Delivering World-Class Customised Solutions for

GLOBAL MARKETS

Boustead Singapore Limited
Annual Report 2017

BOUSTEAD
Since 1828

Between the Covers

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

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

Delivering World-Class Customised Solutions for

GLOBAL MARKETS

Boustead is a progressive provider of world-class infrastructure-related engineering services and geo-spatial technology solutions to global markets, with our solutions having penetrated 85 countries and territories across Asia, Australia, Europe, Africa and the Americas.

Acting and thinking globally has far-reaching positive effects on our business longevity, as we continue to create solutions that address the world's greatest challenges.

Key Reads Within This Report

Corporate Profile

Established in 1828, Boustead Singapore Limited (SGX:F9D) is a progressive global Infrastructure-Related Engineering Services and Geo-Spatial Technology Group listed on the SGX Mainboard. 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 system – to major markets across Australia and parts of South East Asia. Our intelligent mapping platform and digital infrastructure are essential to create smart nations, smart cities and smart communities by solving the world's largest problems through effective and sustainable planning, deployment and management of key infrastructure and resources.

With a vast global network stretching across Asia, Australia, Europe, Africa and the Americas, Boustead is ready to serve the world. To date, we have undertaken infrastructure-related projects in 85 countries and territories 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. In 2015, we were also a winner of the Singapore Golden Jubilee Business Award, in recognition of the best 50 Singapore corporations who have achieved and contributed to Singapore's progress and success over the past 50 years since independence. In 2017, we were ranked by FinanceAsia as Singapore's Best Small-Cap in the annual Asia's Best Companies Poll. We are also listed on the MSCI World Small Cap Index for Singapore and the FTSE ST Small Cap Index.

Visit us at **www.boustead.sg**.

Contents

SERVING GLOBAL MARKETS

Operating with a prudent and disciplined approach, we have managed to remain profitable since the oil & gas downturn began three years ago, thereby showcasing the resilient nature of our Energy-Related Engineering Division.

With engineered solutions delivered in 84 countries and territories globally – across some of the harshest terrains and challenging environments – our Energy-Related Engineering Division comprises leading specialists in designing and supplying key process technologies and water and wastewater treatment plants to the global oil & gas, petrochemical and energy industries.

This division has delivered projects for more than 60% of the world's 50 largest oil & gas corporations at some of the world's largest energy developments. Increasingly, our engineered solutions are being used to reduce carbon and ecological footprints through process technologies focused on natural gas and hydrogen, waste heat recovery, and water and wastewater treatment and recycling.

Read more on page 22.

Division Revenue

S$96.5 million

was 25% lower year-on-year, adversely impacted by a third year of recession in the global oil & gas industries.

Division Profit Before Income Tax

S$4.2 million

was 54% lower year-on-year and would still be profitable after excluding currency exchange gains.

Global Track Record

1,200+ projects

have been delivered in 84 countries and territories globally.

Total Contract Value

S$2.3 billion

of contracts secured globally over the past 20 years.

Process heater systems at petrochemical plant in Texas, US

REACHING GLOBAL CLIENTS

Our end-to-end integrated value chain of industrial real estate solutions activities not only makes our Real Estate Solutions Division a unique partner but also a market leader in Singapore.

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

Our division's multiple and integrated capabilities – development, design-and-build, and industrial leasehold portfolio management and ownership – are reinforced by an excellent safety track record and outright market leadership in building eco-sustainable industrial facilities.

As our division expands regionally, our division is positioned to achieve the vision to be a regional integrated real estate solutions leader offering a full suite of capabilities.

Read more on page 28.

Division Revenue

S$228.3 million

was 11% lower year-on-year, mainly due to lower revenue contributions from both the design-and-build and leasing businesses.

Division Profit Before Income Tax

S$44.9 million

was 51% higher year-on-year, boosted by one-off gains.

Established Track Record

160+ projects

have been delivered over 20 years.

Total Contract Value

S$2.8 billion

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

Growing Industrial Leasehold Portfolio

275,000+ square metres

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

HARNESSING GLOBAL TRENDS

Our Geo-Spatial Technology Division is the leading provider of geographic information systems and smart mapping capabilities in Australia, Singapore, Malaysia and Indonesia.

Our Geo-Spatial Technology Division provides professional services and exclusively distributes Esri geo-spatial technology – the world's leading geographic information system – to major market sectors across Australia and parts of South East Asia. This division's intelligent mapping platform and digital infrastructure solutions are essential to create smart nations, smart cities and smart communities by solving the world's largest problems through effective and sustainable planning, deployment and management of key infrastructure and resources.

From a global mega trends perspective, a growing understanding of the value of advanced location-based analytics in solving real world challenges is driving the ongoing deployment of Esri technology as a leading data-driven decision making tool. These new capabilities align with global mega trends including smart cities, big data, Internet of Things, autonomous vehicles, open data movement, sustainable development and many other disruptive global technological trends. Our division is right at the heart of mapping the world of the future.

Read more on page 34.

Division Revenue

S$108.3 million

was 5% higher year-on-year on firm demand across Australia and South East Asia.

Division Profit Before Income Tax

S$21.9 million

was 10% higher year-on-year.

Exclusive Distributor

TOP 3 distributor

in Esri Inc's global network.

Established Client Base

13,000+ clients

in eight countries.

Global Recognition

45 SAG Awards*

won by our division's clients.

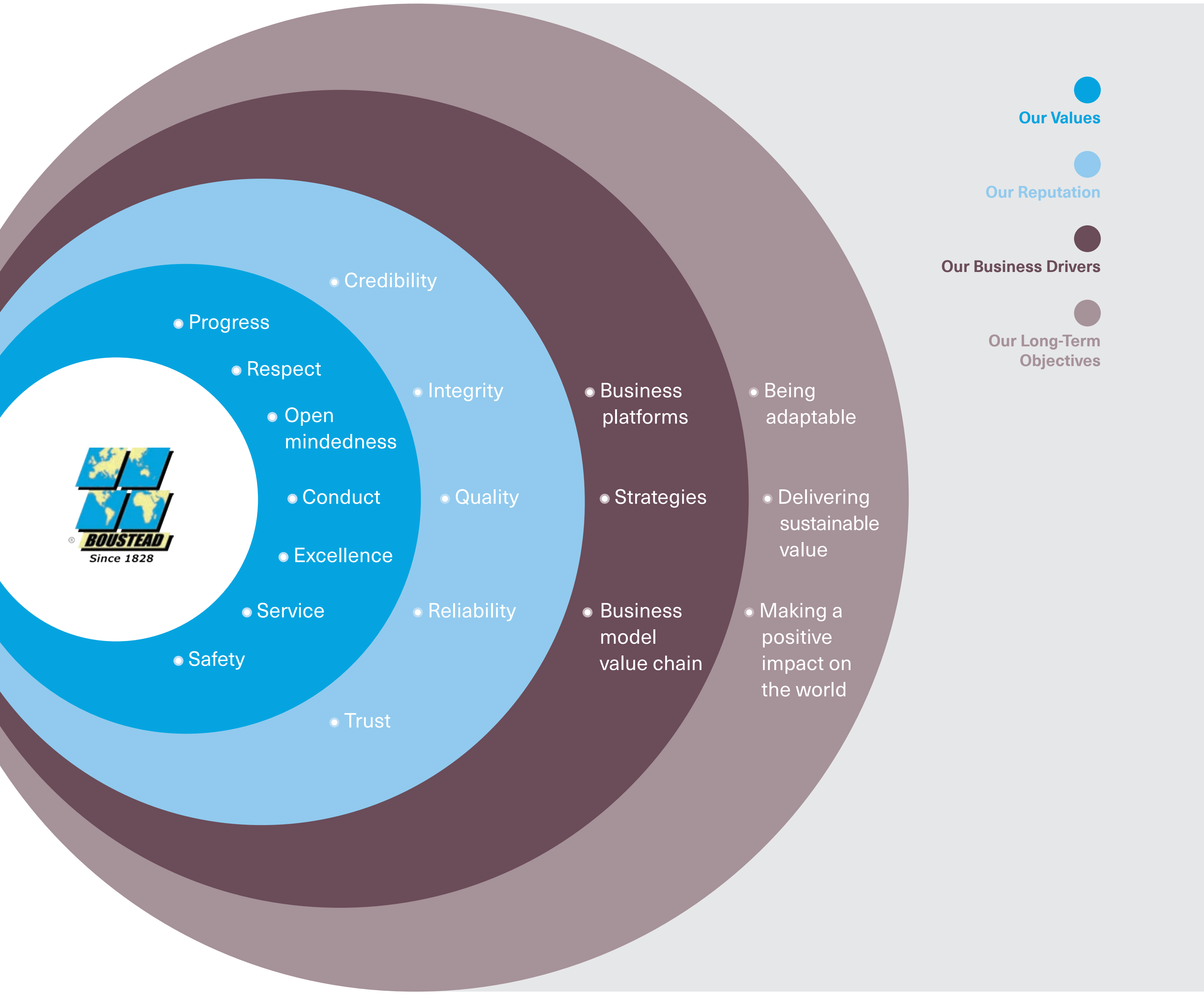
* *Special Achievement in GIS Awards*

Business Model

Over Boustead's prestigious and rich heritage of 189 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 and territories globally.

At the very core of Boustead is our mission, 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 being adaptable, delivering sustainable value and making a positive economic, environmental and social 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.

Progress	Respect	Open mindedness

Conduct	Excellence	Service	Safety

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

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

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

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

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

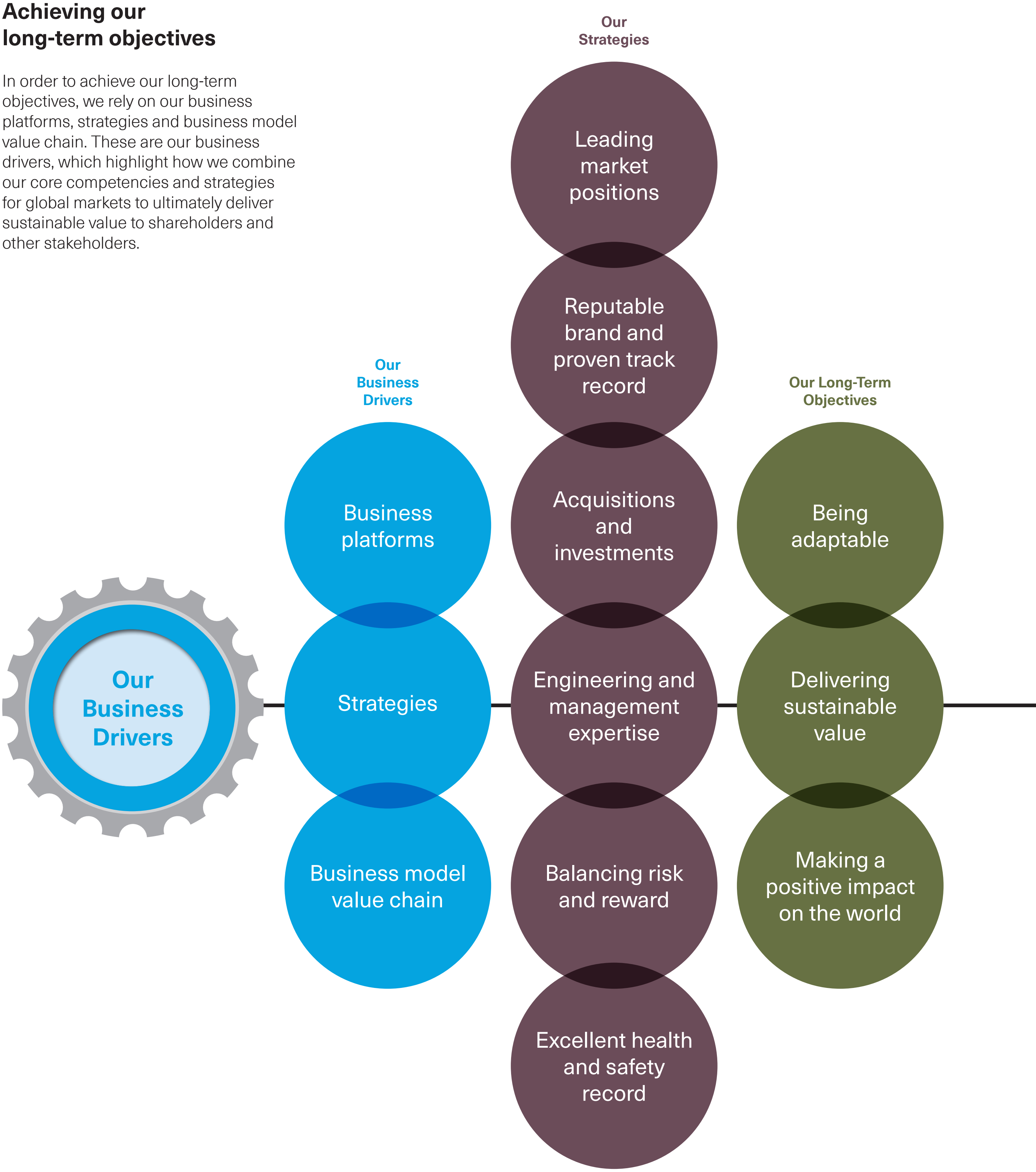
Servicing our clients
We aim to gain an in-depth understanding of our clients' needs so that we are able to provide quality products and deliver progressive answers that create value for our clients in the fast-paced global business environment.

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

Business Model

Achieving our long-term objectives

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



Our Business Platforms

Business intelligence and network

- Successful spotting and positioning 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 and territories
- More than 13,000 clients globally including world's best corporations

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 1,300 projects in 85 countries and territories.

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

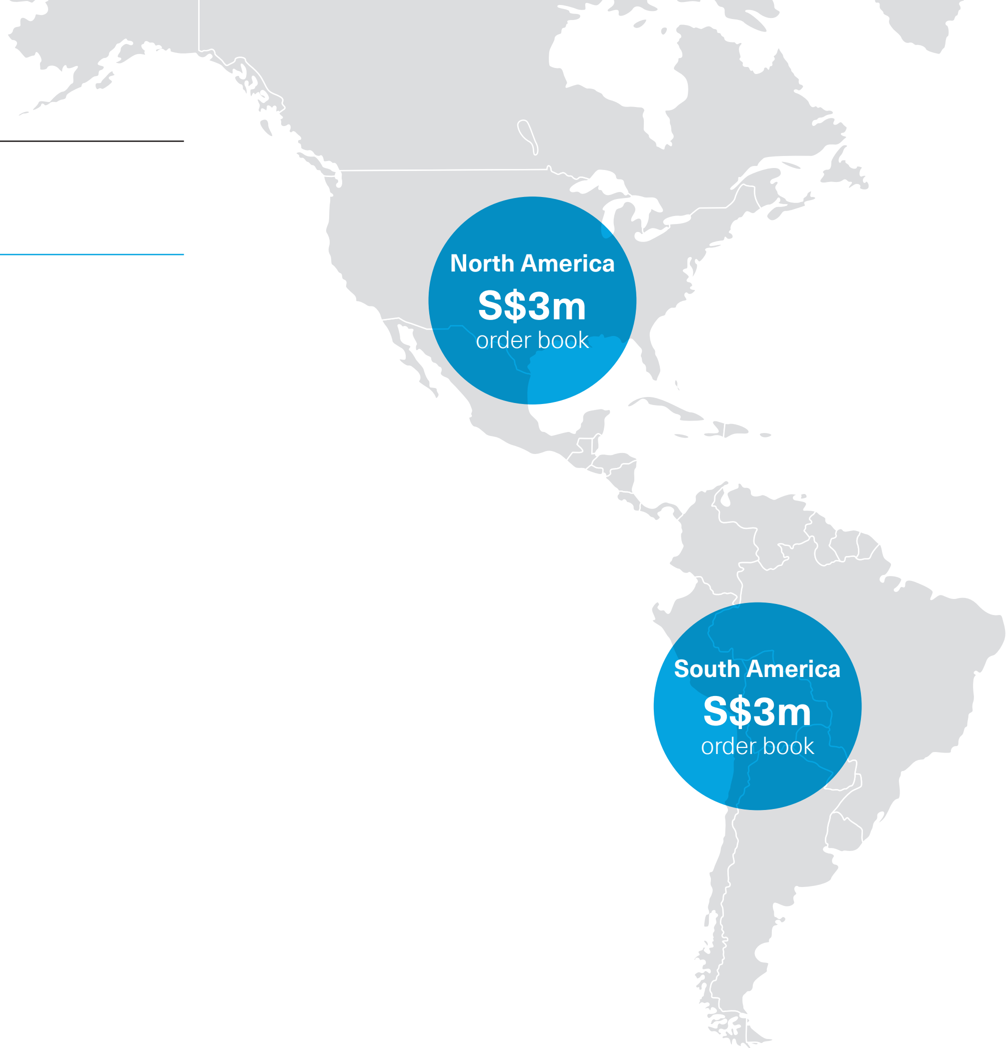
Committing to operational excellence through undertaking process, detailed and value engineering, project management, installation, commissioning and training

Delivering efficiency, performance and value to our clients

Generating revenue, profit and cash flow in a sustainable manner

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

Global Presence



Projects undertaken in

85

countries and territories

Projects Track Record
- Energy-Related Engineering
- Real Estate Solutions
- Geo-Spatial Technology

Projects Ongoing in FY2017
- 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
- US

Europe

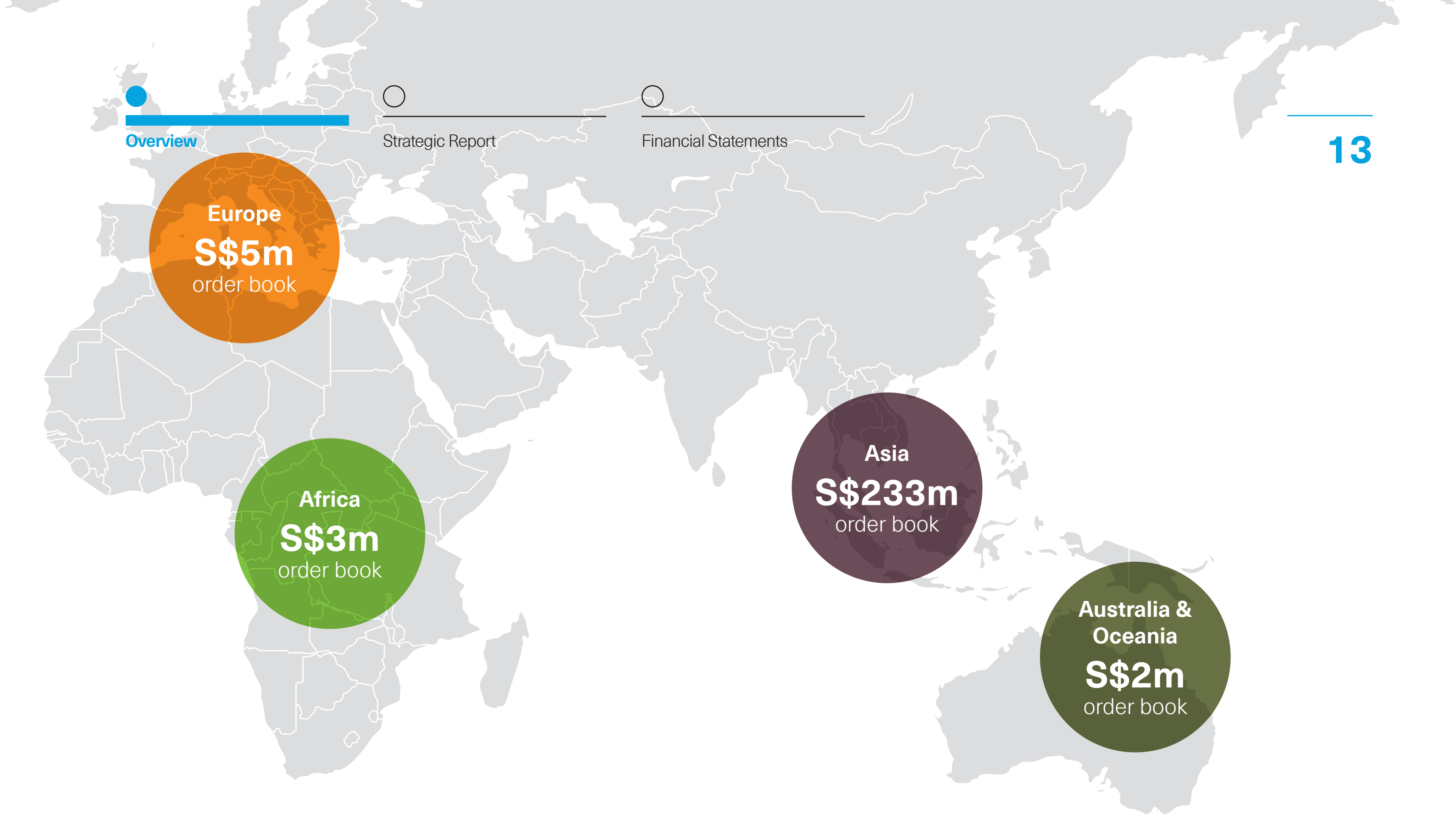
Eastern Europe
- Hungary
- Poland
- Russia
- Slovakia
- Ukraine

Southern Europe
- Cyprus
- Greece
- Italy
- Spain
- Turkey

Northern Europe
- England
- Finland
- Ireland
- Isle of Man
- Lithuania
- Norway
- Scotland
- Wales

Western Europe
- Austria
- Belgium
- Germany
- Netherlands
- Switzerland

* *Order book backlog at end of FY2017 plus new orders secured since.*



Order book backlog of S$249 million*

Africa

Eastern Africa
- Tanzania

North Africa
- Algeria
- Egypt
- Libya
- Tunisia

Middle Africa
- Angola
- Equatorial Guinea

Western Africa
- Cote d'Ivoire
- Gabon
- Ghana
- Nigeria

Asia

East Asia & Central Asia
- Azerbaijan
- China
- Hong Kong
- Japan
- Kazakhstan
- Macau
- South Korea
- Taiwan
- Turkmenistan

South East Asia
- Brunei
- Indonesia
- Malaysia
- Myanmar
- Philippines
- Singapore
- Thailand
- Timor-Leste
- Vietnam

South Asia
- Bangladesh
- India
- Maldives
- Pakistan
- Sri Lanka

Middle East
- Bahrain
- Iraq
- Jordan
- Kuwait
- Oman
- Qatar
- Saudi Arabia
- UAE

Australia & Oceania

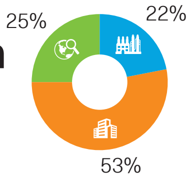
- Australia
- New Caledonia
- New Zealand
- Papua New Guinea

Group at a Glance

Group Revenue

S$433.8m

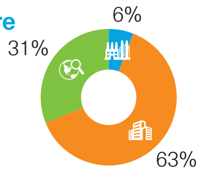
FY2016: S$486.7m



Group Profit Before Income Tax

S$67.7m

FY2016: S$56.5m



Group Net Profit

S$33.3m

FY2016: S$28.2m

Group Net Cash Position

S$188.1m

FY2016: S$165.6m

Group Contracts Secured

S$180m

FY2016: S$284m

Earnings Per Share

6.4¢

FY2016: 5.4¢

Net Asset Value Per Share

61.7¢

FY2016: 58.3¢

Energy-Related Engineering

What we do

Our Energy-Related Engineering Division provides key process technologies for:

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

This division has undertaken more than 1,200 projects in 84 countries and territories globally.

Read more on page 22.

Real Estate Solutions

What we do

Our Real Estate Solutions Division under Boustead Projects Limited provides design-and-build and development expertise for:

1. Industrial facilities;
2. Commercial buildings; and
3. Industrial and business parks.

This division has delivered more than 3,000,000 square metres of industrial real estate regionally and is the established market leader in pioneering advanced eco-sustainable industrial facilities.

Read more on page 28.

Geo-Spatial Technology

What we do

Our Geo-Spatial Technology Division provides professional services and exclusive distribution of Esri geo-spatial technology, the world's leading geographic information system.

This division has more than 13,000 clients regionally including key government agencies and multinational corporations across eight exclusive markets in Australia and parts of South East Asia.

Read more on page 34.

