

Creating a World of Difference

Boustead Singapore Limited
Annual Report 2016



Creating a World of Difference

'A world of difference': If something makes a world of difference, it improves something very much. – Cambridge Dictionary

Since 1828, Boustead Singapore Limited has been creating a world of difference for millions of people from communities around the world and in Singapore. That is over 188 years or 68,668 days – generation upon generation – of making a difference and working towards enhancing the lives of others. Riding on our strong human-centric values, mindset of adaptability and reputation for credibility, integrity, quality, reliability and trust, we continue to be creators of a world of difference through our engineered solutions in energy, water, real estate and geo-spatial technology which support the sustainable economic development and transformation of our world.



Key Reads Within This Report

Our Business Model

→ 08

Group at a Glance

→ 14

Financial Highlights

→ 16

Chairman's Message

→ 18

Strategic Review

→ 22

Financial Statements

→ 61

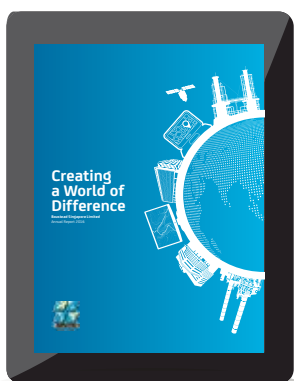
Corporate Profile

Established in 1828, Boustead Singapore Limited is a progressive global service provider of infrastructure-related engineering services and geo-spatial technology. Focusing on the engineering and development of key infrastructure to support economic growth in global markets, our strong suite of engineering services comprises Energy-Related 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 intelligent mapping platform and digital infrastructure are essential to create smart nations and smart cities by solving the world's largest problems through effective and sustainable planning, deployment and management of key infrastructure and resources.

To date, we have undertaken infrastructure-related projects in 85 countries globally.

In 2008 and 2009, we were 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. We are also listed on the MSCI World Small Cap Index for Singapore and the FTSE ST Small Cap Index.



Visit us or download the
Annual Report at www.boustead.sg.

Contents

Overview

08	Our Business Model
12	Global Presence
14	Group at a Glance
16	Financial Highlights
18	Chairman's Message

Strategic Review

22	Energy-Related Engineering
28	Real Estate Solutions
34	Geo-Spatial Technology
44	Board of Directors
46	Key Management Team
48	Investor Relations
50	Creating a World of Difference
60	Corporate Information

Financial Statements

61	Financial Statements
162	Management & Principal Activities
166	Statistics of Shareholdings
168	Notice of Annual General Meeting Proxy Form



Energy-Related Engineering

Our experience and expertise are at the core of the difference we bring to our clients

With engineered products and services installed in 84 countries globally, our Energy-Related Engineering Division has delivered projects for more than 60% of the world's 50 largest oil & gas corporations including Saudi Aramco, the world's largest oil & gas corporation. Increasingly, our engineered products and services are being used to reduce carbon and ecological footprints through waste heat recovery, and water and wastewater treatment and recycling.

To date, Boustead International Heaters has designed and supplied waste heat recovery units that recover total energy equivalent to that which can heat over 2.2 million homes in the U.K. every year. Meanwhile, Boustead Salcon Water Solutions has designed and supplied water and wastewater treatment plants with a total treatment capacity of over 777 million cubic metres per year, enough to fill 311,111 Olympic size swimming pools.

Division Revenue

S\$128.0m

Division Profit Before Income Tax

S\$9.1m

Key Highlight of FY2016

- In light of the prolonged slump in global crude prices and major cuts in capital expenditures across the global oil & gas industries, our division's main focus was on implementing internal cost management measures and maximising supply chain cost efficiencies.



Read more on page 22.



Seagate Singapore Design Center – The Shugar, Fusionopolis, Singapore

Real Estate Solutions (Boustead Projects)

Our customised solutions differentiate us from the competition

Our Real Estate Solutions Division under Boustead Projects is the only integrated industrial real estate solutions provider listed on the SGX Mainboard, incorporating multiple capabilities in: development, design-and-build, and industrial leasehold portfolio management and ownership. Our division goes beyond conventional design-and-build and development options to provide value engineering, the systematic design or redesign of a custom-built facility to ensure that clients enjoy greater or similar facility performance, function and quality at significantly reduced costs.

As the outright market leader in building eco-sustainable industrial facilities, our division has built over 20% of all Green Mark Platinum-rated new non-residential facilities on Business 1 and Business 2 industrial-zoned land in Singapore since the inception of the Green Mark Programme. Our division's Green Mark Platinum clients have enjoyed estimated total energy and water savings of over 33.7 gigawatt hours and 82,700 cubic metres respectively per year, equivalent to providing electricity to over 7,500 homes in Singapore and filling 33 Olympic size swimming pools every year.

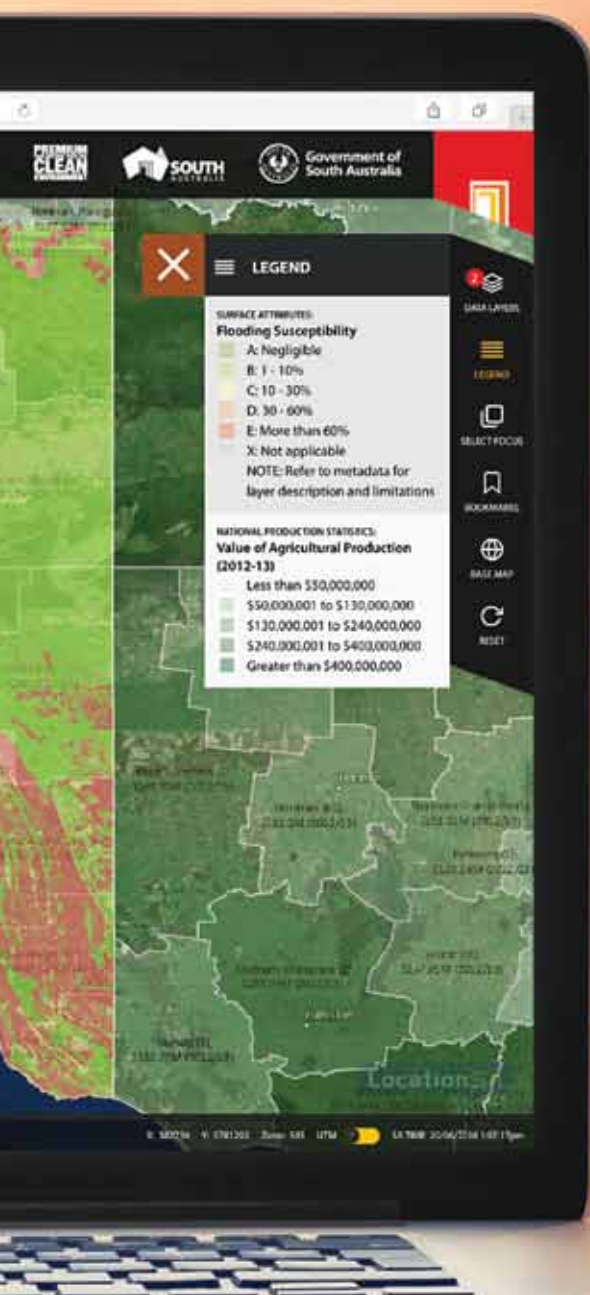
Division Revenue**S\$255.5m****Division Profit Before Income Tax****S\$29.7m****Key Highlights in FY2016**

- Our division gained traction in Malaysia with five new contracts.
- Our division extended its track record in higher value industries by securing a design-and-build contract for a full-scale data centre.



Read more on page 28.





Geo-Spatial Technology

Being innovative makes a difference in performance

Our Geo-Spatial Technology Division is the number one provider of geographic information systems (“GIS”) in Australia, Singapore, Malaysia and Indonesia. As the transformation to smart nations and smart cities takes place, Esri technology continues to be the number one choice to map innovation and support more effective and efficient management of big data and the Internet of things including national assets, infrastructure and resources.

As our world continues to evolve and become more complex and interconnected, localised events are increasingly becoming global events and impacting our daily lives. Esri technology – with its smart mapping capabilities – will be key to making sense of these complex events and issues including assisting our global effort to tackle climate change.

Division Revenue

S\$103.0m

Division Profit Before Income Tax

S\$19.9m

Key Highlights in FY2016

- Demand remained firm across Australia and South East Asia, driven by continued strong engagement with government agencies, with several Enterprise Agreements signed with both new and existing clients.
- Our division continues to evolve its business model with offerings such as Software as a Service and Cloud-based GIS.



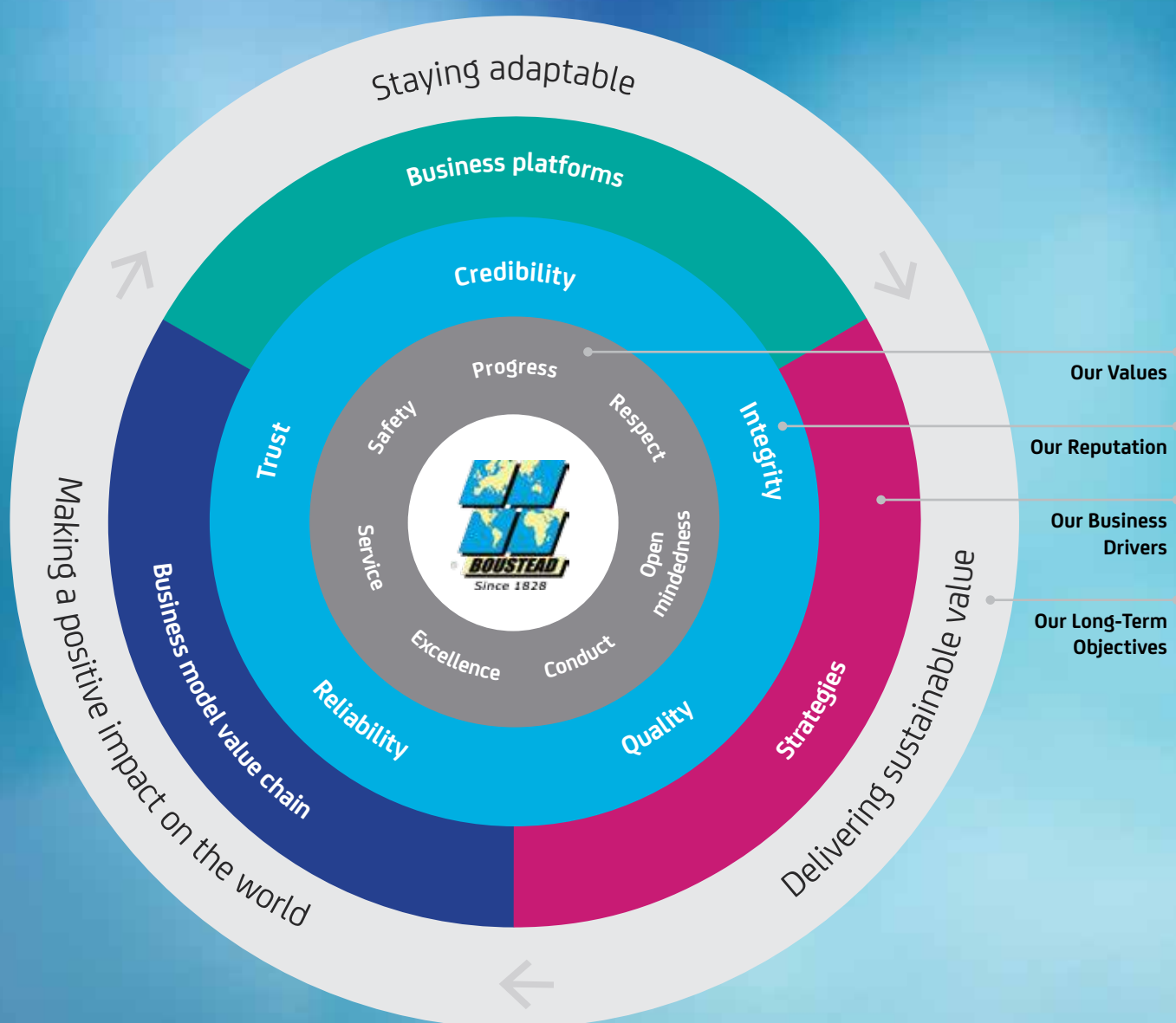
Read more on page 34.

Our Business Model

Over Boustead's prestigious and rich heritage of 188 years, we have been creating a world of difference for millions of people from communities around the world – our global stakeholders – while delivering sustainable value for shareholders. Our experienced and versatile teams possess in-depth domain expertise and tremendous international experience. We are a knowledge-driven corporation with an excellent track record. Our in-house expertise in undertaking only the high value-added activities across the engineering value chain of activities means that we are able to focus on the details that matter most to our clients.

Employing a business model with inbuilt exportability and flexibility has enabled us to adapt our business operations to diverse situations and widespread geographic markets covering 85 countries globally.

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



Our Mission

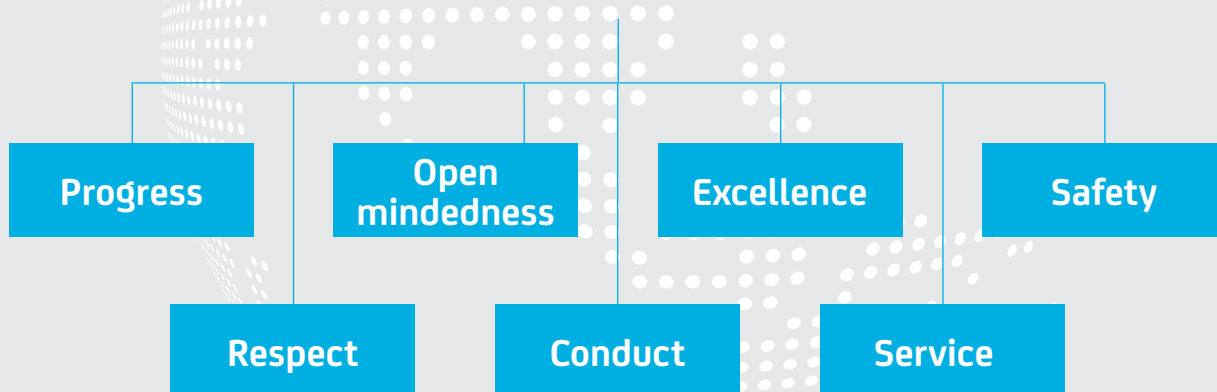
To be the premier global service provider of infrastructure-related engineering services and geo-spatial technology; utilising our vast experience and expertise accumulated since 1828 to develop the world in a sustainable manner.

Our Corporate Values

Thinking Globally

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

Regardless of where our clients are located, we will cater to their needs with robust solutions that fit the context.



Striving for progress

We want to be distinguished for:

- Our industry leadership, client-focus, and strong suite of products and services; and
- Our professionalism, excellent financial performance, proven business and management model, and successful growth strategy.

Respecting our employees and stakeholders

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

Keeping an open mind

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

Adhering to the highest standards of ethical and moral conduct

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

Upholding excellence

We aim to deliver excellence in everything that we do.

Servicing our clients

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

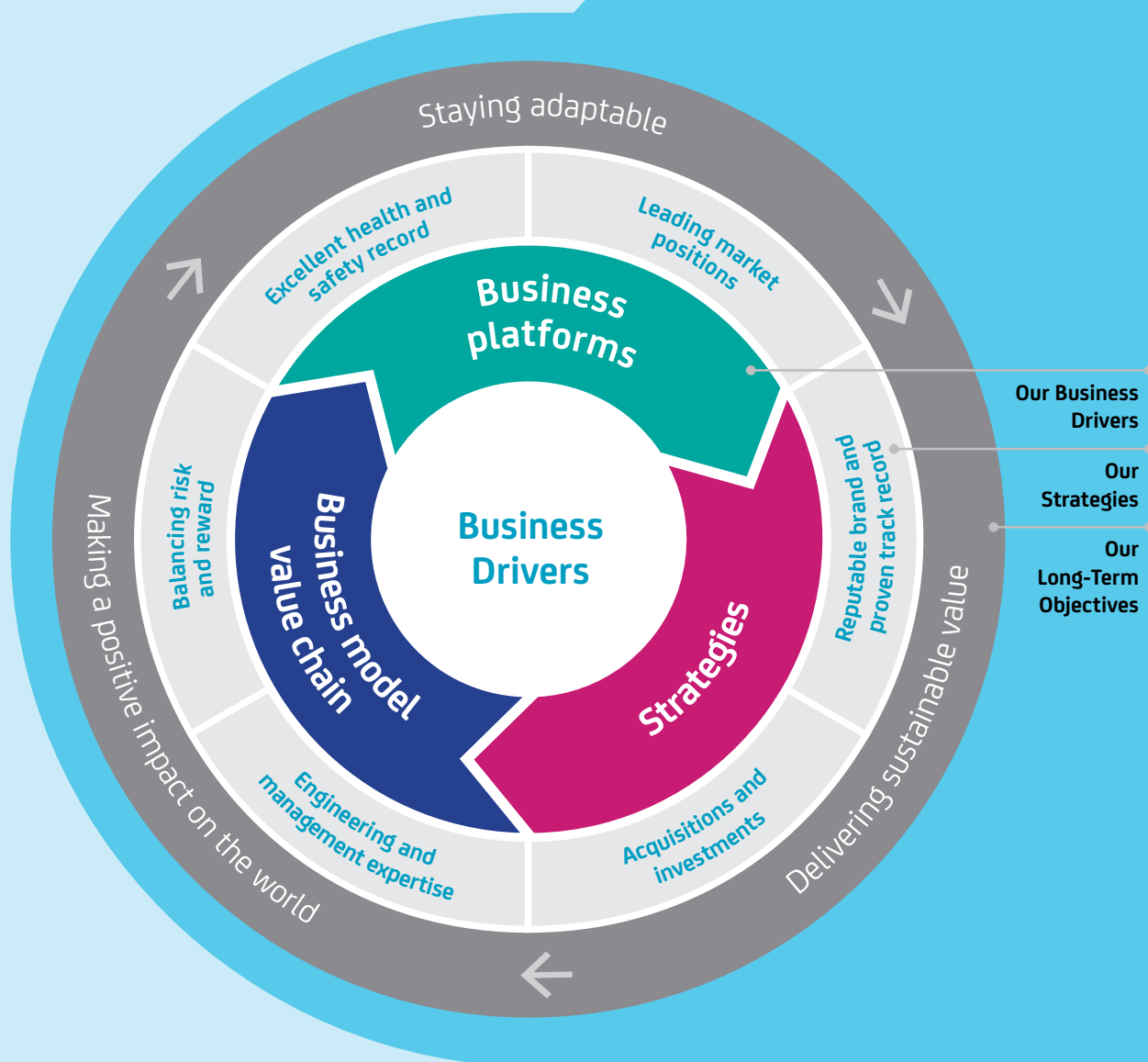
Prioritising safety

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

Our Business Model

Achieving our long-term objectives

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



Our Business Platforms

Business intelligence and network

- Successful identification and leveraging on global megatrends
- Global view with local market knowledge
- Focus on development in high growth markets
- Broad coverage of industries
- Infrastructure-related projects in 85 countries
- More than 13,000 clients globally

Performance

- Extensive track record
- Delivery of world-class projects
- Solutions in energy, water, real estate and geo-spatial technology
- Commitments to health, safety and environmental performance

People

- World-class teams
- Empowering culture
- Ability to attract, motivate and retain talent
- Industry technical experts

Our Strategies

Leading market positions

We have made our mark in niche areas, undertaking important projects at many of the world's largest energy developments, Singapore's leading industrial parks and in support of governments regionally.

Reputable brand and proven track record

With a strong brand heritage, we have established reputable positions in our industries, bringing together engineering skills and proven technology in over 1,000 projects in 85 countries.

Acquisitions and investments

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

Engineering and management expertise

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

Balancing risk and reward

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

Excellent health and safety record

We strive to achieve the highest standards for workplace health, safety and environment, for the wellbeing and protection of every individual. We are a leader and active participant in the bizSAFE Programme initiated by the Workplace Safety & Health Council.

Our Business Model Value Chain

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

Designing sustainable products, services and solutions

Committing to operational excellence through undertaking process, detailed and value engineering, project management, installation, commissioning and training

Delivering efficiency, performance and value to our clients

Generating revenue, profit and cash flow in a sustainable manner

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

Global Presence

Projects undertaken in 85 countries

Projects Track Record



Energy-Related Engineering



Real Estate Solutions



Geo-Spatial Technology

Projects Ongoing in FY2016



Energy-Related Engineering



Real Estate Solutions



Geo-Spatial Technology

North America & South America

Latin America & Caribbean

Argentina	
Bolivia	
Brazil	
Chile	
Dominican Republic	
Mexico	
Netherlands Antilles	
Peru	
Venezuela	

North America

Canada	
U.S.A.	

Europe

Eastern Europe

Hungary	
Poland	
Russia	
Slovakia	
Ukraine	

Northern Europe

England	
Finland	
Ireland	
Isle of Man	
Lithuania	
Norway	
Scotland	
Wales	

Southern Europe

Cyprus	
Greece	
Italy	
Spain	
Turkey	

Western Europe

Austria	
Belgium	
Germany	
Netherlands	
Switzerland	

Africa

Eastern Africa

Tanzania	
----------	--

North Africa

Algeria	
Egypt	
Libya	
Tunisia	

Middle Africa

Angola	
Equatorial Guinea	

Western Africa

Gabon	
Ghana	
Nigeria	

Order book backlog of S\$323 million*



* Order book backlog as at the end of FY2016 plus new orders secured since.

Asia

East Asia & Central Asia

Azerbaijan	
China	
Hong Kong	
Japan	
Kazakhstan	
Macau	
South Korea	
Taiwan	
Turkmenistan	

South East Asia

Brunei	
Indonesia	
Malaysia	
Philippines	
Singapore	
Thailand	
Timor-Leste	
Vietnam	

South Asia

Bangladesh	
India	
Maldives	
Pakistan	
Sri Lanka	

Middle East

Bahrain	
Jordan	
Kuwait	
Oman	
Qatar	
Saudi Arabia	
U.A.E.	

Australia & Oceania

Australia	
New Caledonia	
New Zealand	
Papua New Guinea	

Group at a Glance

Bringing it all together – another active year

Group Revenue

S\$486.7m

Group Net Profit

S\$28.2m

Group Net Cash Position

S\$165.6m

Group Contracts Secured

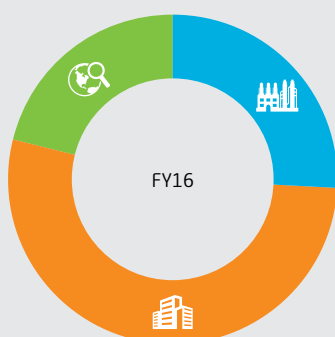
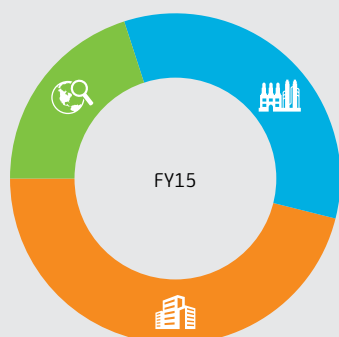
S\$284m

Earnings Per Share




5.4¢

Net Asset Value Per Share

58.3¢



Revenue by Division

	FY15	FY16
 Energy-Related Engineering	34%	26%
 Real Estate Solutions	46%	53%
 Geo-Spatial Technology	20%	21%



Energy-Related Engineering

Our Energy-Related Engineering Division is focused on providing key process technologies for:

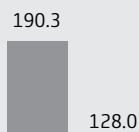
1. Oil & gas and petrochemical infrastructure; and
2. Water & wastewater treatment plants for the energy sector.

Our division has undertaken more than 1,200 projects in 84 countries globally.

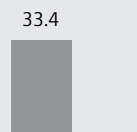


Read more on page 22.

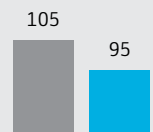
Division Revenue (\$'m)



Division Profit Before Tax (\$'m)



Division Contracts Secured (\$'m)



Real Estate Solutions

Our Real Estate Solutions Division (Boustead Projects) is focused on providing design-and-build and development expertise for:

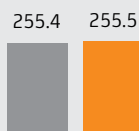
1. Industrial facilities;
2. Commercial buildings; and
3. Business and industrial parks.

Our division has delivered more than 3,000,000 square metres of industrial real estate regionally and it is a leader in pioneering advanced eco-sustainable industrial facilities.

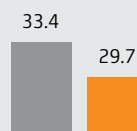


Read more on page 28.

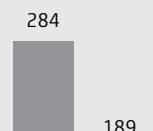
Division Revenue (\$'m)



Division Profit Before Tax (\$'m)



Division Contracts Secured (\$'m)



Geo-Spatial Technology

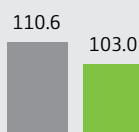
Our Geo-Spatial Technology Division is focused on providing professional services and exclusive distribution of Esri geo-spatial technology, the world's leading geographic information systems.

Our division has more than 13,000 clients including key government agencies and multinational corporations across seven exclusive markets in Australia and South East Asia.

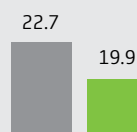


Read more on page 34.

Division Revenue (\$'m)



Division Profit Before Tax (\$'m)



Financial Highlights

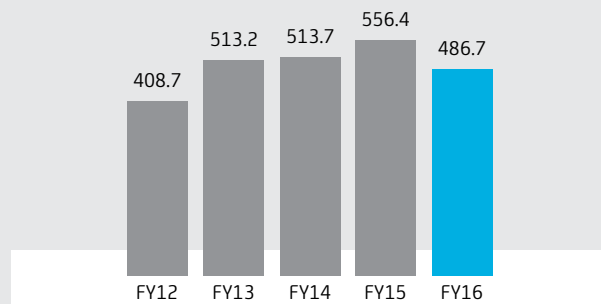
	31 Mar 16 S\$'000	31 Mar 15 S\$'000	31 Mar 14 S\$'000	31 Mar 13 S\$'000	31 Mar 12 S\$'000
Revenue and Profits					
Revenue	486,651	556,405	513,705	513,198	408,695
Gross profit	150,567	186,185	175,402	177,402	146,028
Profit before income tax	56,543	88,981	90,637	97,423	71,928
Total profit	41,135	66,349	74,046	84,480	58,416
Profit for the year attributable to equity holders of the Company	28,247	63,282	70,685	81,357	55,584
Cash/Scrip dividends	(16,293)	(21,782)	(36,121)	(35,154)	(25,264)
Distribution of shares <i>in specie</i>	(84,291)	-	-	-	-
Statement of Financial Position					
Equity attributable to equity holders of the Company	304,842	379,996	352,348	300,868	254,454
Non-controlling interests	104,895	10,456	9,352	11,458	9,878
Capital Employed	409,737	390,452	361,700	312,326	264,332
Trade receivables (non-current)	-	7,438	9,183	10,436	7,438
Other receivables and prepayments (non-current)	3,827	1,241	1,221	-	-
Available-for-sale financial assets (non-current)	61,576	73,387	69,392	32,340	48,896
Property, plant and equipment	14,565	16,732	17,025	18,545	17,159
Investment properties	146,182	159,857	108,962	50,346	52,142
Goodwill	-	-	1,322	1,568	1,580
Other intangible assets	1,186	1,452	2,420	1,829	1,754
Investments in associated companies	200	3,761	3,959	2,787	2,787
Investments in joint ventures	13,755	10,728	4,467	-	-
Net deferred income tax (liabilities)/assets	(666)	210	548	955	1,106
Net current assets	267,418	299,121	200,425	221,887	151,370
Non-current liabilities (excluding deferred income tax liabilities)	(98,306)	(183,475)	(57,224)	(28,367)	(19,900)
Assets Employed	409,737	390,452	361,700	312,326	264,332
Financial Statistics					
Operating profit over turnover (%)	11.6	16.0	17.6	19.0	17.6
Return on equity (%) (Note ¹)	9.3	16.7	20.1	27.0	21.8
Gross dividend per ordinary share (cents)	19.2	4.0	7.0	7.0	5.0
Dividend cover (times)	0.3	2.9	2.0	2.3	2.2
Basic earnings per ordinary share (cents) (Note ²)	5.4	12.3	13.9	16.2	11.0
Net asset value per ordinary share (cents) (Note ³)	58.3	73.0	68.4	60.0	50.4

Notes:

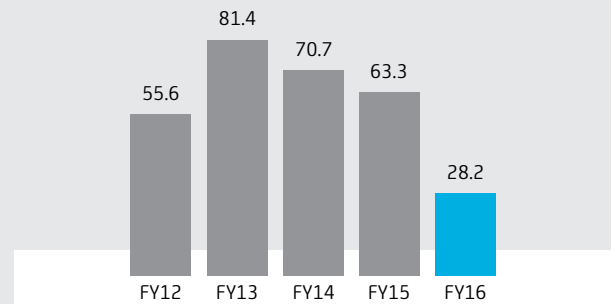
1. Based on profit for the year attributable to equity holders of the Company divided by equity attributable to equity holders of the Company.
2. Based on profit for the year attributable to equity holders of the Company divided by weighted average number of ordinary shares in issue during financial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

Group Revenue (S\$'m)

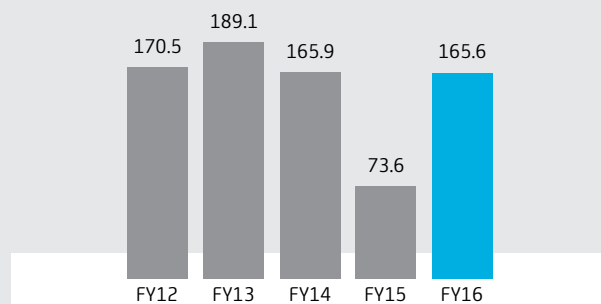
10-Year CAGR* 5%

**Group Net Profit (S\$'m)**

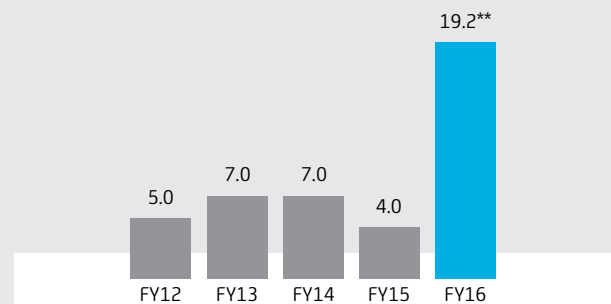
10-Year CAGR* 1%

**Net Cash Position (S\$'m)**

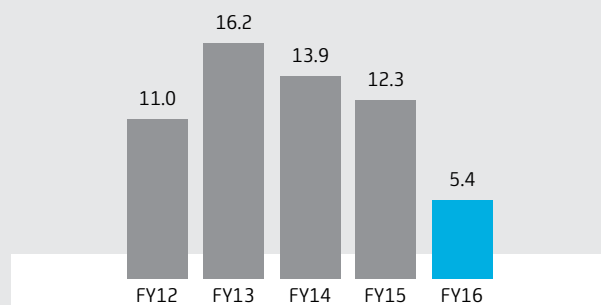
10-Year CAGR* 7%

**Gross Dividend Per Ordinary Share (cents)**

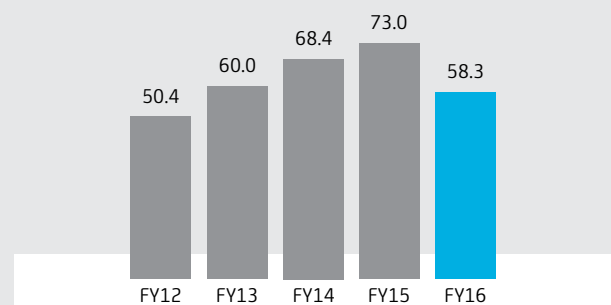
10-Year CAGR* 21%

**Earnings Per Ordinary Share (cents)**

10-Year CAGR* 1%

**Net Asset Value Per Ordinary Share (cents)**

10-Year CAGR* 11%



* Refers to 10-year compounded annual growth rate.

** Includes dividend in specie of 16.2 cents.

Chairman's Message



Wong Fong Fui

Chairman & Group Chief Executive Officer



Summary of Message

Revenue was S\$486.7 million, decreasing 13% year-on-year but still above our 10-year annual average.

Our Energy-Related Engineering Division's PBT fell to S\$9.1 million.

Our Real Estate Solutions Division's revenue stayed comparable year-on-year at S\$255.5 million.

Our Geo-Spatial Technology Division's PBT dropped 12% year-on-year to S\$19.9 million.

