BOUSTEAD SINGAPORE LIMITED
annual report 2013

Making our mark

China
Hong Kong
Japan
Macau
South Korea
Taiwan
Brunei
Indonesia
Malaysia
Philippines
Singapore
Thailand
Timor-Leste
Vietnam
Australia
New Caledonia
New Zealand
Papua New Guinea
Bangladesh
India
Maldives
Pakistan
Sri Lanka
Bahrain
Jordan
Kuwait
Oman
Qatar
Saudi Arabia
U.A.E.
Azerbaijan
Turkmenistan

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Financial Report

We have made our mark...

Corporate Profile

Established in 1828, Boustead Singapore Limited is a progressive global Infrastructure-Related Engineering Services and Geo-Spatial Technology Group listed on the Singapore Exchange. Focusing on the engineering and development of key infrastructure supporting economic growth in the public and private sectors of emerging markets, our strong suite of Engineering Services comprises: Energy-Related Engineering, Water & Wastewater Engineering and Real Estate Solutions.

Under our Geo-Spatial Technology arm, we provide professional services and exclusively distribute Esri geo-spatial technology – the world's leading geographic information systems – to major markets across Australia and South East Asia. Our location intelligence solutions are essential to effectively plan, deploy and manage key infrastructure and resources in countries.

With a vast global network stretching across Asia, Australia, Europe, Africa and the Americas, Boustead is ready to serve the world. To date, Boustead has undertaken infrastructure-related projects in 84 countries globally.

In 2008 and 2009, Boustead was recognised in the prestigious Forbes Asia 200 Best Under A Billion as one of the Asia Pacific's 200 best public-listed corporations under US$1 billion in revenue. Boustead is also listed on the MSCI Global Small Cap Index for Singapore and the FTSE ST Small Cap Index.

Visit us at www.boustead.sg.


across distant seas...


and lands.

Providing expert solutions...


BOUSTEAD

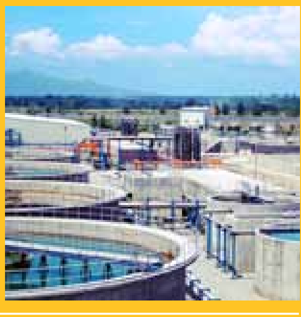

Arabian Sea
Bay of Bengal
INDIA
Mumbai
Madras
SRI LANKA
Colombo
Muscat
OMAN
SAUDI ARABIA
Djibouti
Addis Ababa
ETHIOPIA
SOUTH SUDAN
CENTRAL AFRICAN REPUBLIC
Bangui
DEMOCRATIC REPUBLIC OF THE CONGO
UGANDA
KENYA
Mogadishu
TANZANIA
Dar es Salaam
Indian Ocean
ANGOLA
ZAMBIA
MOZAMBIQUE
ZIMBABWE
Antananarivo
MADAGASCAR
BOTSWANA
Maputo
Durban
SOUTH AFRICA
Cape Town

and technology.

And growing our reputable brand with an exemplary history of

deliverin

185	**84**	**11**	**24%**
years of proven track record	countries globally	consecutive years of dividend payout	average return on equity over one decade



ng value

to our shareholders.

Absolute growth of 126% in revenue, 511% in net profit and 833% in gross dividend per ordinary share over one decade.

Group at a GLANCE

S$513.2m
REVENUE

S$81.4m
NET PROFIT

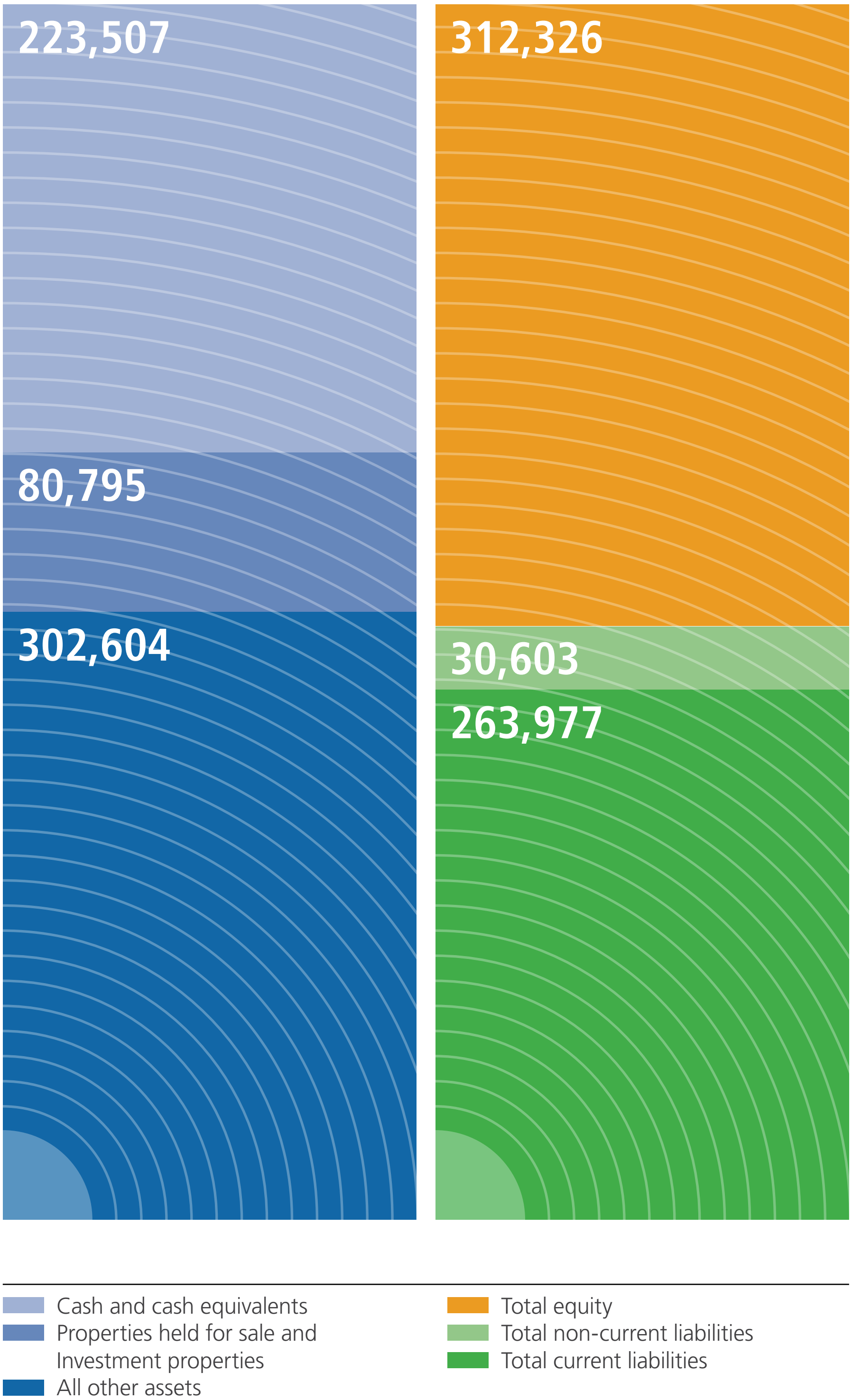
S$189.1m
NET CASH POSITION

16.2¢
EARNINGS PER SHARE

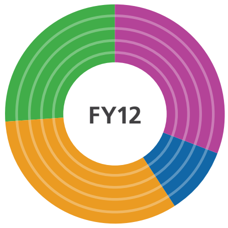
60.0¢
NET ASSET VALUE PER SHARE

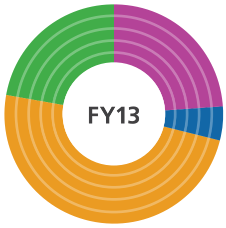
S$300m
ORDERS SECURED

Balance Sheet (S$'000)

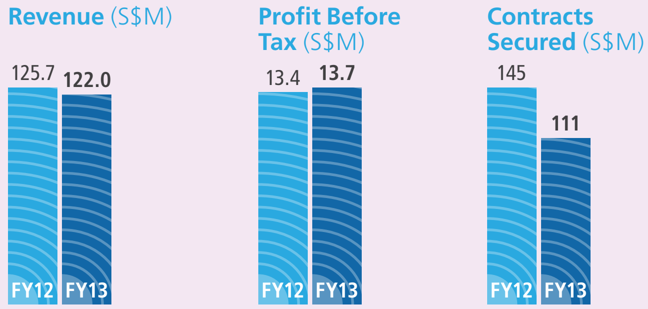


Revenue by Division	FY12	FY13
Energy-Related Engineering	31%	**24%**
Water & Wastewater Engineering	10%	**5%**
Real Estate Solutions	33%	**49%**
Geo-Spatial Technology	26%	**22%**

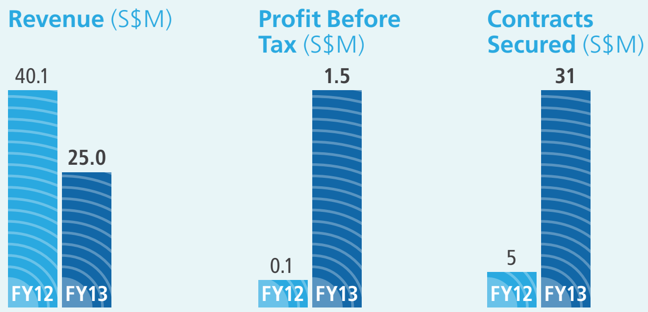




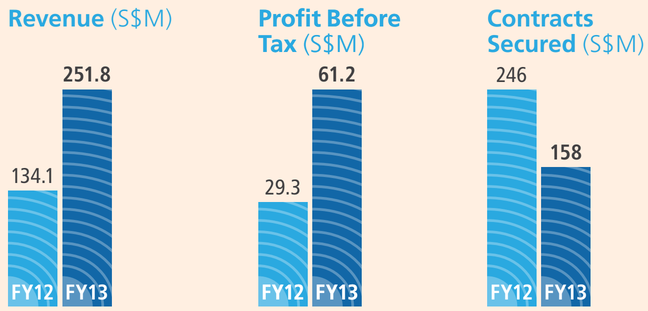
ENERGY-RELATED ENGINEERING



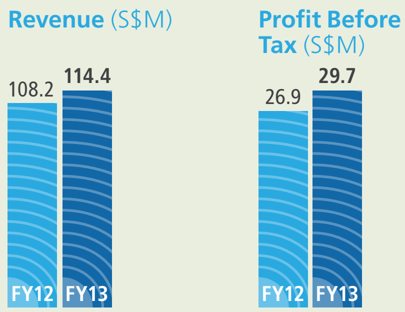
WATER & WASTEWATER ENGINEERING



REAL ESTATE SOLUTIONS



GEO-SPATIAL TECHNOLOGY



Global
PRESENCE

Projects undertaken in 84 countries

PROJECTS TRACK RECORD

- ENERGY-RELATED ENGINEERING
- WATER & WASTEWATER ENGINEERING
- REAL ESTATE SOLUTIONS
- GEO-SPATIAL TECHNOLOGY

PROJECTS ONGOING IN FY2013

- ENERGY-RELATED ENGINEERING
- WATER & WASTEWATER ENGINEERING
- REAL ESTATE SOLUTIONS
- GEO-SPATIAL TECHNOLOGY

NORTH AMERICA

- Canada
- Dominican Republic
- Mexico
- Netherlands Antilles
- U.S.A.

SOUTH AMERICA

- Argentina
- Bolivia
- Brazil
- Chile
- Peru
- Venezuela

EUROPE

- Austria
- Belgium
- Cyprus
- England
- Finland
- Germany
- Greece
- Hungary
- Ireland
- Isle of Man
- Italy
- Lithuania
- Netherlands
- Norway
- Poland
- Russia
- Scotland
- Slovakia
- Spain
- Switzerland
- Turkey
- Ukraine
- Wales

AFRICA

- Algeria
- Angola
- Egypt
- Equatorial Guinea
- Gabon
- Ghana
- Libya
- Nigeria
- Tanzania
- Tunisia

** Order book backlog as at the end of FY2013 plus new orders secured since then.*

ASIA

Azerbaijan	Macau	Taiwan
Bahrain	Malaysia	Thailand
Bangladesh	Maldives	Timor-Leste
Brunei	Oman	Turkmenistan
China	Pakistan	U.A.E.
Hong Kong	Philippines	Vietnam
India	Qatar	
Indonesia	Saudi Arabia	
Japan	Singapore	
Jordan	South Korea	
Kuwait	Sri Lanka	

AUSTRALIA & OCEANIA

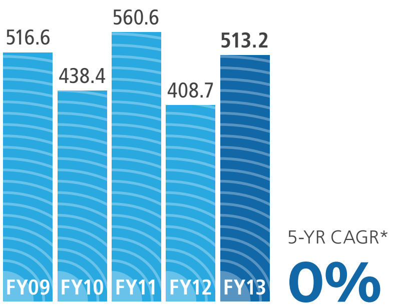
Australia
New Caledonia
New Zealand
Papua New Guinea

Financial
HIGHLIGHTS

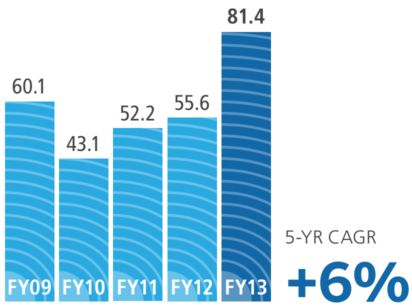
	31 Mar 13 S$'000	31 Mar 12 S$'000	31 Mar 11 S$'000	31 Mar 10 S$'000	31 Mar 09 S$'000
REVENUE AND PROFITS					
Revenue	**513,198**	408,695	560,572	438,398	516,625
Gross profit	**177,402**	146,028	178,080	132,616	143,050
Profit before income tax	**97,423**	71,928	73,573	58,964	81,386
Profit for the year	**84,480**	58,416	58,578	47,126	65,484
Profit for the year attributable to owners of the company	**81,357**	55,584	52,235	43,066	60,113
Cash/Scrip dividends	**(35,154)**	(25,264)	(35,446)	(27,841)	(20,370)
STATEMENT OF FINANCIAL POSITION					
Equity attributable to owners of the company	**300,868**	254,454	229,416	213,307	194,329
Non-controlling interests	**11,458**	9,878	8,053	17,264	14,441
CAPITAL EMPLOYED	**312,326**	264,332	237,469	230,571	208,770
Property, plant and equipment	**18,545**	17,159	15,775	21,891	24,320
Investment properties	**50,346**	52,142	13,463	6,661	6,809
Goodwill	**1,568**	1,580	1,536	1,613	51
Other intangible assets	**1,829**	1,754	1,875	2,143	94
Investments in associates	**2,787**	2,787	5,192	5,192	39,240
Available-for-sale investments (non-current)	**32,340**	48,896	9,684	5,550	4,420
Net deferred tax assets	**955**	1,106	520	2,202	1,869
Net current assets	**232,323**	158,808	212,871	207,469	157,323
Non-current liabilities (excluding deferred tax liabilities)	**(28,367)**	(19,900)	(23,447)	(22,150)	(25,356)
ASSETS EMPLOYED	**312,326**	264,332	237,469	230,571	208,770
FINANCIAL STATISTICS					
Operating profit over turnover (%)	**19.0**	17.6	13.1	13.4	15.8
Return on owners' equity (%) (Note[1])	**27.0**	21.8	22.8	20.2	30.9
Gross dividend per ordinary share (cents)	**7.0**	5.0	7.0	5.5	4.0
Dividend cover (times)	**2.3**	2.2	1.5	1.5	2.9
Basic earnings per ordinary share (cents) (Note[2])	**16.2**	11.0	10.3	8.5	11.7
Net asset value per ordinary share (cents) (Note[3])	**60.0**	50.4	45.3	42.2	37.8

Notes:
1. *Based on profit for the year attributable to owners of the company divided by equity attributable to owners of the company.*
2. *Based on profit for the year attributable to owners 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 owners of the company divided by number of ordinary shares in issue at end of financial year ended 31 March.*

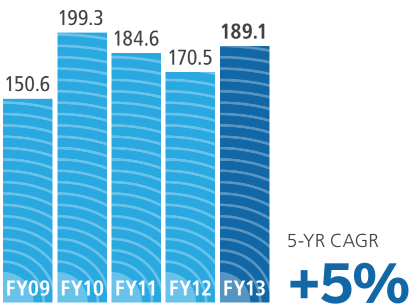
Group Revenue (S$M)



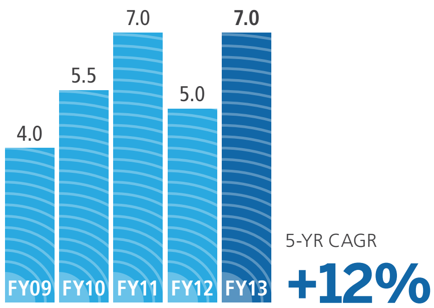
Group Net Profit (S$M)



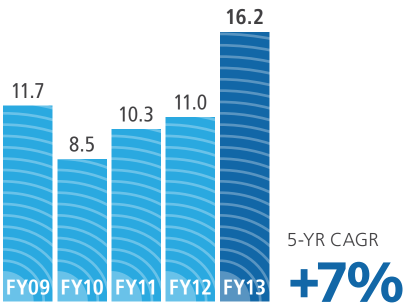
Net Cash Position (S$M)



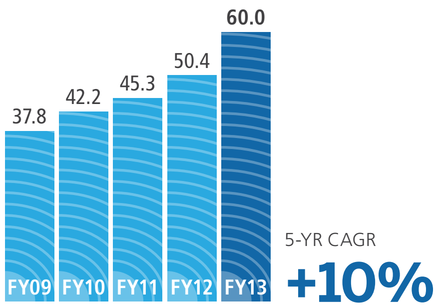
Gross Dividend Per Ordinary Share (Cents)



Earnings Per Ordinary Share (Cents)



Net Asset Value Per Ordinary Share (Cents)



* *Refers to 5-year compounded annual growth rate.*

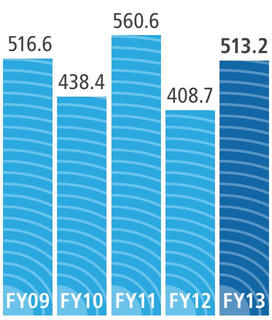
Chairman's MESSAGE

We made our mark financially by delivering a new record net profit attributable to the owners of our company of S$81.4 million, far in excess of the previous record set of S$60.1 million in FY2009.

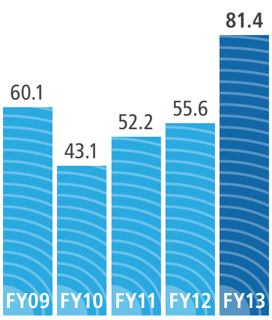
Wong Fong Fui

Chairman & Group Chief Executive Officer

Group Revenue (S$M)



Group Net Profit (S$M)



Dear Fellow Shareholders,

It gives me great pleasure to present to you the Boustead FY2013 Annual Report for the financial year ended 31 March 2013.

This year's theme for the annual report is "Making our mark", a statement that could not be more true in several respects. Firstly, we made our mark geographically, expanding our business in our homeground of the Asia Pacific, while also intensifying our presence in North America and setting foot in Finland, a new market that lifts our track record to 84 countries. Secondly, we made our mark in specific industries, undertaking important projects in sectors such as shale gas, high-tech manufacturing, logistics and geo-spatial technology. Finally and most significantly, we made our mark financially by delivering a new record net profit attributable to you – the owners of our company – of S$81.4 million, far in excess of the previous record set of S$60.1 million in FY2009. This was all achieved on the backdrop of S$513.2 million in revenue, an increase of 26% over that achieved for FY2012.

To be fair, the record net profit for FY2013 was boosted by several items which were bonuses to the Group. After waiting patiently for a response to tax evaluations on assets which had been sold eight years ago, the tax authorities finally concluded evaluations in our favour, resulting in S$8.3 million in write-backs of tax overprovisions and a tax refund – certainly worth the wait. In addition, we registered a S$5.8 million gain on the disposal of an available-for-sale investment in a self-storage business, selling it for nearly double our investment, just another small example of the Group's ability to unlock value over the years. Lastly, before the end of FY2013, we received the Temporary Occupation Permit for a S$38 million building which had been scheduled to be completed and sold only in FY2014. Due to our expertise in fast-track design and construction, the delivery of the building and subsequent completion of the sale and purchase agreement took place in FY2013 instead and resulted in an early pay cheque from the client.

FY2013 – Broad-Based Profitability
In FY2013, we achieved broad-based profitability across all four core operating divisions, with our Real Estate Solutions Division and Geo-Spatial Technology Division leading the way.

Our best performer, the Real Estate Solutions Division has proven to be a pillar of strength during challenging times and has been our largest revenue generator for six consecutive years. This division delivered S$251.8 million in revenue, 88% higher than in FY2012 and accounting for almost half of the Group's revenue in FY2013. Profit before tax reached a new record level of S$61.2 million. The excellent performance was made possible by the extremely large value of design-and-build contracts carried through from FY2012. That being said, conditions in the industrial real estate market in Singapore were sluggish in FY2013 and will continue to be so in the coming year, with challenges on three fronts: 1) the low interest rate environment has created speculation and driven up industrial land prices to unprecedented levels; 2) the labour crunch shows no signs of abating and will only get worse; and 3) the competition is hungrier, meaning that the competitive landscape is becoming harsher. We foresee a challenging environment in FY2014. However, given our excellent brand name and reputation in the industrial real estate market, we believe in our ability to turn in a decent year, both in terms of new contract awards and financial performance.

Revenue at the Energy-Related Engineering Division was S$122.0 million, down 3%. In contrast, profit before tax improved to S$13.7 million, an increase of 2%, as this division moved onto the execution of projects with improving margins and in major oil & gas producing regions outside of the Middle East such as Australia, Europe, North America and South America. This division played catch-up for most of FY2013, as the extremely slow start to the year forced the division to accelerate revenue contribution with each subsequent quarter of FY2013. During the year, this division secured a milestone contract in the US to supply our process heater systems to a chemical complex which will turn shale gas feedstock into valuable chemicals – frankly, shale gas excites me. Since FY2014 began in April, this division has also already managed to secure over S$90 million in new contracts, which is not far from the S$111 million in contracts secured for the whole of FY2013. The outlook for this division is bright.

For the second straight year, the Water & Wastewater Engineering Division stayed in the black, with revenue of S$25.0 million and profit before tax of S$1.5 million. Revenue fell 38%, while profit before tax rose 1,400%, unsurprising given the low base of FY2012. Our main focus for this division will be on securing more contracts and on developing partnerships with leading European water technology corporations to complement our process expertise. In this way, we will be able to offer solutions to our clients in niche markets with higher barriers to entry, where the criteria for contract awards is based more on access to process design, technology and track record. In doing so, we would be in a better position to compete more effectively and enjoy better profit margins.

Displaying a stellar performance yet again, the Geo-Spatial Technology Division recorded revenue of S$114.4 million and profit before tax of S$29.7 million, both being new records for the division. This division has now achieved 11 consecutive years of revenue growth, starting in FY2003 when revenue was just S$32.7 million. The compounded annual growth rate over the period has been 12.1% and is slightly higher than the single-digit growth we are expecting in the medium-term to long-term.

The proposed final dividend of 3 cents per share and special dividend of 2 cents per share should be well received. Altogether with the 2 cents per share paid in the interim, the 7 cents per share payout is 40% above that for FY2012

Chairman's
MESSAGE

Since recommencing annual dividend payments in FY2003, we have paid out an average of 46% of our earnings, a decent level which is in fact higher than the average for the S&P 500.

and represents a dividend yield of about 7% on the share's average closing price for FY2013. Since recommencing annual dividend payments in FY2003, we have paid out an average of 46% of our earnings, a decent level which is in fact higher than the average for the S&P 500.

This year, we will give you the option of taking your dividend in cash or scrip with its attendant incentives. It is really up to you as to which you prefer. The offer of scrip may meet your objectives if you are a long-term shareholder with faith in our ability to unlock value, something that we have clearly demonstrated on many occasions in the past.

Four Divisions, the Rational Choice for Now

One question that is frequently posed to me is: "Why not rationalise Boustead? Why not focus on just one business?" Global financial markets often dictate to corporations that rationalisation is the best choice. In other words, a corporation should focus on just one business. This is obvious from the higher price-to-earnings multiples that global financial markets regularly give to corporations which focus on a single business. However, the Financial Crisis in 2008 exposed the flaws in such thinking. Since then, many corporations – especially smaller corporations – dependent on a single business have seen their financial performance falter and prospects dwindle, largely due to the fact that their only business is caught in a downward cycle. Moreover, the current extended period of low growth globally means that it is more challenging for these corporations to avoid significant drops in performance.

On the other hand, having four core operating divisions is the rational choice for us. Let me explain to you the rationale.

Although the common theme running through all four divisions is infrastructure, the outlooks for each division differ significantly at various points in time. You would probably have noticed that over the past five years, some of our divisions have rotated positions in outperforming others. There has also never really been a point in time when all four divisions are underperforming together. In situations where two divisions perform while two are down, or three perform while one is down, our shareholders are assured that our performance does not fall off the cliff and there is a level of profit stability even in uncertain and volatile times.

In FY2014, this rationale still holds. Our best performer, the Real Estate Solutions Division is set for a continuation of challenging times carried through from last year. However, the challenges that the Real Estate Solutions Division is facing will be partially offset by bright spots at the Energy-Related Engineering Division and Geo-Spatial Technology Division. We will not be caught out by the cycle of just one division.

Despite the fact that global financial markets may have difficulty with our four divisions, we would rather not follow the path of rationalisation for the sake of rationalisation. Instead, our focus will be on building value in our four divisions and unlocking that value on our own set of terms so that shareholders are not short changed. The various options including divestments, mergers and spin-offs of any of our four divisions can only take place at the right price, right size and right time.

Letting Go and Looking Forward

Having held onto our investment in ASX-listed OM Holdings Ltd ("OMH") for slightly over a year, we decided to part with this investment that looked so promising at the beginning that I once used the term "blue sky" to describe it. When a relationship is not going as planned and one is not in the driver's seat, then difficult decisions like separation need to be made. The fortunate part was that we managed to exit at a price in excess of our initial investment, chocking up a slight profit in the process.

We exited OMH without hurting ourselves in the process due to two lessons. The first lesson is that when one enters an investment, other than looking at the big picture, business, financials and prospects of the investment – the blue sky – one also needs to assess the exit strategy, the ground beneath our feet. This is part of risk management, figuring out a way to safeguard our investment should things turn sour. Fortunately for us, we knew where the back door was even before we entered the front door. The second lesson is to know when to exit. Our decision to exit came the moment that we sensed that we would not be a valued partner in the relationship. We entered into the investment having been assured by OMH that we would be treated as a strategic partner in the construction of OMH's mega smelter project in Sarawak, Malaysia. Project management is one of our key strengths and one of the major positives that we expected to add to OMH's project. When that did not materialise, our participation in the project was reduced to that of only a passive investor, far from what we had expected of a truly strategic relationship. Thus, it was better for us to leave the ship when we realised that our strength was not needed to guide the ship as we would never know when we may enter rough waters – and not through our own decisions! Exit strategy must be a key consideration in all major investments.

OMH may be gone but other opportunities will come knocking. The current low interest rate environment may be forcing everybody, even the most conservative into riskier assets. However, this is a situation that cannot go on forever. As I said in the FY2013 audiocast, the pendulum will have to swing back. When that happens, it will probably be very swift and our net cash position of S$189.1 million will put us in an enviable position to drive value creation.

In FY2013, we made two investments with longer gestation periods. First, we pumped S$20.1 million into a 4% stake in the first phase of a promising mixed development at the heart of Tongzhou, the next central business district of Beijing. The projected development cost for the first phase is RMB15,800 per square metre of gross floor area, a very attractive price that provides a good margin of safety and plenty of upside. Second, we entered into a joint venture for utility-scale solar power plant projects in Japan, a small start-up with the potential to generate long-term recurring income. We are looking into building up a renewable energy asset portfolio that could be made up of assets such as solar power and hydro power, along with any other interesting renewable source that comes along.

Although we won just one design-build-and-lease deal in FY2013 with Jabil, a Fortune 500 corporation, we still have funds earmarked for the expansion of our industrial leasehold portfolio. We would like to bring this portfolio far beyond the current 101,000 square metres. We will continue to actively explore several options to unlock the value of the portfolio.

Our order book backlog of over S$390 million (as at the end of FY2013 plus new orders secured since then) is at a much healthier level than it was at the same point last year. We will not be able to repeat the record performance of FY2013 but we are certainly well positioned to deliver a decent level of profit.

It will be business as usual in FY2014.

A Word of Appreciation

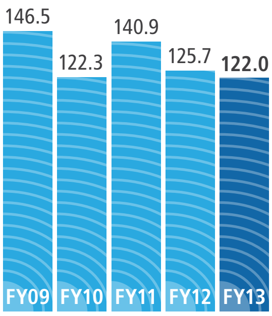
I would like to extend my deepest gratitude to our management and staff around the world, to whom the credit belongs for the record net profit and other corporate achievements. I would also like to extend my thanks to all of our clients, bankers, business associates, suppliers and shareholders for your unwavering support.

