁷⁾	Investment holding	Singapore	100	100
BP-TPM1 Pte Ltd ⁽⁶⁾⁽¹⁾	Investment holding	Singapore	100	-
Boustead Projects Land (Vietnam) Co. Ltd ⁽³⁾	Holding of property for rental income	Vietnam	100	100
PT Boustead Projects Land (Indonesia) Co. Ltd ⁽⁷⁾	Dormant	Indonesia	100	100
BP-UMS Pte Ltd ⁽¹⁾⁽⁵⁾	Dormant	Singapore	100	100
BP Batu Kawan Sdn Bhd ⁽⁴⁾	Investment holding	Malaysia	100	100
BP Aerotech (Subang) Sdn Bhd ⁽⁴⁾	Investment holding	Malaysia	100	100
BP Malaysia Airports Subang Aerotech Sdn. Bhd. ⁽⁶⁾⁽²⁾	Investment holding	Malaysia	70	-
BPMA HS Sdn. Bhd. ⁽⁶⁾⁽⁷⁾	Development of building projects	Malaysia	70	-

⁽¹⁾ Audited by PricewaterhouseCoopers LLP, Singapore.

⁽²⁾ Audited by KPMG PLT, Malaysia.

⁽³⁾ Audited by RSM Vietnam Auditing & Consulting Company Limited, Vietnam.

⁽⁴⁾ Audited by CLW & Associates, Malaysia.

⁽⁵⁾ In the process of voluntary liquidation/strike-off.

⁽⁶⁾ Incorporated during the financial year.

⁽⁷⁾ In the process of appointing auditor.

⁽⁸⁾ Audited by Zhonghui Certified Public Accountants LLP Wuxi Branch, China.

⁽⁹⁾ On 30 July 2019, the Group disposed its wholly-owned subsidiary, CP-SH1, which owned 49% interest in BP-Braddell LLP. Accordingly, CP-SH1 ceased to be a subsidiary and BP-Braddell LLP became an investment in joint venture of the Group.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

20. FINANCIAL ASSETS, AT FVOCI

	Group and Company	
	2020 \$'000	2019 \$'000
<u>Unquoted equity security</u>		
Beginning of financial year	31,426	31,195
Fair value (loss)/gain	(111)	231
End of financial year	31,315	31,426

The Group holds a 5.27% equity interest in Perennial Tongzhou Development Pte. Ltd. ("PTD"), which represents a 4.00% effective interest in Beijing Tongzhou Integrated Development (Phase 1), a mixed-use property project located in Tongzhou District, Beijing, The People's Republic of China.

The fair value of the investment is determined using an asset based valuation model taking into consideration the fair value of the underlying properties being developed by PTD. The fair value of the underlying property is based on independent external valuation. Details of the significant valuation techniques and key inputs used in the determination of fair value categorised under level 3 of the fair value hierarchy are as follows:

Valuation technique	Unobservable inputs	Relationship of unobservable inputs to fair value
2020		
Income capitalisation approach	Capitalisation rate 4% - 5%	The higher the capitalisation rate, the lower the valuation.
2019		
Income capitalisation approach	Capitalisation rate 4% - 5%	The higher the capitalisation rate, the lower the valuation.

21. LEASES

(a) The Group as a lessee

Nature of the Group's leasing activities

The Group leases land for use as investment properties and properties held for sale in Singapore, China and Vietnam for remaining lease period ranging from 14 to 36 years.

For the Group's properties located in Singapore, the Group is required to pay Jurong Town Corporation ("JTC") annual land rent in respect of certain of land use as investment properties and properties held for sale, except for the properties where upfront payments were made. The annual land rent is based on market rent in the relevant year of the current lease term and the lease provides that any increase in annual land rent from year to year shall not exceed 5.5% of the annual land rent for the immediate preceding year. The leases are non-cancellable with remaining lease terms of up to 24 years, with options to renew up to a further 30 years for some of the leases (see further details in Note 2.1).

The right-of-use of the land for investment properties is presented within investment properties (Note 22).

The right-of-use of the land for properties held for sale and leased office space for the purpose of back office operations are presented as right-of-use assets on the statement of financial position.

There is no externally imposed covenant on these lease arrangements.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

21. LEASES (cont'd)

(a) The Group as a lessee (cont'd)

(i) Carrying amount and depreciation charge during the financial year

	Right-of-use assets		Investment properties	
	Leasehold land	Office	Leasehold land	Total
	\$'000	\$'000	\$'000	\$'000

Group

Net Book Value

At 1 April 2019	-	-	-	-
Adoption of SFRS(I) 16	9,963	-	49,763	59,726
Reclassification	-	-	55,837	55,837
Additions	815	1,900	-	2,715
Disposal	-	-	(53,600)	(53,600)
Depreciation	(1,208)	(369)	(1,795)	(3,372)
Exchange differences	3	-	640	643
At 31 March 2020	9,573	1,531	50,845	61,949

2020
\$'000

(ii) Interest expense

Interest expense on lease liabilities	2,324
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(iii) Total cash outflow for all the leases for the financial year ended 31 March 2020 was \$5,794,000.

(iv) Extension options

The leases for certain leasehold lands contain extension periods for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension options as they are subject to the Group meeting certain conditions.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

21. LEASES (cont'd)

(b) The Group as a lessor

Nature of the Group's leasing activities – Group as a lessor

The Group has leased out investment properties and properties held for sale to non-related parties for monthly lease payments. Where considered necessary to reduce credit risk, the Group may obtain bank guarantees for the payment of leases. This lease is classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

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

	Group	
	31 March 2020 \$'000	31 March 2019/ 1 April 2019 \$'000
Less than one year	30,753	25,775
One to two years	28,310	24,886
Two to three years	26,027	23,000
Three to four years	21,262	22,385
Four to five years	16,114	19,561
More than five years	35,424	48,927
	157,890	164,534

Lease income from investment properties are disclosed in Note 22.

Nature of the Group's leasing activities – Group as an intermediate lessor

Subleases – classified as finance leases

The Group's sub-lease of its right-of-use of a leasehold land is classified as a finance lease because the sub-lease is for the entire remaining lease term of the head lease.

ROU assets relating to the head lease is derecognised. The net investment in the sub-lease is recognised under "Finance lease receivables".

Finance income recognised on the sub-lease during the financial year is \$739,000.