Together with the interim dividend of 1 cent paid, the total ordinary dividend of 3 cents equates to a dividend payout ratio of 57% and a dividend yield of about 4% on our current share price. This is on top of Boustead Projects' shares given as a dividend at the start of FY2016, which equates to 16.2 cents.

Dear Fellow Shareholders,

It gives me great pleasure to present to you the Boustead FY2016 Annual Report for the financial year ended 31 March 2016.

FY2016 has been our most challenging year in a decade. Revenue was S\$486.7 million, decreasing 13% year-on-year but still above our 10-year annual average. However, profit attributable to you – fellow owners of our Company – was S\$28.2 million, decreasing 55% year-on-year and falling to a level last seen in FY2006. To be fair, the sharp decline in net profit was partially due to the absence of major non-recurring items and the demerger of our Real Estate Solutions Division under Boustead Projects. Nearly half of the net profit contributed by Boustead Projects – our largest profit contributor – has been spun off to our shareholders after receiving Boustead Projects' shares as a dividend at the start of FY2016.

Comparing our net profit on an apple-to-apple basis by adding back the profit that had been spun off, our core net profit would have been S\$39.2 million instead of S\$28.2 million.

FY2016 – Broad-Based Profitability Achieved in Extremely Tough Macroeconomic Conditions

Macroeconomic conditions in FY2016 were extremely tough, akin to a severe storm. Three factors which greatly impacted us were the depressed state of the global oil & gas industries, the harsh business environment affecting Singapore's real estate market and strong global currency headwinds caused by strengthening USD.

On a positive note, despite all of these challenges, all three divisions delivered profitability not only for the full-year but also in each individual quarter. We achieved a fifth successive year of broad-based profitability.

At the Energy-Related Engineering Division, it was never going to be easy after last year's record achievements, especially with global oil & gas industries facing their longest price slump in over a decade. Division revenue contracted 33% year-on-year to S\$128.0 million, while division profit before income tax ("PBT") fell 73% year-on-year to S\$9.1 million. Just like what I had witnessed previously in the global oil & gas industries' last major recession from 1983 to 1997, my personal view is that the current recession will last longer than what has been speculated by analysts in the media. Like before, industry consolidation will take place. Our division's business model which focuses on being asset light, cash flow driven and lean, bodes well for our ability to sail through even a prolonged consolidation period when weaker players are weeded out. In the long run, we will emerge as a stronger competitor than ever before.

For the ninth successive year, our Real Estate Solutions Division (Boustead Projects) was our largest revenue contributor. Boustead Projects was one of only two listings on the SGX Mainboard during the whole of 2015. Division revenue stayed comparable year-on-year at S\$255.5 million. Division PBT decreased 11% year-on-year to S\$29.7 million but

was still reasonable in light of the harsh business environment. Our strategy implemented after the Global Financial Crisis to expand our industrial leasehold portfolio and increase recurring income has proven correct, partially cushioning against pressure on design-and-build margins.

Another year of currency headwinds buffeted our Geo-Spatial Technology Division, sending division revenue down 7% year-on-year to S\$103.0 million, while division PBT dropped 12% year-on-year to S\$19.9 million. Excluding revenue translation effects, revenue growth would have been present. A brighter future awaits Esri technology which continues to transform the future global economy, one based on intelligent mapping of our world where smart nations, smart cities, big data crunching, and more efficient and effective use of our limited resources become the norm.

Another highlight was our overwhelming victory in our long-running legal battle with Arab Banking Corporation (“ABC”) regarding our guarantees for Libya. With the Court of Appeal recently rejecting ABC’s appeal and finding ABC to have ‘acted fraudulently, in the reckless sense, in making the demand’, a permanent injunction is in place against the payment of our US\$18.8 million in guarantees. We have been conclusively discharged from these contingent liabilities, saving us from giving away our money unconscionably. The case is finally closed.

Continuing our dividend tradition, your Board proposed a final dividend of 2 cents

for your approval. Together with the interim dividend of 1 cent paid, the total ordinary dividend of 3 cents equates to a dividend payout ratio of 57% and a dividend yield of about 4% on our current share price. This is on top of Boustead Projects’ shares given as a dividend at the start of FY2016, which equates to 16.2 cents.

Creating a World of Difference

The message that fronts our annual report states, ‘Creating a world of difference’. If somebody does something that makes a world of difference, then it means that they make an improvement (the difference) that is truly felt. Creating a world of difference is exactly what we have been doing for 188 years and counting. It is in our Boustead DNA.

Underlying our role as creators of a world of difference are our values – since our beginnings in 1828 – which encompass thinking globally, striving for progress, respecting our employees and stakeholders, keeping an open mind, adhering to the highest standards of ethical and moral conduct, upholding excellence, servicing our clients and prioritising safety. In addition to these values, we have ingrained adaptability to adversity into our mindsets. These form a foundation for our long-term success.

Over time, our values and mindsets have allowed us to exit sunset industries and enter emerging industries at the start of long-term megatrends. There are plenty of examples: soft commodities in 1828, rubber and tin in the 1880s, oil in the 1890s, and managing the world’s largest

consumer brands and also shipping lines during the 1900s. Our pioneer status and contributions to the respective industries have had a great positive impact on many generations of communities around the world including Singapore.

Today, we are in energy, property and technology. Will it be so 20, 50 or even 100 years down the road? We hope so. However, Charles Darwin’s theory of evolution is as applicable to corporations as it is to living species. If a corporation does not evolve, it will likely be made extinct by a stronger, fitter and more agile competitor. There are times when we have to let go of our past glories. It is the same with companies. A highly successful product or service today may not necessarily be successful tomorrow. An unadaptable or stubborn corporation will try its best to hold onto such products and services even when they become irrelevant. The corporations that enjoy longevity do things differently. They evolve. They create a different business and adapt to the prevailing times. Remember, change is the only constant. And in today’s context, change produces not only a great deal of opportunities but helps us to survive.

As long as we continue to embrace this, we will continue to be creators of a world of difference.

Our Cash Flow-Driven Business Model

When evaluating how a company performs financially, is total profit the best indicator? Not in my books. A much better

Chairman's Message

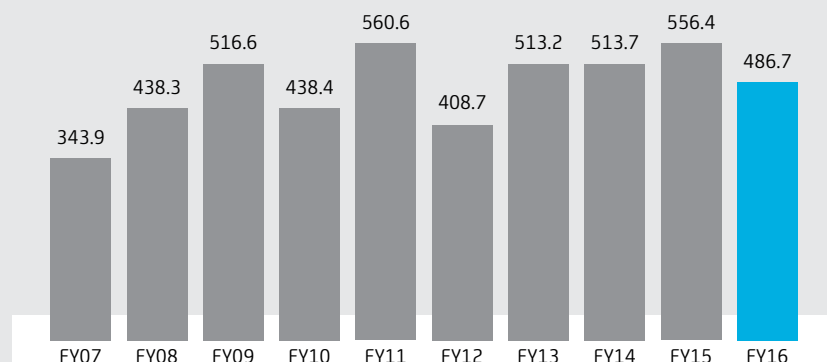


Our cash flow-driven business model places us in a strong position to weather the storm. Our balance sheet is steady with a net cash position of S\$165.6 million.

Group Revenue (S\$m)

\$486.7m

10-Year CAGR 5%



indicator is free cash flow generated. A corporation that generates huge paper profit but negative or little free cash flow is just a masquerade; sustainable dividends cannot be paid, acquisitions not made, debts remain unpaid and a bright future is never laid.

Our total profit was S\$41.1 million. Our free cash flow was S\$110.9 million. In fact, we have averaged annual free cash flow of S\$42.8 million over a decade. Our calculation of free cash flow is operating cash flow less our net investments (and net loans where applicable) in our property, plant and equipment, industrial leasehold portfolio and subsidiaries, associates and joint ventures.

The answer to continued free cash flow generation is contained within our business model. A shareholder in Boustead is not a beneficial owner of hard assets such as equipment, machinery and fabrication or manufacturing facilities. Instead, you are a beneficial owner of a renowned brand name that has thrived for 188 years on the basis of our strong values and reputation for credibility, integrity, quality, reliability and trust; in leadership supported by capable global teams who possess intellectual capital including networks, relationships, track records and proprietary and technical knowledge; and a business and idea building platform which comes with an inbuilt reinvention capability. In essence, you are investing in an adaptable and flexible knowledge-driven corporation made up of talented team players.

Our current domain is in design and engineering of specialised niche infrastructure – both physical and digital – to support our global clients' operations and processes. In-house, we take on high value-added activities: design, execution, project management and delivery. Low value-added fabrication and manufacturing activities based on our in-house designs are outsourced to a global network of fabricators. This keeps us lean and contains internal overhead and staff costs. Furthermore, we are able to avoid making heavy capital expenditures just to sustain our business, especially during challenging times like these.

Our cash flow-driven business model places us in a strong position to weather the storm. Our balance sheet is steady with a net cash position of S\$165.6 million. This brings us onto my next topic – acquisitions.

FY2017 and Beyond – On Acquisition Quest

In a low interest rate environment like the one of the past seven years, cash is but a lowly servant. However, the low interest rate environment cannot persist forever – as bubbles continue to blow and grow – and once interest rates rise, cash will once again reign as king. I like the way prominent Australian fund manager, Roger Montgomery put it, "Investing for long periods in cash is not desirable. But in the short run cash is like an option over every asset class, with no expiration date and no strike price. Cash provides the option to sweep up a bargain when

it becomes available and this must have some value above the fact it earns almost nothing. If the purpose of an investment portfolio is to grow as well as protect the wealth you've accumulated over the years, doesn't it make sense, if you can afford it, to also hold an option?"

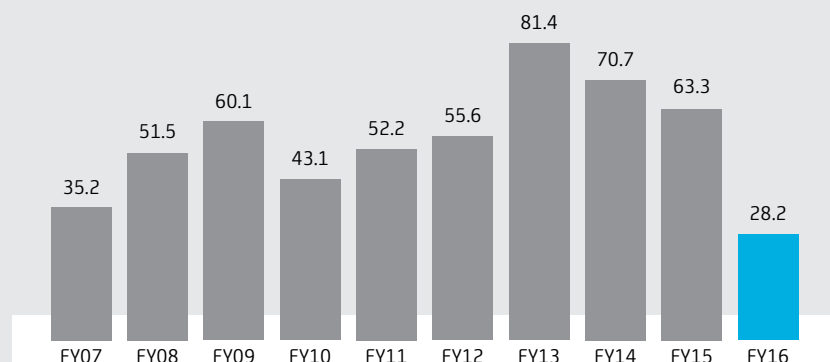
That is right, we hold a huge option in our hands, S\$259.1 million in total cash to be exact and more than S\$35 million in highly liquid assets on our balance sheet. Our total cash and ungeared position offer great flexibility to change course and direction unfettered in this storm. A highly geared corporation can only sail straight into the eye of the storm because at least one hand has been chained, if not two. We, on the other hand, can navigate around the periphery because without gearing, not only are our hands free, our eyes are also free to spot acquisitions and investments which may be floating around.

Let me add a disclaimer though. Acquiring a business is easy. Acquiring a great business is most difficult. It rarely if ever boils down simply to price-to-earnings ratios. It often encapsulates complex evaluations of macroeconomic conditions, industry competitive landscape, branding, business model, barriers to entry, competitive advantages, technical knowledge, risk management and most importantly, people. For years, we have been looking to acquire a business that has ticks in all the right boxes. We also want a business which will survive a long-drawn downturn.

Group Net Profit (\$'m)

S\$28.2m

10-Year CAGR 1%



In FY2016, three potential acquisition and investment opportunities came rather close. The first was an announced proposed acquisition of a gas field with proven reserves in Indonesia. Its prospects were exciting and its risks manageable. Unfortunately, we were outbid by a rival. Sometimes, sellers lack integrity and sincere intention to conclude a deal, in this instance, trying to create a bidding war for an asset despite communicating otherwise. We decided not to engage in the bidding war although we certainly had the firepower to do so, as any additional premium paid may have significantly decreased our margin of safety and introduced unnecessary new risks.

The second potential acquisition (not announced) was a target in the energy sector providing engineering services for niche gas-related infrastructure. Thorough due diligence eventually uncovered that people could pose to be the biggest problem.

The third potential investment (also not announced) was a target in the real estate sector, where a cornerstone investor position was opened to us. Interesting as it looked, we pursued no further when detailed information was not forthcoming. Thorough due diligence is extremely important, otherwise we may end up blind-sided and that does not look pretty.

I hope these examples give you some insights into our acquisition and investment philosophy. Where risks cannot be comfortably determined or managed, then forget about the 'blue sky' returns

which may be. We may have missed some opportunities in FY2016 but they will come knocking again. In long-term investing, patience is a great virtue that will be rewarded. Just give us time to deploy our huge option so that we can enlarge your long-term benefit. We love fishing in stormy weather.

Succession Planning

In last year's annual report, I spoke at length about succession planning at Boustead Projects. With that well taken care of, half of our Group's revenue has been de-risked.

Succession's importance cannot be understated. No matter how capable the current leadership is or what they have accomplished, if they do not plan for succession to a future generation of capable leaders, then decades of hard work and prosperity can unravel in a matter of years in the hands of the next generation. This is the reason why your Board has taken more than five years to evaluate and appoint my potential successor.

With the Board's recent appointment and endorsement of Wong Yu Loon (my elder son) as Deputy Group Chief Executive Officer, the final pieces to succession are falling into place. Prior to this, Yu Loon had already been Executive Director. He has spent the last 13 years of his career within the Group, understanding the business intricacies of our various divisions. His double degrees in accounting and law, plus chartered financial analyst credentials, years in investment banking and even more years within the Group put

him in good stead to support the Group in our wider context. I shall do my utmost to pass my business knowledge onto him and guide him forward for that day when he may potentially succeed me.

Simultaneously, we have taken great efforts to ensure succession at all levels of the Group, with the progressive development of our second-line and third-line leaders. To enjoy longevity, a company requires leaders and people who possess a high level of AQ – adversity quotient – apart from IQ, EQ and FQ. Essentially, AQ refers to people's ability to manage adversity and if possible, to turn that adversity into an opportunity. AQ will be an important part of continuing assessment of our potential future leaders.

A Word of Appreciation

I would like to express my deepest gratitude to our management and staff around the world for their efforts during these challenging times. I am confident that our leaders and teams have what it takes to help us sail through this storm safely and come out stronger for it. All hands on deck. I would also like to extend my thanks to all our clients, business partners, associates, bankers, suppliers and shareholders for your continuous support.

Thank you for supporting us. I look forward to seeing you at our upcoming Annual General Meeting.

Wong Fong Fui

Chairman & Group Chief Executive Officer

Energy-Related Engineering



Market Sectors

OIL & GAS, PETROCHEMICALS AND POWER

- Crude oil and natural gas production
- Crude oil and natural gas refining
- Gas-to-liquids production
- Hydrogen power generation
- Liquefied natural gas production
- Oil sands upgrading
- Once through steam generation
- Power generation
- Waste heat recovery

Geographic Markets

84 COUNTRIES

- Africa
- Asia Pacific
- Australia
- Europe
- Middle East
- North America
- South America



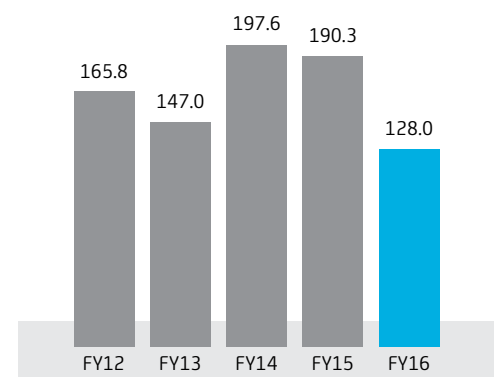
In FY2016, our Energy-Related Engineering Division registered sharp falls in revenue and profit before income tax (“PBT”) amid the prolonged slump in the global oil & gas industries.

Performance Highlights

Division Revenue (\$'m)

\$128.0m

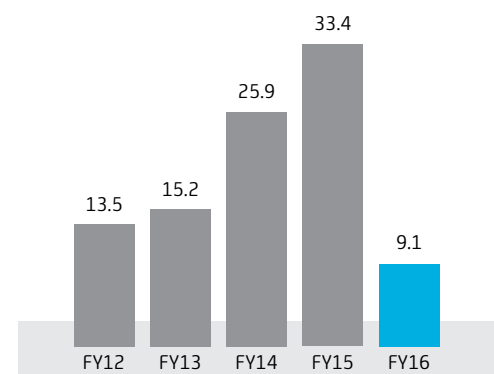
Year-on-Year ▼33%



Division Profit Before Tax (\$'m)

\$9.1m

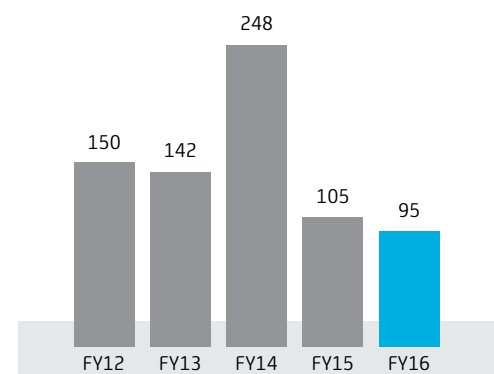
Year-on-Year ▼73%



Division Contracts Secured (\$'m)

\$95m

Year-on-Year ▼10%



Energy-Related Engineering



Depressed global crude and gas prices, along with historically high global crude inventories, saw the world's largest oil & gas corporations continue to significantly cut down on capital expenditures for a second consecutive year. According to Wood Mackenzie, since global crude prices crashed in 2014, a total of US\$380 billion of capital expenditures from 68 energy developments have been cancelled or delayed. Of delayed greenfield projects, up to 2.9 million barrels of liquids production per day has been deferred to early next decade with an average breakeven level of US\$62 per barrel.

In light of the challenging conditions, division revenue fell 33% to S\$128.0 million, hitting a level last seen after the Global Financial Crisis. On a positive note, the division remained profitable with PBT of S\$9.1 million. Most of the revenue and profit contributions came from business units involved in providing key process technologies for the global oil & gas and petrochemical industries.

Boustead International Heaters

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.

In FY2016, BIH progressed on schedule with over 30 projects across five continents, delivering key large-scale

process heater systems and WHRUs to major energy developments undertaken by global engineering, procurement & construction ("EPC") clients, and multinational and national oil & gas clients. WHRUs contributed half of BIH's revenue, with much of the remainder coming from process heater systems. The supply of process heater systems and WHRUs was mainly to oil refineries and gas processing plants within the downstream oil & gas industries.

Although downstream refining operations at global oil & gas corporations generated healthy profits throughout FY2016, many corporations with integrated upstream and downstream operations still opted to significantly cut down on capital expenditures across the board due to the prolonged slump in global crude and gas prices. Accordingly, while the number of enquiries remained high, most were driven by capital expenditure decisions involving upgrading and refurbishment works for existing infrastructure rather than greenfield developments. Many investment decisions for sizeable enquiries were either cancelled or delayed. Reflecting the poor sentiment, BIH's new contracts secured stayed relatively quiet for most of FY2016, with most new contracts received either in the first or fourth quarters of FY2016. Expectedly, brownfield developments dominated BIH's enquiry pipeline.

With fewer sizeable enquiries available, competition continued to intensify and

EPC clients became increasingly more sensitive to pricing. In view of reduced revenue, BIH right-sized its team to optimise its internal overheads. Additional efforts were made to enhance and diversify BIH's supply chain in order to maintain competitiveness and quality to clients.

During FY2016, North America remained a bright spot and the most important region for BIH, with more than one-third of all revenue generated there. In Canada, BIH delivered process heater systems for Phase 3 of North America's largest greenfield energy development, touted as the world's only refinery complex designed from the ground up to incorporate gasification and a carbon capture and storage solution, while producing cleaner and higher value products to meet North America's new stringent low carbon standards. BIH was deeply involved in supplying process heater systems for Phase 2 as well. Elsewhere, BIH progressed on another project in Canada and several projects in the U.S. where downstream developments have thrived on an abundance of inexpensive shale gas. Business development activities in North America were also fruitful, with almost one-third of all new contracts coming from the continent.

Asia and Europe were also active regions for ongoing projects. Eight ongoing projects in Asia took place in the Middle East, South Asia and South East Asia.



3

1. Process heater systems, Canada
2. WHRU, Pakistan
3. Process heating technology, Saudi Arabia

In Europe, BIH delivered WHRUs for two of the world's top gas turbine vendors. In a separate breakthrough, BIH was awarded a contract to design and supply process heater systems for the largest development in the North Sea to proceed in recent times.

Most new contracts were awarded mainly for process heater systems, a number of which will be supplied to major developments involving four oil super majors: BP, ExxonMobil, Shell and Total. With regards to WHRUs, BIH observed a significant drop in enquiries in FY2016, with a recovery in enquiries only taking place towards the end of FY2016.

Strengthening its operations, BIH broadened its list of certifications with the additions of ISO14001:2004 and OHSAS18001:2007. BIH also maintained an accident-free safety record in FY2016.

Going forward in FY2017, BIH expects another challenging year, one which is pivotal for consolidation within the global oil & gas industries. Uncertainty over major investment decisions are anticipated due to the lower levels of global crude prices. This will continue to affect negotiations for sizeable enquiries. BIH remains focused on seeking opportunities in major oil & gas regions, especially those regions where there are economically viable energy developments in current global oil & gas conditions.

Boustead Controls & Electrics

Boustead Controls & Electrics ("BC&E") is a well-recognised leader in designing, engineering and supplying wellhead control panels ("WHCPs") and systems which use either pneumatic/hydraulic-based or safety programmable logic controller-based logic, hydraulic power units ("HPUs"), integrated control & safety shutdown systems, chemical injection ("CI") skids, fire & gas detection systems and other process control systems to the upstream oil & gas industries.

FY2016 was a record year for BC&E in terms of revenue performance, with great effort undertaken to enhance production capacity and streamline operations. BC&E progressed on schedule with numerous projects for new and repeat clients in the Middle East, India and Asia Pacific.

During FY2016, the Middle East was the most important region for BC&E, both in terms of ongoing projects and new contracts secured. In Abu Dhabi, BC&E undertook five major projects for end-users from several national oil & gas entities under repeat client, Abu Dhabi National Oil Company ("ADNOC"). Hydraulic WHCPs were delivered to two end-user entities of ADNOC for projects at the Lower and Upper Zakum Fields – the world's second largest offshore oil development – as well as at the Umm Al Dalkh Field. BC&E also secured two new contracts from new EPC client, Galfar Engineering for the supply of 30 sets of WHCPs to be installed with end-user entities under ADNOC, further strengthening its foothold in the U.A.E.

In its traditional market of Saudi Arabia, BC&E continued to build on its established relationship with repeat end-user client, Saudi Aramco, the world's largest oil & gas corporation. In a continuation of its previous delivery of smart modularised wellhead emergency shutdown ("SWSD") systems to Saudi Aramco's Manifa Field in FY2015, BC&E delivered a second group of SWSD systems to the same project during FY2016. The Manifa Field is one of the world's largest upstream developments, consisting of 27 man-made drilling islands connected by a massive network of 41 kilometres of causeway specially designed to minimise ecological impact on the marine environment.

Amid intense competition, a healthy level of new contracts were awarded to BC&E with most of them clinched in the Middle East and India. Almost all new contracts were for BC&E's key WHCP and HPU products, which have gained widespread market recognition for quality, reliability and safety. Other markets in the Middle East where BC&E secured and executed new contracts include Oman and Qatar. In view of its growing presence in the region, BC&E opened an office in Abu Dhabi and is also exploring opening an office in Saudi Arabia.

In its operations, BC&E maintained an accident-free safety record in FY2016.

Going forward in FY2017, BC&E will be focused on opportunities in the Middle East, India and Asia Pacific, where it has

Energy-Related Engineering



an established market presence. With the market outlook remaining challenging and significantly less opportunities in greenfield developments, BC&E will be pursuing more opportunities in upgrading and refurbishment works which require lower capital expenditures. To further improve its competitiveness, BC&E is also putting in significant effort to enhance its supply chain.

Boustead Salcon Water Solutions

Boustead Salcon Water Solutions ("BSWS") is a leading global water & wastewater engineering specialist and Singapore's largest in the energy sector. BSWS' in-depth domain expertise and vast experience focuses on seawater desalination, demineralisation and wastewater recycling. With more than 800 installations in 61 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 EPC & maintenance partner and 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 many of the world's largest EPC corporations.

During FY2016, BSWS made progress on industrial water and wastewater treatment projects across six countries in the Asia Pacific and Middle East.

In Taiwan, BSWS progressively delivered a 70,000 cubic metres/day condensate polishing plant at Taiwan Power Company's 1,600MW ultra supercritical coal-fired thermal power plant. Employing advanced ion exchange technology, the condensate polishing plant will produce high grade pure boiler feedwater for the power plant, making it more energy-efficient and environmentally-friendly as compared to existing traditional coal-fired power plants. The first unit was fully installed in FY2016, with the second unit to be installed in FY2017.

Elsewhere, Saudi Arabia was an important market for BSWS during FY2016, where it progressed on three contracts for Phase 3 of the 3,100MW Saudi Yanbu Power & Desalination Plant. BSWS is designing and supplying a demineralisation plant and wastewater treatment plants. The plants were delivered to site shortly after the end of FY2016 and will be operational in FY2017. The integrated seawater desalination and power plant is set to be one of the country's first supercritical power plants to use heavy fuel oil as its main fuel source.

Following a two-year delay, BSWS' largest contract in Indonesia is set to recommence. During FY2016, BSWS completed the design phase

while postponing the procurement phase. With the end-user client finally securing all of the land necessary to build its supercritical power plant, BSWS is proceeding onto the procurement and construction of seawater desalination, demineralisation and wastewater treatment plants for Indonesia's first supercritical power plant.

On the business development front, the protracted slump in global crude prices affected BSWS' enquiry pipeline in different ways. Enquiry levels for upstream oil & gas developments remained low while enquiry levels for downstream oil & gas developments stayed relatively healthy, especially for brownfield projects involving de-bottlenecking, optimisation, upgrading and refurbishment of existing infrastructure. Enquiry levels from the power industry – where BSWS is a recognised market leader – remained healthy.

Geographically, BSWS extended its market coverage into Central Asia after clinching its first contract in Kazakhstan. BSWS will design and construct a 41,280 cubic metres/day condensate polishing plant for the country's Balkhash Thermal Power Plant. The 1,320MW power plant is being developed at Lake Balkhash and is expected to produce 9% of Kazakhstan's total power output when completed. Through its maiden project in Kazakhstan, BSWS hopes to further expand its sales and marketing network within Central Asia and gain familiarity with the region.



1. WHCPs, U.A.E.
2. Demineralisation plant at power plant, Vietnam

Furthering its excellent track record in the power industry, BSWs was awarded a contract to design and supply a wastewater treatment plant for the Duyen Hai 3 Expansion Power Station in Vietnam. Engineering and procurement works for this project were successfully completed during FY2016, with the plant expected to be shipped by 2Q FY2017.

BSWS also continued to build on its established track record in the ammonia and fertiliser industries, securing a new contract to design and construct a 3,840 cubic metres/day seawater desalination plant and 9,400 cubic metres/day demineralisation plant at the Banggai Ammonia Plant in Indonesia.

In an effort to strengthen its engineering base and network, BSWs has established a subsidiary in India to deepen its presence. The new office will also serve as a potential springboard into the rest of South Asia and the Middle East.

In its operations, BSWs maintained an accident-free safety record in FY2016.

Going forward in FY2017, BSWs will remain focused on pursuing opportunities in the energy sector within the Asia Pacific and Middle East. To improve its competitiveness, BSWs plans to continue enhancing and diversifying its supply chain, adding new capabilities, seeking potential alliances and moving into the upstream oil & gas sector.



Contract Awards & Achievements in FY2016

APR – JUN 2015

Asia Pacific, Australia, Europe, Middle East, North America
\$537 million

Process heater systems, WHRUs, WHCPs and CI skids

JUL – SEP 2015

Asia Pacific, Europe, Middle East
\$511 million

Process heater system, WHCPs and water treatment plant

OCT – DEC 2015

Asia Pacific, Middle East
\$511 million

WHCPs, water and wastewater treatment plants

JAN – MAR 2016

Africa, Asia Pacific, Middle East, North America, South America
\$536 million

Process heater systems, WHRU modifications and WHCPs

Real Estate Solutions



Market Sectors

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

Geographic Markets

- East Asia
- South East Asia



The Real Estate Solutions Division is under our 51.2%-owned subsidiary, Boustead Projects which is listed separately on the SGX Mainboard.

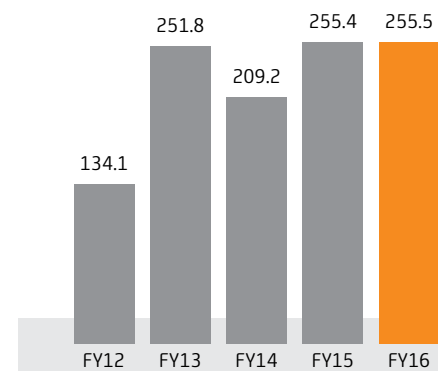


Performance Highlights

Division Revenue (S\$'m)

S\$255.5m

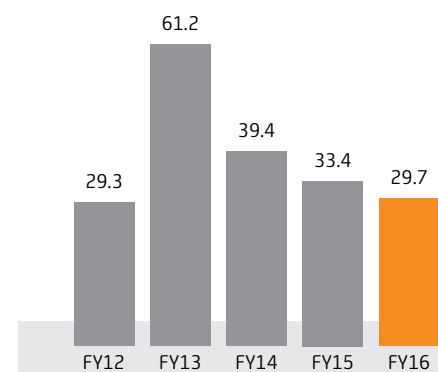
Year-on-Year ▲0%



Division Profit Before Tax (S\$'m)

S\$29.7m

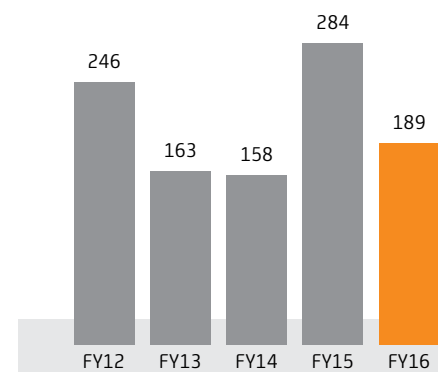
Year-on-Year ▼11%



Division Contracts Secured (S\$'m)

S\$189m

Year-on-Year ▼33%



Real Estate Solutions



Boustead Projects 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, Boustead Projects has constructed and developed more than 3,000,000 square metres of industrial real estate regionally in Singapore, China, Malaysia and Vietnam. Boustead Projects is approved by the Building & Construction Authority (“BCA”) for Grade CW01-A1 and General Builder Class One License to execute building construction contracts of unlimited value.

Boustead Projects is a leader in pioneering advanced eco-sustainable facilities under the BCA’s Green Mark Programme and U.S. Green Building Council’s Leadership in Energy & Environmental Design Program. In Singapore, Boustead Projects is one of only nine bizSAFE Mentors and also a bizSAFE Star.

Despite the difficult conditions in Singapore’s industrial real estate sector, Boustead Projects remained the largest revenue and profit contributor to the Group in FY2016. Revenue stayed comparable with the previous year, with lower design-and-build revenue during the year offset by higher leasing revenue on the back of an expanded industrial leasehold portfolio. Profit before income tax (“PBT”) declined 11% to S\$29.7 million, mainly due to softer gross margins in the design-and-build business, increased overhead and

finance expenses, and a greater share of loss of an associated company and joint ventures. Reflecting the challenging environment, new contracts secured by Boustead Projects fell to S\$189 million from S\$284 million a year earlier.