FY2017 Highlights

- Adversely impacted by third year of recession in global oil & gas industries
- Oil & gas businesses still profitable after excluding currency exchange gains
- Oil & gas businesses undertook significant optimisation exercises to streamline internal costs as well as external supply chain costs to address harsh operating environment

Division Revenue

S$96.5m

FY2016: S$128.0m

Division Contracts Secured

S$40m

FY2016: S$95m

Division Profit Before Income Tax

S$4.2m

FY2016: S$9.1m

Division Employees

246

FY2016: 278

FY2017 Highlights

- Challenging industrial real estate landscape
- Better design-and-build performance
- Sizeable one-off gains

Division Revenue

S$228.3m

FY2016: S$255.5m

Division Contracts Secured

S$140m

FY2016: S$189m

Division Profit Before Income Tax

S$44.9m

FY2016: S$29.7m

Division Employees

125

FY2016: 136

FY2017 Highlights

- Firm demand across Australia and South East Asia
- Better revenue and profit performance

Division Revenue

S$108.3m

FY2016: S$103.0m

Division Profit Before Income Tax

S$21.9m

FY2016: S$19.9m

Division Employees

355

FY2016: 345

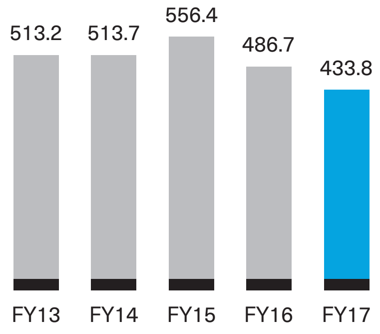
Financial Highlights

	31 Mar 13 S$'000	31 Mar 14 S$'000	31 Mar 15 S$'000	31 Mar 16 S$'000	31 Mar 17 S$'000
Revenue and Profits					
Revenue	513,198	513,705	556,405	486,651	**433,847**
Gross profit	177,402	175,402	186,185	150,567	**143,551**
Profit before income tax	97,423	90,637	88,981	56,543	**67,686**
Total profit	84,480	74,046	66,349	41,135	**53,486**
Profit for the year attributable to equity holders of the Company	81,357	70,685	63,282	28,247	**33,294**
Cash/Scrip dividends	(35,154)	(36,121)	(21,782)	(16,263)	**(10,458)***
Distribution of shares *in specie*	-	-	-	(84,291)	**-**
Statement of Financial Position					
Equity attributable to equity holders of the Company	300,868	352,348	379,996	304,842	**321,952**
Non-controlling interests	11,458	9,352	10,456	104,895	**122,706**
Capital Employed	312,326	361,700	390,452	409,737	**444,658**
Trade receivables (non-current)	10,436	9,183	7,438	-	**-**
Other receivables and prepayments (non-current)	-	1,221	1,241	3,827	**6,577**
Available-for-sale financial assets (non-current)	32,340	69,392	73,387	61,576	**65,903**
Property, plant and equipment	18,545	17,025	16,732	14,565	**11,699**
Investment properties	50,346	108,962	159,857	146,182	**134,796**
Goodwill	1,568	1,322	-	-	**-**
Intangible assets	1,829	2,420	1,452	1,186	**992**
Investments in associated companies	2,787	3,959	3,761	200	**-**
Investments in joint ventures	-	4,467	10,728	13,755	**32,354**
Net deferred income tax (liabilities)/assets	955	548	210	(666)	**(236)**
Net cash position	189,062	165,874	73,574	165,620	**188,145**
Net current assets/(liabilities) (excluding cash and borrowings)	7,670	(12,189)	51,173	13,444	**14,247**
Non-current liabilities (excluding deferred income tax liabilities and borrowings)	(3,212)	(10,484)	(9,101)	(9,952)	**(9,819)**
Assets Employed	312,326	361,700	390,452	409,737	**444,658**
Financial Statistics					
Operating profit over turnover (%)	19.0	17.6	16.0	11.6	**15.6**
Return on equity (%) (Note[1])	27.0	20.1	16.7	9.3	**10.3**
Gross dividend per ordinary share (¢)	7.0	7.0	4.0	19.2	**2.0**
Dividend cover (times)	2.3	2.0	2.9	0.3	**3.2**
Basic earnings per ordinary share (¢) (Note[2])	16.2	13.9	12.3	5.4	**6.4**
Net asset value per ordinary share (¢) (Note[3])	60.0	68.4	73.0	58.3	**61.7**

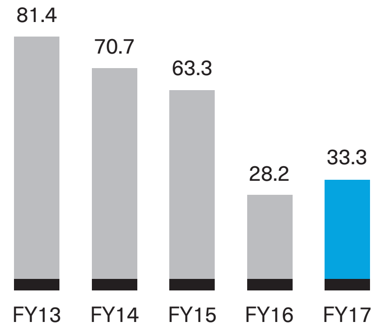
* *Includes proposed final dividend of 1.5 cents for FY2017.*

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.*

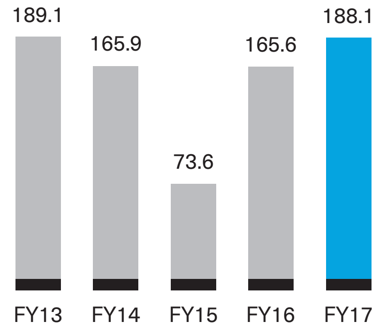
Group Revenue (S$'m)



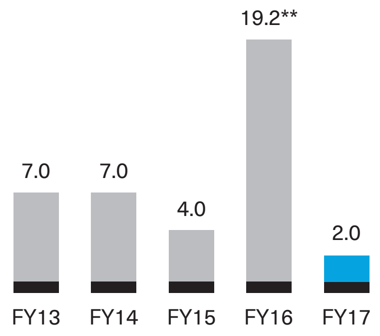
Group Net Profit (S$'m)



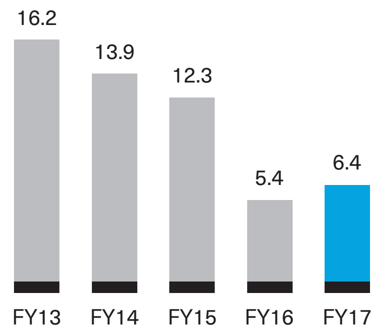
Net Cash Position (S$'m)



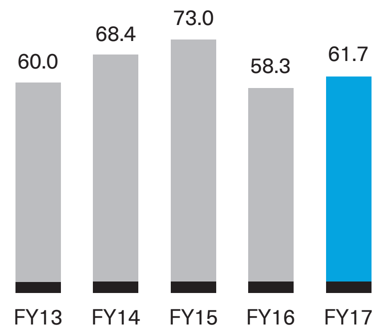
Gross Dividend Per Ordinary Share (¢)



Earnings Per Ordinary Share (¢)



Net Asset Value Per Ordinary Share (¢)



** *Includes dividend in specie of 16.2 cents.*

Chairman's Message

All three divisions – including our Energy-Related Engineering Division – delivered profitability, bringing us a sixth successive year of broad-based profitability.

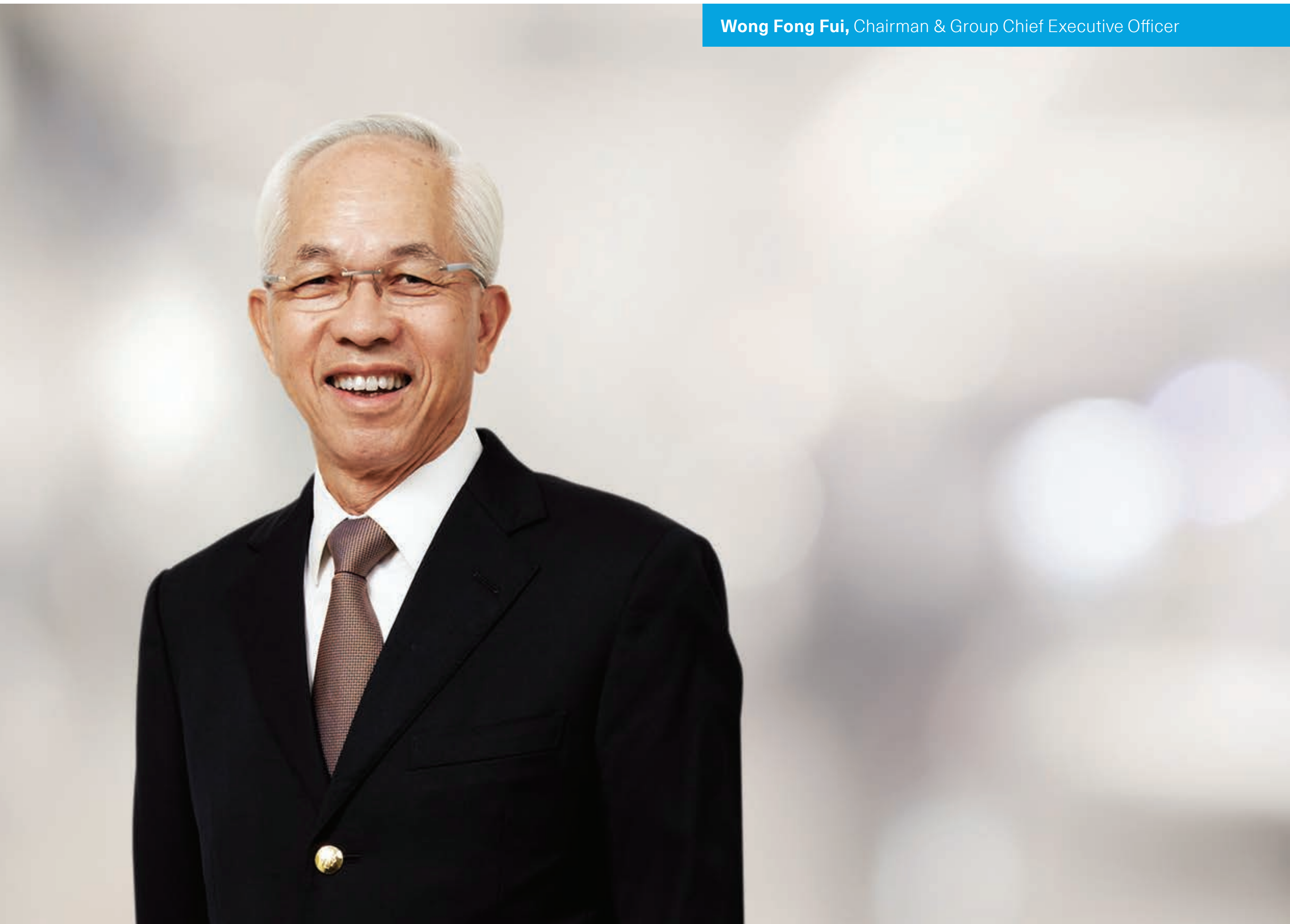
Dear Fellow Shareholders,

It gives me great pleasure to present to you the Boustead FY2017 Annual Report for the financial year ended 31 March 2017.

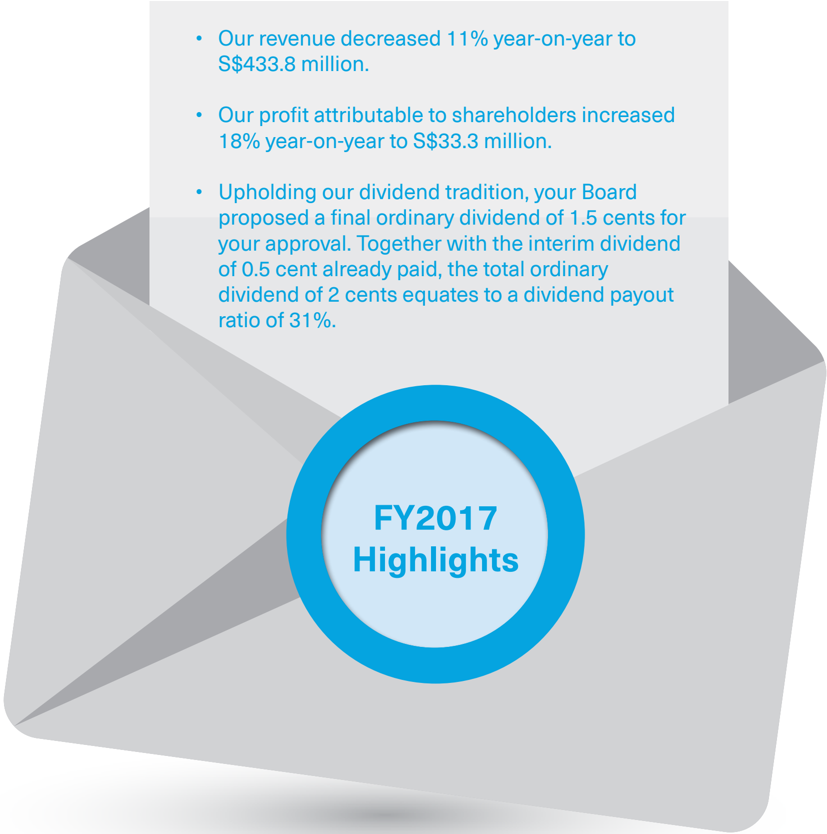
The past year has seen a continuation of our most challenging period in a decade, one punctuated by the intense depth and length of cyclical downtrends in our respective business sectors. Today's global business landscape has been made harsher by geo-political risks that came into play with Brexit and the US presidential election, both with tremendous economic and political implications.

Naturally, our revenue was impacted, decreasing 11% year-on-year to S$433.8 million and falling below our 10-year annual average. However, in terms of profit attributable to you – fellow owners of our Company – we fared better, increasing 18% year-on-year to S$33.3 million, boosted by major one-off other gains from our Real Estate Solutions Division under Boustead Projects Limited ("Boustead Projects").

Adjusting net profit for other gains and losses net of non-controlling interests, normalised net profit would be 9% lower year-on-year at S$25.0 million but still be respectable given the challenging circumstances.



Wong Fong Fui, Chairman & Group Chief Executive Officer



FY2017 – Six Successive Years of Broad-Based Profitability

In our previous annual report, I mentioned that macroeconomic conditions were extremely tough, akin to a severe storm. FY2017 has seen that storm intensify, sinking a number of 'ships' along the way, a parallel to the many defunct corporations in the global oil & gas industries, especially within the hardest hit offshore & marine sectors. The failures of many once high-flying SGX oil & gas corporations confirm this.

Although we also operate in the global oil & gas industries, all three divisions – including our Energy-Related Engineering Division – delivered profitability, bringing us a sixth successive year of broad-based profitability.

At our Energy-Related Engineering Division, the heat turned up, just as it has for the entire global oil & gas industries. Division revenue contracted 25% year-on-year to S$96.5 million, dropping below the S$100 million-mark for the first time in more than a decade. Division profit before income tax ("PBT") fell 54% year-on-year to S$4.2 million. Nonetheless, it was a valiant effort to remain profitable even after excluding S$2.8 million in division currency exchange gains. During the year, we executed a number of strategic moves. Firstly, we shifted much of our GBP into SGD and USD before Brexit, effectively protecting the bulk of UK-headquartered Boustead International Heaters ("BIH")'s net asset value. Secondly, we right-sized our division's teams to eke out S$3 million in annual overhead savings. Thirdly, we refined our division's global fabrication network with new lower-cost high-quality fabrication partners. Lastly, we completed top leadership successions for all three major subsidiaries within our division, paving the way for new ideas, management and strategies. We are getting ready for any radical transformation of the global oil & gas industries.

Our Real Estate Solutions Division under Boustead Projects was our largest revenue contributor for a tenth successive year. Division revenue declined 11% year-on-year to S$228.3 million, with lower revenue at both the design-and-build and leasing businesses. In contrast, division PBT grew 51% year-on-year to S$44.9 million, boosted by major one-off other gains. Respectably, division normalised net profit adjusted for other gains and losses would still have grown year-on-year. Boustead Projects remains Singapore's private sector market leader for industrial real estate solutions, with a brand name that commands excellent respect from even the fiercest of competitors.

Our Geo-Spatial Technology Division was the bright spot for the year, with division revenue up 5% year-on-year to S$108.3 million. There was steady demand from key clients – government agencies – across Australia and South East Asia, and growing demand from new corporate clients. Division PBT rose by a stronger 10% year-on-year to S$21.9 million. Benefitting our division, the strong currency headwinds in FY2016 reduced to a gentle breeze in FY2017. Our division continues to be a key digital infrastructure player that supports disruptive global technological trends.

Upholding our dividend tradition, your Board proposed a final ordinary dividend of 1.5 cents for your approval. Together with the interim dividend of 0.5 cent already paid, the total ordinary dividend of 2 cents equates to a dividend payout ratio of 31%. Supposing we exclude the net profit contributed by Boustead Projects to the Group (since Boustead Projects makes decisions independently and separately from the rest of the Group), then our total ordinary dividend would equate to a dividend payout ratio of 71% of the net profit contributed by the rest of the Group. On a side note, Boustead Projects proposed a maiden dividend of 2.5 cents per Boustead Projects' share, a move that should be welcomed by Boustead Projects' shareholders.

Global Markets

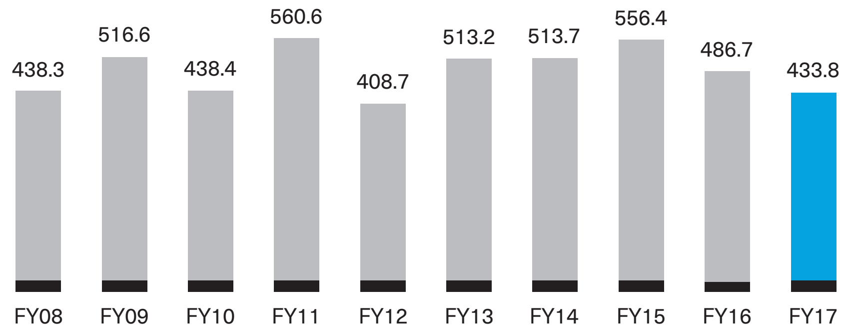
The message that fronts our annual report states, 'Delivering World-Class Customised Solutions for Global Markets'. This is a reference to our world-class engineered solutions and geo-spatial technology solutions that have penetrated 85 countries and territories globally. Whether as a Group or by division, we plan to expand this presence further.

Having global reach is vitally important to our Group, especially since we are headquartered in Singapore and do not possess a hinterland that our competitors elsewhere may enjoy. Acting and thinking globally has far-reaching positive effects on our Group's business longevity.

Chairman's Message

Group Revenue (S$'m)

S$433.8m



Our focus on global markets also implies that we are betting on globalisation, that global trade continues to flow, multicultural exchanges take place and the pockets of expressed nationalism are eventually trumped by transnationalism.

As we push forward with acting and thinking globally, one project that truly captures our attention is China's One Belt, One Road. The One Belt, One Road is about global connectivity and integration, if not at least inter-continental. Singapore undoubtedly possesses some expertise and knowledge in this area and can play an important role in the world's foremost transnational project of this generation. On our part, we certainly will be exploring how we can play a relevant role, whether through our strong network and current businesses or potentially through new contacts, investments and projects.

With our global reach, the world is our oyster.

Our Broadening Acquisition Mandate

Acquisitions and investments are always on our minds.

Over the past several years, I have shared our investment philosophy and also stated that we are searching for synergistic acquisitions and investments that fall neatly into our three divisions. In this respect, we had some measured success, specifically at Boustead Projects where several investments made together with joint venture partners are bearing fruit. However, the same cannot be said for our other two divisions, where it has been extremely difficult to find the right acquisitions and investments.

Although our search has been long and at times, fruitless, we have not given up. In the background and largely invisible to the public eye, we have intensified our efforts and conducted due diligence on an increasing number of acquisition and investment opportunities. Disappointingly, the number of rejections has also been mounting, as we continue to take a risk-measured approach in order to ensure that we get it absolutely right. Not that I am trying to find an excuse but based on hindsight from how previous acquisition targets have performed since our rejections, it seems that we have been mostly right and good stewards of our capital thus far.

This year, let me share my further thoughts on acquisitions and investments, specifically about our broadening acquisition mandate. Our investment philosophy remains the same, except that we are willing to be more adventurous in our search. Our broadening mandate now covers opportunities outside of our three divisions and includes evaluating innovators, start-ups and start-up graduates (start-ups that have commercialised but with a short track record), especially those that possess potentially disruptive and innovative technology, a sustainable business model, solutions with a high commercialisation rate, and most importantly, a budding and energetic management team that we can trust.

Why are we paying attention to start-ups and start-up graduates? Let us remember that every great corporation that exists today began life as a start-up. Once upon a time, we too were a start-up in 1828.

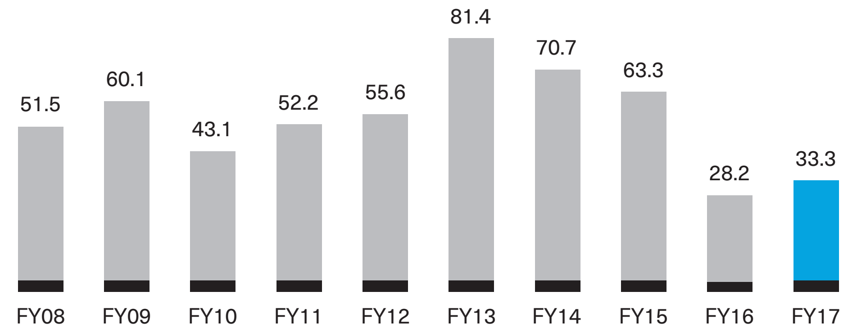
In Boustead's more recent history, here are start-up stories that you may not be fully aware of.

In the past year, not only did we celebrate our 188th Anniversary as Singapore's oldest continuous business, we also recently celebrated the 20th Anniversaries of our division pillars, Boustead Projects (established in May 1996) and BIH (established in April 1997). Both division pillars were start-ups when our current management team took over the Group in 1996.

Our Real Estate Solutions Division under Boustead Projects began life with just six staff and paid-up capital of S$1 million. We brought together an enterprising team to pioneer a business model that was different from others at that time, first with the design-and-build business and thereafter, design-build-and-lease business. Two decades on and over 160 projects later, Boustead Projects has grown to 125 staff, generated total revenues of over S$2.7 billion during the period, with peak revenue of S$279 million

Group Net Profit (S$'m)

S$33.3m



in FY2011. Most importantly, Boustead Projects has always been profitable and gone on to become the Group's most important pillar. Eventually, Boustead Projects reached a critical mass and sustainable performance level that allowed for a partial spin-off and separate listing on the SGX Mainboard in April 2015.

Our Energy-Related Engineering Division's largest subsidiary, BIH began life with 23 staff and a paid-up capital of £500,000. We acquired an experienced and talented team who had been severely tested by the previous global oil & gas recession lasting from 1983 to 1997. Recognising that this team could achieve great things in a better business environment with the right backing and resources, we introduced this team into BIH. It proved to be an excellent move. Two decades on and over 210 projects later, BIH has generated total revenues of over £589 million during the period, with peak revenue of £75 million in FY2014. BIH has been an excellent financial performer, registering just one small loss in the very first year and going on to become the division's largest contributor. Today, BIH is a major global force in providing process heater systems and waste heat recovery units to some of the world's largest energy developments. BIH may be in a challenging space at the moment but with a strong balance sheet and business model focused on high-value added activities and low capital expenditure, BIH has the flexibility to emerge as an even stronger player when the recovery arrives.

Our Geo-Spatial Technology Division was inherited. We had the good fortune to receive a business with excellent long-term fundamentals. However, although we had signed on Esri exclusive distributorships for Australia and parts of South East Asia in the late 1970s and early 1980s (before my time here), our division was as small as a start-up graduate when we first took over, with division revenue of about S$15 million in FY1996. Thanks to the outstanding work of our regional teams, our division's total revenue over the past decade nearly touched S$1 billion, with division revenue and PBT hitting highs of S$114.4 million and S$29.7 million respectively in FY2013, representing phenomenal compounded growth and demonstrating the excellent long-term fundamentals. Our recent performance has not hit the same highs but our best years are still ahead.

All three divisions have excelled over the past two decades, indicating our proven track record with various businesses including innovators, start-ups and start-up graduates.

So, let us be open-minded and embrace opportunities outside of our three divisions as these new opportunities – even if they are not synergistic – could be our future pillars, twenty years from now.

Aligned with our broadening mandate, we have also begun to build an ecosystem to identify and support innovators and start-ups with potential, apart from those that we may acquire or invest in. For example, Esri Singapore recently established the Esri Singapore Innovation & Startup programme. This programme aims to support the most promising innovation-focused business partners and start-ups with three years of Esri software, technical advisory support and training so that they can jumpstart product and application development on the world's best geo-spatial technology platform to deliver smart nation solutions that address real-world challenges in our communities. On a separate but related front, Boustead Projects was awarded a hard-contested concept and price tender from JTC Corporation to undertake a development at Mediapolis, one-north. This iconic 11-floor multi-tenanted business park development is targeted at multinational corporations and start-up graduates from knowledge-based and innovation-driven clusters with the intention to testbed emerging media concepts, content, services and applications. We are helping to shape businesses of our future economy with both hard and soft infrastructure.

Along with growing our current businesses, we intend to be an incubator of sustainable businesses, a role which we have been associated with for almost two centuries. Not to mention that our brand name could add immense credibility and muscle to innovation and start-up efforts or any business that we acquire, for that matter.

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 continued challenging times. Though we face these difficult times, we face them together. I would also like to thank my fellow Board colleagues for their invaluable advice. Last but not least, I would like to extend my appreciation 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 AND TERRITORIES

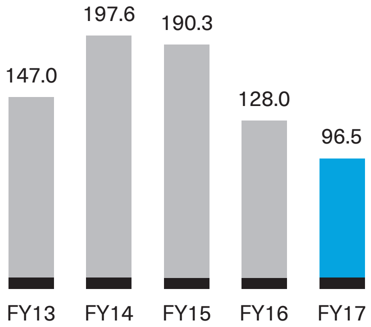
- Africa
- Asia Pacific
- Australia & Oceania
- Europe
- Middle East
- North America
- South America

Performance Highlights

Division Revenue (S$'m)

S$96.5m

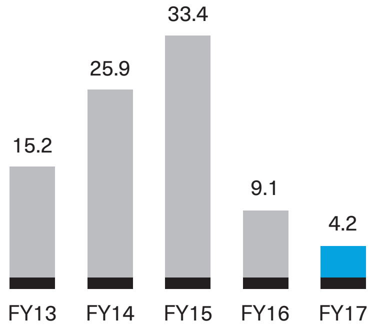
Year-on-year ▼ 25%



Division Profit Before Income Tax (S$'m)

S$4.2m

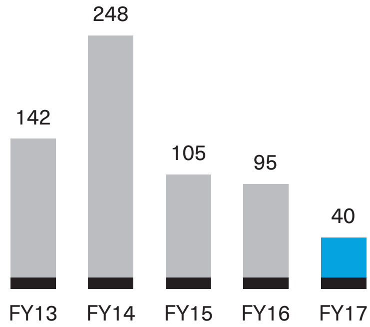
Year-on-year ▼ 54%



Division Contracts Secured (S$'m)

S$40m

Year-on-year ▼ 58%



Process heater systems at petrochemical plant in Texas, US

Energy-Related Engineering

Our Energy-Related Engineering Division's key subsidiaries – Boustead International Heaters, Boustead Controls & Electrics and Boustead Salcon Water Solutions – provide key process technologies to the global oil & gas, petrochemical and energy industries.

In FY2017, our Energy-Related Engineering Division was adversely impacted by a third year of recession in the global oil & gas industries, resulting in continued declines in revenue and profit.

Despite the Organization of the Petroleum Exporting Countries' significant cuts to global supplies, decisions on major oil & gas capital expenditures continued to be deferred. According to Wood Mackenzie, US$69 billion was committed to final investment decisions ("FIDs") with respect to conventional greenfield projects in 2016, down from heights of US$200 billion per annum from 2011 to 2013.

In light of the challenging conditions, our division revenue fell 25% to S$96.5 million, dropping to a level not seen in the past decade. On a positive note, our division registered profit before income tax ("PBT") of S$4.2 million and would have stayed profitable even after excluding S$2.8 million in currency

WHRUs at gas processing plant, Algeria

exchange gains. Revenue and profit contributions came from our business units involved in providing key process technologies for the global oil & gas and petrochemical industries. During the year, these business units undertook significant optimisation exercises to streamline internal costs as well as external supply chain costs to address the harsh operating environment.

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 associated equipment to the global oil & gas, petrochemical and energy industries.