Thank you for putting your trust in us. I look forward to seeing you at our upcoming Annual General Meeting.

WONG FONG FUI
Chairman & Group Chief Executive Officer

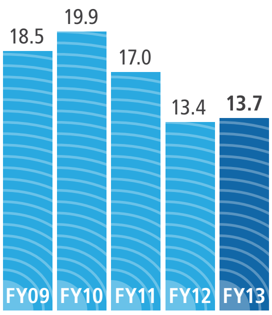
Energy-Related
ENGINEERING

Division Revenue (S$M)



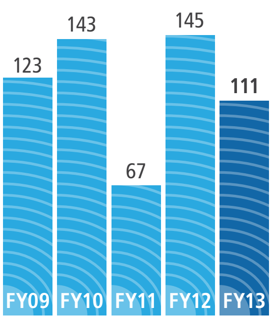
YEAR-ON-YEAR
-3%

Division Profit Before Tax (S$M)



YEAR-ON-YEAR
+2%

Division Contracts Secured (S$M)



YEAR-ON-YEAR
-23%

Crude oil heaters, Azerbaijan

S$122.0m

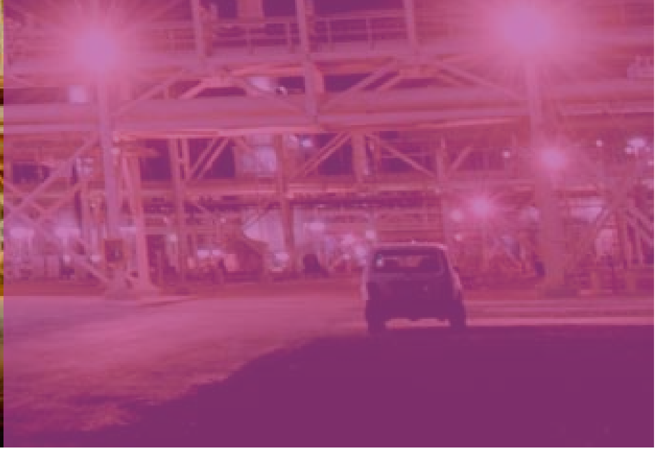
DIVISION REVENUE IN FY2013

S$13.7m

DIVISION PROFIT BEFORE TAX IN FY2013

S$111m

DIVISION CONTRACTS SECURED IN FY2013



Energy-Related

ENGINEERING

Major Contract Awards & Achievements in FY2013

APR – JUN 2012
Algeria, Australia, Bolivia, Canada, China, Hong Kong, Indonesia, Malaysia, Pakistan and Saudi Arabia
S$40 million

6MW mini-power plant and key large-scale process heater systems, WHRUs, process control systems and HPUs for upstream and downstream oil & gas developments

JUL – SEP 2012
India, Malaysia, UK and US
S$54 million

Key large-scale process heater systems, WHRUs and process control systems for upstream and downstream oil & gas developments

OCT – DEC 2012
Australia, Bangladesh, India and Vietnam
S$8 million

Process heater system modifications, process control systems and CI skids for upstream and downstream oil & gas developments

JAN – MAR 2013
India, Oman, Turkmenistan, UK and Vietnam
S$9 million

WHRUs, process control systems and CI skids for upstream and downstream oil & gas developments

In FY2013, the Energy-Related Engineering Division attained revenue of S$122.0 million and profit before tax of S$13.7 million, a decrease of 3% and an increase of 2% year-on-year respectively.

Revenue and profit contributions came from business units in the:
1. Oil & gas and petrochemical infrastructure sectors; and
2. Mini-power plant and solid waste energy recovery plant sectors.

Downstream Oil & Gas/Petrochemical Infrastructure

Boustead International Heaters ("BIH") is a leading global specialist in designing, engineering and supplying direct-fired process heater systems, waste heat recovery units ("WHRUs") and once through steam generators to the downstream oil & gas and petrochemical industries.

During FY2013, BIH executed more than 30 projects across six continents, delivering key large-scale process heater systems and WHRUs to energy developments undertaken by global Engineering, Procurement & Construction ("EPC") clients and multinational and national oil & gas clients. BIH progressed on projects for end-user clients including almost 50% of the world's top 25 oil & gas corporations, namely BP, Chevron, ConocoPhillips, ExxonMobil, PDVSA, Petrobras, Petronas, Saudi Aramco, Shell, Sonatrach, Statoil and Total. Revenue contributions from process heater systems and WHRUs were well balanced.

Throughout FY2013, BIH continued to secure contracts from a healthy enquiry pipeline, which was sustained by decisions of multinational and national oil & gas corporations to proceed with sizeable investments in both upstream and downstream oil & gas infrastructure, including related petrochemical plants.

BIH achieved a number of firsts in FY2013. BIH extended its global footprint into two new markets in Asia: Hong Kong and Pakistan. In Pakistan, BIH was awarded a contract for the supply of WHRUs to a power plant, which represents its second contract in the power industry. In addition, BIH also secured its first contract to supply WHRUs for a floating liquefied natural gas ("FLNG") development. FLNG facilities are the latest innovation by LNG producers to create more cost effective and mobile facilities that can be deployed directly above natural gas fields to produce, liquefy, store and transfer LNG onsite, instead of via the conventional method of fixed infrastructure.

In Australia – BIH's most active market for LNG developments – BIH progressed on schedule on nine projects for LNG developments in Northern Territory, Queensland and Western Australia. BIH also made further headway in Australia with the award of two new contracts with repeat clients during the year.

In Europe, even the economic recession did not stop BIH from capturing four contracts in the region, all emanating from energy developments in the North Sea.

Among its major achievements for the year, BIH secured its largest contract in the past six years, further strengthening its reputation as a leading global heat transfer expert. The S$39 million contract is for the design and supply of key large-scale process heater systems to be installed at a new plant owned by a global chemical giant. With BIH's equipment in place, the plant will be able to eventually produce propylene, a high value intermediate product used for manufacturing a wide array of plastic chemical products including acrylic fibres, food packaging, PVC plastics and resins. This project will be BIH's platform to showcase its capabilities in the US.

Going forward in FY2014, the prospects for BIH look bright. BIH has already secured more than S$90 million in new contracts in Brunei, Canada, Finland, Saudi Arabia and the US. In May 2013, BIH together with consortium partner, GE Oil & Gas, secured a landmark contract from Brunei's national power producer, Berakas Power Company. This contract is BIH's third in the power industry.

Chemical injection skid, India

Regeneration gas heater, Algeria

With investment activity slowing down significantly in the Middle East, BIH will be focused on more positive developments in Asia, North America and South America. In the US, huge shale gas reserves and technologies like hydraulic fracking and horizontal drilling have made shale gas exploration and production more cost effective, resulting in exciting new opportunities. BIH will also continue to pursue opportunities to supply process heater systems and WHRUs to upcoming energy developments including oil refineries, petrochemical plants, gas processing plants, FLNG facilities and power stations globally.

Upstream Oil & Gas Infrastructure

Boustead Controls & Electrics ("BC&E") is a well-recognised leader in designing, engineering and supplying wellhead control systems, hydraulic power units ("HPUs"), integrated control & safety shutdown ("ICSS") systems, chemical injection ("CI") skids, fire & gas detection systems and other process control systems to the upstream oil & gas industries. It also supplies fuel skids, instrumentation equipment and burner management systems to sister companies such as BIH.

During FY2013, BC&E completed and made significant progress on over 25 projects across major oil producing markets, mainly in the Middle East, India and the Asia Pacific, where investments in upstream oil & gas exploration and production infrastructure were stable due to high global crude oil prices. BC&E continued to execute many projects undertaken by repeat EPC clients for end-user clients such as ONGC and Saudi Aramco.

The enquiry pipeline for wellhead control systems, HPUs and emergency shutdown systems was healthy, mostly coming from EPC corporations, and multinational and national oil & gas corporations. However, the market for ICSS systems remained subdued.

FY2013 marked several firsts for BC&E. A landmark S$4.6 million contract for the supply of 63 wellhead control panels to Oman was secured against stiff international competition and represents BC&E's entry into the upstream market in this strategic nation. BC&E also secured its first significant contracts for CI skids from British Gas and Dragon Oil (UAE), opening up the market for this product category. The CI skids for Dragon Oil are destined for Turkmenistan, a growing niche market where BC&E's product quality has earned it preferred vendor status with certain clients. Wellhead panels for the oil & gas industries in Vietnam were another first after last year's success in supplying ICSS systems for two platforms in the country.

In June 2012, BC&E's wholly-owned subsidiary in India became operational, offering engineering support services to Singapore, helping to reduce costs and placing BC&E in a more competitive position. For the coming year, BC&E also intends to set up a base in a developing country to further enhance its competitiveness.

Leveraging on its strong track record in key markets across the Middle East, India and the Asia Pacific, BC&E will remain focused on securing opportunities in the upstream oil & gas industries, particularly for wellhead control systems, HPUs and ICSS systems.

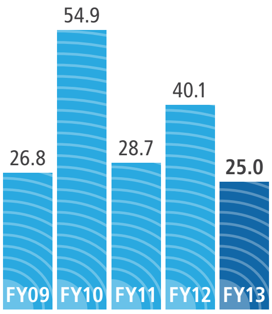
Solid Waste Energy Recovery

Boustead Maxitherm ("BM") is a leading regional specialist in designing, engineering and supplying mini-power plants, solid waste energy recovery plants and associated combustion technology.

In FY2013, BM progressed on the construction of its two main projects: a 20MW coal-fired steam mini-power plant in Papua and a 6MW coal-fired steam mini-power plant in the Talaud Islands. Both projects are being carried out for the same client, PLN, the national power corporation of Indonesia.

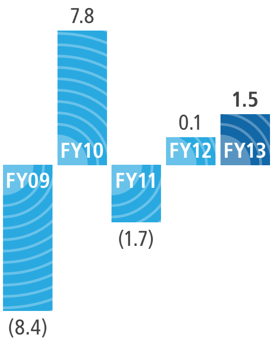
Water & Wastewater
ENGINEERING

Division Revenue (S$M)



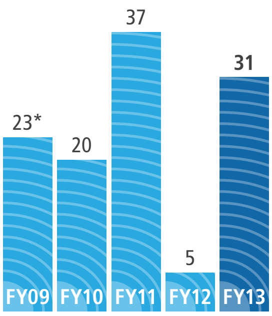
YEAR-ON-YEAR
-38%

Division Profit Before Tax (S$M)



YEAR-ON-YEAR
+1,400%

Division Contracts Secured (S$M)



YEAR-ON-YEAR
+520%

* *Removed S$114 million from the order book due to the withdrawal from the water infrastructure system project in Libya.*

S$25.0m

DIVISION REVENUE IN FY2013

S$1.5m

DIVISION PROFIT BEFORE TAX IN FY2013

S$31m

DIVISION CONTRACTS SECURED IN FY2013

Desalination, demineralisation and wastewater treatment plants at Tanjung Jati B Power Station, Indonesia

Water & Wastewater ENGINEERING

Major Contract Awards & Achievements in FY2013

APR 2012
Singapore

16,840 cu m/day* demineralisation plant and 11,320 cu m/day condensate polishing plant for Sembcorp Industries Banyan Multi-Utilities Facility

SEP 2012
China

40,000 cu m/day wastewater treatment plant at pulp and paper mill

FEB 2013
Taiwan

118,560 cu m/day condensate polishing plant for Toshiba at Taipower ultra supercritical thermal power plant

MAR 2013

Achievement of zero accidents in FY2013

* *Refers to cubic metres per day.*

In FY2013, the Water & Wastewater Engineering Division experienced a 38% fall in revenue to S$25.0 million. However, profit before tax increased to S$1.5 million, up 1,400% on the low base of FY2012.

The division is represented by Boustead Salcon Water Solutions ("BSWS"), a leading global water & wastewater engineering specialist and Singapore's largest ion exchange specialist in the energy sector. BSWS' in-depth domain expertise and vast experience focuses on seawater desalination, ion exchange and wastewater reclamation. With more than 800 installations in 60 countries worldwide, BSWS has delivered projects across the oil & gas, petrochemical, pharmaceutical, power, semiconductor and special defence industries, as well as for municipal authorities.

Unlike its competitors, BSWS is a fully integrated Engineering, Procurement, Construction & Maintenance ("EPCM") contractor, which in synergy with sister company, Boustead Projects ("BP"), is approved by the Building & Construction Authority of Singapore for Grade ME11-L6 and Grade CW01-A1 to execute mechanical, electrical and civil contracts of unlimited value. In addition, BSWS has the outstanding distinction of being one of an exclusive group of Asian specialists outside of Japan to be a pre-qualified vendor to several of the world's largest EPC corporations.

In FY2013, BSWS took a bold step to put in place a strategic refocus of the existing core business to target very niche areas of the power and oil & gas industries, currently the domain of only the best European and Japanese water treatment specialists. Although future revenue may be reduced due to this strategy, margins are more attractive than in the more competitive arena of providing mainstream solutions. With its gradual shift away from the traditional water business and its differentiation from mainstream competitors, BSWS is quickly gaining acceptance with Japanese and South Korean EPC clients.

BSWS' industrial water and wastewater treatment projects progressed on schedule across six countries in the Asia Pacific and Middle East, with key clients including Abu Dhabi Sewerage Services, GMR Energy, Huaneng Tuas Power, JGC, Lilama, Marubeni, Mitsubishi Heavy Industries, PetroVietnam, PLN, Samsung C&T, Sembcorp Industries, Sumitomo, Toshiba and YTL PowerSeraya.

In its homeground of Singapore, BSWS progressed to the final stages of several major projects. BSWS is currently commissioning a 16,840 cubic metres/day demineralisation plant and 11,320 cubic metres/day condensate polishing plant at Sembcorp Industries' Banyan Multi-Utilities Facility on Jurong Island. Both water treatment plants will support Sembcorp Industries' capacity to provide an integrated supply of steam, water and wastewater treatment services to its industrial clients in the Banyan sector of Jurong Island.

Separately on Jurong Island, BSWS completed another two projects for end-user clients, GMR Energy and Huaneng Tuas Power. GMR Energy will draw high grade pure boiler feedwater from a 480 cubic metres/day demineralisation plant built by BSWS to run utility boiler systems at GMR Energy's 800MW combined cycle power plant. At Huaneng Tuas Power's Tembusu Multi-Utilities Complex Biomass and Clean Coal Cogeneration Plant, BSWS completed two wastewater treatment plants which will assist in the treatment and safe discharge of oily wastewater and coal ash wastewater.

Having engineered water and wastewater treatment solutions for five out of Singapore's six power generation corporations including GMR Power, Huaneng Tuas Power, Sembcorp Industries, Senoko Energy and YTL PowerSeraya, which together account for 95% of Singapore's estimated 9.8GW of power generation capacity, BSWS has cemented its position as Singapore's largest ion exchange specialist in the power sector.

Demineralisation plant at GMR Energy 800MW combined cycle power plant, Singapore

Demineralisation plant jointly delivered by BSWS and BP at Tuas Power Tembusu Multi-Utilities Complex, Singapore

Elsewhere in South East Asia, BSWS extended its track record in the oil & gas industries with the construction of a 2,640 cubic metres/day water treatment plant at the Donggi-Senoro LNG Project in Indonesia. The LNG plant, consisting of a single LNG processing train is the first project in Indonesia to adopt a downstream development model and will have the capacity to produce two million tonnes of LNG per annum for sale primarily to Japan and South Korea.

Having completed the UAE's first water reclamation plant during FY2013, BSWS is currently operating and maintaining the new 27,700 cubic metres/day water reclamation plant in Abu Dhabi under a five-year service contract. BSWS will be tapping on its experience in operations and maintenance, having previously undertaken these activities for industrial and municipal clients including Senoko Energy and the Public Utilities Board ("PUB") of Singapore. Under service contracts with Senoko Energy and the PUB, BSWS provided technical expertise in managing integrated control systems, water treatment operations and wastewater management for the continued succession of the plants.

In terms of business development, there was a healthy enquiry pipeline, with the majority of enquiries coming from international EPC corporations focused in the power and oil & gas industries. Despite a highly competitive environment, BSWS rebuilt its order book by securing S$31 million in contracts in FY2013, a marked recovery from a year earlier. BSWS also made headway in China and Taiwan, two markets in which it had not secured any projects for a number of years.

The contract secured in China involves the design and construction of a 40,000 cubic metres/day wastewater reclamation plant for a pulp and paper mill. The plant employs an advanced membrane technology including ultrafiltration and reverse osmosis to produce high grade industrial water for the mill. Civil works are nearing completion, with operations expected to commence by the end of 2014.

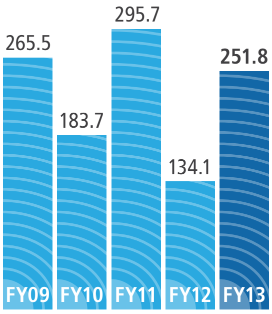
In Taiwan, BSWS was awarded a contract to design and construct a 118,560 cubic metres/day condensate polishing plant for a 1,600MW ultra supercritical coal-fired thermal power plant operated by Taiwan Power Company ("Taipower"). The condensate polishing plant employs an advanced ion exchange technology to produce high grade pure boiler feedwater for the thermal power plant, which is more energy-efficient and environmentally-friendly as compared to existing traditional coal-fired power plants. Upgrading the thermal power plant is a critical part of Taipower's Long-Term Power Development Program to install 23.7GW of new capacity by 2022 and replace existing less energy-efficient power generating units.

Shortly after the close of FY2013, BSWS was also awarded its maiden contract for end-user Petronas, the national oil & gas corporation of Malaysia. The contract involves the design and construction of water and wastewater treatment plants at the Petronas LNG Complex in Bintulu, Sarawak. The water and wastewater treatment plants will cater to LNG Train 9, which is expected to add an additional 3.6 million tonnes of LNG production capacity per annum to the existing 24 million tonnes per annum at the Petronas LNG Complex.

The global water industry continues to be highly competitive, with contract negotiation periods expected to be protracted. In FY2014, BSWS will centre its business development efforts in the Asia Pacific, including markets in South East Asia where there are greater opportunities for demineralisation, seawater desalination and wastewater reclamation solutions arising from new energy developments. In its homeground of Singapore and around the region, BSWS will target prospects in the power industry where it is the supplier of choice. FY2014 will see BSWS continue its journey of transformation into a higher-value added player in the water industry.

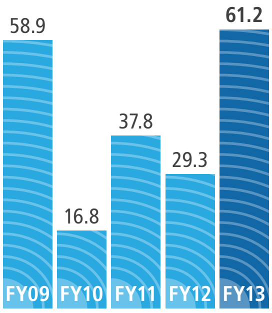
Real Estate
SOLUTIONS

Division Revenue (S$M)



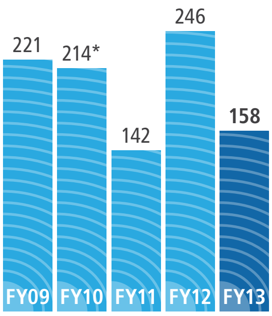
YEAR-ON-YEAR
+88%

Division Profit Before Tax (S$M)



YEAR-ON-YEAR
+109%

Division Contracts Secured (S$M)



YEAR-ON-YEAR
-36%

* *Removed S$201 million from the order book due to the withdrawal from the new township project in Libya as a result of the civil war.*

101,850 sq m

INDUSTRIAL LEASEHOLD PORTFOLIO SIZE (GFA)

S$251.8m

DIVISION REVENUE IN FY2013

S$61.2m

DIVISION PROFIT BEFORE TAX IN FY2013

S$158m

DIVISION CONTRACTS SECURED IN FY2013

Perspective of DB Schenker integrated ramp-up logistics and office facility at Tampines LogisPark, Singapore

Real Estate
SOLUTIONS

Major Contract Awards & Achievements in FY2013

MAY 2012
Singapore

20,020 sq m* integrated manufacturing and technology centre for Jabil Circuit**

JUN 2012
Singapore
S$14 million

9,650 sq m integrated food processing and office facility for RE&S

JUL 2012
Singapore

WSH Performance Silver Award and SHARP for SDV Green Hub awarded by Workplace Safety & Health Council and Ministry of Manpower for excellence in safety and health

NOV 2012
Singapore
S$25 million

16,500 sq m integrated service repair, distribution and office facility for Satair

* *Refers to square metres.*
***Not included in order book.*

For the sixth consecutive year, the Real Estate Solutions Division turned in the best revenue performance among the divisions, registering revenue of S$251.8 million, a rise of 88%. Profit before tax surged by 109% to S$61.2 million, a new record.

The key company of this division, Boustead Projects ("BP") is a leading industrial real estate solutions provider in Singapore, with core engineering expertise in the design-and-build, and development of industrial facilities for multinational corporations and local enterprises. To date, BP has constructed and developed more than four million square metres of industrial real estate in Singapore, China, Malaysia and Vietnam. BP is approved by the Building & Construction Authority of Singapore for Grade CW01-A1 to execute civil contracts of unlimited value.

During FY2013, BP progressively recognised revenue on a sizeable order book backlog of design-and-build projects in Singapore, which was the main reason for the division's strong performance. BP completed nine design-and-build projects in the aerospace, automotive, food processing, logistics, manufacturing, pharmaceutical and technology industries. Riding on its strength in fast-track design and construction programmes, BP consistently delivered industrial facilities within a timeframe of 12 to 18 months, from the concept proposal phase to the final handover of completed facilities to clients.

With a noteworthy track record of 15 projects for clients in the aerospace industry, BP went on to deliver Bell Helicopter's 15,580 square metres integrated maintenance, repair and overhaul ("MRO") facility at the Seletar Aerospace Park ("SA Park") in Singapore. The MRO facility comes fully equipped with a paint booth and warehouse, and is a one-stop shop for comprehensive maintenance and customisation solutions catering to clients in the Asia Pacific.

At another aerospace project, BP progressed on the construction of an 8,900 square metres integrated test bed facility for repeat end-user client, Singapore Aero Engine Services, a tripartite joint venture between SIA Engineering Company, Rolls-Royce and Hong Kong Aero Engine Services. The facility is designed to handle and test the Rolls-Royce Trent XWB, 500, 700, 800, 900 and 1000 lines of civil aircraft engines. In a similar project, BP previously completed a 7,900 square metres integrated test bed facility for Rolls-Royce at the SA Park.

BP's first project within the Ang Mo Kio Industrial Park, ST Electronics' 50,000 square metres integrated manufacturing, technology and office facility, proceeded as planned on a very tight project schedule. The facility will provide dedicated space for manufacturing, R&D, logistics and administration.

In the logistics industry, BP continued to add to its enviable track record with the completion of two large logistics facilities. Earlier in FY2013, BP delivered the 42,100 square metres SDV Green Hub to SDV Logistics under a turnkey development arrangement. SDV Green Hub is the first facility in the logistics industry in Singapore to attain Green Mark Platinum and LEED Gold, and is the largest LEED Gold logistics hub in Asia, leading to SDV Logistics being awarded the Best Green Logistics Operator of the Year Award at the Asian Freight & Supply Chain Awards held in Beijing. Later in FY2013, BP also completed a second logistics facility destined for LEED Gold, a 34,500 square metres integrated ramp-up logistics and office facility for Kerry Logistics at the Tampines LogisPark ("TLP"). Earmarked for Green Mark Gold, the logistics facility serves as Kerry Logistics' regional headquarters in South East Asia.

BP enhanced its track record in several other industries. In the food processing industry, BP designed and built a 12,500 square metres chocolate processing facility for end-user, T&C Manufacturing Company. The facility is certified for hazard analysis and critical control points ("HACCP"), in line with international standards for food safety. BP also completed Greenpac's 18,000 square metres integrated manufacturing and R&D centre, named the Greenhub for its Green Mark Gold status and showcasing of Greenpac's eco-friendly business model. Extending its footprint into the healthcare/biomedical industry, BP delivered the Fortis Colorectal Hospital in Singapore. The hospital is Fortis Healthcare's 75th in Asia and the only healthcare facility dedicated to colorectal diseases management in South East Asia. These projects demonstrate BP's versatility in delivering facilities across a range of industries.

DEC 2012
Singapore
S$23 million

4,755 sq m
Robinson Square
for Oxley

JAN 2013
Singapore

1,125 sq m
antioxidant
production facility
for BASF

JAN 2013
Singapore

18,850 sq m
industrial facility for
AIMS AMP Capital
Industrial REIT

FEB 2013
Singapore
S$70 million

54,520 sq m
integrated ramp-up
logistics and office
facility for
DB Schenker

In FY2013, despite the challenging environment created by rising industrial land prices, keener competition and an increasing shortage of foreign labour in Singapore, BP secured design-and-build contracts valued at S$158 million. Almost all of these contracts were awarded during 2H FY2013.

The largest contract secured by BP during FY2013 was a S$70 million contract from DB Schenker for a 54,520 square metres integrated ramp-up logistics and office facility at the TLP. This project boosted BP's track record of logistics projects to more than 785,000 square metres regionally.

Another high-profile contract award was that from Airbus unit, Satair for a S$25 million integrated service repair, distribution and office facility at the SA Park – BP's seventh project there. BP also secured a landmark S$23 million contract from Oxley to build Robinson Square, BP's first commercial property project within Singapore's Central Business District.

Several other projects were secured including designing and building RE&S' HACCP-certified food processing facility, BASF's antioxidant production facility and AIMS AMP Capital Industrial REIT's redevelopment of an industrial facility.

Expanding the industrial leasehold portfolio, BP secured a design-build-and-lease project from Jabil Circuit – a Fortune 500 corporation – at the beginning of FY2013. The addition of the facility raised the portfolio's total gross floor area to 101,850 square metres. By the end of FY2013, BP was nearing completion on two in-progress projects for the portfolio: the 20,020 square metres integrated manufacturing and technology centre for Jabil Circuit at the Tampines Hi-Tech Park and a 6,490 square metres MRO facility for Bombardier Aerospace at the SA Park.

Going forward in FY2014, BP expects challenging conditions to persist, with a further reduction in foreign labour quotas and increase in levies. However, the Singapore government's recent measures to control speculation in the industrial property market should benefit corporations which have real needs for industrial space, especially if their businesses add value to the economy and focus on higher productivity. The enquiry pipeline remains relatively healthy with niche opportunities in the aerospace, healthcare/biomedical, high-tech manufacturing and R&D industries.

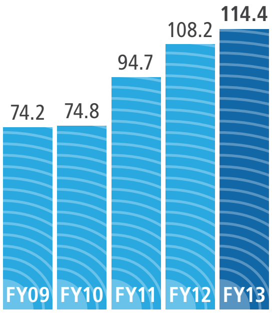
Regionally, BP is exploring design-and-build, development and co-development arrangements, with a particular focus on Iskandar Malaysia due to its geographic proximity. Iskandar Malaysia represents a good opportunity for BP to provide services to local enterprises who are looking to set up new operations or relocate existing operations.