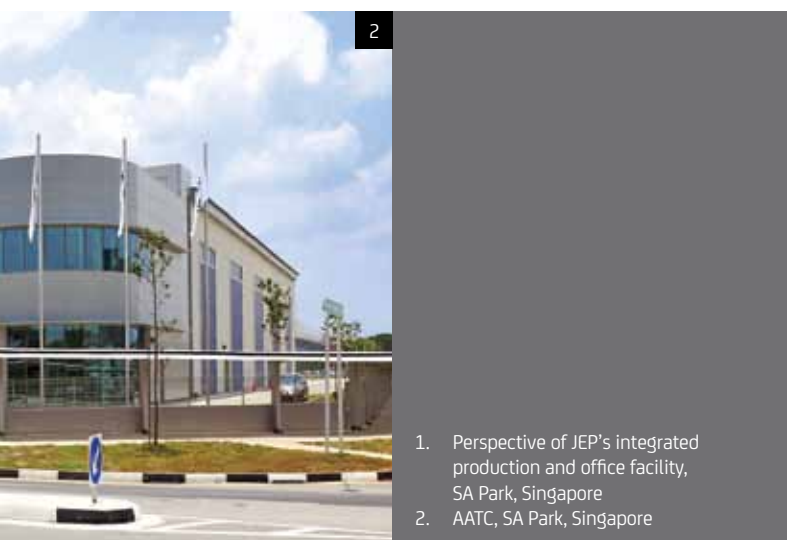
Design-and-Build Business

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

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

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

In FY2016, Boustead Projects strengthened its position in the aerospace industry as the design-and-build partner of choice with the delivery of two projects. Boustead Projects delivered the Airbus Asia Training Centre (“AATC”) located at the world-class 320-hectare Seletar Aerospace Park (“SA Park”). Jointly owned by Airbus and Singapore Airlines, the AATC – a two-floor pilot training centre – will train up to 10,000 flight crew a year. AATC was officially opened in April 2016 and is set to be Airbus’ largest flight crew training centre in the world when it is fully operational in 2019. AATC is located



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

directly beside the Satair Airbus Singapore Centre, another project that Boustead Projects had completed for repeat client, Airbus in 2013.

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

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

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

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

Business development efforts in overseas geographic markets also took shape during FY2016. In its key overseas market of Malaysia, Boustead Projects gained traction with a total of five contracts secured there, reflecting the progressive implementation of its strategy to geographically diversify business. Three contracts were secured within Iskandar Malaysia, a mega economic zone next to Singapore that is considered to be one of the largest under development in South East Asia. These contracts are a project management contract from a joint venture for a premier freehold business park development, iBP @ Nusajaya (Flagship Zone B), a design-and-build contract from a joint venture for a logistics facility at the Port of Tanjung Pelepas ("PTP") (Flagship Zone C) and a design-and-build contract for an eco-packaging facility near the Port of Pasir Gudang (Flagship Zone D). Boustead Projects' remaining two

contracts in Malaysia were secured on the east coast of Peninsular Malaysia, where it has two construction contracts for works at a petrochemical complex, awarded by a global engineering, procurement & construction ("EPC") corporation.

Leasing Business

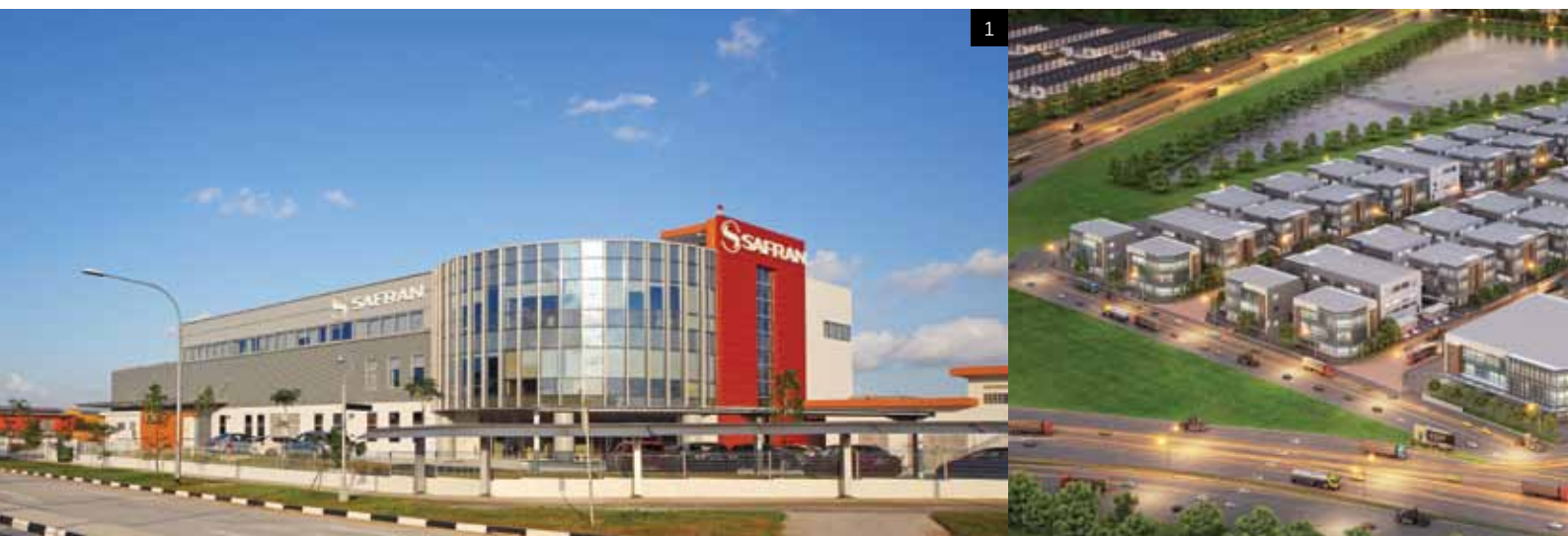
Leasing revenue grew 30% year-on-year to S\$34.4 million, attributable to greater contribution from three design-build-and-lease projects completed during FY2015 coupled with the normalisation of leasing revenue from three other properties. Leasing PBT saw a more modest 14% year-on-year increase to S\$15.8 million as a result of higher administrative and finance expenses largely associated with the expansion of Boustead Projects' industrial leasehold portfolio.

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

Following the capture of two inaugural development projects under the BDP for GlaxoSmithKline ("GSK") and Safran Helicopter Engines right at the end of FY2015, design and construction of the two projects proceeded through FY2016. With its fast track design and construction expertise, Boustead Projects completed and added Safran Helicopter Engines' new regional headquarters to its completed industrial leasehold portfolio*, increasing

* Includes both wholly-owned and joint venture properties.

Real Estate Solutions



the number of completed properties to 16, of which 15 are in Singapore and one is in China. Representing Safran's first major investment at the SA Park and part of its strategy to strengthen its regional footprint and support its growing customer base, the new regional headquarters triples Safran's industrial capacity to support its helicopter engines maintenance, repair and overhaul business servicing both commercial and defence customers. This is Safran's second property within Boustead Projects' industrial leasehold portfolio. The BDP's other project for GSK's new global headquarters for Asia is progressing on schedule with expected completion before the end of 3Q FY2017.

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

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

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

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

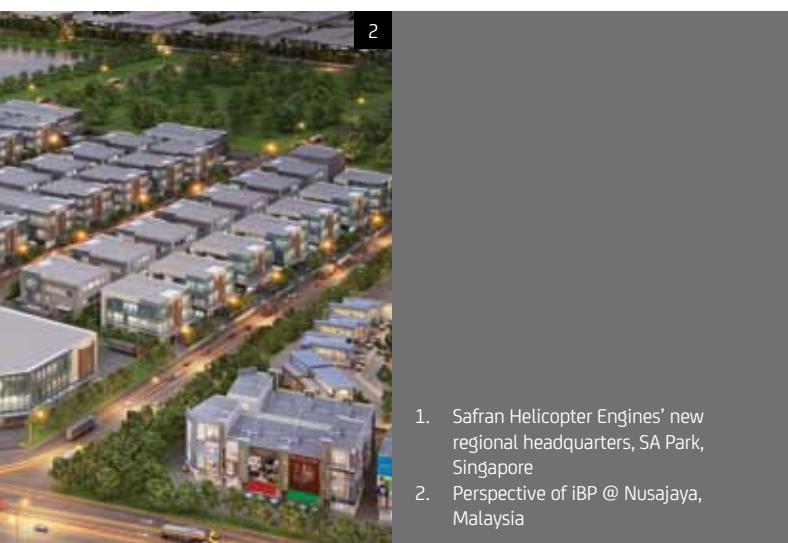
Strategic Partnerships

Boustead Projects has established several strategic partnerships and platforms to enhance its competitive position and geographically expand across Asia. Working with like-minded and reputable partners on several fronts has allowed Boustead Projects to pool its complementary capabilities and expertise to take on larger-scale projects and widen its offerings to clients, while simultaneously reducing commercial and operational risks related to a particular geographic market, industry cluster or real estate sector. Boustead Projects' current partnerships include the BDP and THAB Development Sdn Bhd ("THAB"),

as well as two consortiums led by Perennial Real Estate Holdings Ltd.

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

THAB is a joint venture that Boustead Projects formed with AME Construction Sdn Bhd, SGX-listed Tat Hong Holdings Ltd and SGX-listed CSC Holdings Ltd in 2013 to address its growing presence in Malaysia. THAB is developing iBP @ Nusajaya (Flagship Zone B), a premier freehold business park located in the Southern Industrial & Logistics Clusters of Iskandar Malaysia. Phase 1 offered 50 units of flexibly-designed detached and



1. Safran Helicopter Engines' new regional headquarters, SA Park, Singapore
2. Perspective of iBP @ Nusajaya, Malaysia

semi-detached modern quasi-business and industrial facilities following a successful launch in October 2014. Construction of Phase 1 – which also represents Boustead Projects' first development project within Malaysia – is well underway. Phase 2 will offer 50 units and will be launched during a more opportune time. Boustead Projects holds the project management partner role for iBP @ Nusajaya.

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

In China and Singapore, Boustead Projects has partnered consortiums led by SGX-listed Perennial Real Estate Holdings Ltd. At the centre of Beijing Tongzhou's new Central Business District, Boustead Projects holds a 4% stake in Phase 1 of the Beijing Tongzhou Integrated Development, a mixed-use Grade A iconic landmark development which is currently under construction along the famous Grand Canal and is due to be completed by 2018. Phase 1 of this development features a proposed 414,000 square metres commercial complex comprising a five-level retail podium and three towers of office and residential space.

With the opening of Universal Studios Beijing in 2020, the annual visitor traffic volume in the Beijing Tongzhou vicinity is projected to exceed 10 million to as high as 15 million visitors. In Singapore, Boustead Projects holds a 5.5% stake in a consortium which purchased TripleOne Somerset, a Grade A property strategically located within the Central Business District and prime Orchard precinct. The 71,215 square metres TripleOne Somerset comprises a two-level retail podium with 17 levels of office space. TripleOne Somerset's asset enhancement initiative works and strata-sales of office towers and medical suites recently commenced.

Moving ahead in FY2017, Boustead Projects will continue to target higher value industries including the aerospace, data centre and telecommunications, healthcare, high-tech manufacturing, R&D and technology industries. Boustead Projects will also continue to geographically diversify its business in current overseas markets of Malaysia, Vietnam and China, and potential overseas markets including Indonesia and other countries in South East Asia. Similarly, Boustead Projects will continue to leverage on its wide business network to actively explore new opportunities for collaboration across promising geographic markets in Asia, and new industry clusters and real estate sectors.



Contract Awards & Achievements in FY2016

MAY 2015

Singapore
S\$48 million

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

OCT 2015

Singapore
S\$59 million

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

NOV 2015 – FEB 2016

Malaysia, Singapore
S\$70 million

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

Geo-Spatial Technology



Market Sectors

ALL INDUSTRIES

- Agriculture
- Banking
- Defence and intelligence
- Education
- Emergency services
- Environmental and scientific research
- Government
- Healthcare
- Infrastructure
- Insurance
- Law enforcement
- Logistics
- Media
- Mining and resources
- Ports and maritime
- Retail
- Transportation
- Utilities

Geographic Markets

7 COUNTRIES

- Australia
- South East Asia



Our Geo-Spatial Technology Division's key subsidiaries – Esri Australia, Esri Singapore, Esri Malaysia and Esri Indonesia – provide professional services and exclusively distribute Esri geo-spatial technology – the world's leading geographic information systems ("GIS") – to major market sectors across Australia and parts of South East Asia.

Performance Highlights

Division Revenue (S\$m)

S\$103.0m

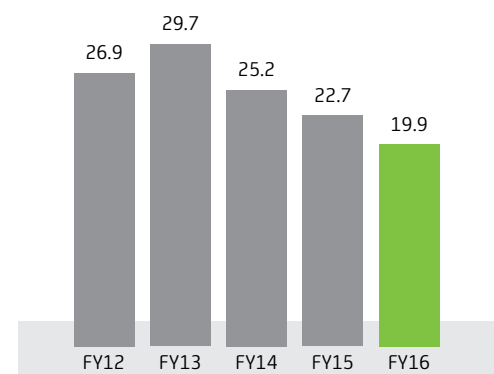
Year-on-Year ▼7%



Division Profit Before Tax (S\$m)

S\$19.9m

Year-on-Year ▼12%



Geo-Spatial Technology



Our Geo-Spatial Technology Division's intelligent mapping platform and digital infrastructure solutions are essential to create smart nations and smart cities by solving the world's largest problems through effective and sustainable planning, deployment and management of key infrastructure and resources. Our division is also one of the top three distributors in Esri's global network, with our professional services and technology used by over 13,000 organisations across the region.

In FY2016, demand for our division's products and services remained firm. However, both revenue and profit before income tax ("PBT") were adversely impacted by foreign currency headwinds, which contributed to a 7% drop in revenue to S\$103.0 million and 12% decline in PBT to S\$19.9 million.

Riding on several long-term megatrends which are taking shape, our division continued to capitalise on new market opportunities. Following Google's withdrawal from the enterprise GIS market in 2015, our division helped to transition affected Google Earth Enterprise and Google Maps Engine customers to the Esri ArcGIS platform, resulting in further market consolidation. FY2016 also saw our division continue to strengthen relationships with the world's largest technology corporations and business consulting firms, with new collaborations with Harris Corporation and

HERE Map Content helping to broaden client offerings. Many of the region's groundbreaking technological initiatives – such as smart nations, smart cities and the rise of unmanned drones – are also leveraging on the advanced analytic capabilities of the ArcGIS platform.

Australia

In FY2016, Esri Australia continued to be the largest contributor to our division's revenue and PBT. Although the depreciation of AUD against both SGD (our Group's reporting currency) and USD (the technology developer's operating currency) adversely impacted revenue and margins, Esri Australia's overall performance remained comparable with the previous year on a constant-currency basis. Esri Australia attained solid growth across its newer service offerings of Software as a Service ("SaaS") and Cloud-based Esri ArcGIS Online. The enterprise agreement ("EA") programme – a flexible client engagement framework that provides users with additional support to help them realise the full value of their technology investments – had great success with new clients coming on-board and a string of renewals with existing clients such as the Australian Bureau of Statistics, CIMIC Group, Geoscience Australia and Queensland Urban Utilities ("QUU"). Esri Australia's emphasis on building recurring annuity revenues also paid off with the inking of several multi-year contracts laying the

foundation for new revenues in coming years.

With almost 80% of clients originating from the government, Esri Australia continued to partner with public sector agencies at the federal, state and municipal levels. Having secured its largest EA with Defence during FY2015, Esri Australia pushed forward with multiple national security projects.

Among its various revenue streams, Esri Australia's SaaS segment experienced the highest growth with an 81% year-on-year jump in uptake, continuing to be a key growth area albeit from a low revenue base. This segment includes Esri Australia's locally developed hosted services solutions and ArcGIS Online. During the period, continued expansion and refinement of its comprehensive hosted services solutions allowed Esri Australia to partner with a growing number of organisations to deliver solutions through the Cloud and meet growing market demand for outsourced management of GIS. Some notable hosted services projects were with the Australian Rail Track Corporation, Brisbane City Council, Essential Energy, Primary Industries & Regions South Australia ("PIRSA"), QUU and Queensland's Department of Natural Resources & Mines.

In FY2016, Esri Australia continued to engage agribusiness-related industries

2



1. Macro view of QUU's enterprise GIS platform, Australia
2. Detailed view of QUU's enterprise GIS platform, Australia

in Australia, which make up 12% of the country's GDP. One successful hosted engagement was that for PIRSA's AgInsight smart webmap. AgInsight places South Australia's A\$19.7 billion agriculture industry on the world stage and provides overseas investors with insights into the state's prime commodity investment opportunities. Users are provided with a detailed understanding of the state's 520,000 square kilometres of agricultural landscape including climate patterns, infrastructure, land values, past and potential yields, and soil characteristics. Potential investors can use AgInsight to immediately investigate opportunities in a variety of commodity sectors including cattle, food and wine production, slashing the previous paperwork and research process from months to a matter of minutes. AgInsight has already become a crucial tool for the government's trade envoys and is providing South Australia with the upper hand in the ultra-competitive, international battle to secure financial backing for local industries.

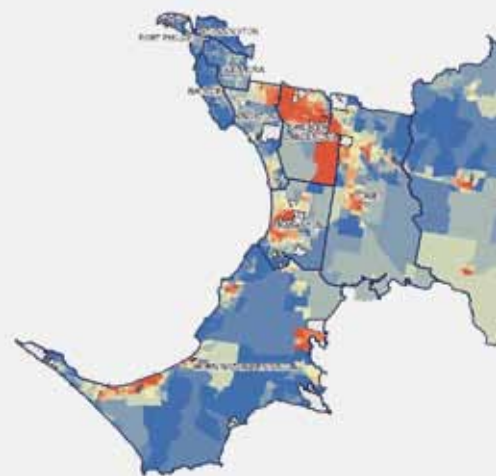
Another successful agribusiness engagement was with ASX-listed Treasury Wine Estates ("TWE"), one of the world's largest wine producers which has over 70 iconic wine brands exported to over 70 countries. TWE began using ArcGIS Online to undertake location-based analytics across three principal business activities: grape growing and sourcing, winemaking and marketing. The technology has

successfully been implemented across a number of TWE's wineries including key sites in Barossa Valley, Coonawarra and McLaren Vale. TWE is now exploring opportunities to use the technology in marketing, potentially fusing sales and demographic data to identify trends and new opportunities for TWE's iconic wines.

In the transportation sector, Esri Australia undertook a work programme to grow its footprint, resulting in successful engagements with numerous organisations including Flinders Ports, Land & Property Information Smarter Scheduling New South Wales, Public Transport Victoria, VicRoads and Yarra Trams. A landmark project was successfully implemented with Flinders Ports, South Australia's leading port authority, which operates a total of seven ports in the state. The project required Esri Australia to work with other technology partners to develop a first-of-its-kind map-based common operating dashboard for Flinders Ports to manage its operations. This location-based solution will enable significant business efficiencies and forms a central component of Flinders Ports' new Marine Operations Centre at Port Adelaide.

In FY2016, the open data movement continued to gain momentum. Moving in tandem, Esri Australia partnered with VicRoads to share previously unreleased transport data, via an innovative open data platform named VicRoads Open

Geo-Spatial Technology



Data Site, giving millions of Australians unprecedented access to a wealth of road and transport data including congestions, emergency road closures, and road incidents and crashes. Esri Australia was also involved in the development of Australia's first independently funded and managed data portal launched by the Open Data Institute of Queensland. These open data initiatives are transforming the nation, allowing developers, data scientists, spatial technology specialists and the public to access GIS for the development of apps to benefit citizens.

Going forward in FY2017, Esri Australia aims to extend its engagement with all levels of government, targeting new and non-traditional users. From a sector perspective, business development efforts will continue to focus on emergency services, law enforcement, transportation and utilities. Further efforts will be made to develop GIS in the banking and insurance sectors. With the February 2016 release of ArcGIS 10.4, GIS technology users now have access to a host of new features including advanced 3D analysis capabilities, which are expected to drive greater demand for our technology with new and existing users alike.

Singapore

In FY2016, Esri Singapore continued to strengthen its relationships with a number of respected government agencies to support their world-leading GIS platforms.

Multiple EAs were signed with the likes of the National Parks Board, Singapore Land Authority, Singapore Police Force and Urban Redevelopment Authority ("URA").

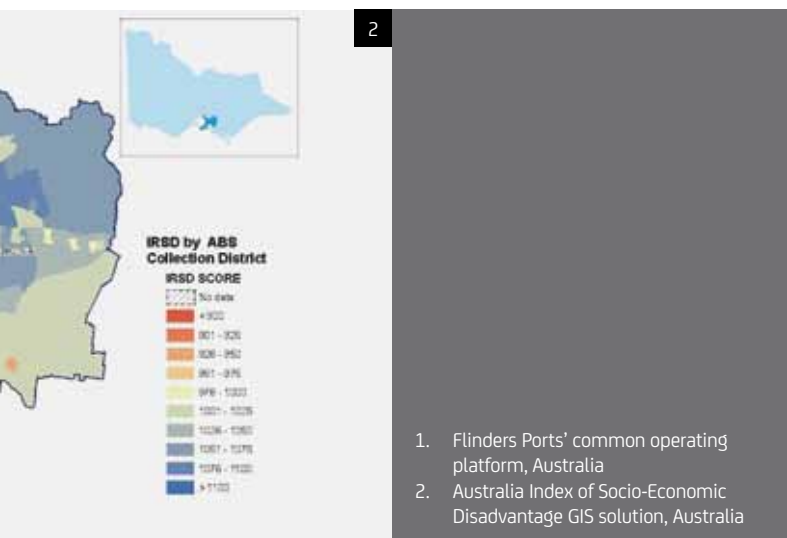
As Singapore continues its bid to become the world's first Smart Nation, Esri Singapore supported its committed users in various government agencies to ensure GIS serves as a key technology platform for this initiative. In particular, Esri Singapore worked closely with the URA on launching a number of 3D community engagement activities, as well as supporting the Infocomm Development Authority of Singapore to strengthen its Smart Nation Programme Office.

In line with the Smart Nation's vision – to harness technology to improve the lives of citizens, create more opportunities and build stronger communities – Esri Singapore together with Boustead, provided seed funding and support worth S\$200,000 for the establishment of a Community Analytics Development Programme ("CADP") with the Institute of Social Analytics at the National University of Singapore ("NUS"). The donation aims to help the NUS leverage community information to assess, predict, and evaluate community behaviours, wellbeing and other socio-economic attributes. The CADP will help predict future community trends and challenges and offer adaptation and mitigation strategies, so as to improve lives across generations and social boundaries.

On the commercial front, Esri Singapore was also involved in a first-of-its-kind 3D revenue management project with Sembcorp. This project will provide a platform for Esri Singapore to engage with other private sector clients which are looking for new and meaningful ways to analyse, visualise and mine their data for competitive insights through intelligent maps.

In terms of partnerships, Esri Singapore strengthened its alliance relationships, recently forming a partnership with visual analytics technology leader QLIK. The partnership is intended to create greater integration between the ArcGIS platform and QLIK's visual analytics platform to provide a broad spectrum of clients with more powerful solutions to meet their business needs.

FY2016 saw Esri Singapore become the Official Smart Map Partner for the 28th South East Asian Games ("SEA Games"), resulting in significant brand visibility. Specifically, Esri Singapore's professional services team worked closely with the SEA Games organising committee to develop a lightweight smart mapping solution which underpinned the planning and real-time management of the opening and closing ceremonies. The solution allowed the organising committee to make quick and informed decisions to effectively manage the rapidly changing dynamics of activities happening on the ground, including the operations and coordination of the opening



and closing ceremonies, potential crowd safety risks and on-the-ground issues, and traffic conditions around the Singapore Sports Hub.

Esri Singapore partnered with Food from the Heart ("FFTH") – one of the country's most effective and well-known non-profit organisations – to develop a solution to help FFTH collect and distribute food more efficiently to its 14,500 beneficiaries. With a real-time, synchronised map-based view of operations, FFTH was able to optimise its food collection and delivery routes.

Going forward in FY2017, Esri Singapore will focus its efforts in sectors that offer the greatest opportunities, particularly national security and utilities. Further emphasis will also be placed on positioning Esri Singapore as an ideal technology partner to support Singapore's Smart Nation initiative.

Malaysia

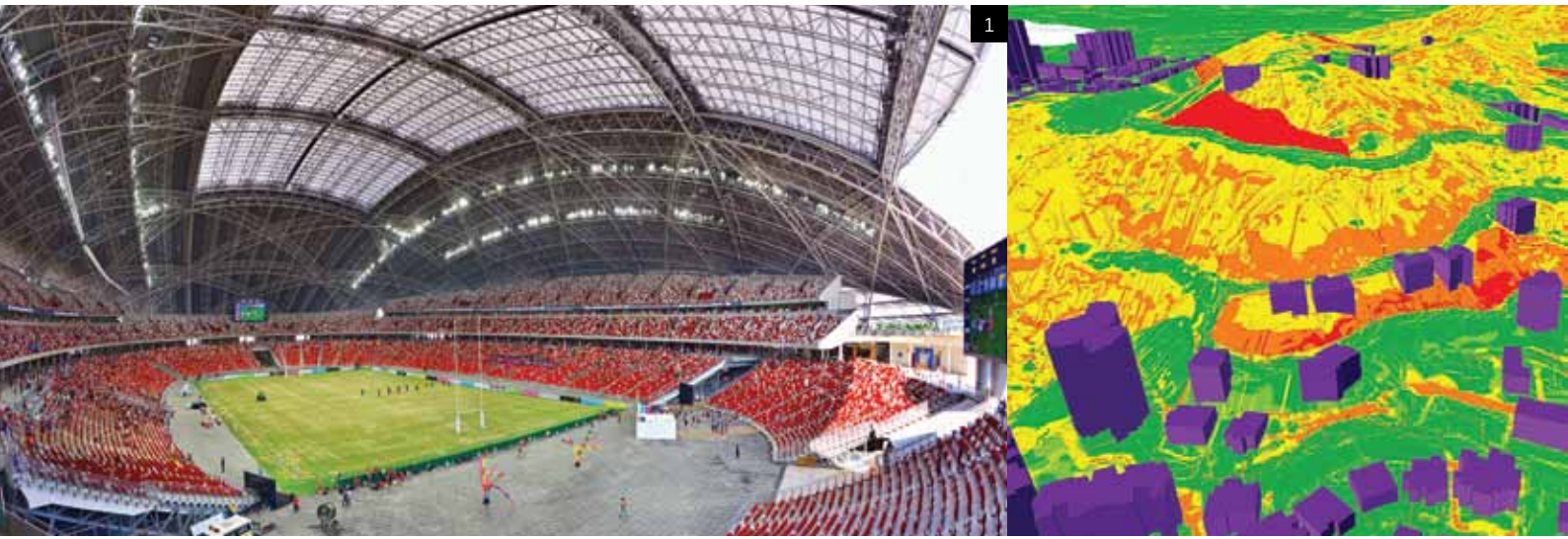
In FY2016, Esri Malaysia's client renewal rates increased significantly, supporting healthy growth in software sales and software maintenance. Riding on strong growth in FY2015, Esri Malaysia displayed another year of stellar performance in FY2016 during which it continued to demonstrate the benefits of Esri technology at different government levels.

At a national level, Esri Malaysia continued to play a key role in supporting the

development of spatially-enabled systems central to the success of Malaysia's National Spatial Data Infrastructure ("MyGDI"). Several projects were undertaken with MaCGDI, the department responsible for facilitating the development of the GIS platform underpinning MyGDI. MaCGDI's long-term commitment to Esri technology will continue for years to come, with the ArcGIS platform underpinning various MyGDI initiatives. Another of the country's leading GIS users, the Department of Survey & Mapping Malaysia ("JUPEM") has been producing base maps for MyGDI. Esri Malaysia partnered with JUPEM to develop its award-winning, groundbreaking Geospatial Data Acquisition System ("GDAS"). GDAS is an advanced smart mapping solution that produces authoritative geo-spatial information and makes it readily available to government organisations, the private sector and citizens. GDAS aims to improve the efficiency of the government's mapping processes, enabling policy makers to make well-informed decisions across areas such as disaster preparedness and response, environmental protection, resources management and socio-economic development planning, among others.

Esri Malaysia also worked on several projects related to natural resources and the environment. A water asset management system was developed for Pengurusan Aset Air, which forms a key component of the Federal Government's efforts to

Geo-Spatial Technology



achieve better water service efficiency and quality. In the area of disaster response, Esri Malaysia worked closely with the Department of Irrigation & Drainage (“DID”) to develop Ebanjir – a GIS-based flood portal which leverages mobile technology to support disaster response efforts on the east coast of Peninsular Malaysia. Ebanjir was developed in early 2015 after heavy rains and subsequent high river flows caused severe flooding and landslides in the area, resulting in loss of lives and property. With Ebanjir, DID is now able to access real-time authoritative data to gain insights in disaster response, enabling decision makers to predict areas vulnerable to flooding, and better prevent casualties and flood damage.

In the state of Sarawak, the Land & Survey Department is also taking advantage of Esri mobile technology to enhance its flagship Land and Survey Information System (“LASIS”). LASIS is currently being used to maintain up-to-date records of over 950,000 land parcels and provide authoritative land information to more than 3,000 staff. mLASIS – the next phase of the project – will provide businesses and citizens with access to LASIS from mobile devices such as smartphones and tablets.

In urban planning, Esri Malaysia is supporting the Federal Government in helping the country to become a Smart Nation. As a first step, Esri Malaysia partnered with the capital’s municipal

government, Kuala Lumpur City Hall (“KLCH”) to develop the Kuala Lumpur Slope Information System (“KuLSIS”), a GIS solution designed to provide a 360-degree 3D view of the capital’s topography. Dynamic visualisation of the capital allows urban planners to assess the liveability and safety of certain areas, with 3D spatial analysis providing planners with quick identification of dangerous terrain in order to prevent the negative effects of a landslide. In addition to helping KLCH staff and property developers to identify ideal locations for specific city developments, KuLSIS has also practically eliminated the previous two-week waiting time for terrain data processing.

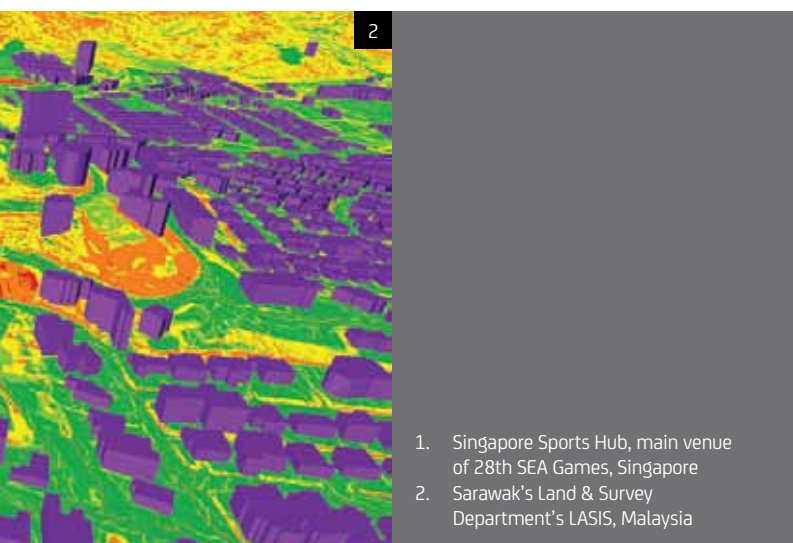
Also on the municipal level, Esri Malaysia played a key role in securing the heritage status of some of the country’s most iconic areas. Specifically, George Town World Heritage Incorporated engaged Esri Malaysia to develop a solution aimed at preserving Penang’s rich colonial heritage and globally recognised architecture. Named the Integrated Heritage Database System, this system enables policymakers to monitor and enhance conservation efforts, and standardise guidelines for developers and property owners seeking to develop commercial spaces near heritage sites. The local authorities are also able to better manage and promote traditional festivals and other city events to tourists and the general public.

Going forward in FY2017, Esri Malaysia will continue to strengthen relationships with government agencies.

Indonesia

Despite the economic challenges that Indonesia faced in FY2016, the country’s appetite for GIS continued to grow during the period, driven largely by the government’s mandate to improve national infrastructure and support smart community initiatives. Esri Indonesia performed solidly, focusing on new client engagements and project-based software sales. Esri Indonesia also increased activities within the local government sector and gained momentum in its engagement with commercial markets.

Following on its key involvement with the implementation of Indonesia’s National Spatial Data Infrastructure, Esri Indonesia launched the Local Government Programme (“LPG”). Central to the LPG was the GIS in Action Seminar series, an ArcGIS roadshow held across major cities nationwide, aimed at educating local government decision makers on how GIS can support various community initiatives. Over the course of six months, the GIS in Action Seminar series was conducted in cities across Aceh, East Java, South Kalimantan, South Sulawesi and Yogyakarta. These engagements are expected to drive revenue growth in coming years.



1. Singapore Sports Hub, main venue of 28th SEA Games, Singapore
2. Sarawak's Land & Survey Department's LASIS, Malaysia

During FY2016, Esri Indonesia partnered with Depok – the 2015 winner of the Indonesian Smart Cities Awards – to equip the city's local planning and development agency ("BAPPEDA") with the capability to reengineer business processes. The new GIS solution will not only equip the city with a way to better manage its vast stores of data but also lessen administrative procedures and human error in data collection. There will also be the creation of a broad-reaching spatial policy that will see 16 government agencies actively share their geo-spatial data on a common platform. This will enable agencies to better meet the development needs of their respective communities by providing planners and decision makers with insights into regional issues including budget and resource allocations, policy development and urban planning.