The following table shows the maturity analysis of the undiscounted lease payments to be received:

	31 March 2020 \$'000	1 April 2019 \$'000
Less than one year	1,155	1,155
One to two years	1,155	1,155
Two to three years	1,155	1,155
Three to four years	1,155	1,155
Four to five years	1,155	1,155
More than five years	29,751	30,905
Total undiscounted lease payments	35,526	36,680
Less: Unearned finance income	(13,331)	(14,071)
Net investment in finance lease	22,195	22,609
Current	430	415
Non-current	21,765	22,194
Total	22,195	22,609

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

22. INVESTMENT PROPERTIES

	Land	Building and other costs	Right-of-use Assets	Total
	\$'000	\$'000	\$'000	\$'000
Group				
2020				
<i>Cost</i>				
Beginning of financial year	58,119	164,023	-	222,142
Adoption of SFRS(I) 16 (Note 2.1)	-	-	49,763	49,763
Reclassification	(58,119)	-	58,119	-
Additions	-	11,531	-	11,531
Disposals	-	(5,938)	(53,600)	(59,538)
Currency translation differences	-	137	640	777
End of financial year	-	169,753	54,922	224,675
<i>Accumulated depreciation</i>				
Beginning of financial year	2,282	37,742	-	40,024
Reclassification	(2,282)	-	2,282	-
Depreciation charge	-	6,143	1,795	7,938
End of financial year	-	43,885	4,077	47,962
Net book value				
End of financial year	-	125,868	50,845	176,713
2019				
<i>Cost</i>				
Beginning of financial year	4,519	158,050	-	162,569
Additions	53,600	5,973	-	59,573
End of financial year	58,119	164,023	-	222,142
<i>Accumulated depreciation</i>				
Beginning of financial year	1,938	31,804	-	33,742
Depreciation charge	344	5,938	-	6,282
End of financial year	2,282	37,742	-	40,024
Net book value				
End of financial year	55,837	126,281	-	182,118

The following amounts are recognised in profit or loss:

	Group	
	2020	2019
	\$'000	\$'000
Rental income	24,076	22,376
Direct operating expenses arising from:		
- Investment properties that generate rental income	5,968	5,024
- Investment property that does not generate rental income	-	283

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

22. INVESTMENT PROPERTIES (cont'd)

As at 31 March 2020, details of the Group's investment properties are as follows:

Location	Description	Existing use	Terms of lease
10 Seletar Aerospace Heights	Industrial facilities	Rental	30 years lease from 1 June 2012
80 Boon Keng Road	Industrial facilities	Rental	Phase 1 – 30 years lease from 1 April 2011 with an option to extend a further 26 years Phase 2 – 30 years lease from 1 October 2013 with an option to extend a further 16 years
16 Tampines Industrial Crescent	Industrial facilities	Rental	30 years lease from 16 June 2012
26 Changi North Rise	Industrial facilities	Rental	30 years lease from 30 April 2010 with an option to extend a further 30 years
10 Changi North Way	Industrial facilities	Rental	24 years lease from 16 September 2010 with an option to extend a further 30 years
31 Tuas South Ave 10	Industrial facilities	Rental	30 years lease from 16 December 2013
10 Tukang Innovation Drive	Industrial facilities	Rental	30 years lease from 1 November 2013
36 Tuas Road	Industrial facilities	Rental	12 years lease from 1 October 2013 with an option to extend a further 30 years
Road No. 3, Nhon Trach II Industrial Park - Nhon Phu, Phu Hoi Commune, Nhon Trach District, Dong Nai Province	Industrial facilities	Phase 1 - Rental Phase 2 - Construction in progress	39 years 2 months lease from 22 December 2017

As at 31 March 2020, investment properties amounting to \$43,113,000 (2019: \$87,633,000) have been pledged to banks for banking facilities (Note 24).

Independent professional valuations of the Group's investment properties have been performed by independent valuers with appropriate recognised professional qualifications and recent experience with the location and category of the properties being valued. The valuers have considered the direct comparison method for comparative properties, discounted cash flow method and capitalisation approach in deriving the valuation of \$277,423,000 (2019: \$332,470,000), net of lease payments.

Key inputs used in the valuations are the estimated annual net rent, internal rate of return and comparable sales in the area. The outbreak of COVID-19 has resulted in market uncertainty and volatility, and accordingly the valuation of investment property may fluctuate more rapidly and significantly subsequent to valuation date as compared to normal market conditions.

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

23. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery	Office computers	Office equipment, furniture and fittings	Renovations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
2020					
<i>Cost</i>					
Beginning of financial year	709	1,241	272	230	2,452
Additions	9,120	400	15	97	9,632
End of financial year	9,829	1,641	287	327	12,084
<i>Accumulated depreciation</i>					
Beginning of financial year	491	777	150	121	1,539
Depreciation charge	509	259	32	46	846
End of financial year	1,000	1,036	182	167	2,385
Net book value					
End of financial year	8,829	605	105	160	9,699
2019					
<i>Cost</i>					
Beginning of financial year	801	794	254	189	2,038
Additions	-	447	22	51	520
Disposal	-	-	-	(10)	(10)
Grants received	(92)	-	-	-	(92)
Currency translation differences	-	-	(4)	-	(4)
End of financial year	709	1,241	272	230	2,452
<i>Accumulated depreciation</i>					
Beginning of financial year	473	585	110	90	1,258
Depreciation charge	18	192	40	41	291
Disposal	-	-	-	(10)	(10)
End of financial year	491	777	150	121	1,539
Net book value					
End of financial year	218	464	122	109	913

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

24. BORROWINGS

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Bank borrowings				
- Current	91,562	66,519	57,679	-
- Non-current	26,330	79,757	-	-
Total	117,892	146,276	57,679	-

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		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
3 months or less	117,892	103,833	57,679	-

(a) Security granted

Total borrowings include secured liabilities of \$60,213,000 (2019: \$146,276,000) for the Group. Bank borrowings are secured over the Group's investment properties (Note 22) and properties held for sale (Note 14). As at 31 March 2019, there was a bank borrowing secured over a banker's guarantee given in favour of the Group.

(b) Fair value of non-current borrowings

Carrying amounts of non-current borrowings of \$26,330,000 (2019: \$38,534,000) approximates their fair values as all the amounts are at floating interest rates and are revised every one to three months.

Non-current borrowings of \$41,223,000 as at 31 March 2019 with fixed interest rates had fair value of \$40,769,000, which was computed based on the present value of the cash flows on the borrowings discounted at a rate of 3.32%, which was the borrowing rate that the directors expected would be available to the Group at the reporting date.

The fair value of borrowings are within level 2 of the fair values hierarchy.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

25. TRADE AND OTHER PAYABLES

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current				
Trade payables	94,231	72,642	1,772	5,874
Other payables to:				
- Non-related parties	329	2,269	9	1,174
- Fellow subsidiary	14	46	-	-
- Subsidiaries	-	-	13,731	12,940
	343	2,315	13,740	14,114
Retention sum payables	14,000	9,967	2,907	3,977
Accruals for operating expenses	8,382	8,323	1,376	1,030
Advanced billings - Property rental income	2,844	3,118	-	-
Deposits	5,411	4,131	30	30
Loans from subsidiaries	-	-	89,362	45,434
Trade and other payables - current	125,211	100,496	109,187	70,459
Non-current				
Retention sum payables	13,376	4,572	-	-

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

Loans from subsidiaries are unsecured, bear interest up to 2.04% (2019: 1.78%) per annum and are repayable on demand.

Included in accruals for operating expenses is share of accumulated loss from investment in an associated company amounting to \$1,464,000 (2019: \$1,229,000) (Note 17).