Continental Automotive R&D and technology centre
at Kallang iPark, Singapore

SDV Green Hub, Singapore

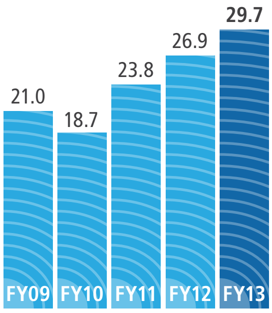
Geo-Spatial
TECHNOLOGY

Division Revenue (S$M)

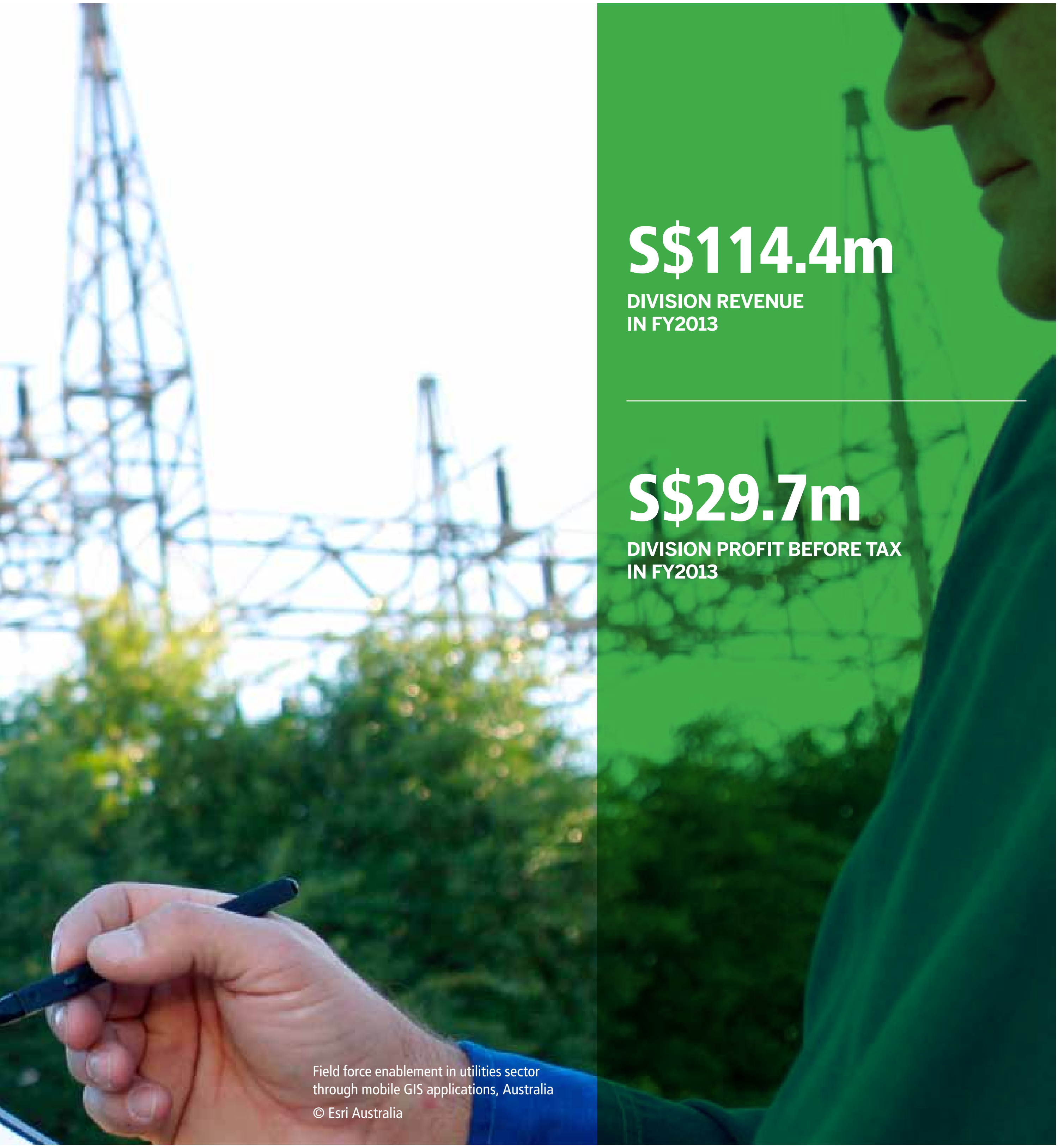


YEAR-ON-YEAR
+6%

Division Profit Before Tax (S$M)



YEAR-ON-YEAR
+10%



S$114.4m

DIVISION REVENUE IN FY2013

S$29.7m

DIVISION PROFIT BEFORE TAX IN FY2013

Field force enablement in utilities sector through mobile GIS applications, Australia

© Esri Australia

Geo-Spatial
TECHNOLOGY

Major Contract Awards & Achievements in FY2013

APR 2012
Australia
Cloud computing

Esri Australia participated in global launch of Esri Inc's first cloud-based solution, ArcGIS Online to offer SaaS

MAY 2012
Australia
Defence & intelligence

Esri Australia awarded largest contract from Defence to integrate GIS platform with SAP systems

MAY 2012
Malaysia
Government

Esri Malaysia awarded contract from Town & Country Planning Department and Royal Malaysia Police to develop SCMS

JUL 2012
Malaysia
Oil & gas

Esri Malaysia awarded contract from Petronas to implement GIS platform for operations management

JUL 2012
Indonesia
Oil & gas

Esri Indonesia awarded contract from Pertamina to implement GIS platform for exploration management

The Geo-Spatial Technology Division displayed steady revenue growth of 6%, with revenue hitting a new record of S$114.4 million in FY2013 – marking the division's 11th consecutive year of revenue growth. Profit before tax rose by 10% year-on-year to S$29.7 million, representing a new record as well.

The key companies in this division, Esri Australia and Esri South Asia (comprising Esri Singapore, Esri Malaysia and Esri Indonesia) provide professional services and are exclusive distributors of Esri geo-spatial technology – the world's leading geographic information systems ("GIS") – to major markets across the region. The division's GIS and professional services are used by thousands of organisations to effectively plan, deploy and manage key infrastructure and resources. The division is among the top five exclusive distributors in Esri Inc's global network.

Australia

In FY2013, Esri Australia was the main driver behind the division's record revenue and profit before tax, registering strong growth in software distribution and after-sales maintenance services.

During the year, Esri Australia was awarded a number of significant projects, one of which was with long-standing strategic partner – the Department of Defence ("Defence"). The win represents one of the most significant technology contracts awarded by Defence in Esri Australia's 34-year history. This landmark project aims to place Defence at the forefront of geo-spatial technology deployment in Australia, supporting superior decision making, analysis, planning and the management of almost A$62 billion worth of assets. Esri technology will form a core component of the information technology network and be directly integrated into SAP systems, linking data seamlessly from multiple platforms to create a single interface for all defence information.

Strengthening its leading position in the utilities market, Esri Australia secured two new clients, ActewAGL and Queensland Urban Utilities, which join a growing portfolio of large utility clients including Hunter Water, Power & Water, SA Power Networks, SP AusNet and Western Power ("WP"). During FY2013, Esri Australia completed the first phase of a project for WP, bringing to fruition more than four years' worth of efforts. Esri Australia deployed its self-developed and proprietary GIS solution – Dekho – to combine data from WP's existing systems into a single solution, allowing for overloaded grid sectors to be quickly identified, along with future network development opportunities, while making network management and maintenance more efficient. This is Esri Australia's largest project in Western Australia and has been recognised globally by Esri Inc, who presented WP with a Special Achievement in GIS Award.

Esri Australia also witnessed measured growth from private sector engagements, most notably from the construction, engineering and financial services sectors, where there has been a rise in sales of Enterprise Licence Agreements ("ELAs") – an arrangement which provides unlimited access to Esri software. Some of the high-profile clients to sign ELAs include: GHD, Hatch, Sinclair Knight Merz and Thiess.

In its traditional markets, FY2013 saw Esri Australia partner with the Surveying & Spatial Sciences Institute to launch the 2013 GIS in Local Government Benchmark Study – a research initiative that has provided greater insights into the role of geo-spatial technology in Australian councils. Over 90% of the study respondents believe that GIS can improve the way councils communicate with citizens; be it through user-friendly online maps or location-aware smartphone applications. In line with this, the Adelaide City Council used Esri and CitySourced technology, becoming Australia's first city to grant its residents the power to instantly report community concerns – such as graffiti or broken street lights – with a simple touch of their smartphones.

Beyond its traditional solution set, Esri Australia is also positioning itself to respond to growing market demand for software as a service ("SaaS"), having participated in the global launch of Esri's first hosted-service, ArcGIS Online. In the year ahead, Esri Australia will release its own suite of hosted-service offerings, leveraging on advancements in cloud-based computing to create a new revenue stream.

AUG 2012
Australia
Utilities

Esri Australia awarded contract from Queensland Urban Utilities to implement GIS platform for utilities management

NOV 2012
Singapore
Government

Esri Singapore partnered with National Parks Board to develop park connector network map to provide interactive experience for park visitors

NOV 2012
Indonesia
Mining

Esri Indonesia awarded contract from Ministry of Energy & Mineral Resources to implement GIS platform for mining concession management

DEC 2012
Singapore
Utilities

Esri Singapore delivered GIS platform to Singapore Power for utilities management

MAR 2013
Australia
Government

Esri Australia partnered with Brisbane City Council in public launch of draft city plan

Singapore

In FY2013, Esri Singapore continued to witness increased activity within the healthcare, national mapping, national security, telecommunications and utilities sectors. Singapore's rising population over the past decade has also led government agencies involved in national development and land administration to continue to invest in their Esri GIS capabilities, leveraging on Esri's 3D tools such as CityEngine for visualisation and analysis of the urban landscape.

Since 1995, the Urban Redevelopment Authority has been relying on the Esri GIS platform to successfully transform Singapore into one of the world's most liveable cities. A system called iPLAN is used to carry out strategic planning, land safeguarding, processing of development applications and land use consultations. Four years later, iPLAN has now evolved into a public portal called URA Maps featuring online applications including detailed land and property information.

Malaysia

In FY2013, Esri South Asia – leveraging on the presence of Esri Malaysia – hit a milestone by becoming a key part of Esri Inc's 24-hour global technical support service network.

Esri Malaysia progressed on the implementation of Malaysia's largest national GIS initiative, the Malaysia Geospatial Data Infrastructure, which has now been rolled out to all states. Another prominent project won by Esri Malaysia was the Safe City Monitoring System ("SCMS"), developed under the Government Transformation Programme. The police reporting system was integrated with the SCMS, enabling the police to monitor crime hotspots, identify crime patterns and deploy resources in high-risk areas more efficiently. Since its launch, the SCMS has contributed to a 39.7% drop in street crime.

Indonesia

During FY2013, the Indonesian government continued to establish the National Spatial Data Infrastructure ("NSDI"). Esri Indonesia assisted the government in developing the mapping production blueprint for the NSDI, a fundamental step in ensuring the smooth execution of the project. Separately, the Ministry of Energy & Mineral Resources in Indonesia utilised an Esri GIS platform to help 300 districts and cities share data on mineral and coal concession areas.

While geo-spatial technology is a mature and sophisticated science that has been developed over 40 years, the industry is witnessing a fundamental shift in the way GIS are being utilised. Esri technology is fast becoming part of common business workflows, with its ability to integrate in a non-disruptive way with core business systems including IBM Cognos, Microsoft Office and SAP. Users can enjoy the dual benefits of GIS capabilities within databases in a single software solution.

3D urban planning on Esri CityEngine, Singapore
© Esri Singapore

Crime hotspot identification on Safe City Monitoring System, Malaysia
© Malaysia Town & Country Planning Department and Royal Malaysia Police

Board of DIRECTORS

1. WONG FONG FUI
Chairman & Group Chief Executive Officer
- Member, Nominating Committee

Bachelor of Engineering (Chemical Engineering), University of New South Wales

Mr Wong was appointed as the Chairman and Group Chief Executive Officer in April 1996. He began his career as a chemical engineer in the oil & gas industries and subsequently co-founded various engineering and construction companies. Prior to joining the Boustead Group, he was the Group Managing Director of QAF Limited, a food manufacturing and retail company which he succeeded in turning around. He was also instrumental in the start-up and privatisation of Myanmar Airways International. An entrepreneur with proven success in diverse fields, his interests have expanded to include commercial aviation, education, food manufacturing and retail, information technology and telecommunications. In April 2009, Mr Wong received the Chief Executive Officer of the Year 2008 Award (market capitalisation of S$300 million to less than S$1 billion) at the Singapore Corporate Awards.

2. LOH KAI KEONG
Executive Director & Group Chief Financial Officer

Bachelor of Accounting, University of Singapore
Certified Public Accountant
Associate, Chartered Institute of Secretaries

Mr Loh joined the Boustead Group in 1999 and was appointed as an Executive Director in February 2005. He has over 30 years of experience in audit, financial and personnel management, and mergers and acquisitions. His appointments have spanned both the private and public sectors, covering air freight, the civil service, commercial aviation, communications and exhibitions, engineering, food, information technology, insurance, manufacturing, shipping, and retail and wholesale.

3. WONG YU LOON
Executive Director

Bachelor of Law, University of New South Wales
Bachelor of Commerce (Accounting), University of New South Wales
Chartered Financial Analyst

Mr Wong joined the Boustead Group in 2003 and was appointed as an Executive Director in April 2013. He began his role at the Boustead Group as the Corporate Planning Manager and subsequently was promoted to Group Investment Director. In his present role, Mr Wong oversees mergers and acquisitions, fund raising activities and also heads the Boustead Group's recently announced investments in the renewable energy sector. Mr Wong has more than a decade of widespread experience in mergers and acquisitions, fund raising and corporate advisory in roles at top investment firms across Australia and Singapore including Carnegie, Wylie & Company, DBS Bank and Vickers Ballas & Company.

4. JOHN LIM KOK MIN
Independent Non-Executive Director
- Chairman, Audit Committee
- Member, Nominating Committee
- Member, Remuneration Committee

Bachelor of Arts (Hons), University of Malaya
Chairman, Singapore Institute of Directors

Mr Lim was appointed as a Non-Executive Director in June 1997. With over 45 years of extensive senior management experience in the Asia Pacific region, he is currently the Chairman of the Singapore Institute of Directors and also of Gas Supply Pte Ltd. He formerly held positions including Chief Executive Officer of Cold Storage Holdings Limited, Chairman of Senoko Power Pte Ltd, Chairman of the Building & Construction Authority, Vice-Chairman of the Agri & Veterinary Authority, Deputy Chairman of NTUC FairPrice and Vice-Chairman of the Singapore Institute of Management. A current director of several private and public companies and a member of their audit, remuneration and nominating committees, Mr Lim has also held directorships in Australia, New Zealand and South East Asia.

5. CHONG NGIEN CHEONG
Independent Non-Executive Director
- Chairman, Nominating Committee
- Member, Audit Committee
- Member, Remuneration Committee

Bachelor of Commerce, Nanyang University

Mr Chong was appointed as a Non-Executive Director in May 1996. Currently, he is a Director of Sang Chun Holdings Pte Ltd, an investment and holding company.

6. GODFREY ERNEST SCOTCHBROOK
Independent Non-Executive Director
- Chairman, Remuneration Committee
- Member, Audit Committee

Fellow, Hong Kong Management Association
Fellow, British Chartered Institute of Public Relations

Mr Scotchbrook was appointed as a Non-Executive Director in September 2000. He has been a specialist in corporate communications and crisis management for over 40 years. He founded Scotchbrook Communications, a firm focused on investor relations and business development. A proponent of good corporate governance, he is a Non-Executive Director of Hong Kong-listed Convenience Retail Asia Limited and Singapore-listed Del Monte Pacific Limited. He is a Fellow of the Hong Kong Management Association and British Chartered Institute of Public Relations.

7. GOH BOON SEONG
Independent Non-Executive Director
- Member, Remuneration Committee

Bachelor of Business Administration, University of Singapore

Mr Goh was appointed as a Non-Executive Director in January 2012. He has over 30 years of private sector management experience and is currently the President and Chief Executive Officer of WhiteRock Medical Company Pte Ltd, a medical device group focusing on wearable, portable and wireless technology applications in chronic care. Prior to this, Mr Goh held various senior management positions within the Singapore Technologies Group in the areas of corporate development, investment and finance. Before joining the Singapore Technologies Group, he held senior management positions in investment banking at Morgan Grenfell, PrimeEast Group and Merrill Lynch.

8. SRI WIDATI ERNAWAN PUTRI
Independent Non-Executive Director

Bachelor of Arts, New York University
Master of International Relations, Waseda University

Ms Sri Widati was appointed as a Non-Executive Director in April 2013. She previously served as a Non-Executive Director of Pacific Healthcare Holdings Limited, an integrated healthcare provider listed on the Singapore Exchange. Ms Sri Widati also holds a Master of International Relations from top Japanese university, Waseda University where she is currently pursuing her PhD. She has several years' experience as a volunteer researcher in several social enterprise projects in Indonesia.

(not in picture)

Key
MANAGEMENT TEAM

GROUP HEADQUARTERS

WONG FONG FUI
Chairman & Group Chief Executive Officer
Boustead Singapore Limited, 1996
(Profiled under Board of Directors, page 38)

LOH KAI KEONG
Executive Director & Group Chief Financial Officer
Boustead Singapore Limited, 1999
(Profiled under Board of Directors, page 38)

WONG YU LOON
Executive Director
Boustead Singapore Limited, 2003
(Profiled under Board of Directors, page 39)

CHAN SHIOK FAUN
Senior Vice President – Finance
Boustead Singapore Limited, 1991

YEO WEE LEONG
Senior Vice President – Internal Audit
Boustead Singapore Limited, 2008

ADRIAN CHU
Vice President – Business Development
Boustead Singapore Limited, 2003

KEITH CHU
Vice President – Corporate Marketing & Investor Relations
Boustead Singapore Limited, 2003

KAREN KOR
Vice President – Group Human Resources
Boustead Singapore Limited, 2013

ENERGY-RELATED ENGINEERING

DOWNSTREAM OIL & GAS/PETROCHEMICALS

DAVID MILLER
Managing Director
Boustead International Heaters Ltd, 1997

ELIZABETH AGER
Sales Director
Boustead International Heaters Ltd, 1997

PETER HALSTEAD
Finance Director
Boustead International Heaters Ltd, 2004

DAVID CHAMPNEYS
Process Engineering Director
Boustead International Heaters Ltd, 1999

IAN KENTSLEY
Projects Director
Boustead International Heaters Ltd, 1997

STEVE SEARLE
Procurement Director
Boustead International Heaters Ltd, 1997

STEVE RUSCOE
Manufacturing Director
Boustead International Heaters Ltd, 1997

EDWARD WATTERS
Consultant & ISO-Nominated "UK Expert"
Boustead International Heaters Ltd, 1997

PAUL MILLER
Managing Director
BIH Heaters Malaysia Sdn Bhd, 2001

TOMMY LIM
Business Development Director
Boustead International Heaters Pte Ltd, 2009

UPSTREAM OIL & GAS

DEV LODH
Managing Director
Controls & Electrics Pte Ltd, 1987

PRASUN CHAKRABORTY
Senior Systems Manager
Controls & Electrics Pte Ltd, 1991

RAGHAVAN NAIR GOPA KUMAR
Projects Manager
Controls & Electrics Pte Ltd, 1995

SUBRATA CHATTERJEE
Chief Engineer (ESD) & Country Manager – India
Controls & Electrics Pte Ltd, 2001

PAUL LIM
Sales Manager (Motors)
Controls & Electrics Pte Ltd, 2002

SOLID WASTE ENERGY RECOVERY

ADI TJANDRA
Managing Director
PT Boustead Maxitherm Industries, 1994

WATER & WASTEWATER ENGINEERING

MICHAEL TEO
Chief Executive Officer
Boustead Salcon Water Solutions Pte Ltd, 1989

CHONG SIEW PING
Senior Technical Manager
Boustead Salcon Water Solutions Pte Ltd, 1994

WONG HON YEE
Senior Project Manager
Boustead Salcon Water Solutions Pte Ltd, 1997

WOO CHEW FAY
Project Director
Boustead Salcon Water Solutions Pte Ltd, 1993

SUN PING
Senior Engineering Manager
Boustead Salcon Water Solutions Pte Ltd, 2004

REAL ESTATE SOLUTIONS

THOMAS CHU
Managing Director
Boustead Projects Pte Ltd, 1996

STEVEN KOH
Deputy Managing Director (Operations)
Boustead Projects Pte Ltd, 1999

LIEW KAU KEEN
Deputy Director (Business Development)
Boustead Projects Pte Ltd, 2001

NEO ENG HUAT
Deputy Director (Operations)
Boustead Projects Pte Ltd, 2007

WONG YU WEI
Senior Deputy Managing Director
Boustead Projects Pte Ltd, 2002

LEE KEEN MENG
Finance Director
Boustead Projects Pte Ltd, 2009

HOWARD HOW
Deputy Director (QA, Environment, Health & Safety)
Boustead Projects Pte Ltd, 2007

NICHOLAS HENG
Deputy Director (Projects)
Boustead Projects Pte Ltd, 2007

GEO-SPATIAL TECHNOLOGY

ESRI AUSTRALIA

BRETT BUNDOCK
Managing Director
Esri Australia Pty Ltd, 1988

KELVIN LANGDON
Executive Manager – Operations
Esri Australia Pty Ltd, 2005

JEFFERY ROBINSON
Executive Manager – Professional Services
Esri Australia Pty Ltd, 2011

KAYLEE HOLDSWORTH
Chief Financial Officer
Esri Australia Pty Ltd, 2006

STEPHEN O'SHANASSY
Executive Manager – Business Development
Esri Australia Pty Ltd, 2006

RAQUEL JACKSON
Executive Manager – Marketing
Esri Australia Pty Ltd, 2011

ESRI SOUTH ASIA

LESLIE WONG
Managing Director
Esri South Asia Pte Ltd, 2006

LEE CHUN YEN
Finance Manager
Esri South Asia Pte Ltd, 1994

ESRI MALAYSIA

DANIEL BOEY
Director – Strategy & Operations
Esri Malaysia Sdn Bhd, 1990

LAI CHEE SIEW
Commercial Director
Esri Malaysia Sdn Bhd, 2011

ESRI SINGAPORE

LESLIE WONG
Chief Executive Officer
Esri Singapore Pte Ltd, 2006

THOMAS PRAMOTEDHAM
Commercial Director
Esri Singapore Pte Ltd, 2009

ESRI INDONESIA

BIMA PRIADI
Country Manager
PT Esri Indonesia, 2007

Investor
RELATIONS

Investor Communications

Over the past decade, Boustead has incorporated investor relations into our integrated approach of communications with our stakeholders. Along with marketing communications, media relations and public relations, investor relations has become a key facet of our accurate, consistent, sincere, timely and transparent communication with analysts, investors, the media and the global financial community.

During FY2013, DBS Vickers Research, Maybank Kim Eng Research and Standard & Poor's continued to provide coverage on us. In February 2013, Phillip Securities Research re-initiated coverage on Boustead, maintaining the number of research firms providing coverage at four. Together, the four research firms issued 10 in-depth research reports on Boustead during FY2013.

Actively engaging with institutional investors, Boustead participated at two of Singapore's leading investor conferences organised in FY2013, presenting at the Nomura ASEAN All Access 2013 for the second consecutive year, as well as the Daiwa Singapore Day 2013.

As part of Boustead's expanding investor communications programme, we started the Retail Investor Outreach Programme in FY2013 dedicated to our growing base of retail shareholders. In December 2012, we held our Inaugural Retail Investor Day. More than 50 retail investors attended an informative presentation on Boustead, where they learned about competitive strengths, growth drivers and the market outlook for the various business divisions. Retail investors also had the opportunity to interact with Chairman & Group Chief Executive Officer, Mr Wong and the Investor Relations Team through an in-depth Q&A session.

SUMMARY OF FY2013 INVESTOR RELATIONS ACTIVITIES

In FY2013, our investor relations efforts resulted in:

63

FACE-TO-FACE/ TELECONFERENCE INVESTOR MEETINGS HOSTED

167

INVESTORS MET

3

INVESTOR CONFERENCES ATTENDED

4

RESEARCH FIRMS PROVIDING COVERAGE:
- **DBS VICKERS RESEARCH**
- **MAYBANK KIM ENG RESEARCH**
- **PHILLIP SECURITIES RESEARCH**
- **STANDARD & POOR'S**

FY2013 CALENDAR

MAY 2012
- FY2012 Financial Results Announcement
- FY2012 Financial Results Audiocast/Webcast Briefing

JUL 2012
- FY2012 Annual Report
- Annual General Meeting
- Extraordinary General Meeting

AUG 2012
- 1Q FY2013 Financial Results Announcement
- FY2012 final dividend payment of 3.0 cents

NOV 2012
- 2Q FY2013 Financial Results Announcement

DEC 2012
- Inaugural Retail Investor Day
- FY2013 interim dividend payment of 2.0 cents

FEB 2013
- 3Q FY2013 Financial Results Announcement
- Daiwa Capital Markets Conference, Singapore: Daiwa Singapore Day 2013
- Nomura Conference, Singapore: Nomura ASEAN All Access 2013

FY2014 CALENDAR*

MAY 2013
- FY2013 Financial Results Announcement
- FY2013 Financial Results Audiocast/Webcast Briefing

JUL 2013
- FY2013 Annual Report
- Annual General Meeting
- Extraordinary General Meeting

AUG 2013
- 1Q FY2014 Financial Results Announcement

SEP 2013
- FY2013 final dividend payment of 3.0 cents or scrip (proposed)
- FY2013 special dividend payment of 2.0 cents or scrip (proposed)

NOV 2013
- 2Q FY2014 Financial Results Announcement

FEB 2014
- 3Q FY2014 Financial Results Announcement

MAY 2014
- FY2014 Financial Results Announcement

* *Subject to change.*

DELIVERING VALUE TO SHAREHOLDERS

7.0¢*
DIVIDEND FOR FY2013

41.9¢*
DIVIDENDS OVER PAST DECADE

S$764.0m
MARKET CAPITALISATION IN FY2013

+833%
FROM 0.75 CENTS DIVIDEND FOR FY2004

25%
CAGR IN DIVIDENDS OVER PAST DECADE

+499%
FROM S$127.6M MARKET CAPITALISATION IN FY2004

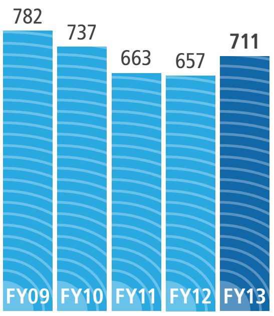
* *Includes proposed final dividend of 3.0 cents and special dividend of 2.0 cents for FY2013.*

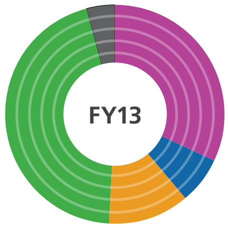
SHARE PERFORMANCE AND STI COMMENTARY

Opening FY2013 at S$0.885, Boustead's share price increased by approximately 51% over the past 15 months, outperforming the Straits Times Index by 46%. Boustead's share price closed at S$1.34 on 28 June 2013.

Getting It Right
AT THE WORKPLACE

Number of Employees





Summary of FY2013 Human Resource Deployment

Energy-Related Engineering	**32%**
Water & Wastewater Engineering	**7%**
Real Estate Solutions	**12%**
Geo-Spatial Technology	**45%**
Group Headquarters	**4%**

SAFETY AWARDS

JUL 2012	BP awarded WSH Performance Silver Award
MAR 2012	BSWS achieved bizSAFE Star
JUL 2011	BP awarded WSH Performance Silver Award
JAN 2011	BP achieved bizSAFE Mentor
JUL 2010	BP awarded WSH Performance Silver Award BP awarded WSH Officer Award
JUL 2009	BP awarded WSH Performance Silver Award
APR 2009	BP achieved bizSAFE Star
APR 2008	BP achieved bizSAFE Partner

BP – SAFETY & HEALTH AWARD RECOGNITION FOR PROJECTS (SHARP) AWARDS

JUL 2012	SDV Green Hub
JUL 2011	Rolls-Royce Achord Factory
JUL 2010	Applied Materials Building IBM Singapore Technology Park Singapore Aero Engine Services The Singapore FreePort
JUL 2009	StarHub Green

A Global Corporation Driven by a Transnational Workforce

Headquartered in Singapore, Boustead maintains a global presence through our regional and local offices, and representatives in 21 countries across six continents. Embracing a multi-cultural and multi-faceted workforce, we have expanded our international reach to the farthest corners of the world. To date, we have undertaken infrastructure-related projects in 84 countries and are recognised among Singapore's most global corporations. This is exemplified by our inclusion in the Singapore International 100 in 2013, our fourth consecutive year on the list.

Sustainability in Quality, Health, Safety and Environment

At Boustead, our ongoing job is to maintain an accident-free workplace and safeguard the well-being of our employees. Our business divisions are continuously training the workforce through the active execution of health, safety and environmental ("HSE") programmes and aiming to upkeep good safety records by developing relevant risk assessment capabilities.

As one of only nine bizSAFE Mentors in the whole of Singapore, Boustead Projects ("BP") regularly engages with subcontractors on improving workplace safety and health ("WSH") conditions and has tied up with an accredited training provider to conduct specialised safety training for subcontractors on a larger scale at subsidised rates.
To date, BP's HSE efforts have paid off with 12 awards for its overall and project-specific safety performance in the industry. To build a strong culture for WSH across all levels, BP implemented the WSH Advocate Programme by engaging and empowering subcontractors to be WSH Advocates. WSH Advocates consist of managers, supervisors and workers who commit extra efforts to promote good WSH practices and walk the safety talk.

In addition to safety, BP also takes pride in quality workmanship at its projects. BP achieved a Construction Quality Assessment System ("CONQUAS â") score of 90.3 for SDV Green Hub, which was completed in 2H FY2013. The higher the CONQUAS â score for a building, the better the workmanship standards achieved in the structural, architectural, mechanical and electrical works. The SDV Green Hub ranks sixth in the CONQUAS â ranking for industrial projects.

Elsewhere, Boustead Salcon Water Solutions ("BSWS") achieved its target of zero accidents to date since attaining the bizSAFE Star in March 2012. During the year, BSWS also launched a work-safely-at-heights programme at project sites to educate employees and subcontractors, as part of a newly implemented fall prevention policy. Going forward, BSWS will continue to emphasise HSE efforts and aims to put in place an ISO14000 environmental management system.

Financial
STATEMENTS

Contents

Report of the DIRECTORS

The directors present their report together with the audited consolidated financial statements of the group and statement of financial position and statement of changes in equity of the company for the financial year ended 31 March 2013.