In FY2017, BIH progressed on schedule with over 20 projects across six continents, delivering key large-scale process heater systems and WHRUs to major greenfield developments, and brownfield upgrade and refurbishment projects undertaken by global engineering, procurement & construction ("EPC") clients, and multinational and national oil & gas clients. In terms of product revenue mix, process heater systems dominated 90% of revenue contributions, with the remainder coming from WHRUs. The vast majority of projects were for oil refineries and gas processing plants.

BIH's revenue and profitability continued to be impacted by decisions of many major oil & gas corporations to defer FIDs on major greenfield developments. As these corporations lean towards smaller short-term capital expenditures to upgrade and refurbish existing infrastructure, this resulted in increased enquiries for brownfield developments, albeit with lower contract values and at more competitive rates. On the back of this trend, BIH's enquiry pipeline rebounded from lower levels in FY2016, gaining momentum throughout FY2017.

New contracts were secured across four continents, mainly for the supply of process heater systems to oil refineries. Notably, after revising business development strategies, BIH secured almost all new contracts during the final two-thirds of FY2017. However, with lower demand for WHRUs, there was only one new contract for a WHRU.

During the year, the Asia Pacific and Middle East were BIH's most important regions, contributing nearly 30% of revenue and 50% of new contracts secured. North America remains a key market, in particular the US, contributing nearly 30% of revenue with five projects to supply process heater systems to repeat end-user clients representing 50% of all oil & gas supermajors. In addition, BIH progressed on delivering a large-scale WHRU to be installed at the largest LNG export plant under development in the US.

Sales into Europe contributed over 20% of revenue. Notably, BIH delivered multiple process heater systems to Europe's largest greenfield development.

Elsewhere, at BIH's sole ongoing project in Africa, BIH was in advanced stages of supplying multiple process heater systems to Egypt's largest greenfield development for a repeat end-user client, an oil & gas supermajor.

In view of the harsh operating environment, BIH optimised internal costs, strategically focused on rebuilding order book backlog through providing value-added upgrade and refurbishment services in addition to traditional product offerings, and enhanced the supply chain to drive cost and efficiency improvements. Operationally, BIH maintained an accident-free safety record in FY2017.

Going forward in FY2018, BIH expects yet another challenging year, with intense competition and fewer greenfield developments. Geographically, BIH will focus on opportunities across Asia, Europe and North America, particularly in the US where it has established a credible presence. Given the push for increased standardisation in the global oil & gas industries, BIH will be exploring the use of its global network, engineering expertise and track record to establish partnerships to develop standardised product offerings, and diversify product offerings into vertical markets.

Boustead Controls & Electrics

Boustead Controls & Electrics ("BC&E") is a well-recognised leader in designing, engineering and supplying process control systems such as pneumatic and hydraulic or safety programmable logic controller-based wellhead control panels ("WHCPs") and hydraulic power units ("HPUs"), integrated control & safety shutdown systems and topside automation systems, chemical injection skids, fire & gas ("F&G") systems and supervisory control & data acquisition (SCADA) systems to the upstream oil & gas industries.

In FY2017, BC&E maintained healthy levels of revenue and profitability despite the recession in the global oil & gas industries. Margin pressure was partially mitigated through value-added services and supply chain improvements.

Energy-Related Engineering

In terms of revenue contribution and new contracts secured, BC&E's traditional key markets in the Middle East and India continued to take centre stage. Amid the challenging conditions, BC&E strengthened relationships with both EPC clients and end-user clients to secure a healthy level of new contracts during the year.

The largest contributing market was the UAE, where BC&E continued to build on an established presence. BC&E undertook eight projects for a number of national oil & gas entities under repeat end-user client, Abu Dhabi National Oil Company ("ADNOC"). These comprised the delivery of WHCPs, HPUs and hydraulic safety shutdown systems for many of Abu Dhabi's largest oil & gas field developments. BC&E also secured a new leading EPC client for a fast track project to supply 47 WHCPs to an end-user entity under ADNOC, further extending BC&E's installed base with end-user entities under ADNOC to over 100 well sites.

In the traditional market of Saudi Arabia, BC&E continued to advance its relationship and deliver process control systems meeting the stringent standards of repeat end-user client, Saudi Aramco. BC&E continued to win contracts for hydraulic wellhead emergency shutdown systems, overcoming intense competition and increasingly stringent local requirements.

Strengthening the foothold in India, BC&E progressed on projects with many EPC clients to deliver shutdown systems to another important repeat end-user client, Oil & Natural Gas Corporation ("ONGC"). These include the supply of WHCPs, HPUs, F&G systems and hydraulic safety shutdown systems for many well platforms for ONGC.

Regionally, BC&E continued to expand operations – setting up a factory and workshop in the UAE – and strengthening the engineering base in India. Operationally, BC&E maintained an accident-free safety record in FY2017.

With the market expected to remain acutely challenging in FY2018, BC&E will continue to focus on opportunities in the Middle East, India and Asia Pacific. BC&E will also continue to expand the business development network and is exploring setting up local operations in countries closer to end-user client bases to enhance competitiveness, deepen market

Process control systems, India

presence, and improve product and service offerings.

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 globally, BSWS has delivered projects across the oil & gas, petrochemical, pharmaceutical, power, semiconductor and special defence industries, as well as for municipal authorities.

During FY2017, BSWS progressed on over 10 industrial water and wastewater treatment projects across six countries and territories in the Asia Pacific and Middle East. South East Asia was the most important market, contributing nearly 80% of revenue. On the business development front, the depressed state of the global oil & gas industries led to a significant slump in demand for water and wastewater treatment plants.

In Indonesia, BSWS advanced on four projects, of which three are in the power industry. After facing a delay of two years, BSWS recommenced a large project, proceeding on the engineering and construction of seawater desalination, demineralisation and wastewater treatment plants for the country's first ultra supercritical power plant located in Central Java. BSWS also enhanced its track record in the ammonia and fertiliser industries with the delivery and installation of a 7,500 cubic metres/day seawater desalination plant and a 14,110 cubic metres/day demineralisation plant at the Banggai Ammonia Plant. With a strong presence in Indonesia, BSWS secured two new contracts during the year for the Tanjong Priok – Jawa 2 Power Plant and Lontar Extension Power Plant, and an additional contract shortly after the close of the year for Tanjung Jati B Power Plant Phases 5 and 6. BSWS had previously delivered a 20,000 cubic metres/day seawater desalination plant, and demineralisation and wastewater treatment plants for Tanjung Jati B Power Plant Phases 3 and 4 in 2010.

Elsewhere in South East Asia, BSWS progressed on the delivery of a wastewater treatment plant for the Duyen Hai 3 Expansion Power Station in Vietnam, with completion expected soon. Back home in Singapore, BSWS embarked on a unique pilot plant with Wyeth Nutrition, a subsidiary of Nestle that manufactures and packages infant and child formula milk powder. The pilot plant will incorporate wastewater recycling technology to treat effluent discharge for reuse as makeup water for Wyeth Nutrition's cooling towers. Additional business development opportunities may evolve out of the success of this pilot plant.

Further strengthening market leadership in the power industry, BSWS progressively delivered and installed projects in Saudi Arabia and Taiwan. BSWS continued to work on delivering a 7,800 cubic metres/day demineralisation plant and wastewater treatment plants for the Saudi Yanbu Power & Desalination Plant Phase 3, which will have a power generation capacity of 2,500MW and supply 550,000 cubic metres/day of water to Medina. BSWS also delivered the second unit of a 70,000 cubic metres/day condensate polishing plant at Taiwan Power Company's 1,600MW ultra supercritical coal-fired thermal power plant.

In an effort to broaden the network, BSWS has established a local engineering base in India. The new office will serve as a potential springboard into South Asia and the Middle East. Operationally, BSWS maintained an accident-free safety record in FY2017.

Going forward in FY2018, BSWS will continue to target opportunities in the power, oil & gas and petrochemical industries, as well as in industrial sectors affected by Singapore's impending hikes in water tariffs. BSWS will also focus on increasing market visibility and reach with EPC clients and end-user clients, and maintaining competitiveness through supply chain improvements.

Contract Awards & Achievements in FY2017

Apr – Jun 2016
Middle East, South Asia
S$6 million
WHCPs, HPUs and other process control systems

Jul – Sep 2016
Europe, Middle East, North America, South Asia, South East Asia
S$13 million
Process heater systems, fuel skids, WHCPs, HPUs, F&G systems, other process control systems, and water and wastewater treatment plants

Oct – Dec 2016
Australia, Europe, Middle East, South East Asia
S$13 million
Process heater systems, WHRU, WHCPs and water treatment plant

Jan – Mar 2017
Middle East, South Asia, South East Asia
S$8 million
Process heater system, F&G systems and other process control systems

Real Estate Solutions

Market Sectors

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

Geographic Markets

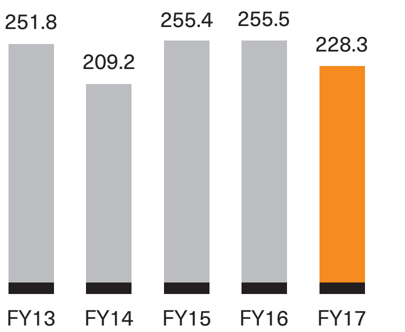
- China
- Malaysia
- Singapore
- Vietnam

Performance Highlights

Division Revenue (S$'m)

S$228.3m

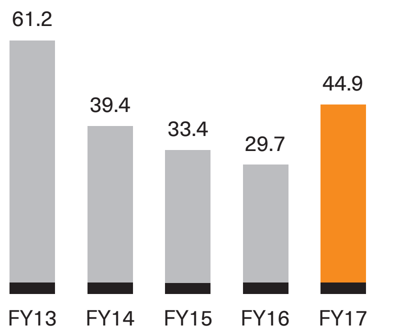
Year-on-year ▼ 11%



Division Profit Before Income Tax (S$'m)

S$44.9m

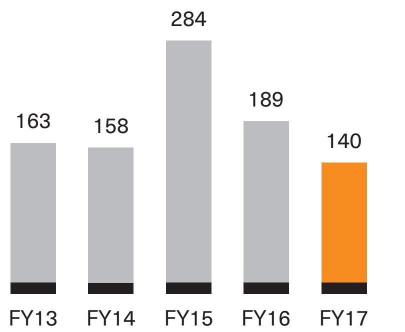
Year-on-year ▲ 51%



Division Contracts Secured (S$'m)

S$140m

Year-on-year ▼ 26%



Perspective of GSK Asia House, one-north, Singapore

Real Estate Solutions

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

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 Building & Construction Authority ("BCA") of Singapore for Grade CW01-A1 and General Builder Class One License to execute building construction contracts of unlimited value.

Perspective of MP8 at Mediapolis, one-north, Singapore

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

For the tenth consecutive year, Boustead Projects topped the division revenue contributors. In the face of a challenging and competitive business landscape, Boustead Projects registered revenue of S$228.3 million, 11% lower year-on-year mainly due to lower revenue contributions from both the design-and-build and leasing businesses. Profit before income tax ("PBT") was S$44.9 million, 51% higher year-on-year, boosted by one-off gains.

Design-and-Build Business

In FY2017, design-and-build revenue fell 12% year-on-year to S$195.2 million, as higher revenue was registered in the previous year due to greater progress in several significant projects. Despite lower revenue, design-and-build PBT grew 7% year-on-year to S$14.9 million, mainly due to the unlocking of cost savings from various projects secured earlier.

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

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

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

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

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

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

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

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

Overseas, Boustead Projects continued to intensify regional business development efforts in China, Malaysia and Vietnam, and other potential markets, setting up an experienced regional team to drive and manage regional expansion efforts.

Real Estate Solutions

In Malaysia, although no new projects were secured, deeper insight was gained into the country's market dynamics. In Vietnam, two small contracts were secured from multinational corporations in the healthcare and pharmaceutical, and oil & gas industries.

Leasing Business

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

During the year, activities undertaken by the BDP continued to underpin the growth of the industrial leasehold portfolio*. The BDP completed GSK Asia House near the end of FY2017. This is the first business park space within the industrial leasehold portfolio*.

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

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

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

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

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

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

Contract Awards & Achievements in FY2017

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

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

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

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

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

FY2017 was an active year for the BDP. As mentioned earlier, the BDP successfully completed GSK Asia House and commenced two new projects, Continental Building Phase 3 and MP8.

THAB, the strategic joint venture platform that Boustead Projects formed with AME Construction Sdn Bhd, SGX-listed Tat Hong Holdings Ltd and SGX-listed CSC Holdings Ltd, is developing iBP @ Nusajaya, a premier freehold business park located in the Southern Industrial & Logistics Clusters of Nusajaya (Flagship Zone B) and a multi-tenanted logistics hub at the Port of Tanjung Pelepas (Flagship Zone C). At a successful launch in October 2014, iBP @ Nusajaya Phase 1 offered 50 units of flexibly-designed detached and semi-detached modern quasi-business and industrial facilities. Phase 2 will launch the remaining 50 units during a more opportune time. The majority of the 100 planned units has been completed. At the Port of Tanjung Pelepas, construction of the logistics hub is ongoing.

Under a PREH-led consortium, Boustead Projects holds a 4% stake in Beijing Tongzhou Integrated Development Phase 1, a mixed-use Grade A iconic landmark development which is currently under construction along the famous Grand Canal and is due to be completed by 2020. Phase 1 features a proposed 414,000 square metres commercial complex comprising a five-level retail podium and three towers of office and residential space. Under a separate PREH-led consortium in Singapore, Boustead Projects sold a 5.5% stake in TripleOne Somerset, a Grade A property within the Central Business District and prime Orchard precinct. On the final day of FY2017, Boustead Projects completed the S$27.5 million sale, recognising a net gain of S$8.9 million after deducting divestment fees.

Strengthening regional strategic platforms, Boustead Projects signed a Framework Agreement with Guangdong New Co-Operative Agricultural Products Wholesale Centre Investment Co, Ltd ("Guangdong New Co-Op"), a business unit of Guangdong Co-Op Society, for the purpose of jointly developing key agricultural and commodities logistics networks within Guangdong Province. The Framework Agreement provides a formal structure to jointly invest, develop, construct and manage a series of key agricultural and commodities logistics networks within Guangdong, which includes the joint acquisition of land, development and construction of logistics infrastructure and parks, and subsequent management or sale of completed projects. Gestation is expected to be long as an initial project that is feasible has yet to be identified.

Going forward in FY2018, conditions in Singapore's industrial real estate market sector are expected to remain challenging. Boustead Projects will continue to focus on capturing opportunities in higher value industries, driving cost and productivity improvements, and further expanding regionally. In addition, Boustead Projects remains committed to growing the industrial leasehold portfolio* through pursuing opportunities under the BDP and other joint ventures, and potentially through inorganic acquisitions and investments as well. Focus will also be placed on building additional strategic partnerships and platforms to support medium to long-term growth efforts in Singapore and across target overseas markets.

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

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

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

Geo-Spatial Technology

Market Sectors

ALL INDUSTRIES

- Agribusiness
- Banking
- Defence and intelligence
- Education
- Emergency services
- Energy, oil & gas and renewables
- Environmental management
- Government
- Health and human services
- Infrastructure
- Insurance
- Law enforcement
- Media
- Mining
- Non-profit organisations
- Plantation
- Ports and maritime
- Real estate
- Retail
- Telecommunications
- Transport and logistics
- Utilities

Geographic Markets

8 COUNTRIES

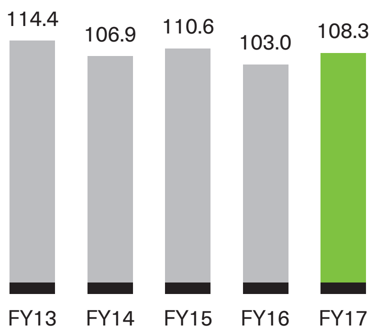
- Australia
- Bangladesh
- Brunei
- Indonesia
- Malaysia
- Papua New Guinea
- Singapore
- Timor-Leste

Performance Highlights

Division Revenue (S$'m)

S$108.3m

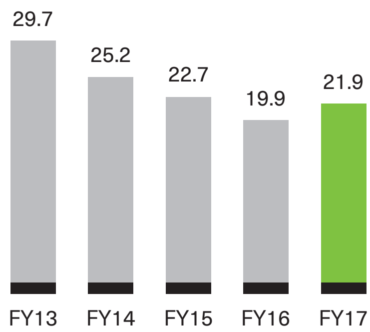
Year-on-year ▲ 5%

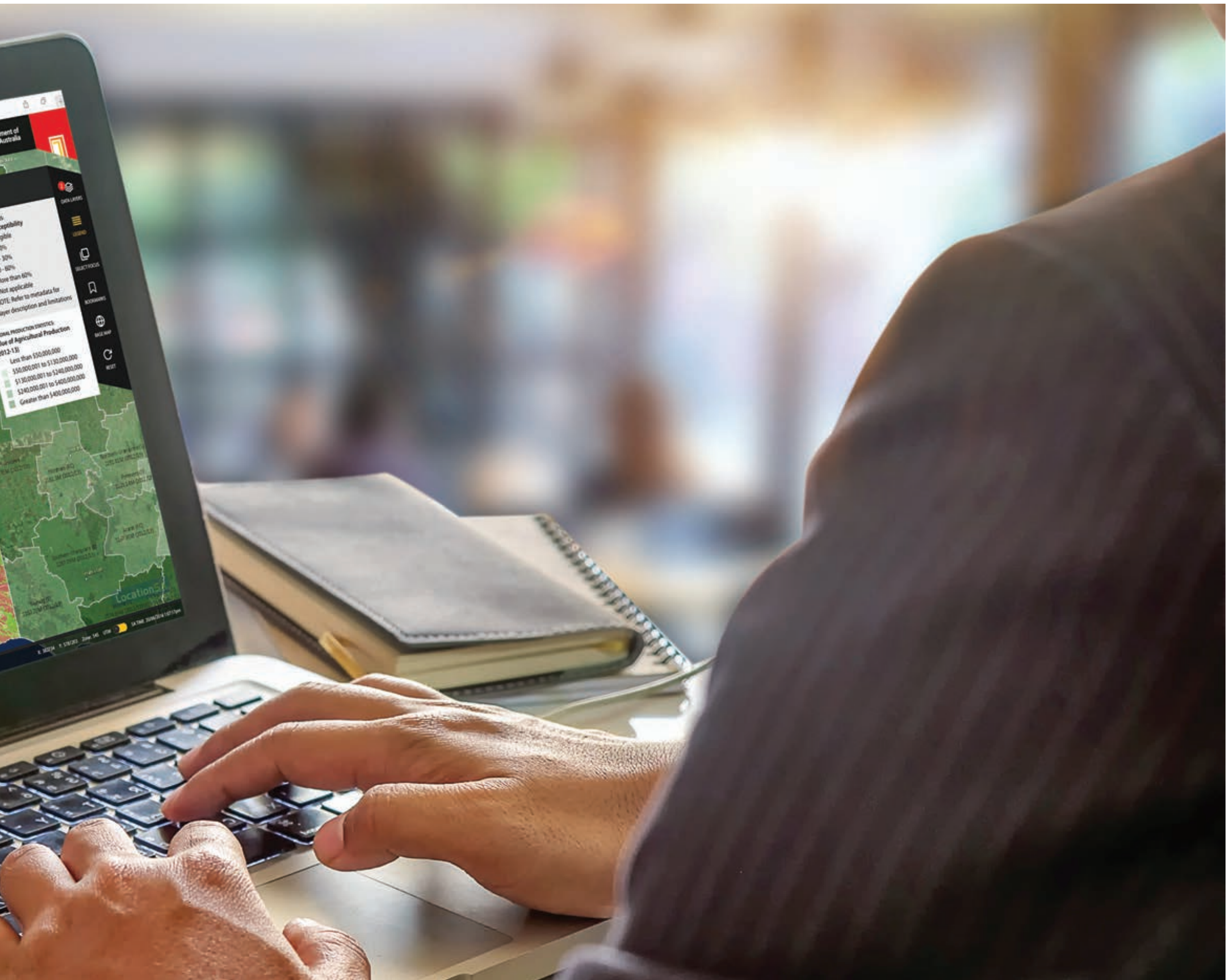


Division Profit Before Income Tax (S$'m)

S$21.9m

Year-on-year ▲ 10%





Geo-Spatial Technology

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 system ("GIS") – to major market sectors across Australia and parts of South East Asia.

Our Geo-Spatial Technology Division's intelligent mapping platform and digital infrastructure solutions are essential to create smart nations, smart cities and smart communities by solving the world's largest problems through effective and sustainable planning, deployment and management of key infrastructure and resources. Our division is also ranked in the top three exclusive distributors in Esri Inc's global network, with our client base numbering over 13,000 organisations regionally.

In FY2017, riding on the back of steady demand for our division's products and services in Australia and South East Asia, revenue grew 5% year-on-year to S$108.3 million, while profit before income tax ("PBT") climbed 10% year-on-year to S$21.9 million. Many new GIS solutions were launched for traditional key government agencies, alongside increased engagement with the private

Former Governor of Maryland and 2016 US presidential candidate Martin O'Malley (left) and Esri Founder and President Jack Dangermond (right) speaking at 'An afternoon with Jack' hosted by Esri Australia sector and start-up community. Across our division's geographic markets, there was strong demand for national resilience projects among defence and public safety agencies.

From a global mega trends perspective, a growing understanding of the value of advanced location-based analytics in solving real world challenges is driving the ongoing deployment of the Esri ArcGIS technology platform as a leading data-driven decision making tool. The latest release – ArcGIS 10.5 – further reinforces its value as a key data analytics platform, with new capabilities including expanded visual analytics, enhanced collaboration abilities, real-time data management and seamless integration with a growing range of Internet of Things ("IoT") technologies. These new capabilities align with global mega trends including smart cities, big data, IoT, autonomous vehicles, open data movement, sustainable development and many other disruptive global technological trends.

Australia

In FY2017, Esri Australia continued to be the largest contributor to our division's revenue and PBT. Revenue reached a new record with highly targeted engagement and heightened education efforts across a broad range of sectors.

During the year, Esri Australia's enterprise agreement ("EA") programme – a flexible client engagement framework that provides clients with additional support to help them realise the full value of their technology investments – achieved continued growth to become the largest revenue stream. More than 20 clients either renewed EAs or signed up EAs for the first time, signalling the increasing role of the Esri platform as a key enterprise business platform. Software as a Service ("SaaS") was another growth area, with revenue from hosted solutions – including the local Cloud Services offering and ArcGIS Online – rising 30% year-on-year, reflecting the global trend of organisations adopting SaaS alongside traditional technology deployment models.

Esri Australia's focus for FY2017 was on initiating a transformation programme aimed at capitalising on the changing marketplace, particularly the increasing demand for SaaS. Phase 1 of the programme included enhancing Esri Australia's sales and marketing functions and introducing events to create new engagement opportunities with non-traditional users. Recognising growing demand for online learning, Esri Australia also delivered a new online training product known as Training Passports, which provides clients with year-round access to local training content.

As a key part of the transformation programme, Esri Australia also launched the Innovation Lab, dedicated to applying spatial thinking to develop disruptive, innovative technology solutions. One of the Innovation Lab's developed solutions, SmarterWX, is a capital works management tool that enables councils, utilities and the private sector to collaborate on the scheduling of capital works, addressing a major technology gap in the market. SmarterWX has received early positive market feedback and been endorsed by the Streets Opening Coordination Council. SmarterWX was officially launched at the start of FY2018 and will produce recurring revenue over the coming years.

Generating greater engagement at all levels took centre stage. Within the start-up community, Esri Australia held mentoring sessions with aspiring technology entrepreneurs on how to integrate advanced spatial analytics into their apps. These efforts were supported locally by the Innovation Lab and globally by the Esri Startup Program, a free three-year programme that gives emerging businesses the tools to build mapping and location analytics capabilities into their products. On the executive leadership level, through a series of high profile events, Esri Australia engaged with an unprecedented number of government and business leaders to encourage them to enable their organisations with advanced spatial analytics capabilities.

This culminated with the hallmark event, 'An afternoon with Jack' where Esri Inc's legendary founder and president, Jack Dangermond inspired a large audience at the Sydney Opera House with his first speaking appearance in the country in almost a decade.

Over FY2017, Esri Australia partnered with existing utility-based clients to showcase the Esri platform's ability to seamlessly integrate with existing legacy systems, rather than dislodge them, resulting in a steady rise in projects for business system integration projects across power and water utilities. At Western Power ("WP"), the Network Risk Management Tool ("NRMT") was delivered. This innovative GIS solution accurately predicts the risk and impact of failure of each of WP's 7.1 million assets, allowing for prioritisation of maintenance and replacement of network assets. As an Australian-first initiative, the standards of NRMT are expected to be replicated by utilities globally. Elsewhere, Esri Australia supported the Power & Water Corporation in its water meter replacement programme, which saw 650 commercial meters checked and replaced with a 70% efficiency increase.

In the realm of public safety, Esri Australia partnered the Public Safety Business Agency ("PSBA") on multiple projects to create a common GIS platform across various business units. One GIS solution, the ATLAS mapping solution for the Police Communications Centres enables Queensland's police movement to be tracked live on an interactive map, thereby reducing incident response times and triggering alarms if an officer's safety is threatened. Initially trialled on vehicle-mounted radios, ATLAS has been extended to hand-held digital radios and 5,000 iPads, ensuring officers on foot, bike and horseback can also be monitored. The PSBA plans to roll out ATLAS to map ambulance officers and fire fighters, enabling crucial collaboration during emergencies and major events.

Geo-Spatial Technology

As the open data movement continues to gain momentum, Esri Australia partnered with several government agencies in open data initiatives. In Western Australia, the Royalties for Regions ("RFR") app is an intuitive online map that provides the public with insights into more than 4,700 state government projects under the RFR programme, with a transparent view of project locations, costs and outcomes. The RFR app is delivered through the state government's unique Shared Location Information Platform, underpinning the Western Australian Whole of Government Open Data Policy. In Queensland, the initial Queensland Globe – built on a deprecated Google platform – was replaced with the Esri platform to deliver intuitive access to 2D and 3D government data, as part of the state government's open data initiative. The success of the project reinforces Esri Australia's long-standing partnership with the Department of Natural Resources & Mines, spanning more than 30 years.

Going into FY2018, Esri Australia will continue to focus on opportunities in traditional key market sectors such as defence, emergency services, law enforcement, natural resources, transportation and utilities. With the growing adoption of the Esri platform as a core business system and its emerging value as a big data mapping intelligence tool, growth among new users – particularly business leaders and data analytics professionals – is expected. Esri Australia will also aim to deepen engagements across the board.