26. DEFERRED INCOME TAXES

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

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Deferred tax assets	4,611	3,196	-	-
Deferred tax liabilities	(5,042)	(3,974)	(438)	-
	(431)	(778)	(438)	-

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

26. DEFERRED INCOME TAXES (cont'd)

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

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Deferred income tax liabilities				
<u>Accelerated tax depreciation</u>				
Beginning of financial year	3,974	3,770	-	-
Charged to profit or loss	497	204	438	-
End of financial year	4,471	3,974	438	-
<u>Others</u>				
Beginning of financial year	-	-	-	-
Charged to profit or loss	571	-	-	-
End of financial year	571	-	-	-
Total				
End of financial year	5,042	3,974	438	-
Deferred income tax assets				
<u>Unrealised construction and project management margins</u>				
Beginning of financial year	3,196	-	-	-
Credited to profit or loss	1,415	3,196	-	-
End of financial year	4,611	3,196	-	-

27. SHARE CAPITAL AND TREASURY SHARES

	No. of ordinary shares		Amount	
	Issued share capital	Treasury shares	Share capital	Treasury shares
	'000	'000	\$'000	\$'000
Group and Company				
2020				
Beginning of financial year	320,000	(10,293)	15,000	(8,244)
Treasury shares re-issued	-	947	-	767
End of financial year	320,000	(9,346)	15,000	(7,477)
2019				
Beginning of financial year	320,000	(11,094)	15,000	(8,885)
Treasury shares re-issued	-	801	-	641
End of financial year	320,000	(10,293)	15,000	(8,244)

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

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

The Company re-issued 947,000 treasury shares in the Company during the financial year ended 31 March 2020 pursuant to the Boustead Projects Restricted Share Plan 2016 at the buyback price of \$0.81 each (2019: 801,000 at \$0.80 each).

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

28. DIVIDENDS

	Group	
	2020 \$'000	2019 \$'000
<i>Ordinary dividends paid</i>		
Dividends paid in respect of the previous financial year of 1.5 cents (2019: 1.5 cents) per share	4,660	4,640
<i>Special dividends paid</i>		
Dividends paid in respect of the previous financial year of 0.5 cents (2019: Nil) per share	1,553	-
Dividends paid	6,213	4,640

At the forthcoming Annual General Meeting on 25 August 2020, a final ordinary dividend of 0.8 cents per share amounting to a total of \$2,485,000 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 2021.

29. RETAINED PROFITS

- (a) Retained profits of the Group are distributable except for
- (i) accumulated retained profits of associated companies and joint ventures amounting to \$4,050,000 (2019: \$2,722,000)
 - (ii) 10% of accumulated retained profits of a China subsidiary amounting to \$276,000 (2019: \$233,000).
- (b) Movement in retained profits for the Company is as follows:

	Company	
	2020 \$'000	2019 \$'000
Beginning of financial year	242,581	229,818
Net profit	4,332	17,403
Dividends paid (Note 28)	(6,213)	(4,640)
End of financial year	240,700	242,581

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

30. OTHER RESERVES

		Group		Company	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
(a)	Composition:				
	Foreign currency translation reserve	1,216	968	-	-
	Share-based compensation reserve	635	1,236	635	1,236
	Capital reserve	53	30	53	30
	Merger reserve	(2,854)	(2,854)	-	-
	Fair value reserve	10,796	10,907	10,796	10,907
	Hedging reserve	-	(17)	-	-
		9,846	10,270	11,484	12,173
(b)	Movement:				
(i)	<u>Foreign currency translation reserve</u>				
	Beginning of financial year	968	1,405	-	-
	Net currency translation differences arising from consolidation	248	(437)	-	-
	End of financial year	1,216	968	-	-
(ii)	<u>Share-based compensation reserve</u>				
	Beginning of financial year	1,236	1,367	1,236	1,367
	Employee share-based compensation				
	- Value of employee services (Note 6)	189	538	189	538
	- Treasury shares re-issued (Note 27)	(790)	(669)	(790)	(669)
	End of financial year	635	1,236	635	1,236
(iii)	<u>Capital reserve</u>				
	Beginning of financial year	30	2	30	2
	- Treasury shares re-issued (Note 27)	23	28	23	28
	End of financial year	53	30	53	30
(iv)	<u>Merger reserve</u>				
	Beginning and end of financial year	(2,854)	(2,854)	-	-
(v)	<u>Fair value reserve</u>				
	Beginning of financial year	10,907	10,676	10,907	10,676
	- Fair value (loss)/gain	(111)	231	(111)	231
	End of financial year	10,796	10,907	10,796	10,907
(vi)	<u>Hedging reserve</u>				
	Beginning of financial year	(17)	-	-	-
	- Fair value losses	-	(17)	-	-
	- Realised and transferred to profit or loss	17	-	-	-
	End of financial year	-	(17)	-	-

Other reserves are non-distributable.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

31. COMMITMENTS

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

Details of significant leases of the Group are disclosed in Note 21.

As at 31 March 2019, the future minimum lease payables under non-cancellable operating leases contracted for but not recognised as liabilities, are as follows:

	Group
	\$'000
Not later than one financial year	1,365
Between one and five financial years	4,923
Later than five financial years	48,320
	54,608

The annual land rent payable on leases from JTC based on prevailing rental rates as at 31 March 2019 approximated \$3,835,000.

As disclosed in Note 2.1, the Group has adopted SFRS(I) 16 on 1 April 2019. These lease payments have been recognised as ROU assets and lease liabilities on the statement of financial position as at 31 March 2020, except for short-term and low value leases.

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

On 1 April 2019, the Group has adopted SFRS(I) 16 and the undiscounted lease payments from the operating leases to be received after 31 March 2019 is disclosed in Note 21 (b).

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

32. CONTINGENCIES

- (a) As of the reporting date, the Group and the Company has the following guarantees whereby the directors are of the view that it is more likely than not that no amount will be payable under these arrangements. The earliest period that the guarantees could be called is upon demand.
- (i) The Group has given guarantees in favour of banks in respect of loan facilities granted to a related party and a joint venture. The outstanding guarantees amount to \$12,649,000 (2019: \$16,860,000) at the reporting date.
 - (ii) The Company has given guarantees in favour of banks in respect of loan facilities granted to its subsidiaries, a related party and a joint venture. The outstanding guarantees amount to \$72,863,000 (2019: \$81,824,000) at the reporting date.
 - (iii) The Company has entered into performance guarantees of \$79,020,000 (2019: \$89,941,000) issued by banks in favour of third parties in respect of performance on construction contracts.
- (b) On 27 November 2018, the Company was served with a writ of summons (Suit No 1141 of 2019), filed by YCH Holdings (Pte) Ltd ("YCH") in the High Court of the Republic of Singapore (the "Suit"). YCH was claiming:
- (i) a declaration that the Company had breached contractual obligations it allegedly owed to YCH in connection with a development project known as Supply Chain City;
 - (ii) damages to be assessed in respect of the Company's alleged breach of the contract referred to in (i) above;

in the alternative to (i) and (ii) above, damages in tort (for alleged fraudulent misrepresentation/tort of deceit) in the sum of \$2,335,000, interest, costs and such further relief which the Court deems fit. In the Further and Better Particulars dated 17 March 2020 filed in respect of the State of Claim (Amendment No. 1) dated 18 December 2018, YCH quantified its claim for damages against the Company in respect of the Company's alleged breach of the contract as \$40,652,000.

On 24 May 2020, the Company reached a settlement with YCH without admission of liability and purely with a view to resolving the suit amicably, as well as to prevent escalating of legal costs. Under the agreement, the Company paid YCH \$800,000 and retained the sum of \$2,335,000 that YCH previously had paid to the Company. YCH had applied to the Court to discontinue the Suit on 28 May 2020. By consent of YCH and the Company, the Court granted leave to discontinue the Suit on 1 June 2020.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

33. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

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

(a) Market risk

(i) *Currency risk*

The Group operates in Asia with significant operation in Singapore. It also has operations in Malaysia, Vietnam and China albeit in smaller scale.