1 DIRECTORS

The directors of the company in office at the date of this report are:

Wong Fong Fui	(Chairman, Group Chief Executive Officer)
Loh Kai Keong	
Wong Yu Loon	(Appointed on 2 April 2013)
John Lim Kok Min	
Chong Ngien Cheong	
Godfrey Ernest Scotchbrook	
Goh Boon Seong	
Sri Widati Ernawan Putri	(Appointed on 2 April 2013)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the company to acquire benefits by means of the acquisition of shares or debentures in the company or any other body corporate, except as disclosed in paragraphs 3 and 5 of the Report of the Directors.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the company holding office at the end of the financial year had no interests in the share capital and debentures of the company and related corporations as recorded in the register of directors' shareholdings kept by the company under Section 164 of the Singapore Companies Act except as follows:

Name of directors and companies in which interests are held	Shareholdings registered in the name of directors		Shareholdings in which directors are deemed to have an interest	
	At beginning of year or date of appointment, if later	At end of year	At beginning of year or date of appointment, if later	At end of year
The company - Boustead Singapore Limited	**Number of ordinary shares**			
Wong Fong Fui	-	-	166,819,208	166,819,208
Saiman Ernawan (Resigned on 2 April 2013)	-	-	44,430,792	44,430,792
Tong Weng Leong (Resigned on 31 May 2013)	2,997,936	2,997,936	1,216,000	1,216,000
Loh Kai Keong	600,976	600,976	-	-
John Lim Kok Min	536,000	536,000	-	-
Chong Ngien Cheong	400,000	400,000	23,084,000	23,084,000
Godfrey Ernest Scotchbrook	-	-	1,000,000	1,000,000

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (cont'd)

Name of directors and companies in which interests are held	Shareholdings registered in the name of directors		Shareholdings in which directors are deemed to have an interest	
	At beginning of year or date of appointment, if later	At end of year	At beginning of year or date of appointment, if later	At end of year
Subsidiary - Boustead Salcon Water Solutions Pte Ltd	**Number of ordinary shares**			
Wong Fong Fui [(1)]	1	1	-	-
Tong Weng Leong [(1)] (Resigned on 31 May 2013)	1	1	-	-
Joint venture - EK Boustead, Inc.	**Number of ordinary shares at PHP52,000**			
Wong Fong Fui [(2)]	1	1	-	-

[(1)] *Interests are held in trust for the company, Boustead Singapore Limited.*

[(2)] *Interest is held in trust for other subsidiary.*

By virtue of Section 7 of the Singapore Companies Act, Mr Wong Fong Fui is deemed to have an interest in all the related corporations of the company.

The directors' interests in the shares of the company as at 21 April 2013 were the same as at 31 March 2013.

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, 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 for salaries, bonuses and other benefits as disclosed in the financial statements. Certain directors received remuneration from related corporations in their capacity as directors and/or executives of those related corporations.

There were certain transactions (as shown in the financial statements) with a corporation in which certain directors have an interest.

5 SHARE OPTIONS

(a) The Boustead Share Option Scheme 2001 (the "2001 Scheme") was approved by the members of the company at its Extraordinary General Meeting on 30 August 2001. Under the 2001 Scheme, all deserving Key Persons and non-executive directors of the company are eligible to participate in the 2001 Scheme at the discretion of a committee duly authorised by the Board of Directors. The committee administering the 2001 Scheme comprises four members, all of whom are non-executive directors. "Key Persons" mean full-time confirmed personnel within the Boustead group (including Executive Directors, directors of the company's subsidiaries and employees seconded to any associates or any other company in which the Boustead group holds shares) and, on a selective basis, employees of associates. Controlling shareholders and their associates are not eligible to participate in the 2001 Scheme.

(b) The terms of the 2001 Scheme are disclosed in Note 40 to the financial statements.

(c) Under the 2001 Scheme, share options exercised during the financial year and outstanding as at 31 March 2013 were as follows:

Date of grant	Balance at 1 April 2012	Granted	Exercised	Lapsed	Balance at 31 March 2013	Subscription price	Exercisable period
						$	
12 May 2009	360,000	-	(100,000)	-	260,000	0.600	12 May 2010 to 11 May 2019

(d) During the financial year, no option was granted to take up unissued ordinary shares of the company or the subsidiaries and no ordinary shares of the subsidiaries were issued by virtue of the exercise of an option to take up unissued ordinary shares.

(e) As at 31 March 2013, there were no unissued shares of the subsidiaries under option.

5 SHARE OPTIONS (cont'd)

(f) The members of the committee administering the 2001 Scheme are:

Godfrey Ernest Scotchbrook (Chairman)
Chong Ngien Cheong
John Lim Kok Min
Goh Boon Seong

The members of the committee are eligible to participate in the 2001 Scheme. Any director participating in the 2001 Scheme who is a member of the committee will not be involved in the committee's deliberations in respect of any option granted or to be granted to him.

The details of share options granted pursuant to the 2001 Scheme are as follows:

Name of participant	Options granted during the year	Aggregate options granted since commencement to end of year	Aggregate options exercised since commencement to end of year	Aggregate options lapsed or cancelled since commencement to end of year	Aggregate options outstanding as at end of year
Directors of the company					
Tong Weng Leong	-	1,277,936 [(1)]	1,277,936	-	-
(Resigned on 31 May 2013)	-	1,200,000 [(2)]	1,200,000	-	-
	-	200,000 [(4)]	200,000	-	-
	-	2,677,936	2,677,936	-	-
Loh Kai Keong	-	425,976 [(1)]	425,976	-	-
	-	672,000 [(2)]	672,000	-	-
	-	160,000 [(4)]	160,000	-	-
	-	1,257,976	1,257,976	-	-
John Lim Kok Min	-	400,000 [(3)]	400,000	-	-
Chong Ngien Cheong	-	400,000 [(3)]	400,000	-	-
Godfrey Ernest Scotchbrook	-	400,000 [(3)]	400,000	-	-
	-	5,135,912	5,135,912	-	-
Former directors of the company	-	3,457,936	3,457,936	-	-
Employees of the company and its subsidiaries	-	24,550,600	18,536,872	5,753,728	260,000
	-	33,144,448	27,130,720	5,753,728	260,000

(1) *Replacement options granted on 3 September 2001 substituting the same number of options granted under the Boustead Executives' Share Option Scheme 1997 (the "1997 Scheme"). The 1997 Scheme was replaced with the 2001 Scheme. Subscription price per share is $0.205. These replacement options may be exercised between 10 June 2000 and 9 June 2009.*

(2) *Non-discounted options granted on 4 January 2002. Subscription price per share is $0.165. These options may be exercised between 4 January 2003 and 3 January 2012.*

(3) *Non-discounted options granted on 4 January 2002. Subscription price per share is $0.165. These options may be exercised between 4 January 2003 and 3 January 2007.*

(4) *Non-discounted options granted on 12 May 2009. Subscription price per share is $0.600. These options may be exercised between 12 May 2010 and 11 May 2019.*

There were no participants who received 5% or more of the total number of options available under the 2001 Scheme.

During the financial year, no options have been granted to controlling shareholders of the company and their associates. There were no options granted at a discount during the financial year. No person to whom the options have been granted has any right to participate by virtue of the option in any share issue of any other company. On 30 August 2011, the 2001 Scheme expired and is replaced by the Boustead Restricted Share Plan 2011 on 13 October 2011 as detailed in paragraph 6 of the Report of the Directors.

6 SHARE AWARDS

(a) The Boustead Restricted Share Plan 2011 (the "2011 Share Plan") was approved by the members of the company at its Extraordinary General Meeting on 13 October 2011. The 2011 Share Plan replaces the Boustead Share Option Scheme 2001 which expired on 30 August 2011. Under the 2011 Share Plan, all deserving executive employees and non-executive directors of the company as well as associates of controlling shareholders separately approved by independent members of the company are eligible to participate in the 2011 Share Plan at the discretion of a committee duly authorised by the Board of Directors.

The committee administering the 2011 Share Plan comprises four members, all of whom are non-executive directors. "Executive employees" mean confirmed employees of (i) a group company, fulfilling an executive role (including any executive director, but excluding Mr Wong Fong Fui, the Chairman & Group Chief Executive Officer of the company) or (ii) an associated company, fulfilling an executive role, selected by the committee.

(b) Details of the 2011 Share Plan are disclosed in Note 40 to the financial statements.

(c) The members of the committee administering the 2011 Share Plan are:

Godfrey Ernest Scotchbrook (Chairman)
Chong Ngien Cheong
John Lim Kok Min
Goh Boon Seong

The members of the committee are eligible to participate in the 2011 Share Plan. Any director participating in 2011 Share Plan who is a member of the committee will not be involved in the committee's deliberations in respect of any share award granted or to be granted to him.

(d) The details of share awards granted pursuant to the 2011 Share Plan are as follows:

	Number of shares		
Date of grant	**Balance at 1 April 2012**	**Share awards granted**	**Balance at 31 March 2013**
10 September 2012	-	584,600	584,600
9 November 2012	-	45,851	45,851
23 January 2013	-	45,851	45,851
	-	676,302	676,302

7 AUDIT COMMITTEE

At the date of this report, the Audit Committee comprises the following members, all of whom are independent non-executive directors:

John Lim Kok Min (Chairman)
Chong Ngien Cheong
Godfrey Ernest Scotchbrook

The Audit Committee met 4 times during the year under review. The Audit Committee has reviewed the following:

(a) the audit plan of the external auditors and internal auditors and result of the internal auditors' examination and evaluation of the group's system of internal accounting and operational controls;

(b) the group's financial and operating results and accounting policies;

(c) the statement of financial position and statement of changes in equity of the company and the consolidated financial statements of the group before their submission to the directors of the company and external auditors' report on those financial statements;

(d) the quarterly and full-year announcements on the results and financial position of the company and the group;

(e) the co-operation and assistance given by the management to the external auditors of the company; and

(f) the independence and appointment/re-appointment of the external auditors of the company.

The Audit Committee has full access to and has the co-operation of management. It has been given the resources required for it to discharge its function properly. The Audit 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 Committee.

The external auditors annually carry out their statutory audits in accordance with the scope as laid out in their audit plans. Control observations noted during their audits and the auditors' recommendations are reported to the Audit Committee. The internal auditors follow up on the recommendations as part of their role in the review of the group's internal control systems.

Based on the internal controls established and maintained by the group and the reviews conducted by management and the internal and external auditors, the Board, with the concurrence of the Audit Committee, is of the opinion that the group's internal controls addressing financial, operational and compliance risks were adequate as at 31 March 2013.

ON BEHALF OF THE DIRECTORS

Wong Fong Fui

Loh Kai Keong

Singapore
28 June 2013

Corporate GOVERNANCE

The Board of Directors of Boustead Singapore Limited (the "Board") is committed to maintaining a high standard of corporate governance within the group, in line with the principles set out in the Code of Corporate Governance 2005 (the "Code"). The Board has also reviewed the recommendations in the revised Code of Corporate Governance 2012 (the "Revised Code"), which will be effective for Annual Reports for financial years commencing from or after 1 November 2012, to ensure that the group is in a good position to adopt the corporate practices in the Revised Code. This establishes and maintains a legal and ethical environment in the group to preserve the interests of all shareholders and stakeholders.

This report describes the company's corporate governance practices primarily with references to the principles of the Code. Where there are deviations from the Code, appropriate explanations are provided.

BOARD MATTERS

Principle 1 : The Board's Conduct of Affairs

The Board is responsible for the overall management of the company. It approves the group's strategic plans, key business initiatives, major investments and funding decisions. Additionally, the Board has direct responsibility for decision-making in respect of the following corporate events and actions:-

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

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

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

The majority of the current members of the Board has been directors of the company for at least five years and is familiar with its business operations and governance practices. Newly appointed directors are given comprehensive briefings by management. All non-executive directors are welcome to request for additional explanations, briefings and informal discussions on any aspect of the group's operations or business issues at all times.

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

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

The Board conducts scheduled meetings on a regular basis. Where necessary, additional Board meetings are also held to address significant transactions or issues that arise. A total of six formal Board meetings, four formal Audit Committee meetings, one formal Nominating Committee meeting and one formal Remuneration Committee meeting were held in the course of the year under review. Further to these, Board and Audit Committee members also held several informal discussions on various issues relating to corporate strategy and risk management. The attendance of the directors at Board and Board committees meetings during the year under review were as follows:-

	Board		Audit Committee		Nominating Committee		Remuneration Committee	
Name of Director	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended
Wong Fong Fui	6	6	-	-	1	1	-	-
Saiman Ernawan (1)	6	1 (3)	-	-	-	-	-	-
Tong Weng Leong (2)	6	5	-	-	-	-	-	-
Loh Kai Keong	6	6	-	-	-	-	-	-
John Lim Kok Min	6	6	4	4	1	1	1	1
Chong Ngien Cheong	6	6	4	4	1	1	1	1
Godfrey Ernest Scotchbrook	6	6 (4)	4	4	-	-	1	1
Goh Boon Seong	6	5	-	-	-	-	1	1

(1) *Mr Saiman Ernawan retired as a director on 2 April 2013.*

(2) *Mr Tong Weng Leong retired as a director on 31 May 2013.*

(3) *Attendence via teleconference.*

(4) *Includes attendance via teleconference for ad-hoc meetings.*

Principle 2 : Board Composition and Balance

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

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

Wong Fong Fui (Chairman and Group Chief Executive Officer)
Loh Kai Keong (Executive Director and Group Chief Financial Officer)
Wong Yu Loon (Executive Director)
John Lim Kok Min (Independent Non-Executive Director)
Chong Ngien Cheong (Independent Non-Executive Director)
Godfrey Ernest Scotchbrook (Independent Non-Executive Director)
Goh Boon Seong (Independent Non-Executive Director)
Sri Widati Ernawan Putri (Independent Non-Executive Director)

Note: Mr Saiman Ernawan and Mr Tong Weng Leong retired as directors on 2 April 2013 and 31 May 2013 respectively. In line with enhancing the overall board effectiveness through greater diversity of members, Mr Wong Yu Loon and Ms Sri Widati Ernawan Putri were appointed to the Board on 2 April 2013.

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

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

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

Principle 3 : Chairman and Chief Executive Officer

The Chairman of the company, Mr Wong Fong Fui, is also the Group Chief Executive Officer ("CEO").

As Chairman, he is responsible for the workings of the Board, ensuring that Board meetings are held when necessary and sets the Board meeting agenda in consultation with the other executive directors. He also reviews board papers before they are presented to the Board and ensures that information provided to Board members is adequate. During Board meetings, he ensures that Board members engage in constructive debate on strategic issues and business planning.

In his role as CEO, Mr Wong is the most senior executive in the company and holds executive responsibility for the company's business. He is assisted by Executive Director and Group Chief Financial Officer, Mr Loh Kai Keong, in the management of day-to-day operations. Mr Loh is not related to Mr Wong. In addition to that, more than half of the Board is made up of independent directors and the various Board committees are chaired by and comprise a majority of independent directors. The Board has consistently demonstrated it is able to exercise independent decision-making. Because of this, the Board has not appointed a lead independent director to date. Notwithstanding this, it may appoint one in the interest of embracing recommended best practices. The Board is of the opinion that the role of Mr Wong as both the Chairman and CEO of the company does not affect the independence of the Board.

Principle 4 : Board Membership

Nominating Committee

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

Chong Ngien Cheong, Chairman (Independent Non-Executive Director)
John Lim Kok Min (Independent Non-Executive Director)
Wong Fong Fui

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

- reviewing the background, academic and professional qualifications and experience of nominees;
- ensuring that directors submit themselves for re-nomination and re-election at least once every three years;
- determining the independence of directors annually;
- where a director has multiple board representations, deciding whether the director is able to carry out and has been adequate in carrying out his duties as a director; and
- evaluating the performance and effectiveness of the Board as a whole.

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

Principle 5 : Board Performance

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

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

Principle 6 : Access to Information

Management is required to provide adequate and timely information to the Board on group affairs and issues that require the Board's decision as well as ongoing reports relating to the operational and financial performance of the group. Where a physical Board meeting is not possible, timely communication with members of the Board is effected through other means, e.g. electronic mail and teleconferencing. Alternatively, management will arrange to personally meet and brief each director before seeking the Board's approval on a particular issue. Any requests by directors for further explanation, briefings or informal discussions on any aspect of the group's operations are always facilitated expeditiously.

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

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

REMUNERATION MATTERS

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

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

Godfrey Ernest Scotchbrook, Chairman (Independent Non-Executive Director)
Chong Ngien Cheong (Independent Non-Executive Director)
John Lim Kok Min (Independent Non-Executive Director)
Goh Boon Seong (Independent Non-Executive Director)

The objectives of the Remuneration Committee are to provide a formal, transparent and objective procedure for fixing the remuneration packages of individual directors and senior management staff, and to implement and administer the Boustead Restricted Share Plan 2011 and the Boustead Share Option Scheme 2001.

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

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

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

Remuneration of Directors for the year ended 31 March 2013

Name of Director	Salary	Bonus	Directors' Fee	Other Benefits	Total
S$750,000 to S$999,999					
Wong Fong Fui	25%	72%	-	3%	100%
S$250,000 to S$499,999					
Tong Weng Leong	60%	35%	-	5%	100%
Loh Kai Keong	60%	35%	-	5%	100%
Below S$250,000					
John Lim Kok Min	-	-	100%	-	100%
Chong Ngien Cheong	-	-	100%	-	100%
Godfrey Ernest Scotchbrook	-	-	100%	-	100%
Saiman Ernawan	-	-	100%	-	100%
Goh Boon Seong	-	-	100%	-	100%

Remuneration of key executives for the year ended 31 March 2013

S$1,000,000 to S$1,249,999
Brett John Bundock

S$500,000 to S$749,999
Thomas Chu Kok Hong
David Miller

S$250,000 to S$499,999
Debotosh Lodh
Stephen John O'Shanassy

Two employees of the group who are immediate family members of the Chairman and Group Chief Executive Officer of the Company received remuneration of between S$250,000 and S$499,999 for the year ended 31 March 2013, comprised largely of salary and performance bonus. Other than this, none of the directors had immediate family members who were employees of the group and whose personal remuneration exceeded S$150,000.

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

ACCOUNTABILITY AND AUDIT

Principle 10 : Accountability

It is the aim of the Board to provide shareholders with a detailed analysis, explanation and assessment of the group's financial position and prospects. The directors have access to senior management at all times. Management currently provides the Board with detailed management accounts of the group's performance, financial position and prospects on a quarterly basis.

Principle 11 : Audit Committee

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

John Lim Kok Min, Chairman (Independent Non-Executive Director)
Chong Ngien Cheong (Independent Non-Executive Director)
Godfrey Ernest Scotchbrook (Independent Non-Executive Director)

The principal functions of the Audit Committee include:-

- reviewing the audit plan of the external auditors and internal auditors and the results of the internal auditors' examination and evaluation of the group's system of internal accounting and operational controls;
- reviewing the group's financial and operating results and accounting policies;
- reviewing the statement of financial position and statement of changes in equity of the company and the consolidated financial statements of the group before their submission to the directors of the company and external auditors report on those financial statements;
- reviewing the quarterly and annual announcements on the results and financial position of the company and the group;
- assessing the co-operation and assistance given by management to the external auditors of the group;
- assessing the independence, objectivity and effectiveness of the external auditors of the group and making recommendations to the Board on their appointment/re-appointment; and
- assessing and recommending to the board the group's risk appetite and reviewing the effectiveness of the group's internal controls and risk management processes.

The Audit Committee has full access to and has the co-operation of management. It is given the resources required for it to discharge its function properly. The Audit 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 Committee.

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

The Audit Committee has undertaken a review of the nature and value of non-audit services provided to the group by the external auditors during the financial year and is satisfied that the independence of the external auditors has not been impaired by the provision of these services.

The company has complied with Rule 712 and Rule 715 read together with Rule 716 of the Listing Manual of the SGX-ST in relation to its external auditors.

Whistle-blowing Policy

The company has in place a whistle-blowing policy and arrangements by which staff of the group may, in confidence, raise concerns about possible improprieties in matters of financial reporting, fraudulent acts and other relevant matters. To ensure independent investigation of such matters and for appropriate follow-up action, all whistle-blowing reports are sent to a committee comprising of the Chairman of the Audit Committee, the Vice-President – Group Human Resources and the Senior Vice-President - Internal Audit.

Principle 12 : Internal Controls

The Board is responsible for ensuring that management maintains a sound system of internal controls to safeguard shareholders' investments and the group's assets. The Board believes that as a result of its reviews and due enquiry, the system of internal controls that has been maintained by the group's management throughout the financial year is adequate to meet the needs of the group in its current business environment.

The effectiveness of the internal control systems and procedures is monitored and reviewed by the Audit Committee.

Principle 13 : Internal Audit

The Internal Audit Department, headed by the Senior Vice-President - Internal Audit, identifies, analyses and manages the risks incurred by the group in its activities and promotes continuous improvement to the group's operations. As far as practicable, all major operating entities are closely examined at least once every year by the Internal Audit Department, which reports to the Chairman of the Audit Committee on any material non-compliance and internal control weaknesses.

The Audit Committee oversees and monitors the implementation of any improvements to the group's internal controls and meets regularly with the Senior Vice-President - Internal Audit. To ensure the adequacy of the internal audit function, the Audit Committee reviews the internal audit scope of work on an annual basis.

COMMUNICATION WITH SHAREHOLDERS

Principle 14 : Communication with Shareholders
Principle 15 : Encouraging Greater Shareholder Participation

The Board is mindful of its obligations to provide timely and fair disclosure of material information in accordance with the Corporate Disclosure Policy of the SGX-ST. The Board's policy is that all shareholders should be equally informed of all major developments that impact the group in a timely manner. Annual reports, results and announcements of significant transactions are released on SGXNET and are also updated on a timely basis on the company's website at www.boustead.sg.

A copy of the annual report, together with the Notice of Annual General Meeting ("AGM"), is sent to every shareholder. The Notice of AGM is also published in the press. At AGMs, shareholders are given the opportunity to air their views and directors and management will be present to answer questions from shareholders.

The Articles of Association of the company allow each shareholder to appoint one or two proxies to attend and vote at general meetings on his/her behalf.

DEALINGS IN SECURITIES

All directors and officers of the company and the group are not allowed to deal in the company's shares whilst in possession of unpublished price sensitive information.

In the course of doing business for the company and the group or in discussions with one of customers, vendors, or partners, directors and officers of the company and the group may become aware of material non-public information about that organisation. Information is considered material if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to trade in the public securities of the company. The discussion of this information is on a limited, "need to know" basis internally, and is not shared with anyone outside the company or the group. Directors and officers are not allowed to buy or sell the public securities of the affected organisations, including the company, on the basis of such information, nor can this information be shared with others.

Dealing in the company's shares is also prohibited during the period commencing two weeks before the announcement of the group's results for each of the first three quarters of the financial year and during the period commencing one month before the announcement of the group's annual results, and ending on the date of the relevant announcement.

INTERESTED PERSON TRANSACTIONS

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

There were no interested person transactions during the year.

Statement of DIRECTORS

In the opinion of the directors, the consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company as set out on pages 63 to 137 are drawn up so as to give a true and fair view of the state of affairs of the group and of the company as at 31 March 2013, and of the results, changes in equity and cash flows of the group and changes in equity of the company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts when they fall due.

ON BEHALF OF THE DIRECTORS

Wong Fong Fui

Loh Kai Keong

Singapore
28 June 2013

Independent AUDITORS' REPORT

TO THE MEMBERS OF BOUSTEAD SINGAPORE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Boustead Singapore Limited (the "company") and its subsidiaries (the "group") which comprise the statements of financial position of the group and the company as at 31 March 2013, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the group and the statement of changes in equity of the company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 63 to 137.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

Opinion

In our opinion, the consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the group and of the company as at 31 March 2013 and of the results, changes in equity and cash flows of the group and changes in equity of the company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

Deloitte & Touche LLP
Public Accountants and
Certified Public Accountants

Singapore
28 June 2013

Statements of
FINANCIAL POSITION
31 March 2013

		GROUP		COMPANY	
	Note	2013 $'000	2012 $'000	2013 $'000	2012 $'000
ASSETS					
Current assets					
Cash and cash equivalents	6	**223,507**	192,507	**58,606**	69,509
Trade receivables	7	**124,673**	82,854	**-**	-
Other receivables and prepayments	8	**46,375**	33,338	**48,329**	12,829
Held-for-trading investments	9	**5,307**	5,372	**5,307**	5,372
Loans to subsidiaries	10	**-**	-	**16,256**	20,538
Inventories	11	**5,260**	4,477	**-**	-
Properties held for sale	12	**30,449**	61,363	**-**	-
Contracts work-in-progress	13	**40,544**	57,653	**-**	-
Available-for-sale investments	14	**4,635**	2,397	**4,635**	2,397
		480,750	439,961	**133,133**	110,645
Assets held for sale	15	**15,550**	-	**-**	-
Total current assets		**496,300**	439,961	**133,133**	110,645
Non-current assets					
Property, plant and equipment	16	**18,545**	17,159	**-**	-
Investment properties	17	**50,346**	52,142	**-**	-
Goodwill	18	**1,568**	1,580	**-**	-
Other intangible assets	19	**1,829**	1,754	**74**	74
Investments in associates	20	**2,787**	2,787	**2,787**	2,787
Investments in subsidiaries	21	**-**	-	**131,666**	123,340
Available-for-sale investments	14	**32,340**	48,896	**32,255**	43,346
Deferred tax assets	22	**3,191**	3,498	**-**	-
Total non-current assets		**110,606**	127,816	**166,782**	169,547
Total assets		**606,906**	567,777	**299,915**	280,192

See accompanying notes to financial statements.

Statements of
FINANCIAL POSITION
31 March 2013

	Note	GROUP 2013 $'000	GROUP 2012 $'000	COMPANY 2013 $'000	COMPANY 2012 $'000
LIABILITIES AND EQUITY					
Current liabilities					
Bank loans	23	**9,290**	4,278	**-**	-
Foreign exchange contracts	24	**321**	526	**162**	193
Trade and other payables	25	**224,003**	232,751	**4,898**	3,397
Loans from subsidiaries	10	**-**	-	**203,773**	188,661
Contracts work-in-progress	13	**7,642**	20,556	**-**	-
Income tax payable		**18,896**	23,042	**-**	-
		260,152	281,153	**208,833**	192,251
Liabilities associated with assets held for sale	15	**3,825**	-	**-**	-
Total current liabilities		**263,977**	281,153	**208,833**	192,251
Non-current liabilities					
Bank loans	23	**25,155**	17,729	**-**	-
Pension liability	26	**1,959**	2,171	**-**	-
Trade and other payables	25	**1,253**	-	**-**	-
Deferred tax liabilities	22	**2,236**	2,392	**-**	-
Total non-current liabilities		**30,603**	22,292	**-**	-
Capital, reserves and non-controlling interests					
Share capital	27	**74,021**	73,961	**74,021**	73,961
Treasury shares	28	**(10,472)**	(6,701)	**(10,472)**	(6,701)
Accumulated profits		**253,206**	196,945	**26,539**	15,736
Other reserves	29	**(15,887)**	(9,751)	**994**	4,945
Equity attributable to owners of the company		**300,868**	254,454	**91,082**	87,941
Non-controlling interests		**11,458**	9,878	**-**	-
Total equity		**312,326**	264,332	**91,082**	87,941
Total liabilities and equity		**606,906**	567,777	**299,915**	280,192

See accompanying notes to financial statements.

Consolidated
INCOME STATEMENT
Year ended 31 March 2013

	Note	2013 $'000	2012 $'000
Revenue	30	**513,198**	408,695
Cost of sales		**(335,796)**	(262,667)
Gross profit		**177,402**	146,028
Other operating income	31	**25,664**	17,059
Selling and distribution expenses		**(35,577)**	(31,802)
Administrative expenses		**(46,988)**	(44,199)
Other operating expenses	32	**(21,908)**	(14,313)
Finance costs	33	**(1,170)**	(845)
Profit before income tax		**97,423**	71,928
Income tax expense	34	**(12,943)**	(13,512)
Profit for the year	35	**84,480**	58,416
Profit attributable to:			
Owners of the company		**81,357**	55,584
Non-controlling interests		**3,123**	2,832
		84,480	58,416

	Note	Cents	Cents
Basic earnings per ordinary share	36	**16.16**	10.99
Diluted earnings per ordinary share	36	**16.13**	10.99

See accompanying notes to financial statements.

Consolidated Statement of COMPREHENSIVE INCOME

Year ended 31 March 2013

	2013 $'000	2012 $'000
Profit for the year	**84,480**	58,416
Other comprehensive income (net of tax):		
Exchange differences on translation of foreign operations	**(2,228)**	1,889
Actuarial gain (loss)	**97**	(591)
Investment revaluation reserve		
- Fair value changes during the year	**1,189**	4,892
- Reclassification to profit or loss on disposal of available-for-sale investments	**(5,270)**	-
Other comprehensive (loss) income for the year, net of tax	**(6,212)**	6,190
Total comprehensive income for the year	**78,268**	64,606
Total comprehensive income attributable to:		
Owners of the company	**75,188**	61,649
Non-controlling interests	**3,080**	2,957
	78,268	64,606

See accompanying notes to financial statements.