Esri Singapore

In FY2017, Esri Singapore achieved strong double-digit growth, fuelled by traditional key market sectors, as well as growing appetite in the private sector for advanced spatial analytics. Multiple EAs were signed with government agencies and corporate clients.

Leading the way were government-led initiatives for the landmark Smart Nation initiative. The Singapore Land Authority ("SLA") revealed the highly anticipated first phase of its national 3D mapping project at the 2016 Esri User Conference in San Diego, using the Esri platform to generate compelling real world visualisations of the entire country. Part of the Smart Nation initiative aimed at improving risk management, facilitating collaboration

National 3D mapping project by SLA

and enhancing decision making among government agencies, the 3D mapping project is expected to deliver significant value to the country in areas from urban planning and infrastructure development to forecasting solar energy outputs and managing security at large-scale public events. Government agencies will also use the Esri platform to share data in real-time in field operations, navigation and routing.

Indirectly supporting the Smart Nation initiative, Singapore's largest utilities – Singapore Power ("SP") and PUB – also partnered Esri Singapore to deliver smart grid solutions. During the year, SP renewed under Esri Singapore's EA programme and strengthened its GIS solutions, reinforcing SP's electricity grid as one of the world's best performing networks. In particular, the Esri platform is key to SP's Outage Management System, designed to enhance SP's capability to respond to unplanned power outages and network disruptions, and mobilise appropriate teams to respond to and rectify incidents. For PUB, Esri Singapore worked with Yokogawa and Anacle to replace PUB's Enterprise Asset Management System ("EAMS"). The new EAMS will enable PUB's engineers to undertake efficient fieldwork by providing them with authoritative and timely information drawn from its enterprise GIS platform.

To expand the user base, Boustead and Esri Singapore jointly launched the Boustead GeoSpatial Enablement Programme ("Boustead GEP") during FY2017, enabling the National University of Singapore ("NUS") and other selected universities with the Esri platform to invent, innovate and contribute to the realisation of the Smart Nation initiative. In line with this, Esri Singapore is also collaborating with the NUS to bring together the first Smart Campus.

Separately, Esri Singapore launched the Esri Singapore Innovation & Jumpstart Programme ("ESIJP") to equip innovation-focused business partners and start-ups with Esri software, technical advisory support and training to help jumpstart their product and application development. The programme aims to support partners that develop sustainable smart nation solutions that address real-world challenges in communities.

Gaining traction in private sector engagements, Esri Singapore secured several new contracts from large corporate clients, partnering with them to use advanced spatial analytics to significantly improve their operations. One project involves deploying the Esri platform to help one of Singapore's largest mall operators to analyse a range of retail factors from footfall to share-of-wallet per shop and draw insights to support leasing planning. In another project, Esri Singapore supported an utilities pipeline network operator in managing its entire network including pipeline construction, leasing and maintenance operations.

Going forward in FY2018, Esri Singapore will continue to focus business development efforts in traditional key market sectors, while deepening engagements with the private sector. In addition, the Boustead GEP and ESIJP will continue to target potential start-ups and recipients to broaden the non-traditional user base.

Esri Malaysia

In FY2017, Esri Malaysia consolidated activities after two years of strong growth, building on partnerships with government agencies and engaging with the private sector, particularly in the telecommunications sector.

During the year, Esri Malaysia progressed on many national projects. Esri Malaysia supported the Malaysian Centre for Geospatial Data Infrastructure ("MaCGDI") – the department responsible for facilitating the development of the national GIS platform underpinning Malaysia's National Spatial Data Infrastructure – in delivering an important update to its 1Malaysia Map, which supports mission-critical decision making at major government agencies nationwide. In a significant national transportation project, Esri Malaysia partnered with the Highway Authority of Malaysia ("LMM") to deliver an innovative asset management solution that maps and analyses the location of all toll stations, emergency telephones, network equipment and variable messaging signs. The solution also helps LMM to oversee the design, construction, regulation, operation and maintenance of Malaysia's highways.

Gaining headway in engagements with the private sector, Esri Malaysia partnered with two telecommunications corporations in implementing GIS solutions to support their businesses. With Telekom Malaysia ("TM") – the nation's leading telecommunications corporation – Esri Malaysia developed an online map of business data such as demographic distribution and property valuations, providing market insights and competitive information to enable TM's business leaders to determine new market opportunities and expansion possibilities. Esri Malaysia also partnered with U Mobile ("UM") – a mobile telecommunications corporation – to implement a near real-time GIS solution as a key component of UM's competitive strategy and market planning initiatives, enabling UM to respond quickly to new opportunities.

Going forward in FY2018, Esri Malaysia will continue to focus on emerging opportunities with government agencies and the private sector.

Geo-Spatial Technology

Esri Indonesia

In FY2017, Esri Indonesia achieved strong double-digit growth, which like Esri Singapore was also fuelled by traditional key market sectors, as well as growing appetite in the private sector for advanced location-based analytics.

Esri Indonesia partnered several organisations to deliver landmark projects in the areas of environmental monitoring and protection. The GIS e-Audit, an environmental auditing tool was developed for the Audit Board of the Republic Indonesia ("BPKRI"), earning Indonesia global recognition from members of the International Organisation of Supreme Audit Institutions. GIS e-Audit enables information collected by BPKRI's fieldworkers to be integrated and visualised real-time on a mapping dashboard, quickly validating the authenticity of data and attaining greater situational awareness of the country's natural resources. In another project, Esri Indonesia partnered with Indonesia's Ministry of Environment & Forestry to launch a new GIS portal which serves as a dedicated data source on the country's forests and other natural resources. The GIS portal integrates and visualises government data on forest area usage, watershed boundaries, areas for forest and land rehabilitation, and location of forest management units. In a private sector engagement, Esri Indonesia also partnered with Sinar Mas Forestry to create a real-time map that effectively identifies the location of all forest fire hotspots and evaluates what needs to be done to address fire outbreaks, an approach that is considered a global best practice and which has also won its fair share of praise.

In the transportation sector, the Ministry of Public Works & Housing's Institute of Road Engineering Agency for Research & Development ("Pusjatan") engaged Esri Indonesia to develop a new smart mapping portal called Geoportal Pusjatan, which is designed to help local authorities better monitor the condition of public infrastructure such as roads, highways, bridges and drainages. Geoportal Pusjatan allows fieldworkers to efficiently collect information on the ground and share it in real-time with decision makers based at the agency's headquarters in Bandung, and also provides various government agencies with a spatially referenced inventory on each asset – the year it was built, current condition, maintenance history, required upgrades and other information needed for decision making.

Building on an initial project done for Bank Muamalat ("BM"), Esri Indonesia continued to partner with BM to deploy an innovative GIS solution that cuts BM's operating costs, optimises the performance of network assets and increases service quality. The solution effectively optimises BM's network of 1,998 automated teller machines and 500 branches, addressing inefficiencies created from information gaps and siloed intelligence by integrating business data from multiple departments into one dynamic smart map. This can be accessed on an executive dashboard, presenting a clear picture of whole operations in real-time.

Enterprise Agreements in FY2017

Apr 2016
Singapore
Singapore Land Authority EA

Apr 2016
Singapore
Singapore Power EA

Jun 2016
Australia
Brisbane City Council EA

Jul 2016
Australia
Fire & Rescue NSW EA

Marking a breakthrough in the telecommunications sector, Esri Indonesia partnered with state-owned telecommunications corporation, Telekomunikasi Indonesia ("Telkom") to map and analyse business data such as customer demographics, market trends and the location of optical distribution points ("ODP"). The project is part of Telkom's efforts to double the number of IndiHome subscribers from two million to four million by 2020 and will help Telkom to strategically install ODPs in high concentration subscriber areas, thereby ensuring high quality services for integrated cable TV, Internet, land line and mobile line service offerings.

Going forward in FY2018, Esri Indonesia plans to build on the strong growth momentum generated during FY2017.

Regional Accolades

During FY2017, our Geo-Spatial Technology Division's clients continued to be recognised for their achievements with the prestigious Special Achievement in GIS ("SAG") Award, presented by Esri Inc at its annual Esri User Conference held in San Diego. Recipients of the SAG Award are selected from a pool of more than 350,000 private and public sector organisations worldwide to receive the honour, which recognises the innovative use of GIS technology to solve real world challenges. Four of our division's clients, one from each of the major countries, were recipients.

In Australia, Queensland Urban Utilities ("QUU") won a SAG Award for Q-Hub, a technology system which provides a real-time location-based view of the utility's entire business and water network. By seamlessly combining data from multiple stand-alone systems into one intelligent GIS platform, Q-Hub has brought business efficiency to a new high. Ultimately, by providing instant, easy access to all key organisational data, Q-Hub empowers QUU to improve decision making across the board, from determining where to assign field crews conducting maintenance checks to highlighting areas for potential business expansion.

In Singapore, the Housing & Development Board ("HDB") won a SAG Award for the cutting-edge Integrated Planning & Analysis Platform ("iPLAN"), which underpins HDB's facilitation of the design, promotion and development of Singapore's housing estates.

In Malaysia, MaCGDI won a SAG Award for the Malaysia Geospatial Online Services (MyGOS), which enables easy collaboration between major government agencies on national GIS projects.

In Indonesia, the Ministry of Home Affairs of the Republic of Indonesia won a SAG Award for setting a regional national security benchmark for its population data management system.

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.

Aug 2016
Australia
Bundaberg Regional Council EA

Aug 2016
Australia
Department of Territory & Municipal Services – ACT Government EA

Oct 2016
Australia
Forestry Corporation of NSW EA

Jan 2017
Australia
Townsville City Council EA

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: 28 July 2016

Mr Wong was appointed as Chairman & 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. In 2009, Mr Wong received the Best Chief Executive Officer (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. In 2016, 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: 28 July 2016

Mr Wong joined the Boustead Group in 2003 and was 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.

In 2016, Mr Loh received the Best Chief Financial Officer (mid-cap category) at the Singapore Corporate Awards.

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 Independent Non-Executive Director in 2012.
He has over 30 years of private sector management experience and is currently the President & 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 Independent 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: 28 July 2016

Mr Scotchbrook was appointed as Independent 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

Group Headquarters

Wong Fong Fui
Chairman & Group Chief Executive Officer
Boustead Singapore Limited, 1996
(Profiled under Board of Directors, page 42)

Wong Yu Loon
Executive Director & Deputy Group Chief Executive Officer
Boustead Singapore Limited, 2003
(Profiled under Board of Directors, page 42)

Loh Kai Keong
Executive Director & Group Chief Financial Officer
Boustead Singapore Limited, 1999
(Profiled under Board of Directors, page 42)

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

Energy-Related Engineering

Downstream Oil & Gas/ Petrochemicals

Elizabeth Ager
Chairman
Boustead International Heaters Ltd, 1997

Stuart Cummings
Chief Executive Officer
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

Martin Bell
Business Development Director
Boustead International Heaters Ltd, 2016

Edward Watters
Consultant & ISO-Nominated “UK Expert”
Boustead International Heaters Ltd, 1997

Graham Pope
Operations Manager (Malaysia)
BIH Heaters Malaysia Sdn Bhd, 2001

Tommy Lim
Business Development Director (Asia)
Boustead International Heaters Pte Ltd, 2009

Upstream Oil & Gas

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

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

Water & Wastewater Engineering

Ravi Subramanian
Acting Chief Executive Officer
Boustead Salcon Water Solutions Pte Ltd, 2014

Sun Ping
Business Development Director
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

Real Estate Solutions

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 (Audit & Improvement)
Boustead Projects Limited, 2007

Nicholas Heng
Director (Projects)
Boustead Projects Limited, 2007

Geo-Spatial Technology

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

Jeffrey Robinson
Chief Information Officer & 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

Tan Choon Sang
Chief Executive Officer
Esri Malaysia Sdn Bhd, 2017

Esri Indonesia

Achmad Istamar
Chief Executive Officer
PT Esri Indonesia, 2016

Investor Relations

Summary of FY2017 Investor Relations Activities

61
face-to-face/teleconference investor meetings hosted

304
investors met

3
investor conferences/events attended

1
research firm providing coverage:
– CIMB Research

Investor Communications

For more than a decade, investor relations ("IR") has been a key facet of Boustead's holistic communications with stakeholders. Proactively communicating with analysts, investors, the media and the global financial community in an accurate, consistent, sincere, timely and transparent manner is a priority for us.

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

During FY2017, CIMB Research continued to provide comprehensive research coverage on Boustead, along with initiating research coverage on Boustead Projects Limited ("Boustead Projects"). In addition, Maybank Kim Eng Research provided an in-depth analytical view on Boustead, while Daiwa Capital Markets and Seeking Alpha provided in-depth analytical views on Boustead Projects.

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

In a milestone achievement for our IR Team, Boustead received a Certificate for Excellence in Investor Relations and a nomination for Best Investor Relations in Singapore at the IR Magazine Awards South East Asia 2016. IR Magazine is the world's foremost investor relations publication. After the close of FY2017, Boustead was also ranked by FinanceAsia in the annual Asia's Best Companies Poll as the Best Small-Cap and 3rd Best at Investor Relations in Singapore. We are truly honoured by these acknowledgements from the global financial community.

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

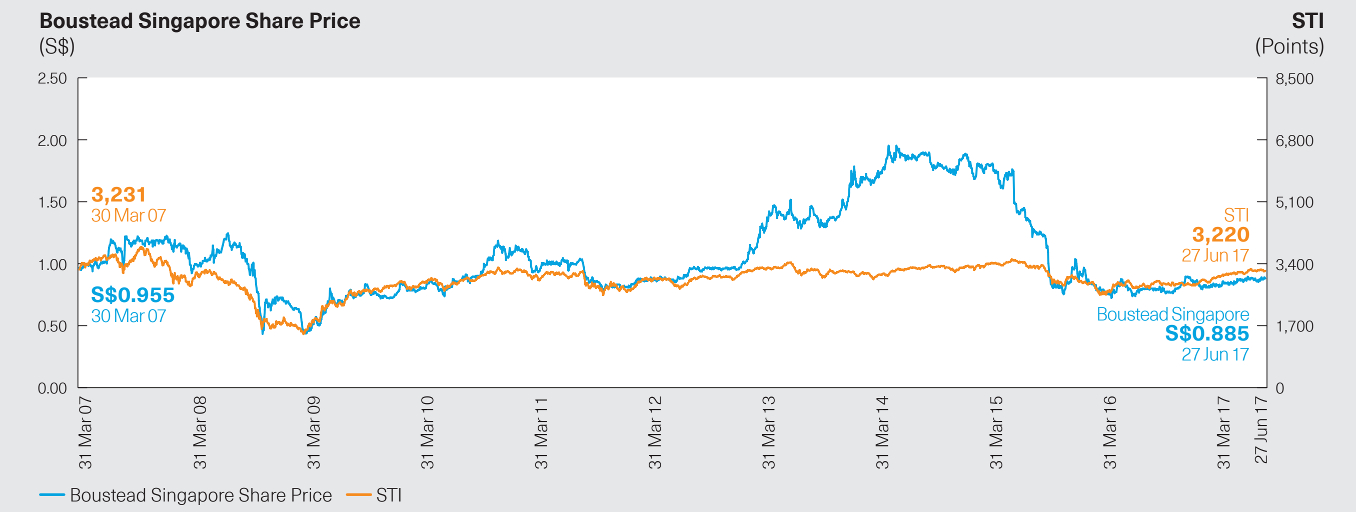
FY2017 Calendar

Date	Activity/Event
Apr 2016	• Maybank Kim Eng Securities Conference, Singapore – Maybank Kim Eng Invest ASEAN 2016
May 2016	• FY2016 financial results announcement • FY2016 financial results webcast briefing
Jun 2016	• SGX and Securities Investors Association (Singapore) non-deal presentation, Singapore – SGX Corporate Connect Seminar
Jul 2016	• FY2016 annual report • Annual general meeting • Extraordinary general meeting
Aug 2016	• 1Q FY2017 financial results announcement • FY2016 final dividend payment of 2 cents
Nov 2016	• 2Q FY2017 financial results announcement • Morgan Stanley Conference, Singapore – Morgan Stanley Asia Pacific Summit 2016
Dec 2016	• Award nominee and panel speaker at IR Magazine Awards & Conference South East Asia 2016, Thailand • Certificate for Excellence in Investor Relations, IR Magazine • FY2017 interim dividend payment of 0.5 cent
Feb 2017	• 3Q FY2017 financial results announcement

Delivering Value to Shareholders

2.0¢*	65.7¢**	S$454.2m	+21%***
dividends for FY2017	dividends over past decade	market capitalisation at end of FY2017	growth from S$486.7m market capitalisation one decade ago

Share Performance and STI Commentary



Opening FY2017 at S$0.875, Boustead's share price increased by approximately 1% over the past 15 months, touching a high of S$0.910 on 24 October 2016. Boustead's share price closed at S$0.885 on 27 June 2017.

FY2018 Calendar****

Date	Activity/Event
Apr 2017	• CIMB Securities non-deal lunch for institutional investors, Singapore
May 2017	• Best Small-Cap and 3rd Best at Investor Relations in Singapore, Asia's Best Companies Poll, FinanceAsia • FY2017 financial results announcement • FY2017 financial results webcast briefing
Jul 2017	• FY2017 annual report • Annual general meeting • Extraordinary general meeting
Aug 2017	• 1Q FY2018 financial results announcement • FY2017 final dividend payment of 1.5 cents (proposed)
Nov 2017	• 2Q FY2018 financial results announcement
Feb 2018	• 3Q FY2018 financial results announcement
May 2018	• FY2018 financial results announcement

* *Includes proposed final dividend of 1.5 cents for FY2017.*
** *Includes proposed final dividend of 1.5 cents for FY2017 and distributions of dividend in specie.*
*** *Includes value of 48.8% shareholding of Boustead Projects distributed as dividend in specie, for comparative review.*
**** *Subject to change. Please check www.boustead.sg/investor_centre for the latest updates.*

Longevity Through Sustainability

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

Building longevity through sustainability

Being the oldest continuous corporation in Singapore, Boustead celebrated our milestone 188th Anniversary during FY2017. Our enduring longevity and illustrious history would not have been achieved without deeply embedding sustainability into our corporate values, business model, strategies, platforms and drivers, all of which are presented on pages 8 to 11 of this report. As an operating philosophy, sustainability guides the way we plan and carry out our business, and is part of our perpetual corporate target to always deliver sustainable value. We are mindful of our economic, environmental and social impact and our role as a global corporate citizen operating in global markets, as outlined in this section.

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

ECONOMIC

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

Engineering critical infrastructure

Our Energy-Related Engineering Division and Real Estate Solutions Division under Boustead Projects Limited ("Boustead Projects") focus on the engineering and development of critical physical infrastructure to support economic activity and growth in global markets. Our energy-related solutions support the production of energy to power our countries, cities, economies and transportation networks. Our real estate solutions – industrial facilities, and business and industrial parks – provide our global clients with a home away from home, where employment thrives and innovative products are created, helping them to build their next stage of growth.

Enabling smart nations, smart cities and smart communities

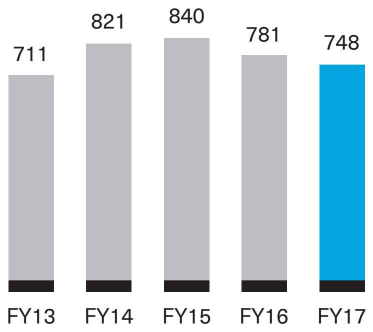
Our Geo-Spatial Technology Division provides intelligent mapping solutions which form the digital infrastructure essential to creating smart nations, smart cities and smart communities by solving the world's largest problems through effective and sustainable planning, deployment and management of key infrastructure and resources. Our efforts to support national, provincial and municipal government agencies, as well as corporate clients in major groundbreaking location intelligence initiatives, have resulted in global recognition of clients' projects. Our division's clients have won a total of 45 Special Achievement in GIS ("SAG") Awards over more than a 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 equates to the highest honour in the industry and signifies a winner's innovative use of location intelligence 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.

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,

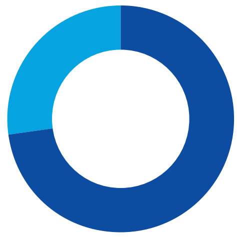
Number of employees

748



FY2017 Human Resource Deployment

Group HQ	3%
Energy-Related Engineering	33%
Real Estate Solutions	17%
Geo-Spatial Technology	47%



Degrees	73%
Others	27%

allowing us to continually generate healthy free cash flow. With value engineering as one of our key offerings, we are also able to design and deliver solutions that not only meet clients' requirements but also unlock value for them.

A global company

We are in the Singapore International 100 for the eighth year running, a national initiative by International Enterprise Singapore and DP Information Group to rank Singapore's 100 most international corporations 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. Our solutions have been deployed in 85 countries and territories.

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 Boustead Projects' industrial leasehold portfolio and our Geo-Spatial Technology Division's growth in offerings including enterprise agreements, Software as a Service, after-sales software maintenance and training. During FY2017, the combined revenue generated by Boustead Projects' industrial leasehold portfolio and our Geo-Spatial Technology Division amounted to S$141.4 million or almost one-third of total revenue.

Upholding excellence

We aim to deliver excellence in our operations. To date, Boustead Projects' efforts in construction excellence have been recognised with six projects ranked in the Building & Construction Authority ("BCA")'s CONQUAS â all-time top 100 industrial projects list. CONQUAS is the BCA's benchmark for construction quality. Furthering our commitment to holistic quality and environmental practices, Boustead Projects attained recertification under ISO9001:2015 for quality management systems and ISO14001:2015 for environmental management systems, while our Energy-Related Engineering Division's largest subsidiary, Boustead International Heaters ("BIH") is targeting to do so by the end of FY2018.

At the annual BCA Awards held in June 2017, Boustead Projects was awarded a Construction Excellence Award for the Seagate Singapore Design Center – The Shugart at Fusionopolis, one-north, while Boustead Projects' wholly-owned design-and-build subsidiary, Boustead Projects E&C ("BP E&C") clinched a Building Information Modelling Gold Award in the Organisation Category. Earlier in May 2017, BP E&C also achieved the Singapore Quality Class certification under SPRING Singapore's Business Excellence Framework.
We intend to build upon these achievements to enhance our smart building and eco-sustainable capabilities to match the requirements of our global clients and be a first-mover in providing smart and eco-sustainable industrial real estate solutions regionally.

ENVIRONMENTAL

Providing eco-sustainable industrial solutions

The world's industrial sector consumes the most energy among end-user sectors at about 54% of the world's total delivered energy. Through our Energy-Related Engineering Division and Boustead Projects, we offer solutions that help clients to 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 BIH, 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

Longevity Through Sustainability

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

and power industries. To date, BIH has delivered WHRUs that recover total energy equivalent to that which can heat about 2.3 million homes in the UK 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 an intensive 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 delivered eight new Green Mark Platinum-rated buildings – seven of which are industrial facilities – Boustead Projects has now built over 40% of all new private sector Green Mark Platinum-rated logistics facilities and 20% of all new private sector Green Mark Platinum-rated industrial facilities on Business 1 and Business 2 industrial-zoned land in Singapore since the inception of the BCA Green Mark Programme. Boustead Projects is the established 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 about 7,500 homes in Singapore and filling 33 Olympic size swimming pools every year.

Being an environmentally responsible corporation

We are committed to being an environmentally responsible corporation via limiting paper wastage, energy consumption and carbon emissions. Aligned with this commitment, we designed and built our global headquarters – Edward Boustead Centre – to attain Green Mark Platinum, leading by example and showcasing to clients how green building features can be incorporated into the design of all future buildings. Edward Boustead Centre demonstrates our strong values in environmental sustainability. Building on our green initiative started in FY2013 when we adopted a paperless electronic format for our annual reports, we are proposing to phase out CD copies of annual reports beginning with our future FY2018 Annual Report – a measure that we hope shareholders will support at the upcoming extraordinary general meeting. Help us to take our commitment a step further.

Advancing our pledge to sound environmental practices, Boustead Projects attained recertification under ISO14001:2015 for environmental management systems, while BIH is targeting to do so by the end of FY2018. We are committed to continued excellence in our environmental performance and will push the boundaries of current technology to help clients improve their operational performance in an environmentally sustainable manner.

SOCIAL

Adhering to the highest standards of ethical and moral conduct

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

Governance

We will maintain a high standard of corporate governance within the Group, in line with the principles set out in Singapore's Code of Corporate Governance 2012. This establishes and maintains a legal and ethical environment within our Group to preserve the interests of all shareholders and stakeholders, and is also aligned with our corporate value of adhering to the highest standards of ethical and moral conduct, and in upholding our excellent reputation for credibility, integrity, quality, reliability and trust. Please refer to pages 62 to 75 of this report for more details on our corporate governance.

A global corporation driven by a transnational workforce
We maintain a global presence through our regional and local offices and representatives in 20 countries across five continents, embracing a multi-cultural and multi-faceted workforce that has an international reach to the farthest corners of the world.

Focusing on human capital
As a predominantly knowledge-driven and asset-light corporation focusing on activities of high value-add, we recognise that human capital is our key asset and that our success is to a large extent driven by the attitude, professionalism, success and technical expertise of our employees. As such, we strive to create and maintain a work environment conducive to our employees and invest in their professional development. Most of our employees hold knowledge-intensive and highly-skilled positions, with 73% of our workforce being degree holders.

Prioritising safety
Our ongoing job is to maintain an accident-free workplace and safeguard the wellbeing of employees and stakeholders. Our divisions are continuously training employees through the active execution of occupational health and safety programmes, and aiming to upkeep good safety records by developing relevant risk assessment capabilities and implementing them effectively. Good practices of reviewing safety policies and improving safety practices also extend to work carried out by our appointed fabricators and subcontractors. Prioritising safety makes sound business sense as accidents or incidents may result not only in projects being delayed or suspended – which can result in significant financial penalties – but also in the loss of lives. As such, we always strive to improve our safety record.

Contributing almost half of our Group's revenue, Boustead Projects' wholly-owned design-and-build subsidiary, BP E&C is one of only nine bizSAFE Mentors recognised by the Workplace Safety & Health Council ("WSHC") in Singapore and achieved an accident frequency rate ("AFR") of 1.29 incidents per million man-hours worked, lower than the national average AFR of 1.7 in the construction sector for 2016. By setting bizSAFE Level 3 certification as a minimum contract requirement level for the appointment of subcontractors, Boustead Projects strives to promote healthier and safer workplaces for all stakeholders.