Translation risks of overseas net investments are not hedged by hedging instruments.

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

The Group does not have any other significant unhedged exposure to currency risks as sales and purchases are primarily denominated in the respective functional currencies of the Group entities, mainly Singapore Dollars ("SGD"), Malaysian Ringgit ("MYR"), Renminbi ("RMB") and Vietnam Dong ("VND").

(ii) *Price risk*

The Group and the Company is exposed to equity security price risk arising from its investment classified as financial assets, at FVOCI. Please refer to Note 20 for details of the fair value measurement.

(iii) *Cash flow and fair value interest rate risks*

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

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

If the SGD interest rates had been higher/lower by 1% with all other variables including tax rate being held constant, the Group's profit after tax for the financial year ended 31 March 2020 would have been lower/higher by \$325,000 (2019: \$691,000) as a result of higher/lower interest income from loans to an associated company, a related party and a joint venture and higher/lower interest expense on borrowings.

If the SGD interest rates had been higher/lower by 1% with all other variables including tax rate being held constant, the Company's profit after tax for the financial year ended 31 March 2020 would have been higher/lower by \$380,000 (2019: \$732,000), as a result of higher/lower interest income on loans to subsidiaries and higher/lower interest expense on borrowings and loans from subsidiaries.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

33. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group adopts the policy of dealing only with customers of appropriate credit standing and history, and obtaining appropriate and sufficient collateral such as security deposits or bankers guarantee from customers, where appropriate, to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Before accepting any new customer, the Group assesses the potential customer's credit quality and their financial ability to pay for the services engaged. Management periodically monitors and reviews the customer's long overdue payment and proactively engages with the customer to resolve the causes of the overdue payment. As at 31 March 2020, there are three (2019: four) external customers and three joint ventures which individually represents more than 5% of the Group's total trade receivables. There are two (2019: four) external customers and no (2019: one) joint ventures which individually represents more than 5% of the Company's total trade receivables.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the statement of financial position except for corporate guarantees provided to banks on loan facilities of subsidiaries, a joint venture and a related party, disclosed in Note 32 to the financial statements.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially assessed up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, management believes that there is no further credit provision required in excess of the allowance for impairment of receivables.

Trade receivables and contract assets

In measuring expected credit losses ("ECL"), trade receivables and contract assets are grouped based on shared credit risk characteristics. The contract assets relate mainly to projects where the revenue has been accrued ahead of billings to customers, which have substantially the same risk characteristics as the trade receivables for the same contracts.

The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Some of the forward-looking macroeconomic factors include:

- Historical default rate of the customer
- Any publicly available information on the customer
- Any macroeconomic or geopolitical information relevant to the customer
- Any other objectively supportable information on the quality and abilities of the customer's management relevant for its performance

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

33. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Trade receivables (including retention receivables) and contract assets grouped with shared risk characteristics as at 31 March 2020 and 31 March 2019 are as follows:

	Group 2020			
	Current and not due	Past due under 3 months	Past due over 3 months	Total
	\$'000	\$'000	\$'000	\$'000
- Singapore				
• Trade receivables	76,263	128	94	76,485
• Contract assets	26,272	-	-	26,272
- Vietnam				
• Trade receivables	2,403	-	-	2,403
• Contract assets	440	-	-	440
- Malaysia				
• Trade receivables	1,004	-	-	1,004
- China				
• Trade receivables	20	-	-	20
	106,402	128	94	106,624

	Group 2019			
	Current and not due	Past due under 3 months	Past due over 3 months	Total
	\$'000	\$'000	\$'000	\$'000
- Singapore				
• Trade receivables	52,637	4,111	295	57,043
• Contract assets	69,725	-	-	69,725
- Vietnam				
• Trade receivables	1,180	-	-	1,180
• Contract assets	12	-	-	12
- Malaysia				
• Trade receivables	1,076	-	-	1,076
• Contract assets	208	-	-	208
- China				
• Trade receivables	3	-	-	3
	124,841	4,111	295	129,247

The amount of trade receivables that are past due for more than 3 months are immaterial. Accordingly, the Group's trade receivables and contract assets are subject to immaterial credit loss.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

33. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Credit risk (cont'd)

Cash and cash equivalent

The Group and the Company held cash and cash equivalents of \$128,447,000 and \$80,939,000 respectively (2019: \$108,328,000 and \$54,947,000) with reputable banks which are assessed to be of lower credit risk. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

Finance lease receivables and other receivables

Finance lease receivables, loans to a related party, a joint venture and subsidiaries are measured on 12-month expected credit losses and subject to immaterial credit loss.

The Group monitors the credit risk of the associated company based on the past due information to assess if there is any significant increase in credit risk. An allowance for credit loss, measured on 12-month expected credit loss basis amounting to \$1,689,000 has been made against the loan to an associated company of \$17,649,000 (2019: \$15,377,000) (Note 15).

Financial guarantee

The Company has issued financial guarantees to banks for borrowings of its subsidiaries. The Company has assessed that its subsidiaries have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At the 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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

33. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Liquidity risk (cont'd)

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the 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 is allocated to the earliest period in which the guarantee could be called.

	Less than 1 year \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000
Group			
At 31 March 2020			
Trade and other payables	123,747	13,376	-
Borrowings	93,046	26,992	-
Lease liabilities	6,130	20,844	113,703
Financial guarantees	12,649	-	-
At 31 March 2019			
Trade and other payables	99,267	4,572	-
Borrowings	69,883	85,795	-
Financial guarantees	16,860	-	-
Company			
At 31 March 2020			
Trade and other payables	19,825	-	-
Loans from subsidiaries	91,185	-	-
Financial guarantees	72,863	-	-
At 31 March 2019			
Trade and other payables	25,025	-	-
Loans from subsidiaries	46,243	-	-
Financial guarantees	81,824	-	-

(d) Capital risk

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

Management monitors capital based on gearing ratios and the level of total net tangible assets, which are in tandem with the requirements of the banks. The banks require the Group to have minimum total net tangible assets of \$120,000,000, a maximum total liability gearing ratio of 275% and a maximum consolidated gearing of 1.5 times. The Group's strategy which was unchanged from 2019, 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 2020 and 31 March 2019.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

33. FINANCIAL RISK MANAGEMENT (cont'd)

(e) Financial instruments by category

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

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Financial assets, at amortised cost	316,403	202,732	283,337	203,197
Financial liabilities, at amortised cost	332,874	246,403	166,854	70,459

(f) Fair value measurements

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

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
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Group

31 March 2020

Assets

Financial assets, at FVOCI	-	-	31,315	31,315
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31 March 2019

Assets

Derivative financial instruments	-	13	-	13
Financial assets, at FVOCI	-	-	31,426	31,426

Liabilities

Derivative financial instruments	-	30	-	30
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Company

31 March 2020

Assets

Financial assets, at FVOCI	-	-	31,315	31,315
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31 March 2019

Assets

Financial assets, at FVOCI	-	-	31,426	31,426
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Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

33. FINANCIAL RISK MANAGEMENT (cont'd)

(f) Fair value measurements (cont'd)

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of the reporting period.

There were no transfers between the levels of fair value hierarchy during the financial year.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves. These derivative financial instruments are classified as Level 2. In infrequent circumstances, where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3.