In the transportation sector, Esri Indonesia developed an ArcGIS Online solution for the Ministry of Transportation ("MOT") which captures the annual Idul Fitri exodus, a period of celebration which sees thousands of travellers returning to their native homes. ArcGIS Online was used to integrate real-time data feeds from social media platforms such as Facebook and Twitter, to help local authorities to better respond to traffic accidents during the busy festive period. By using ArcGIS Online in this way, the MOT is able to ensure a safe and orderly journey for travellers.



Contract Awards & Achievements in FY2016

APR 2015

Malaysia
Government

Esri Malaysia partnered DID to launch flood portal, Ebanjir

APR 2015

Malaysia
Government

Esri Malaysia partnered KLCH to launch Kuala Lumpur's 3D urban planning solution, KulSIS

JUN 2015

Singapore
Government

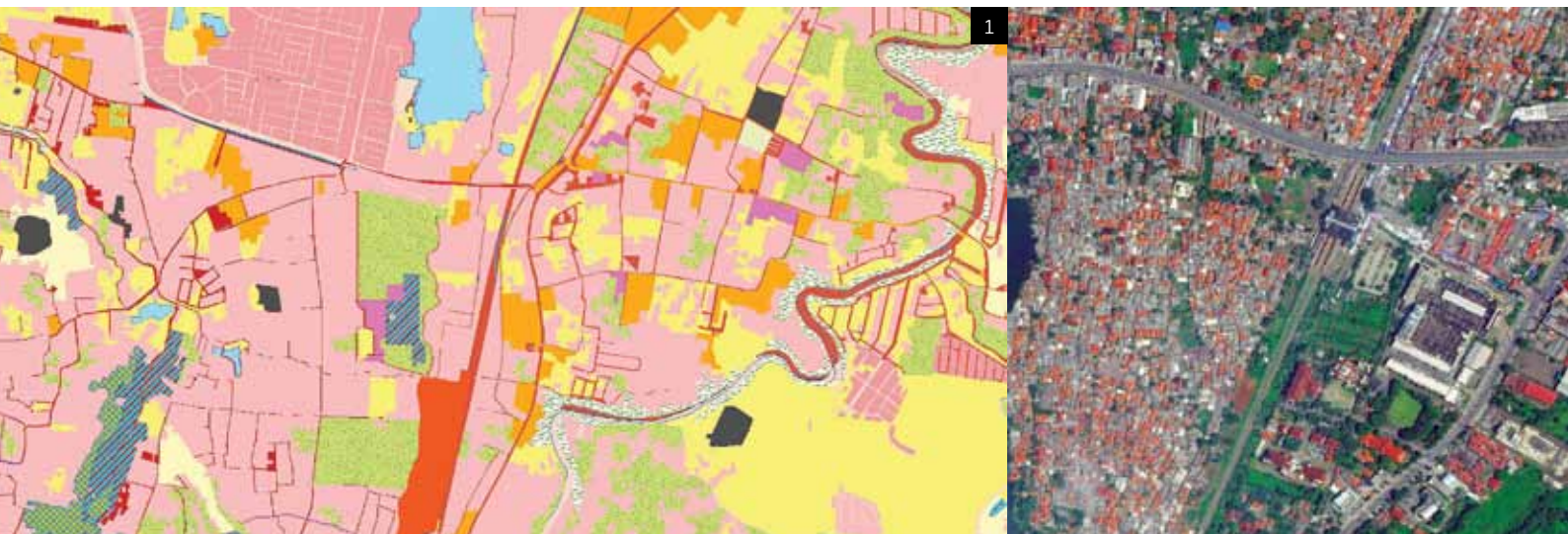
28th SEA Games names Esri Singapore as Official Smart Map Partner

JUL 2015

Australia
Transportation

Esri Australia partnered Flinders Ports to launch map-based common operating platform

Geo-Spatial Technology



In a major breakthrough in the commercial sector, Esri Indonesia partnered with Bank Muamalat – the largest Shari’ah-compliant bank in Indonesia – on a major project to transform its existing operating systems. This represents one of the largest and most high profile commercial sector engagements in the region and is the world’s first case of deploying Esri technology in Shari’ah-compliant banking. The project has seen the bank minimise operational costs and optimise the performance of its network of automated teller machines and branches. Using Esri mobile technology, the bank also efficiently and accurately captured and mapped their 300-strong branch network, a first-of-its-kind exercise which saw branch managers empowered to use their own smartphones to instantly update the location of their bank branches. The bank is currently using the ArcGIS platform to develop a new strategic business expansion plan.

As part of its ongoing market development efforts, Esri Indonesia continued to implement strategic education partnerships to train the next generation of

GIS professionals. Esri Indonesia signed landmark agreements with 30 of the country’s most respected universities – including Bandung Institute of Technology, Gadjah Mada University, Sepuluh Nopember Institute of Technology and Hasanuddin University – to ensure geo-spatial technology holds a key role in ongoing student education and development in the country. Esri Indonesia also launched a fellowship programme aimed at helping students better utilise GIS in their research studies. This programme awards US\$500 to select tertiary students in their final year of study, giving them the opportunity to devote more resources to their GIS projects.

Going forward in FY2017, Esri Indonesia will continue to focus its efforts on opportunities at the national, provincial and municipal government levels, particularly in the infrastructure and security sectors.

Regional Accolades

During FY2016, our Geo-Spatial Technology Division’s clients continued to be recognised for their achievements with the Special Achievement in GIS (“SAG”) Award, presented by Esri at its annual

Esri User Conference held in San Diego.

In Australia, Victoria’s Department of Environment, Land, Water & Planning (“DELWP”) was recognised with a SAG Award for the development of FloodZoom, a solution which brings together flood forecasts, flood mapping, real-time river height gauges and property data to provide coordinated information and improved knowledge about likely flood impacts. These forecasts provide both communities and emergency services authorities with the best chance of mitigating the impact of floods.

In Singapore, two of Esri Singapore’s long-term clients – the Land Transport Authority (“LTA”) and the Municipal Services Office (“MSO”) – were acknowledged with SAG Awards. LTA won the award for an impressive data analytics programme named Planning for Land Transport Network, which uses the ArcGIS platform to help planners understand the geographical aspects of commuter patterns, and allows for fine-tuning of key land transport policies. MSO won the award



1. Depok's BAPPEDA's municipal GIS solution, Indonesia
2. Satellite imagery of Depok, Indonesia

for OneService@SG – an integrated municipal feedback management system that uses the ArcGIS platform to improve municipal services delivery by enhancing collaboration among government agencies.

Meanwhile Esri Malaysia's client, JUPEM won its second SAG Award in as many years for GDAS, a project mentioned earlier that promotes the use of GIS across the government. JUPEM was previously honoured for the development of a key Malaysian Armed Forces' system.

Finally, Esri Indonesia's client, PT Freeport Indonesia – one of Indonesia's largest copper and gold mining corporations – won the SAG Award for a solution that has created new efficiencies for the mining giant by integrating vast volumes of business data into a central system that can be accessed by all decision makers.

Hand-in-hand with clients and partners, our Geo-Spatial Technology Division continues to enhance our position as the largest and most influential GIS player in the Asia Pacific.



Contract Awards & Achievements in FY2016

JUL 2015

Australia, Indonesia, Malaysia, Singapore

Cross-industries

Victoria's DELWP, LTA, MSO, JUPEM and PT Freeport Indonesia awarded SAG Awards by Esri Inc

SEP 2015

Australia

Government

Esri Australia partnered PIRSA to launch agribusiness portal, AgInsight

NOV 2015

Indonesia

Government

Esri Indonesia partnered BAPPEDA to launch Depok's urban planning solution

JAN 2016

Singapore

Utilities

Esri Singapore partnered Sembcorp to launch 3D revenue management solution

Board of Directors



Wong Fong Fui

Chairman & Group Chief Executive Officer

• Member, Nominating Committee

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

Honorary PhD (Business), UNSW
Board of Trustees, National University of
Singapore ("NUS")

Entrepreneurship Committee, NUS

Date of appointment: 15 April 1996

Date of last re-election: 30 July 2015

Mr Wong was appointed as Chairman and Group Chief Executive Officer of the Boustead Group in 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 SGX Mainboard-listed QAF Ltd, 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, information technology and telecommunications. Mr Wong received the Chief Executive Officer of the Year 2008 Award (mid-cap category) at the Singapore Corporate Awards. He was also appointed by the Ministry of Finance to sit as Co-Chairman for the Land Sub-Committee of the Economic Strategies Committee. In 2014, Mr Wong received an Honorary Doctor of Business from his alma mater, the UNSW. In 2015, he was recognised by the Singapore Chinese Chamber of Commerce & Industry with the SG50 Outstanding Chinese Business Pioneers Award and became a Co-Opted Member of the NUS Entrepreneurship Committee. Recently, he was appointed to the NUS Board of Trustees.



Wong Yu Loon

Executive Director & Deputy Group Chief Executive Officer

Bachelor of Law, University of
New South Wales ("UNSW")

Bachelor of Commerce (Accounting), UNSW
Chartered Financial Analyst

Date of appointment: 2 April 2013

Date of last re-election: 26 July 2013

Mr Wong joined the Boustead Group in 2003 and was recently appointed as Deputy Group Chief Executive Officer in 2016. He had been appointed as Executive Director in 2013. He currently assists the Group Chief Executive Officer in overseeing the day-to-day management, operations, business development and strategic planning of the Boustead Group.

Mr Wong's initial role at the Boustead Group was as Corporate Planning Manager. He was subsequently promoted to Group Investment Director, overseeing mergers and acquisitions, fund raising activities and heading the Boustead Group's investments in the 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 Pty Ltd, SGX Mainboard-listed DBS Bank Ltd and Vickers Ballas & Company Pte Ltd.



Loh Kai Keong

Executive Director & Group Chief Financial Officer

Bachelor of Accounting, University of Singapore
Chartered Accountant of Singapore

Associate, Chartered Institute of Secretaries

Date of appointment: 1 February 2005

Date of last re-election: 25 July 2014

Mr Loh joined the Boustead Group in 1999 and was appointed as Executive Director in 2005. He has over 35 years of experience in audit, financial and personnel management, and mergers and acquisitions. His widespread experience spans 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.



Goh Boon Seong

Independent Non-Executive Director

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

Bachelor of Business Administration,
University of Singapore

Date of appointment: 11 January 2012

Date of last re-election: 30 July 2015

Mr Goh was appointed as Non-Executive Director in 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 respiratory and rehabilitation 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, and also in investment banking at Morgan Grenfell Asia Holdings Pte Ltd, PrimeEast Capital Group Pte Ltd and Merrill Lynch (Singapore) Pte Ltd.



Chong Ngien Cheong

Independent Non-Executive Director

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

Bachelor of Commerce, Nanyang University

Date of appointment: 23 May 1996

Date of last re-election: 30 July 2015

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



Godfrey Ernest Scotchbrook

Independent Non-Executive Director

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

Fellow, Hong Kong Management
Association

Fellow, British Chartered Institute of
Public Relations

Date of appointment: 21 September 2000

Date of last re-election: 25 July 2014

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

Key Management Team

Boustead Singapore Limited – Group Headquarters



Energy-Related Engineering

Wong Fong Fui

Chairman & Group Chief Executive Officer
Boustead Singapore Limited, 1996
(Profiled under Board of Directors, page 44)

Wong Yu Loon

**Executive Director &
Deputy Group Chief Executive Officer**
Boustead Singapore Limited, 2003
(Profiled under Board of Directors, page 44)

Loh Kai Keong

**Executive Director &
Group Chief Financial Officer**
Boustead Singapore Limited, 1999
(Profiled under Board of Directors, page 44)

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

Senior Vice President – Business Development
Boustead Singapore Limited, 2003

Keith Chu

**Senior Vice President – Corporate Marketing
& Investor Relations**
Boustead Singapore Limited, 2003

Karen Kor

**Senior Vice President – Group Human
Resources**
Boustead Singapore Limited, 2013

Downstream Oil & Gas/ Petrochemicals

David Miller

Managing Director
Boustead International Heaters Ltd, 1997

Elizabeth Ager

Sales Director
Boustead International Heaters Ltd, 1997

Stuart Cummings

Operations Director
Boustead International Heaters Ltd, 2013

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 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

Andrew Aherne

General Manager
Boustead International Heaters Canada Ltd, 2006

Upstream Oil & Gas

Dev Lodh

Executive Chairman
Controls & Electrics Pte Ltd, 1987

Prasun Chakraborty

Chief Executive Officer
Controls & Electrics Pte Ltd, 1991

Vijayalakshmi Rajendran Meenakshi Sundaram

Head of Engineering
Controls & Electrics Pte Ltd, 1992

Raghavan Nair Gopa Kumar

Head of Projects
Controls & Electrics Pte Ltd, 1995

Subrata Chatterjee

Technical Advisor
Controls & Electrics Pte Ltd, 2001

Paul Lim

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

Donald Chua

Sales Manager (Motors)
Controls & Electrics Pte Ltd, 2015

Anindya Chakraborty

Project Manager
Controls & Electrics Pte Ltd, 2004



Real Estate Solutions



Geo-Spatial Technology

Water & Wastewater Engineering

Michael Teo

Chief Executive Officer

Boustead Salcon Water Solutions Pte Ltd, 1989

Ravi Subramanian

Vice President – Sales

Boustead Salcon Water Solutions Pte Ltd, 2014

Chong Siew Ping

Senior Technical Manager

Boustead Salcon Water Solutions Pte Ltd, 1994

Sun Ping

Senior Engineering Manager

Boustead Salcon Water Solutions Pte Ltd, 2004

Wong Hon Yee

Senior Project Manager

Boustead Salcon Water Solutions Pte Ltd, 1997

Solid Waste Energy Recovery

Woo Chew Fay

Project Director

PT Boustead Maxitherm Industries, 1993

Thomas Chu

Managing Director

Boustead Projects Limited, 1997

Wong Yu Wei

Executive Director &

Senior Deputy Managing Director

Boustead Projects Limited, 2009

Steven Koh

Deputy Managing Director (Operations)

Boustead Projects Limited, 1999

Lee Keen Meng

Chief Financial Officer

Boustead Projects Limited, 2009

Liew Kau Keen

Director (Marketing)

Boustead Projects Limited, 2001

Howard How

Director (Environmental, Health & Safety)

Boustead Projects Limited, 2007

Neo Eng Huat

Director (Operations)

Boustead Projects Limited, 2007

Nicholas Heng

Director (Projects)

Boustead Projects Limited, 2007

Esri Australia

Brett Bundock

Managing Director

Esri Australia Pty Ltd, 1988

Kaylee Holdsworth

Chief Financial Officer

Esri Australia Pty Ltd, 2006

Raquel Jackson

Chief Marketing Officer

Esri Australia Pty Ltd, 2011

Kelvin Langdon

Executive Manager – Operations

Esri Australia Pty Ltd, 2005

Stephen O'Shanassy

Executive Manager – Business Development

Esri Australia Pty Ltd, 2007

Jeffrey Robinson

Executive Manager – Professional Services

Esri Australia Pty Ltd, 2011

Esri South Asia

Leslie Wong

Managing Director

Esri South Asia Pte Ltd, 2006

Esri Singapore

Thomas Pramotedham

Chief Executive Officer

Esri Singapore Pte Ltd, 2009

Esri Malaysia

Lai Chee Siew

Chief Executive Officer

Esri Malaysia Sdn Bhd, 2011

Esri Indonesia

Achmad Istamar

Chief Executive Officer

PT Esri Indonesia, 2016

Investor Relations

Summary of FY2016 Investor Relations Activities

82

 face-to-face/teleconference
investor meetings hosted

331

investors met

11

 investor conferences/events
attended

2

 research firms providing
coverage:

- CIMB Research
- UOB Kay Hian Research

Delivering Value to Shareholders

19.2¢*

dividend for FY2016

67.0¢**

dividends over past decade

S\$472.9m

 market capitalisation at end
of FY2016

200%

 growth in cash dividends from
1.0 cent cash dividend one
decade ago

12%

 CAGR in cash dividends over
past decade

106%***

 growth from S\$278.6m
market capitalisation one
decade ago

* Includes proposed final dividend of 2 cents for FY2016.

** Includes proposed final dividend of 2 cents for FY2016 and distributions of dividend in specie.

*** Includes 48.8% shareholding of Boustead Projects distributed as dividend in specie.

Investor Communications

For more than a decade, investor relations ("IR") has been a key facet of Boustead's communications with our stakeholders. Proactively communicating with analysts, investors, the media and the global financial community in an accurate, consistent, sincere, timely and transparent manner is a priority for us. During FY2016, our IR Team met 331 investors in meetings, investor conferences and investor presentations to share about our business strategies and financial performance. All of our annual reports, company announcements and financial results

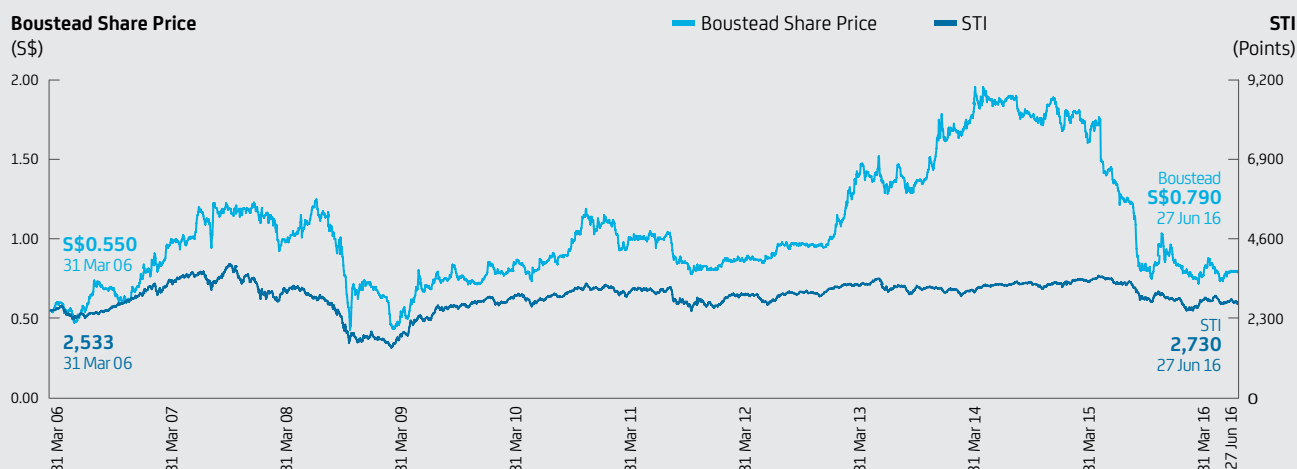
announcements for the past five years, as well as substantial information that would be of interest to investors are available at www.boustead.sg/investor_centre.

During FY2016, two research firms, CIMB Research and UOB Kay Hian Research provided comprehensive research coverage on us. Three other research firms under DBS Bank, Insyte Intelligence and Macquarie Capital Securities also provided more in-depth analytical views on the demerger of our Real Estate Solutions Division under Boustead Projects.

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

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

Share Performance and STI Commentary



Opening FY2016 at \$S\$1.70, Boustead's share price declined by approximately 54% over the past 15 months. Boustead's share price closed at \$S\$0.79 on 27 June 2016. Part of the decline was due to the successful demerger of Boustead Projects, which was separately listed on the SGX Mainboard on 30 April 2015.

FY2016 Calendar

APR 2015

- Maybank Kim Eng Securities Conference, Singapore – Maybank Kim Eng Invest ASEAN 2015
- UOB Kay Hian Research non-deal presentation, Singapore
- Extraordinary general meeting for demerger of Boustead Projects
- DBS Bank non-deal presentation for institutional clients, Singapore
- FY2016 dividend *in specie* of Boustead Projects' shares
- Listing of Boustead Projects on SGX Mainboard

MAY 2015

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

JUN 2015

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

JUL 2015

- FY2015 annual report
- Annual general meeting
- Extraordinary general meeting

AUG 2015

- 1Q FY2016 financial results announcement
- FY2015 final dividend payment of 2 cents
- RHB Securities non-deal presentation for institutional clients, Singapore
- Macquarie Capital Securities Conference, Singapore – Macquarie ASEAN Conference 2015

SEP 2015

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

NOV 2015

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

JAN 2016

- FY2016 interim dividend payment of 1 cent or scrip

FEB 2016

- 3Q FY2016 financial results announcement

MAR 2016

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

FY2017 Calendar*

APR 2016

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

MAY 2016

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

JUN 2016

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

JUL 2016

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

AUG 2016

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

SEP 2016

- FY2016 final dividend payment of 2 cents or scrip (proposed)

NOV 2016

- 2Q FY2017 financial results announcement

FEB 2017

- 3Q FY2017 financial results announcement

MAY 2017

- FY2017 financial results announcement

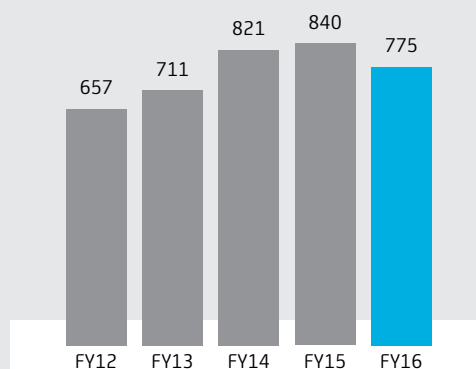
* Subject to change. Please check www.boustead.sg/investor_centre for the latest updates.

Creating a World of Difference

Number of Employees

775

for FY2016



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 20 countries across five continents. Being creators of a world of difference means that we embrace a multi-cultural and multi-faceted workforce that has an international reach to the farthest corners of the world. To date, we have undertaken infrastructure-related projects in 85 countries and are recognised among Singapore's most global corporations. This is exemplified by our inclusion in the Singapore International 100 in 2016, our seventh consecutive year on the list.

Safeguarding and Sustaining Quality, Health, Safety and Environment

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

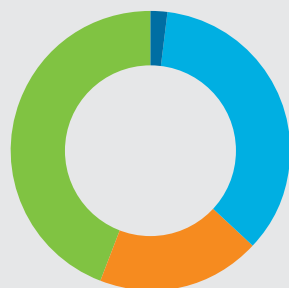
them effectively. Good practices of reviewing safety policies and improving safety practices also extend to work carried out by our appointed fabricators and subcontractors.

Apart from Boustead Projects, all major subsidiaries under our Energy-Related Engineering Division and Geo-Spatial Technology Division achieved accident-free safety records at their respective office premises and worksites during FY2016. In addition, our largest subsidiary under the Energy-Related Engineering Division, Boustead International Heaters broadened its list of certifications during FY2016 with the attainment of ISO14001:2004 and OHSAS18001:2007, furthering its holistic commitment to HSE practices.

Contributing more than half of our Group's revenue, Boustead Projects is one of only nine bizSAFE Mentors in Singapore and achieved an accident frequency rate ("AFR") of 0.66 incidents per million man-hours worked, lower than the national average AFR of 1.7 in the construction sector for 2015. Boustead Projects continues to actively engage and empower employees and subcontractors

through the Workplace Safety & Health Council ("WSHC") Safety Advocate Programme, Innovation & Improvement Incentive Scheme and other implemented programmes to encourage and reward good safety behaviour. Boustead Projects actively promotes onsite training seminars and educational workshops with an accredited training provider on a periodic basis, playing an active role in helping subcontractors to achieve higher WSHC bizSAFE accreditations. By setting bizSAFE Level 3 certification as a minimum contract requirement level for the appointment of subcontractors, Boustead Projects strives to promote healthier and safer workplaces for all stakeholders.

To date, Boustead Projects' efforts in productivity, quality and safety performance in the industry have been recognised with six projects ranked in the Building & Construction Authority ("BCA")'s CONQUAS â all-time top 100 industrial projects list, on top of 40 corporate awards and project-related awards. During FY2016, Boustead Projects garnered its eighth Safety & Health Award Recognition for Projects ("SHARP") at the WSH Awards 2015 for the MTU Asia Pacific



FY2016 Human Resource Deployment

■ Group Headquarters	2%
■ Energy-Related Engineering	35%
■ Real Estate Solutions	19%
■ Geo-Spatial Technology	44%

Headquarters at Tukang Innovation Park. At the recent BCA Awards 2016, Kuehne + Nagel's Singapore Logistics Hub received the Green Mark Platinum, the highest rating that can be achieved by a green eco-sustainable building.

Our Geo-Spatial Technology Division's efforts to support national, provincial and municipal government agencies, as well as corporate clients in major groundbreaking geo-spatial initiatives, have resulted in global recognition of clients' projects. Clients within our division's markets have won a total of 41 Special Achievement in GIS ("SAG") Awards over the past decade. Every year, a select group of winners of SAG Awards are chosen from over 350,000 organisations worldwide. Receiving a SAG Award at the annual Esri User Conference in San Diego equates to the highest honour in the industry and signifies a winner's innovative use of GIS to improve the world and solve business challenges. Nevertheless, our division's clients – whether award winners or not – have achieved substantial cost savings, time savings and made significant contributions to advancing economic, environmental and social goals.



BCA Construction Quality Assessment System (CONQUAS â)

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

Creating a World of Difference



Quality, Safety & Sustainability Awards

Awarded by:					
	BCA				
	Green Mark Platinum	Green Mark Gold Plus (or LEED Gold*)	Green Mark Gold	Construction Quality Awards	
2016	<ul style="list-style-type: none"> Kuehne + Nagel Singapore Logistics Hub 				
2015	<ul style="list-style-type: none"> Edward Boustead Centre Seagate Singapore Design Center – The Shugart 			<ul style="list-style-type: none"> BP: Green and Gracious Builder Award (Merit) BP: Construction Productivity Award – Projects for Edward Boustead Centre CONQUAS for Edward Boustead Centre 	
2014	<ul style="list-style-type: none"> DB Schenker Shared Logistics Center 3 (Tampines LogisPark) 	<ul style="list-style-type: none"> Greenpac Greenhub 		<ul style="list-style-type: none"> BP: Construction Excellence Award (Merit) for SDV Green Hub CONQUAS for Kerry Logistics Centre CONQUAS for ST Electronics Building CONQUAS for ST Electronics Hub 	
2013		<ul style="list-style-type: none"> Kerry Logistics Centre (LEED Gold) SDV Green Hub (LEED Gold) 	<ul style="list-style-type: none"> Greenpac Greenhub Jabil Circuit Kerry Logistics Centre Satair Airbus Singapore Centre 	<ul style="list-style-type: none"> CONQUAS for SDV Green Hub 	
2012	<ul style="list-style-type: none"> SDV Green Hub 		<ul style="list-style-type: none"> XP Power 	<ul style="list-style-type: none"> CONQUAS for Rolls-Royce Test Bed Facility 	
2011	<ul style="list-style-type: none"> Rolls-Royce Wide Chord Fan Blade Manufacturing Facility Rolls-Royce Test Bed Facility 				
2010			<ul style="list-style-type: none"> IBM Singapore Technology Park Sun Venture Investments @ 50 Scotts Road 		
2009	<ul style="list-style-type: none"> Applied Materials Building 	<ul style="list-style-type: none"> StarHub Green 			
2008					

* Awarded by U.S. Green Building Council.

Awarded by:				
	EDB	WSHC		
	Solar Pioneer Awards	Overall Safety Awards	SHARP	bizSAFE Awards
			<ul style="list-style-type: none"> • MTU Asia Pacific Headquarters 	
	<ul style="list-style-type: none"> • Greenpac Greenhub 	<ul style="list-style-type: none"> • BP: WSH Performance (Silver) Award 	<ul style="list-style-type: none"> • SDV Green Hub 	<ul style="list-style-type: none"> • BSWS: bizSAFE Star
		<ul style="list-style-type: none"> • BP: WSH Performance (Silver) Award 	<ul style="list-style-type: none"> • Rolls-Royce Wide Chord Fan Blade Manufacturing Facility 	<ul style="list-style-type: none"> • BP: bizSAFE Mentor
		<ul style="list-style-type: none"> • BP: WSH Performance (Silver) Award • BP: WSH Officer Award 	<ul style="list-style-type: none"> • Applied Materials Building • IBM Singapore Technology Park • Singapore Aero Engine Services • The Singapore FreePort 	
	<ul style="list-style-type: none"> • Applied Materials Building 	<ul style="list-style-type: none"> • BP: WSH Performance (Silver) Award 	<ul style="list-style-type: none"> • StarHub Green 	<ul style="list-style-type: none"> • BP: bizSAFE Star
				<ul style="list-style-type: none"> • BP: bizSAFE Partner

Legend

BCA: Building & Construction Authority

BP: Boustead Projects

BSWS: Boustead Salcon Water Solutions

EDB: Singapore Economic Development Board

LEED: Leadership in Energy & Environmental Design

SHARP: Safety & Health Award Recognition for Projects

WSH: Workplace, Safety & Health

WSHC: Workplace Safety & Health Council

Creating a World of Difference



Esri Special Achievement in GIS Awards

	Australia	Singapore	
2015	<ul style="list-style-type: none"> • Australian Geospatial-Intelligence Organisation for Enterprise Production Management • Hema Maps Pty Ltd for Hema Explorer Map • Victoria's Department of Environment, Land, Water & Planning for FloodZoom 	<ul style="list-style-type: none"> • Land Transport Authority ("LTA") for Planning for Land Transport Network • Municipal Services Office for OneService@SG 	
2014	<ul style="list-style-type: none"> • Queensland's Department of Natural Resources & Mines for stock route management GIS solution • South Australia's Department of Communities & Social Inclusion for Evidence Based Management Framework 	<ul style="list-style-type: none"> • Singapore Land Authority ("SLA") for Spatial Challenge 	
2013	<ul style="list-style-type: none"> • Western Power for enterprise GIS solution 	<ul style="list-style-type: none"> • Urban Redevelopment Authority ("URA") for Integrated Planning & Land Use System ("iPLAN") 	
2012	<ul style="list-style-type: none"> • VicRoads for VicTraffic 	<ul style="list-style-type: none"> • Ministry of Health for healthcare GIS solution • PUB for Geographic Resource & Information System 	
2011	<ul style="list-style-type: none"> • Brisbane City Council for Flood Map • Queensland Fire & Rescue Service for Total Operational Mapping 	<ul style="list-style-type: none"> • SLA for GeoSpace 	
2010	<ul style="list-style-type: none"> • Australian Department of Climate Change for National Carbon Accounting System • Victoria's County Fire Authority for EIMS Mapper 	<ul style="list-style-type: none"> • SLA for OneMap 	
2009	<ul style="list-style-type: none"> • Australian Capital Territory Emergency Services Agency for emergency management GIS solution • Tasmania's Department of Primary Industries & Water for state GIS solution 		
2008	<ul style="list-style-type: none"> • Royal Australian Navy Directorate of Oceanography & Meteorology, Australia for marine GIS solution • Thiess Pty Ltd for engineering GIS solution • WestNet Energy Alinta Gas Networks for utilities GIS solution 	<ul style="list-style-type: none"> • LTA for Land Transport Infrastructure Data Hub 	
2007	<ul style="list-style-type: none"> • City of Greater Geelong for municipal GIS solution 	<ul style="list-style-type: none"> • Defence Science & Technology Agency for national security GIS solution • SLA for Singapore Street Directory 	
2006	<ul style="list-style-type: none"> • BHP Billiton Ltd for Enterprise Spatial Data Infrastructure 	<ul style="list-style-type: none"> • URA for iPLAN 	

	Malaysia	Indonesia
	<ul style="list-style-type: none"> Department of Survey & Mapping Malaysia ("JUPEM") for Geospatial Data Acquisition System 	<ul style="list-style-type: none"> PT Freeport Indonesia for mining GIS solution
	<ul style="list-style-type: none"> JUPEM, Defence Geospatial Division for uGeo for Defence 	<ul style="list-style-type: none"> PT Pertamina EP for upstream oil & gas GIS
	<ul style="list-style-type: none"> Land & Survey Department Sarawak for Land & Survey Information System 	<ul style="list-style-type: none"> Ministry of Energy & Minerals Resources, Directorate General of Mineral & Coal Mining for mining GIS solution
	<ul style="list-style-type: none"> Ministry of Housing & Local Government, Federal Department of Town & Country Planning for Safe City Monitoring System 	<ul style="list-style-type: none"> Ministry of Transportation for transportation GIS solution
	<ul style="list-style-type: none"> Malaysian Centre for Geospatial Data Infrastructure for Malaysia Geospatial Data Infrastructure 	
	<ul style="list-style-type: none"> JUPEM, Utility Mapping Section for National Utility Database 	<ul style="list-style-type: none"> National Coordinator for Survey & Mapping Agency for national mapping platform

Creating a World of Difference

Sustainability

Being the longest continuous business entity in Singapore with 188 years of history, the concept of sustainability has long been a part of Boustead's strategic thinking even before the Brundtland Commission coined the term 'sustainable development' in 1987. As the concept of sustainability evolved over the last few decades, we have continued our transformation into the progressive global service provider that we are today, with sustainability fused into our business model, corporate values, strategies and business drivers, all of which are presented on pages 8 to 11 of the annual report.