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

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 FY2017.

Philanthropy
Over the years, we have been heavily involved in philanthropic activities. In FY2017, we were a major donor to the Singapore Business Federation Foundation and a donor to the PAP Community Foundation, along with several other charities. Separately, Boustead Projects hosted an annual seventh month dinner event and 20th Anniversary Charity Golf & Dinner, using these as a fund-raising platform to raise a total sum of over S$299,000 in donations for Boustead Projects' corporate social responsibility partner and sole beneficiary, Students Care Service.

Supporting the local golf scene
We are a proud supporter of the local golf scene in Singapore. Since it began eight years ago, 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.

BLURRING BOUNDARIES BETWEEN ECONOMIC, ENVIRONMENTAL AND SOCIAL IMPACT

Increasingly, we are seeing blurring boundaries between economic, environmental and social impact, with businesses and projects that generate vast economic value, while simultaneously having a significant positive influence on the environment and all stakeholders. From Boustead Projects delivery of Green Mark Platinum-rated buildings to our Geo-Spatial Technology Division's partnerships with government agencies supporting smart city initiatives, the benefits from such projects are holistic in nature.

Our Geo-Spatial Technology Division is partnering with key government agencies that are involved in smart city implementations across the region including: Brisbane, Canberra, Melbourne, Perth and Sydney in Australia, and capital cities of Jakarta, Kuala Lumpur and Singapore in South East Asia. These smart city implementations will integrate all forms of advanced technology and big data in an urban landscape to take urban connectivity, liveability, resource optimisation, service delivery and efficiency, and technology deployment to new unprecedented levels, with significant positive and reinforcing multipliers on economic, environmental and social benefits for their citizens and communities.

Longevity Through Sustainability

Quality, Safety & Sustainability Awards

	Awarded by: BCA			
	Green Mark Platinum	Green Mark Gold Plus/LEED Gold	Green Mark Gold	Construction Quality & Other Awards
2017				• BP: Construction Excellence Award for Seagate Singapore Design Center – The Shugart • BP E&C: BIM Gold Award – Organisation Category
2016	• Kuehne + Nagel Singapore Logistics Hub	• Kuehne + Nagel Singapore Logistics Hub (LEED Gold)		• CONQUAS for Seagate Singapore Design Center – The Shugart
2015	• Edward Boustead Centre • Seagate Singapore Design Center – The Shugart			• BP: Green and Gracious Builder Award (Merit) • BP: Construction Productivity Award – Projects for Edward Boustead Centre • CONQUAS for Edward Boustead Centre
2014	• DB Schenker Shared Logistics Center 3 (Tampines LogisPark)	• Greenpac Greenhub (Green Mark Gold Plus)		• BP: Construction Excellence Certificate of Merit for SDV Green Hub • CONQUAS for Kerry Logistics Centre • CONQUAS for ST Electronics Building • CONQUAS for ST Electronics Hub
2013		• Kerry Logistics Centre (LEED Gold) • SDV Green Hub (LEED Gold)	• Greenpac Greenhub • Jabil Circuit • Kerry Logistics Centre • Satair Airbus Singapore Centre	• CONQUAS for SDV Green Hub
2012	• SDV Green Hub		• XP Power	• CONQUAS for Rolls-Royce Test Bed Facility
2011	• Rolls-Royce Wide Chord Fan Blade Manufacturing Facility • Rolls-Royce Test Bed Facility			
2010			• IBM Singapore Technology Park • Sun Venture Investments @ 50 Scotts Road	• CONQUAS for Sun Venture Investments @ 50 Scotts Road
2009	• Applied Materials Building	• StarHub Green (Green Mark Gold Plus)		
2008				

Legend

BCA: Building & Construction Authority
BIM: Building Information Modelling
BP: Boustead Projects
BP E&C: Boustead Projects E&C
BSWS: Boustead Salcon Water Solutions
EDB: Economic Development Board of Singapore

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

LEED: Leadership in Energy & Environmental Design
SHARP: Safety & Health Award Recognition for Projects
WSH: Workplace Safety & Health
WSHC: Workplace Safety & Health Council

Longevity Through Sustainability

Esri Special Achievement in GIS Awards

	Australia	Singapore
2016	• Queensland Urban Utilities for Q-Hub	• Housing & Development Board for Integrated Planning & Analysis Platform
2015	• 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	• Land Transport Authority ("LTA") for Planning for Land Transport Network • Municipal Services Office for OneService@SG
2014	• 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	• Singapore Land Authority ("SLA") for Spatial Challenge
2013	• Western Power for enterprise GIS solution	• Urban Redevelopment Authority ("URA") for Integrated Planning & Land Use System ("URA iPLAN")
2012	• VicRoads for VicTraffic	• Ministry of Health for healthcare GIS solution • PUB for Geographic Resource & Information System
2011	• Brisbane City Council for Flood Map • Queensland Fire & Rescue Service for Total Operational Mapping	• SLA for GeoSpace
2010	• Australian Department of Climate Change for National Carbon Accounting System • Victoria's County Fire Authority for EIMS Mapper	• SLA for OneMap
2009	• Australian Capital Territory Emergency Services Agency for emergency management GIS solution • Tasmania's Department of Primary Industries & Water for state GIS solution	
2008	• 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	• LTA for Land Transport Infrastructure Data Hub
2007	• City of Greater Geelong for municipal GIS solution	• Defence Science & Technology Agency for national security GIS solution • SLA for Singapore Street Directory
2006	• BHP Billiton Ltd for Enterprise Spatial Data Infrastructure	• URA for URA iPLAN

	Malaysia	Indonesia
	• Malaysian Centre for Geospatial Data Infrastructure ("MaCGDI") for Malaysia Geospatial Online Services	• Ministry of Home Affairs of the Republic of Indonesia for population data management GIS solution
	• Department of Survey & Mapping Malaysia ("JUPEM") for Geospatial Data Acquisition System	• PT Freeport Indonesia for mining GIS solution
	• JUPEM, Defence Geospatial Division for uGeo for Defence	• PT Pertamina EP for upstream oil & gas GIS solution
	• Land & Survey Department Sarawak for Land & Survey Information System	• Ministry of Energy & Minerals Resources, Directorate General of Mineral & Coal Mining for mining GIS solution
	• Ministry of Housing & Local Government, Federal Department of Town & Country Planning for Safe City Monitoring System	• Ministry of Transportation for transportation GIS solution
	• MaCGDI for Malaysia Geospatial Data Infrastructure	
	• JUPEM, Utility Mapping Section for National Utility Database	• National Coordinator for Survey & Mapping Agency for national mapping GIS solution

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

Malayan Banking Bhd

The Hongkong and Shanghai Banking Corporation Ltd

CIMB Bank Bhd

Sumitomo Mitsui Banking Corporation

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

Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

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

In the opinion of the directors,

(a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 80 to 160 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 2017 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

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

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' Statement

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

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

	Holdings registered in name of director		Holdings in which director is deemed to have an interest	
	At 31.3.2017	At 31.3.2016	At 31.3.2017	At 31.3.2016
The Company – Boustead Singapore Limited				
		(No. of ordinary shares)		
Wong Fong Fui	**-**	-	**177,871,829**	177,871,829
Loh Kai Keong	**500,633**	500,633	**-**	-
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**	224,242,603
Loh Kai Keong	**183,189**	183,189	**-**	-
Chong Ngien Cheong	**120,000**	120,000	**-**	-
Godfrey Ernest Scotchbrook	**-**	-	**315,834**	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 2017 were the same as those as at 31 March 2017.

DIRECTORS' CONTRACTUAL BENEFITS

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

Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

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 33 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.

(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 2016	Share awards granted	Share awards vested	Balance at 31 March 2017
10 September 2012	233,838	-	(233,838)	-
9 November 2012	18,340	-	(18,340)	-
23 January 2013	18,340	-	(18,340)	-
29 July 2013	30,566	-	(30,566)	-
7 July 2014	259,132	-	(99,669)	159,463
29 July 2014	28,793	-	(11,074)	17,719
	589,009	-	(411,827)	177,182

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 Shareholder of the Company</u>				
Wong Yu Wei	-	120,715	(102,996)	17,719
Employees of the Company's subsidiary	-	1,074,971	(915,508)	159,463
	-	1,195,686	(1,018,504)	177,182

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 2017

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 the changes in equity of the Company and the financial position of the Company;

(e) the cooperation 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 cooperation 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 2017

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 Manual of the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST"). Where there are deviations from the Code, appropriate explanations are provided.

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

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

- approval of corporate strategies and policies;
- approval of the Group's annual operating and capital budgets;
- setting of the Group's values and standards (including ethical standards), and ensuring that obligations to shareholders and other stakeholders are understood and duly met;
- determination of the Group's risk appetite and establishment and oversight of the processes of evaluating the adequacy of internal controls addressing financial, operational, compliance and information technology risks;
- review of sustainability issues, such as environmental and social factors, as part of its strategic formulation;
- oversight of the business affairs of the Group and monitoring of the performance of management;
- monitoring of financial performance, including approval for the release of financial results announcements;
- approval of the annual report and accounts;
- convening of shareholders' meetings;
- recommendations of dividend payments and other distributions to shareholders; and
- approval of material acquisition and disposal of assets.

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

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

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

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 one formal Remuneration Committee meeting were held in the course of the year under review. Ad hoc meetings involving members of the Board are also held whenever the Board's guidance or approval is required, outside the scheduled Board meetings. 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 committee meetings during the year under review were as follows:-

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

The Company's Constitution allow Board meetings to be conducted by way of teleconference and video-conference. However, the directors prefer to meet in person as far as possible.

The Company has adopted internal guidelines governing matters that require the Board's approval. The Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to board committees and management under set limits of authority, which are reviewed on a regular basis and revised when necessary. The limits of authority provide a guideline and give clear directions on matters requiring the Board's or management's approval.

Approval from a majority of the Board is required for significant matters, such as investments and acquisition or divestment of assets of amounts above S$25 million. Executive directors also provide updates to the Board in relation to significant matters affecting subsidiaries of the Company.

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. 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 (arranged by the Company or initiated by the directors themselves) at the Company's expense. The Company maintains a corporate membership with the Singapore Institute of Directors, which provide training and resources useful for the Company in keeping up to date with best practices in corporate governance.

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

Corporate Governance

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)

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.

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

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

The Board reviews its composition from time to time and seeks to maintain a diversity of expertise, skills, gender, age, ethnicity and other attributes among the directors. The Board comprises businessmen with vast business or management experience, industry knowledge and strategic planning experience and includes professionals with financial, investment and business development backgrounds.

The Nominating Committee is of the view that the current Board comprises directors with a sufficiently 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.

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

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

Corporate Governance

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, 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. 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.

The independent directors hold meetings without the presence of management when necessary and at least once a year.

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 and recommending candidates for appointments to the Board and board committees as well as candidates for senior management staff, who are not also candidates for appointment to the Board;
- reviewing of board succession plans for the directors, in particular, the Chairman and the Chief Executive Officer;
- developing a process for the evaluation of the performance of the Board, the board committees and the directors;
- reviewing of training and professional development programmes for the Board;
- reviewing and recommending nomination for re-appointment or re-election or renewal of appointment of the directors;
- reviewing and recommending candidates to be nominees on the boards and board committees of the listed company and entities within the Group;
- determining the independence of the directors on an annual basis and as and when circumstances require;
- reviewing the participation (whether by way of obtaining an interest in or taking a board seat or otherwise) by each independent director in any competing business and taking into account such matters in the re-appointment or re-election or renewal of appointment of such independent director; and
- undertaking generally such other functions and duties as may be required by law or the Listing Manual of the SGX-ST, and by amendments made thereto from time to time.

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

Pursuant to the Constitution of the Company, Mr Loh Kai Keong and Mr Chong Ngien Cheong shall be retiring at the Annual General Meeting to be held on 27 July 2017 ("2017 AGM"). At the recommendation of the Nominating Committee, they will be seeking re-election at the 2017 AGM.

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	28 July 2016	-	-
Wong Yu Loon	Executive Director and Deputy Group Chief Executive Officer	2 April 2013	28 July 2016	-	-
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	28 July 2016	Del Monte Pacific Limited	-

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

One-third of directors who are longest-serving (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 appointments 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.

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.

Key information on the Company's directors are set out on pages 42 to 43 of the Annual Report.

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. This formal evaluation process assesses the effectiveness of the Board as a whole. Assessment parameters include evaluation of the Board's composition, access to information, the quality of Board processes, accountability and the Board's performance in relation to discharging its principal responsibilities.

The Nominating Committee has conducted its evaluation of the Board in respect of the financial year ended 31 March 2017. No external facilitator was engaged for the purpose of this evaluation.

In view of the size and composition of the Board, the Board deems it unnecessary for the Nominating Committee to assess the effectiveness of each board committee.

The Nominating Committee is of the view that the primary aim of individual evaluation of each director is to assess whether each director continues to contribute effectively and demonstrate commitment to the role. This exercise is also to create a platform for the Board members to exchange feedback on the Board's strengths and shortcomings with a view to strengthening the effectiveness of the Board. The assessment exercise also assists the directors to focus on their key responsibilities. It also helps the Nominating Committee in determining whether to re-nominate directors who are due for retirement at the next annual general meeting, and in determining whether directors with multiple board appointments are able to and have adequately discharge their duties as directors of the Company.

Informal assessments of executive directors have been conducted during the year under review and relevant feedback has been given. The Nominating Committee is looking to conduct formal assessments for individual directors for the financial year ending 31 March 2018.

Principle 6: Access to Information

Management recognises that it is essential to provide complete, adequate information on Group affairs and material events and transactions in a timely and on-going basis to the Board to enable the Board to discharge its duties effectively and efficiently. Where a physical Board meeting is not possible, 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 is provided with management reports which include board papers and related materials containing relevant background or explanatory information, financial analysis and/or external reports required to support the decision-making process. The Board is also provided with management accounts of the Group's performance, position and prospects on a quarterly basis.

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

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

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

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

Corporate Governance

REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

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

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 for the year under review but has had the benefit of relevant data from market surveys carried out by leading firms of compensation consultants.

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

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

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

Principle 8: Level and Mix of Remuneration

Executive directors do not receive directors' fees but are remunerated as members of management. The remuneration package of executive directors and key management personnel comprises a basic salary component and a variable component which is the annual bonus, based on the performance of the Group as a whole and their individual performance.

Complementing this are long-term incentives in the form of share awards that can be granted under the Boustead Restricted Share Plan 2011. This is designed to align remuneration with the interests of shareholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group.

Non-executive directors are paid directors' fees in accordance with their level of contributions, taking into account factors such as effort, time spent and responsibilities for serving on the Board and board committees, as well as the responsibilities and obligations of the directors. The directors' fees paid are in line with the non-executive directors' roles and responsibilities. The payment of fees to non-executive directors is subject to the approval of shareholders 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.

Corporate Governance

Principle 9: Disclosure on Remuneration

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 2017

Name of Director	Salary	Bonus	Directors' Fee	Other Benefits	Total
S$500,000 to S$749,999					
Wong Fong Fui	41%	54%	-	5%	100%
S$250,000 to S$499,999					
Wong Yu Loon	65%	28%	-	7%	100%
Loh Kai Keong	65%	30%	-	5%	100%
Below S$100,000					
Goh Boon Seong	-	-	100%	-	100%
Chong Ngien Cheong	-	-	100%	-	100%
Godfrey Ernest Scotchbrook	-	-	100%	-	100%

Remuneration of key executives for the year ended 31 March 2017

Name of Executive	Salary	Bonus	Fees	Other Benefits	Total
S$750,000 to S$999,999					
Chu Kok Hong @ Choo Kok Hong	49%	42%	-	9%	100%
Brett John Bundock	57%	33%	-	10%	100%
S$500,000 to S$749,999					
Wong Yu Wei	52%	36%	-	12%	100%
S$250,000 to S$499,999					
Steven Koh Boon Teik	50%	36%	-	14%	100%
Lee Keen Meng	50%	38%	-	12%	100%

The total remuneration paid to the above five key executives for the financial year ended 31 March 2017 was approximately S$3,262,000.

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

Save as disclosed in this report, there are no termination, retirement and post-employment benefits granted to directors, the Chief Executive Officer or key management personnel.

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 2017. 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.

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 associates of controlling shareholders separately approved by independent members of the Company are eligible to participate in the 2011 Share Plan at the discretion of the committee duly authorised by the Board. The scheme is administered by the Remuneration Committee. Further information on the 2011 Share Plan can be found on pages 100 and 137 of the Annual Report.

Corporate Governance

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

The remuneration policy for 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 supplemented by the 2011 Share Plan under which share awards are granted based on the achievement of additional specific key performance indicators.

For the financial year ended 31 March 2017, all executive directors were entitled to receive the incentive bonuses under their respective service agreements according to the performance conditions met.

No director is involved in determining his own remuneration. The remuneration of the non-executive directors is in the form of a fixed fee.

The directors' fees, as a lump sum, is subject to approval by shareholders of the Company at Annual General Meetings.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Board aims to present a balanced and comprehensive assessment of the Group's performance, financial position and prospects to shareholders through timely release of quarterly financial results through announcements via SGXNET and the Company's corporate website.

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

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

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

The Board also provides an opinion on the adequacy and effectiveness of the Group's risk management and internal controls systems in place, including financial, operational, compliance and information technology controls.

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

Principle 11: Risk Management and Internal Controls

The Board is responsible for the governance of risk and determines the Company's levels of risk tolerance and risk polices. The Board ensures that management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets, and to manage risks. The system is intended to provide reasonable but not absolute assurance against material misstatements or loss, and to safeguard assets and ensure maintenance of proper accounting records, reliability of financial information, compliance with relevant 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.

Corporate Governance

The responsibility of overseeing the Company's risk management framework and policies is undertaken by the Audit & Risk Committee. Reviews of the Group's risk are conducted every quarter during the Audit & Risk Committee meetings and an overall assessment is also conducted at the end of each financial year.

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 risk management and internal controls systems addressing financial, operational, compliance and information technology risks were adequate as at 31 March 2017.

In addition, 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 2017:-

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

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

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:-

- overseeing the adequacy of the controls established by management to identify and manage areas of potential risk and to safeguard the assets of the Company;
- evaluating the processes in place to ensure that accounting records are properly maintained in accordance with statutory requirements and financial information provided to shareholders and the directors is accurate and reliable;
- reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
- reviewing the audit plans with external and internal auditors and reporting to the Board at least annually on the results of the internal auditors' examination and evaluation of the adequacy and effectiveness of the internal control system, including financial, operational, compliance and information technology controls (such review may be carried out internally or with the assistance of competent third parties);
- reviewing with internal auditors, the programme, scope and results of the internal audit and management's response to their findings to ensure that appropriate follow-up measures are taken;
- reviewing the effectiveness of the Group's internal audit function;
- reviewing the scope and results of the external audit, and the independence and objectivity of the external auditors;
- reviewing with external auditors the impact of any new or proposed changes in accounting principles or regulatory requirements on the Company's financial information;
- making recommendations to the directors on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
- reviewing the interested person transactions or other transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the regulations of the SGX-ST, and are reasonable and in the best interests of the Company;
- monitoring the investments in customers, suppliers and competitors made by the directors, controlling shareholders and their respective associates who are involved in the management of or have shareholding interests in similar or related business of the Company and making assessments on whether there are any potential conflicts of interests;

Corporate Governance

- reviewing filings with the SGX-ST or other regulatory bodies which contain financial information and ensuring proper disclosure;
- commissioning and reviewing the findings of internal investigations into matters where there is any suspected fraud, irregularity, failure of internal controls or infringement of any law, rule and regulation which has or is likely to have a material impact on the Company's operating results and/or financial position;
- reviewing policy and arrangements by which the staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensuring that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken;
- reviewing risk management structure (including all hedging policies) and any oversight of risk management processes and activities to mitigate and manage risk at acceptable levels determined by the directors;
- reporting to the Board the work performed by the Audit & Risk Committee in carrying out its functions;
- reviewing the cooperation given by management to the external auditors; and
- performing any other act as delegated by the Board.

The Audit & Risk Committee has full access to and has the cooperation of management. It is given access to reasonable resources required for it to discharge its functions 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.

Members of the Audit & Risk Committee have relevant accounting or related financial management expertise or experience.

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

Members of the Audit & Risk Committee also keep themselves updated through relevant publications and by attending relevant seminars and courses.

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

Significant matters	How the Audit & Risk Committee reviewed these matters and what decisions were made
Contract revenue recognition using the percentage-of-completion ("POC") method	The Audit & Risk Committee reviewed the contract revenue recognition using the POC method and considered management's judgments, assumptions and methodologies used in the determination of the POC and found them to be reasonable. The contract revenue recognition using the POC method was also an area of focus for the external auditors. The external auditors have included this item as a key audit matter in their audit report for the financial year ended 31 March 2017. Refer to page 77 of this Annual Report.

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.

Corporate Governance

Whistle-blowing Policy

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

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

The Company has put in place a whistle-blowing policy framework, endorsed by the Audit & Risk Committee, which provides the mechanisms where employees of the Company may, in good faith and in confidence, raise concerns or observations about possible corporate malpractices and improprieties in financial reporting or other matters directly to (i) a member of the Audit & Risk Committee, (ii) the Senior Vice-President - Internal Audit or (iii) the Senior Vice-President - Group Human Resource. Details of the whistle-blowing policies and arrangements have been communicated to all employees. It has a well-defined process which ensures independent investigation of issues/concerns raised and appropriate follow-up action, and provides assurance that employees will be protected from reprisal within the limits of the law. The Senior Vice-President - Internal Audit is required to report to the Audit & Risk Committee if management receives any whistle blowing case.

The Company has zero tolerance for corruption and bribery.

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

Principle 13: Internal Audit

The Audit & Risk Committee oversees the implementation of an effective system of internal controls as well as putting in place a risk management framework to continually identify, evaluate and manage significant business risks of the Group. The Internal Audit Department supports the Audit & Risk Committee in this regard.

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 Internal Audit Department has unrestricted access to all documents, records, properties, and personnel of the Group and unrestricted direct access to the Audit & Risk Committee in carrying out its duties and responsibilities. The Senior Vice-President - Internal Audit reports to the Chairman of the Audit & Risk Committee and his performance and compensation is reviewed by the Audit & Risk Committee.

Annually, the Audit & Risk Committee reviews and approves audit plans and resource requirements prepared by the Internal Audit Department and ensures that the internal audit function is able to effectively and adequately discharge its duties. The Audit & Risk Committee is satisfied that the internal audit function is adequately resourced and the Senior Vice-President - Internal Audit is a senior member of management who has appropriate standing within the Group.

The Audit & Risk Committee is satisfied that the internal audit function is staffed by suitably qualified and experienced professionals with the relevant experience. External experts may be engaged to augment the capabilities of the Internal Audit Department as when and where required.

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

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

Corporate Governance

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholder Rights

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

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

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

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

Principle 15: Communication with Shareholders

The Company has a dedicated Investor Relations team focused on facilitating communications with all stakeholders – shareholders, analysts and media – on a regular basis, to attend to their queries or concerns as well as to keep the investing public apprised of the Group's corporate developments and financial performance.

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

The Investor Relations team also holds separate briefing sessions for long-term shareholders, as well as newer shareholders.

To enable shareholders to contact the Company easily, the contact details of the Investor Relations personnel are set out in the Company's announcements as well as on the Company's website. The Investor Relations personnel have procedures in place for responding to investors' queries as soon as applicable.

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

For details on the Group's Investor Relations activities, please refer to pages 46 to 47 of this Annual 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

Principle 16: Conduct of Shareholder Meetings

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

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

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

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

All resolutions at general meetings of the Company will be voted by poll as required by Rule 730A(2) of the Listing Manual of the SGX-ST.

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

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 to price-sensitive information are expected to comply which 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 2017.

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 2017, 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 Audit of the Financial Statements

Our Opinion

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

What we have audited

The financial statements of the Company and the Group comprise:

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

Basis for Opinion

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

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

Independence

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

Our Audit Approach

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

Independent Auditor's Report

TO THE MEMBERS OF BOUSTEAD SINGAPORE LIMITED

Key Audit Matter

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

Key Audit Matter	How our audit addressed the Key Audit Matter
Contract revenue recognition using the percentage-of-completion method *Refer to Note 3 (Critical accounting estimates, assumptions and judgements) and Note 20 (Contracts work-in-progress)* During the financial year ended 31 March 2017, contract revenue amounted to S$284,354,000 and it represented 66% of the total revenue of the Group. The Group uses the percentage-of-completion method to account for its contract revenue in accordance with FRS 11 Construction Contracts. We focused on the revenue recognition and provision for foreseeable losses under the percentage-of-completion method due to the significant management assumptions required in estimating the total contract costs.	We obtained an understanding of the projects in progress through discussions with management and project managers, conducted site visits for real estate solutions segment and examined project documentation (including contracts, correspondences with customers on delays or extension of time). In relation to total contract revenue for projects in progress, our audit procedures include the following: • traced total contract sums to contracts entered into by the Group and its customers; and • recomputed the percentage of completion. In relation to total contract costs, our audit procedures include the following: • traced the cost to complete for selected projects by substantiating costs that have been committed to quotations and contracts entered; • assessed the competence of the surveyors/project managers; • tested the reasonableness of the cost to complete for selected projects, focusing on those with significant activities during the year; and • assessed the reasonableness of costs incurred against our understanding of the projects. Based on the audit procedures performed above, we have assessed management's estimates to be reasonable. We then recomputed the cumulative contract revenue and the contract revenue for the current financial year as well as the amount of foreseeable loss (where relevant) for each project, and traced to the accounting records and found it to be appropriate. We have also assessed the disclosures of the assumptions and the sensitivity in the financial statements to be appropriate.