Statements of
CHANGES IN EQUITY
Year ended 31 March 2013

	Share capital	Treasury shares	Accumulated profits	Other reserves	Equity attributable to owners of the company	Non-controlling interests	Total
	$'000	$'000	$'000	$'000 (Note 29)	$'000	$'000	$'000
GROUP							
At 1 April 2011	73,861	(5,403)	177,365	(16,407)	229,416	8,053	237,469
Total comprehensive income for the year	-	-	54,993	6,656	61,649	2,957	64,606
Dividends to non-controlling shareholders	-	-	-	-	-	(1,132)	(1,132)
Dividends (Note 37)	-	-	(35,413)	-	(35,413)	-	(35,413)
Repurchase of shares (Note 28)	-	(1,298)	-	-	(1,298)	-	(1,298)
Issue of shares (Note 27)	100	-	-	-	100	-	100
At 31 March 2012	73,961	(6,701)	196,945	(9,751)	254,454	9,878	264,332
Total comprehensive income for the year	-	-	81,454	(6,266)	75,188	3,080	78,268
Dividends to non-controlling shareholders	-	-	-	-	-	(1,500)	(1,500)
Dividends (Note 37)	-	-	(25,193)	-	(25,193)	-	(25,193)
Repurchase of shares (Note 28)	-	(3,771)	-	-	(3,771)	-	(3,771)
Issue of shares (Note 27)	60	-	-	-	60	-	60
Share-based payment	-	-	-	130	130	-	130
At 31 March 2013	**74,021**	**(10,472)**	**253,206**	**(15,887)**	**300,868**	**11,458**	**312,326**

See accompanying notes to financial statements.

Statements of
CHANGES IN EQUITY
Year ended 31 March 2013

	Share capital	Treasury shares	Accumulated profits	Other reserves	Total
	$'000	$'000	$'000	$'000 (Note 29)	$'000
COMPANY					
At 1 April 2011	73,861	(5,403)	28,367	53	96,878
Total comprehensive income for the year	-	-	22,782	4,892	27,674
Dividends (Note 37)	-	-	(35,413)	-	(35,413)
Repurchase of shares (Note 28)	-	(1,298)	-	-	(1,298)
Issue of shares (Note 27)	100	-	-	-	100
At 31 March 2012	73,961	(6,701)	15,736	4,945	87,941
Total comprehensive income for the year	-	-	35,996	(4,081)	31,915
Dividends (Note 37)	-	-	(25,193)	-	(25,193)
Repurchase of shares (Note 28)	-	(3,771)	-	-	(3,771)
Issue of shares (Note 27)	60	-	-	-	60
Share-based payment	-	-	-	130	130
At 31 March 2013	**74,021**	**(10,472)**	**26,539**	**994**	**91,082**

See accompanying notes to financial statements.

Consolidated Statement of
CASH FLOWS
Year ended 31 March 2013

	2013 $'000	2012 $'000
Operating activities		
Profit before income tax	**97,423**	71,928
Adjustments for:		
Depreciation expense	**5,334**	3,913
Amortisation expense	**-**	219
Share-based payment expense	**130**	-
Allowance for doubtful receivables from an associate	**1,500**	-
Impairment loss on investments in associates	**-**	2,405
(Write-back of) Allowance for doubtful receivables, net	**(65)**	8
Gain on disposal of subsidiaries [Note (a)]	**(10,117)**	(3,495)
Gain on disposal of available-for-sale investments	**(10,785)**	-
Gain on disposal of assets held for sale [Note (b)]	**-**	(494)
Gain on disposal of held-for-trading investments	**-**	(85)
Gain on disposal of property, plant and equipment	**(114)**	(807)
Gain on disposal of an investment property	**-**	(8,583)
Impairment loss on available-for-sale investment	**4,517**	-
Fair value adjustment on foreign exchange contracts and held-for-trading investments	**(137)**	592
Finance costs	**1,170**	845
Interest income	**(3,639)**	(3,872)
Operating cash flows before changes in working capital	**85,217**	62,574
Increase in receivables	**(32,648)**	(3,701)
Decrease (Increase) in inventories and contracts work-in-progress	**3,412**	(942)
Decrease (Increase) in properties held for sale	**15,692**	(5,680)
(Decrease) Increase in payables	**(7,625)**	44,268
Cash generated from operations	**64,048**	96,519
Interest received	**3,639**	3,872
Interest paid	**(1,170)**	(845)
Income tax paid	**(16,827)**	(12,409)
Net cash from operating activities	**49,690**	87,137

See accompanying notes to financial statements.

Consolidated Statement of
CASH FLOWS

Year ended 31 March 2013

	2013 $'000	2012 $'000
Investing activities		
Proceeds from disposal of an investment property	**-**	14,392
Proceeds from disposal of property, plant and equipment	**545**	1,548
Proceeds from disposal of held-for-trading investments	**-**	4,630
Proceeds from disposal of available-for-sale investments	**13,660**	2,231
Purchase of property, plant and equipment	**(6,053)**	(5,252)
Purchase of other intangible assets	**(92)**	-
Purchase of held-for-trading investments	**-**	(3,635)
Purchase of available-for-sale investments	**(21,130)**	(38,948)
Increase in investment properties	**(43,133)**	(56,112)
Net cash inflow on disposal of subsidiaries [Note (a)]	**52,793**	14,277
Net cash inflow on disposal of assets held for sale [Note (b)]	**-**	1,240
Net cash used in investing activities	**(3,410)**	(65,629)
Financing activities		
Net proceeds from issue of shares of the company	**60**	100
Repurchase of shares	**(3,771)**	(1,298)
Proceeds from short-term bank loans	**38,400**	-
Proceeds from long-term bank loans	**22,650**	285
Repayment of short-term bank loans	**(38,400)**	-
Repayment of long-term bank loans	**(6,588)**	(3,432)
Payment of dividends to non-controlling interests	**(512)**	(748)
Dividends paid	**(25,193)**	(35,413)
Net cash used in financing activities	**(13,354)**	(40,506)
Net increase (decrease) in cash and cash equivalents	**32,926**	(18,998)
Cash and cash equivalents at beginning of the year	**192,507**	209,788
Effect of foreign exchange rate changes	**(1,712)**	1,717
Cash and cash equivalents at end of the year [Note (c)]	**223,721**	192,507

See accompanying notes to financial statements.

Notes to the consolidated statement of cash flows:

		2013 $'000	2012 $'000
(a)	**Disposal of subsidiaries**		
	Cash and cash equivalents	**549**	443
	Total other assets	**43,556**	11,110
	Total liabilities	**(880)**	(328)
	Net assets disposed	**43,225**	11,225
	Gain on disposal	**10,117**	3,495
	Total consideration	**53,342**	14,720
	Net cash and cash equivalents disposed	**(549)**	(443)
	Net cash inflow on disposal of subsidiaries	**52,793**	14,277
(b)	**Disposal of assets held for sale**		
	Assets held for sale	**-**	746
	Liabilities associated with assets held for sale	**-**	-
	Net assets disposed	**-**	746
	Gain on disposal	**-**	494
	Total consideration, representing net cash inflow on assets held for sale	**-**	1,240
(c)	**Cash and cash equivalents**		
	Cash at bank (Note 6)	**123,106**	59,845
	Short-term deposits (Note 6)	**100,401**	132,662
		223,507	192,507
	Cash at bank included in assets held for sale (Note 15)	**214**	-
	Cash and cash equivalents at end of the year	**223,721**	192,507

See accompanying notes to financial statements.

1 GENERAL

The company (Registration No. 197501036K) is incorporated in the Republic of Singapore with its registered office and principal place of business at 67 Ubi Avenue 1, #02-01 StarHub Green, Singapore 408942. The company is listed on the Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore dollar.

The principal activity of the company is that of investment holding. The principal activities of the subsidiaries and associates are set out in Notes 21 and 20 to the financial statements respectively.

The consolidated financial statements of the group and statement of financial position and statement of changes in equity of the company for the year ended 31 March 2013 were authorised for issue by the Board of Directors on 28 June 2013.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements are prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

ADOPTION OF NEW AND REVISED STANDARDS - On 1 April 2012, the group adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRSs") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the group's and the company's accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, the following FRSs and amendments to FRS that are relevant to the group and the company were issued but not effective:

- Amendments to FRS 1 *Presentation of Financial Statements – Amendments relating to Presentation of Items of Other Comprehensive Income*
- Amendments to FRS 19 *Employee Benefit*
- FRS 27 *(Revised) Separate Financial Statements*
- FRS 110 *Consolidated Financial Statements*
- FRS 112 *Disclosure of Interests in Other Entities*
- FRS 113 *Fair Value Measurement*

Consequential amendments were also made to various standards as a result of these new/revised standards.

Management anticipates that the adoption of the new/revised FRSs and improvements to FRS 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 except for the following:

Amendments to FRS 1 *Presentation of Financial Statements – Amendments relating to presentation of Items of Other Comprehensive Income ("OCI")*

The amendment on Other Comprehensive Income ("OCI") presentation will require the group to present in separate groupings, OCI items that might be recycled i.e., reclassified to profit or loss (e.g. those arising from cash flow hedging, foreign currency translation) and those items that would not be recycled (e.g. revaluation gains on property, plant and equipment under the revaluation model). The tax effects recognised for the OCI items would also be captured in the respective grouping, although there is a choice to present OCI items before tax or net of tax.

Changes arising from these amendments to FRS 1 will take effect from financial years beginning on or after 1 July 2012, with full retrospective application.

When the group adopts the amendments, it will have to present actuarial gain or loss separately from other OCI items that might be recycled to profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Amendments to FRS 19 *Employee Benefits*

The amendments to FRS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of FRS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus.

The amendments to FRS 19 are effective for annual periods beginning on or after 1 January 2013 and require retrospective application with certain exceptions. The group anticipates that the application of the amendments to FRS 19 may have impact on amounts reported in respect of the group's defined benefit plans and is currently evaluating the effects of amendments to FRS 19 in the period of initial adoption.

FRS 110 *Consolidated Financial Statements and* FRS 27 *Separate Financial Statements*

FRS 110 replaces the control assessment criteria and consolidation requirements currently in FRS 27 and INT FRS 12 *Consolidation - Special Purpose Entities*.

FRS 110 defines the principle of control and establishes control as the basis for determining which entities are consolidated in the consolidated financial statements. It also provides more extensive application guidance on assessing control based on voting rights or other contractual rights. Under FRS 110, control assessment will be based on whether an investor has (i) power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the returns. FRS 27 remains as a standard applicable only to separate financial statements.

FRS 110 will take effect from financial years beginning on or after 1 January 2014, with retrospective application subject to transitional provisions. The group is currently evaluating the effects of FRS 110 on its investments in the period of initial adoption, if any.

FRS 112 *Disclosure of Interests in Other Entities*

FRS 112 requires an entity to provide more extensive disclosures regarding the nature of and risks associated with its interest in subsidiaries, associates, joint arrangements and unconsolidated structured entities.

FRS 112 will take effect from financial years beginning on or after 1 January 2014, and the group is currently evaluating extent of additional disclosures needed, if any.

FRS 113 *Fair Value Measurement*

FRS 113 is a single new standard that applies to both financial and non-financial items. It replaces the guidance on fair value measurement and related disclosures in other standards, with the exception of measurement dealt with under FRS 102 *Share-based Payment*, FRS 17 *Leases*, net realisable value in FRS 2 *Inventories* and value-in-use in FRS 36 *Impairment of Assets*.

FRS 113 provides a common fair value definition and hierarchy applicable to the fair value measurement of assets, liabilities, and an entity's own equity instruments within its scope, but does not change the requirements in other standards regarding which items should be measured or disclosed at fair value.

The disclosure requirements in FRS 113 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under FRS 107 *Financial Instruments: Disclosures* will be extended by FRS 113 to cover all assets and liabilities within its scope.

FRS 113 will be effective prospectively from annual periods beginning on or after 1 January 2013. Comparative information is not required for periods before initial application.

The group is currently evaluating the effects of FRS 113 in the period of initial adoption, if any.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the company and entities (including special purpose entities) controlled by the company (its subsidiaries). Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the group's equity therein. The interest of non-controlling shareholders that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured (at the date of original business combination) either at fair value or at the non-controlling interests' proportionate share of fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are measured at fair value or, where applicable, on the basis specified in another FRS. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the company.

When the group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to accumulated profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

In the company's financial statements, investments in subsidiaries and associates are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

BUSINESS COMBINATIONS - Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition-date fair values of assets given, liabilities incurred by the group to the former owners of the acquiree, and equity interests issued by the group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with FRS 39 *Financial Instruments: Recognition and Measurement*, or FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest was disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the FRS are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in FRS 102 *Share-based Payment* at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

The accounting policy for initial measurement of non-controlling interests is described above.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the group's statement of financial position when the group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense are recognised on an effective interest basis for debt instruments.

Financial assets

All financial assets are recognised and de-recognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss", "held-to-maturity investments", "available-for-sale" financial assets and "loans and receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets are classified as at FVTPL where the financial asset is either held-for-trading or it is designated as at FVTPL.

A financial asset is classified as held-for-trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in 'other operating income' or 'other operating expenses' line in the consolidated income statement. Fair value is determined in the manner described in Note 4.

Available-for-sale financial assets

Certain shares and debt securities held by the group are classified as being available-for-sale and are stated at fair value unless fair value cannot be reliably determined. Available-for-sale unquoted equity investments, for which fair value cannot be reliably determined, are carried at cost less accumulated impairment loss recognised in profit or loss. Fair value is determined in the manner described in Note 4. Gains and losses arising from changes in fair value are recognised in other comprehensive income with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in profit or loss. Where the investment is disposed or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income and accumulated in investment revaluation reserve is reclassified to profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the group's right to receive payments is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in other comprehensive income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For available-for-sale equity instruments, a significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence for impairment.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss. With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any subsequent increase in fair value after an impairment loss is recognised directly in other comprehensive income.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and short-term deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Derecognition of financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Treasury shares

When the company purchases its ordinary shares (treasury shares), the consideration paid, including any directly attributable incremental costs, net of income taxes, is deducted from equity attributable to owners of the company and presented as "treasury shares" within equity, until they are cancelled, sold or reissued.

When treasury shares are subsequently sold or reissued, the cost of the treasury shares is reversed from the treasury shares 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 share capital of the company.

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest bearing bank loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the group's accounting policy for borrowing costs (see below).

Derecognition of financial liabilities

The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or expired.

Derivative financial instruments

The group's activities expose it primarily to the financial risks of changes in foreign exchange rates.

The group uses derivative financial instruments (primarily foreign currency forward contracts) to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments.

Derivative financial instruments are initially measured at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at the end of each reporting period. Changes in the fair value of derivative financial instruments are recognised in profit or loss immediately.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

The group as lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

INVENTORIES - Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

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

CONSTRUCTION CONTRACTS - Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, as measured by the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

ASSETS HELD FOR SALE - Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

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

Depreciation is charged so as to write off the cost of assets, other than freehold land and assets under construction, over their estimated useful lives, using the straight-line method, on the following bases:

Building	-	50 years
Leasehold properties	-	30 to 50 years
Machinery and equipment	-	3 to 10 years
Furniture, equipment and motor vehicles	-	2 to 10 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising from disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Fully depreciated assets still in use are retained in the financial statements until they are no longer in use.

INVESTMENT PROPERTIES - Investment properties are properties held to earn rentals and/or for capital appreciation, including properties under construction for such purposes, are measured at its cost, including transaction costs. Completed investment properties are stated at cost less accumulated depreciation, over a useful life of 30 years (2012 : 30 years) using the straight-line method, and any identified impairment loss where the recoverable amount of the asset is estimated to be lower than its carrying amount.

The estimated useful life and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of investment properties is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

No depreciation is provided for investment properties under construction.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

GOODWILL - Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

INTANGIBLE ASSETS - Intangible assets acquired separately are reported at cost less accumulated amortisation (where they have finite useful lives) and accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are not amortised. Each period, the useful lives of such assets are reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy below.

Intangible assets acquired in a business combination are identified and recognised separately from goodwill. The cost of such intangible assets is their fair value at the acquisition date. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL - At the end of each reporting period, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

ASSOCIATES - An associate is an entity over which the group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the group's interest in that associate (which includes any long-term interests that, in substance, form part of the group's net investment in the associate) are not recognised, unless the group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a group entity transacts with an associate of the group, unrealised profits and losses are eliminated to the extent of the group's interest in the relevant associate.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

PROVISIONS - Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

SHARE-BASED PAYMENTS - The group issues equity-settled share-based payments to certain employees.

Equity-settled share-based payments are measured at fair value of the equity instruments at the date of grant.

The grant date is the date at which the group and another party (including an employee) agree to a share-based payment arrangement, being when the group and the counterparty have a shared understanding of the terms and conditions of the arrangement.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the group's estimate of the number of equity instruments that will eventually vest. At the end of each reporting period, the group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate with a corresponding adjustment to the share-based payment reserve.

The policy described above is applied to all equity-settled share-based payments that were granted after 22 November 2002 that vested after 1 January 2005.

BORROWING COSTS - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable and represent amounts receivable for goods and services provided in the normal course of business, net of discount and sales related taxes.

(i) Sale of goods and industrial leasehold properties

Revenue from the sale of goods and industrial leasehold properties is recognised when all the following conditions are satisfied:

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

(ii) Rendering of services

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at the end of the reporting period determined by services performed to date as a percentage of total services.

(iii) Maintenance

Revenue from maintenance contracts is deferred and recognised on a straight-line basis over the term of the relevant contract.

(iv) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(v) Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

(vi) Rental income

The group's policy for recognition of revenue from operating leases is described above.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

For defined benefit schemes, the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in profit or loss if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised directly in the other comprehensive income and charged to accumulated profits cumulatively.

Defined benefit schemes are funded in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at the end of each reporting period. The resulting defined benefit asset or liability is presented separately as other non-current liability.

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

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the company and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

INCOME TAX - (cont'd)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are presented in Singapore dollar, which is the functional currency of the company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations (including comparatives) are expressed in Singapore dollar using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in the group's foreign currency translation reserve. On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation accumulated in the foreign currency translation reserve shall be reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

SEGMENT REPORTING - Operating segments are reported in a manner consistent with the internal reporting provided to the group's chief operating decision makers who are responsible for allocation of resources and assessing performance of the operating segments.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying the company's accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition from long-term contracts

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

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Provision for guarantees arising from political risks in Libya

During the financial year ended 31 March 2008, the group through its joint venture[(1)], entered into a contract with a third party to construct a township in Libya. The company's bank ("Bank") provided an advance payment counter-guarantee and a performance counter-guarantee to a Libyan bank which then issued an advance payment and a performance guarantee to a third party. These advance payment guarantee and performance guarantee (and the respective counter-guarantees) were due to expire on 30 June 2011 and 28 July 2011 respectively.

As a result of the civil unrest and armed conflict in Libya in early 2011, the group had to pull out of the country as the township construction could not be continued.

In June 2011, the Libyan bank that issued the guarantees requested for an extension or liquidation of the guarantees. The company has served notice to the third party invoking the force majeure clause of the contract and has obtained an interim injunction in the High Court of Singapore against the Bank from making payment of monies and renewing the counter-guarantees.

On 30 August 2012, the High Court ordered, inter alia, that the interim injunction granted in June 2011 be set aside. Pending the commencement of a fresh action against the Bank by the company, the High Court then granted an interim injunction against the Bank to refrain it from making payment of monies under the Bank's counter-guarantees issued through it in favour of the Libyan bank and from renewing or extending the period of validity of the counter-guarantees until after the hearing of the fresh action or until further order.

On 3 September 2012, the company commenced fresh action against the Bank for a declaration that the company be discharged from all liabilities and obligations towards the Bank in relation to the Bank's counter-guarantees. At the same time, the company had received a claim for payment of the sums under the counter-guarantees from the Bank. As the interim injunction is in place, no payment has been made to the Bank.

(1) In 2011, the interest in the joint venture was diluted and management had assessed it to be an available-for-sale investment measured at $Nil at date of initial recognition.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

Provision for guarantees arising from political risks in Libya (cont'd)

On 10 September 2012, the company was notified that an event of default had occurred as the company did not make payment pursuant to the claim received on 3 September 2012. Accordingly, the Bank filed a Writ of Summons and Statement of Claim against the company for a combined sum of US$18.8 million and interest thereon, as well as costs on an indemnity or standard basis on 19 September 2012.

The company has deliberated the issue of these counter-guarantees and, supported by appropriate professional advice, concluded that the group has a good defence to the claim for reimbursement under the facilities agreement between the company and the Bank, and the group will continue to vigorously defend its position. Accordingly, no provision was made for these counter-guarantees and any related claims, including interest.

Depreciation and useful life

As at 31 March 2013, the group's carrying amounts of property, plant and equipment and investment properties were $18,545,000 and $50,346,000 respectively (2012 : $17,159,000 and $52,142,000 respectively). The group depreciates the property, plant and equipment and investment properties, after taking into account their estimated residual value, on a straight-line basis over the estimated useful lives of between 2 to 30 years (2012 : 2 to 30 years). Depreciation commences from the date the property, plant and equipment and investment properties are ready for their intended use. The estimated useful life and dates that the group places the property, plant and equipment and investment properties into productive use reflects the management's estimate of the periods the group intends to derive future economic benefits from the use of these assets.

Allowance for properties held for sale

In determining the net realisable value of the group's properties held for sale, management estimates the recoverable amount of properties held for sale based on most reliable evidence available at the time the estimates are made. These estimates take into consideration the fluctuations in prices and the condition of the properties held for sale relative to sales prospects. The carrying amount of properties held for sale is $30,449,000 (2012 : $61,363,000).

Impairment of available-for-sale investments

Management assesses whether there is any objective evidence that available-for-sale investments are impaired, as evidenced by the occurrence of one or more loss events. Based on management's best estimate of the future cash flows of each investment, and taking into consideration all credit exposures, adequate impairment loss has been recognised in the financial statements. The carrying amount of available-for-sale investments is disclosed in Note 14.

Impairment of investments in subsidiaries

At the end of each reporting period, the group reviews the carrying amounts of its investments in subsidiaries to determine whether there are any indications that those investments have suffered an impairment loss. In performing its review, the group considers the latest management budgets and economic outlooks relating to those entities, unless stated otherwise. If any such indication exists, the recoverable amount of the subsidiary is estimated in order to determine the extent of the impairment loss, if any.

Determining the recoverable amount of the subsidiary requires an estimation of the value in use of the subsidiary or the cash-generating units ("CGU"). The value in use calculation requires management to estimate the future cash flows expected to arise from the subsidiary or CGUs and a suitable discount rate in order to calculate present value. As the exercise is based on both prospective financial and non-financial information, it is highly subjective in nature. Accordingly, actual outcome is likely to be different from that forecasted since anticipated events frequently do not occur as expected and the variation may be material. A change in any of the key variables underlying the cash flow forecast could have a significant impact on the value in use calculations.

The carrying amount of investments in subsidiaries of the company is disclosed in Note 21.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

Allowances for doubtful receivables

The policy for allowance for doubtful receivables of the group and the company is based on the evaluation of collectibility and aging analysis of accounts and on management's judgement. A considerable amount of judgement and estimate is required in assessing the ultimate realisation of these receivables, including the current credit-worthiness and the past collection history of each customer and subsidiary. If the financial conditions of customers and subsidiaries of the group and the company were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. As at 31 March 2013, the carrying amounts of the group's trade and other receivables excluding prepayments and the company's loans to subsidiaries are $158,606,000 (2012 : $103,059,000) and $16,256,000 (2012 : $20,538,000) respectively.

Allowance for foreseeable losses

Judgement is exercised in determining foreseeable losses on construction contracts. In making such judgement, the group evaluates by relying on past experience and cost estimates. A considerable amount of estimate is required in assessing the cost estimates based on suppliers' quotation or engineers' estimates and taking into consideration the escalation of costs in the country in which the project takes place. As at 31 March 2013, the contracts work-in-progress is a net asset comprising contract costs plus recognised profits in excess of progress billings and allowance for foreseeable losses amounting to $32,902,000 (2012 : net asset of $37,097,000).

Assessment of liquidated damages

The group reviews the progress of construction contracts to determine whether any provision for liquidated damages is required for the projects which are behind schedule, taking into consideration the cause of the delay. Liquidated damages amounting to $1,250,000 (2012 : $1,250,000) has been provided as at 31 March 2013.

Provision for income tax and recoverability of deferred tax assets

Significant estimate is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The carrying amounts are as follows:

	GROUP	
	2013 $'000	**2012 $'000**
Income tax payable	**(18,896)**	(23,042)
Deferred tax assets	**3,191**	3,498
Deferred tax liabilities	**(2,236)**	(2,392)
	(17,941)	(21,936)

Further details are disclosed in Notes 22 and 34.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments, excluding financial instruments in assets held for sale and liabilities associated with assets held for sale, as at the end of the reporting period:

	GROUP		COMPANY	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Financial assets				
Loans and receivables (including cash and cash equivalents)	**380,774**	291,753	**123,191**	102,876
Available-for-sale investments	**36,975**	51,293	**36,890**	45,743
Held-for-trading investments	**5,307**	5,372	**5,307**	5,372
Financial liabilities				
Amortised cost	**230,132**	226,280	**208,671**	192,058
Derivative financial instruments - fair value through profit or loss	**321**	526	**162**	193

(b) Financial risk management policies and objectives

The group uses a variety of derivative financial instruments to manage its exposure to interest rate and foreign currency risk, including forward exchange contracts to hedge the exchange rate risks arising from trade receivables and trade payables, and firm commitments to buy or sell goods.

The group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change to the group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(i) Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss. In its management of credit risk, the group practises stringent credit review and sets counterparty credit limits. The group places its cash and fixed deposits with credit-worthy financial institutions. The group does not have any significant concentration of debts. The group has considered the credit quality of the loans and receivables and determined that the amounts are recoverable, except as disclosed in Notes 7 and 8 to the financial statements. The carrying amount of financial assets recorded in the financial statements, gross up for allowances for losses, represents the group's maximum exposure to credit risk.

Further details of credit risks on trade and other receivables are disclosed in Notes 7 and 8 respectively.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(ii) Interest rate risk management

Interest rate risk arises from potential change in interest rates that may have an adverse effect on the group in the current reporting period and in the future years. The interest rates and terms of repayment of interest bearing assets and liabilities are disclosed in the notes to the financial statements. The interest rates are re-priced at least annually or more frequently unless otherwise stated. The group's policy is to obtain the most favourable interest rates available and also by reviewing the terms of the interest bearing liabilities to minimise the adverse effects of changes in interest rates.

Summary quantitative data of the group's interest bearing financial instruments can be found in section (iv) of this note.

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the group's:

- profit for the year ended 31 March 2013 would decrease or increase by $343,000 (2012 : $187,000). This is mainly attributable to the group's exposure to interest rates on its variable rate borrowings and held-for-trading investments.

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the company's:

- profit for the year ended 31 March 2013 would decrease or increase by $1,812,000 (2012 : $1,538,000). This is mainly attributable to the company's exposure to interest rates on its held-for-trading investments and loans to and from subsidiaries.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(iii) Foreign currency risk management

Foreign currency risk occurs as a result of the group's transactions that are not denominated in the respective group entities' functional currencies. These transactions arise from the group's ordinary course of business.

The group transacts businesses in various currencies. The exposure to foreign currency risk arises largely from the movements in exchange rates of the United States dollar, Euro dollar, Australian dollar, Singapore dollar and United Arab Emirates dirham. Exposure to exchange fluctuation risks is managed as far as possible by natural hedges of matching revenue and costs and using derivatives such as forward foreign currency exchange contracts.

At the reporting date, the carrying amounts of significant monetary assets and monetary liabilities denominated in currencies other than the respective group entities' functional currencies are as follows:

	GROUP				COMPANY			
	Liabilities		Assets		Liabilities		Assets	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000
United States dollar	**24,857**	22,899	**55,427**	47,258	**-**	-	**1,150**	939
Euro dollar	**5,819**	4,911	**9,061**	3,143	**-**	-	**-**	-
Australian dollar	**18,946**	23,295	**5,743**	2,252	**18,946**	23,295	**5,565**	2,248
Singapore dollar	**18,561**	11,902	**196**	271	**-**	-	**-**	-
United Arab Emirates dirham	**45**	37	**538**	3,472	**-**	-	**-**	-

The group has a number of direct foreign investments, whose net assets are exposed to currency translation risk. Exposure to foreign currency risks are managed as far as possible by natural hedges of matching assets and liabilities and management reviews periodically so that the net exposure is kept at an acceptable level.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(iii) Foreign currency risk management (cont'd)

Foreign currency sensitivity

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the functional currency of each group entity, excluding the effects from undertaking forward foreign currency exchange contracts. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the group where they give rise to an impact on the group's profit or loss.