As an operating philosophy, sustainability guides the way we plan and carry out our business, and is part of our perpetual corporate target to always 'Deliver sustainable value'. Various economic, environmental, social and governance considerations affect how we formulate and execute our business strategies, and these are detailed in the following sections.



As a progressive global provider of infrastructure-related solutions, our products and services support the critical physical and digital infrastructure that enable nations, communities and economies to function properly.

Our Energy-Related Engineering Division and Real Estate Solutions Division focus on the engineering and development of critical physical infrastructure to support economic activity and growth in global markets. Our energy-related products and services are key to the production of energy to operate our countries, cities, economies and transportation networks. Our real estate solutions – industrial facilities, and business and industrial parks – provide multinational corporations with a home away from home, where employment thrives and innovative products are created.

Our Geo-Spatial Technology Division provides intelligent mapping solutions which form the digital infrastructure essential to creating smart nations and smart cities by solving the world's

largest problems through effective and sustainable planning, deployment and management of key infrastructure and resources.

Asset-light, knowledge-driven business model

We have a business model that is predominantly knowledge-driven and asset-light, focusing on activities of high value-add, and which are exportable and scalable. This means that our continuing operations and business expansion do not have to rely on heavy capital expenditures and allow us to continually generate healthy cash flow from our operations. With value engineering as one of our key offerings, we are also able to design and deliver solutions that not only meet our clients' requirements but also unlock value for them.

A global company

We are in the Singapore International 100 for the seventh year running, a national initiative by International Enterprise Singapore and DP Information Group to rank companies based on overseas revenue. Our global perspective, diverse capabilities, track record and strong supplier network allow us to successfully deliver projects around the world. Our geographic diversification helps mitigate concentration risk involved in overexposure to any one geographic market.

Recurring income base

We are focused on growing our recurring income base to improve our earnings visibility and buffer against the volatility inherent in our project-based businesses. This is evident in the continued expansion of our leasing business under our Real Estate Solutions Division, and the growth of our enterprise agreements, Software as a Service and after-sales software maintenance offerings under our Geo-Spatial Technology Division.



Providing eco-sustainable industrial solutions

The industrial sector consumes the most energy among end-user sectors at about 54% of the world's total delivered energy. Through our Energy-Related Engineering Division and Real Estate Solutions Division, we offer solutions that help our clients comply with environmental regulations and better manage their ecological footprints. These include reducing emissions, managing effluents and waste, using natural resources more efficiently and recycling resources.

Under Boustead International Heaters, we design and supply waste heat recovery units ("WHRUs") that drastically improve the efficiency of process heater systems and gas turbines used in the global oil & gas and power industries. To date, Boustead International Heaters has delivered WHRUs that recover total energy equivalent to that which can heat over 2.2 million homes in the U.K. every year.

Under Boustead Salcon Water Solutions, we have delivered water and wastewater treatment plants with total treatment capacity of over 777 million cubic metres per year, enough to fill 311,111 Olympic size swimming pools. Most of our recent projects have been delivered in the power industry, a sector known to be a huge water user. We have also delivered water and wastewater recycling plants in Abu Dhabi, Rizhao and Singapore, with the plants in Abu Dhabi and Rizhao being the first of their kind in both cities.

Under Boustead Projects, we are a leader in pioneering eco-sustainable industrial facilities. Having built eight Green Mark Platinum-rated buildings – seven of which are industrial facilities – Boustead Projects has now built 75% of all Green Mark Platinum-rated logistics facilities and over 20% of all Green Mark Platinum-rated new non-residential facilities on Business 1 and Business 2 industrial-

Creating a World of Difference

zoned land in Singapore since the inception of the Green Mark Programme. Boustead Projects is the outright market leader in building Green Mark Platinum-rated industrial facilities, with Green Mark Platinum clients enjoying an estimated total energy and water savings of over 33.7 gigawatt hours and 82,700 cubic metres respectively per year, equivalent to providing electricity to over 7,500 homes in Singapore and filling 33 Olympic size swimming pools every year.

We are committed to continued excellence in our environmental performance, and will continue to push the boundaries of current research and technology to help our clients improve their operational performance in an environmentally sustainable manner.

Enabling Smart Nations and Smart Cities

Under our Geo-Spatial Technology Division, we provide intelligent mapping solutions to help governments and organisations to effectively, efficiently and sustainably achieve their economic, environmental and social goals in resources management, urban planning, utilities, and environmental conservation and protection. Our intelligent mapping solutions and associated services also enable the development and running of smart nations and smart cities.

Being an environmentally responsible corporation

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



Adhering to the highest standards of ethical and moral conduct

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

Focusing on human capital

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

Prioritising safety

We are committed to excellence in our occupational safety and health performance. We believe in making safety an inherent part of our products, services, and work environment. It is our overriding responsibility to comply with safety regulations and to work proactively to prevent accidents and reduce workplace hazards. Prioritising safety makes sound business sense for us as accidents or incidents may result not only in projects being delayed or suspended – which can result in significant financial penalties on us – but also in the loss of lives. As such, we always strive to improve our safety record.

Philanthropy

Over the years, our Group has been heavily involved in philanthropic activities. In FY2016, we were a major donor to the Singapore Business

Federation Foundation and the PAP Community Foundation, along with several other charities. Separately, Boustead Projects used its annual seventh month dinner event as a fund-raising platform to raise a total sum of S\$498,818 in donations for six charities: HCA Hospice Care, Children's Cancer Foundation, The Straits Times School Pocket Money Fund, Students Care Service, Down Syndrome Association and National Arthritis Foundation. Elsewhere, Esri Singapore donated software, services and technical support to help the cause of Food from the Heart, one of Singapore's most effective and well-known non-profit organisations which provides food and support to over 14,500 beneficiaries islandwide.

Supporting the local golf scene

We are a proud supporter of the local golf scene in Singapore. Since 2010, we have sponsored The Business Times Corporate Golf League and have in recent years also formed a team to participate in the competitive portion of the tournament, with our team being crowned as League Champions in 2015. Separately, Boustead Projects also supports the local golf scene through its sponsorship of the Boustead Golf Open, an annual tournament that has been part of the Singapore Professional Golfer's Association Tour since 2013.



Governance

We are committed to maintaining a high standard of corporate governance within the Group, in line with the principles set out in Singapore's Code of Corporate Governance 2012. This establishes and maintains a legal and ethical environment within our Group to preserve the interests of all of our shareholders and stakeholders, and is also aligned with our corporate value of adhering to the highest standards of ethical and moral conduct and upholding our excellent reputation for credibility, integrity, quality, reliability and trust. Please refer to pages 66 to 75 of the annual report for more details on our Corporate Governance.

Corporate Information

Directors

Wong Fong Fui

Chairman & Group Chief Executive Officer

Wong Yu Loon

Executive Director & Deputy Group Chief Executive Officer

Loh Kai Keong

Executive Director & Group Chief Financial Officer

Goh Boon Seong

Independent Non-Executive Director

Chong Ngien Cheong

Independent Non-Executive Director

Godfrey Ernest Scotchbrook

Independent Non-Executive Director

Audit & Risk Committee

Goh Boon Seong

(Chairman)

Chong Ngien Cheong

Godfrey Ernest Scotchbrook

Nominating Committee

Chong Ngien Cheong

(Chairman)

Goh Boon Seong

Wong Fong Fui

Remuneration Committee

Godfrey Ernest Scotchbrook

(Chairman)

Chong Ngien Cheong

Goh Boon Seong

Share Registrar

Boardroom Corporate & Advisory Services Pte Ltd

50 Raffles Place

#32-01 Singapore Land Tower

Singapore 048623

Auditors

PricewaterhouseCoopers LLP

8 Cross Street

#17-00 PWC Building

Singapore 048424

Audit Partner: **Yee Chen Fah**

(Date of appointment: 26 July 2013)

Principal Bankers

United Overseas Bank Ltd

DBS Bank Ltd

The Hongkong and Shanghai Banking Corporation Ltd

Malayan Banking Bhd

Sumitomo Mitsui Banking Corporation

CIMB Bank Bhd

Place of Incorporation

Singapore

Date of Incorporation

18 June 1975

Company Secretary

Alvin Kok

Company Registration

197501036K

Registered Office

Boustead Singapore Limited

82 Ubi Avenue 4

#08-01 Edward Boustead Centre

Singapore 408832

Stock Exchange Listing

Singapore Exchange Securities Trading Ltd

Financial Statements

Contents

62	Directors' Statement
66	Corporate Governance
76	Independent Auditor's Report
77	Consolidated Income Statement
78	Consolidated Statement of Comprehensive Income
79	Statements of Financial Position
80	Consolidated Statement of Changes in Equity
82	Consolidated Statement of Cash Flows
84	Notes to the Financial Statements
162	Management & Principal Activities
166	Statistics of Shareholdings
168	Notice of Annual General Meeting Proxy Form

Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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

In the opinion of the directors,

- (a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 77 to 161 are drawn up so as to give a true and fair view of the financial position of the Company and the Group as at 31 March 2016 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

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

Wong Fong Fui (Chairman, Group Chief Executive Officer)
 Wong Yu Loon
 Loh Kai Keong
 Goh Boon Seong
 Chong Ngien Cheong
 Godfrey Ernest Scotchbrook

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director		Holdings in which director is deemed to have an interest	
	At 31.3.2016	At 31.3.2015	At 31.3.2016	At 31.3.2015
The Company – Boustead Singapore Limited				
			(No. of ordinary shares)	
Wong Fong Fui	-	-	177,871,829	175,634,448
Loh Kai Keong	500,633	610,633	-	-
Chong Ngien Cheong	400,000	400,000	23,376,203	23,376,203
Godfrey Ernest Scotchbrook	-	-	1,052,783	1,052,783
Subsidiary Company – Boustead Projects Limited				
			(No. of ordinary shares)	
Wong Fong Fui	-	-	224,242,603	-
Loh Kai Keong	183,189	-	-	-
Chong Ngien Cheong	120,000	-	-	-
Godfrey Ernest Scotchbrook	-	-	315,834	-

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 ordinary shares of the Company as at 21 April 2016 were the same as those as at 31 March 2016.

Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

DIRECTORS' CONTRACTUAL BENEFITS

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

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. Under the 2011 Share Plan, all deserving executive employees and non-executive directors of the Company as well as associated companies 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.
- (b) The committee administering the 2011 Share Plan comprises three 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.
- (c) Details of the 2011 Share Plan are disclosed in Note 32 to the financial statements.
- (d) The members of the committee administering the 2011 Share Plan are:

Godfrey Ernest Scotchbrook (Chairman)
Chong Ngien Cheong
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.

Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

SHARE AWARDS (cont'd)

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

Date of grant	Balance at 1 April 2015	Share awards granted	Share awards vested	Balance at 31 March 2016
10 September 2012	379,990	-	(146,152)	233,838
9 November 2012	29,803	-	(11,463)	18,340
23 January 2013	29,803	-	(11,463)	18,340
29 July 2013	49,671	-	(19,105)	30,566
7 July 2014	338,869	-	(79,737)	259,132
29 July 2014	37,652	-	(8,859)	28,793
	865,788	-	(276,779)	589,009

Name of participant	Number of shares comprised in awards granted during the year	Aggregate number of shares comprised in awards since commencement of the 2011 Share Plan to end of year	Aggregate number of shares comprised in awards vested since commencement of the 2011 Share Plan to end of year	Aggregate number of shares comprised in awards outstanding as at end of year
<u>Associate of Controlling</u>				
<u>Shareholder of the Company</u>				
Wong Yu Wei	-	120,715	(61,356)	59,359
Employees of the Company's subsidiary	-	1,074,971	(545,321)	529,650
	-	1,195,686	(606,677)	589,009

There were no participants who received 5% or more of the total number of shares available under the 2011 Share Plan. Save as disclosed above, no awards have been granted to directors of the Company or controlling shareholders and their associates since the commencement of the 2011 Share Plan to the end of the financial year.

Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

AUDIT & RISK COMMITTEE

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

Goh Boon Seong (Chairman)
Chong Ngien Cheong
Godfrey Ernest Scotchbrook

The Audit & Risk Committee met 4 times during the year under review and carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the 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 consolidated financial statements of the Group and the statement of financial position of the Company before their submission to the directors of the Company and the external auditors' report on those financial statements;
- (d) the quarterly and full-year announcements on the consolidated financial statement of the Group and financial position of the Company;
- (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 & Risk 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 & Risk Committee also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit & Risk Committee.

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

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 & Risk Committee. The internal auditors follow up on the recommendations as part of their role in the review of the Group's internal control systems.

INDEPENDENT AUDITOR

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

On behalf of the directors

Wong Fong Fui
Director

Loh Kai Keong
Director

Singapore
28 June 2016

Corporate Governance

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

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

BOARD MATTERS

Principle 1: The Board’s Conduct of Affairs

The Board is 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 & Risk 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.

Corporate Governance

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 four formal Board meetings, four formal Audit & Risk Committee meetings, one formal Nominating Committee meeting and two formal Remuneration Committee meeting were held in the course of the year under review. Further to these, Board and Audit & Risk 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:-

Name of Director	Board		Audit & Risk Committee		Nominating Committee		Remuneration Committee	
	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended
Wong Fong Fui	4	4	-	-	1	1	-	-
Wong Yu Loon	4	4	-	-	-	-	-	-
Loh Kai Keong	4	4	-	-	-	-	-	-
Goh Boon Seong ⁽¹⁾	4	4	4	4	1	1	2	2
Chong Ngien Cheong	4	4	4	4	1	1	2	2
Godfrey Ernest Scotchbrook	4	4	4	4	-	-	2	2
John Lim Kok Min ⁽²⁾	4	-	4	-	1	-	2	-

⁽¹⁾ Mr Goh Boon Seong was appointed Chairman of the Audit & Risk Committee and member of the Nominating Committee on 29 April 2015.

⁽²⁾ Mr John Lim Kok Min resigned as a director on 29 April 2015.

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

Principle 2: Board Composition and Guidance

Presently, the Board comprises six directors, three 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)
Wong Yu Loon (Executive Director and Deputy Group Chief Executive Officer)
Loh Kai Keong (Executive Director and Group Chief Financial Officer)
Goh Boon Seong (Independent Non-Executive Director)
Chong Ngien Cheong (Independent Non-Executive Director)
Godfrey Ernest Scotchbrook (Independent Non-Executive Director)

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. At meetings of the Board, directors are free to discuss and openly challenge the views presented by management and other directors. The decision making process is an objective one.

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

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

Each of Mr Chong Ngien Cheong and Mr Godfrey Ernest Scotchbrook has been an independent director of the Board for more than nine years. The Board, with the concurrence of the Nominating Committee, has rigorously reviewed the independence of each of them and is satisfied that each of them is independent in character and judgment, and found no evidence to indicate that the length of their respective service has in any way affected their respective independence. Given their respective wealth of business, working experience and professionalism in carrying out their duties, the Nominating Committee has found each of Mr Chong Ngien Cheong and Mr Godfrey Ernest Scotchbrook suitable to act as independent directors. The Board has accepted the Nominating Committee's recommendation that each of Mr Chong Ngien Cheong and Mr Godfrey Ernest Scotchbrook be considered independent. Each of Mr Chong Ngien Cheong and Mr Godfrey Ernest Scotchbrook has abstained from deliberating on their respective independence and their nomination.

Corporate Governance

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 Fong Fui is the most senior executive in the Company and holds executive responsibility for the Company's business. He is assisted by Executive Director and Deputy Group Chief Executive Officer, Mr Wong Yu Loon, and Executive Director and Group Chief Financial Officer, Mr Loh Kai Keong, in the management of day-to-day operations. Whilst Mr Wong Yu Loon is the son of Mr Wong Fong Fui, Mr Loh is not related to Mr Wong Fong Fui. 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 Fong Fui 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)
Goh Boon Seong (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 regularly the composition of the Board and Board committees;
- reviewing the Board's succession plans for directors, in particular, the Chairman and the CEO;
- 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. The objective of this process is to ensure the Board collectively has the diversity, skills, knowledge and experience necessary to meet the needs of the Company.

Corporate Governance

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

Name	Position	Date of Appointment	Date of Last Re-election	Current Directorships in Listed Companies	Past Directorships in Listed Companies (in last three years)
Wong Fong Fui	Chairman and Group Chief Executive Officer	15 April 1996	30 July 2015	-	-
Wong Yu Loon	Executive Director and Deputy Group Chief Financial Officer	2 April 2013	26 July 2013	-	-
Loh Kai Keong	Executive Director and Group Chief Financial Officer	1 February 2005	25 July 2014	-	-
Goh Boon Seong	Independent Non-Executive Director	11 January 2012	30 July 2015	GP Batteries International Limited	-
Chong Ngien Cheong	Independent Non-Executive Director	23 May 1996	30 July 2015	-	-
Godfrey Ernest Scotchbrook	Independent Non-Executive Director	21 September 2000	25 July 2014	Del Monte Pacific Limited	-

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

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

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

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

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

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

Pursuant to the Constitution of the Company, Mr Wong Yu Loon and Mr Godfrey Ernest Scotchbrook shall be retiring at the Annual General Meeting to be held on 28 July 2016 ("2016 AGM"). At the recommendation of the Nominating Committee, they will be seeking re-election at the 2016 AGM.

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

Corporate Governance

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)

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.

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. The Remuneration Committee has not appointed external remuneration consultants but has had the benefit of relevant data from market surveys carried out by leading firms of compensation consultants. 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 Company does not currently have in place contractual provisions to allow the Company to reclaim incentive components of remuneration from executive directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. However, the Company is reviewing its human resource policies to determine the feasibility of incorporating such contractual provisions.

Corporate Governance

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 2016

Name of Director	Salary	Bonus	Directors' Fee	Other Benefits	Total
S\$1,000,000 to S\$1,249,999					
Wong Fong Fui	27%	70%	-	3%	100%
S\$250,000 to S\$499,999					
Loh Kai Keong	65%	30%	-	5%	100%
Wong Yu Loon	64%	29%	-	7%	100%
Below S\$250,000					
Chong Ngien Cheong	-	-	100%	-	100%
Godfrey Ernest Scotchbrook	-	-	100%	-	100%
Goh Boon Seong	-	-	100%	-	100%
John Lim Kok Min ⁽¹⁾	-	-	100%	-	100%

⁽¹⁾ Mr John Lim Kok Min resigned as a director on 29 April 2015.

Remuneration of key executives for the year ended 31 March 2016

Name of Executive	Salary	Bonus	Fees	Other Benefits	Total
S\$1,000,000 to S\$1,249,999					
Chu Kok Hong @ Choo Kok Hong	42%	48%	-	10%	100%
S\$750,000 to S\$999,999					
David Miller	37%	62%	-	1%	100%
Brett John Bundock	60%	28%	-	12%	100%
S\$500,000 to S\$749,999					
Wong Yu Wei	41%	47%	-	12%	100%
Steven Koh Boon Teik	40%	46%	-	14%	100%

Although the Code recommends the full disclosure of the remuneration of each individual director as well as the disclosure of the total remuneration paid to the top five key executives in aggregate, the Board believes that disclosure in such detail may be prejudicial to the business interest of the Group given the highly competitive environment it is operating in as well as competitive pressures in the talent market.

Two employees of the Group, Mr Wong Yu Loon and Mr Wong Yu Wei, who are sons of Mr Wong Fong Fui, Chairman and Group Chief Executive Officer, received remuneration exceeding S\$50,000 for the year ended 31 March 2016. As details of their remuneration have been provided under the disclosure of the remuneration of directors and key executives above, the Board has decided not to further disclose their remuneration in incremental bands of S\$50,000. Other than this, none of the directors had immediate family members who were employees of the Group and whose personal remuneration exceeded S\$50,000 during the year.

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

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

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

Corporate Governance

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: Risk Management and Internal Controls

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

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

The Audit & Risk Committee and the Board have received assurance from the Group Chief Executive Officer and the Group Chief Financial Officer that as of 31 March 2016:

- (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (b) the Group's risk management and internal control systems to address the key financial, operational, compliance and information technology risks affecting the operations are adequate to meet the needs of the Group in its current business environment.

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

Corporate Governance

Principle 12: Audit & Risk Committee

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

Goh Boon Seong, 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 & Risk 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 consolidated financial statements of the Group and the statement of financial position of the Company before their submission to the directors of the Company and the external auditors' report on those financial statements;
- reviewing the quarterly and full-year announcements on the results and financial position of the Group and the Company;
- 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 adequacy and effectiveness of the Group's internal controls and risk management processes.

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

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

The Audit & Risk Committee has undertaken a review of the nature and value of non-audit services provided to the Group by the external auditors during the financial year and is satisfied that the independence of the external auditors has not been impaired by the provision of these services. The breakdown of their fees for audit and non-audit services is found on Note 7 to the financial statements on page 104.

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

Whistle-blowing Policy

The 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 & Risk Committee, the Senior Vice-President – Group Human Resources and the Senior Vice-President - Internal Audit.

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 & Risk Committee on any material non-compliance and internal control weaknesses.

The Audit & Risk 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 & Risk Committee reviews the internal audit scope of work on an annual basis.

Corporate Governance

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholder Rights

Principle 15: Communication with Shareholders

Principle 16: Conduct of Shareholder Meetings

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.

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

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

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

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

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

Corporate Governance

DEALINGS IN SECURITIES

All directors and officers of the Company and the Group are not allowed to deal in the Company's shares on short-term considerations and whilst in possession of unpublished price sensitive information. The Company, its directors and officers, including employees who have access information to price-sensitive information are expected to comply with the Securities and Futures Act (Cap. 289) and observe laws against insider trading at all times.

In the course of doing business for the Company and the Group or in discussions with 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.

MATERIAL CONTRACTS

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

INTERESTED PERSON TRANSACTIONS

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

For the financial year ended 31 March 2016, the Group did not enter into any transaction that would be regarded as an interested person transaction pursuant to the Listing Manual of the SGX-ST.

Independent Auditor's 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") set out on pages 77 to 161, which comprise the consolidated statement of financial position of the Group and statement of financial position of the Company as at 31 March 2016, and the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Report on other Legal and Regulatory Requirements

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

PricewaterhouseCoopers LLP

Public Accountants and Chartered Accountants

Singapore, 28 June 2016

Consolidated Income Statement

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	2016 \$'000	2015 \$'000
Revenue	4	486,651	556,405
Cost of sales	7	(336,084)	(370,220)
Gross profit		150,567	186,185
Other income	5	7,388	6,370
Other gains and losses	6	262	6,387
Expenses			
- Selling and distribution	7	(30,237)	(36,415)
- Administrative	7	(64,555)	(70,138)
- Finance	9	(4,207)	(2,190)
Share of loss of associated companies and joint ventures		(2,675)	(1,218)
Profit before income tax		56,543	88,981
Income tax expense	10	(15,408)	(22,632)
Total profit		41,135	66,349
Profit attributable to:			
Equity holders of the Company		28,247	63,282
Non-controlling interests		12,888	3,067
		41,135	66,349
Earnings per share for profit attributable to equity holders of the Company (cents per share)			
Basic earnings per share	11	5.43	12.25
Diluted earnings per share	11	5.43	12.23

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

Consolidated Statement of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	2016 \$'000	2015 \$'000
Total profit		41,135	66,349
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Available-for-sale financial assets			
- Fair value losses	20, 33	(144)	(1,009)
- Reclassification to profit or loss on disposal	33	(46)	(3,528)
Currency translation differences arising from consolidation		(5,418)	(2,814)
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Actuarial loss	31	(11)	(635)
Other comprehensive loss, net of tax		(5,619)	(7,986)
Total comprehensive income		35,516	58,363
Total comprehensive income attributable to:			
Equity holders of the Company		23,593	55,308
Non-controlling interests		11,923	3,055
		35,516	58,363

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

Statements of Financial Position

AS AT 31 MARCH 2016

		Group		Company	
	Note	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	12	259,069	260,053	61,044	53,232
Trade receivables	13	102,558	115,489	-	-
Other receivables and prepayments	14	37,812	83,607	14,314	9,595
Financial assets held for trading	15	970	-	970	-
Loans to subsidiaries	16	-	-	13,150	37,182
Inventories	17	5,552	6,122	-	-
Properties held for sale	18	30,413	30,437	-	-
Contracts work-in-progress	19	34,962	74,587	-	-
Available-for-sale financial assets	20	13,557	4,070	13,557	24,548
Foreign exchange contracts	30	68	1,642	56	135
		484,961	576,007	103,091	124,692
Non-current assets					
Trade receivables	13	-	7,438	-	-
Other receivables and prepayments	14	3,827	1,241	-	-
Available-for-sale financial assets	20	61,576	73,387	23,185	35,037
Property, plant and equipment	21	14,565	16,732	-	-
Investment properties	22	146,182	159,857	-	-
Other intangible assets	23	1,186	1,452	74	74
Investments in associated companies	24	200	3,761	-	2,667
Investments in joint ventures	25	13,755	10,728	-	-
Investments in subsidiaries	26	-	-	79,465	116,870
Deferred income tax assets	27	2,369	2,333	-	-
		243,660	276,929	102,724	154,648
Total assets		728,621	852,936	205,815	279,340
LIABILITIES					
Current liabilities					
Trade and other payables	28	183,378	237,559	1,344	6,877
Income tax payable	10	11,590	17,983	255	364
Loans from subsidiaries	16	-	-	33,987	162,409
Contracts work-in-progress	19	15,900	8,406	-	-
Borrowings	29	5,095	12,105	-	-
Foreign exchange contracts	30	1,580	833	575	833
		217,543	276,886	36,161	170,483
Non-current liabilities					
Trade and other payables	28	7,212	5,859	-	-
Borrowings	29	88,354	174,374	-	-
Pension liability	31	2,740	3,242	-	-
Deferred income tax liabilities	27	3,035	2,123	-	-
		101,341	185,598	-	-
Total liabilities		318,884	462,484	36,161	170,483
NET ASSETS		409,737	390,452	169,654	108,857
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	32	104,555	101,324	104,555	101,324
Treasury shares	32	(12,600)	(10,263)	(12,600)	(10,263)
Other reserves	33	(25,052)	(21,264)	2,523	1,858
Retained profits	34	237,939	310,199	75,176	15,938
		304,842	379,996	169,654	108,857
Non-controlling interests		104,895	10,456	-	-
Total equity		409,737	390,452	169,654	108,857

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

Consolidated Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

← Attributable to equity holders of the Company →								
		Share capital	Treasury shares	Other reserves	Retained profits	Total	Non-controlling interests	Total equity
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2016								
Beginning of financial year		101,324	(10,263)	(21,264)	310,199	379,996	10,456	390,452
Profit for the year		-	-	-	28,247	28,247	12,888	41,135
Other comprehensive loss for the year		-	-	(4,643)	(11)	(4,654)	(965)	(5,619)
Total comprehensive (loss)/income for the year		-	-	(4,643)	28,236	23,593	11,923	35,516
Employee share-based compensation								
- Value of employee services	33	-	-	514	-	514	-	514
- Treasury shares re-issued	32, 33	-	176	(176)	-	-	-	-
Dividends								
- In cash	35	-	-	-	(12,457)	(12,457)	(1,775)	(14,232)
- In specie	35	-	-	-	(84,291)	(84,291)	84,291	-
- In scrip	35	-	-	-	(3,748)	(3,748)	-	(3,748)
Issue of new shares pursuant to scrip dividend scheme	32, 33	3,231	-	517	-	3,748	-	3,748
Repurchase of shares	32, 33	-	(2,513)	-	-	(2,513)	-	(2,513)
		3,231	(2,337)	855	(100,496)	(98,747)	82,516	(16,231)
End of financial year		104,555	(12,600)	(25,052)	237,939	304,842	104,895	409,737

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

Consolidated Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

← Attributable to equity holders of the Company →								
		Share capital	Treasury shares	Other reserves	Retained profits	Total	Non- controlling interests	Total equity
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2015								
Beginning of financial year		92,279	(10,401)	(14,258)	284,728	352,348	9,352	361,700
Profit for the year		-	-	-	63,282	63,282	3,067	66,349
Other comprehensive loss for the year		-	-	(7,339)	(635)	(7,974)	(12)	(7,986)
Total comprehensive (loss)/income for the year		-	-	(7,339)	62,647	55,308	3,055	58,363
Employee share-based compensation								
- Value of employee services	33	-	-	482	-	482	-	482
- Issue of new shares	32, 33	204	-	(168)	-	36	-	36
- Treasury shares re-issued	32, 33	-	138	(138)	-	-	-	-
Dividends								
- In cash	35	-	-	-	(28,384)	(28,384)	(1,945)	(30,329)
- In scrip	35	-	-	-	(8,792)	(8,792)	-	(8,792)
Issue of new shares pursuant to scrip dividend scheme	32, 33	8,841	-	(49)	-	8,792	-	8,792
Disposal of subsidiaries		-	-	206	-	206	(6)	200
		9,045	138	333	(37,176)	(27,660)	(1,951)	(29,611)
End of financial year		101,324	(10,263)	(21,264)	310,199	379,996	10,456	390,452

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

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	2016 \$'000	2015 \$'000
Cash flows from operating activities		
Profit before income tax	56,543	88,981
Adjustments for:		
- Share of loss of associated companies and joint ventures	2,675	1,218
- Depreciation expense	10,601	7,827
- Amortisation of other intangible assets	214	-
- Loss on disposal of property, plant and equipment	89	15
- Loss on disposal of subsidiaries	-	43
- Impairment loss of goodwill	-	1,363
- Employee share-based compensation expense	514	482
- Allowance for impairment of receivables, net	138	752
- Write-off of trade receivables	-	31
- Allowance for impairment of investment in an associated company	-	120
- Gain on disposal of available-for-sale financial assets	(46)	(3,528)
- Surplus on liquidation of an associated company	(106)	-
- Fair value losses/(gains) on foreign exchange contracts and financial assets held for trading	2,352	(2,190)
- Finance expenses	4,207	2,190
- Interest income	(6,172)	(5,218)
- Unrealised currency translation losses	(1,717)	(814)
	69,292	91,272
Change in working capital, net of effects from acquisition and disposal of subsidiaries:		
- Receivables	20,663	3,960
- Inventories and contracts work-in-progress	47,689	(36,272)
- Payables	(43,327)	366
Cash provided by operations	94,317	59,326
Interest received	6,172	5,218
Interest paid	(4,207)	(2,190)
Income tax paid	(20,924)	(19,029)
Net cash provided by operating activities	75,358	43,325

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

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	2016 \$'000	2015 \$'000
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		284	64
Proceeds from disposal of available-for-sale financial assets		9,657	7,066
Proceeds from disposal of financial assets held for trading		-	4,321
Purchase of property, plant and equipment		(2,929)	(3,770)
Purchase of available-for-sale financial assets		(7,576)	(7,291)
Purchase of financial assets held for trading		(983)	-
Additions to investment properties		-	(54,880)
Proceeds from repayment of loan by an associated company		-	7,487
Proceeds from repayment of loans by joint ventures		51,981	221
Loans to joint ventures		(11,399)	(58,596)
Loan to a related party		(2,710)	-
Net cash inflow from liquidation of an associated company		316	-
Net cash inflow from disposal of subsidiaries	12	-	1,200
Net cash provided by/(used in) investing activities		36,641	(104,178)
Cash flows from financing activities			
Net proceeds from issue of shares of the company		-	36
Repurchase of shares		(2,513)	-
Proceeds from borrowings		-	141,084
Repayment of borrowings		(93,030)	(7,569)
Dividends paid to non-controlling interests		(1,955)	(683)
Dividends paid to equity holders of the Company		(12,457)	(28,384)
Net cash (used in)/provided by financing activities		(109,955)	104,484
Net increase in cash and cash equivalents		2,044	43,631
Cash and cash equivalents			
Beginning of financial year	12	260,053	218,838
Effects of currency translation on cash and cash equivalents		(3,028)	(2,416)
End of financial year	12	259,069	260,053

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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

1. GENERAL INFORMATION

Boustead Singapore Limited (the “Company”) is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office and principal place of business is 82 Ubi Avenue 4, #08-01 Edward Boustead Centre, Singapore 408832.