The following table presents the changes in Level 3 instruments:

	Financial assets, at FVOCI
	\$'000
2020	
Beginning of financial year	31,426
Fair value loss recognised in other comprehensive income	(111)
End of financial year	31,315
2019	
Beginning of financial year	31,195
Fair value gain recognised in other comprehensive income	231
End of financial year	31,426

Valuation techniques and inputs disclosed in Note 20 to the financial statements.

34. IMMEDIATE AND ULTIMATE HOLDING COMPANY

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

35. RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sales and purchases of goods and services

	2020 \$'000	2019 \$'000
Office expense to a fellow subsidiary (includes shared expenses such as IT, utilities and common area usage)	292	169
Lease payment to a joint venture	555	370
Project and development management fees from joint ventures*	(1,168)	(899)
Construction contract revenue from joint ventures*	(47,972)	(25,972)
Assets, property and lease management fees from joint ventures	(1,190)	(235)
Construction contract revenue from a related party*	-	(317)
Interest income from:		
- associated company	(574)	(515)
- related party (a subsidiary of an associated company)	(401)	(384)
- joint venture	(274)	-
	(1,249)	(899)

* Transaction values disclosed are after elimination of the Group's shares in the transaction.

Outstanding balances at 31 March 2020 and 31 March 2019 arising from sale/purchase of goods and services, are unsecured and receivable/payable within 12 months from reporting date are disclosed in Notes 15 and 25 respectively.

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	2020 \$'000	2019 \$'000
Wages and salaries	2,519	2,650
Employer's contribution to defined contribution plans, including Central Provident Fund	87	85
Share-based compensation expense	107	307
	2,713	3,042

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

36. SEGMENT INFORMATION

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

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

The Group's businesses comprise the following:

- (i) Design-and-Build: Provision of design-and-build expertise for industrial facilities.
- (ii) Real Estate: Owning and leasing of industrial facilities.
- (iii) Investment: Owning of financial assets, at FVOCI.

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

(a) Segment revenue and results

The segment information for the reportable segments is as follows:

	Design-and-build		Real Estate		Group	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
External revenue	391,919	205,061	34,305	29,162	426,224	234,223
Total revenue	391,919	205,061	34,305	29,162	426,224	234,223
Results						
Segment result	18,428	19,898	9,780	13,743	28,208	33,641
Includes:						
- Depreciation expense	(824)	(273)	(6,165)	(6,300)	(6,989)	(6,573)
- Depreciation of right-of-use assets	(1,007)	-	(2,365)	-	(3,372)	-
- Sub-contractor fees and other construction costs	(348,316)	(166,905)	-	-	(348,316)	(166,905)
- Other gains/(losses) – net	64	142	(397)	5,890	(333)	6,032
- Sublease rental income	-	-	-	1,161	-	1,161
- Impairment loss on financial asset	-	-	(918)	-	(918)	-
- Employee compensation	(19,385)	(14,599)	(4,358)	(4,027)	(23,743)	(18,626)
- Share of profit/(loss) of associated companies and joint ventures	272	-	(3,702)	(2,617)	(3,430)	(2,617)
- Marketing expenses	(73)	(63)	(340)	(91)	(413)	(154)
- Legal and professional fees	(2,567)	(1,489)	(536)	(298)	(3,103)	(1,787)
- Property related expenses	(488)	(618)	(4,829)	(8,527)	(5,317)	(9,145)
Interest income	1,245	2,937	2,566	1,380	3,811	4,317
Finance expense	(113)	(326)	(4,451)	(1,957)	(4,564)	(2,283)
Profit before tax					27,455	35,675
Income tax expense					(5,330)	(5,097)
Total profit					22,125	30,578

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

36. SEGMENT INFORMATION (cont'd)

(b) Segment assets and liabilities

	Design-and-build		Real Estate		Investment		Group	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment assets								
Segment assets	222,089	216,766	349,351	273,885	31,315	31,426	602,755	522,077
Investments in associated companies	3,449	-	-	-	-	-	3,449	-
Investments in joint ventures	-	-	60,707	40,673	-	-	60,707	40,673
Deferred income tax assets							4,611	3,196
Consolidated total assets							671,522	565,946
Segment liabilities								
Segment liabilities	203,610	149,192	156,247	120,877	-	-	359,857	270,069
Income tax payable/deferred income tax liabilities							14,380	14,847
Consolidated total liabilities							374,237	284,916

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

All assets are allocated to reportable segments other than deferred income tax assets.

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

(c) Geographical information

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

	Singapore		Malaysia		Vietnam		Other countries		Group	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue										
External sales	416,256	224,957	1,232	570	7,337	7,836	1,399	860	426,224	234,223
Non-current assets	221,557	220,924	27	36	32,197	4,179	6	2	253,787	225,141

(d) Information about major customers

For the financial year ended 31 March 2020, there are three customers from the Group's design-and-build segment that each contributed more than 10% of the Group's revenue. The customers contributed \$54,865,000, \$99,454,000 and \$58,052,000 (2019: two customers, \$64,474,000 and \$26,359,000) respectively in revenue to the Group.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

37. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

(a) Amendments to SFRS(I) 3 *Business Combination* (effective for annual periods beginning on or after 1 April 2020)

The amendments provide new guidance on the assessment of whether an acquisition meets the definition of a business under SFRS(I) 3. To be considered a business, an acquisition would have to include an output and a substantive process that together significantly contribute to the ability to create outputs. A framework is introduced to evaluate when an input and substantive process are present. To be a business without outputs, there will now need to be an organised workforce.

The definition of the term 'outputs' is narrowed to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

It is also no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets.

Entities can apply a 'concentration test' that, if met, eliminates the need for further assessment. Under this optional test, where substantially all of the fair value of gross assets acquired is concentrated in a single asset (or a group of similar assets), the assets acquired would not represent a business.

These amendments are applied to business combinations and asset acquisitions with acquisition date on or after 1 April 2020. Early application is permitted.

(b) Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 *Interest Rate Benchmark Reform* (effective for annual periods beginning on or after 1 January 2020)

In December 2019, the ASC issued 'Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 Interest Rate Benchmark Reform' (effective 1 January 2020). The amendments provide exceptions that allow entities to continue hedge accounting for existing hedge relationships under the assumption that Inter Bank Offer Rate (IBOR) based hedged cash flows are not altered as a result of the IBOR Reform.

These amendments are issued due to global reform of interest rate benchmarks such as IBORs. IBORs are key reference rates for financial instruments such as derivatives, loans and bonds. In response to cases of attempted manipulation in relation to key IBORs, and to the decline in liquidity in key interbank unsecured funding markets, the Financial Stability Board made several recommendations relating to:

- strengthening of IBORs by anchoring them to a greater number of transactions, where possible, and improving the processes and controls around submissions;
- identifying alternative near-risk-free rates (RFRs) and, where suitable, encouraging market participants to transition new contracts to an appropriate RFR.

Regulators in a number of jurisdictions, including Singapore, are in the midst of phasing out IBORs and replacing them with more suitable alternative reference rates. There is currently uncertainty around the timing and precise nature of these changes.