Independent Auditor's Report

TO THE MEMBERS OF BOUSTEAD SINGAPORE LIMITED

Other Information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor's Report

TO THE MEMBERS OF BOUSTEAD SINGAPORE LIMITED

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other Legal and Regulatory Requirements

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

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

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 28 June 2017

Consolidated Income Statement

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	Note	2017 $'000	2016 $'000
Revenue	4	**433,847**	486,651
Cost of sales	7	**(290,296)**	(336,084)
Gross profit		**143,551**	150,567
Other income	5	**6,126**	7,388
Other gains - net	6	**17,005**	262
Expenses			
- Selling and distribution	7	**(30,727)**	(30,237)
- Administrative	7	**(63,042)**	(64,555)
- Finance	9	**(2,534)**	(4,207)
Share of loss of an associated company and joint ventures	10	**(2,693)**	(2,675)
Profit before income tax		**67,686**	56,543
Income tax expense	11	**(14,200)**	(15,408)
Total profit		**53,486**	41,135
Profit attributable to:			
Equity holders of the Company		**33,294**	28,247
Non-controlling interests		**20,192**	12,888
		53,486	41,135
Earnings per share for profit attributable to equity holders of the Company (cents per share)			
Basic earnings per share	12	**6.37**	5.43
Diluted earnings per share	12	**6.37**	5.43

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

Consolidated Statement of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	Note	2017 $'000	2016 $'000
Total profit		**53,486**	41,135
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets			
- Fair value gains/(losses)	21, 34	**989**	(144)
- Reclassification to profit or loss on disposal	34	**(14)**	(46)
Currency translation differences arising from consolidation		**(4,727)**	(5,418)
Item that will not be reclassified subsequently to profit or loss:			
Remeasurement of retirement benefit obligation, net of tax	32	**190**	(11)
Other comprehensive loss, net of tax		**(3,562)**	(5,619)
Total comprehensive income		**49,924**	35,516
Total comprehensive income attributable to:			
Equity holders of the Company		**30,349**	23,593
Non-controlling interests		**19,575**	11,923
		49,924	35,516

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

Statements of Financial Position – Group and Company

AS AT 31 MARCH 2017

	Note	Group 2017 $'000	Group 2016 $'000	Company 2017 $'000	Company 2016 $'000
ASSETS					
Current assets					
Cash and cash equivalents	13	**276,499**	259,069	**68,584**	61,044
Trade receivables	14	**100,797**	102,558	**-**	-
Other receivables and prepayments	15	**64,565**	37,812	**6,183**	14,314
Financial assets held for trading	16	**994**	970	**994**	970
Loans to subsidiaries	17	**-**	-	**15,237**	13,150
Inventories	18	**4,370**	5,552	**-**	-
Properties held for sale	19	**30,612**	30,413	**-**	-
Contracts work-in-progress	20	**28,198**	34,962	**-**	-
Available-for-sale financial assets	21	**250**	13,557	**250**	13,557
Derivative financial instruments	31	**-**	68	**-**	56
		506,285	484,961	**91,248**	103,091
Non-current assets					
Other receivables and prepayments	15	**6,577**	3,827	**-**	-
Available-for-sale financial assets	21	**65,903**	61,576	**45,384**	23,185
Property, plant and equipment	22	**11,699**	14,565	**-**	-
Investment properties	23	**134,796**	146,182	**-**	-
Intangible assets	24	**992**	1,186	**74**	74
Investments in associated companies	25	**-**	200	**-**	-
Investments in joint ventures	26	**32,354**	13,755	**-**	-
Investments in subsidiaries	27	**-**	-	**76,965**	79,465
Deferred income tax assets	28	**2,968**	2,369	**-**	-
		255,289	243,660	**122,423**	102,724
Total assets		**761,574**	728,621	**213,671**	205,815
LIABILITIES					
Current liabilities					
Trade and other payables	29	**181,252**	183,378	**1,098**	1,344
Income tax payable	11	**12,946**	11,590	**-**	255
Loans from subsidiaries	17	**-**	-	**46,097**	33,987
Contracts work-in-progress	20	**20,688**	15,900	**-**	-
Borrowings	30	**18,295**	5,095	**-**	-
Derivative financial instruments	31	**653**	1,580	**653**	575
		233,834	217,543	**47,848**	36,161
Non-current liabilities					
Trade and other payables	29	**6,883**	7,212	**-**	-
Borrowings	30	**70,059**	88,354	**-**	-
Pension liability	32	**2,936**	2,740	**-**	-
Deferred income tax liabilities	28	**3,204**	3,035	**-**	-
		83,082	101,341	**-**	-
Total liabilities		**316,916**	318,884	**47,848**	36,161
NET ASSETS		**444,658**	409,737	**165,823**	169,654
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	33	**104,555**	104,555	**104,555**	104,555
Treasury shares	33	**(13,048)**	(12,600)	**(13,048)**	(12,600)
Other reserves	34	**(27,770)**	(25,052)	**3,539**	2,523
Retained profits	35	**258,215**	237,939	**70,777**	75,176
		321,952	304,842	**165,823**	169,654
Non-controlling interests		**122,706**	104,895	**-**	-
Total equity		**444,658**	409,737	**165,823**	169,654

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

Consolidated Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

		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
2017								
Beginning of financial year		**104,555**	**(12,600)**	**(25,052)**	**237,939**	**304,842**	**104,895**	**409,737**
Profit for the year		**-**	**-**	**-**	**33,294**	**33,294**	**20,192**	**53,486**
Other comprehensive (loss)/income for the year		**-**	**-**	**(3,119)**	**174**	**(2,945)**	**(617)**	**(3,562)**
Total comprehensive (loss)/income for the year		**-**	**-**	**(3,119)**	**33,468**	**30,349**	**19,575**	**49,924**
Employee share-based compensation								
- Value of employee services	34	**-**	**-**	**692**	**-**	**692**	**-**	**692**
- Treasury shares re-issued	33, 34	**-**	**291**	**(291)**	**-**	**-**	**-**	**-**
Dividends								
- In cash	36	**-**	**-**	**-**	**(13,192)**	**(13,192)**	**(1,729)**	**(14,921)**
Repurchase of shares	33	**-**	**(739)**	**-**	**-**	**(739)**	**-**	**(739)**
Repurchase of shares by a subsidiary		**-**	**-**	**-**	**-**	**-**	**(35)**	**(35)**
		-	**(448)**	**401**	**(13,192)**	**(13,239)**	**(1,764)**	**(15,003)**
End of financial year		**104,555**	**(13,048)**	**(27,770)**	**258,215**	**321,952**	**122,706**	**444,658**

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

Consolidated Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

		◄ Attributable to equity holders of the Company ►						
	Note	Share capital $'000	Treasury shares $'000	Other reserves $'000	Retained profits $'000	Total $'000	Non-controlling interests $'000	Total equity $'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	34	-	-	514	-	514	-	514
- Treasury shares re-issued	33, 34	-	176	(176)	-	-	-	-
Dividends								
- In cash	36	-	-	-	(12,457)	(12,457)	(1,775)	(14,232)
- *In specie*	36	-	-	-	(84,291)	(84,291)	84,291	-
- In scrip	36	-	-	-	(3,748)	(3,748)	-	(3,748)
Issue of new shares pursuant to scrip dividend scheme	33, 34	3,231	-	517	-	3,748	-	3,748
Repurchase of shares	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 Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	2017 $'000	2016 $'000
Cash flows from operating activities		
Profit before income tax	**67,686**	56,543
Adjustments for:		
- Share of loss of an associated company and joint ventures	**2,693**	2,675
- Depreciation expense	**10,619**	10,601
- Amortisation of intangible assets	**218**	214
- Loss on disposal of property, plant and equipment	**7**	89
- Employee share-based compensation expense	**692**	514
- Allowance for impairment of receivables, net	**2,265**	138
- Impairment loss of an investment property	**3,551**	-
- Gain on disposal of available-for-sale financial assets	**(8,927)**	(46)
- Write-off of accrued leasing income	**954**	-
- Surplus on liquidation of an associated company	**-**	(106)
- Fair value (gains)/losses on derivative financial instruments and financial assets held for trading	**(577)**	2,352
- Finance expenses	**2,534**	4,207
- Interest income	**(4,870)**	(6,172)
- Unrealised currency exchange losses	**(474)**	(1,717)
	76,371	69,292
Change in working capital		
- Trade receivables, other receivables and prepayments	**(10,254)**	20,663
- Inventories and contracts work-in-progress	**11,948**	47,689
- Trade and other payables	**(1,903)**	(43,507)
- Properties held for sale	**(164)**	-
Cash provided by operations	**75,998**	94,137
Interest received	**4,870**	6,172
Interest paid	**(2,534)**	(4,207)
Income tax paid	**(12,588)**	(20,924)
Net cash provided by operating activities	**65,746**	75,178

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

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	Note	2017 $'000	2016 $'000
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		**8**	284
Proceeds from disposal of available-for-sale financial assets		**24,009**	9,657
Purchase of property, plant and equipment		**(2,030)**	(2,929)
Purchase of available-for-sale financial assets		**(30,351)**	(7,576)
Purchase of financial assets held for trading		**-**	(983)
Proceeds from repayment of loans by joint ventures		**5,453**	51,981
Loans to joint ventures		**(20,370)**	(11,399)
Loan to a related party		**(2,054)**	(2,710)
Net cash inflow from liquidation of an associated company		**-**	316
Net cash (used in)/provided by investing activities		**(25,335)**	36,641
Cash flows from financing activities			
Repurchase of shares		**(774)**	(2,513)
Repayment of borrowings		**(5,095)**	(93,030)
Dividends paid to non-controlling interests		**(1,729)**	(1,775)
Dividends paid to equity holders of the Company		**(13,192)**	(12,457)
Dividends received from a joint venture		**266**	-
Net cash used in financing activities		**(20,524)**	(109,775)
Net increase in cash and cash equivalents		**19,887**	2,044
Cash and cash equivalents			
Beginning of financial year	13	**259,069**	260,053
Effects of currency translation on cash and cash equivalents		**(2,457)**	(3,028)
End of financial year	13	**276,499**	259,069

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

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

1. GENERAL INFORMATION

Boustead 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 significant subsidiaries and joint ventures are set out in Note 27 and 26 respectively 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 2017

On 1 April 2016, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Revenue recognition

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

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

(a) Construction contracts

Refer to Note 2.7 for the accounting policy for revenue from construction contracts.

(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.

(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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Group accounting

(a) Subsidiaries

(i) Consolidation

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

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

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

(ii) Acquisitions

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained 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 Note 2.9 for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Group accounting (cont'd)

(b) Transactions with non-controlling interests

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

(c) 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

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

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

(iii) Disposals

Investments in 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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Property, plant and equipment

(a) Measurement

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

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

(b) Depreciation

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:

	Useful lives
Building	50 years
Leasehold fitouts	3 – 12 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 reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

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

(d) Disposal

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

2.5 Intangible assets

(a) Goodwill on acquisitions

Goodwill on acquisitions of subsidiaries and businesses 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 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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.5 Intangible assets (cont'd)

(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.

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.

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 properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

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

2.7 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 reporting date ("percentage-of-completion method"). When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Variations in contract work, claims and incentive payments are included in contract revenue when it is probable that the customer will approve the variation or negotiations have reached an advanced stage such that it is probable that the customer will accept the claim and they are capable of being reliably measured.

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

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

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

2.9 Investments in subsidiaries

Investments in subsidiaries 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 2017

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) *Intangible assets (other than goodwill)*
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 is recognised in profit or loss.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Financial assets

(a) Classification

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

(i) 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 reporting 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 reporting 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) 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 reporting date.

(b) Recognition and derecognition

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

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

(c) Initial measurement

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Financial assets (cont'd)

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

(i) Loans and receivables

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

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

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

(ii) Available-for-sale financial assets

In addition to the objective evidence of impairment described in Note 2.11(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 there is objective evidence of impairment, the cumulative loss that had been recognised in other comprehensive income is reclassified from equity to profit or loss. The amount of cumulative loss that is reclassified is measured as the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss. The impairment losses recognised as an expense for an equity security are not reversed through profit or loss in subsequent period.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

2.14 Borrowings

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

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

2.15 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. For net investment hedge, the fair value changes on the effective portion of the hedging instruments are recognised in other comprehensive income.

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

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

Net investment hedge

Currency forwards and options

The Group has entered into currency forwards and options that qualify as net investment hedges of foreign operation. The fair value changes on the effective portion of the currency forwards and options designated as net investment hedges are recognised in other comprehensive income in the consolidated financial statements, accumulated in the foreign currency translation reserve. On disposal of the foreign 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 2017

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 reporting 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 reporting 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 and properties held for sale under operating leases to non-related parties.

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

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

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 2017

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 reporting date.

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

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

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

Deferred income tax is measured:

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

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

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

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.22 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 share awards that are expected to vest on the vesting date. At each reporting date, the Group revises its estimates of the number of shares under award that are expected to vest on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share-based compensation reserve, over the remaining vesting period.

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

(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 2017

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 reporting 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 foreign currency translation reserve.

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

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

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

(c) Translation of Group entities' financial statements

The results and 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 foreign currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

2.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to senior management, 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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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.

Revenue recognition – long-term contracts

The Group has significant contracts that are on-going as at 31 March 2017, as disclosed in Note 20. For these contracts, management has to estimate the total contract costs to complete, which are used to measure the stage of completion for the Group's recognition of contract revenue. When it is probable that the total contract costs will exceed the total contract revenue, a provision for foreseeable losses is recognised as expense immediately.

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

If the percentage-of-completion had been higher/lower by 1% (2016: 1%) from management's estimates, the Group's revenue and gross profit would have been higher/lower by $4,895,000 (2016: $5,604,000) and $840,000 (2016: $812,000) respectively. As at 31 March 2017, the Group recognised an allowance for foreseeable losses on contracts work-in-progress amounting to $6,886,000 (2016: $5,809,000).

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

4. REVENUE

	Group	
	2017 $'000	**2016 $'000**
Contract revenue	**284,354**	345,835
Sale of goods	**30,985**	29,480
Rendering of services and maintenance	**84,686**	76,764
Property rental income	**33,090**	34,386
Dividend income	**732**	186
	433,847	486,651

5. OTHER INCOME

	Group	
	2017 $'000	**2016 $'000**
Interest income		
- Non-related parties	**4,533**	5,506
- An associated company	**140**	159
- A related party*	**170**	57
- Joint ventures	**27**	450
	4,870	6,172
Sublease income	**1,256**	1,216
	6,126	7,388

* *Subsidiary of an associated company*

6. OTHER GAINS - NET

	Group	
	2017 $'000	**2016 $'000**
Fair value gains/(losses) on derivative financial instruments and financial assets held for trading	**577**	(2,352)
Impairment loss of an investment property	**(3,551)**	-
Gain on disposal of available-for-sale financial assets:		
- Quoted securities	**14**	46
- Unquoted securities	**8,913**	-
Compensation from termination of lease	**9,407**	-
Surplus on liquidation of an associated company	**-**	106
Currency exchange gain – net	**1,645**	2,462
	17,005	262

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

7. EXPENSES BY NATURE

	Group	
	2017 $'000	2016 $'000
Employee compensation (Note 8)	**68,400**	71,317
Engineering and project management expenses	**208,647**	254,050
Purchases of inventories and services	**68,214**	68,231
Depreciation expense (Notes 22 and 23)	**10,619**	10,601
Directors' fees		
- Directors of the Company	**219**	217
- Directors of a subsidiary	**244**	244
Allowance for impairment of receivables, net	**2,265**	138
Fees on audit services paid/payable to:		
- Auditor of the Company	**388**	388
- Other auditors	**242**	229
Fees on non-audit services paid/payable to:		
- Auditor of the Company	**44**	25
- Other auditors	**35**	84
Amortisation of intangible assets	**218**	214
Legal and professional fees	**3,099**	4,172
Rental expense on operating leases	**8,548**	8,670
Property tax	**3,694**	3,673
Utility charges	**403**	375
Repair and maintenance expenses	**2,848**	2,844
Selling expenses	**3,892**	3,606
Loss on disposal of property, plant and equipment	**7**	89
Write-off of accrued leasing income	**954**	-
Others	**1,085**	1,709
Total cost of sales, selling and distribution and administrative expenses	**384,065**	430,876

8. EMPLOYEE COMPENSATION

	Group	
	2017 $'000	2016 $'000
Wages and salaries	**62,432**	65,501
Employer's contribution to defined contribution plans including Central Provident Fund	**5,007**	5,043
Employee share-based compensation expense (Note 33)	**692**	514
Other benefits	**269**	259
	68,400	71,317

9. FINANCE EXPENSES

	Group	
	2017 $'000	2016 $'000
Interest expense	**2,534**	4,207

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

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

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

11. INCOME TAXES

(a) Income tax expense

	Group	
	2017 $'000	**2016 $'000**
Tax expense attributable to profit is made up of:		
- Profit for the financial year:		
Current income tax		
- Singapore	**10,792**	11,222
- Foreign	**4,694**	5,387
	15,486	16,609
Deferred income tax (Note 28)	**1,013**	798
	16,499	17,407
- Over provision in prior financial years:		
Current income tax	**(1,503)**	(1,999)
Deferred income tax (Note 28)	**(796)**	-
	14,200	15,408

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

11. INCOME TAXES (cont'd)

(a) Income tax expense (cont'd)

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	
	2017 **$'000**	**2016** **$'000**
Profit before tax	**67,686**	56,543
Share of loss of an associated company and joint ventures	**2,693**	2,675
Profit before tax and share of loss of an associated company and joint ventures	**70,379**	59,218
Tax calculated at tax rate of 17% (2016: 17%)	**11,964**	10,067
Effects of:		
- Singapore statutory tax exemption	**(107)**	(115)
- expenses not deductible for tax purposes	**3,223**	2,434
- different tax rates in other countries	**1,929**	3,660
- deferred income tax assets not recognised	**874**	1,244
- income not subject to tax	**(318)**	(76)
- tax incentives	**(734)**	(524)
- intra-group unrealised gains subject to tax	**195**	1,243
- over provision in prior financial years - net	**(2,299)**	(1,999)
- others	**(527)**	(526)
Tax charge	**14,200**	15,408

(b) Movement in current income tax payable

	Group	
	2017 **$'000**	**2016** **$'000**
Beginning of financial year	**11,590**	17,983
Currency translation differences	**(39)**	(79)
Income tax paid	**(12,588)**	(20,924)
Tax expense	**15,486**	16,609
Over provision in prior financial years	**(1,503)**	(1,999)
End of financial year	**12,946**	11,590

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

12. EARNINGS PER SHARE

(a) Basic earnings per share

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

	2017	2016
Profit attributable to equity holders of the Company ($'000)	**33,294**	28,247
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**522,318**	519,875
Basic earnings per share (cents per share)	**6.37**	5.43

(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 share 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:

	2017	2016
Profit attributable to equity holders of the Company ($'000)	**33,294**	28,247
Weighted average number of ordinary shares outstanding for diluted earnings per share ('000)	**522,495**	520,464
Diluted earnings per share (cents per share)	**6.37**	5.43

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2017 $'000	**2016 $'000**	**2017 $'000**	**2016 $'000**
Cash at bank and on hand	**137,472**	135,438	**4,868**	8,681
Short-term bank deposits	**139,027**	123,631	**63,716**	52,363
	276,499	259,069	**68,584**	61,044

Included in the cash and cash equivalents are allowance for cash held in Libya amounting to $1,104,000 (2016: $1,094,000). 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 $4,594,000 (2016: $4,423,000) 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.

14. TRADE RECEIVABLES

	Group	
	2017 $'000	**2016 $'000**
Trade receivables – non-related parties	**116,813**	119,654
Less: Allowance for impairment of receivables – non-related parties	**(28,235)**	(28,118)
	88,578	91,536
Trade receivables:		
- Joint ventures	**6,814**	10,891
- An associated company	**-**	131
- A related party*	**5,405**	-
	100,797	102,558

* *Subsidiary of an associated company*

Included in the Group's trade receivables is retention sum receivables of $13,294,000 (2016: $15,738,000).

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

15. OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2017 $'000	**2016 $'000**	**2017 $'000**	**2016 $'000**
Current				
Loans to:				
- A joint venture	**-**	5,453	**-**	-
- An associated company	**3,406**	3,676	**-**	-
- A related party*	**4,527**	2,710	**-**	-
	7,933	11,839	**-**	-
Other receivables:				
- Subsidiaries	**-**	-	**1,282**	11,282
- Joint ventures	**196**	318	**-**	-
- An associated company	**527**	474	**-**	-
- A related party*	**223**	-	**-**	-
- Non-related parties	**41,428**	14,331	**2,717**	3,032
Less: Allowance for impairment of other receivables				
- non-related parties	**(5,766)**	(3,707)	**(2,016)**	-
	44,541	23,255	**1,983**	14,314
Tax recoverable	**2,334**	1,624	**-**	-
Deposits	**1,739**	1,079	**-**	-
Prepayments	**15,601**	11,326	**4,200**	-
Staff loans and advances	**350**	528	**-**	-
	64,565	37,812	**6,183**	14,314
Non-current				
Other receivables	**4,709**	1,618	**-**	-
Prepayments	**1,868**	2,209	**-**	-
	6,577	3,827	**-**	-

* *Subsidiary of an associated company*

As at 31 March 2017, included within other receivables - current from non-related parties is an amount of $26,125,000, being the remaining portion of consideration from the Group's disposal of its entire shareholding in an unquoted equity shares (Note 21).

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

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

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

15. OTHER RECEIVABLES AND PREPAYMENTS (cont'd)

During the financial year ended 31 March 2017, the Group and the Company have recognised an allowance for impairment of receivables from a non-related party amounting to $2,016,000 (2016: Nil) as management does not expect to recover the receivables from the non-related party. 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		Company	
	2017 $'000	**2016 $'000**	**2017 $'000**	**2016 $'000**
Beginning of financial year	**3,707**	4,590	**-**	-
Currency translation differences	**43**	(883)	**-**	-
Allowance made	**2,016**	-	**2,016**	-
End of financial year	**5,766**	3,707	**2,016**	-

16. FINANCIAL ASSETS HELD FOR TRADING

	Group and Company	
	2017 $'000	**2016 $'000**
Beginning of financial year	**970**	-
Currency translation differences	**24**	(13)
Addition	**-**	983
End of financial year	**994**	970

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

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17. LOANS TO/FROM SUBSIDIARIES

	Company	
	2017 $'000	**2016 $'000**
Loans to subsidiaries		
- Non-interest bearing	**21,561**	19,349
- Interest bearing	**13,681**	12,185
	35,242	31,534
Less: Allowance for impairment of loans to subsidiaries	**(20,005)**	(18,384)
	15,237	13,150
Loans from subsidiaries		
- Non-interest bearing	**1,892**	3,472
- Interest bearing	**44,205**	30,515
	46,097	33,987

Non-interest bearing loans to/from subsidiaries are unsecured and repayable on demand.

Interest bearing loans to subsidiaries bear effective interest at 0.10% (2016: 0.18%) per annum and are repayable on demand.

Interest bearing loans from subsidiaries bear effective interest at 1.20% (2016: 1.52%) per annum and are repayable on demand.

Movement in the allowance for impairment of loans to subsidiaries:

	Company	
	2017 $'000	**2016 $'000**
Beginning of financial year	**18,384**	16,968
Allowance made	**1,621**	2,539
Allowance written back	**-**	(1,123)
End of financial year	**20,005**	18,384

18. INVENTORIES

	Group	
	2017 $'000	**2016 $'000**
Raw materials	**3,501**	4,384
Finished goods	**869**	1,168
	4,370	5,552

The cost of inventories recognised as an expense and included in "cost of sales" amounted to $29,494,000 (2016: $30,310,000).

Notes to the Financial Statements

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19. PROPERTIES HELD FOR SALE

The Group has the following properties held for sale:

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

As at 31 March 2017, properties held for sale amounting to $9,070,000 (2016: $8,984,000) are pledged to the banks for banking facilities (Note 30).

Independent professional valuations of the Group's properties held for sale have been performed by independent valuers with appropriate recognised professional qualifications and recent experience with the location and category of the properties being valued. The valuation of $99,659,000 (2016: $103,420,000) is based on the sales comparison method and income method for comparative properties. Key inputs used in the valuations are the estimated annual net rent, internal rate of return and comparable sales in the area.

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

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

20. CONTRACTS WORK-IN-PROGRESS

	Group	
	2017 $'000	**2016 $'000**
Contracts work-in-progress:		
Amounts due from contract customers	**28,198**	34,962
Aggregate contract costs incurred and profits recognised to date	**416,035**	409,809
Less: Progress billings	**(380,951)**	(369,038)
Less: Allowance for foreseeable losses	**(6,886)**	(5,809)
	28,198	34,962
Contracts work-in-progress:		
Amounts due to contract customers	**20,688**	15,900
Progress billings	**159,179**	177,464
Less: Aggregate contract costs incurred and profits recognised to date	**(138,491)**	(161,564)
	20,688	15,900

21. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group		Company	
	2017 $'000	**2016 $'000**	**2017 $'000**	**2016 $'000**
Beginning of financial year	**75,133**	77,457	**36,742**	59,585
Currency translation differences	**187**	(99)	**187**	(99)
Additions	**30,351**	7,576	**30,351**	7,535
Fair value gains/(losses) recognised in other comprehensive income (Note 34)	**989**	(144)	**989**	(144)
Disposals	**(40,507)**	(9,657)	**(22,635)**	(30,135)
End of financial year	**66,153**	75,133	**45,634**	36,742
Less: Current portion	**(250)**	(13,557)	**(250)**	(13,557)
Non-current portion	**65,903**	61,576	**45,384**	23,185

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

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

	Group		Company	
	2017 $'000	**2016 $'000**	**2017 $'000**	**2016 $'000**
Quoted securities - Singapore				
- Equity shares, at fair value	**21,124**	1,930	**21,124**	1,930
- Debt securities, at fair value	**24,510**	34,812	**24,510**	34,812
Unquoted securities				
- Equity shares, at fair value [Note (a)]	**-**	17,872	**-**	-
- Equity shares, at cost [Note (b)]	**20,519**	20,519	**-**	-
	66,153	75,133	**45,634**	36,742

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

On 25 January 2017, the Company's subsidiary entered into a sale and purchase agreement to dispose of its entire shareholding in the unquoted equity shares amounting to $17,872,000, at a consideration of $27,500,000, before transaction cost of $715,000. The transaction cost of $715,000 is included within accruals for operating expenses (Note 29). The disposal was completed on 31 March 2017 and a net gain on disposal amounting to $8,913,000 (Note 6) was recognised. The consideration and net gain have been provisionally determined pending finalisation of the Net Asset Value ("NAV") of the unquoted equity shares from an independent auditor.