The principal activity of the Company is that of an investment holding company. The principal activities of its more significant subsidiaries and joint ventures are set out in Note 26 to the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

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

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

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

FRS 108 Operating segments

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

The Group has included the additional required disclosures in Note 40 of the financial statements.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Revenue recognition (cont'd)

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

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

(a) *Construction contracts*

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period ("percentage-of-completion method"). When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

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

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

(b) *Sale of goods and industrial properties*

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

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods and industrial 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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Revenue recognition (cont'd)

(c) *Rendering of service*

Revenue from rendering of services is recognised when the services are rendered.

(d) *Maintenance*

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

(e) *Interest income*

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

(f) *Dividend income*

Dividend income is recognised when the right to receive payment is established.

(g) *Rental income*

Please refer to Note 2.18(b) for the accounting policy for rental income.

2.3 Group accounting

(a) *Subsidiaries*

(i) *Consolidation*

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

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Group accounting (cont'd)

(a) *Subsidiaries (cont'd)*

(ii) *Acquisitions*

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

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

Acquisition-related costs are expensed as incurred.

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

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

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (b) fair values of the identifiable net assets acquired, is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill on acquisitions" for the subsequent accounting policy on goodwill.

(iii) *Disposals*

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

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

Please refer to the paragraph "Investments in subsidiaries, associated companies, and joint ventures" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) *Transactions with non-controlling interests*

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Group accounting (cont'd)

(c) *Associated companies and joint ventures*

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

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

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

(i) *Acquisitions*

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

(ii) *Equity method of accounting*

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

Unrealised gains on transactions between the Group and its associated companies or joint ventures are eliminated to the extent of the Group's interest in the associated companies or joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies or joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) *Disposals*

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

Please refer to the paragraph "Investments in subsidiaries, associated companies, and joint ventures" for the accounting policy on investments in associated companies and joint ventures in the separate financial statements of the Company.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Property, plant and equipment

(a) *Measurement*

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

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

(b) *Depreciation*

Freehold land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Buildings	50 years
Leasehold properties	30 – 50 years
Machinery and equipment	3 – 10 years
Furniture, office equipment and motor vehicles	2 – 10 years

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

(c) *Subsequent expenditure*

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

(d) *Disposal*

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.5 Intangible assets

(a) *Goodwill on acquisitions*

Goodwill on acquisitions of subsidiaries and businesses on or after 1 January 2010 represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired.

Goodwill on acquisition of subsidiaries and businesses prior to 1 January 2010 and on acquisition of joint ventures and associated companies represents the excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired.

Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies and joint ventures is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, associated companies and joint ventures include the carrying amount of goodwill relating to the entity sold.

(b) *Acquired trademarks*

Trademarks acquired as part of a business combination are fair valued based on their intended use in accordance with FRS 38 *Intangible Assets* and the expected future economic benefit to be derived by the Group from continuing to generate future operating cash inflows from products and services associated with the acquired trademark.

Where it is determined that the trademark will be continuously renewed for the foreseeable future, the trademark has been 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.

For trademarks assessed to have a finite useful life, it is initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 6 years, which is the shorter of their estimated useful lives and periods of contractual rights.

Costs associated with trademarks and trademarks renewals are expensed off when incurred.

(c) *Acquired customer lists*

Customer lists acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful life of no more than two years.

The amortisation period and amortisation method of intangible assets other than goodwill and acquired trademarks are reviewed at least at each statement of financial position date. The effects of any revision are recognised in profit or loss when the changes arise.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.6 Borrowing costs

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

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

2.7 Construction contracts

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

Progress billings not yet paid by customers and retention sum receivables from customers are included within “trade receivables”. Advances received are included within “trade payables”.

2.8 Investment properties

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

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes land cost, related acquisition expenses, construction costs and finance costs incurred during the period of construction. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their useful life of 12 to 30 years for leasehold building and 15 years (2015: 10 years) for machinery and equipment. No depreciation is provided for investment properties under construction and depreciation commences when the asset is ready for its intended use. The estimated useful 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 cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

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

2.9 Investments in subsidiaries, associated companies and joint ventures

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.10 Impairment of non-financial assets

(a) *Goodwill*

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) *Other intangible assets*

Property, plant and equipment

Investment properties

Investments in subsidiaries, associated companies and joint ventures

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

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

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

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

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Financial assets

(a) *Classification*

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and in the case of assets classified as held-to-maturity, re-evaluates this designation at each statement of financial position date.

(i) *Financial assets at fair value through profit or loss*

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within 12 months after the statement of financial position date.

(ii) *Loans and receivables*

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

(iii) *Held-to-maturity financial assets*

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. They are presented as non-current assets, except for those maturing within 12 months after the statement of financial position date which are presented as current assets.

(iv) *Available-for-sale financial assets*

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

(b) *Recognition and derecognition*

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Financial assets (cont'd)

(c) *Initial measurement*

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

(d) *Subsequent measurement*

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity financial assets are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss including the effects of currency translation, interest and dividends, are recognised in profit or loss when the changes arise.

Interest and dividend income on available-for-sale financial assets are recognised separately in income. Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in other comprehensive income and accumulated in the fair value reserve. Changes in the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

(e) *Impairment*

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

(i) *Loans and receivables/Held-to-maturity financial assets*

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

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

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

(ii) *Available-for-sale financial assets*

In addition to the objective evidence of impairment described in Note 2.11(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.12 Offsetting of financial instruments

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

2.13 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.

2.14 Borrowings

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

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

2.15 Trade and other payables

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

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

2.16 Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Hedge accounting recognises the offsetting effects on profit or loss and other comprehensive income for changes in the fair values of the hedging instrument and the hedged item.

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

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

(a) *Net investment hedge*

Currency forwards and options

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.17 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities) are based on quoted market prices at the statement of financial position date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices used for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions that are existing at each statement of financial position date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used.

The fair values of currency forwards are determined using actively quoted forward exchange rates.

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

2.18 Leases

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

The Group leases land and office premises under operating leases.

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

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

The Group leases investment properties under operating leases.

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

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

2.19 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average method. Costs comprise 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. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.20 Income taxes

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

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

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

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

Deferred income tax is measured:

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

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

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

2.21 Provisions

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

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.22 Employee compensation

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

(a) *Post-employment benefits*

The Group operates both defined benefit and defined contribution post-employment benefit plans in accordance with local conditions and practices in the countries in which it operates.

(i) *Defined contribution plans*

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

(ii) *Defined benefit plans*

Defined benefit plans are post-employment benefit pension plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of a defined benefit pension plan is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is determined with reference to actuarial valuations issued by independent actuaries annually using the attained age method which will yield the same actuarial liability amount as the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and have tenures approximating to that of the related post-employment benefit obligations. The resulting defined benefit asset or liability is presented separately as other non-current asset or liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period when they arise.

Past service costs are recognised immediately in profit or loss.

(b) *Employee share-based compensation*

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

When the share awards are vested, the proceeds received (net of transaction costs) and the related balance previously recognised in the share-based compensation reserve are credited to share capital account, when new ordinary shares are issued, or to the "treasury shares" account, when treasury shares are re-issued to the employees.

(c) *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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.23 Currency translation

(a) *Functional and presentation currency*

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

(b) *Transactions and balances*

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

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

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance expenses". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "other gains and losses".

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

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

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

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

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.24 Segment reporting

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

2.25 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts, if any, are presented as current borrowings on the statement of financial position.

2.26 Share capital and treasury shares

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

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

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

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

2.27 Dividends to Company's shareholders

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and 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.

(a) *Revenue recognition – construction contracts*

The Group recognises revenue and costs from long-term contracts using the percentage-of-completion method determined by reference to the stage of completion of the contract activity at the 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.

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

If the percentage-of-completion at the statement of financial position date had been higher/lower by 1% (2015: 1%) from management's estimates, the Group's revenue and gross profit would have been higher/lower by \$4,041,000 (2015: \$3,907,000) and \$531,000 (2015: \$1,608,000) respectively.

(b) *Allowance for foreseeable losses on construction contracts*

Judgement is exercised in determining foreseeable losses on construction contracts. In making such judgement, the Group evaluates by relying on past experience and cost estimates. A significant degree of estimation is required in assessing the cost estimates based on suppliers' quotation or engineers' estimates and taking into consideration the escalation of costs in the country in which the project takes place.

As at 31 March 2016, the contracts work-in-progress amounting to \$19,062,000 (2015: \$66,181,000) is a net asset comprising contract costs plus recognised profits in excess of progress billings and allowance for foreseeable losses.

(c) *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, Arab Banking Corporation's ("ABC") provided an advance payment counter-guarantee and a performance counter-guarantee to a Libyan bank, Bank of Commerce and Development's ("BCD") 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) expired on 30 June 2011 and 28 July 2011 respectively.

⁽¹⁾ In 2011, the interest in the joint venture was diluted and had since been written off.

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, BCD requested for an extension or liquidation of the guarantees from ABC. 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 the Republic of Singapore ("High Court") against ABC from making payment of monies and renewing the counter-guarantees.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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

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

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 ABC by the Company, the High Court then granted an interim injunction against ABC to refrain it from making payment of monies under the counter-guarantees issued through it in favour of BCD 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 ABC for a declaration that the Company be discharged from all liabilities and obligations towards ABC in relation to the counter-guarantees. At the same time, the Company had received a claim for payment of the sums under the counter-guarantees from ABC. As the interim injunction is in place, no payment has been made to ABC.

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, ABC 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.

A judgement has been issued on 11 March 2015 by the High Court dismissing ABC's claim against the Company for US\$18.8 million under the facility agreement. The High Court ordered, inter alia, that the ABC is enjoined from receiving payment from the Company under the facility agreement Demand and is enjoined from making payment to BCD's counter-guarantees Demands. This is because the facility agreement Demand was made fraudulently in the reckless sense, or alternatively, the circumstances are such that it would be unconscionable for the ABC to receive payment of monies from the Company, which will eventually be paid to the employer of the Al Marj Project. BCD made the counter-guarantees Demands fraudulently in the reckless sense, and the ABC had knowledge of BCD's fraud at the relevant time.

On 10 April 2015, ABC had filed an appeal to the Singapore Court of Appeal ("Court of Appeal") against the decision of the High Court on 11 March 2015.

On 21 April 2016, the Court of Appeal has dismissed the appeal filed by ABC, with costs to be paid to the Company. The Court of Appeal found that ABC has acted fraudulently, in the reckless sense, in making the demand under the facility agreement and that a permanent injunction is warranted, thereby enjoining ABC per the terms of the High Court Judgment, from receiving payment from the Company under the facility agreement Demand and is enjoined from making payment to BCD's counter-guarantees Demands in respect of US\$18.8 million.

The decision of the Court of Appeal finally and conclusively discharges the Company's liability to ABC under the facility agreements.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

4. REVENUE

	Group	
	2016 \$'000	2015 \$'000
Contract revenue	345,835	407,169
Sale of goods	29,480	41,154
Rendering of services and maintenance	76,764	81,467
Property rental income	34,386	26,506
Dividend income	186	109
	486,651	556,405

5. OTHER INCOME

	Group	
	2016 \$'000	2015 \$'000
Interest income		
- Non-related parties	5,506	4,631
- An associated company	159	445
- A related party*	57	-
- Joint ventures	450	142
	6,172	5,218
Sublease income	1,216	1,152
	7,388	6,370

* *Subsidiary of an associated company*

6. OTHER GAINS AND LOSSES

	Group	
	2016 \$'000	2015 \$'000
Fair value (losses)/gains on foreign exchange contracts and financial assets held for trading	(2,352)	2,190
Gain on disposal of available-for-sale financial assets	46	3,528
Loss on disposal of subsidiaries	-	(43)
Surplus on liquidation of an associated company	106	-
Currency exchange gain – net	2,462	712
	262	6,387

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

7. EXPENSES BY NATURE

	Group	
	2016 \$'000	2015 \$'000
Employee compensation (Note 8)	71,317	81,230
Engineering and project management expenses	253,919	296,597
Purchases of inventories and services	68,231	62,280
Depreciation expense (Notes 21 and 22)	10,601	7,827
Directors' fees	463	284
Allowance for impairment of trade receivables, net	138	752
Allowance for impairment of investment in an associated company	-	120
Write-off of trade receivables	-	31
Fees on audit services paid/payable to:		
- Auditor of the Company for statutory audit	404	383
- Auditor of the Company for other audit services	-	207
- Other auditors	224	275
Fees on non-audit services paid/payable to:		
- Auditor of the Company	25	-
- Other auditors	84	131
Impairment loss on goodwill	-	1,363
Amortisation of other intangible assets	214	-
Legal and professional fees	4,172	5,094
Rental expense on operating leases	8,670	8,189
Property tax	3,673	2,727
Utility charges	375	616
Repair and maintenance expenses	2,844	2,049
Selling expenses	3,606	4,949
Loss on disposal of property, plant and equipment	89	15
Others	1,827	1,654
Total cost of sales, selling and distribution and administrative expenses	430,876	476,773

8. EMPLOYEE COMPENSATION

	Group	
	2016 \$'000	2015 \$'000
Wages and salaries	65,080	74,940
Employer's contribution to defined contribution plans including Central Provident Fund	5,464	5,602
Employee share-based compensation expense (Note 32)	514	482
Other benefits	259	206
	71,317	81,230

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

9. FINANCE EXPENSES

	Group	
	2016 \$'000	2015 \$'000
Interest expense	4,207	2,190

10. INCOME TAXES

(a) Income tax expense

	Group	
	2016 \$'000	2015 \$'000
Tax expense attributable to profit is made up of:		
- Profit for the financial year:		
Current income tax		
- Singapore	11,222	11,473
- Foreign	5,387	12,327
	16,609	23,800
Deferred income tax (Note 27)	798	151
	17,407	23,951
- (Over)/Under provision in prior financial years:		
Current income tax	(1,999)	(1,348)
Deferred income tax (Note 27)	-	29
	15,408	22,632

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2016 \$'000	2015 \$'000
Profit before tax	56,543	88,981
Share of loss of associated companies and joint ventures	2,675	1,218
Profit before tax and share of loss of associated companies and joint ventures	59,218	90,199
Tax calculated at tax rate of 17% (2015: 17%)	10,067	15,334
Effects of:		
- Singapore statutory tax exemption	(115)	(566)
- expenses not deductible for tax purposes	2,434	1,693
- different tax rates in other countries	3,660	4,107
- deferred income tax assets not recognised	1,244	1,727
- income not subject to tax	(76)	(642)
- tax incentives	(524)	(80)
- intra-group unrealised gains subject to tax	1,243	2,809
- over provision in prior financial years - net	(1,999)	(1,319)
- others	(526)	(431)
Tax charge	15,408	22,632

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

10. INCOME TAXES (cont'd)

(b) Movement in current income tax liabilities

	Group	
	2016 \$'000	2015 \$'000
Beginning of financial year	17,983	14,723
Currency translation differences	(79)	(163)
Income tax paid	(20,924)	(19,029)
Tax expense	16,609	23,800
Over provision in prior financial years	(1,999)	(1,348)
End of financial year	11,590	17,983

11. EARNINGS PER SHARE

(a) Basic earnings per share

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

	2016	2015
Profit attributable to equity holders of the Company (\$'000)	28,247	63,282
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	519,875	516,468
Basic earnings per share (cents per share)	5.43	12.25

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares.

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

Diluted earnings per share attributable to equity holders of the Company is calculated as follows:

	2016	2015
Profit attributable to equity holders of the Company (\$'000)	28,247	63,282
Weighted average number of ordinary shares outstanding for diluted earnings per share ('000)	520,464	517,334
Diluted earnings per share (cents per share)	5.43	12.23

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

12. CASH AND CASH EQUIVALENTS

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Cash at bank and on hand	135,438	118,511	8,681	19,923
Short-term bank deposits	123,631	141,542	52,363	33,309
	259,069	260,053	61,044	53,232

Included in the cash and cash equivalents are allowance for cash held in Libya amounting to \$1,094,000 (2015: \$1,110,000). As a result of the civil unrest and armed conflict in Libya in 2011, management was of the view that the cash held in Libya might not be recoverable.

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

Disposal of subsidiaries

The effects of the disposal of subsidiaries in 2015 on the cash flows of the Group were:

	2015 \$'000
Cash and cash equivalents	575
Total other assets	1,933
Total liabilities	(890)
Foreign currency translation reserve	206
Non-controlling interest	(6)
Net assets disposed of	1,818
Loss on disposal (Note 6)	(43)
Cash proceeds from disposal	1,775
Net cash and cash equivalents disposed of	(575)
Net cash inflow on disposal of subsidiaries	1,200

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

13. TRADE RECEIVABLES

	Group	
	2016 \$'000	2015 \$'000
<i>Current</i>		
Trade receivables – non-related parties	119,654	143,056
Less: Allowance for impairment of receivables – non-related parties	(28,118)	(27,567)
	91,536	115,489
Trade receivables – an associated company	131	-
Trade receivables – joint ventures	10,891	-
	102,558	115,489
<i>Non-current</i>		
Trade receivables - non-related parties	-	7,438

Included in the Group's trade receivables is retention sum receivables of \$15,738,000 (2015: \$30,067,000).

14. OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<i>Current</i>				
Loans to:				
- A joint venture	5,453	50,940	-	-
- An associated company	3,676	4,032	-	-
- A related party*	2,710	-	-	-
	11,839	54,972	-	-
Other receivables:				
- Subsidiaries	-	-	11,282	8,391
- A joint venture	318	176	-	-
- An associated company	474	1,996	-	-
- Non-related parties	14,331	13,724	3,032	1,204
Less: Allowance for impairment of other receivables	(3,707)	(4,590)	-	-
	23,255	66,278	14,314	9,595
Tax recoverable	1,624	1,236	-	-
Deposits	1,079	2,599	-	-
Prepayments	11,326	13,379	-	-
Staff loans and advances	528	115	-	-
	37,812	83,607	14,314	9,595

* Subsidiary of an associated company

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

14. OTHER RECEIVABLES AND PREPAYMENTS (cont'd)

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<i>Non-current</i>				
Other receivables	1,618	-	-	-
Prepayments	2,209	1,241	-	-
	3,827	1,241	-	-

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

The non-trade amounts due from subsidiaries, an associated company and a joint venture are unsecured, interest-free and repayable on demand.

The Group has recognised allowance for impairment of receivables from non-related parties amounting to \$3,707,000 (2015: \$4,590,000) as management does not expect to recover the receivables from the non-related parties. 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 impairment of other receivables:

	Group	
	2016 \$'000	2015 \$'000
Beginning of financial year	4,590	4,666
Currency translation differences	(883)	(76)
End of financial year	3,707	4,590

15. FINANCIAL ASSETS HELD FOR TRADING

	Group and Company	
	2016 \$'000	2015 \$'000
Credit-linked notes	970	-

Financial assets held for trading relate to credit-linked notes that present the Group and Company with opportunities for return through interest income and fair value gains.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

16. LOANS TO/FROM SUBSIDIARIES

	Company	
	2016 \$'000	2015 \$'000
Loans to subsidiaries		
- Non-interest bearing	19,349	47,669
- Interest bearing	12,185	6,481
	31,534	54,150
Less: Allowance for impairment of loans to subsidiaries	(18,384)	(16,968)
	13,150	37,182
Loans from subsidiaries		
- Non-interest bearing	3,472	3,472
- Interest bearing	30,515	158,937
	33,987	162,409

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

Interest bearing loans to subsidiaries bears effective interest at 0.18% (2015: 1.16%) per annum.

Interest bearing loans from subsidiaries bear effective interest at 1.52% (2015: 0.48%) per annum.

Movement in the allowance for impairment of loans to subsidiaries:

	Company	
	2016 \$'000	2015 \$'000
Beginning of financial year	16,968	11,797
Allowance made	2,539	5,778
Allowance written back	(1,123)	(607)
End of financial year	18,384	16,968

17. INVENTORIES

	Group	
	2016 \$'000	2015 \$'000
Raw materials	4,384	3,843
Finished goods	1,168	2,279
	5,552	6,122

The cost of inventories recognised as an expense and included in "cost of sales" amounted to \$30,310,000 (2015: \$22,525,000).

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

18. PROPERTIES HELD FOR SALE

The Group has the following properties held for sale:

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

As at 31 March 2016, properties held for sale amounting to \$8,984,000 (2015: \$28,935,000) are pledged to the banks for banking facilities (Note 29).

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

19. CONTRACTS WORK-IN-PROGRESS

	Group	
	2016 \$'000	2015 \$'000
<i>Contracts work-in-progress:</i>		
Amounts due from contract customers	34,962	74,587
Aggregate contract costs incurred and profits recognised to date	409,809	345,914
Less: Progress billings	(369,038)	(264,558)
Less: Allowance for foreseeable losses	(5,809)	(6,769)
	34,962	74,587
<i>Contracts work-in-progress:</i>		
Amounts due to contract customers	15,900	8,406
Progress billings	177,464	122,065
Less: Aggregate contract costs incurred and profits recognised to date	(161,564)	(113,659)
	15,900	8,406

20. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Beginning of financial year	77,457	77,745	59,585	59,788
Currency translation differences	(99)	496	(99)	581
Additions	7,576	7,291	7,535	7,291
Fair value losses recognised in other comprehensive income (Note 33)	(144)	(1,009)	(144)	(1,009)
Disposals	(9,657)	(7,066)	(30,135)	(7,066)
End of financial year	75,133	77,457	36,742	59,585
Less: Current portion	(13,557)	(4,070)	(13,557)	(24,548)
Non-current portion	61,576	73,387	23,185	35,037

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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

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

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Quoted securities				
- Equity shares, at fair value	1,930	2,080	1,930	2,080
- Debt securities, at fair value	34,812	37,027	34,812	37,027
Unquoted securities				
- Equity shares, at fair value	17,872	17,872	-	-
- Equity shares, at cost	20,519	20,478	-	20,478
Total	75,133	77,457	36,742	59,585
Less: Current portion	(13,557)	(4,070)	(13,557)	(24,548)
Non-current portion	61,576	73,387	23,185	35,037

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

The remaining unquoted equity security amounting to \$20,519,000 (2015: \$20,478,000) is carried at cost. There is no active market for the security and the fair value cannot be reasonably measured using valuation techniques.

21. PROPERTY, PLANT AND EQUIPMENT

	Freehold land \$'000	Building \$'000	Leasehold properties \$'000	Machinery and equipment \$'000	Furniture, office equipment and motor vehicles \$'000	Total \$'000
Group						
2016						
<i>Cost</i>						
Beginning of financial year	509	5,773	4,877	9,599	15,668	36,426
Currency translation differences	(22)	(256)	(180)	(89)	(410)	(957)
Additions	-	-	622	346	1,961	2,929
Disposals	-	-	(339)	(919)	(1,308)	(2,566)
Reclassification	-	-	28	-	(28)	-
End of financial year	487	5,517	5,008	8,937	15,883	35,832
<i>Accumulated depreciation</i>						
Beginning of financial year	-	692	3,012	5,657	10,333	19,694
Currency translation differences	-	(39)	(107)	(78)	(314)	(538)
Depreciation charge	-	119	418	1,534	2,233	4,304
Disposals	-	-	(282)	(903)	(1,008)	(2,193)
Reclassification	-	-	1	-	(1)	-
End of financial year	-	772	3,042	6,210	11,243	21,267
Net book value						
End of financial year	487	4,745	1,966	2,727	4,640	14,565

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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

	Freehold land	Building	Leasehold properties	Machinery and equipment	Furniture, office equipment and motor vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group						
2015						
<i>Cost</i>						
Beginning of financial year	524	5,938	5,206	9,510	14,984	36,162
Currency translation differences	(15)	(165)	(348)	254	(367)	(641)
Additions	-	-	83	239	3,448	3,770
Disposals	-	-	(64)	(404)	(2,397)	(2,865)
End of financial year	509	5,773	4,877	9,599	15,668	36,426
<i>Accumulated depreciation</i>						
Beginning of financial year	-	584	2,883	4,649	11,021	19,137
Currency translation differences	-	(10)	(199)	36	(326)	(499)
Depreciation charge	-	118	392	1,376	1,956	3,842
Disposals	-	-	(64)	(404)	(2,318)	(2,786)
End of financial year	-	692	3,012	5,657	10,333	19,694
Net book value						
End of financial year	509	5,081	1,865	3,942	5,335	16,732

22. INVESTMENT PROPERTIES

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

Investment properties are leased to non-related parties under operating leases [Note 36(c)].

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

22. INVESTMENT PROPERTIES (cont'd)

The following amounts are recognised in profit and loss:

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

At the statement of financial position date, the details of the Group's investment properties are as follows:

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

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

As at 31 March 2016, investment properties amounting to \$47,870,000 (2015: \$159,857,000) are pledged to banks for banking facilities (Note 29).

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

22. INVESTMENT PROPERTIES (cont'd)

Fair value hierarchy

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

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

23. OTHER INTANGIBLE ASSETS

	Group	
	2016 \$'000	2015 \$'000
Composition:		
Goodwill arising on consolidation [Note 23(a)]	-	-
Other intangible assets [Note 23(b)]	1,186	1,452
	1,186	1,452

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

23. OTHER INTANGIBLE ASSETS (cont'd)

(a) Goodwill arising on consolidation

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 had been allocated to Mapdata Services Pty Ltd CGU within the geo-spatial technology segment.

The recoverable amount of a CGU is determined based on value-in-use. Cash flow projections used in the value-in-use calculations are based on financial budgets approved by management covering a five year period and a terminal value. The cash flow projections are based on assumptions in relation to cash inflows and outflows that represent management's best estimate of future cash flows, based on past experience and expectations for the future.

In 2015, the goodwill had been fully impaired.

Key assumptions used for value-in-use calculations:

	2016 %	2015 %
Discount rate	-	12.0
Terminal growth rate	-	3.0

These assumptions were used for the analysis of the CGU. The discount rate used was pre-tax and reflected specific risks relating to the type of business and segment within which it operates. The terminal growth rate used represented management's minimum expectation of long-term growth.

In 2015, an impairment charge of \$1,363,000 was included within "Administrative expenses" in the profit or loss. The impairment charge had arisen due to sales activity below expected levels as a result of unfavourable business conditions and staff turnover.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

23. OTHER INTANGIBLE ASSETS (cont'd)

(b) Other intangible assets

	Intellectual property rights	Independent power producer rights	Trademarks	Customer lists	Others	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group						
2016						
<i>Cost</i>						
Beginning of financial year	-	-	1,358	392	399	2,149
Currency translation differences	-	-	(47)	-	-	(47)
End of financial year	-	-	1,311	392	399	2,102
<i>Accumulated amortisation</i>						
Beginning of financial year	-	-	-	392	143	535
Amortisation charge	-	-	214	-	-	214
End of financial year	-	-	214	392	143	749
<i>Accumulated impairment</i>						
Beginning of financial year	-	-	-	-	162	162
Currency translation differences	-	-	5	-	-	5
End of financial year	-	-	5	-	162	167
Net book value						
End of financial year	-	-	1,092	-	94	1,186
2015						
<i>Cost</i>						
Beginning of financial year	423	867	1,459	421	399	3,569
Currency translation differences	-	-	(101)	(29)	-	(130)
Disposals	(423)	(867)	-	-	-	(1,290)
End of financial year	-	-	1,358	392	399	2,149
<i>Accumulated amortisation</i>						
Beginning of financial year	94	-	-	421	143	658
Currency translation differences	-	-	-	(29)	-	(29)
Disposals	(94)	-	-	-	-	(94)
End of financial year	-	-	-	392	143	535
<i>Accumulated impairment</i>						
Beginning of financial year	329	-	-	-	162	491
Disposals	(329)	-	-	-	-	(329)
End of financial year	-	-	-	-	162	162
Net book value						
End of financial year	-	-	1,358	-	94	1,452

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

23. OTHER INTANGIBLE ASSETS (cont'd)

(b) Other intangible assets (cont'd)

Intellectual property rights in 2015 were acquired by a subsidiary relate to the manufacture, assembly, sale and commercial operation of certain boilers on a worldwide basis. The intellectual property rights were disposed in 2015.

In 2014, the Group acquired independent power producer rights, which relate to rights to sell electricity generated by solar power to public utilities in Japan under the feed-in-tariff scheme. The independent power producer rights were disposed in 2015.

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. In 2015, management was of the view that the trademarks would continuously be renewed for the foreseeable future, and hence were deemed to have an indefinite useful life. During the year, management performed a useful life assessment and assessed the trademarks to have a finite estimated useful life of 6 years. This change is accounted for prospectively, as a change in accounting estimate, with amortisation expense amounting to \$214,000 recognised in the current financial year.

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

24. INVESTMENTS IN ASSOCIATED COMPANIES

	Group	
	2016 \$'000	2015 \$'000
Beginning of financial year	3,761	3,959
Currency translation differences	(97)	(34)
Disposals	(2,667)	-
Allowance made for impairment loss	-	(120)
Elimination of share of unrealised construction profits	(660)	-
Share of loss, net of tax	(137)	(44)
End of financial year	200	3,761

	Company	
	2016 \$'000	2015 \$'000
<i>Unquoted equity shares at cost</i>		
Beginning of financial year	3,940	3,940
Disposals	(3,940)	-
End of financial year	-	3,940
<i>Allowance for impairment loss</i>		
Beginning of financial year	1,273	1,273
Disposals	(1,273)	-
End of financial year	-	1,273
	-	2,667

The associated companies are, in the opinion of the directors, not material to the Group.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

24. INVESTMENTS IN ASSOCIATED COMPANIES (cont'd)

The aggregate of the Group's share in the net loss and total comprehensive income of individually immaterial associated companies and their carrying amount are as follows:

	Group	
	2016 \$'000	2015 \$'000
- Net loss and total comprehensive loss	(137)	(44)
- Carrying amount	200	3,761

The Group has granted a proportional corporate guarantee to the bank as security for the loan of \$27,110,000 (2015: \$25,834,000) granted to an associated company.

25. INVESTMENTS IN JOINT VENTURES

	Group	
	2016 \$'000	2015 \$'000
Beginning of financial year	10,728	4,467
Additions	-	-*
Shareholders' loans	4,905	7,435
Elimination of share of unrealised construction profits	(1,999)	(831)
Share of gains/(losses), net of tax	121	(343)
End of financial year	13,755	10,728

* Less than \$1,000

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

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

BP-Vista LLP ("BP-Vista")

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

25. INVESTMENTS IN JOINT VENTURES (cont'd)

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

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

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

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

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

Summarised financial information for joint ventures

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

Summarised balance sheet

	BP-Vista LLP		BP-Ubi Development Pte Ltd and its subsidiary		Total	
	As at 31 March		As at 31 March		As at 31 March	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current assets	3,899	5,662	1,915	1,775	5,814	7,437
Includes:						
- Cash and cash equivalents	1,109	1,039	1,433	1,596	2,542	2,635
Non-current assets	93,950	68,012	31,884	33,123	125,834	101,135
Current liabilities	(16,446)	(51,096)	(2,328)	(2,647)	(18,774)	(53,743)
Includes:						
- Financial liabilities (excluding trade and other payables)	(5,453)	(50,940)	(800)	(800)	(6,253)	(51,740)
- Other liabilities (including trade and other payables)	(10,993)	(156)	(1,528)	(1,847)	(12,521)	(2,003)
Non-current liabilities	(81,413)	(22,720)	(32,068)	(32,868)	(113,481)	(55,588)
Includes:						
- Financial liabilities	(47,600)	-	(21,250)	(22,050)	(68,850)	(22,050)
Net (liabilities)/assets	(10)	(142)	(597)	(617)	(607)	(759)

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

25. INVESTMENTS IN JOINT VENTURES (cont'd)

Summarised statement of comprehensive income

	BP-Vista LLP		BP-Ubi Development Pte Ltd and its subsidiary		Total	
	For the financial year ended 31 March		For the financial year ended 31 March		For the financial year ended 31 March	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Revenue	-	-	3,168	1,618	3,168	1,618
Interest income	142	-	8	71	150	71
Expenses	(10)	(142)	(2,944)	(2,207)	(2,954)	(2,349)
Includes:						
- Depreciation and amortisation	-	-	(1,407)	(1,269)	(1,407)	(1,269)
- Interest expense	-	(142)	(631)	(374)	(631)	(516)
- Other expenses	(10)	-*	(906)	(564)	(916)	(564)
Profit/(Loss) before income tax	132	(142)	232	(518)	364	(660)
Income tax expense	-	-	(212)	(82)	(212)	(82)
Profit/(Loss) after income tax and total comprehensive income	132	(142)	20	(600)	152	(742)

* Less than \$1,000

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

Reconciliation of summarised financial information

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

	BP-Vista LLP		BP-Ubi Development Pte Ltd and its subsidiary		Total	
	As at 31 March		As at 31 March		As at 31 March	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Net liabilities						
Beginning of financial year	(142)	-	(617)	(17)	(759)	(17)
Profit/(Loss) for the financial year	132	(142)	20	(600)	152	(742)
End of financial year	(10)	(142)	(597)	(617)	(607)	(759)
Interests in joint ventures (30%; 50%)	(3)	(43)	(299)	(309)	(302)	(352)
Shareholders' loans	10,143	6,818	5,409	5,409	15,552	12,227
Elimination of share of unrealised construction profits	(516)	-	(1,157)	(1,218)	(1,673)	(1,218)
Carrying value	9,624	6,775	3,953	3,882	13,577	10,657

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

25. INVESTMENTS IN JOINT VENTURES (cont'd)

The aggregate of the Group's share in the net loss and total comprehensive income of individually immaterial joint venture and the carrying amount is as follows:

	Group	
	2016 \$'000	2015 \$'000
- Net loss and total comprehensive loss	71	-*
- Carrying amount	178	71

* Less than \$1,000

Details of the more significant joint venture are included in Note 26.