The management anticipates that the adoption of the above amendments to SFRS(I)s in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

38. EVENT SUBSEQUENT TO THE REPORTING DATE

Following the outbreak of the global COVID-19 pandemic, the Singapore Government imposed a Circuit Breaker from 7 April 2020 to 1 June 2020 which resulted in the suspension of all non-essential construction activities during the period. In view of the delayed project completions resulting from the Circuit Breaker and the phased resumption of construction sites, the operating and financial results of the Group are expected to be materially impacted in the financial year ending 31 March 2021 ("FY2021") by the corresponding delays in revenue recognition for the design-and-build segment, as well as the Group's share of associated resumption, prolongation and acceleration costs which may potentially be incurred. Delayed completion of the Group's ongoing joint venture development projects will also correspondingly delay the commencement of leasing income and recognition of management fees attributable to these projects. As at the date of these financial statements, the global COVID-19 situation remains very fluid, as a result of which the Group cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for FY2021.

39. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Boustead Projects Limited on 29 July 2020.

Management & Principal Activities

BOUSTEAD PROJECTS GROUP HEADQUARTERS

Boustead Projects Limited

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#07-01 Edward Boustead Centre
Singapore 408832

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

Managing Director: Thomas Chu
Deputy Chairman and Executive Director: Wong Yu Wei

Boustead Projects E&C Pte Ltd

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

Main: +65 6748 3945

Managing Director: Thomas Chu

Boustead Projects E&C provides technical consulting services and design-and-build expertise for smart eco-sustainable business park and industrial developments in Singapore.

Boustead Funds Management Pte Ltd

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

Main: +65 6748 3945

Director: Wong Yu Wei

Boustead Funds Management provides development and asset management services.

Boustead Property Services Pte Ltd

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

Main: +65 6748 3945

Director: Wong Yu Wei

Boustead Property Services provides leasing and property management services.

Management & Principal Activities

BP Engineering Solutions Sdn Bhd

BP Lands Sdn Bhd

No 127-02, Jalan Mutiara Emas 2A
Taman Mount Austin
81100 Johor Bahru, Johor
Malaysia

Main: +60 7 287 2022

Director: Wong Yu Wei

BP Engineering Solutions provides technical consulting services and design-and-build expertise for smart eco-sustainable industrial developments in Malaysia.

BP Lands is an investment holding company in Malaysia.

Boustead Projects (Vietnam) Co Ltd

Miss Ao Dai Building, Floor 8
21 Nguyen Trung Ngan Street
Ben Nghe Ward, District 1
Ho Chi Minh City
Vietnam

Main: +84 8 3829 5674

General Director: Liew Kau Keen

Boustead Projects (Vietnam) provides technical consulting services and design-and-build expertise for smart eco-sustainable industrial developments in Vietnam.

Boustead Projects Land (Vietnam) Co Ltd

Belt Road 3, Nhon Trach 2 – Nhon Phu Industrial Park
Phu Hoi Commune, Nhon Trach District
Dong Nai Province
Vietnam

Main: +84 28 3829 5674

General Director: Tran Quang Trung

Boustead Projects Land (Vietnam) provides development, leasing and property management services in Vietnam.

Wuxi Boustead Industrial Development Co Ltd

55 Xin Mei Road
New District Wuxi
Wuxi 214028, Jiangsu Province
China

Main: +86 510 8522 7491

Legal Representative: Thomas Chu

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

Statistics of Shareholdings

AS AT 9 JULY 2020

SHARE CAPITAL

Number of ordinary shares	:	311,319,340*
Number/Percentage of treasury shares	:	8,680,660 (2.79%)
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	219	6.89	7,770	0.00
100 - 1,000	732	23.03	410,402	0.13
1,001 - 10,000	1,704	53.60	6,348,629	2.04
10,001 - 1,000,000	512	16.10	30,368,251	9.76
1,000,001 AND ABOVE	12	0.38	274,184,288	88.07
TOTAL	3,179	100.00	311,319,340	100.00

LOCATION OF SHAREHOLDERS

Country	No. of Shareholders	%	No. of Shares	%**
SINGAPORE	3,100	97.52	308,400,984	99.06
MALAYSIA	51	1.60	2,301,256	0.74
OTHERS	28	0.88	617,100	0.20
TOTAL	3,179	100.00	311,319,340	100.00

Statistics of Shareholdings

AS AT 9 JULY 2020

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%**
1	BOUSTEAD SINGAPORE LIMITED	163,861,009	52.63
2	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	52,877,519	16.98
3	HSBC (SINGAPORE) NOMINEES PTE LTD	20,596,340	6.62
4	DBS NOMINEES (PRIVATE) LIMITED	8,352,352	2.68
5	ABN AMRO CLEARING BANK N.V.	7,462,141	2.40
6	RAFFLES NOMINEES (PTE.) LIMITED	6,215,650	2.00
7	CITIBANK NOMINEES SINGAPORE PTE LTD	5,932,012	1.91
8	MAYBANK KIM ENG SECURITIES PTE.LTD.	2,591,478	0.83
9	IFAST FINANCIAL PTE. LTD.	1,635,814	0.53
10	YEO KER KUANG	1,605,467	0.52
11	HELEN TAN CHENG HOONG	1,549,800	0.50
12	PHILLIP SECURITIES PTE LTD	1,504,946	0.48
13	WONG SHAW SENG REGI	970,000	0.31
14	CHU KOK HONG (CHOO KOK HONG)	963,679	0.31
15	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	760,405	0.24
16	WONG KET SEONG @ WONG KET YIN	700,000	0.22
17	CHANG CHING CHAU @ TEW KING CHANG	638,550	0.21
18	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	569,167	0.18
19	UOB KAY HIAN PRIVATE LIMITED	560,321	0.18
20	CHAN CHEE WENG	510,251	0.16
Total		279,856,901	89.89

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	%	Deemed Interest	%**
Wong Fong Fui	-	-	224,242,603	72.03
Boustead Singapore Limited	163,861,009	52.63	-	-

Note:

Mr Wong Fong Fui is deemed interested in 52,690,334 shares, representing approximately 16.92% of the total issued share capital of the company, held through nominees. In addition, Mr Wong, through his interest in not less than 20% of the issued share capital of the following entities, is also deemed interested in:-

- (i) 163,861,009 shares (representing approximately 52.63%) held by Boustead Singapore Limited; and
- (ii) 7,691,260 shares (representing approximately 2.47%) held by Bright Assets Enterprises Limited.

SHAREHOLDINGS IN THE HANDS OF THE PUBLIC

The percentage of shareholdings in the hands of the public as at 9 July 2020 was approximately 29.70%.** This is in compliance with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited, which requires at least 10% of the issued ordinary shares of the company to be held by the public.