If the relevant foreign currency weakens by 10% against the functional currency of each group entity, profit before tax will increase (decrease) by:

	Profit or Loss			
	GROUP		COMPANY	
	2013 $'000	**2012 $'000**	**2013 $'000**	**2012 $'000**
United States dollar impact	**(3,057)**	(2,436)	**(115)**	(94)
Euro dollar impact	**(324)**	177	**-**	-
Australian dollar impact	**1,320**	2,104	**1,338**	2,105
Singapore dollar impact	**1,837**	1,163	**-**	-
United Arab Emirates dirham impact	**(49)**	(344)	**-**	-

If the relevant foreign currency strengthens by 10% against the functional currency of each group entity, profit before tax will decrease (increase) by the same amount.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(iv) Liquidity risk management

Liquidity risk is the risk that the group will encounter difficulty in raising funds to meet commitments.

The group's ability to fund its existing and prospective obligations is managed by internally-generated cash flows and maintaining committed funding lines with banks.

Liquidity and interest risk analyses

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group and company will be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liabilities on the statements of financial position.

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	More than 5 years	Adjustment	Total
	%	$'000	$'000	$'000	$'000	$'000
GROUP						
2013						
Non-interest bearing	**-**	**195,687**	**-**	**-**	**-**	**195,687**
Variable interest rate instruments	**1.53**	**9,759**	**20,394**	**5,645**	**(1,353)**	**34,445**
		205,446	**20,394**	**5,645**	**(1,353)**	**230,132**
2012						
Non-interest bearing	-	204,273	-	-	-	204,273
Variable interest rate instruments	2.97	4,875	18,520	-	(1,388)	22,007
		209,148	18,520	-	(1,388)	226,280

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(iv) Liquidity risk management (cont'd)

Liquidity and interest risk analyses (cont'd)

Non-derivative financial liabilities (cont'd)

	Weighted average effective interest rate	On demand or within 1 year	Adjustment	Total
	%	$'000	$'000	$'000
COMPANY				
2013				
Non-interest bearing	**-**	**23,664**	**-**	**23,664**
Variable interest rate loans	**0.91**	**185,147**	**(140)**	**185,007**
		208,811	**(140)**	**208,671**
2012				
Non-interest bearing	-	16,624	-	16,624
Variable interest rate loans	0.67	175,532	(98)	175,434
		192,156	(98)	192,058

The company has issued guarantees for trading line facilities and counter indemnities to the extent of $73 million (2012 : $68 million) to banks and third parties in respect of certain contracts entered into by its subsidiaries. The earliest period that the guarantee could be called is within 1 year (2012 : 1 year) from the end of the reporting period. Management considers that it is more likely than not that no amount will be payable under these arrangements.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(iv) Liquidity risk management (cont'd)

Liquidity and interest risk analyses (cont'd)

Non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the group and the company anticipates that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial assets on the statements of financial position.

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	More than 5 years	Adjustment	Total
	%	$'000	$'000	$'000	$'000	$'000
GROUP						
2013						
Non-interest bearing	**-**	**221,749**	**24,715**	**-**	**-**	**246,464**
Fixed interest rate instruments	**1.77**	**166,395**	**7,804**	**-**	**(2,914)**	**171,285**
Variable interest rate instruments	**12.83**	**5,988**	**-**	**-**	**(681)**	**5,307**
		394,132	**32,519**	**-**	**(3,595)**	**423,056**
2012						
Non-interest bearing	-	159,091	32,263	5,550	-	196,904
Fixed interest rate instruments	2.47	136,247	11,973	-	(2,078)	146,142
Variable interest rate instruments	16.21	6,243	-	-	(871)	5,372
		301,581	44,236	5,550	(2,949)	348,418
COMPANY						
2013						
Non-interest bearing	-	**66,309**	**24,630**	**-**	**-**	**90,939**
Fixed interest rate instruments	**1.01**	**61,912**	**7,804**	**-**	**(574)**	**69,142**
Variable interest rate instruments	**12.83**	**5,988**	**-**	**-**	**(681)**	**5,307**
		134,209	**32,434**	**-**	**(1,255)**	**165,388**
2012						
Non-interest bearing	-	26,035	32,263	-	-	58,298
Fixed interest rate instruments	0.85	71,907	11,973	-	(1,350)	82,530
Variable interest rate instruments	7.18	14,210	-	-	(1,047)	13,163
		112,152	44,236	-	(2,397)	153,991

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(iv) Liquidity risk management (cont'd)

Liquidity and interest risk analyses (cont'd)

Derivative financial instruments

As at 31 March 2013, derivative financial instruments comprise foreign exchange forward contracts held by the group and company amounting to $321,000 and $162,000 (2012 : $526,000 and $193,000) respectively and are classified as current liabilities with contracted gross cash flows within 1 year.

(v) Equity price risk management

The group is exposed to equity risks arising from unquoted equity investments and quoted equity instruments classified as available-for-sale amounting to $20,215,000 (2012 : $5,550,000) and $4,500,000 (2012 : $32,263,000) respectively. Available-for-sale equity investments are held for strategic rather than trading purposes. The group does not actively trade available-for-sale investments.

Equity price sensitivity

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

In respect of available-for-sale quoted equity instruments, if the equity prices had been 10% higher or lower, the group's and company's investment revaluation reserve would increase or decrease by $450,000 (2012 : $3,226,000).

No sensitivity analysis has been prepared for unquoted equity investments as there are no readily available market prices for these investments.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(vi) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

- the fair value of derivative instruments are calculated using quoted prices. Where such prices are not available, discounted cash flow analysis is used, based on the applicable yield curve of the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

Management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

The group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

(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).

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(vi) Fair value of financial assets and financial liabilities (cont'd)

Financial instruments measured at fair value

	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
GROUP				
2013				
Financial assets				
Available-for-sale investments				
- quoted equities	**4,500**	**-**	**-**	**4,500**
- unquoted equities	**-**	**20,130**	**-**	**20,130**
- unquoted debt securities	**-**	**12,260**	**-**	**12,260**
Held-for-trading investments	**-**	**5,307**	**-**	**5,307**
	4,500	**37,697**	**-**	**42,197**
Financial liabilities				
Derivative financial instruments				
- fair value through profit or loss	**-**	**321**	**-**	**321**
2012				
Financial assets				
Available-for-sale investments				
- quoted equities	32,263	-	-	32,263
- unquoted debt securities	-	13,480	-	13,480
Held-for-trading investments	-	5,372	-	5,372
	32,263	18,852	-	51,115
Financial liabilities				
Derivative financial instruments				
- fair value through profit or loss	-	526	-	526

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(vi) Fair value of financial assets and financial liabilities (cont'd)

Financial instruments measured at fair value (cont'd)

	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
COMPANY				
2013				
Financial assets				
Available-for-sale investments				
- quoted equities	**4,500**	**-**	**-**	**4,500**
- unquoted equities	**-**	**20,130**	**-**	**20,130**
- unquoted debt securities	**-**	**12,260**	**-**	**12,260**
Held-for-trading investments	**-**	**5,307**	**-**	**5,307**
	4,500	**37,697**	**-**	**42,197**
Financial liabilities				
Derivative financial instruments				
- fair value through profit or loss	**-**	**162**	**-**	**162**
2012				
Financial assets				
Available-for-sale investments				
- quoted equities	32,263	-	-	32,263
- unquoted debt securities	-	13,480	-	13,480
Held-for-trading investments	-	5,372	-	5,372
	32,263	18,852	-	51,115
Financial liabilities				
Derivative financial instruments				
- fair value through profit or loss	-	193	-	193

There were no significant transfers between Level 1 and Level 2 of the fair value hierarchy in 2012 and 2013.

(c) Capital risk management policies and objectives

The group manages its capital to ensure that entities in the group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the group consists of debt, which includes the borrowings disclosed in Note 23 and equity attributable to owners of the company, comprising share capital, reserves and accumulated profits.

The group's overall strategy remains unchanged from 2012.

5 RELATED PARTY TRANSACTIONS

Some of the group's transactions and arrangements and terms thereof are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless stated otherwise.

Significant related party transactions with a corporation in which certain directors have an interest:

	GROUP	
	2013 $'000	2012 $'000
Rental income from a related party	**-**	76

Compensation of directors and key management personnel

The remuneration of directors and other members of key management personnel during the year was as follows:

	GROUP	
	2013 $'000	2012 $'000
Short-term benefits	**13,273**	12,898
Post-retirement benefit	**392**	414
Share-based payment	**130**	-
	13,795	13,312
Directors' fee	**319**	270
	14,114	13,582

The remuneration of directors and key management is determined by the remuneration committee having regard to the performance of individuals and market trends.

6 CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Cash at bank	**123,106**	59,845	**3,322**	459
Short-term deposits	**100,401**	132,662	**55,284**	69,050
	223,507	192,507	**58,606**	69,509

The short-term deposits have average maturities of three months and earn interests ranging from 0.30% to 5.65% (2012 : 0.52% to 5.65%) per annum.

As a result of the civil unrest and armed conflict in Libya in 2011, management is of the view that the cash held in Libya might not be recoverable. Hence, full allowance had been made for cash held in Libya amounting to $2,444,000 in 2011 for the group.

7 TRADE RECEIVABLES

	GROUP	
	2013 $'000	**2012 $'000**
Amount receivables from sales:		
Outside parties	**153,498**	112,883
Less: Allowance for doubtful receivables	**(28,825)**	(30,029)
	124,673	82,854
Related parties	**-**	2,841
Less: Allowance for doubtful receivables	**-**	(2,841)
	-	-
Net trade receivables	**124,673**	82,854

The average credit period on sale of goods is 67 days (2012 : 41 days). No interest is charged on the trade receivables outstanding.

Trade receivables are provided for based on estimated irrecoverable amounts from the sale of goods and rendering of services, determined by reference to past default experience.

Before accepting any new customer, the group will assess the potential customer's credit quality and define credit limits for each of the customer. Limits attributed to customers are reviewed periodically. There are 4 (2012 : 3) external customers which individually represents more than 5% of the total trade receivables.

Included in the group's trade receivables are debtors with a carrying amount of $18,166,000 (2012 : $3,388,000) which are past due at the reporting date and retention sum receivable of $17,720,000 (2012 : $17,855,000). The average age of these receivables is 127 days (2012 : 131 days). The group has not provided for non-recoverability as there has not been a significant change in credit quality and the amounts are still considered recoverable. The group does not hold any collateral over these balances.

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 granted 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 doubtful receivables.

Movement in the allowance for doubtful receivables:

	GROUP	
	2013 $'000	**2012 $'000**
At beginning of the year	**32,870**	35,331
Amount written-off during the year – outside parties	**(280)**	(813)
Amount written-off during the year – related parties	**(2,841)**	-
Allowance for the year – outside parties	**77**	469
Disposal of subsidiary	**(24)**	-
Write-back for the year	**(142)**	(461)
Exchange rate adjustment	**(835)**	(1,656)
At end of the year	**28,825**	32,870

8 OTHER RECEIVABLES AND PREPAYMENTS

	GROUP		COMPANY	
	2013 $'000	**2012 $'000**	**2013 $'000**	**2012 $'000**
Sundry debtors	**30,283**	13,834	**24,958**	581
Tax recoverable	**1,339**	3,813	**-**	-
Prepaid maintenance costs and others	**12,442**	13,133	**-**	-
Deposits	**1,700**	941	**-**	-
Due from an associate (Note 20)	**1,500**	1,514	**-**	-
Staff loans and advances	**611**	103	**-**	-
Due from subsidiaries (Note 21)	**-**	-	**23,371**	12,248
Due from an outside party	**3,055**	3,142	**-**	-
	50,930	36,480	**48,329**	12,829
Less: Allowance for doubtful receivables	**(4,555)**	(3,142)	**-**	-
	46,375	33,338	**48,329**	12,829

Amount due from sundry debtors, associate, subsidiaries and an outside party and staff loans and advances are unsecured, interest-free and repayable on demand.

Included in sundry debtors is a receivable amounting to $23,967,000 which relates to amount due from an outside party for an available-for-sale investment disposed off in 2013. This amount has been received subsequent to the end of the reporting period.

The group has recognised allowance for doubtful receivables from an outside party and an associate amounting to $3,055,000 (2012 : $3,142,000) and $1,500,000 (2012 : $Nil) respectively as management does not expect to recover the receivables from the outside party and associate. No allowance is recognised on the remaining other receivables as there has not been a significant change in credit quality and the amounts are still considered recoverable.

Movement in the allowance for other receivables and prepayments:

	GROUP	
	2013 $'000	**2012 $'000**
At beginning of the year	**3,142**	3,219
Allowance for the year	**1,500**	-
Exchange rate adjustment	**(87)**	(77)
At end of the year	**4,555**	3,142

9 HELD-FOR-TRADING INVESTMENTS

	GROUP AND COMPANY	
	2013 $'000	**2012 $'000**
Credit linked notes	**5,307**	5,372

Held-for-trading investments relate to credit linked notes that present the group and company with opportunities for return through interest income and fair value gains. These investments have no fixed coupon rates. The fair values of these securities are determined based on the proprietary models that take into consideration estimates about relevant present and future marketing conditions.

10 LOANS TO/FROM SUBSIDIARIES

	COMPANY	
	2013 $'000	**2012 $'000**
Loans to subsidiaries		
Non-interest bearing	**39,812**	27,871
Interest bearing	**-**	18,289
	39,812	46,160
Less: Allowance for doubtful receivables	**(23,556)**	(25,622)
	16,256	20,538
Loans from subsidiaries		
Non-interest bearing	**18,766**	13,227
Interest bearing	**185,007**	175,434
	203,773	188,661

Loans to/from subsidiaries are unsecured and repayable on demand.

In 2012, interest bearing loans to subsidiaries bore effective interest at 0.96% per annum. The interest bearing loans were repaid during the year.

Interest bearing loans from subsidiaries bear effective interest at 0.91% (2012 : 0.67%) per annum.

Movement in the allowance for doubtful receivables:

	COMPANY	
	2013 $'000	**2012 $'000**
At beginning of the year	**25,622**	26,504
Allowance for the year	**289**	467
Write-back for the year	**(2,355)**	(1,349)
At end of the year	**23,556**	25,622

11 INVENTORIES

	GROUP	
	2013 $'000	**2012 $'000**
Raw materials	**4,419**	3,895
Finished goods	**841**	582
	5,260	4,477

12 PROPERTIES HELD FOR SALE

The group has the following properties held for sale at lower of cost or net realisable value:

	Location	Description/Area	Tenure
(1)	People's Republic of China No. 3 Xin Mei Road Plot 117, Wuxi New District Wuxi JiangSu	Industrial/ Gross floor: 4,663 sq metres	50 years from 26 June 2002
(2)	People's Republic of China No. 7 Xin Mei Road Plot 117, Wuxi New District Wuxi JiangSu	Industrial/ Gross floor: 6,038 sq metres	50 years from 26 June 2002
(3)	People's Republic of China No. 18 Xin Mei Road Plot 117, Wuxi New District Wuxi JiangSu	Industrial/ Gross floor: 3,238 sq metres	50 years from 26 June 2002
(4)	Singapore No. 12 Changi North Way	Industrial/ Gross floor: 16,618 sq metres	60 years from 16 January 2005
(5)	Singapore No. 16 Changi North Way	Industrial/ Gross floor: 11,287 sq metres	27 years 4 months from 1 September 2007 with an option to extend a further 30 years
(6)	Singapore No. 25 Changi North Rise	Industrial/ Gross floor: 7,014 sq metres	30 years from 1 February 2007 with an option to extend a further 30 years
(7)	Singapore No. 85 Tuas South Avenue 1	Industrial/ Gross floor: 10,433 sq metres	30 years from 16 April 2007 with an option to extend a further 30 years
(8)	People's Republic of China No. 2 Xinmao Street Tongzhou District Majuqiao Town Tongzhou Logistics Park Beijing (1)	Industrial/ Gross floor: 38,792 sq metres	50 years from 17 August 2008
(9)	Private Lot A2905801 Pioneer Road/Tuas West Avenue (2)	Industrial/ Gross floor: 5,501 sq metres	30 years from 30 September 2011
(10)	61 Ubi Avenue 1 (2)	Industrial/ Gross floor: 5,205 sq metres	60 years from 10 March 1997

Notes:

(1) *This property is held by a wholly-owned subsidiary of Boustead Projects (North China) Pte Ltd ("BPNC"). Management expects the sale of BPNC to be completed within one year from the end of the year. Accordingly, the carrying amount of the property held by BPNC is reclassified to assets held for sale (Note 15) during the year. Subsequent to the end of the year, the sale was completed.*

(2) *These properties were disposed during the year ended 31 March 2013.*

As at 31 March 2013, properties held for sale amounting to $28,935,000 (2012 : $44,157,000) are pledged to the banks for banking facilities (Note 23).

13 CONTRACTS WORK-IN-PROGRESS

	GROUP	
	2013 $'000	2012 $'000
Contracts work-in-progress at end of the year:		
Amounts due from contract customers	**40,544**	57,653
Contract costs incurred plus recognised profits	**331,652**	338,903
Less: Progress billings	**(287,047)**	(277,189)
Less: Allowance for foreseeable losses	**(4,061)**	(4,061)
	40,544	57,653
Contracts work-in-progress at end of the year:		
Amounts due to contract customers	**7,642**	20,556
Progress billings	**179,983**	167,837
Allowance for foreseeable losses	**-**	145
Less: Contract costs incurred plus recognised profits	**(172,341)**	(147,426)
	7,642	20,556

At 31 March 2013, advances received from customers for contract work amounted to $Nil (2012 : $113,000).

Movement in the allowance for foreseeable losses:

	GROUP	
	2013 $'000	2012 $'000
At beginning of the year	**4,206**	4,333
Utilised during the year	**(145)**	(127)
At end of the year	**4,061**	4,206

14 AVAILABLE-FOR-SALE INVESTMENTS

	GROUP		COMPANY	
	2013 $'000	**2012 $'000**	**2013 $'000**	**2012 $'000**
Quoted equity shares, at fair value [(a)]	**4,500**	32,263	**4,500**	32,263
Unquoted equity shares, at fair value [(b)]	**20,130**	-	**20,130**	-
Unquoted equity shares, at net recoverable value [(c)]	**85**	5,550	**-**	-
Unquoted debt securities, at fair value [(d)]	**12,260**	13,480	**12,260**	13,480
	36,975	51,293	**36,890**	45,743
Less: Unquoted debt securities maturing within 12 months	**(4,635)**	(2,397)	**(4,635)**	(2,397)
Non-current available-for-sale investments	**32,340**	48,896	**32,255**	43,346

Notes:

(a) *The fair value of these quoted equity shares were based on quoted closing market prices on the last market day of the financial year.*

(b) *The fair value of the unquoted equity shares were based on the purchase consideration paid by the group during the year. Management is of the view that the purchase consideration approximates the fair value of the investment as at 31 March 2013 due to the close proximity of the acquisition to the end of the reporting period.*

(c) *The unquoted equity shares are stated at cost less any impairment in net recoverable value as management is of the view that there is no reliable measure of the fair values of these unquoted equity shares. During the year, management has performed an impairment review and determined that the estimated net recoverable amount is at least $85,000 (2012 : $5,550,000).*

(d) *The investments in unquoted debt securities have effective interest rates ranging from 2.10% to 6.15% (2012 : 2.10% to 6.15%) per annum and have maturity dates ranging from April 2013 to January 2017 (2012 : June 2012 to November 2016).*

15 ASSETS HELD FOR SALE

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

The proceeds of disposal are expected to exceed the net carrying amount of the relevant assets and liabilities and, accordingly, no impairment loss has been recognised on the classification of these operations as held for sale.

The major classes of assets and liabilities comprising the disposal group classified as held for sale are as follows:

	GROUP
	2013 $'000
Assets	
Cash and cash equivalents	**214**
Trade and other receivables	**109**
Properties held for sale	**15,222**
Property, plant and equipment	**5**
Total assets held for sale	**15,550**
Liabilities	
Bank loan [(1)]	**3,624**
Trade and other payables	**90**
Income tax payable	**111**
Total liabilities associated with assets held for sale	**3,825**
Net assets of disposal group	**11,725**

Note:

(1) *The bank loan is secured by way of legal mortgage on the investment property held within the disposal group and the future rental income and all rights, titles, benefits and interest arising out of the tenancy agreement between the subsidiary and the lessee. The term loan bears effective interest rate of about 7.04% per annum in 2013.*

Subsequent to the end of the reporting period, the sale was completed.

16 PROPERTY, PLANT AND EQUIPMENT

	Freehold land and building	Leasehold properties	Machinery and equipment	Furniture, equipment and motor vehicles	Construction work-in-progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000
GROUP						
Cost:						
At 1 April 2011	6,672	5,743	5,209	12,714	343	30,681
Additions	-	328	3,139	1,785	-	5,252
Disposals	(443)	(145)	(1,217)	(1,415)	(320)	(3,540)
Reclassification	-	-	(199)	199	-	-
Exchange rate adjustment	(63)	132	72	12	(23)	130
At 31 March 2012	6,166	6,058	7,004	13,295	-	32,523
Additions	-	299	3,811	1,943	-	6,053
Disposals	-	(344)	(850)	(845)	-	(2,039)
Reclassified as assets held for sale (Note 15)	-	-	-	(14)	-	(14)
Disposal of subsidiaries	-	-	-	(144)	-	(144)
Exchange rate adjustment	(385)	(66)	(71)	(207)	-	(729)
At 31 March 2013	**5,781**	**5,947**	**9,894**	**14,028**	**-**	**35,650**
Accumulated depreciation:						
At 1 April 2011	266	1,961	3,869	8,810	-	14,906
Depreciation for the year	302	521	592	1,742	-	3,157
Disposals	(217)	(121)	(1,157)	(1,304)	-	(2,799)
Reclassification	-	-	(28)	28	-	-
Exchange rate adjustment	(11)	49	47	15	-	100
At 31 March 2012	340	2,410	3,323	9,291	-	15,364
Depreciation for the year	102	528	1,276	1,839	-	3,745
Disposals	-	(104)	(794)	(710)	-	(1,608)
Reclassified as assets held for sale (Note 15)	-	-	-	(9)	-	(9)
Disposal of subsidiaries	-	-	-	(144)	-	(144)
Exchange rate adjustment	(26)	(18)	(56)	(143)	-	(243)
At 31 March 2013	**416**	**2,816**	**3,749**	**10,124**	**-**	**17,105**
Carrying amount:						
At 31 March 2012	5,826	3,648	3,681	4,004	-	17,159
At 31 March 2013	**5,365**	**3,131**	**6,145**	**3,904**	**-**	**18,545**

17 INVESTMENT PROPERTIES

	GROUP	
	2013 $'000	**2012 $'000**
Cost:		
At beginning of the year	**52,805**	14,947
Additions	**43,133**	56,112
Disposals	**-**	(7,386)
Disposal of a subsidiary	**(43,340)**	(10,868)
At end of the year	**52,598**	52,805
Accumulated depreciation:		
At beginning of the year	**663**	1,484
Depreciation for the year	**1,589**	756
Disposals	**-**	(1,577)
At end of the year	**2,252**	663
Carrying amount:		
At end of the year	**50,346**	52,142

Investment properties of the group comprise the following:

	Location	Description/Area	Existing Use	Unexpired terms of lease
	Singapore			
(1)	26 Changi North Rise Singapore 498756	Industrial/Leasehold Gross floor: 6,800 sq metres	Rental	27 years
(2)	10 Changi North Way	Industrial/Leasehold Gross floor: 11,938 sq metres	Rental	23 years
(3)	Boon Keng Road in Kallang Industrial Estate	Industrial/Leasehold Gross floor: 11,250 sq metres	Rental	28 years
(4)	Pioneer Turn in Jurong Industrial Estate [(1)]	Industrial/Leasehold Gross floor: 42,114 sq metres	Disposed	-
(5)	Seletar Aerospace Heights Seletar Aerospace Park	Industrial/Leasehold Land area: 9,264 sq metres	Under construction	29 years
(6)	Tampines Industrial Avenue 5/ Tampines Avenue 10 Tampines Hi-Tech Park	Industrial/Leasehold Land area: 14,300 sq metres	Under construction	29 years

As at 31 March 2012, the group held properties (1) to (4).

Note:

(1) *The investment property was held by a subsidiary which was disposed during the year ended 31 March 2013.*

17 INVESTMENT PROPERTIES (cont'd)

Independent professional valuations have been carried out for the group's investment properties that are completed as at the end of the reporting period by independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. The valuation of approximately $73.3 million (2012 : $37.5 million) was arrived at by reference to market evidence of transaction prices for similar properties.

The rental income from the group's investment properties which are leased out under operating leases, amounted to $6,340,000 (2012 : $2,253,000). Direct operating expenses (including repairs and maintenance) arising from the rental-generating investment properties amounted to $1,202,000 (2012 : $375,000).

As at 31 March 2013, investment properties amounting to $22,591,000 (2012 : $Nil) are pledged to banks for banking facilities (Note 23).

18 GOODWILL

	GROUP
	$'000
At cost:	
At 1 April 2011	1,612
Exchange rate adjustment	47
At 31 March 2012	1,659
Exchange rate adjustment	(12)
At 31 March 2013	**1,647**
Impairment loss:	
At 1 April 2011	76
Exchange rate adjustment	3
At 31 March 2012 and 2013	**79**
Carrying amount:	
At 31 March 2012	1,580
At 31 March 2013	**1,568**

Goodwill acquired in a business combination is allocated, at acquisition to the cash-generating units ("CGU") that are expected to benefit from that business combination.

The above goodwill has been allocated to Esri (Australia) Pty Ltd's CGU within the geo-spatial technology segment.

The group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. No impairment loss has been recognised based on the most recent financial budgets forecast approved by management in 2013 and 2012.

19 OTHER INTANGIBLE ASSETS

	Intellectual property rights	Club membership	Trademarks	Customer list	Others	Total
	$'000	$'000	$'000	$'000	$'000	$'000
GROUP						
At cost:						
At 1 April 2011	423	120	1,612	465	143	2,763
Additions	-	44	-	-	-	44
Exchange rate adjustment	-	-	48	13	-	61
At 31 March 2012	423	164	1,660	478	143	2,868
Additions	-	-	-	-	92	92
Exchange rate adjustment	-	-	(17)	(4)	-	(21)
At 31 March 2013	**423**	**164**	**1,643**	**474**	**235**	**2,939**
Accumulated amortisation:						
At 1 April 2011	94	-	-	252	143	489
Amortisation during the year	-	-	-	219	-	219
Exchange rate adjustment	-	-	-	7	-	7
At 31 March 2012	94	-	-	478	143	715
Exchange rate adjustment	-	-	-	(4)	-	(4)
At 31 March 2013	**94**	**-**	**-**	**474**	**143**	**711**
Impairment loss:						
At 1 April 2011, 31 March 2012 and 2013	**329**	**70**	**-**	**-**	**-**	**399**
Carrying amount:						
At 31 March 2012	-	94	1,660	-	-	1,754
At 31 March 2013	**-**	**94**	**1,643**	**-**	**92**	**1,829**

19 OTHER INTANGIBLE ASSETS (cont'd)

	Club membership $'000
COMPANY	
At cost:	
At 1 April 2011	90
Additions	44
At 31 March 2012 and 2013	**134**
Impairment loss:	
At 1 April 2011, 31 March 2012 and 2013	**60**
Carrying amount:	
At 31 March 2012 and 2013	**74**

Intellectual property rights and copyrights acquired by a subsidiary relate to the manufacture, assembly, sale and commercial operation of certain boilers on a worldwide basis. This had been fully impaired due to uncertainty in the future revenue stream to be derived.

Trademarks were acquired in 2010 as part of the acquisition of a subsidiary. The fair value is based on its intended use and the expected future economic benefit to be derived from the future operating cash inflows from products and services associated with the acquired trademarks. Management is of the view that the trademarks will continuously be renewed for the foreseeable future, and hence are deemed to have an indefinite useful life and will be subject to impairment testing annually, or more frequently if events or circumstances indicate that it might be impaired. No impairment has been recognised in 2013 and 2012.

Customer list which was acquired as part of the acquisition of a subsidiary in 2010 has been amortised over its useful life of 2 years.

The impairment loss for club membership is made to more closely reflect the current market price.

20 INVESTMENTS IN ASSOCIATES

	GROUP		COMPANY	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Unquoted equity shares, at cost	**3,940**	3,940	**3,940**	3,940
Share of post-acquisition:				
Profits	**22,363**	22,363	**-**	-
Dividends received	**(20,965)**	(20,965)	**-**	-
Unrealised profit on construction	**(146)**	(146)	**-**	-
	5,192	5,192	**3,940**	3,940
Less: Impairment loss	**(2,405)**	(2,405)	**(1,153)**	(1,153)
	2,787	2,787	**2,787**	2,787
Loan receivables	**2,489**	2,489	**-**	-
Less: Allowance for loan receivables	**(2,489)**	(2,489)	**-**	-
Net loan receivables	**-**	-	**-**	-
Total investments in associates	**2,787**	2,787	**2,787**	2,787

Loan receivables of $2,489,000 (2012 : $2,489,000) is interest-free, unsecured and not expected to be repaid. Full allowance has been made for the loan. The allowance is determined by reference to the amount not expected to be recovered.