26. INVESTMENTS IN SUBSIDIARIES

	Company	
	2016 \$'000	2015 \$'000
Unquoted equity shares at cost		
Beginning of financial year	136,543	136,543
Disposals	(33,834)	-
End of financial year	102,709	136,543
Less: Allowance for impairment losses	(32,005)	(30,005)
	70,704	106,538
 Loans to subsidiaries	 25,265	 26,373
Less: Allowance for impairment of loans to subsidiaries	(16,504)	(16,041)
	8,761	10,332
	79,465	116,870

The loans to subsidiaries are unsecured and interest-free. The loans to subsidiaries are treated as part of investments in subsidiaries as the Company does not expect to demand repayment of the loans.

Movement in the allowance for impairment losses is as follows:

	Company	
	2016 \$'000	2015 \$'000
Beginning of financial year	30,005	30,190
Allowance made	2,000	-
Allowance written off	-	(185)
End of financial year	32,005	30,005

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

26. INVESTMENTS IN SUBSIDIARIES (cont'd)

In 2016, management assessed the recoverability of its investments and is 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 (2015: \$Nil) has been made.

Movement in the allowance for impairment of loans to subsidiaries is as follows:

	Company	
	2016 \$'000	2015 \$'000
Beginning of financial year	16,041	16,344
Allowance made	860	-
Allowance written back	(397)	(303)
End of financial year	16,504	16,041

In 2016 and 2015, there were write-backs of allowance for loan receivables as a portion of the loan receivables from its subsidiaries has been repaid.

In 2016, management has assessed the recoverability of the loans to subsidiaries and is of the view that the amounts may not be recoverable, and accordingly has made additional allowance for impairment of \$886,000 (2015: \$Nil).

On 23 March 2015, the Company entered into the Restructuring Agreement with its wholly-owned subsidiary, Boustead Projects Limited ("BPL") and the Wuxi Boustead Sale and Purchase Agreement with a wholly-owned subsidiary of BPL, to dispose its entire equity interest of the following companies:

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

On 30 April 2015, BPL's shares were listed on the SGX-ST following the completion of the restructuring exercise, and a distribution *in specie* of 48.8% of the shares of BPL held by the Company to its shareholders was completed. As a result of it, the Company's equity holding in BPL has been diluted to 51.2%.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

26. INVESTMENTS IN SUBSIDIARIES (cont'd)

Details of more significant subsidiaries and joint ventures are set out below:

Name of companies	Principal activities	Country of business incorporation	Equity holding	
			2016 %	2015 %
<u>Significant subsidiaries held by the Company</u>				
Boustead Projects Limited ⁽¹⁾ (formerly known as Boustead Projects Pte Ltd)	Design-and-build and development of industrial facilities and industrial parks for lease or sale	Singapore	51.2	100.0
Boustead Services Pte Ltd ⁽¹⁾	Provision of management services	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
<u>Significant subsidiaries held by the Company’s subsidiaries</u>				
Boustead Trustees Pte Ltd ⁽¹⁾	Trustee for real estate trust	Singapore	51.2	100.0
CN Logistics Pte Ltd ⁽¹⁾	Holding of property for rental income	Singapore	51.2	100.0
Boustead Projects (Vietnam) Co. Ltd ⁽⁵⁾	Design and build contractors	Vietnam	51.2	100.0
BP-UMS Pte Ltd ⁽¹⁾	Holding of property for rental income	Singapore	51.2	100.0
BP-Tuas 1 Pte Ltd ⁽¹⁾	Holding of property for rental income	Singapore	51.2	100.0
BP-CA Pte Ltd ⁽¹⁾	Holding of property for rental income	Singapore	51.2	100.0
BP-SFN Pte Ltd ⁽¹⁾	Holding of property for rental income	Singapore	51.2	100.0
BP-BBD Pte Ltd ⁽¹⁾	Holding of property for rental income	Singapore	51.2	100.0
PIP Pte Ltd ⁽¹⁾	Provide project management, design, construction and property-related services	Singapore	51.2	100.0
BP-EA Pte Ltd ⁽¹⁾	Holding of property for rental income	Singapore	51.2	100.0
BP-JCS Pte Ltd ⁽¹⁾	Holding of property for rental income	Singapore	51.2	100.0
BP-Lands Sdn Bhd ⁽⁴⁾	Investment holding	Malaysia	51.2	100.0
BP-TN Pte Ltd ⁽¹⁾	Holding of property for rental income	Singapore	51.2	100.0
Wuxi Boustead Industrial Development Co. Ltd ⁽⁵⁾	Development of industrial space for lease/sale	People’s Republic of China	51.2	100.0

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

26. INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of companies	Principal activities	Country of business incorporation	Equity holding	
			2016 %	2015 %
<u>Significant subsidiaries held by the Company’s subsidiaries (cont’d)</u>				
Boustead Real Estate Fund ⁽¹⁾	Private business trust	Singapore	51.2	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 ⁽⁴⁾	Exclusive distributor for Esri geo-spatial technology and provider of professional services and training	Malaysia	88.2	88.2
Esri Singapore Pte Ltd ⁽¹⁾	Exclusive distributor for Esri geo-spatial technology and provider of professional services and training	Singapore	88.2	88.2
PT Esri Indonesia ⁽⁵⁾	Exclusive distributor for Esri geo-spatial technology and provider of professional services and training	Indonesia	88.2	88.2
Boustead International Heaters Limited ⁽³⁾	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 ⁽⁴⁾	Design, engineering and supply of process heater systems and waste heat recovery units	Malaysia	100.0	100.0
<u>Significant joint ventures held by the Company’s subsidiary</u>				
BP-Vista LLP ⁽¹⁾	Holding of property for rental income	Singapore	30.0	30.0
BP-Ubi Development Pte Ltd ⁽¹⁾	Holding of property for rental income	Singapore	50.0	50.0

⁽¹⁾ Audited by PricewaterhouseCoopers LLP, Singapore⁽²⁾ Audited by PricewaterhouseCoopers, Australia⁽³⁾ Audited by PricewaterhouseCoopers LLP, United Kingdom⁽⁴⁾ Audited by PricewaterhouseCoopers, Malaysia⁽⁵⁾ Audited by other auditors

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

26. INVESTMENTS IN SUBSIDIARIES (cont'd)

Carrying value of non-controlling interests

	2016 \$'000	2015 \$'000
Boustead Projects Limited	94,086	-
Other subsidiaries with immaterial non-controlling interests	10,809	10,456
Total	104,895	10,456

Summarised financial information of subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

There were no transactions with non-controlling interests for the financial years ended 31 March 2016 and 2015.

Summarised statement of financial position

	Boustead Projects Limited	
	As at 31 March	
	2016 \$'000	2015 \$'000
Current		
Assets	214,570	410,780
Liabilities	(126,884)	(177,425)
Total current net assets	87,686	233,355
Non-current		
Assets	202,666	197,836
Liabilities	(96,492)	(178,546)
Total non-current net assets	106,174	19,290
Net assets	193,860	252,645

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

26. INVESTMENTS IN SUBSIDIARIES (cont'd)

Summarised income statement

	Boustead Projects Limited	
	For the financial year ended 31 March	
	2016 \$'000	2015 \$'000
Revenue	255,475	255,389
Profit before income tax	29,709	33,422
Income tax expense	(6,844)	(8,860)
Total profit	22,865	24,562
Other comprehensive (loss)/income, net of tax	(1,650)	199
Total comprehensive income	21,215	24,761
Total comprehensive income allocated to non-controlling interests	10,917	-

Summarised cash flows

	Boustead Projects Limited
	31 March 2016
	\$'000
Cash flows from operating activities	
Cash generated from operations	40,607
Interest received	3,365
Interest paid	(3,985)
Income tax paid	(8,999)
Net cash provided by operating activities	30,988
Net cash provided by investing activities	140,381
Net cash used in financing activities	(193,780)
Net decrease in cash and cash equivalents	(22,411)
Cash and cash equivalents at beginning of financial year	114,279
Effects of currency translation on cash and cash equivalents	(992)
Cash and cash equivalents at end of financial year	90,876

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

27. DEFERRED INCOME TAXES

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

	Group	
	2016 \$'000	2015 \$'000
Deferred income tax assets		
- To be recovered after one financial year	2,369	2,333
Deferred income tax liabilities		
- To be settled after one financial year	3,035	2,123

Movement in deferred income tax account is as follows:

	Group	
	2016 \$'000	2015 \$'000
Beginning of financial year	210	548
Currency translation differences	(78)	(158)
Tax charged to profit or loss [Note 10(a)]	(798)	(180)
End of financial year	(666)	210

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses and capital allowances of \$39,318,000 (2015: \$30,357,000) at the statement of financial position date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. The tax losses and capital allowances have no expiry date.

Deferred income tax liabilities of \$1,272,000 (2015: \$2,894,000) have not been recognised for the withholding and other taxes that will be payable on the earnings of overseas subsidiaries when remitted to the holding company. These unremitted profits are permanently reinvested and amount to \$7,341,000 (2015: \$13,701,000) at the statement of financial position date.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

27. DEFERRED INCOME TAXES (cont'd)

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

Group

Deferred income tax liabilities

	Accelerated tax depreciation	Others	Total
	\$'000	\$'000	\$'000
2016			
Beginning of financial year	(2,039)	(84)	(2,123)
Currency translation differences	9	2	11
Charged to profit or loss	(880)	(43)	(923)
End of financial year	(2,910)	(125)	(3,035)

2015

Beginning of financial year	(1,975)	(211)	(2,186)
Currency translation differences	4	8	12
(Charged)/Credited to profit or loss	(68)	119	51
End of financial year	(2,039)	(84)	(2,123)

Deferred income tax assets

	Provisions \$'000
2016	
Beginning of financial year	2,333
Currency translation differences	(89)
Credited to profit or loss	125
End of financial year	2,369
2015	
Beginning of financial year	2,734
Currency translation differences	(170)
Charged to profit or loss	(231)
End of financial year	2,333

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

28. TRADE AND OTHER PAYABLES

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<i>Current</i>				
Trade payables to:				
- Non-related parties	36,885	47,870	-	-
Advances received	1,180	468	-	-
Retention sum payables	22,200	20,524	-	-
Sundry creditors	6,252	11,274	703	5,420
Dividends payable to non-controlling interests	391	571	-	-
Deposits received	7,548	7,912	-	-
Deferred income from maintenance contracts	24,784	24,528	-	-
Accruals for construction contracts	64,912	97,706	-	-
Accruals for operating expenses	19,226	26,706	641	1,457
	183,378	237,559	1,344	6,877
<i>Non-current</i>				
Retention sum payables	5,401	2,324	-	-
Deferred income from maintenance contracts	1,811	3,535	-	-
Total trade and other payables	7,212	5,859	-	-

Included in accruals for construction contracts is a provision for liquidated damages amounting to \$2,712,000 (2015: \$1,969,000). During the financial year, there was \$3,330,000 (2015: \$679,000) utilised and \$4,073,000 (2015: \$1,833,000) which was charged to cost of sales.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

29. BORROWINGS

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

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

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

(a) Security granted

Total borrowings include secured liabilities of \$93,449,000 (2015: \$186,479,000) for the Group. Bank borrowings are secured over properties held for sale (Note 18) and investment properties (Note 22).

(b) Fair value of non-current borrowings

At the statement of financial position date, the carrying amounts of the borrowings approximated their fair values as all the amounts are at floating interest rates and are revised every one to six months.

30. FOREIGN EXCHANGE CONTRACTS

	Group			Company		
	Contract notional amount	Fair value		Contract notional amount	Fair value	
	\$'000	Asset \$'000	Liability \$'000	\$'000	Asset \$'000	Liability \$'000
2016						
<i>Net investment hedges</i>						
Currency forward	(4,333)	-	(306)	-	-	-
Options	(3,200)	13	-	-	-	-
Derivatives held for hedging		13	(306)		-	-
<i>Non-hedging instruments</i>						
Currency forwards	(2,691)	55	(1,274)	(11,525)	56	(575)
		68	(1,580)		56	(575)
2015						
<i>Non-hedging instruments</i>						
Currency forwards	(28,803)	1,642	(833)	(16,010)	135	(833)

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

31. PENSION LIABILITY

A subsidiary in the United Kingdom ("UK") operates a defined benefit pension scheme in the UK – Boustead International Heaters Limited Pension Plan. 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. The significant actuarial assumptions used were as follows:

Key assumptions used by the actuaries

	2016	2015
Discount rate (per annum)	3.70%	3.50%
Rate of price inflation (per annum)	3.30%	3.25%
Rate of increase in salaries (per annum)	2.70%	2.65%
Post-retirement mortality assumption	100% of S1PXA, CMI 2012 projections, 1.5% per annum long-term rate	100% of S1PXA, CMI 2012 projections, 1.5% per annum long-term rate

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the key assumptions is:

- a 0.10% (2015: 0.10%) decrease in discount rate would increase liabilities by \$428,000 (2015: \$469,000).
- a 0.10% (2015: 0.10%) increase in rate of price inflation would increase liabilities by \$487,000 (2015: \$509,000).
- a 0.10% (2015: 0.10%) increase in rate of increase in salaries would increase liabilities by \$97,000 (2015: \$102,000).
- a 0.25% (2015: 0.25%) increase in mortality long-term rate would increase liabilities by \$409,000 (2015: \$428,000).

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the attained age method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

Reconciliation to statement of financial position

The amount recognised in the statement of financial position is determined as follows:

	Group	
	2016 \$'000	2015 \$'000
Present value of defined benefit obligation	24,564	26,040
Fair value of plan assets	(21,824)	(22,798)
Liability recognised in the statement of financial position	2,740	3,242

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

31. PENSION LIABILITY (cont'd)

The movement in the pension liability is as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Total
	\$'000	\$'000	\$'000
Group			
2016			
Beginning of financial year	26,040	(22,798)	3,242
Current service cost	259	-	259
Interest expense/(income)	950	(816)	134
	1,209	(816)	393
Remeasurements:			
- Return on plan assets, excluding amounts included in interest income	-	949	949
- Loss from change in financial assumptions	(938)	-	(938)
	(938)	949	11
Exchange differences	(1,035)	1,014	(21)
Contributions:			
- Employers	-	(885)	(885)
- Plan participants	96	(96)	-
Payments from plans:			
- Benefits payments	(808)	808	-
End of financial year	24,564	(21,824)	2,740
2015			
Beginning of financial year	23,312	(20,218)	3,094
Current service cost	206	-	206
Interest expense/(income)	1,076	(1,036)	40
	1,282	(1,036)	246
Remeasurements:			
- Return on plan assets, excluding amounts included in interest income	-	(2,110)	(2,110)
- Loss from change in financial assumptions	2,745	-	2,745
	2,745	(2,110)	635
Exchange differences	(620)	767	147
Contributions:			
- Employers	-	(880)	(880)
- Plan participants	106	(106)	-
Payments from plans:			
- Benefits payments	(785)	785	-
End of financial year	26,040	(22,798)	3,242

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

31. PENSION LIABILITY (cont'd)

Plan assets are comprised as follows:

	Group	
	2016 \$'000	2015 \$'000
Diversified growth funds	8,511	9,156
Index-linked bonds	5,237	4,826
Other bonds	7,856	8,659
Cash	220	157
Total	21,824	22,798

Majority of the plan assets are quoted in an active market. The plan assets do not include any investment in shares of the Company or any assets used by the Group.

Through its defined benefit pension scheme, the Group is exposed to two primary risks which are detailed below:

Inflation risk	The majority of the plan's defined benefit obligations are linked to inflation and an increase in inflation will lead to higher liabilities. Risk is mitigated through investment in index-linked bonds and caps on annual increases in pensions and pensionable salaries.
Life expectancy	The defined benefit obligations have been valued based on assumptions regarding mortality. A relatively small number of plan members, combined with a wide distribution of pensionable salary and pension levels, increases the risk of volatility in the valuation of those obligations over time. However, the plan has fairly matured demographically and has been closed to new members since 2002.

The Group ensures that the plan's investment portfolio is managed in accordance with an agreed investment policy. The principal objectives of the investment policy are to ensure that the plan can meet its obligations as they fall due and to manage the expected volatility of returns over time in order to control the level of volatility in the plan's required contribution levels. The investment policy also sets benchmark allocations between growth-driven and protection-driven asset classes. The allocation between these classes is periodically reviewed and adjusted if necessary to match the plan's obligations accordingly.

The Group has agreed that it will aim to eliminate the pension plan deficit over the next four years, by contributing \$625,000, inflated at 3.7% per year. The Group considers that the contribution rates set are sufficient to eliminate the deficit over the agreed period.

Expected contribution to the defined pension benefit scheme for the year ending 31 March 2017 is \$806,000.

The weighted average duration of the defined benefit obligation is 18.0 years (2015: 17.5 years).

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

32. SHARE CAPITAL AND TREASURY SHARES

	← No. of ordinary shares →		← Amount →	
	Issued share capital	Treasury shares	Issued share capital	Treasury shares
	'000	'000	\$'000	\$'000
Group and Company				
2016				
Beginning of financial year	520,189	16,126	101,324	(10,263)
Shares issued pursuant to scrip dividend scheme	4,117	-	3,231	-
Treasury shares re-issued	276	(276)	-	176
Repurchase of shares	(1,950)	1,950	-	(2,513)
End of financial year	522,632	17,800	104,555	(12,600)
2015				
Beginning of financial year	515,001	16,343	92,279	(10,401)
Shares issued	60	-	204	-
Shares issued pursuant to scrip dividend scheme	4,911	-	8,841	-
Treasury shares re-issued	217	(217)	-	138
End of financial year	520,189	16,126	101,324	(10,263)

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

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

In the previous financial year, the Company issued 60,000 ordinary shares pursuant to Boustead Share Option Scheme 2001 for a total consideration of \$36,000. The newly issued shares rank pari passu in all respects with the previously issued shares.

The Company re-issued 276,000 (2015: 217,000) treasury shares during the financial year pursuant to the Boustead Restricted Share Plan 2011. The cost of the treasury shares re-issued amounted to \$176,000 (2015: \$138,000).

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

32. SHARE CAPITAL AND TREASURY SHARES (cont'd)

Employee share plans

The Company had 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 associated companies or any other Company in which the Boustead Group holds shares) and, on a selective basis, employees of associated companies. Controlling shareholders and their associated companies are not eligible to participate in the 2001 Scheme.

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

	2016		2015	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
	'000	\$	'000	\$
Group and Company				
Outstanding at beginning of the year	-	-	60	0.6
Exercised during the financial year	-	-	(60)	0.6
Outstanding at end of the financial year	-	-	-	-
Exercisable at end of the financial year	-	-	-	-

The share price at the date of exercise for share options exercised during the financial year was \$Nil (2015: \$1.86).

There were no share options granted in 2016 and 2015.

The Boustead Share Option Scheme 2001 expired on 30 August 2011 and was replaced by the Boustead Restricted Share Plan 2011 (the "2011 Share Plan"). The 2011 Share Plan was approved by the members of the Company at its Extraordinary General Meeting on 13 October 2011. Under the 2011 Share Plan, all deserving executive employees and non-executive directors of the Company as well as associated companies 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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

32. SHARE CAPITAL AND TREASURY SHARES (cont'd)

Employee share plans (cont'd)

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:

	2016 Number of shares	2015 Number of shares
Group and Company		
Outstanding at beginning of financial year	865,788	639,809
Granted during the year	-	442,966
Vested during the year	(276,779)	(216,987)
Outstanding at end of financial year	589,009	865,788

In 2015, the fair value of the shares granted under 2011 Share Plan was \$1.87. The fair value was determined based on the market share price at the grant date.

The Group recognised total expenses of \$514,000 (2015: \$482,000) relating to equity settled share-based compensation during the financial year.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

33. OTHER RESERVES

	Fair value reserve	Capital reserve	Share-based compensation reserve	Foreign currency translation reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
2016					
Beginning of financial year	493	(9,703)	358	(12,412)	(21,264)
Available-for-sale financial assets					
- Fair value losses	(144)	-	-	-	(144)
- Reclassification to profit or loss on disposal	(46)	-	-	-	(46)
Net currency translation differences of financial statements of foreign subsidiaries and associated companies	-	-	-	(5,229)	(5,229)
Net currency translation difference on a currency forward designated as a hedge against a foreign subsidiary	-	-	-	(189)	(189)
Less: Non-controlling interests	-	-	-	965	965
Other comprehensive loss for the year	(190)	-	-	(4,453)	(4,643)
Employee share-based compensation					
- Value of employee services	-	-	514	-	514
- Treasury shares re-issued	-	182	(358)	-	(176)
Dividends					
- In scrip	-	517	-	-	517
End of financial year	303	(9,004)	514	(16,865)	(25,052)
2015					
Beginning of financial year	5,030	(9,654)	182	(9,816)	(14,258)
Available-for-sale financial assets					
- Fair value losses	(1,009)	-	-	-	(1,009)
- Reclassification to profit or loss on disposal	(3,528)	-	-	-	(3,528)
Net currency translation differences of financial statements of foreign subsidiaries and associated companies	-	-	-	(2,814)	(2,814)
Less: Non-controlling interests	-	-	-	12	12
Other comprehensive loss for the year	(4,537)	-	-	(2,802)	(7,339)
Employee share-based compensation					
- Value of employee services	-	-	482	-	482
- Issue of new shares	-	-	(168)	-	(168)
- Treasury shares re-issued	-	-	(138)	-	(138)
Issue of new shares pursuant to scrip dividend scheme	-	(49)	-	-	(49)
Disposal of subsidiaries	-	-	-	206	206
End of financial year	493	(9,703)	358	(12,412)	(21,264)

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

33. OTHER RESERVES (cont'd)

	Fair value reserve	Capital reserve	Share-based compensation reserve	Total
	\$'000	\$'000	\$'000	\$'000
Company				
2016				
Beginning of financial year	493	1,007	358	1,858
Available-for-sale financial assets				
- Fair value losses	(144)	-	-	(144)
- Reclassification to profit or loss on disposal	(46)	-	-	(46)
Other comprehensive loss for the year	(190)	-	-	(190)
Employee share-based compensation				
- Value of employee services	-	-	514	514
- Treasury shares re-issued	-	182	(358)	(176)
Dividends				
- In scrip	-	517	-	517
End of financial year	303	1,706	514	2,523
2015				
Beginning of financial year	5,030	1,056	182	6,268
Available-for-sale financial assets				
- Fair value losses	(1,009)	-	-	(1,009)
- Reclassification to profit or loss on disposal	(3,528)	-	-	(3,528)
Other comprehensive loss for the year	(4,537)	-	-	(4,537)
Employee share-based compensation				
- Value of employee services	-	-	482	482
- Issue of new shares	-	-	(168)	(168)
- Treasury shares re-issued	-	-	(138)	(138)
Issue of new shares pursuant to scrip dividend scheme	-	(49)	-	(49)
End of financial year	493	1,007	358	1,858

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

34. RETAINED PROFITS

Movement in retained profits for the Company is as follows:

	Company	
	2016 \$'000	2015 \$'000
Beginning of financial year	15,938	31,915
Profit for the financial year	159,734	21,199
Dividends paid (Note 35)		
- In cash	(12,457)	(28,384)
- <i>In specie</i>	(84,291)	-
- In scrip	(3,748)	(8,792)
End of financial year	75,176	15,938

Retained profits of the Group and the Company are distributable.

35. DIVIDENDS

In 2016, the Company declared and paid a final tax-exempt (one-tier) cash dividend of 2.0 cents per ordinary share amounting to a total of \$10,385,000 in respect of the financial year ended 31 March 2015.

In 2016, the Company declared and paid an interim tax-exempt (one-tier) cash/scrip dividend of 1.0 cent per ordinary share amounting to a total of \$5,820,000 in respect of the financial year ended 31 March 2016.

On 16 April 2015, the shareholders of the Company approved the dividend *in specie* of approximately (but not exceeding) 49.0% of the total issued share capital of Boustead Projects Limited ("BP") held by the Company to shareholders on the basis of three (3) ordinary shares in the issued share capital of BP ("BP Distribution Shares") for every 10 ordinary shares in the issued share capital of the Company. Based on 520,466,111 shares (excluding treasury shares) as at the books closure date on 24 April 2015, an aggregate of 156,138,991 BP Distribution Shares, representing approximately 48.79% of the total issued BP shares was distributed to entitled shareholders on 30 April 2015.

At the Annual General Meeting on 28 July 2016, a final tax-exempt (one-tier) cash/scrip dividend of 2.0 cents per ordinary share amounting to approximately \$10,473,000 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 March 2017.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

36. COMMITMENTS

(a) Capital commitments

Capital expenditures contracted for at the statement of financial position date but not recognised in the financial statements, excluding those relating to investments in associated companies (Note 24) and investments in joint ventures (Note 25), are as follows:

	Group	
	2016 \$'000	2015 \$'000
Property, plant and equipment	113	424

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

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

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

	Group	
	2016 \$'000	2015 \$'000
Not later than one financial year	7,982	7,701
Between two and five financial years	22,617	23,644
Later than five financial years	143,117	145,759
	173,716	177,104

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

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

The Group leases out industrial space to non-related parties under non-cancellable operating leases.

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

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

37. CONTINGENCIES

- (a) The Company has given guarantees for banking facilities granted to its subsidiaries in respect of performance on certain contracts entered into by its subsidiaries in favour of third parties amounting to \$2,604,000 (2015: \$8,157,000).
- (b) The Group and Company have procured performance guarantees amounting to \$80,387,000 (2015: \$127,907,000) and \$27,102,000 (2015: \$59,709,000) respectively issued by banks in favour of third parties.
- (c) The Group and Company have executed performance guarantees amounting to \$13,849,000 (2015: \$44,674,000) and \$9,949,000 (2015: \$40,774,000) respectively issued to third parties.
- (d) The Group has given guarantees in favour of banks in respect of loan facilities granted to its subsidiaries, an associated company and a joint venture. The outstanding guarantees amount to \$100,762,000 (2015: \$131,474,000) at the statement of financial position date.
- (e) As of the statement of financial position date, the directors are of the view that it is more likely than not that no amount will be payable under the arrangements above.

38. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

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

The information presented below is based on information received by the management team.

(a) Market risk

(i) *Currency risk*

The Group operates in Asia Pacific, Australia, North and South America, Europe, Middle East and Africa with dominant operations in Asia Pacific and Australia. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies").

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as United States Dollar ("USD"), Singapore Dollar ("SGD"), Malaysian Ringgit ("MYR"), Renminbi ("RMB"), Euro Dollar ("EUR") and Australian Dollar ("AUD"). Exposure to exchange fluctuation risks is managed as far as possible by natural hedges of matching revenue and costs and using derivatives such as foreign currency forward exchange contracts.

In addition, the Group is exposed to currency translation risk on the net assets in foreign operations. Currency exposure to the net assets of the Group's foreign operations in United Kingdom, Australia, Indonesia, China and Malaysia are managed primarily through natural hedges of matching assets and liabilities and management reviews periodically so that the net exposure is kept at an acceptable level.

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

38. FINANCIAL RISK MANAGEMENT (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

The Group's principal currency exposure based on the information provided to key management is as follows:

	USD	SGD ⁽¹⁾	MYR	RMB	EUR	AUD	Others
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 31 March 2016							
Financial assets							
Cash and cash equivalents	38,105	22,172	-	1,396	2,767	2	908
Trade receivables	17,184	-	-	-	-	-	500
Other receivables and prepayments	-	-	-	2,085	-	6	395
Available-for-sale financial assets	5,461	-	-	-	-	-	-
Intercompany receivables	4,053	3	1,001	-	-	-	-
	64,803	22,175	1,001	3,481	2,767	8	1,803
Financial liabilities							
Trade and other payables	(11,822)	(2)	-	-	(1,631)	(59)	(166)
Intercompany payables	(2,894)	(17,167)	-	-	-	-	-
	(14,716)	(17,169)	-	-	(1,631)	(59)	(166)
Add: Foreign exchange contracts	(2,691)	-	(7,533)	-	-	-	-
Currency exposure of financial assets/ (liabilities)	47,396	5,006	(6,532)	3,481	1,136	(51)	1,637
At 31 March 2015							
Financial assets							
Cash and cash equivalents	28,115	37	-	-	1,552	1	1,997
Trade receivables	22,359	-	-	-	3,062	-	214
Other receivables and prepayments	720	-	-	-	94	-	2,421
Available-for-sale financial assets	5,550	-	-	-	-	-	-
Intercompany receivables	6,135	4	-	-	-	-	-
	62,879	41	-	-	4,708	1	4,632
Financial liabilities							
Trade and other payables	(11,436)	(3)	-	-	(2,736)	(57)	(1,594)
Intercompany payables	(6,135)	(9,634)	-	-	-	-	-
	(17,571)	(9,637)	-	-	(2,736)	(57)	(1,594)
Add: Foreign exchange contracts	5,686	-	-	-	(29,139)	(5,350)	-
Currency exposure of financial assets/ (liabilities)	50,994	(9,596)	-	-	(27,167)	(5,406)	3,038

⁽¹⁾ The currency exposure of SGD relates primarily to subsidiaries, whose functional currency is Indonesian Rupiah ("IDR") and Pound Sterling ("GBP"), that have financial assets or financial liabilities which are denominated in SGD

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

38. FINANCIAL RISK MANAGEMENT (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

The Company's principal currency exposure based on the information provided to key management is as follows:

	USD	RMB	AUD
	\$'000	\$'000	\$'000
At 31 March 2016			
Financial Assets			
Cash and cash equivalents	1,183	-	-
Other receivables and prepayments	-	2,085	-
Available-for-sale financial assets	5,461	-	-
	6,644	2,085	-
Add: Foreign exchange contracts	(11,525)	-	-
Currency exposure of financial (liabilities)/assets	(4,881)	2,085	-
At 31 March 2015			
Financial Assets			
Cash and cash equivalents	2,029	-	-
Other receivables and prepayments	720	-	-
Available-for-sale financial assets	5,550	-	-
	8,299	-	-
Add: Foreign exchange contracts	(10,660)	-	(5,350)
Currency exposure of financial liabilities	(2,361)	-	(5,350)

The following table details the sensitivity to a 10% (2015: 10%) increase and decrease in the relevant foreign currencies against the functional currency of each Group entity. 10% (2015: 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 is performed on outstanding foreign currency denominated monetary items and reflects the impact on profit after tax when there is a 10% (2015: 10%) change in foreign currency rates.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

38. FINANCIAL RISK MANAGEMENT (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

If the relevant foreign currency change against the SGD by 10% (2015: 10%) with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position will be as follows:

	← Increase/(Decrease) →			
	2016		2015	
	Profit after tax	Other comprehensive income	Profit after tax	Other comprehensive income
	\$'000	\$'000	\$'000	\$'000

Group

USD against SGD

- Strengthened	3,934	-	4,233	-
- Weakened	(3,934)	-	(4,233)	-

MYR against SGD

- Strengthened	-	(333)	-	-
- Weakened	-	653	-	-

RMB against SGD

- Strengthened	289	-	-	-
- Weakened	(289)	-	-	-

EUR against SGD

- Strengthened	94	-	(2,255)	-
- Weakened	(94)	-	2,255	-

AUD against SGD

- Strengthened	(4)	-	(449)	-
- Weakened	4	-	449	-

SGD against IDR

- Strengthened	(1,211)	-	(797)	-
- Weakened	1,211	-	797	-

SGD against GBP

- Strengthened	1,576	-	-	-
- Weakened	(1,576)	-	-	-

Company

USD against SGD

- Strengthened	(405)	-	(196)	-
- Weakened	405	-	196	-

RMB against SGD

- Strengthened	173	-	-	-
- Weakened	(173)	-	-	-

AUD against SGD

- Strengthened	-	-	(444)	-
- Weakened	-	-	444	-

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

38. FINANCIAL RISK MANAGEMENT (cont'd)

(a) Market risk (cont'd)

(ii) Price risk

The Group and Company is exposed to price risk arising from available-for-sale financial assets and financial assets held for trading held by the Group and Company. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

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

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

← Increase/(Decrease) →				
2016			2015	
Profit after tax	Other comprehensive income		Profit after tax	Other comprehensive income
\$'000	\$'000		\$'000	\$'000

Group

Available-for-sale financial assets

Quoted equity securities

- increased by	-	193	-	208
- decreased by	-	(193)	-	(208)

Unquoted equity securities

- increased by	-	3,839	-	3,835
- decreased by	-	(3,839)	-	(3,835)

Quoted debt securities

- increased by	-	3,481	-	3,703
- decreased by	-	(3,481)	-	(3,703)

Financial assets held for trading

- increased by	81	-	-	-
- decreased by	(81)	-	-	-

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

38. FINANCIAL RISK MANAGEMENT (cont'd)

(a) Market risk (cont'd)

(ii) Price risk (cont'd)

← Increase/(Decrease) →				
2016		2015		
Profit after tax	Other comprehensive income	Profit after tax	Other comprehensive income	
\$'000	\$'000	\$'000	\$'000	

Company

Available-for-sale financial assets

Quoted equity securities

- increased by	-	193	-	208
- decreased by	-	(193)	-	(208)

Unquoted equity securities

- increased by	-	-	-	2,048
- decreased by	-	-	-	(2,048)

Quoted debt securities

- increased by	-	3,481	-	3,703
- decreased by	-	(3,481)	-	(3,703)

Financial assets held for trading

- increased by	81	-	-	-
- decreased by	(81)	-	-	-

The quoted equity and debt securities are listed in Singapore.