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

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

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

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22. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Building	Leasehold fitouts	Machinery and equipment	Furniture, office equipment and motor vehicles	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
2017						
Cost						
Beginning of financial year	**487**	**5,517**	**5,008**	**8,937**	**15,883**	**35,832**
Currency translation differences	**(44)**	**(498)**	**115**	**(1,557)**	**(197)**	**(2,181)**
Additions	**-**	**-**	**6**	**522**	**1,502**	**2,030**
Disposals	**-**	**-**	**(3)**	**(610)**	**(339)**	**(952)**
End of financial year	**443**	**5,019**	**5,126**	**7,292**	**16,849**	**34,729**
Accumulated depreciation						
Beginning of financial year	**-**	**772**	**3,042**	**6,210**	**11,243**	**21,267**
Currency translation differences	**-**	**(71)**	**76**	**(998)**	**(169)**	**(1,162)**
Depreciation charge	**-**	**103**	**516**	**1,185**	**2,058**	**3,862**
Disposals	**-**	**-**	**(3)**	**(608)**	**(326)**	**(937)**
End of financial year	**-**	**804**	**3,631**	**5,789**	**12,806**	**23,030**
Net book value						
End of financial year	**443**	**4,215**	**1,495**	**1,503**	**4,043**	**11,699**
2016						
Cost						
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
Accumulated depreciation						
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

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

23. INVESTMENT PROPERTIES

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

Investment properties are leased to non-related parties under operating leases [Note 37(c)].

The following amounts are recognised in profit and loss:

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

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23. INVESTMENT PROPERTIES (cont'd)

As at 31 March 2017, the details of the Group's investment properties are as follows:

Location	Description	Existing use	Terms of lease
10 Seletar Aerospace Heights	Industrial/Leasehold	Rental	30 years from 1 June 2012
80 Boon Keng Road (Phase 1)	Industrial/Leasehold	Rental	30 years from 1 April 2011 with an option to extend a further 26 years
16 Tampines Industrial Crescent	Industrial/Leasehold	Rental	30 years from 16 June 2012
26 Changi North Rise	Industrial/Leasehold	Rental	30 years from 30 April 2010 with an option to extend a further 30 years
10 Changi North Way	Industrial/Leasehold	Rental	24 years from 16 September 2010 with an option to extend a further 30 years
80 Boon Keng Road (Phase 2)	Industrial/Leasehold	Rental	30 years from 1 October 2013 with an option to extend a further 16 years
31 Tuas South Ave 10	Industrial/Leasehold	Rental	30 years from 16 December 2013
10 Tukang Innovation Drive	Industrial/Leasehold	Rental	30 years from 1 November 2013
36 Tuas Road	Industrial/Leasehold	Rental	12 years from 1 October 2013 with an option to extend a further 30 years

As at 31 March 2017, investment properties amounting to $45,320,000 (2016: $47,870,000) are pledged to banks for banking facilities (Note 30).

Independent professional valuations of the Group's investment properties have been performed by independent valuers with appropriate recognised professional qualification and recent experience with the location and category of the properties being valued. The valuation of $252,100,000 (2016: $259,800,000) is based on sales comparison method and income method for comparative properties. Key inputs used in the valuations are the estimated annual net rent, internal rate of return and comparable sales in the area.

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

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24. INTANGIBLE ASSETS

	Trademarks	Others	Total
	$'000	$'000	$'000
Group			
2017			
Cost			
Beginning of financial year	**1,311**	**399**	**1,710**
Currency translation differences	**35**	**-**	**35**
End of financial year	**1,346**	**399**	**1,745**
Accumulated amortisation			
Beginning of financial year	**219**	**143**	**362**
Currency translation differences	**11**	**-**	**11**
Amortisation charge	**218**	**-**	**218**
End of financial year	**448**	**143**	**591**
Accumulated impairment			
Beginning and end of financial year	**-**	**162**	**162**
Net book value			
End of financial year	**898**	**94**	**992**
2016			
Cost			
Beginning of financial year	1,358	399	1,757
Currency translation differences	(47)	-	(47)
End of financial year	1,311	399	1,710
Accumulated amortisation			
Beginning of financial year	-	143	143
Currency translation differences	5	-	5
Amortisation charge	214	-	214
End of financial year	219	143	362
Accumulated impairment			
Beginning and end of financial year	-	162	162
Net book value			
End of financial year	1,092	94	1,186

Trademarks were acquired in 2010 as part of the acquisition of a subsidiary. The fair value was 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.

During the last financial year, management has performed a useful life assessment and has assessed the trademarks to have a finite estimated useful life of 6 years. This change was accounted for prospectively, as a change in accounting estimate.

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25. INVESTMENTS IN ASSOCIATED COMPANIES

	Group		Company	
	2017 $'000	**2016 $'000**	**2017 $'000**	**2016 $'000**
Beginning of financial year	**200**	3,761	**-**	2,667
Currency translation differences	**(47)**	(97)	**-**	-
Disposals	**-**	(2,667)	**-**	(2,667)
Elimination of share of unrealised construction profits	**(586)**	(660)	**-**	-
Share of loss, net of tax	**(602)**	(137)	**-**	-
Deferred gain	**1,035**	-	**-**	-
End of financial year	**-**	200	**-**	-

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

As at 31 March 2017, the Group's interest is reduced to zero due to elimination of share of unrealised construction profits and a deferred gain recognised (Note 29), to the extent that the Group has incurred legal or constructive obligations.

The Company's subsidiary, Boustead Projects Limited, has granted a proportional corporate guarantee to the bank as security for the loan of $28,799,000 (2016: $27,110,000) granted to an associated company.

There are no other contingent liabilities and capital commitments relating to the Group's interest in the associated companies.

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26. INVESTMENTS IN JOINT VENTURES

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

Set out below are the joint ventures held by the Company's subsidiary, Boustead Projects Limited ("BP") as at 31 March 2017 and 2016. The joint ventures are funded via a combination of share capital and shareholders' loans.

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

(1) *Audited by PricewaterhouseCoopers LLP, Singapore*

(2) *Newly incorporated during the year*

The subsidiary of BP-Ubi Development Pte Ltd has taken bank financing to finance its development and BP has granted a proportional corporate guarantee to the bank as security for the loan of $21,250,000 (2016: $22,050,000). There are no other contingent liabilities relating to the Group's interest in the joint ventures. BP has $14,195,000 (2016: $3,707,000) of commitments to provide funding if called, relating to its joint ventures.

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

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

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26. INVESTMENTS IN JOINT VENTURES (cont'd)

Summarised financial information for joint ventures

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

Summarised statement of financial position

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

Summarised statement of comprehensive income

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

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

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26. INVESTMENTS IN JOINT VENTURES (cont'd)

Reconciliation of summarised financial information

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

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

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

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

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27. INVESTMENTS IN SUBSIDIARIES

	Company	
	2017 $'000	**2016 $'000**
Unquoted equity shares at cost		
Beginning of financial year	**102,709**	136,543
Disposals	**-**	(33,834)
End of financial year	**102,709**	102,709
Less: Allowance for impairment losses	**(34,505)**	(32,005)
	68,204	70,704
Loans to subsidiaries	**24,909**	25,265
Less: Allowance for impairment of loans to subsidiaries	**(16,148)**	(16,504)
	8,761	8,761
	76,965	79,465

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 of unquoted equity shares:

	Company	
	2017 $'000	**2016 $'000**
Beginning of financial year	**32,005**	30,005
Allowance made	**2,500**	2,000
End of financial year	**34,505**	32,005

As at 31 March 2017, management assessed the recoverability of its investments and is of the view that certain subsidiary's recoverable amounts may be lower than its cost of investments and accordingly, an impairment loss of $2,500,000 (2016: $2,000,000) has been made.

Movement in the allowance for impairment of loans to subsidiaries:

	Company	
	2017 $'000	**2016 $'000**
Beginning of financial year	**16,504**	16,041
Allowance made	**-**	860
Allowance written back	**(356)**	(397)
End of financial year	**16,148**	16,504

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27. INVESTMENTS IN SUBSIDIARIES (cont'd)

As at 31 March 2017 and 2016, there were write-backs of allowance for loan receivables as a portion of the loan receivables from its subsidiary has been repaid.

During the financial year ended 31 March 2016, management had assessed the recoverability of the loans to subsidiaries and was of the view that the amounts may not be recoverable, and accordingly had made additional allowance for impairment of $860,000.

Details of significant subsidiaries are set out below:

Name of companies	Principal activities	Country of business incorporation	Equity holding	
			2017 %	2016 %
Significant subsidiaries held by the Company				
Boustead Projects Limited [1]	Design-and-build and development of industrial facilities and industrial parks for lease or sale	Singapore	**51.2**	51.2
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
Boustead Knowledge Pte Ltd [1]	Investment holding	Singapore	**100.0**	100.0
BIH Holdings Pte Ltd [1]	Investment holding	Singapore	**100.0**	100.0
Significant subsidiaries held by the Company's subsidiaries				
Boustead Projects E&C Pte Ltd [1]	Provide project management, design, construction and property-related services	Singapore	**51.2**	51.2
BP Engineering Solutions Sdn Bhd [4]	Provide project management, design, construction and property-related services	Malaysia	**51.2**	51.2
CN Logistics Pte Ltd [1]	Holding of property for rental income	Singapore	**51.2**	51.2
Boustead Projects (Vietnam) Co. Ltd [7]	Design and build contractors	Vietnam	**51.2**	51.2
BP-UMS Pte Ltd [1]	Holding of property for rental income	Singapore	**51.2**	51.2
BP-Tuas 1 Pte Ltd [1]	Holding of property for rental income	Singapore	**51.2**	51.2
BP-CA Pte Ltd [1]	Holding of property for rental income	Singapore	**51.2**	51.2
BP-SFN Pte Ltd [1]	Holding of property for rental income	Singapore	**51.2**	51.2
BP-BBD Pte Ltd [1]	Holding of property for rental income	Singapore	**51.2**	51.2
PIP Pte Ltd [1]	Provide project management, design, construction and property-related services	Singapore	**51.2**	51.2

Notes to the Financial Statements

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27. INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of companies	Principal activities	Country of business incorporation	Equity holding 2017 %	Equity holding 2016 %
Significant subsidiaries held by the Company's subsidiaries (cont'd)				
BP-EA Pte Ltd [(1)]	Holding of property for rental income	Singapore	**51.2**	51.2
BP-JCS Pte Ltd [(1)]	Holding of property for rental income	Singapore	**51.2**	51.2
BP-Lands Sdn Bhd [(4)]	Investment holding	Malaysia	**51.2**	51.2
BP-TN Pte Ltd [(1)]	Holding of property for rental income	Singapore	**51.2**	51.2
Wuxi Boustead Industrial Development Co. Ltd [(6)]	Development of industrial space for lease/sale	People's Republic of China	**51.2**	51.2
Boustead Real Estate Fund [(1)]	Private business trust	Singapore	**51.2**	51.2
Boustead Trustees Pte Ltd [(1)]	Trustee for real estate trust	Singapore	**51.2**	51.2
Boustead Funds Management Pte Ltd [(1)]	Property fund management	Singapore	**51.2**	51.2
Boustead Property Services Pte Ltd [(1)]	Management of properties	Singapore	**51.2**	51.2
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

(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 Drs. Bambang Sudaryono & Rekan, Indonesia*

(6) *Audited by Zhonghui Certified Public Accountants LLP Wuxi Branch, China*

(7) *Audited by RSM, Vietnam*

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

27. INVESTMENTS IN SUBSIDIARIES (cont'd)

Carrying value of non-controlling interests

	2017 $'000	2016 $'000
Boustead Projects Limited	**111,278**	94,086
Other subsidiaries	**11,428**	10,809
	122,706	104,895

Summarised financial information of a subsidiary with material non-controlling interests

Set out below are the summarised financial information for a 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 2017 and 2016.

Summarised consolidated statement of financial position

	Boustead Projects Limited As at 31 March	
	2017 $'000	**2016 $'000**
Current		
Assets	**258,288**	214,570
Liabilities	**(145,346)**	(126,884)
Total current net assets	**112,942**	87,686
Non-current		
Assets	**194,545**	202,666
Liabilities	**(78,109)**	(96,492)
Total non-current net assets	**116,436**	106,174
Net assets	**229,378**	193,860

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

27. INVESTMENTS IN SUBSIDIARIES (cont'd)

Summarised statement of comprehensive income

	Boustead Projects Limited For the financial year ended 31 March	
	2017 $'000	2016 $'000
Revenue	**228,307**	255,475
Profit before income tax	**44,874**	29,709
Income tax expense	**(8,625)**	(6,844)
Post-tax profit from continuing operations	**36,249**	22,865
Other comprehensive loss	**(1,011)**	(1,650)
Total comprehensive income	**35,238**	21,215
Total comprehensive income allocated to non-controlling interests	**17,193**	10,917

Summarised cash flows

	Boustead Projects Limited For the financial year ended 31 March	
	2017 $'000	2016 $'000
Cash flows from operating activities		
Cash provided by operations	**49,639**	40,607
Interest received	**2,325**	3,365
Interest paid	**(2,391)**	(3,985)
Income tax paid	**(5,619)**	(8,999)
Net cash provided by operating activities	**43,954**	30,988
Net cash (used in)/provided by investing activities	**(15,988)**	140,381
Net cash used in financing activities	**(4,909)**	(193,780)
Net increase/(decrease) in cash and cash equivalents	**23,057**	(22,411)
Cash and cash equivalents at beginning of financial year	**90,876**	114,279
Effects of currency translation on cash and cash equivalents	**(559)**	(992)
Cash and cash equivalents at end of financial year	**113,374**	90,876

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28. 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.

	Group	
	2017 $'000	**2016 $'000**
Deferred income tax assets		
- To be recovered after one financial year	**2,968**	2,369
Deferred income tax liabilities		
- To be settled after one financial year	**3,204**	3,035

Movement in deferred income tax account is as follows:

	Group	
	2017 $'000	**2016 $'000**
Beginning of financial year	**(666)**	210
Currency translation differences	**(39)**	(78)
Reclassified from pension liability (Note 32)	**686**	-
Charged to profit or loss [Note 11(a)]	**(217)**	(798)
End of financial year	**(236)**	(666)

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. As at 31 March 2017, the Group has unrecognised tax losses and capital allowances of $38,454,000 (2016: $36,313,000) 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.

As at 31 March 2017, deferred income tax liabilities of $1,612,000 (2016: $1,272,000) 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 $9,225,000 (2016: $7,341,000).

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28. 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
2017			
Beginning of financial year	**(2,910)**	**(125)**	**(3,035)**
Currency translation differences	**15**	**(1)**	**14**
(Charged)/Credited to profit or loss	**(276)**	**93**	**(183)**
End of financial year	**(3,171)**	**(33)**	**(3,204)**
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)

Deferred income tax assets

	Provisions
	$'000
2017	
Beginning of financial year	**2,369**
Currency translation differences	**(53)**
Reclassified from pension liability (Note 32)	**686**
Charged to profit or loss	**(34)**
End of financial year	**2,968**
2016	
Beginning of financial year	2,333
Currency translation differences	(89)
Credited to profit or loss	125
End of financial year	2,369

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29. TRADE AND OTHER PAYABLES

	Group		Company	
	2017 $'000	**2016 $'000**	**2017 $'000**	**2016 $'000**
Current				
Trade payables to:				
- Non-related parties	**28,971**	36,885	**-**	-
Advances received	**432**	1,180	**-**	-
Retention sum payables	**21,008**	22,200	**-**	-
Other payables	**7,588**	6,252	**667**	703
Dividends payable to non-controlling interests	**279**	391	**-**	-
Deposits received	**4,306**	7,548	**-**	-
Deferred income from maintenance contracts	**25,339**	24,784	**-**	-
Accruals for long-term contract costs	**74,206**	64,912	**-**	-
Accruals for operating expenses	**19,123**	19,226	**431**	641
	181,252	183,378	**1,098**	1,344
Non-current				
Retention sum payables	**4,973**	5,401	**-**	-
Deferred income from maintenance contracts	**992**	773	**-**	-
Other payables	**918**	1,038	**-**	-
	6,883	7,212	**-**	-

Included in accruals for long-term contract costs is a provision for liquidated damages amounting to $4,421,000 (2016: $2,712,000). During the financial year, there was $133,000 (2016: $3,330,000) utilised and $1,842,000 (2016: $4,073,000) which was charged to cost of sales.

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

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30. BORROWINGS

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

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

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

(a) Security granted

Total borrowings include secured liabilities of $88,354,000 (2016: $93,449,000) for the Group. Bank borrowings are secured over properties held for sale (Note 19) and investment properties (Note 23).

(b) Fair value of non-current borrowings

At the reporting 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.

31. DERIVATIVE FINANCIAL INSTRUMENTS

	Group			Company		
	Contract notional amount	Fair value		Contract notional amount	Fair value	
		Asset	Liability		Asset	Liability
	$'000	$'000	$'000	$'000	$'000	$'000
2017						
Non-hedging instruments						
Currency forwards	**(5,241)**	**-**	**(653)**	**(5,241)**	**-**	**(653)**
		-	**(653)**		**-**	**(653)**
2016						
Net investment hedges						
Currency forward	(4,333)	-	(306)	-	-	-
Options	(3,200)	13	-	-	-	-
Derivatives held for hedging		13	(306)		-	-
Non-hedging instruments						
Currency forwards	(2,691)	55	(1,274)	(11,525)	56	(575)
		68	(1,580)		56	(575)

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

32. PENSION LIABILITY

The Group operates a funded defined benefit pension scheme in the United Kingdom and an unfunded defined benefit pension scheme in Indonesia.

The amount recognised in the statement of financial position relates to funded and unfunded plans is as follows:

	Group	
	2017 $'000	**2016 $'000**
Present value of funded obligation	**24,285**	24,564
Fair value of plan assets	**(21,668)**	(21,824)
Deficit of funded plans	**2,617**	2,740
Present value of unfunded obligation	**319**	-
Total deficit of defined benefit pension plans	**2,936**	2,740

(a) Funded defined benefit pension scheme in the United Kingdom

The defined benefit pension plan scheme is funded by the payment of contributions to a separately administered trust fund.

The pension costs for the defined benefit pension scheme are determined with the advice of independent qualified actuary. The significant assumptions used were as follows:

Key assumptions used by the actuary

	2017	**2016**
Discount rate (per annum)	**2.70%**	3.70%
Rate of price inflation (per annum)	**3.30%**	3.30%
Rate of increase in salaries (per annum)	**2.30%**	2.70%
Post-retirement mortality assumption	**100% of S2PXA, CMI 2016 projections, 1.25% per annum long-term rate of improvement**	100% of S1PXA, CMI 2012 projections, 1.5% per annum long-term rate of improvement

Sensitivity analysis

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

- a 0.10% (2016: 0.10%) decrease in discount rate would increase liabilities by $407,000 (2016: $428,000).
- a 0.10% (2016: 0.10%) increase in rate of price inflation would increase liabilities by $480,000 (2016: $487,000).
- a 0.10% (2016: 0.10%) increase in rate of increase in salaries would increase liabilities by $67,000 (2016: $97,000).
- a 0.25% (2016: 0.25%) increase in mortality long-term rate would increase liabilities by $227,000 (2016: $409,000).

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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

32. PENSION LIABILITY (cont'd)

(a) Funded defined benefit pension scheme in the United Kingdom (cont'd)

Reconciliation to statement of financial position

The movement in the present value of obligation and fair value of plan assets are as follows:

	Present value of obligation	Fair value of plan assets	Total
	$'000	$'000	$'000
2017			
Beginning of financial year	24,564	(21,824)	2,740
Reclassified to deferred tax (Note 28)	686	-	686
Current service cost	190	-	190
Interest expense/(income)	858	(753)	105
	1,048	(753)	295
Re-measurements:			
- Return on plan assets, excluding amounts included in interest income	-	(1,009)	(1,009)
- Gain from change in demographic assumptions	(1,683)	-	(1,683)
- Loss from change in financial assumptions	3,453	-	3,453
- Experience gains	(818)	-	(818)
	952	(1,009)	(57)
Currency translation differences	(2,310)	1,999	(311)
Contributions:			
- Employers	-	(736)	(736)
- Plan participants	65	(65)	-
Payment from plans:			
- Benefit payments	(720)	720	-
End of financial year	24,285	(21,668)	2,617

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

32. PENSION LIABILITY (cont'd)

(a) Funded defined benefit pension scheme in the United Kingdom (cont'd)

Reconciliation to statement of financial position (cont'd)

	Present value of obligation	Fair value of plan assets	Total
	$'000	$'000	$'000
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
Re-measurements:			
- Return on plan assets, excluding amounts included in interest income	-	949	949
- Gain from change in financial assumptions	(938)	-	(938)
	(938)	949	11
Currency translation differences	(1,035)	1,014	(21)
Contributions:			
- Employers	-	(885)	(885)
- Plan participants	96	(96)	-
Payment from plans:			
- Benefit payments	(808)	808	-
End of financial year	24,564	(21,824)	2,740

Pension plan assets

Plan assets are comprised as follows:

	Group	
	2017 $'000	2016 $'000
Diversified growth funds	**8,667**	8,511
Index-linked bonds	**8,017**	5,237
Other bonds	**4,984**	7,856
Cash	**-**	220
	21,668	21,824

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.

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32. PENSION LIABILITY (cont'd)

(a) Funded defined benefit pension scheme in the United Kingdom (cont'd)

Pension plan assets (cont'd)

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 UK pension plan deficit before the next triennial valuation date by making an annual contribution inflated at 3.5% per year. The next triennial valuation is due to be completed as at 30 May 2019. 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 2018 is $693,000.

The weighted average duration of the defined benefit obligation is 17 years (2016: 18 years).

(b) Unfunded defined benefit pension scheme in Indonesia

The pension costs for the defined benefit pension scheme are determined with the advice of independent qualified actuary. The significant assumptions used were as follows:

Key assumptions used by the actuary

	2017
Discount rate (per annum)	**7.90%**
Rate of increase in salaries (per annum)	**7.00%**
Post-retirement mortality assumption	**Indonesia – III (2011)**

Sensitivity analysis

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

- a 1.00% decrease in discount rate would increase liabilities by $21,000.
- a 1.00% increase in discount rate would decrease liabilities by $18,000.

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 projected unit credit method at the end of the period) has been applied as when calculating the pension liability recognised within the statement of financial position.

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

32. PENSION LIABILITY (cont'd)

(b) Unfunded defined benefit pension scheme in Indonesia (cont'd)

Reconciliation to statement of financial position

The movement in the present value of obligation is as follows:

	Present value of obligation
	$'000
2017	
Reclassified from other payables	**239**
Current service cost	**79**
Interest expense	**19**
	98
Re-measurements:	
- Adjustments due to change in regulations	**(111)**
- Gain from change in financial assumptions	**(2)**
- Experience gains	**(20)**
	(133)
Currency translation differences	**124**
Payment from plans:	
- Benefit payments	**(9)**
End of financial year	**319**

The weighted average duration of the defined benefit obligation is 22 years.

33. 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				
2017				
Beginning of financial year	**540,432**	**(17,800)**	**104,555**	**(12,600)**
Treasury shares re-issued	**-**	**411**	**-**	**291**
Repurchase of shares	**-**	**(922)**	**-**	**(739)**
End of financial year	**540,432**	**(18,311)**	**104,555**	**(13,048)**
2016				
Beginning of financial year	536,315	(16,126)	101,324	(10,263)
Shares issued pursuant to scrip dividend scheme	4,117	-	3,231	-
Treasury shares re-issued	-	276	-	176
Repurchase of shares	-	(1,950)	-	(2,513)
End of financial year	540,432	(17,800)	104,555	(12,600)

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

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.

The Company re-issued 411,827 (2016: 276,779) treasury shares during the financial year pursuant to the Boustead Restricted Share Plan 2011. The cost of the treasury shares re-issued amounted to $291,000 (2016: $176,000).

The Company acquired 922,000 (2016: 1,950,000) shares in the open market during the financial year. The total amount paid to acquire the shares was $739,000 (2016: $2,513,000) and this was presented as a component within shareholders' equity.

(a) Employee share plans – 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.

Awards granted under the 2011 Share Plan may be subject to performance-based restrictions where eligible participants are invited to participate. Performance-based restricted awards will vest after a further period of service beyond the performance target completion date.

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

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

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

The fair value of the share awards granted under the 2011 Share Plan was determined based on the market share price at the grant date. The remaining share awards are expected to vest by the next financial year.

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

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

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

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

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

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

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

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

The Group recognised total expenses of $692,000 (2016: $514,000) relating to such equity settled share-based compensation transactions during the financial year.

34. OTHER RESERVES

	Fair value reserve	Capital reserve	Share-based compensation reserve	Foreign currency translation reserve	Total
	$'000	$'000	$'000	$'000	$'000
Group					
2017					
Beginning of financial year	**303**	**(9,004)**	**514**	**(16,865)**	**(25,052)**
Available-for-sale financial assets					
- Fair value gains	**989**	**-**	**-**	**-**	**989**
- Reclassification to profit or loss on disposal	**(14)**	**-**	**-**	**-**	**(14)**
Net currency translation differences arising from consolidation	**-**	**-**	**-**	**(4,727)**	**(4,727)**
Less: Non-controlling interests	**-**	**-**	**-**	**633**	**633**
Other comprehensive loss for the year	**975**	**-**	**-**	**(4,094)**	**(3,119)**
Employee share-based compensation					
- Value of employee services	**-**	**-**	**692**	**-**	**692**
- Treasury shares re-issued	**-**	**223**	**(514)**	**-**	**(291)**
End of financial year	**1,278**	**(8,781)**	**692**	**(20,959)**	**(27,770)**
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 arising from consolidation	-	-	-	(5,418)	(5,418)
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)

Notes to the Financial Statements

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34. OTHER RESERVES (cont'd)

	Fair value reserve	Capital reserve	Share-based compensation reserve	Total
	$'000	$'000	$'000	$'000
Company				
2017				
Beginning of financial year	**303**	**1,706**	**514**	**2,523**
Available-for-sale financial assets				
- Fair value losses	**989**	**-**	**-**	**989**
- Reclassification to profit or loss on disposal	**(14)**	**-**	**-**	**(14)**
Other comprehensive loss for the year	**975**	**-**	**-**	**975**
Employee share-based compensation				
- Value of employee services	**-**	**-**	**332**	**332**
- Treasury shares re-issued	**-**	**223**	**(514)**	**(291)**
End of financial year	**1,278**	**1,929**	**332**	**3,539**
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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

35. RETAINED PROFITS

(a) The Group's retained profits are distributable except for 10% of accumulated retained profits of a China subsidiary amounting to $62,000 (2016: $38,000).