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

Notice of Annual General Meeting

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

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Boustead Projects Limited (the “Company”) will be held by way of electronic means on Tuesday, 25 August 2020 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 2020 and the Independent Auditors’ Report thereon. **Resolution 1**
2. To approve a final tax-exempt (one-tier) dividend of 0.8 cent per ordinary share for the year ended 31 March 2020. **Resolution 2**
3. To re-elect the following directors retiring under Article 94 of the Company’s Constitution.
 - a. Mr Chu Kok Hong @ Choo Kok Hong **Resolution 3**
 - b. Mr Wong Yu Wei (Huang Youwei) **Resolution 4**
4. To approve directors’ fees of up to \$250,000 for the financial year ending 31 March 2021, payable quarterly in arrears (2020: \$280,000). **Resolution 5**
[See Explanatory Note 1]
5. To re-appoint Messrs PricewaterhouseCoopers LLP as auditors of the Company to hold office until the next Annual General Meeting and to authorise the directors to fix their remuneration. **Resolution 6**

AS SPECIAL BUSINESS

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

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

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

- (i) (a) issue shares in the capital of the Company (“shares”) whether by way of rights, bonus or otherwise; and/or
 - (b) make or grant offers, agreements or options (collectively, “instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,
- at any time and upon such terms and conditions and for such purposes and to such persons as the directors may in their absolute discretion deem fit; and
- (ii) (notwithstanding the authority conferred by this resolution may have ceased to be in force) issue shares in pursuance of any instrument made or granted by the directors of the Company while this resolution was in force,

provided that:

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

Notice of Annual General Meeting

BOUSTEAD PROJECTS LIMITED
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(Company Registration Number: 199603900E)

- (ii) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("SGX-ST")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the percentage of issued shares shall be based on the total number of issued shares (excluding any treasury shares and subsidiary holdings) in the capital of the Company at the time this resolution is passed, after adjusting for:
 - (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this resolution is passed; and
 - (b) any subsequent bonus issue or consolidation or subdivision of shares;
- (iii) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (iv) (unless revoked or varied by the Company in general meeting) the authority conferred by this resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

[See Explanatory Note 2]

Resolution 7

7. The proposed renewal of the Share Buy-Back Mandate

All capitalised terms used in this resolution which are not defined herein shall have the same meaning ascribed to them in the Addendum to Shareholders dated 3 August 2020.

That:

- (a) for the purposes of the Companies Act, Chapter 50 of Singapore ("Companies Act"), and such other laws and regulations as may for the time being be applicable, approval be and is hereby given for the exercise by the directors of the Company ("Directors") of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the share capital of the Company ("Shares") not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (i) on-market share purchases ("On-Market Share Purchase"), transacted on the Singapore Exchange Securities Trading Limited ("SGX-ST"); and/or
 - (ii) off-market share purchases ("Off-Market Share Purchase") (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable ("Share Buy-Back Mandate");
- (b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buy-Back Mandate shall, at the discretion of the Directors, either be cancelled or held as treasury shares and dealt with in accordance with the Companies Act;
- (c) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Ordinary Resolution and the expiring on the earlier of:
 - (i) the date on which the next annual general meeting of the Company is held or required by law to be held;
 - (ii) the date on which the purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated; or
 - (iii) the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked;

Notice of Annual General Meeting

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

- (d) for the purposes of this Ordinary Resolution:

“Prescribed Limit” means ten per cent (10%) of the total issued ordinary share capital of the Company (excluding any treasury shares and subsidiary holdings) as at the date of passing of this Ordinary Resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of Shares of the Company shall be taken to be the total number of issued Shares of the Company as altered after such capital reduction (excluding any treasury shares and subsidiary holdings);

“Relevant Period” means the period commencing from the date on which the last annual general meeting of the Company was held and expiring on the date of the next annual general meeting of the Company is held or is required by law to be held, or the date on which the purchases of the Shares are carried out to the full extent mandated, whichever is earlier, unless prior to that, it is varied or revoked by resolution of the shareholders of the Company in general meeting;

“Maximum Price” in relation to a Share to be purchased, means an amount (excluding brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses) not exceeding:

- (i) in the case of an On-Market Share Purchase, 105% of the Average Closing Price;
- (ii) in the case of an Off-Market Share Purchase, 120% of the Average Closing Price,

where:

“Average Closing Price” means the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, immediately preceding the date of making the On-Market Share Purchase or, as the case may be, the day of the making of the offer pursuant to the Off-Market Share Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5) Market Day period and the day on which the purchases are made;

“day of the making of the offer” means the day on which the Company announces its intention to make an offer for the purchase of Shares from the shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Share Purchase; and

“Market Day” means a day on which the SGX-ST is open for trading in securities;

- (e) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including, without limitation, executing such documents as may be required) as they and/or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Ordinary Resolution.

[See Explanatory Note 3]

Resolution 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 any treasury shares and subsidiary holdings) from time to time.

[See Explanatory Note 4]

Resolution 9

9. Authority to allot and issue shares pursuant to the Boustead Projects Limited Scrip Dividend Scheme

That authority be and is hereby given to the directors of the Company to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the application of the Boustead Projects Limited Scrip Dividend Scheme.

[See Explanatory Note 5]

Resolution 10

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

Notice of Annual General Meeting

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

NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT DATE

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed from 5.00 p.m. on 2 September 2020 for the purpose of determining shareholders' entitlements to the final dividend to be paid on 11 September 2020, subject to and contingent upon shareholders' approval for the proposed dividend being obtained at the forthcoming Annual General Meeting of the Company.

Duly completed transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 2 September 2020 will be registered before entitlements to the dividend are determined.

By Order of the Board

Tay Chee Wah
Company Secretary
3 August 2020

Notice of Annual General Meeting

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

Explanatory Notes on Ordinary and Special Business to be transacted

1. The Ordinary Resolution 5 is to allow the Company to pay directors' fees to all non-executive directors in arrears on a quarterly basis.
2. The Ordinary Resolution 7 is to enable the directors to issue shares in the Company up to 50% of the total number of issued shares excluding any treasury shares and subsidiary holdings in the capital of the Company (in the case of issuance other than on a pro-rata basis to existing shareholders, such aggregate number of shares not to exceed 20% of the total number of issued shares excluding any treasury shares and subsidiary holdings in the capital of the Company) for such purposes as they consider to be in the interests of the Company.
3. The proposed Ordinary Resolution 8 is to empower the Directors of the Company from the date of the Annual General Meeting until the date of the next Annual General Meeting is to be held or is required by law to be held, whichever is the earlier, to make purchases (whether by way of On-Market Purchases or Off-Market Purchases on an equal access scheme) from time to time of up to ten per cent (10%) of the total number of Shares (excluding treasury shares and subsidiary holdings) at prices up to but not exceeding the Maximum Price. The rationale for, the authority and limitation on, the source of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate are set out in greater detail in the Addendum accompanying this Notice of Annual General Meeting.
4. The Ordinary Resolution 9 is to allow the directors to grant awards and issue shares pursuant to the Boustead Projects Restricted Share Plan 2016.
5. The Ordinary Resolution 10 is to allow the directors to issue shares pursuant to the Boustead Projects Limited Scrip Dividend Scheme.

Notes:

(1) Pre-Registration

The Annual General Meeting ("AGM") is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM are set out in this Notice of AGM which has been uploaded on SGXNet and the Company's website on the same day. The announcement and this Notice of AGM may also be accessed at <https://www.sgx.com/securities/company-announcements> and <https://www.bousteadprojects.com>.

A member will be able to participate at the AGM by watching the AGM proceedings via a "live" audio-visual webcast and audio-only feed via mobile phones, tablets or computers. In order to do so, a member must pre-register by 10.30 a.m. on 22 August 2020, at <https://sg.conveneagm.com/bousteadprojects> for the Company to authenticate his/her/its status as members. Authenticated members will receive email instructions on how to access the "live" webcast of the proceedings of the AGM by 10.30 a.m. on 24 August 2020. Members who do not receive an email by 12 noon on 24 August 2020, but have registered by the 22 August 2020 deadline, may contact the Company's Share Registrar at AGM.TeamE@boardroomlimited.com.