(iii) Cash flow and fair value interest rate risks

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

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

The Group's borrowings and loans to a joint venture, an associated company and a related party and the Company's loans to/from subsidiaries at variable rates are denominated mainly in SGD. If the SGD interest rates had been higher/lower by 1% (2015: 1%) with all other variables including tax rate being held constant, the Group's and Company's profit after tax would have been lower/higher by \$677,000 (2015: \$1,092,000) and \$152,000 (2015: \$1,265,000) respectively as a result of higher/lower interest expense on borrowings and loans from subsidiaries and higher/lower interest income on loans to a joint venture, an associated company, a related party and subsidiaries.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

38. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Credit risk

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

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

Before accepting any new customer, the Group assesses the potential customer's credit quality and define credit limits for each of the customer. Limits attributed to customers are reviewed periodically. There is one (2015: two) external customer which represents more than 5% of the total trade receivables.

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

There is no significant credit risk for the Company.

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

38. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Credit risk (cont'd)

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

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

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

	Group	
	2016 \$'000	2015 \$'000
Past due > 3 months	7,275	4,341

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group	
	2016 \$'000	2015 \$'000
Past due > 3 months	28,118	27,567
Less: Allowance for impairment	(28,118)	(27,567)
	-	-

The movement in the allowance for impairment is as follows:

	Group	
	2016 \$'000	2015 \$'000
Beginning of financial year	27,567	30,760
Currency translation differences	413	(3,072)
Allowance written-off – non-related parties	-	(873)
Allowance made – non-related parties	138	752
End of financial year	28,118	27,567

The impaired trade receivables arise mainly from sales to customers which have suffered significant losses in its operations.

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions at a short notice. At the end of the reporting period, assets held by the Group and the Company for managing liquidity risk included cash and short-term deposits as disclosed in Note 12.

Management monitors rolling forecasts of the liquidity reserve (comprises undrawn borrowing facility and cash and cash equivalents (Note 12) of the Group and the Company) on the basis of expected cash flow. This is generally carried out at local level in the operating companies of the Group in accordance with the practice and limits set by the Group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring liquidity ratios and maintaining debt financing plans.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

38. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Liquidity risk (cont'd)

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

	Less than 1 year	Between 2 and 5 years	Over 5 years
	\$'000	\$'000	\$'000

Group

At 31 March 2016

Trade and other payables	157,414	5,401	-
Borrowings	7,537	68,531	27,362

At 31 March 2015

Trade and other payables	212,563	2,324	-
Borrowings	16,550	134,493	53,587

Company

At 31 March 2016

Trade and other payables	1,344	-	-
Loans from subsidiaries	34,450	-	-

At 31 March 2015

Trade and other payables	6,877	-	-
Borrowings and loans from subsidiaries	163,173	-	-

The table below analyses the derivative financial instruments of the Group and the Company for which contractual maturities are essential for an understanding of the timing of the cash flows into relevant maturity groupings based on the remaining period from the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	Between 2 and 5 years
	\$'000	\$'000

Group

At 31 March 2016

Gross-settled foreign exchange contracts		
- Receipts	8,834	-
- Payments	(13,817)	(5,241)

At 31 March 2015

Gross-settled foreign exchange contracts		
- Receipts	24,497	-
- Payments	(47,915)	(5,385)

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

38. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Liquidity risk (cont'd)

	Less than 1 year	Between 2 and 5 years
	\$'000	\$'000

Company

At 31 March 2016

Gross-settled foreign exchange contracts

- Payments	(6,284)	(5,241)
------------	---------	---------

At 31 March 2015

Gross-settled foreign exchange contracts

- Payments	(10,625)	(5,385)
------------	----------	---------

(d) Capital risk

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

Management monitors capital based on a gearing ratio. The Group and the Company are also required by the banks to maintain a gearing ratio of not exceeding 100%. The Group's and the Company's strategies which were unchanged from 2015, are to maintain gearing ratio within the banks' requirements.

The gearing ratio is calculated as bank borrowings divided by total capital. Total capital is calculated as total equity less other reserves, intangibles and net deferred tax assets.

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

(e) Fair value measurements

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

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

38. FINANCIAL RISK MANAGEMENT (cont'd)

(e) Fair value measurements (cont'd)

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Group				
2016				
<i>Assets</i>				
Foreign exchange contracts	-	68	-	68
Available-for-sale financial assets	36,742	-	17,872	54,614
Financial assets held for trading	-	970	-	970
Total assets	36,742	1,038	17,872	55,652
<i>Liabilities</i>				
Foreign exchange contracts	-	(1,580)	-	(1,580)
Total liabilities	-	(1,580)	-	(1,580)
2015				
<i>Assets</i>				
Foreign exchange contracts	-	1,642	-	1,642
Available-for-sale financial assets	39,107	-	17,872	56,979
Total assets	39,107	1,642	17,872	58,621
<i>Liabilities</i>				
Foreign exchange contracts	-	(833)	-	(833)
Total liabilities	-	(833)	-	(833)
Company				
2016				
<i>Assets</i>				
Foreign exchange contracts	-	56	-	56
Available-for-sale financial assets	36,742	-	-	36,742
Financial assets held for trading	-	970	-	970
Total assets	36,742	1,026	-	37,768
<i>Liabilities</i>				
Foreign exchange contracts	-	(575)	-	(575)
Total liabilities	-	(575)	-	(575)
2015				
<i>Assets</i>				
Foreign exchange contracts	-	135	-	135
Available-for-sale financial assets	39,107	-	-	39,107
Total assets	39,107	135	-	39,242
<i>Liabilities</i>				
Foreign exchange contracts	-	(833)	-	(833)
Total liabilities	-	(833)	-	(833)

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

38. FINANCIAL RISK MANAGEMENT (cont'd)

(e) Fair value measurements (cont'd)

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the statement of financial position date. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for equity and debt investments. The fair value of forward foreign exchange contracts is determined using quoted forward currency rates at the end of the reporting period. These investments are classified as Level 2. In infrequent circumstances, where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3.

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

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

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

The management of the Group performs the valuations of the Level 3 instruments. Management reviews the valuation process and results at each financial year end.

The carrying amount less impairment provision of trade receivables, and other receivables and prepayments are assumed to approximate their fair values. The carrying amount of trade and other payables are assumed to approximate their fair values. The carrying amount of loan to/from subsidiaries and borrowings approximate their fair values.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

38. FINANCIAL RISK MANAGEMENT (cont'd)

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statement of financial position and in Note 15, Note 20 and Note 30 to the financial statements, except for the following:

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Loans and receivables	423,069	526,559	88,508	100,009
Financial liabilities at amortised cost	256,264	401,366	35,331	169,286

39. RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sales and purchases of goods and services

	Group	
	2016 \$'000	2015 \$'000
Rental expense to a joint venture	1,182	1,126
Project management and development management fees from joint ventures	(885)	-
Construction management fee from an associated company	(1,400)	-
Asset management and property management fees from a joint venture	(17)	-

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2016 \$'000	2015 \$'000
Short-term benefits	15,463	16,514
Post-retirement benefits	612	587
Share-based compensation expense	224	121
	16,299	17,222

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

40. SEGMENT INFORMATION

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.

The chief operating decision maker considers the business from both a business and geographical segment perspective.

The Group's businesses comprise the following:

- | | | | |
|-------|----------------------------|---|--|
| (i) | Energy-related engineering | : | <p>Energy-related engineering relates to the design, engineering and supply of systems to the oil and gas, petrochemical and solid waste energy recovery sectors.</p> <p>Water and wastewater engineering relates to the design, engineering and construction of industrial and municipal water and wastewater treatment plants.</p> |
| (ii) | Real estate solutions | : | Real estate solutions relates to the provision of design-and-build expertise for industrial facilities, along with design-and-building-and-lease arrangements for industrial facilities. |
| (iii) | Geo-spatial technology | : | This specialises in Esri geographic information systems and location intelligence solutions. |
| (iv) | HQ activities | : | This manages the Group's investment portfolio to maximise shareholders' returns. |

Due to the water and wastewater engineering business' gradual shift in industry focus to the energy sector, the business results of the water and wastewater engineering business have been aggregated under the reportable segment for the energy-related engineering division, as they share a similar business environment and common client base.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

40. SEGMENT INFORMATION (cont'd)

(a) Segment revenue and results:

The segment information for the reportable segments is as follows:

	Energy-related engineering		Real estate solutions		Geo-spatial technology		HQ activities		Elimination		Group	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Revenue												
External sales	127,955	190,264	255,475	255,389	103,035	110,643	-	-	-	-	486,465	556,296
Dividend income	-	-	-	-	-	-	186	109	-	-	186	109
Total revenue	127,955	190,264	255,475	255,389	103,035	110,643	186	109	-	-	486,651	556,405
Results												
Segment result	9,255	33,685	30,329	32,371	18,606	21,582	(3,612)	(1,685)	-	-	54,578	85,953
Interest income	91	39	3,365	2,960	1,270	1,140	1,927	1,900	(481)	(821)	6,172	5,218
Finance expense											(4,207)	(2,190)
Profit before income tax											56,543	88,981
Income tax expense											(15,408)	(22,632)
Total profit											41,135	66,349

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Segment result 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.

	Energy-related engineering		Real estate solutions		Geo-spatial technology		HQ activities		Group	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Depreciation expense	1,724	1,631	6,593	4,246	1,627	1,436	657	514	10,601	7,827
Impairment loss of goodwill	-	-	-	-	-	1,363	-	-	-	1,363
Amortisation of other intangible assets	-	-	-	-	214	-	-	-	214	-
(Gain)/Loss on disposal of subsidiaries	-	(5)	-	-	-	-	-	48	-	43
Gain on disposal of available-for-sale financial assets	-	-	-	-	-	-	(46)	(3,528)	(46)	(3,528)
Share of loss of associated companies and joint ventures	-	-	2,675	1,218	-	-	-	-	2,675	1,218
Fair value (gains)/losses on foreign exchange contracts and financial assets held for trading	1,523	(1,514)	270	-	707	(1,409)	(148)	733	2,352	(2,190)
Currency exchange (gain)/loss – net	(2,922)	(1,654)	128	465	315	1,436	17	(959)	(2,462)	(712)

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

40. SEGMENT INFORMATION (cont'd)

(b) Segment assets and liabilities

	Energy-related engineering		Real estate solutions		Geo-spatial technology		HQ activities		Group	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Segment assets										
Segment assets	132,526	173,528	403,281	466,331	72,271	77,417	104,219	118,838	712,297	836,114
Investments in associated companies	-	2,667	200	1,094	-	-	-	-	200	3,761
Investments in joint ventures	-	-	13,755	10,728	-	-	-	-	13,755	10,728
Deferred income tax assets									2,369	2,333
Total assets									728,621	852,936
Additions to:										
- property, plant and equipment	427	816	224	324	1,777	1,255	501	1,375	2,929	3,770
- investment properties	-	-	-	54,880	-	-	-	-	-	54,880
- investments in joint ventures	-	-	4,905	7,435	-	-	-	-	4,905	7,435
Segment liabilities										
Segment liabilities	45,822	72,563	212,408	314,713	42,905	45,701	3,124	9,401	304,259	442,378
Income tax payable/Deferred income tax liabilities									14,625	20,106
Total liabilities									318,884	462,484

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

Other than deferred income tax assets, all assets are allocated to reportable segments. Goodwill has been allocated to reportable segments as described in Note 23(a).

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

40. SEGMENT INFORMATION (cont'd)

(c) Geographical information

The Group operates in 5 primary geographical areas – Asia Pacific, Australia, North and South America, Europe and Middle East and Africa.

The Group's revenue from external customers and non-current assets (excluding financial instruments and deferred tax income assets) by geographical locations is as follows:

	Asia Pacific		Australia		North and South America		Europe		Middle East and Africa		Group	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Revenue from external customers	306,907	331,456	86,978	90,037	29,099	38,160	28,178	54,769	35,489	41,983	486,651	556,405
Non-current assets	170,454	183,539	3,832	4,325	9	3	5,419	5,895	1	9	179,715	193,771

(d) Information about major customers

In 2016, there is no customer representing more than 10% of the Group's revenue.

In 2015, there was 1 customer from the Group's real estate segment representing more than 10% of the Group's revenue. The customer contributed \$97,029,000 in revenue to the Group.

41. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 April 2016 or later periods and which the Group has not early adopted:

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

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Group is in the process of assessing the potential impact of FRS 115 on the financial statements.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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

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

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

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

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

42. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Boustead Singapore Limited on 28 June 2016.

Management & Principal Activities

GROUP HEADQUARTERS

Boustead Singapore Limited

82 Ubi Avenue 4
#08-01 Edward Boustead Centre
Singapore 408832

Main: +65 6747 0016
Fax: +65 6741 8689
Web: www.boustead.sg

Chairman & Group Chief Executive Officer: Wong Fong Fui
Executive Directors: Wong Yu Loon, Loh Kai Keong

ENGINEERING SERVICES

ENERGY-RELATED ENGINEERING

Boustead International Heaters Ltd

Europa House
Woodlands Court
Albert Drive
Burgess Hill
West Sussex RH15 9TN
United Kingdom

Main: +44 1444 237500
Fax: +44 1444 237501
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 and once through steam generators to the downstream oil & gas and petrochemical industries.

Controls & Electrics Pte Ltd

30 Gul Drive
Singapore 629478

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

Executive Chairman: Dev Lodh
Chief Executive Officer: Prasun Chakraborty

Controls & Electrics (“C&E”) is a well-recognised leader in designing, engineering and supplying wellhead control panels and systems which use either pneumatic/hydraulic-based or safety programmable logic controller-based logic, hydraulic power units, integrated control & safety shutdown systems, chemical injection skids, fire & gas detection systems and other process control systems to the upstream oil & gas industries. C&E also supplies fuel skids, instrumentation equipment and burner management systems to sister companies such as BIH.

Management & Principal Activities

Boustead Salcon Water Solutions Pte Ltd

82 Ubi Avenue 4
#08-03 Edward Boustead Centre
Singapore 408832

Main: +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 & wastewater engineering specialist and Singapore's largest in the energy sector. BSWS' in-depth domain expertise and vast experience focuses on seawater desalination, demineralisation and wastewater recycling. With more than 800 installations in 61 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 ("EPC") & maintenance partner and is approved by the Building & Construction Authority ("BCA") 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 many of the world's largest EPC corporations.

PT Boustead Maxitherm Industries

Graha Pratama Building, 15th Floor
Jalan Letjend MT Haryono Kav 15
Tebet, Jakarta 12810
Indonesia

Main: +62 21 8379 3678
Fax: +62 21 8379 3648
Web: www.bousteadmaxitherm.com

Project Director: Woo Chew Fay

Boustead Maxitherm Industries is an established regional specialist in designing, engineering and supplying mini-power plants, solid waste energy recovery plants and associated combustion technology.

REAL ESTATE SOLUTIONS

Boustead Projects Limited (listed on SGX Mainboard)

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

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

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

Boustead Projects Limited ("Boustead Projects") 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, Boustead Projects has constructed and developed more than 3,000,000 square metres of industrial real estate regionally in Singapore, China, Malaysia and Vietnam. Boustead Projects is approved by the BCA for Grade CW01-A1 and General Builder Class One License to execute building construction contracts of unlimited value. Boustead Projects is also a leader in pioneering advanced eco-sustainable facilities under the BCA's Green Mark Programme and U.S. Green Building Council's Leadership in Energy & Environmental Program. In Singapore, Boustead Projects is one of only nine bizSAFE Mentors and also a bizSAFE Star.

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

Main: +61 13 0063 5196
Fax: +61 7 3211 1310
Web: www.esriaustralia.com.au

Managing Director: Brett Bundock

Esri Australia is Australia's foremost authority on geographic information systems ("GIS") and the exclusive distributor for Esri's world-leading ArcGIS platform in the country, with branch offices in Brisbane (headquarters), Adelaide, Canberra, Darwin, Melbourne, Perth and Sydney. Esri Australia also provides professional services, training, software maintenance services and hosted solutions for the ArcGIS platform.

Esri South Asia Pte Ltd

82 Ubi Avenue 4
#07-03 Edward Boustead Centre
Singapore 408832

Main: +65 6742 8622
Fax: +65 6742 1922
Web: www.esrisa.com

Managing Director: Leslie Wong

Esri South Asia is the holding company for Esri Singapore, Esri Malaysia and Esri Indonesia, the exclusive distributors for Esri's world-leading ArcGIS platform in Singapore, Malaysia and Indonesia respectively. Additionally, Esri South Asia is the exclusive distributor for the ArcGIS platform in Bangladesh, Brunei and Timor-Leste. Esri South Asia also provides professional services, training, software maintenance services and hosted solutions for the ArcGIS platform.

Esri Singapore Pte Ltd

82 Ubi Avenue 4
#07-03 Edward Boustead Centre
Singapore 408832

Main: +65 6742 8622
Fax: +65 6742 1922
Web: www.esrasingapore.com.sg

Chief Executive Officer: Thomas Pramotedham

Esri Singapore is Singapore's foremost authority on GIS and the exclusive distributor for Esri's world-leading ArcGIS platform in the country. Esri Singapore also provides professional services, training, software maintenance services and hosted solutions for the ArcGIS platform.

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

Main: +60 3 7629 5518
Fax: +60 3 7629 5520
Web: www.esrimalaysia.com.my

Chief Executive Officer: Lai Chee Siew

Esri Malaysia is Malaysia's foremost authority on GIS and the exclusive distributor for Esri's world-leading ArcGIS platform in the country. Esri Malaysia also provides professional services, training, software maintenance services and hosted solutions for the ArcGIS platform.

PT Esri Indonesia

Menara 165, 6th Floor Unit B
Jalan TB Simatupang Kav 1
Jakarta Selatan 12560
Indonesia

Main: +62 21 2940 6355
Fax: +62 21 2940 6356
Web: www.esriindonesia.co.id

Chief Executive Officer: Achmad Istamar

Esri Indonesia is Indonesia's foremost authority on GIS and the exclusive distributor for Esri's world-leading ArcGIS platform in the country. Esri Indonesia also provides professional services, training, software maintenance services and hosted solutions for the ArcGIS platform.

Statistics of Shareholdings

AS AT 17 JUNE 2016

SHARE CAPITAL

Number of ordinary shares	: 523,043,357 *
Number/Percentage of treasury shares	: 17,387,696 (3.32%)
Class of shares	: Ordinary shares
Voting rights	: One vote per share. The Company cannot exercise any voting rights in respect of shares held by it as treasury shares.

* Excludes treasury shares

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%**
1 - 99	127	2.82	5,003	0.00
100 - 1,000	338	7.50	225,159	0.04
1,001 - 10,000	2,414	53.61	12,775,079	2.44
10,001 - 1,000,000	1,598	35.49	77,897,290	14.90
1,000,001 AND ABOVE	26	0.58	432,140,826	82.62
TOTAL	4,503	100.00	523,043,357	100.00

LOCATION OF SHAREHOLDERS

Country	No. of Shareholders	%	No. of Shares	%**
SINGAPORE	4,149	92.14	508,749,489	97.27
MALAYSIA	280	6.22	8,082,302	1.54
OTHERS	74	1.64	6,211,566	1.19
TOTAL	4,503	100.00	523,043,357	100.00

Statistics of Shareholdings

AS AT 17 JUNE 2016

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%**
1	RAFFLES NOMINEES (PTE) LIMITED	241,810,444	46.23
2	CITIBANK NOMINEES SINGAPORE PTE LTD	59,120,074	11.30
3	DBS NOMINEES (PRIVATE) LIMITED	35,837,941	6.85
4	HSBC (SINGAPORE) NOMINEES PTE LTD	35,712,607	6.83
5	MAYBANK KIM ENG SECURITIES PTE. LTD.	6,799,036	1.30
6	DBSN SERVICES PTE. LTD.	5,957,608	1.14
7	HELEN TAN CHENG HOONG	5,166,000	0.99
8	YEO KER KUANG	4,814,655	0.92
9	REPRESENTATIONS INTERNATIONAL (HK) LTD	4,120,633	0.79
10	WONG HENG CHONG	3,580,773	0.68
11	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	3,574,145	0.68
12	DB NOMINEES (SINGAPORE) PTE LTD	2,855,833	0.55
13	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	2,256,457	0.43
14	BNP PARIBAS SECURITIES SERVICES SINGAPORE BRANCH	2,220,100	0.42
15	CHANG CHING CHAU @ TEW KING CHANG	1,938,317	0.37
16	CHAN CHEE WENG	1,853,376	0.35
17	HENG SIEW ENG	1,823,535	0.35
18	WEE WEI NA	1,642,329	0.31
19	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	1,564,685	0.30
20	YEO BOON LI CAROLINE	1,545,498	0.30
Total		424,194,046	81.09

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	%	Deemed Interest	%**
Wong Fong Fui	-	-	177,871,829 ⁽¹⁾	34.01
Sri Widati Ernawan Putri	-	-	47,360,855 ⁽²⁾	9.05
Marrickville Group Limited	-	-	47,360,855 ⁽¹⁾	9.05
FMR LLC	-	-	38,789,461 ⁽¹⁾	7.42
Chartered Asset Management Pte Ltd	-	-	30,954,318 ⁽¹⁾	5.92
Capital Growth Investments Pte Ltd	-	-	30,954,318 ⁽³⁾	5.92
Colin Lee Yung-Shih	-	-	30,954,318 ⁽⁴⁾	5.92
Low Siew Kheng	-	-	30,954,318 ⁽⁵⁾	5.92

Notes:

⁽¹⁾ The deemed interests of these Substantial Shareholders are held through nominees.

⁽²⁾ Sri Widati Ernawan Putri is deemed interested in the shares held by Marrickville Group Limited.

⁽³⁾ 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").

⁽⁴⁾ Colin Lee Yung-Shih, through his 100% shareholding in CGIPL, is deemed to have an interest in the shares held indirectly by CGIPL.

⁽⁵⁾ 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.

SHAREHOLDINGS IN THE HANDS OF THE PUBLIC

The percentage of shareholdings in the hands of the public as at 17 June 2016 was approximately 37.02%.** This is in compliance with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited, which requires at least 10% of the issued ordinary shares of the company to be held by the public.

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

Notice of Annual General Meeting

BOUSTEAD SINGAPORE LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 197501036K)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Boustead Singapore Limited (the “Company”) will be held at Room MR331, Level 3, Suntec Singapore Convention and Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Thursday, 28 July 2016 at 2.30 p.m. to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and Audited Financial Statements for the year ended 31 March 2016 and the Independent Auditors’ Report thereon. **Resolution 1**
2. To approve a final tax-exempt (one-tier) dividend of 2.0 cents per ordinary share for the year ended 31 March 2016. **Resolution 2**
3. To re-elect the following directors retiring under Article 94 of the Company’s Constitution.
 - a. Mr Wong Yu Loon **Resolution 3**
 - b. Mr Godfrey Ernest Scotchbrook **Resolution 4**

Note:

Mr Godfrey Ernest Scotchbrook will, upon re-election as a director of the Company, remain as the Chairman of the Remuneration Committee and member of the Audit & Risk Committee. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

4. To re-appoint Mr Wong Fong Fui as a director of the Company.
[See Explanatory Note 1] **Resolution 5**
5. To approve directors’ fees of up to \$219,000 for the financial year ending 31 March 2017, payable quarterly in arrears (2016 actual: \$217,000).
[See Explanatory Note 2] **Resolution 6**
6. To re-appoint Messrs PricewaterhouseCoopers LLP as auditors of the Company to hold office until the next Annual General Meeting and to authorise the directors to fix their remuneration. **Resolution 7**

AS SPECIAL BUSINESS

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

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

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

- (i) (a) issue shares in the capital of the Company (“shares”) whether by way of rights, bonus or otherwise; and/or
 - (b) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the directors may in their absolute discretion deem fit; and
- (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);

Notice of Annual General Meeting

BOUSTEAD SINGAPORE LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 197501036K)

- (ii) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("SGX-ST")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this resolution is passed, after adjusting for:
 - (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this resolution is passed; and
 - (b) any subsequent bonus issue or consolidation or subdivision of shares;
- (iii) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (iv) (unless revoked or varied by the Company in general meeting) the authority conferred by this resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

[See Explanatory Note 3]

Resolution 8

8. Authority to grant awards and issue shares pursuant to 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 9

9. Authority to allot and issue shares pursuant to the Boustead Scrip Dividend Scheme

That authority be and is hereby given to the directors of the Company to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the application of the Boustead Scrip Dividend Scheme.

[See Explanatory Note 5]

Resolution 10

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

NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT DATE

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed from 5.00 p.m. on 3 August 2016 for the purpose of determining shareholders' entitlements to the final dividend to be paid on 21 September 2016, subject to and contingent upon shareholders' approval for the proposed dividend being obtained at the forthcoming Annual General Meeting of the Company.

Duly completed transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 3 August 2016 will be registered before entitlements to the dividend are determined.

By Order of the Board

Alvin Kok
Company Secretary
11 July 2016

Notice of Annual General Meeting

BOUSTEAD SINGAPORE LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 197501036K)

Explanatory Notes on Ordinary and Special Businesses to be transacted

1. Mr Wong Fong Fui was re-appointed during the Company's last Annual General Meeting to hold office until next Annual General Meeting pursuant to Section 153(6) of the Singapore's Companies Act, Chapter 50, which has been repealed with effect from 3 January 2016. Accordingly, there is a need to re-appoint him during the coming Annual General Meeting to allow him to continue in office.
2. The Ordinary Resolution 6 is to allow the Company to pay directors' fees to all independent non-executive directors in arrears on a quarterly basis.
3. The Ordinary Resolution 8 is to enable the directors to issue shares in the Company up to 50% of the total number of issued shares excluding treasury shares in the capital of the Company (in the case of issuance other than on a pro-rata basis to existing shareholders, such aggregate number of shares not to exceed 20% of the total number of issued shares excluding treasury shares in the capital of the Company) for such purposes as they consider to be in the interests of the Company.
4. The Ordinary Resolution 9 is to allow the directors to grant awards and issue shares pursuant to the Boustead Restricted Share Plan 2011.
5. The Ordinary Resolution 10 is to allow the directors to issue shares pursuant to the Boustead Scrip Dividend Scheme.

Notes:

- (1) A member (other than a Relevant Intermediary*) entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A shareholder of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company.
- (2) Where a member (other than a Relevant Intermediary*) appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.
- (3) A Relevant Intermediary may appoint more than 2 proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
- (4) The instrument appointing a proxy must be signed by the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.
- (5) If a proxy is to be appointed, the instrument appointing a proxy must be duly deposited at the registered office of the Company at 82 Ubi Avenue 4, #08-01 Edward Boustead Centre, Singapore 408832 not later than 48 hours before the time appointed for the holding of the Annual General Meeting.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Chapter 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities Futures Act (Chapter 289) of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

PERSONAL DATA PRIVACY

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

Proxy Form

BOUSTEAD SINGAPORE LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 197501036K)

Annual General Meeting to be held on

28 July 2016 at 2.30 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. Pursuant to Section 181(1C) of the Companies Act, Chapter 50 of Singapore, Relevant Intermediaries may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
3. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

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

of

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

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, 28 July 2016 at 2.30 p.m. and at any adjournment thereof in the manner indicated below:

	Ordinary Resolutions:	For	Against
Resolution 1	To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 31 March 2016 and the Independent Auditors' Report.	<input type="text"/>	<input type="text"/>
Resolution 2	To approve a final tax-exempt (one-tier) dividend of 2.0 cents per ordinary share for the year ended 31 March 2016.	<input type="text"/>	<input type="text"/>
Resolution 3	To re-elect Mr Wong Yu Loon as a director of the Company.	<input type="text"/>	<input type="text"/>
Resolution 4	To re-elect Mr Godfrey Ernest Scotchbrook as a director of the Company.	<input type="text"/>	<input type="text"/>
Resolution 5	To re-appoint Mr Wong Fong Fui as a director of the Company.	<input type="text"/>	<input type="text"/>
Resolution 6	To approve directors' fees of up to \$219,000 for the year ending 31 March 2017, payable quarterly in arrears.	<input type="text"/>	<input type="text"/>
Resolution 7	To re-appoint Messrs PricewaterhouseCoopers LLP as auditors of the Company and to authorise the directors to fix their remuneration.	<input type="text"/>	<input type="text"/>
Resolution 8	To authorise the directors to allot and issue shares pursuant to Section 161 of the Singapore Companies Act.	<input type="text"/>	<input type="text"/>
Resolution 9	To authorise the directors to grant awards and issue shares pursuant to the Boustead Restricted Share Plan 2011.	<input type="text"/>	<input type="text"/>
Resolution 10	To authorise the directors to allot and issue shares pursuant to the Boustead Scrip Dividend Scheme.	<input type="text"/>	<input type="text"/>

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

Signed this day of 2016

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

Total no. of shares	No. of shares
In CDP Register	<input type="text"/>
In Register of Members	<input type="text"/>



Proxy Form

BOUSTEAD SINGAPORE LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 197501036K)

Notes:

1. A member (other than a Relevant Intermediary*) entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
3. A member of the Company having a share capital who is a Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified). In such event, the Relevant Intermediary shall submit a list of its proxies together with the information required in this form of proxy including the number and class of shares in relation to which each proxy has been appointed, to the registered office of the Company at 82 Ubi Avenue 4, #08-01 Edward Boustead Centre, Singapore 408832.

"Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

4. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Cap. 289) of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all shares held by the member.
5. This instrument appointing a proxy or proxies (together with the power of attorney (if any) under which it is signed or a certified copy thereof), must be deposited at the registered office of the Company at 82 Ubi Avenue 4, #08-01 Edward Boustead Centre, Singapore 408832 not less than 48 hours before the time fixed for holding the AGM.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the AGM in person. CPF Investors and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.
9. Agent Banks acting on the request of CPF Investors who wish to attend the AGM as Observers are required to submit in writing, a list with details of the investor's name, NRIC/Passport number, addresses and number of shares held. The list, signed by an authorised signatory of the agent bank, should reach the Company Secretary, at the Secretary's Office at 82 Ubi Avenue 4, #08-01 Edward Boustead Centre, Singapore 408832, not less than 48 hours before the time fixed for holding the AGM.

GENERAL:

The Company shall be entitled to reject a proxy form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject a proxy form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 11 July 2016.



BOUSTEAD SINGAPORE LIMITED

Company Registration No.: 197501036K

82 Ubi Avenue 4
#08-01 Edward Boustead Centre
Singapore 408832
Main: +65 6747 0016
Fax: +65 6741 8689

www.boustead.sg