Movement in the impairment loss:

	GROUP		COMPANY	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
At beginning of the year	**2,405**	954	**1,153**	954
Impairment during the year	**-**	2,405	**-**	1,153
Write-off during the year	**-**	(954)	**-**	(954)
At end of the year	**2,405**	2,405	**1,153**	1,153

Movement in the allowance for loan receivables:

	GROUP		COMPANY	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
At beginning of the year	**2,489**	2,489	**-**	182
Write-back during the year	**-**	-	**-**	(182)
At end of the year	**2,489**	2,489	**-**	-

The carrying amount as at the end of each year represents the group's share of net assets of an associate which has been placed under voluntary liquidation since the year ended 31 March 2011. Allowance for impairment loss had been fully made for the remaining group's associates in prior year.

21 INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2013 $'000	**2012 $'000**
Unquoted equity shares, at cost	**169,290**	169,034
Less: Impairment loss	**(48,537)**	(46,577)
	120,753	122,457
Loan receivables	**16,679**	6,811
Less: Allowance for loan receivables	**(5,766)**	(5,928)
	10,913	883
	131,666	123,340

Movement in the impairment loss:

	COMPANY	
	2013 $'000	**2012 $'000**
At beginning of the year	**46,577**	38,577
Impairment during the year	**2,000**	8,000
Write-off during the year	**(40)**	-
At end of the year	**48,537**	46,577

In 2013, management assessed the recoverability of its investments and was of the view that certain subsidiaries' recoverable amounts may be lower than its cost of investments and accordingly, an impairment loss of $2,000,000 (2012 : $8,000,000) was made.

Movement in the allowance for loan receivables:

	COMPANY	
	2013 $'000	**2012 $'000**
At beginning of the year	**5,928**	6,274
Write-back during the year	**(162)**	(346)
At end of the year	**5,766**	5,928

In 2013 and 2012, there was a write-back of allowance for loan receivables as a portion of the loan receivables from its subsidiaries had been repaid.

21 INVESTMENTS IN SUBSIDIARIES (cont'd)

Details of the company's significant subsidiaries are set out below:

Name of company	Principal activities	Country of incorporation/ (or residence)	Effective proportion of ownership interest and voting power held	
			2013 %	2012 %
Boustead Projects Pte Ltd [1]	Design-and-build and development of industrial facilities and industrial parks	Singapore	**100.0**	100.0
Boustead Services Pte Ltd [1]	Provision of management services to group companies	Singapore	**100.0**	100.0
Esri Australia Pty Ltd [2]	Exclusive distributor for Esri geo-spatial technology and provider of professional services and training	Australia	**88.2**	88.2
Esri South Asia Pte Ltd [1]	Exclusive distributor for Esri geo-spatial technology and provider of professional services and training	Singapore	**88.2**	88.2
Boustead Salcon Water Solutions Pte Ltd [1]	Design, engineering and construction of water and wastewater treatment plants	Singapore	**100.0**	100.0
BIH Holdings Pte Ltd [1]	Investment holding	Singapore	**100.0**	100.0
CN Logistics Pte Ltd [1]	Holding of property for rental income	Singapore	**100.0**	100.0
Boustead Projects (Vietnam) Co., Ltd [2]	Provide project management design, construction works and property-related activities	Vietnam	**100.0**	100.0
BP-UMS Pte Ltd [1]	Holding of property for rental income	Singapore	**100.0**	100.0
BP-Tuas 1 Pte Ltd [1]	Holding of property for rental income	Singapore	**100.0**	100.0
BP-CA Pte Ltd [1]	Holding of property for rental income	Singapore	**100.0**	100.0
BP-SDV Pte Ltd [1] [3]	Holding of property for rental income	Singapore	**-**	100.0

21 INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of company	Principal activities	Country of incorporation/ (or residence)	Effective proportion of ownership interest and voting power held	
			2013 %	2012 %
BP-SFN Pte Ltd [(1)]	Holding of property for rental income	Singapore	**100.0**	100.0
BP-Conti Alloy Pte Ltd [(1)]	Holding of property for rental income	Singapore	**100.0**	100.0
BP-BBD Pte Ltd [(1)]	Holding of property for rental income	Singapore	**100.0**	100.0
Controls & Electrics Pte Ltd [(1)]	Design, engineering and supply of process control systems	Singapore	**78.8**	78.8
MapData Services Pty Ltd [(2)]	Provider of geo-spatial technology and data sets	Australia	**88.2**	88.2
Esri Malaysia Sdn Bhd [(2)]	Exclusive distributor for Esri geo-spatial technology and provider of professional services and training	Malaysia	**88.2**	88.2
Boustead International Heaters Limited [(2)]	Design, engineering and supply of process heater systems and waste heat recovery units	United Kingdom	**100.0**	100.0
Boustead International Heaters Pte Ltd [(1)]	Design, engineering and supply of process heater systems and waste heat recovery units	Singapore	**100.0**	100.0
BIH Heaters Malaysia Sdn Bhd [(2)]	Design, engineering and supply of process heater systems and waste heat recovery units	Malaysia	**100.0**	100.0

Notes:

(1) *Audited by Deloitte & Touche LLP, Singapore.*

(2) *Audited by member firms of Deloitte Touche Tohmatsu Limited.*

(3) *The subsidiary was disposed during the year.*

22 DEFERRED TAX

	GROUP	
	2013 $'000	2012 $'000
Deferred tax assets	**3,191**	3,498
Deferred tax liabilities	**2,236**	2,392

The following are the major deferred tax assets and liabilities recognised by the group and movements thereon during the year:

	Provisions and others $'000	Accelerated tax depreciation $'000	Total $'000
At 1 April 2011	2,289	(1,769)	520
Credit (Charge) to profit or loss	713	(154)	559
Exchange rate adjustment	26	1	27
At 31 March 2012	3,028	(1,922)	1,106
Credit (Charge) to profit or loss	43	(155)	(112)
Exchange rate adjustment	(44)	5	(39)
At 31 March 2013	**3,027**	**(2,072)**	**955**

Subject to the agreement by the tax authorities, at the end of the reporting period, the group has unutilised tax losses and unabsorbed capital allowances of $58,086,000 (2012 : $55,246,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the unutilised tax losses and unabsorbed capital allowances due to the unpredictability of future profit streams.

The tax loss carryforwards and unabsorbed capital allowances are available for an unlimited future period subject to conditions imposed by law including the retention of majority shareholders as defined.

23 BANK LOANS

	GROUP	
	2013 $'000	2012 $'000
Long-term bank loans	**34,445**	22,007
Less: Amount due within 1 year and shown under current liabilities	**(9,290)**	(4,278)
Amount due within 2 to 5 years and shown under non-current liabilities	**25,155**	17,729

23 BANK LOANS (cont'd)

Notes:

Long-term bank loans consist of the following:

(i) A loan balance of $3,875,000 (2012 : $4,375,000) is secured by way of a legal mortgage on a property of a subsidiary and the future rental income and all rights, titles, benefits and interest arising out of the tenancy agreement between the subsidiary and the lessee. The term loan bears effective interest rate of 1.56% (2012 : 1.57%) per annum and is repayable in 28 equal quarterly instalments of $125,000 with a final cash repayment of $3.5 million. The effective interest rate is determined based on 1.25% above Swap Offer Rate on a quarterly basis.

(ii) A loan balance of $2,200,000 (2012 : $3,160,000) is secured by way of a legal mortgage on a property of a subsidiary and the future rental income and all rights, titles, benefits and interest arising out of the tenancy agreement between the subsidiary and the lessee. The term loan bears effective interest rate of 1.53% (2012 : 1.53%) per annum and is repayable in 24 equal quarterly instalments of $240,000 with a final cash repayment of $40,000. The effective interest rate is determined based on 1.15% above Swap Offer Rate on a quarterly basis.

(iii) A loan balance of $4,850,000 (2012 : $5,850,000) is secured by way of a legal mortgage on a property of a subsidiary and the future rental income and all rights, titles, benefits and interest arising out of the tenancy agreement between the subsidiary and the lessee. The term loan bears effective interest rate of 1.63% (2012 : 1.63%) per annum and is repayable in 27 equal quarterly instalments of $250,000 with a final cash repayment of $2.35 million. The effective interest rate is determined based on 1.25% above Swap Offer Rate on a quarterly basis.

(iv) A loan balance of $3,180,000 (2012 : $3,680,000) is secured by way of a legal mortgage on a property of a subsidiary and the future rental income and all rights, titles, benefits and interest arising out of the tenancy agreement between the subsidiary and the lessee. The term loan bears effective interest rate of 1.63% (2012 : 1.77%) per annum and is repayable in 27 equal quarterly instalments of $125,000 with a final cash repayment of $2.03 million. The effective interest rate is determined based on 1.25% above Swap Offer Rate on a quarterly basis.

(v) A loan balance of $9,315,000 (2012 : $Nil) is secured by way of a legal mortgage on a property of subsidiary and the future rental income and all rights, titles, benefits and interest arising out of the tenancy agreement between the subsidiary and the lessee. The term loan bears effective interest rate of 1.51% (2012 : Nil%) per annum and is repayable in 30 equal quarterly instalments of $345,000. The effective interest rate is determined based on 1.25% above Swap Offer Rate on a quarterly basis.

(vi) A loan balance of $4,200,000 (2012 : $Nil) is secured by way of a legal mortgage on a property of a subsidiary and the future rental income and all rights, titles, benefits and interest arising out of the tenancy agreement between the subsidiary and the lessee. The term loan bears effective interest rate of 1.45% (2012 : Nil%) per annum and is repayable in 32 equal quarterly instalments of $150,000 with a final cash repayment of $300,000. The effective interest rate is determined based on 1.25% above Swap Offer Rate on a quarterly basis.

(vii) A loan balance of $6,825,000 (2012 : $Nil) is secured by way of a legal mortgage on a property of a subsidiary and the future rental income and all rights, titles, benefits and interest arising out of the tenancy agreement between the subsidiary and the lessee. The term loan bears effective interest rate of 1.45% (2012 : Nil%) per annum and is repayable in 32 equal quarterly instalments of approximately $244,000 with a final cash repayment of $448,000. The effective interest rate is determined based on 1.25% above Swap Offer Rate on a quarterly basis.

(viii) As at 31 March 2012, the long-term bank loans included a loan balance of $4,942,000 which was secured by way of a legal mortgage on a property of a subsidiary and the future rental income and all rights, titles, benefits and interest arising out of the tenancy agreement between the subsidiary and the lessee. The term loan bore effective interest rate of about 7.59% per annum in 2012 and was repayable in 17 equal quarterly instalments. The effective interest rate is determined based on the interest rate of the People's Bank of China for a three to five year term loan on quarterly basis. With the proposed sale of the subsidiary as disclosed in Note 15, the loan balance as at 31 March 2013 has been transferred to liabilities associated with assets held for sale.

Management is of the opinion that the fair values of the bank loans approximate their respective carrying amounts.

24 FOREIGN EXCHANGE CONTRACTS

	GROUP		COMPANY	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Forward foreign exchange contracts:				
Fair value	**321**	526	**162**	193

The group utilised currency derivatives to hedge significant future transactions and cash flows. The group is party to a variety of forward foreign exchange contracts in the management of its exchange rate exposures. The instruments purchased are primarily denominated in the currencies of the group's principal markets.

In 2013 and 2012, the group entered into forward foreign exchange contracts denominated in USD. The major terms of the forward foreign exchange contracts are as follows:

Notional amount	Maturity	Exchange rates
2013		
Entered into by the company:		
Sell USD 515,375	26 April 2013	USD 0.785 to SGD 1
Sell USD 1,835,134	30 July 2013	USD 0.811 to SGD 1
Sell USD 3,000,000	30 September 2013	USD 0.840 to SGD 1
Sell USD 2,500,000	29 November 2013	USD 0.806 to SGD 1
Entered into by a subsidiary:		
Buy USD 860,000	30 April 2013	USD 0.966 to AUD 1
Buy USD 1,140,000	31 May 2013	USD 0.969 to AUD 1
Buy USD 580,000	28 June 2013	USD 0.972 to AUD 1
Buy USD 660,000	31 July 2013	USD 0.976 to AUD 1
Buy USD 1,895,000	30 August 2013	USD 0.979 to AUD 1
Buy USD 1,825,000	30 September 2013	USD 0.982 to AUD 1
Buy USD 1,325,000	31 October 2013	USD 0.985 to AUD 1
Buy USD 985,000	29 November 2013	USD 0.989 to AUD 1
Buy USD 780,000	31 December 2013	USD 0.992 to AUD 1
Buy USD 635,000	31 January 2014	USD 0.996 to AUD 1
Buy USD 1,025,000	28 February 2014	USD 0.999 to AUD 1
Buy USD 1,155,000	31 March 2014	USD 1.003 to AUD 1

24 FOREIGN EXCHANGE CONTRACTS (cont'd)

Notional amount	Maturity	Exchange rates
2012		
Entered into by the company:		
Sell USD 515,000	29 June 2012	USD 0.796 to SGD 1
Sell USD 1,500,000	19 October 2012	USD 0.797 to SGD 1
Sell USD 1,835,134	30 January 2013	USD 0.806 to SGD 1
Sell USD 515,375	26 April 2013	USD 0.785 to SGD 1
Sell USD 3,000,000	30 September 2013	USD 0.840 to SGD 1
Entered into by a subsidiary:		
Buy USD 580,000	26 April 2012	USD 0.983 to AUD 1
Buy USD 460,000	29 May 2012	USD 0.983 to AUD 1
Buy USD 1,020,000	27 June 2012	USD 0.983 to AUD 1
Buy USD 950,000	27 July 2012	USD 0.983 to AUD 1
Buy USD 1,400,000	29 August 2012	USD 0.983 to AUD 1
Buy USD 1,700,000	14 September 2012	USD 0.983 to AUD 1

The above derivatives were measured at fair value at the end of the reporting period. Their fair values were determined based on the quoted forward exchange rates for equivalent instruments at the end of the reporting period.

25 TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2013 $'000	**2012 $'000**	**2013 $'000**	**2012 $'000**
Trade payables	**56,111**	66,073	**-**	-
Advances received	**2,161**	713	**-**	-
Retention sum payable	**19,834**	20,143	**-**	-
Sundry creditors	**6,846**	5,888	**2,882**	2,880
Dividends payable to non-controlling shareholders	**1,196**	684	**-**	-
Deposits received	**1,976**	13,821	**28**	-
Deferred income from maintenance contracts	**27,408**	27,765	**-**	-
Accruals	**109,724**	97,664	**1,988**	517
	225,256	232,751	**4,898**	3,397

	GROUP		COMPANY	
	2013 $'000	**2012 $'000**	**2013 $'000**	**2012 $'000**
Current	**224,003**	232,751	**4,898**	3,397
Non-current	**1,253**	-	**-**	-
	225,256	232,751	**4,898**	3,397

The average credit period on purchases of goods is 110 days (2012 : 113 days). No interest is charged on the outstanding balance.

26 PENSION LIABILITY

A subsidiary in the United Kingdom ("UK") operates a defined benefit pension scheme in the UK - Boustead International Heaters Limited Pension Fund, although new employees after 1 April 2002 are only invited to join a money purchase scheme. The defined benefit scheme is funded by the payment of contributions to a separately administered trust fund.

The pension costs for the defined benefit scheme are determined with the advice of independent qualified actuaries on the basis of triennial valuations using the attained age method and are updated at the end of each year. The most recent full plan valuation was performed in the year 2010.

The results of which were:

Main assumptions:

	% per annum
Rate of return on investments:	
- Pre-retirement	7.00
- Post-retirement	5.00
Rate of salary increases	3.50
Rate of pension increases	3.45
Price inflation	3.50

The level of funding at 31 March 2010, being the actuarial value of assets expressed as a percentage of the benefits accrued to members, after allowing for future salary increases was 82%.

Financial assumptions used by the actuaries

	2013 % per annum	2012 % per annum
Rate of increase in salaries	**3.00**	3.25
Rate of increase for pensions in payment	**3.60**	3.50
Discount rate	**4.65**	5.00
Inflation assumption	**3.60**	3.50
Increase in deferred pension	**2.60**	2.50

Expected return on fund assets

The return on bonds and cash has been determined by taking the market values and/or yields on AA corporate bonds and government bonds applicable at the reporting date. The expected return on equities was set by adding on equity risk premium to the yield available on fixed interest government bonds with a 15-year term as at the end of the year.

26 PENSION LIABILITY (cont'd)

Reconciliation to statement of financial position

The fair value of the assets and the present value of the liabilities in the schemes and the expected rate of return at the end of the reporting period were:

	Expected long-term return		Market value	
	2013 %	2012 %	2013 $'000	2012 $'000
Equities	**7.25**	7.50	**3,772**	4,008
Index linked bonds	**3.00**	3.10	**3,970**	3,845
Other bonds	**3.90**	4.60	**9,233**	8,609
Cash	**3.00**	3.10	**1,059**	1,014
Total market value of assets			**18,034**	17,476
Present value of liabilities			**(20,611)**	(20,409)
Deficit in scheme			**(2,577)**	(2,933)
Related deferred tax asset			**618**	762
Net pension liability			**(1,959)**	(2,171)

Analysis of amount recognised in:

	2013 $'000	2012 $'000
Current service cost (excluding employee contributions)	**297**	270
Cumulative losses recognised in statement of comprehensive income	**3,787**	3,884

27 SHARE CAPITAL

	GROUP AND COMPANY	
	Number of ordinary shares (excluding treasury shares)	Amount
	'000	$'000
Issued and paid up:		
At 1 April 2011	506,249	73,861
Issued during the year	600	100
Share buy-back	(1,505)	-
At 31 March 2012	505,344	73,961
Issued during the year	100	60
Share buy-back	(3,964)	-
At 31 March 2013	**501,480**	**74,021**

Fully paid ordinary shares which have no par value, carry one vote per share and a right to dividends as and when declared by the company.

28 TREASURY SHARES

	GROUP AND COMPANY			
	2013 '000	2012 '000	2013 $'000	2012 $'000
	Number of ordinary shares			
At beginning of the year	**12,492**	10,987	**6,701**	5,403
Repurchased during the year	**3,964**	1,505	**3,771**	1,298
At end of the year	**16,456**	12,492	**10,472**	6,701

29 OTHER RESERVES

	Investment revaluation reserve	Share-based payment reserve	Capital reserve	Foreign currency translation reserve	Total
	$'000	$'000	$'000	$'000	$'000
GROUP					
At 1 April 2011	24	29	(10,710)	(5,750)	(16,407)
Other comprehensive income for the year	4,892	-	-	1,764	6,656
At 31 March 2012	4,916	29	(10,710)	(3,986)	(9,751)
Other comprehensive loss for the year	(4,081)	-	-	(2,185)	(6,266)
Share-based payment	-	130	-	-	130
At 31 March 2013	**835**	**159**	**(10,710)**	**(6,171)**	**(15,887)**

Capital reserve represents the surplus of consideration over net assets acquired for existing subsidiaries.

	Investment revaluation reserve	Share-based payment reserve	Total
	$'000	$'000	$'000
COMPANY			
At 1 April 2011	24	29	53
Other comprehensive income for the year	4,892	-	4,892
At 31 March 2012	4,916	29	4,945
Other comprehensive loss for the year	(4,081)	-	(4,081)
Share-based payment	-	130	130
At 31 March 2013	**835**	**159**	**994**

30 REVENUE

	GROUP	
	2013 $'000	2012 $'000
Contract revenue	**365,068**	279,879
Sales of goods	**47,875**	43,675
Rendering of services	**73,636**	71,805
Rental income	**17,238**	13,336
Sale of industrial leasehold properties	**9,381**	-
	513,198	408,695

31 OTHER OPERATING INCOME

	GROUP	
	2013 $'000	**2012 $'000**
Interest income	**3,639**	3,872
Gain on disposal of an investment property	**-**	8,583
Gain on disposal of subsidiaries	**10,117**	3,495
Other rental income	**1,123**	1,024
Gain on disposal of available-for-sale investments	**10,785**	-
Gain on disposal of held-for-trading investments	**-**	85
	25,664	17,059

32 OTHER OPERATING EXPENSES

	GROUP	
	2013 $'000	**2012 $'000**
Depreciation expense	**5,334**	3,913
Rental expense	**7,448**	6,645
Repair and maintenance	**810**	659
Property tax	**1,794**	1,348
Utilities	**639**	583
Impairment loss on available-for-sale investment [1]	**4,517**	-
Others	**1,366**	1,165
	21,908	14,313

Note:

(1) *During the year, the group recognised an impairment loss of $4,517,000 (2012 : $Nil) on a quoted equity investment as there was significant decline in the fair value of this available-for-sale investment below its cost. The available-for-sale investment has been subsequently disposed on 28 March 2013.*

33 FINANCE COSTS

	GROUP	
	2013 $'000	**2012 $'000**
Interest expense	**1,170**	845

34 INCOME TAX EXPENSE

	GROUP	
	2013 $'000	**2012 $'000**
Current:		
Singapore	**12,897**	9,438
Foreign	**8,249**	7,786
Deferred	**42**	(565)
(Over) Underprovision in prior years:		
Current	**(8,315)**	(3,153)
Deferred	**70**	6
	12,943	13,512

Domestic income tax is calculated at 17% (2012 : 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The total charge for the year can be reconciled to the profit before tax as follows:

	GROUP	
	2013 $'000	**2012 $'000**
Income tax expense at statutory tax rate	**16,562**	12,228
Non-(taxable) allowable items	**(78)**	128
Tax rate differentials between Singapore and foreign countries	**4,082**	4,218
Overprovision in prior years	**(8,245)**	(3,147)
Deferred tax benefits not recognised	**876**	345
Tax exempt income	**(297)**	(224)
Tax rebate	**(60)**	-
Other items	**103**	(36)
	12,943	13,512

35 PROFIT FOR THE YEAR

This item is arrived at after charging (crediting):

	GROUP	
	2013 $'000	**2012 $'000**
Staff costs (including directors' remuneration)	**65,085**	57,446
Costs of defined contribution benefits and plans included in staff costs	**5,079**	4,467
Share-based payment expense	**130**	-
Depreciation expense	**5,334**	3,913
Directors' remuneration:		
Directors of the company	**1,685**	1,620
Directors of subsidiaries	**4,672**	4,393
Directors' fees:		
Directors of the company	**319**	270
Cost of inventories recognised as expense	**34,288**	43,774
(Write-back of) Allowance for doubtful receivables, net	**(65)**	8
Allowance for doubtful receivables from an associate	**1,500**	-
Impairment loss on available-for-sale investment	**4,517**	-
Net foreign currency exchange adjustment loss	**171**	2,610
Audit fees:		
Auditors of the company	**345**	316
Other auditors	**195**	181
Non-audit fees:		
Auditors of the company	**110**	83
Other auditors	**13**	24
Amortisation expense	**-**	219
Impairment loss on investments in associates	**-**	2,405
Fair value adjustment on foreign exchange contracts and held-for-trading investments	**(137)**	592
Gain on disposal of property, plant and equipment	**(114)**	(807)
Gain on disposal of subsidiaries	**(10,117)**	(3,495)
Gain on disposal of available-for-sale investments	**(10,785)**	-
Gain on disposal of assets held for sale	**-**	(494)
Gain on disposal of an investment property	**-**	(8,583)
Gain on disposal of held-for-trading investments	**-**	(85)

36 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share of 16.16 cents (2012 : 10.99 cents) is calculated on the group's profit attributable to owners of the company of $81,357,000 (2012 : $55,584,000) divided by the weighted average number of ordinary shares in issue of 503,436,524 (2012 : 505,540,191) shares during the year.

Fully diluted earnings per ordinary share of 16.13 cents (2012 : 10.99 cents) is calculated on the group's profit attributable to owners of the company of $81,357,000 (2012 : $55,584,000) divided by the weighted average number of ordinary shares in issue of 504,334,165 (2012 : 505,660,590) shares adjusted for the effects of all potential dilutive ordinary shares.

37 DIVIDENDS

In 2012, the company declared and paid a final tax-exempt dividend of 2.0 cents per ordinary share and a special tax-exempt dividend of 3.0 cents per ordinary share, totalling $25,312,000 in respect of the financial year ended 31 March 2011.

In 2012, the company declared and paid an interim tax-exempt dividend of 2.0 cents per ordinary share, totalling $10,101,000 in respect of the financial year ended 31 March 2012.

In 2013, the company declared and paid a final tax-exempt dividend of 3.0 cents per ordinary share totalling $15,163,000 in respect of the financial year ended 31 March 2012.

In 2013, the company declared and paid an interim tax-exempt dividend of 2.0 cents per ordinary share, totalling $10,030,000 in respect of the financial year ended 31 March 2013.

The directors recommend a final tax-exempt dividend of 3.0 cents per ordinary share and a special tax-exempt dividend of 2.0 cents per ordinary share to shareholders totalling approximately $25,124,000 on 23 September 2013. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

38 COMMITMENTS

(a) Operating lease commitments

(i) Group as lessor:

	GROUP	
	2013 $'000	**2012 $'000**
Rental income under operating leases included in the consolidated income statement	**18,361**	14,360

At the end of the reporting period, the commitments in respect of operating lease for the rental of properties were as follows:

	GROUP	
	2013 $'000	**2012 $'000**
Future minimum lease receivable:		
Within 1 year	**14,167**	15,385
Within 2 to 5 years	**47,950**	51,468
More than 5 years	**56,103**	64,762
	118,220	131,615

Leases are negotiated for a fixed term of 3 to 45 years (2012 : 3 to 45 years). The above future minimum lease payments are subject to annual revision of rent, which will be carried out based on the market rate prevailing on the respective revision dates. The operating lease commitments estimated above were determined assuming the same rental income fixed during the year continues for the remaining lease term.

38 COMMITMENTS (cont'd)

(a) Operating lease commitments (cont'd)

(ii) Group as lessee:

	GROUP	
	2013 $'000	2012 $'000
Minimum lease payments under operating leases included in the consolidated income statement	**7,448**	6,645

During the year, land lease rental of $516,000 (2012 : $871,000) was capitalised in cost of investment properties.

At the end of the reporting period, the commitments in respect of operating leases for the rental of land, offices and vehicles were as follows:

	GROUP	
	2013 $'000	2012 $'000
Future minimum lease payments payable:		
Within 1 year	**6,831**	7,415
Within 2 to 5 years	**15,985**	19,120
More than 5 years	**76,037**	88,699
	98,853	115,234

Operating lease payments mainly represent rentals payable by the group for the leases of leasehold land, office premises and vehicles. Leases of leasehold land by the group are negotiated for a term of 30 years with an option to extend for 23 years, 26 years 6 months or 30 years from the expiry of the lease terms; or a fixed term of 30 years, 45 years or 60 years. Rental amounts are fixed for the first year and are subject to annual revision of rent which will be carried out based on the market rate prevailing on the respective revision dates. The operating lease commitments estimated above were determined assuming the same rental expense fixed in the first year continues for the remaining terms of lease.

Leases for office premises and vehicles are negotiated and fixed for a period of between 1 to 6 years.

(b) Capital commitments

Capital commitments not provided for in the financial statements are as follows:

	GROUP		COMPANY	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Commitments in respect of uncalled capital subscription in investments	**-**	1,756	**-**	-

39 CONTINGENT LIABILITIES AND GUARANTEES (UNSECURED)

(i) The company has issued guarantees for trading line facilities and counter indemnities to the extent of $73 million (2012 : $68 million) to banks and third parties in respect of certain contracts entered into by its subsidiaries.

(ii) The group and company have executed performance guarantees amounting to approximately $47 million (2012 : $70 million) issued to third parties.

(iii) One of the subsidiaries has also provided joint warranties with specialists that it has engaged to perform construction works on development projects to its customers.

(iv) The company has undertaken to provide financial support to various subsidiaries.

40 EMPLOYEE BENEFITS

The company has a share option scheme (equity-settled) for all Key Persons and non-executive directors of the company (the "2001 Scheme"). "Key Persons" mean full-time confirmed personnel within the Boustead group (including executive directors, directors of the company's subsidiaries and employees seconded to any associates or any other company in which the Boustead group holds shares) and, on a selective basis, employees of associates. Controlling shareholders and their associates are not eligible to participate in the 2001 Scheme.

The committee administering the option scheme comprises four members, all of whom are non-executive directors. The subscription price payable to exercise options granted under the 2001 Scheme shall be determined by the Committee in its absolute discretion as follows:

(i) Non-discounted options

The average of the last transacted prices of the company's shares on 3 consecutive market days immediately preceding the date on which options were offered.