Investors holding Shares through relevant intermediaries (as defined in Section 181 of the Companies Act) ("Investors") (other than CPF/SRS investors) will not be able to pre-register at <https://sg.conveneagm.com/bousteadprojects> for the "live" webcast of the AGM. An Investor (other than CPF/SRS investors) who wish to participate in the "live" webcast of the AGM should instead approach his/her relevant intermediary as soon as possible in order for the relevant intermediary to make the necessary arrangements to pre-register. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number) to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, via email to AGM.TeamE@boardroomlimited.com no later than 10.30 a.m. on 22 August 2020.

Notice of Annual General Meeting

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

(2) Submission of Proxy Form

Due to the current COVID-19 control measures in Singapore, a member may not attend in person, and may only attend the AGM by observing and listening to the proceedings of the AGM by electronic means. A member will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A member (whether individual or corporate) must appoint the Chairman of the AGM ("Chairman") as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The Chairman, as proxy, need not be a member of the Company. The instrument for the appointment of proxy ("proxy form") may be accessed at the Company's website at <https://www.bousteadprojects.com> or the SGXNet. Where a member (whether individual or corporate) appoints the Chairman as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman as proxy for that resolution will be treated as invalid.

The proxy form is not valid for use by Investors (including CPF/SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wish to vote should instead approach his/her/its relevant intermediary as soon as possible to specify his/her/its voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator by 5.00 p.m. on 14 August 2020, being 7 working days before the date of the AGM to submit his/her voting instructions.

The proxy form must be submitted to the Company in the following manner:

- (a) if submitted by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623; or
- (b) if submitted electronically, be submitted via email to AGM.TeamE@boardroomlimited.com,

in either case, by 10.30 a.m. on 23 August 2020, being 48 hours before the time appointed for holding this AGM.

A member who wishes to submit the proxy form must complete and sign the proxy form attached with this booklet or download it from the Company's website or the SGXNet, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

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

The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman as proxy).

In the case of members of the Company whose Shares are entered against his/her names in the Depository Register, the Company may reject any proxy form submitted if such members are not shown to have Shares entered against his/her names in the Depository Register (as defined in Part IIIA of the Securities and Futures Act, Chapter 289 of Singapore), as at 72 hours before the time appointed for holding this AGM as certified by The Central Depository (Pte) Limited to the Company.

Notice of Annual General Meeting

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

(3) Submission of Questions

Members and Investors will not be able to ask questions “live” during the webcast of this AGM. All members and Investors may submit questions relating to the business of this AGM by 10.30 a.m. on 22 August 2020:

- (a) via the pre-registration website at <https://sg.conveneagm.com/bousteadprojects>;
- (b) by email to bousteadprojects.agm2020@boustead.sg; or
- (c) by post to the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult to submit questions by post, members and Investors are strongly encouraged to submit their questions via the pre-registration website or by email. The Company will endeavour to answer all substantial and relevant questions prior to, or at this AGM, by electronic means.

(4) Annual Report and other documents:

The Annual Report for the financial year ended 31 March 2020 (“Annual Report 2020”) which was issued and released on 3 August 2020 can be accessed at SGXNet and at the Company’s website at <https://www.bousteadprojects.com>.

PERSONAL DATA PRIVACY

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

Proxy Form

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

**Annual General Meeting to be held on
25 August 2020 at 10.30 a.m.**

(Before completing this form, please see notes below)

IMPORTANT:

1. The Annual General Meeting ("AGM") is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Alternative arrangements relating to attendance at the AGM via electronic means (in particular, arrangements by which the meeting can be electronically accessed via "live" audio-visual webcast or audio-only stream), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the Notice of AGM dated 3 August 2020. The Notice of AGM may be accessed at the Company's IR website at <https://www.bousteadprojects.com>, and will also be made available on SGXNet at <https://www.sgx.com/securities/company-announcements>.
3. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.
4. This proxy form is not valid for use by investors holding shares in the Company ("Shares") through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50 of Singapore)) ("Investors") (including investors holding through Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("SRS") ("CPF/SRS investors")) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator by 5.00 p.m. on 14 August 2020, being 7 working days before the date of the AGM to submit his/her voting instructions.
5. By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of the AGM dated 3 August 2020.
6. Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.

I/We _____ (Name) _____ (NRIC/Passport/Co. Reg. No.)
of _____

being a member/members of the above-named Company hereby appoint the Chairman of the Annual General Meeting of the Company as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be convened and held by way of electronic means on Tuesday, 25 August 2020 at 10.30 a.m. and at any adjournment thereof in the manner indicated below:

	Ordinary Resolutions:	For	Against	Abstain
Resolution 1	To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 31 March 2020 and the Independent Auditors' Report thereon.			
Resolution 2	To approve a final tax-exempt (one-tier) dividend of 0.8 cent per ordinary share for the year ended 31 March 2020.			
Resolution 3	To re-elect Mr Chu Kok Hong @ Choo Kok Hong as a director of the Company.			
Resolution 4	To re-elect Mr Wong Yu Wei (Huang Youwei) as a director of the Company.			
Resolution 5	To approve directors' fees of up to \$250,000 for the financial year ending 31 March 2021, payable quarterly in arrears.			
Resolution 6	To re-appoint Messrs PricewaterhouseCoopers LLP as auditors of the Company and to authorise the directors to fix their remuneration.			
Resolution 7	To authorise the directors to allot and issue shares pursuant to Section 161 of the Singapore Companies Act.			
Resolution 8	To approve the proposed renewal of the Share Buy-Back Mandate.			
Resolution 9	To authorise the directors to grant awards and issue shares pursuant to the Boustead Projects Restricted Share Plan 2016.			
Resolution 10	To authorise the directors to allot and issue shares pursuant to the Boustead Projects Limited Scrip Dividend Scheme.			

(You may tick (✓) within the relevant box to vote for or against, or abstain from voting, in respect of all your Shares for each resolution. Alternatively, you may indicate the number of Shares that you wish to vote for or against, and/or abstain from voting, for each resolution in the relevant box. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman as your proxy for that resolution will be treated as invalid.**)

Signed this _____ day of _____ 2020

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

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



Proxy Form

BOUSTEAD PROJECTS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration Number: 199603900E)

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you only have shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. Due to the current COVID-19 control measures in Singapore, a member may not attend in person, and may only attend the AGM by observing and listening to the proceedings of the AGM by electronic means. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. This proxy form may be accessed at the Company's IR website at <https://www.bousteadprojects.com>, and will also be made available on SGXNet at <https://www.sgx.com/securities/company-announcements>. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstention from voting, in respect of a Resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as a proxy for that Resolution will be treated as invalid.

CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective Agent Banks or SRS Operators to submit their votes by 5.00 pm on 14 August 2020.

3. The Chairman of the Meeting, as proxy, need not be a member of the Company.
4. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623; or
 - (b) if submitted electronically, be submitted via email to AGM.TeamE@boardroomlimited.com

in either case, by 10.30 a.m. on 23 August 2020, being 48 hours before the time appointed for holding this AGM.

A member who wishes to submit the proxy form must complete and sign the proxy form attached with this booklet or download it from the Company's website or the SGXNet, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

5. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing the Chairman of the Meeting as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument appointing the Chairman of the Meeting as proxy is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.
6. The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor is not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment) appointing the Chairman of the Meeting as proxy. In addition, in the case of a member whose shares are entered against his name in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 3 August 2020.

BOUSTEAD PROJECTS LIMITED

Company Registration Number: 199603900E

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