(ii) Discounted options

A subscription price at up to the maximum discount of 20% to the market price of the company's share. However, no discounted options will be granted at any time where the group's earnings per share ("EPS") based on the latest full year audited accounts is less than the group's EPS of the full year audited accounts immediately preceding.

40 EMPLOYEE BENEFITS (cont'd)

Under the 2001 Scheme, the option period during which the options can be exercised is as follows:

(i) For discounted options

The period commencing on the second anniversary of the offering date of such options and ending on the day immediately preceding the tenth anniversary of such offering date;

(ii) For non-discounted options granted to Key Persons other than non-executive directors

The period commencing on the first anniversary of the offering date of such options and ending on the day immediately preceding the tenth anniversary of such offering date; and

(iii) For non-discounted options granted to non-executive directors

The period commencing on the first anniversary of the offering date of such options and ending on the day immediately preceding the fifth anniversary of such offering date.

The options are granted for a consideration of $1 for all the shares in respect of which the options are granted. Options are forfeited when the employee leaves the group before the options vest.

Details of the share options outstanding during the year are as follows:

	2013		2012	
	Number of share options	**Weighted average exercise price**	**Number of share options**	**Weighted average exercise price**
	'000	**$**	**'000**	**$**
Outstanding at beginning of the year	**360**	**0.600**	1,240	0.290
Exercised during the year	**(100)**	**0.600**	(600)	0.165
Expired during the year	**-**	**-**	(280)	0.165
Outstanding at end of the year	**260**	**0.600**	360	0.600
Exercisable at end of the year	**260**		360	

The weighted average share price at the date of exercise for share options exercised during the year was $0.98 (2012 : $0.80). The options outstanding at the end of the year have a weighted average remaining contractual life of 6.1 years (2012 : 7.1 years).

40 EMPLOYEE BENEFITS (cont'd)

There were no share options granted in 2013 and 2012.

The Boustead Restricted Share Plan 2011 (the "2011 Share Plan") was approved by the members of the company at its Extraordinary General Meeting on 13 October 2011. The 2011 Share Plan replaces the Boustead Share Option Scheme 2001 which expired on 30 August 2011. Under the 2011 Share Plan, all deserving executive employees and non-executive directors of the company as well as associates of controlling shareholders separately approved by independent members of the company are eligible to participate in the 2011 Share Plan at the discretion of a committee duly authorised by the Board of Directors.

Awards granted under the 2011 Share Plan may be subject to time-based and/or performance-based restrictions. Time-based restricted awards granted under the 2011 Share Plan will vest only after satisfactory completion of time-based service conditions, that is, after the participant has served the group for a specified number of years. Performance-based restricted awards will vest after a further period of service beyond the performance target completion date. No minimum vesting periods are prescribed under the 2011 Share Plan, and the length of the vesting period(s) in respect of each award will be determined on a case-by-case basis.

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

Details of the shares under 2011 Share Plan outstanding during the year are as follows:

	GROUP AND COMPANY	
	2013	2012
	Number of shares	Number of shares
Outstanding at beginning of the year	**-**	-
Granted during the year	**676,302**	-
Outstanding at end of the year	**676,302**	-

The estimated weighted average fair value of the shares granted under 2011 Share Plan during the year is $0.97. The fair value is determined based on the market share price on grant date.

The group recognised total expenses of $130,000 (2012 : $Nil) relating to equity settled share-based payment transactions during the year.

41 SEGMENTAL ANALYSIS

Segment information is presented in respect of the group's reportable segment provided to the group's chief operating decision maker for the purpose of resource allocation and assessment of segment performance which comprised its two core businesses, engineering and geo-spatial technology and its investment activities.

The group's core businesses comprise the following:

(i) Energy-related engineering : this relates to the design, engineering and supply of systems to the oil and gas, petrochemicals and solid waste energy recovery sectors.

(ii) Water and wastewater engineering : this relates to the design, engineering and construction of industrial and municipal water and wastewater treatment plants.

(iii) Real estate solutions : this relates to the provision of design-and-build expertise for industrial facilities, along with design-and-build-and-lease arrangements for industrial facilities.

(iv) Geo-spatial technology : this specialises in Esri geographic information systems and location intelligence solutions.

(v) Investment activities : this manages the group's investment portfolio to maximise shareholders' returns.

(a) Segment revenue and results:

	Engineering		Geo-spatial technology		Investment activities		Elimination		Group	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Revenue										
External sales	**398,797**	299,859	**114,401**	108,204	**-**	632	**-**	-	**513,198**	408,695
Inter-segment sales	**-**	-	**-**	-	**39,789**	24,832	**(39,789)**	(24,832)	**-**	-
Total revenue	**398,797**	299,859	**114,401**	108,204	**39,789**	25,464	**(39,789)**	(24,832)	**513,198**	408,695
Result										
Segment result	**78,722**	43,055	**26,784**	24,161	**29,237**	26,517	**(39,789)**	(24,832)	**94,954**	68,901
Interest income	**1,096**	1,072	**2,941**	2,748	**1,650**	1,689	**(2,048)**	(1,637)	**3,639**	3,872
Finance costs									**(1,170)**	(845)
Profit before income tax									**97,423**	71,928
Income tax expense									**(12,943)**	(13,512)
Profit for the year									**84,480**	58,416

The accounting policies of the reportable segments are the same as the group's accounting policies described in Note 2. Segment profit represents profit earned by each segment without allocation of finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

41 SEGMENTAL ANALYSIS (cont'd)

(b) Segment assets and liabilities:

	Engineering		Geo-spatial technology		Investment activities		Group	
	2013 $'000	**2012 $'000**	**2013 $'000**	**2012 $'000**	**2013 $'000**	**2012 $'000**	**2013 $'000**	**2012 $'000**
Segment assets								
Segment assets	**378,219**	359,380	**95,165**	79,165	**127,544**	122,947	**600,928**	561,492
Investments in associates	**2,787**	2,787	**-**	-	**-**	-	**2,787**	2,787
Unallocated corporate assets							**3,191**	3,498
Consolidated total assets							**606,906**	567,777
Segment liabilities								
Segment liabilities	**214,116**	220,724	**50,593**	50,773	**8,739**	6,514	**273,448**	278,011
Unallocated corporate liabilities							**21,132**	25,434
Consolidated total liabilities							**294,580**	303,445

For the purposes of monitoring segment performance and allocating resources between segments, the chief operating decision maker monitors the tangible, intangible and financial assets as well as the financial liabilities attributable to each segment.

Other than income tax assets, all assets are allocated to reportable segments. Goodwill has been allocated to reportable segments as described in Note 18.

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

41 SEGMENTAL ANALYSIS (cont'd)

(c) Other information:

	Engineering		Geo-spatial technology		Investment activities		Group	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Capital expenditure	**47,174**	59,966	**1,396**	1,111	**616**	287	**49,186**	61,364
Depreciation/Amortisation	**3,413**	1,890	**1,524**	1,708	**397**	534	**5,334**	4,132
(Write-back)/Allowance or impairment	**(65)**	2,413	**-**	-	**6,017**	-	**5,952**	2,413
Loss/(Gain) on disposal of property, plant and equipment and investment properties	**16**	(810)	**(76)**	71	**(54)**	(8,651)	**(114)**	(9,390)
Gain on disposal of held-for-trading investments	**-**	-	**-**	-	**-**	(85)	**-**	(85)
Gain on disposal of assets held for sale	**-**	-	**-**	-	**-**	(494)	**-**	(494)
(Gain)/Loss on disposal of subsidiaries	**(10,176)**	(3,495)	**-**	-	**59**	-	**(10,117)**	(3,495)
Gain on disposal of available-for-sale investments	**(5,800)**	-	**-**	-	**(4,985)**	-	**(10,785)**	-
Fair value adjustment on foreign exchange contracts	**-**	-	**(169)**	333	**32**	259	**(137)**	592

41 SEGMENTAL ANALYSIS (cont'd)

(d) Revenue from core businesses:

	GROUP	
	2013 $'000	2012 $'000
Energy-related engineering	**121,969**	125,677
Water and wastewater engineering	**25,011**	40,043
Real estate solutions	**251,817**	134,139
Geo-spatial technology	**114,401**	108,204
Investment activities	**-**	632
	513,198	408,695

The group operates in 5 principal geographical areas - Asia Pacific, Australia, North and South America, Middle East and North Africa ("MENA"), Europe and others.

The group's revenue from external customers and information about its segment assets (non-current assets excluding investments in associates and deferred tax assets) by geographical locations are detailed below:

	Asia Pacific		Australia		North and South America		MENA		Europe		Others		Group	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Revenue														
External sales	**330,607**	218,325	**122,883**	103,236	**35,018**	14,339	**14,939**	60,050	**9,310**	8,463	**441**	4,282	**513,198**	408,695
Other information														
Non-current assets	**91,548**	107,323	**7,436**	7,893	**1**	3	**83**	128	**5,560**	6,184	**-**	-	**104,628**	121,531

In 2013 and 2012, there is no customer which generated more than 10% of the group's revenue.

Management & PRINCIPAL ACTIVITIES

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Executive Directors: Loh Kai Keong, Wong Yu Loon

ENGINEERING SERVICES

ENERGY-RELATED ENGINEERING

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Web: www.bihl.com

Managing Director: David Miller

Boustead International Heaters ("BIH") is a leading global specialist in designing, engineering and supplying direct-fired process heater systems, waste heat recovery units, once through steam generators and associated heat transfer technology to the downstream oil & gas and petrochemical industries. Collectively, the BIH management team has over 250 years of experience with heat transfer technology and a vast knowledge base of over 2,000 process heater system installations worldwide.

Controls & Electrics Pte Ltd
30 Gul Drive
Jurong Town
Singapore 629478

Tel: +65 6861 3377
Fax: +65 6861 8408
Web: www.bousteadcontrols.com

Managing Director: Dev Lodh

Controls & Electrics is a well-recognised leader in designing, engineering and supplying wellhead control systems, hydraulic power units, integrated control & safety shutdown systems, chemical injection skids, fire & gas detection systems and other process control systems catering mainly to the upstream oil & gas industries.

Management &
PRINCIPAL ACTIVITIES

PT Boustead Maxitherm Industries
Graha Pratama Building, 15th Floor
Jalan Letjend MT Haryono Kav 15
Tebet, Jakarta 12810
Indonesia

Tel: +62 21 8379 3678
Fax: +62 21 8379 3648
Web: www.bousteadmaxitherm.com

Managing Director: Adi Tjandra

Boustead Maxitherm Industries ("BMI") is a leading regional specialist in designing, engineering and supplying mini-power plants, solid waste energy recovery plants and associated combustion technology. BMI's mini-power plants and solid waste energy recovery plants have been developed with power generation capacities of up to 20MW.

WATER & WASTEWATER ENGINEERING

Boustead Salcon Water Solutions Pte Ltd
67 Ubi Avenue 1, #02-02
StarHub Green, North Wing
Singapore 408942

Tel: +65 6846 9988
Fax: +65 6747 8878
Web: www.bousteadsalcon.com

Chief Executive Officer: Michael Teo

Boustead Salcon Water Solutions ("BSWS") is a leading global water and wastewater engineering specialist and Singapore's largest ion exchange specialist in the energy sector. BSWS' in-depth domain expertise and vast experience focuses on seawater desalination, ion exchange and wastewater reclamation. With more than 800 installations in 60 countries worldwide, BSWS has delivered projects across the oil & gas, petrochemical, pharmaceutical, power, semiconductor and special defence industries, as well as for municipal authorities. BSWS is approved by the Building & Construction Authority of Singapore for Grade ME11-L6 to execute mechanical and electrical contracts of unlimited value. In addition, BSWS has the outstanding distinction of being one of an exclusive group of Asian specialists outside of Japan to be a pre-qualified vendor to several of the world's largest EPC corporations.

INDUSTRIAL REAL ESTATE SOLUTIONS

Boustead Projects Pte Ltd
67 Ubi Avenue 1, #02-03
StarHub Green, North Wing
Singapore 408942

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

Managing Director: Thomas Chu

Boustead Projects ("BP") is a leading industrial real estate solutions provider in Singapore, with core engineering expertise in the design-and-build, and development of industrial facilities for multinational corporations and local enterprises. To date, BP has constructed and developed more than four million square metres of industrial real estate in Singapore, China, Malaysia and Vietnam. BP is approved by the Building & Construction Authority of Singapore for Grade CW01-A1 to execute civil contracts of unlimited value.

Management & PRINCIPAL ACTIVITIES

GEO-SPATIAL TECHNOLOGY

Esri Australia Pty Ltd
Level 3, 111 Elizabeth Street
Brisbane QLD 4000
PO Box 15459
Brisbane City East QLD 4002
Australia

Tel:	+61 7 3218 4100
Fax:	+61 7 3211 1310
Web:	www.esriaustralia.com.au

Managing Director: Brett Bundock

Esri Australia is the exclusive distributor for Esri geographic information systems ("GIS") in Australia and has branch offices in Brisbane, Adelaide, Canberra, Darwin, Melbourne, Perth and Sydney. Esri Australia also provides professional services, training and after-sales maintenance services for GIS and location intelligence solutions.

Esri Singapore Pte Ltd
67 Ubi Avenue 1, #02-06
StarHub Green, North Wing
Singapore 408942

Tel:	+65 6742 8622
Fax:	+65 6742 1922
Web:	www.esrisingapore.com.sg

Chief Executive Officer: Leslie Wong

Esri Singapore is the exclusive distributor for Esri GIS in Singapore. Esri Singapore also provides professional services, training and after-sales maintenance services for GIS and location intelligence solutions.

Management &
PRINCIPAL ACTIVITIES

Esri Malaysia Sdn Bhd
Suite 10-01-02, Level 10
PJX-HM Shah Tower
16A Persiaran Barat
Petaling Jaya
46050 Selangor
Malaysia

Tel: +60 3 7629 5518
Fax: +60 3 7629 5520
Web: www.esrimalaysia.com.my

Director – Strategy & Operations: Daniel Boey

Esri Malaysia is the exclusive distributor for Esri GIS in Malaysia. Esri Malaysia also provides professional services, training and after-sales maintenance services for GIS and location intelligence solutions.

PT Esri Indonesia
Menara 165, 6th Floor Unit B
Jalan TB Simatupang Kav 1
Jakarta Selatan 12560
Indonesia

Tel: +62 21 2940 6355
Fax: +62 21 2940 6356
Web: www.esriindonesia.co.id

Country Manager: Bima Priadi

Esri Indonesia is the exclusive distributor for Esri GIS in Indonesia. Esri Indonesia also provides professional services, training and after-sales maintenance services for GIS and location intelligence solutions.

Statistics of SHAREHOLDINGS

As at 18 June 2013

SHARE CAPITAL

Number of ordinary shares	:	501,679,524 *
Number/Percentage of treasury shares	:	16,456,000 (3.28%)
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 - 999	139	3.79	51,517	0.01
1,000 - 10,000	2,155	58.74	12,301,041	2.45
10,001 - 1,000,000	1,347	36.71	79,233,115	15.79
1,000,001 AND ABOVE	28	0.76	410,093,851	81.75
TOTAL	**3,669**	**100.00**	**501,679,524**	**100.00**

LOCATION OF SHAREHOLDERS

Country	No. of Shareholders	%	No. of Shares	%**
SINGAPORE	3,372	91.90	489,929,018	97.66
MALAYSIA	234	6.38	9,250,026	1.84
OTHERS	63	1.72	2,500,480	0.50
TOTAL	**3,669**	**100.00**	**501,679,524**	**100.00**

Statistics of
SHAREHOLDINGS
As at 18 June 2013

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%**
1	HSBC (Singapore) Nominees Pte Ltd	252,885,600	50.41
2	DBS Nominees Pte Ltd	38,172,148	7.61
3	Sang Chun Holdings Pte Ltd	23,084,000	4.60
4	Citibank Nominees Singapore Pte Ltd	16,800,585	3.35
5	United Overseas Bank Nominees (Private) Ltd	10,881,880	2.17
6	Yeo Ker Kuang	7,953,420	1.59
7	Raffles Nominees (Pte) Limited	7,243,424	1.44
8	Maybank Kim Eng Securities Pte Ltd	6,441,096	1.28
9	Helen Tan Cheng Hoong	5,166,000	1.03
10	Wong Heng Chong	3,550,800	0.71
11	OCBC Securities Private Ltd	3,335,000	0.66
12	Chang Ching Chau @ Tew King Chang	2,728,860	0.54
13	Goh Lay Hwa	2,646,000	0.53
14	Lim Jit Teng @ Lim Yit Teng	2,637,000	0.53
15	Wong Shaw Seng Regi	2,570,000	0.51
16	Phillip Securities Pte Ltd	2,512,762	0.50
17	Phua Keng Koung	2,500,000	0.50
18	DBSN Services Pte Ltd	2,285,000	0.46
19	DBS Vickers Securities (Singapore) Pte Ltd	2,227,000	0.44
20	Yeo Boon Li Caroline	2,000,000	0.40
	Total	**397,620,575**	**79.26**

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	%	Deemed Interest	%**
Wong Fong Fui	-	-	166,819,208 (1)	33.25
Chartered Asset Management Pte Ltd	-	-	45,710,000 (1)	9.11
Capital Growth Investments Pte Ltd	-	-	45,710,000 (2)	9.11
Colin Lee Yung-Shih	-	-	45,710,000 (3)	9.11
Low Siew Kheng	-	-	45,710,000 (4)	9.11
Saiman Ernawan	-	-	44,430,792 (5)	8.86
Marrickville Group Limited	-	-	44,430,792 (1)	8.86
CAM-GTF Limited	-	-	28,211,000 (1)	5.62

Notes:

(1) *The deemed interests of these Substantial Shareholders are held through nominees.*

(2) *Capital Growth Investments Pte Ltd ("CGIPL") is deemed to be interested in the shares held indirectly by its subsidiary, Chartered Asset Management Pte Ltd ("CAMPL").*

(3) *Colin Lee Yung-Shih, through his 100% shareholding in CGIPL, is deemed to have an interest in the shares held indirectly by CGIPL.*

(4) *Low Siew Kheng, through her not less than 20% shareholding in CAMPL, is deemed to have an interest in the shares held indirectly by CAMPL.*

(5) *Saiman Ernawan is deemed interested in the shares held by Marrickville Group Limited.*

SHAREHOLDINGS IN THE HANDS OF THE PUBLIC

The percentage of shareholdings in the hands of the public as at 18 June 2013 was approximately 42.92%.** 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.*

BOUSTEAD SINGAPORE LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 197501036K)

Notice of ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Boustead Singapore Limited (the "company") will be held at Brooke, Meyer & Frankel Room, Level 3, Grand Mercure Roxy Singapore, 50 East Coast Road, Roxy Square, Singapore 428769 on Friday, 26 July 2013 at 3.00 p.m. (or as soon after the conclusion or adjournment of the Extraordinary General Meeting of the company to be held at 2.30 p.m. on the same day and at the same place) to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive the audited financial statements for the year ended 31 March 2013 and the Report of the Directors and the Independent Auditors' Report. **Resolution 1**

2. To approve a final tax-exempt (one-tier) dividend of 3.0 cents per ordinary share for the year ended 31 March 2013. **Resolution 2**

3. To approve a special tax-exempt (one-tier) dividend of 2.0 cents per ordinary share for the year ended 31 March 2013. **Resolution 3**

4. To re-elect Mr Chong Ngien Cheong retiring under Article 94 of the company's Articles of Association. **Resolution 4**

   Note:
   Mr Chong Ngien Cheong will, upon re-election as a director of the company, remain as the Chairman of the Nominating Committee and member of the Audit Committee and Remuneration Committee. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

5. To re-elect the following directors retiring under Article 98 of the company's Articles of Association.

   a. Mr Wong Yu Loon **Resolution 5**
   b. Ms Sri Widati Ernawan Putri **Resolution 6**

6. To re-elect Mr John Lim Kok Min retiring pursuant to Section 153(6) of the Singapore Companies Act. **Resolution 7**

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

7. To approve the payment of directors' fees of $319,000 (2012: $270,000) for the financial year ended 31 March 2013. **Resolution 8**

8. To appoint Messrs PricewaterhouseCoopers LLP as auditors of the company in place of the retiring auditors, Messrs Deloitte & Touche LLP, to hold office until the next Annual General Meeting and to authorise the directors to fix their remuneration.
   [See Explanatory Note 1] **Resolution 9**

AS SPECIAL BUSINESS

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

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

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

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

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

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

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

[See Explanatory Note 2] **Resolution 10**

10. **Authority to allot and issue shares under the Boustead Share Option Scheme 2001**

That authority be and is hereby given to the directors to allot and issue from time to time such number of ordinary shares in the capital of the company as may be required to be issued pursuant to the exercise of options granted under the Boustead Share Option Scheme 2001.

[See Explanatory Note 3] **Resolution 11**

11. **Authority to grant awards under the Boustead Restricted Share Plan 2011**

That authority be and is hereby given to the directors of the company to grant awards in accordance with the provisions of the Boustead Restricted Share Plan 2011 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 Restricted Share Plan 2011, provided that the aggregate number of new shares to be issued pursuant to the Boustead Restricted Share Plan 2011 shall not exceed ten per cent (10%) of the issued ordinary share capital of the company (excluding treasury shares) from time to time.

[See Explanatory Note 4] **Resolution 12**

12. **Authority to allot and issue shares under the Boustead Scrip Dividend Scheme**

That subject to and contingent upon the passing of special resolution on the amendments to the articles of association, 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 Scrip Dividend Scheme.

[See Explanatory Note 5] **Resolution 13**

13. To transact any other business of the company which may arise.

BOUSTEAD SINGAPORE LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 197501036K)

Notice of ANNUAL GENERAL MEETING

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 on 5 August 2013 for the purpose of determining shareholders' entitlements to the final and special dividends to be paid on 23 September 2013, subject to and contingent upon shareholders' approval for the proposed dividends being obtained at the forthcoming Annual General Meeting of the company.

Duly completed transfers received by the company's Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 2 August 2013 will be registered before entitlements to the dividends are determined.

By Order of the Board

Alvin Kok
Company Secretary
11 July 2013

Explanatory Notes on Special Business to be transacted

1. The Ordinary Resolution 9 is to approve the appointment of Messrs PricewaterhouseCoopers LLP as the auditors of the company in place of the retiring auditors, Messrs Deloitte & Touche LLP, and to authorise the directors to fix their remuneration. Detailed information relating to this resolution is set out in the Circular relating to the Proposed Change of Auditors dated 11 July 2013.

2. The Ordinary Resolution 10 is to enable the directors to issue shares in the company up to 50% of the total number of issued shares excluding treasury shares in the capital of the company (in the case of issuance other than on a pro-rata basis to existing shareholders, such aggregate number of shares not to exceed 20% of the total number of issued shares excluding treasury shares in the capital of the company) for such purposes as they consider to be in the interests of the company.

3. The Ordinary Resolution 11 is to allow the directors to issue shares pursuant to the Boustead Share Option Scheme 2001.

4. The Ordinary Resolution 12 is to allow the directors to grant awards and issue shares pursuant to the Boustead Restricted Share Plan 2011.

5. The Ordinary Resolution 13 is to allow the directors to issue shares pursuant to the Boustead Scrip Dividend Scheme.

Notes:

(1) A shareholder of the company entitled to attend and vote at the Annual General Meeting of the company ("AGM") may appoint not more than two (2) proxies to attend and vote in his/her stead. A shareholder of the company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a shareholder of the company.

(2) If a proxy is to be appointed, the instrument appointing a proxy must be duly deposited at the registered office of the company at 67 Ubi Avenue 1, #02-01 StarHub Green, Singapore 408942 not later than 48 hours before the time appointed for the holding of the AGM.

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

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

BOUSTEAD SINGAPORE LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 197501036K)

PROXY FORM

Annual General Meeting to be held on 26 July 2013 at 3.00 p.m.
(Before completing this form, please see notes below)

IMPORTANT:
1. For investors who have used their CPF monies to buy shares in the capital of Boustead Singapore Limited, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

I/We

of

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

Name	Address	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	Proportion of Shareholdings (%)

as my/our proxy/proxies to vote for me/us on my/our behalf and if necessary to demand a poll at the Annual General Meeting of the company to be held on Friday, 26 July 2013 at 3.00 p.m. (or as soon after the conclusion or adjournment of the Extraordinary General Meeting of the company to be held at 2.30 p.m. on the same day and at the same place), and at any adjournment thereof in the manner indicated below:

	Ordinary Resolutions:	For	Against
Resolution 1	To receive the audited financial statements for the year ended 31 March 2013 and the Report of the Directors and the Independent Auditors' Report.		
Resolution 2	To approve a final tax-exempt (one-tier) dividend of 3.0 cents per ordinary share for the year ended 31 March 2013.		
Resolution 3	To approve a special tax-exempt (one-tier) dividend of 2.0 cents per ordinary share for the year ended 31 March 2013.		
Resolution 4	To re-elect Mr Chong Ngien Cheong as a director of the company.		
Resolution 5	To re-elect Mr Wong Yu Loon as a director of the company.		
Resolution 6	To re-elect Ms Sri Widati Ernawan Putri as a director of the company.		
Resolution 7	To re-elect Mr John Lim Kok Min as a director of the company.		
Resolution 8	To approve the payment of directors' fees of $319,000 for the year ended 31 March 2013.		
Resolution 9	To appoint Messrs PricewaterhouseCoopers LLP as auditors of the company in place of the retiring auditors, Messrs Deloitte & Touche LLP and to authorise the directors to fix their remuneration.		
Resolution 10	To authorise the directors to allot and issue shares pursuant to Section 161 of the Singapore Companies Act.		
Resolution 11	To authorise the directors to allot and issue shares pursuant to the exercise of options granted under the Boustead Share Option Scheme 2001.		
Resolution 12	To authorise the directors to grant awards and issue shares pursuant to the Boustead Restricted Share Plan 2011.		
Resolution 13	To authorise the directors to allot and issue shares pursuant to the Boustead Scrip Dividend Scheme.		

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

Signed this ____________ day of ____________ 2013

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

Total number of shares held	

BOUSTEAD SINGAPORE LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 197501036K)

PROXY FORM

Notes:

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

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

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

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

5. This instrument appointing a proxy or proxies (together with the power of attorney (if any) under which it is signed or a certified copy thereof), must be deposited at the registered office of the company at 67 Ubi Avenue 1, #02-01 StarHub Green, Singapore 408942 not later than 48 hours before the time fixed for holding the Annual General Meeting ("AGM").

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

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

8. Agent Banks acting on the request of CPF Investors who wish to attend the AGM as Observers are required to submit in writing, a list with details of the investor's name, NRIC/Passport number, addresses and number of shares held. The list, signed by an authorised signatory of the agent bank, should reach the Company Secretary, at the Secretary's Office at 67 Ubi Avenue 1, #02-01 StarHub Green, Singapore 408942, not later than 48 hours before the time fixed for holding the AGM.

Corporate INFORMATION

DIRECTORS

Wong Fong Fui
Chairman & Group Chief Executive Officer

Loh Kai Keong
Executive Director & Group Chief Financial Officer

Wong Yu Loon
Executive Director

John Lim Kok Min
Independent Non-Executive Director

Chong Ngien Cheong
Independent Non-Executive Director

Godfrey Ernest Scotchbrook
Independent Non-Executive Director

Goh Boon Seong
Independent Non-Executive Director

Sri Widati Ernawan Putri
Independent Non-Executive Director

AUDIT COMMITTEE

John Lim Kok Min
Chairman

Chong Ngien Cheong

Godfrey Ernest Scotchbrook

NOMINATING COMMITTEE

Chong Ngien Cheong
Chairman

John Lim Kok Min

Wong Fong Fui

REMUNERATION COMMITTEE

Godfrey Ernest Scotchbrook
Chairman

Chong Ngien Cheong

John Lim Kok Min

Goh Boon Seong

SHARE REGISTRAR

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

AUDITORS

Deloitte & Touche LLP
6 Shenton Way Tower Two, #32-00
Singapore 068809

Audit Partner: **Ernest Kan Yaw Kiong**
(Date of appointment: 30 July 2012)

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited

United Overseas Bank Limited

Malayan Banking Berhad

DBS Bank Limited

CIMB Bank Berhad

PLACE OF INCORPORATION

Singapore

DATE OF INCORPORATION

18 June 1975

COMPANY SECRETARY

Alvin Kok

COMPANY REGISTRATION

197501036K

REGISTERED OFFICE

Boustead Singapore Limited
67 Ubi Avenue 1, #02-01
StarHub Green
Singapore 408942

STOCK EXCHANGE LISTING

Singapore Exchange Securities Trading Limited

BOUSTEAD SINGAPORE LIMITED
Company Registration No.: 197501036K

67 Ubi Avenue 1, #02-01
StarHub Green, North Wing
Singapore 408942
Tel: +65 6747 0016
Fax: +65 6741 8689

www.boustead.sg