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

	Company	
	2017 $'000	**2016 $'000**
Beginning of financial year	**75,176**	15,938
Profit for the financial year	**8,793**	159,734
Dividends paid		
- In cash [Note 36(a)]	**(13,192)**	(12,457)
- In scrip [Note 36(a)]	**-**	(3,748)
- *In specie* [Note 36(b)]	**-**	(84,291)
End of financial year	**70,777**	75,176

36. DIVIDENDS

(a) Dividends paid in cash/scrip

	Company	
	2017 $'000	**2016 $'000**
0.5 cents (2016: 1.0 cents) interim tax-exempt (one-tier) cash/scrip dividend per ordinary share paid in respect of the financial year ended 31 March 2017	**2,749**	5,820
2.0 cents (2016: 2.0 cents) final tax-exempt (one-tier) cash dividend per ordinary share paid in respect of the previous financial year	**10,443**	10,385
	13,192	16,205

At the Annual General Meeting on 27 July 2017, a final tax-exempt (one-tier) cash dividend of 1.5 cents per ordinary share amounting to approximately $7,834,000 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 March 2018.

(b) Dividends paid *in specie*

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") amounting to $84,291,000 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.

Notes to the Financial Statements

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37. COMMITMENTS

(a) Capital commitments

Capital expenditures contracted for at the reporting date but not recognised in the financial statements, excluding those relating to investments in associated companies (Note 25) and investments in joint ventures (Note 26), are as follows:

	Group	
	2017 $'000	**2016 $'000**
Property, plant and equipment	**-**	113

(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 reporting date but not recognised as liabilities, are as follows:

	Group	
	2017 $'000	**2016 $'000**
Not later than one financial year	**7,469**	7,982
Between two and five financial years	**22,786**	22,617
Later than five financial years	**131,716**	143,117
	161,971	173,716

Operating lease payments represent rentals payable by the Group for the leases of leasehold land and office premises and are subjected to revisions of periodic intervals. The operating lease commitments estimated above are determined based on prevailing rental rates at the reporting 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 leases have varying terms, escalation clauses and renewal rights.

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

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

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

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

38. 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 $2,833,000 (2016: $2,604,000).

(b) The Group and the Company have procured performance guarantees amounting to $64,818,000 (2016: $80,387,000) and $17,962,000 (2016: $27,102,000) respectively issued by banks in favour of third parties.

(c) The Group and the Company have given performance guarantees amounting to $9,347,000 (2016: $13,849,000) and $9,347,000 (2016: $9,949,000) respectively issued to third parties.

(d) The Company's subsidiary, Boustead Projects Limited, has given guarantees in favour of banks in respect of loan facilities granted to its subsidiaries, an associated company and a joint venture. The outstanding guarantees amount to $95,858,000 (2016: $100,762,000) at the reporting date.

As of 31 March 2017, the directors are of the view that it is more likely than not that no amount will be payable under the arrangements above.

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

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

(a) Market risk

(i) Currency risk

The Group operates in Asia 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 exchange 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") and Euro Dollar ("EUR"). 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 the 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 2017

39. 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	Others
	$'000	$'000	$'000	$'000	$'000	$'000
At 31 March 2017						
Financial assets						
Cash and cash equivalents	**60,789**	**2,765**	**-**	**2**	**1,593**	**937**
Trade receivables	**15,196**	**-**	**-**	**-**	**672**	**866**
Other receivables and prepayments	**4,234**	**-**	**-**	**-**	**-**	**-**
Available-for-sale financial assets	**5,642**	**-**	**-**	**-**	**-**	**-**
Intercompany receivables	**7,387**	**3**	**1,344**	**-**	**-**	**-**
	93,248	**2,768**	**1,344**	**2**	**2,265**	**1,803**
Financial liabilities						
Trade and other payables	**(17,882)**	**(2)**	**-**	**-**	**(1,860)**	**(131)**
Intercompany payables	**(9,553)**	**(18,694)**	**(238)**	**-**	**-**	**(86)**
	(27,435)	**(18,696)**	**(238)**	**-**	**(1,860)**	**(217)**
Add: Derivative financial instruments	**(5,241)**	**-**	**-**	**-**	**-**	**-**
Currency exposure of financial assets/(liabilities)	**60,572**	**(15,928)**	**1,106**	**2**	**405**	**1,586**
At 31 March 2016						
Financial assets						
Cash and cash equivalents	38,105	22,172	-	1,396	2,767	910
Trade receivables	17,184	-	-	-	-	500
Other receivables and prepayments	-	-	-	2,085	-	401
Available-for-sale financial assets	5,461	-	-	-	-	-
Intercompany receivables	4,053	3	1,001	-	-	-
	64,803	22,175	1,001	3,481	2,767	1,811
Financial liabilities						
Trade and other payables	(11,822)	(2)	-	-	(1,631)	(225)
Intercompany payables	(2,894)	(17,167)	-	-	-	-
	(14,716)	(17,169)	-	-	(1,631)	(225)
Add: Derivative financial instruments	(2,691)	-	(7,533)	-	-	-
Currency exposure of financial assets/(liabilities)	47,396	5,006	(6,532)	3,481	1,136	1,586

[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 2017

39. 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
	$'000	$'000
At 31 March 2017		
Financial assets		
Cash and cash equivalents	**14,154**	**-**
Other receivables and prepayments	**11**	**-**
Available-for-sale financial assets	**5,642**	**-**
	19,807	**-**
Financial liabilities		
Trade and other payables	**(5)**	**-**
	(5)	**-**
Add: Derivative financial instruments	**(5,241)**	**-**
Currency exposure of financial assets	**14,561**	**-**
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: Derivative financial instruments	(11,525)	-
Currency exposure of financial (liabilities)/assets	(4,881)	2,085

The following table details the sensitivity to a 10% (2016: 10%) increase and decrease in the relevant foreign currencies against the functional currency of each Group entity. 10% (2016: 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% (2016: 10%) change in foreign currency rates.

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39. 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% (2016: 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)			
	2017		2016	
	Profit after tax	Other comprehensive income	Profit after tax	Other comprehensive income
	$'000	$'000	$'000	$'000
Group				
USD against SGD				
- Strengthened	**5,027**	**-**	3,934	-
- Weakened	**(5,027)**	**-**	(3,934)	-
MYR against SGD				
- Strengthened	**92**	**-**	-	(333)
- Weakened	**(92)**	**-**	-	653
RMB against SGD				
- Strengthened	**-**	**-**	289	-
- Weakened	**-**	**-**	(289)	-
EUR against SGD				
- Strengthened	**34**	**-**	94	-
- Weakened	**(34)**	**-**	(94)	-
SGD against IDR				
- Strengthened	**(1,335)**	**-**	(1,211)	-
- Weakened	**1,335**	**-**	1,211	-
SGD against GBP				
- Strengthened	**13**	**-**	1,576	-
- Weakened	**(13)**	**-**	(1,576)	-
Company				
USD against SGD				
- Strengthened	**1,209**	**-**	(405)	-
- Weakened	**(1,209)**	**-**	405	-
RMB against SGD				
- Strengthened	**-**	**-**	173	-
- Weakened	**-**	**-**	(173)	-

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

39. FINANCIAL RISK MANAGEMENT (cont'd)

(a) Market risk (cont'd)

(ii) Price risk

The Group and the Company are exposed to price risk arising from available-for-sale financial assets and financial assets held for trading. 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% (2016: 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)			
	2017		2016	
	Profit after tax	Other comprehensive income	Profit after tax	Other comprehensive income
	$'000	$'000	$'000	$'000
Group				
Available-for-sale financial assets				
Quoted equity shares				
- increased by	**-**	**2,112**	-	193
- decreased by	**-**	**(2,112)**	-	(193)
Quoted debt securities				
- increased by	**-**	**2,451**	-	3,481
- decreased by	**-**	**(2,451)**	-	(3,481)
Financial assets held for trading				
- increased by	**83**	**-**	81	-
- decreased by	**(83)**	**-**	(81)	-

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39. FINANCIAL RISK MANAGEMENT (cont'd)

(a) Market risk (cont'd)

(ii) Price risk (cont'd)

	Increase/(Decrease)			
	2017		2016	
	Profit after tax	Other comprehensive income	Profit after tax	Other comprehensive income
	$'000	$'000	$'000	$'000
Company				
Available-for-sale financial assets				
Quoted equity shares				
- increased by	**-**	**2,112**	-	193
- decreased by	**-**	**(2,112)**	-	(193)
Quoted debt securities				
- increased by	**-**	**2,451**	-	3,481
- decreased by	**-**	**(2,451)**	-	(3,481)
Financial assets held for trading				
- increased by	**83**	**-**	81	-
- decreased by	**(83)**	**-**	(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 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 at variable rates are denominated in SGD. If the SGD interest rates had been higher/lower by 1% (2016: 1%) with all other variables including tax rate being held constant, the Group's profit after tax would have been lower/higher by $667,000 (2016: lower/higher by $677,000) as a result of higher/lower interest income from loans to a joint venture, an associated company and a related party and higher/lower interest expense on borrowings. If the SGD interest rates had been higher/lower by 1% (2016: 1%) with all other variables including tax rate being held constant, the Company's profit after tax would have been lower/higher by $253,000 (2016: lower/higher by $152,000), as a result of higher/lower interest income on loans to subsidiaries and higher/lower interest expense on loans from subsidiaries.

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39. 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, loans to subsidiaries, trade receivables and other receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit standing and history, and obtaining sufficient collateral or buying credit insurance where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

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

Before accepting any new customer, the Group assesses the potential customer's credit quality and their financial ability to pay for the services engaged. Management periodically monitors and reviews the customer's long overdue payment and proactively engages with the customer to resolve the causes of the overdue payment. There is one (2016: one) external customer which individually represent more than 5% of the Group's total trade receivables.

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

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

39. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Credit risk (cont'd)

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

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

	Group	
	2017 $'000	**2016 $'000**
Past due > 3 months	**7,763**	7,275

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group	
	2017 $'000	**2016 $'000**
Past due > 3 months	**28,235**	28,118
Less: Allowance for impairment	**(28,235)**	(28,118)
	-	-

The movement in the allowance for impairment is as follows:

	Group	
	2017 $'000	**2016 $'000**
Beginning of financial year	**28,118**	27,567
Currency translation differences	**(132)**	413
Allowance made – non-related parties	**249**	138
End of financial year	**28,235**	28,118

The impaired trade receivables arise mainly from sales to customers which have suffered significant losses in its operations.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

39. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Liquidity risk

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

Management monitors rolling forecasts of the liquidity reserve (comprises undrawn borrowing facility and cash and cash equivalents (Note 13) of the Group and the Company) on the basis of expected cash flow. This is generally carried out at 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.

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 2017			
Trade and other payables	**155,481**	**5,891**	**-**
Borrowings	**20,485**	**50,181**	**24,665**
At 31 March 2016			
Trade and other payables	157,414	5,401	-
Borrowings	7,537	68,531	27,362
Company			
At 31 March 2017			
Trade and other payables	**1,098**	**-**	**-**
Loans from subsidiaries	**46,628**	**-**	**-**
Financial guarantees	**30,142**	**-**	**-**
At 31 March 2016			
Trade and other payables	1,344	-	-
Loans from subsidiaries	34,450	-	-
Financial guarantees	39,655	-	-

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

39. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Liquidity risk (cont'd)

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 2017		
Gross-settled derivative financial instruments		
- Payments	**(143)**	**(5,098)**
At 31 March 2016		
Gross-settled derivative financial instruments		
- Receipts	8,834	-
- Payments	(13,817)	(5,241)
Company		
At 31 March 2017		
Gross-settled derivative financial instruments		
- Payments	**(143)**	**(5,098)**
At 31 March 2016		
Gross-settled derivative financial instruments		
- Payments	(6,284)	(5,241)

(d) Capital risk

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

Management monitors capital based on gearing ratios and the level of total net tangible assets, which are in tandem with the requirements of the banks. The banks require the Group to have minimum total net tangible assets of $90,000,000 (2016: $90,000,000), a maximum total liability gearing ratio of 275% (2016: 275%) and maximum consolidated gearing of 1.5 (2016: 1.5) times. The Group's strategy which was unchanged from 2016, is to maintain gearing ratios and minimum level of total net tangible assets within the banks' requirements.

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

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

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

39. FINANCIAL RISK MANAGEMENT (cont'd)

(e) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statement of financial position and in Note 16, Note 21 and Note 31 to the financial statements, except for the following:

	Group		Company	
	2017 $'000	**2016 $'000**	**2017 $'000**	**2016 $'000**
Loans and receivables	**456,833**	423,069	**90,004**	88,508
Financial liabilities at amortised cost	**249,726**	257,302	**47,195**	35,331

(f) Fair value measurements

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

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

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

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

	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Group and Company				
2017				
Assets				
Available-for-sale financial assets	**45,634**	**-**	**-**	**45,634**
Financial assets held for trading	**-**	**994**	**-**	**994**
Total assets	**45,634**	**994**	**-**	**46,628**
Liabilities				
Derivative financial instruments	**-**	**(653)**	**-**	**(653)**
Total liabilities	**-**	**(653)**	**-**	**(653)**
Group				
2016				
Assets				
Derivative financial instruments	-	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
Liabilities				
Derivative financial instruments	-	(1,580)	-	(1,580)
Total liabilities	-	(1,580)	-	(1,580)

Notes to the Financial Statements

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39. FINANCIAL RISK MANAGEMENT (cont'd)

(f) Fair value measurements (cont'd)

	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
Company				
2016				
Assets				
Derivative financial instruments	-	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
Liabilities				
Derivative financial instruments	-	(575)	-	(575)
Total liabilities	-	(575)	-	(575)

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting 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 reporting 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.

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

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

An independent professional valuation of the investee's property had been performed by an independent valuer, with an appropriate recognised professional qualification, and recent experience with the location and category of the property being valued. The valuation 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.

This available-for-sale financial asset has been disposed during the financial year as disclosed in Note 21 in the financial statements.

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 2017

40. 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	
	2017 $'000	**2016 $'000**
Rental expense to a joint venture	**1,206**	1,182
Project and development management fees from joint ventures	**(777)**	(885)
Contract revenue from joint ventures	**(49,156)**	(28,296)
Contract revenue from a related party	**(6,562)**	-
Construction management fee from an associated company	**(785)**	(1,400)
Asset and property management fees from joint ventures	**(38)**	(17)
Interest income from related parties		
- Joint ventures	**(27)**	(450)
- An associated company	**(140)**	(159)
- A related party	**(170)**	(57)

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2017 $'000	**2016 $'000**
Short-term benefits	**12,409**	15,463
Post-retirement benefits	**660**	612
Share-based compensation expense	**360**	224
	13,429	16,299

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

41. SEGMENT INFORMATION

Segment information is presented in respect of the Group's reportable segment provided to the Group's senior management for the purpose of resource allocation and assessment of segment performance.

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

The Group's businesses comprise the following:

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

Water and wastewater engineering relates to the design, engineering and construction of industrial and municipal water and wastewater treatment plants.

(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.

(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		Group	
	2017 $'000	**2016 $'000**	**2017 $'000**	**2016 $'000**	**2017 $'000**	**2016 $'000**	**2017 $'000**	**2016 $'000**	**2017 $'000**	**2016 $'000**
Revenue										
External sales	**96,500**	127,955	**228,307**	255,475	**108,308**	103,035	**-**	-	**433,115**	486,465
Dividend income	**-**	-	**-**	-	**-**	-	**732**	186	**732**	186
Total revenue	**96,500**	127,955	**228,307**	255,475	**108,308**	103,035	**732**	186	**433,847**	486,651
Results										
Segment result	**4,150**	9,255	**44,940**	30,329	**20,868**	18,606	**(4,608)**	(3,612)	**65,350**	54,578
Interest income									**4,870**	6,172
Finance expense									**(2,534)**	(4,207)
Profit before income tax									**67,686**	56,543
Income tax expense									**(14,200)**	(15,408)
Total profit									**53,486**	41,135

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

41. SEGMENT INFORMATION (cont'd)

(a) Segment revenue and results: (cont'd)

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 interest income, finance expense and income tax expense. This is the measure reported to senior management for the purposes of resource allocation and assessment of segment performance.

	Energy-related engineering		Real estate solutions		Geo-spatial technology		HQ activities		Group	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Depreciation expense	**1,410**	1,724	**7,080**	6,593	**1,586**	1,627	**543**	657	**10,619**	10,601
Amortisation of intangible assets	**-**	-	**-**	-	**218**	214	**-**	-	**218**	214
Gain on disposal of available-for-sale financial assets	**-**	-	**(8,913)**	-	**-**	-	**(14)**	(46)	**(8,927)**	(46)
Share of loss of an associated company and joint ventures	**-**	-	**2,693**	2,675	**-**	-	**-**	-	**2,693**	2,675
Fair value losses/(gains) on derivative financial instruments and financial assets held for trading	**-**	1,523	**11**	270	**(698)**	707	**110**	(148)	**(577)**	2,352
Currency exchange (gain)/loss – net	**(2,765)**	(2,922)	**71**	128	**1,184**	315	**(135)**	17	**(1,645)**	(2,462)

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

41. SEGMENT INFORMATION (cont'd)

(b) Segment assets and liabilities

	Energy-related engineering		Real estate solutions		Geo-spatial technology		HQ activities		Group	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Segment assets										
Segment assets	**96,720**	132,526	**420,479**	403,281	**76,977**	72,271	**132,076**	104,219	**726,252**	712,297
Investments in associated companies	**-**	-	**-**	200	**-**	-	**-**	-	**-**	200
Investments in joint ventures	**-**	-	**32,354**	13,755	**-**	-	**-**	-	**32,354**	13,755
Deferred income tax assets									**2,968**	2,369
Total assets									**761,574**	728,621
Additions to:										
- property, plant and equipment	**424**	427	**392**	224	**1,138**	1,777	**76**	501	**2,030**	2,929
- investments in joint ventures	**-**	-	**20,370**	4,905	**-**	-	**-**	-	**20,370**	4,905
Segment liabilities										
Segment liabilities	**42,279**	45,822	**209,480**	212,408	**46,752**	42,905	**2,255**	3,124	**300,766**	304,259
Income tax payable/ Deferred income tax liabilities									**16,150**	14,625
Total liabilities									**316,916**	318,884

For the purposes of monitoring segment performance and allocating resources between segments, senior management 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.

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

41. 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	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Revenue from external customers	**279,333**	306,907	**87,214**	86,978	**24,085**	29,099	**11,105**	28,178	**32,110**	35,489	**433,847**	486,651
Non-current assets	**178,516**	170,454	**3,145**	3,832	**-**	9	**4,757**	5,419	**-**	1	**186,418**	179,715

(d) Information about major customers

In 2017, there is 1 customer from the Group's real estate solutions segment representing more than 10% of the Group's revenue. The customer contributed $46,985,000 in revenue to the Group.

In 2016, there was no customer representing more than 10% of the Group's revenue.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

42. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 April 2017 or later periods and which the Group has not early adopted:

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

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

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

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

  At this stage, the Group is not able to estimate the impact of the new rules on the Group's financial statements. The Group will make more detailed assessment of the impact over the next twelve months.

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

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

  For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designed at fair value through profit or loss.

  FRS 109 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes.

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

  The Group currently measures its investments in an unquoted equity shares at cost (Note 21). Under FRS 109, the Group will be required to measure the investment at fair value. Any difference between the previous carrying amount under FRS 39 and the fair value would be recognised in the opening retained profits when the Group applies FRS 109.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

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

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

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

  The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments as disclosed in Note 37(b). However, the Group has yet to determine to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

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

43. 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 2017.

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

Chairman: Elizabeth Ager
Chief Executive Officer: Stuart Cummings

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

Controls & Electrics Pte Ltd
30 Gul Drive
Singapore 629478

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

Chief Executive Officer: Prasun Chakraborty

Controls & Electrics ("C&E") is a well-recognised leader in designing, engineering and supplying process control systems such as pneumatic and hydraulic or safety programmable logic controller-based wellhead control panels and hydraulic power units, integrated control & safety shutdown systems and topside automation systems, chemical injection skids, fire & gas systems and supervisory control & data acquisition (SCADA) 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

Acting Chief Executive Officer: Ravi Subramanian

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.

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' wholly-owned design-and-build subsidiary, Boustead Projects E&C Pte Ltd ("BP E&C"), is approved by the Building & Construction Authority ("BCA") of Singapore for Grade CW01-A1 and General Builder Class One License to execute building construction contracts of unlimited value. Boustead Projects is also a leader in pioneering advanced eco-sustainable facilities under the BCA's Green Mark Programme and US Green Building Council's Leadership in Energy & Environmental Design (LEED) Program. In Singapore, BP E&C is one of only nine bizSAFE Mentors and also a bizSAFE Star.

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 1300 635 196
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. Additionally, Esri Australia is the exclusive distributor for the ArcGIS platform in Papua New Guinea. 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
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
Web: www.esrisingapore.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
Web: www.esrimalaysia.com.my

Chief Executive Officer: Tan Choon Sang

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
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

AT 16 JUNE 2017

SHARE CAPITAL

Number of ordinary shares	:	522,298,439*
Number/Percentage of treasury shares	:	18,132,614 (3.47%)
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	153	3.48	5,951	0.00
100 - 1,000	345	7.85	224,276	0.04
1,001 - 10,000	2,321	52.77	12,304,049	2.36
10,001 - 1,000,000	1,554	35.33	76,069,561	14.56
1,000,001 AND ABOVE	25	0.57	433,694,602	83.04
TOTAL	**4,398**	**100.00**	**522,298,439**	**100.00**

LOCATION OF SHAREHOLDERS

Country	No. of Shareholders	%	No. of Shares	%**
SINGAPORE	4,042	91.91	513,455,430	98.31
MALAYSIA	288	6.55	6,278,802	1.20
OTHERS	68	1.54	2,564,207	0.49
TOTAL	**4,398**	**100.00**	**522,298,439**	**100.00**

Statistics of Shareholdings

AT 16 JUNE 2017

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%**
1	RAFFLES NOMINEES (PTE) LIMITED	242,445,506	46.42
2	CITIBANK NOMINEES SINGAPORE PTE LTD	60,297,782	11.54
3	DBS NOMINEES (PRIVATE) LIMITED	44,182,714	8.46
4	HSBC (SINGAPORE) NOMINEES PTE LTD	30,681,592	5.87
5	MAYBANK KIM ENG SECURITIES PTE. LTD.	6,661,512	1.28
6	DBSN SERVICES PTE. LTD.	5,992,550	1.15
7	HELEN TAN CHENG HOONG	5,166,000	0.99
8	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	4,456,434	0.85
9	YEO KER KUANG	4,427,755	0.85
10	WONG HENG CHONG	3,363,773	0.64
11	DB NOMINEES (SINGAPORE) PTE LTD	2,471,933	0.47
12	BNP PARIBAS SECURITIES SERVICES SINGAPORE BRANCH	2,335,411	0.45
13	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	2,287,066	0.44
14	REPRESENTATIONS INTERNATIONAL (HK) LTD	2,246,300	0.43
15	CHAN CHEE WENG	1,863,376	0.36
16	HENG SIEW ENG	1,823,535	0.35
17	CHANG CHING CHAU @ TEW KING CHANG	1,788,317	0.34
18	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	1,699,410	0.33
19	PHILLIP SECURITIES PTE LTD	1,588,540	0.30
20	YEO BOON LI CAROLINE	1,545,498	0.30
	Total	**427,325,004**	**81.82**

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	%	Deemed Interest	%**
Wong Fong Fui	-	-	177,871,829 [1]	34.06
Saiman Ernawan	-	-	47,360,855 [1]	9.07
FMR LLC	-	-	45,086,461 [1]	8.63

Notes:

(1) *The deemed interests of these substantial shareholders are held through nominees.*

SHAREHOLDINGS IN THE HANDS OF THE PUBLIC

The percentage of shareholdings in the hands of the public as at 16 June 2017 was approximately 42.11%.** 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 300-302, Level 3, Suntec Singapore Convention and Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Thursday, 27 July 2017 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 2017 and the Independent Auditors' Report thereon. **Resolution 1**

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

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

   a. Mr Loh Kai Keong **Resolution 3**
   b. Mr Chong Ngien Cheong **Resolution 4**

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

4. To approve directors' fees of up to $234,000 for the financial year ending 31 March 2018, payable quarterly in arrears (2017 actual: $219,000).
   [See Explanatory Note 1] **Resolution 5**

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

AS SPECIAL BUSINESS

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

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

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

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

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

   at any time and upon such terms and conditions and for such purposes and to such persons as the directors may in their absolute discretion deem fit; and

Notice of Annual General Meeting

BOUSTEAD SINGAPORE LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 197501036K)

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

provided that:

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

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

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

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

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

(iv) (unless revoked or varied by the Company in general meeting) the authority conferred by this resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

[See Explanatory Note 2] **Resolution 7**

7. **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 3] **Resolution 8**

8. **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 4] **Resolution 9**

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

Notice of Annual General Meeting

BOUSTEAD SINGAPORE LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 197501036K)

NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT DATE

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed from 5.00 p.m. on 4 August 2017 for the purpose of determining shareholders' entitlements to the final dividend to be paid on 18 August 2017, 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 4 August 2017 will be registered before entitlements to the dividend are determined.

By Order of the Board

Alvin Kok
Company Secretary
10 July 2017

Explanatory Notes on Ordinary and Special Businesses to be transacted

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

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

3. The Ordinary Resolution 8 is to allow the directors to grant awards and issue shares pursuant to the Boustead Restricted Share Plan 2011.

4. The Ordinary Resolution 9 is to allow the directors to issue shares pursuant to the Boustead Scrip Dividend Scheme.

Notice of Annual General Meeting

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 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 AGM.

* A Relevant Intermediary is:

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

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

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

PERSONAL DATA PRIVACY

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

Proxy Form

BOUSTEAD SINGAPORE LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 197501036K)

Annual General Meeting to be held on 27 July 2017 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 (%)

and/or (delete as appropriate)

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

or failing him/her/them, the Chairman of the Annual General Meeting of the Company as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, 27 July 2017 at 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 2017 and the Independent Auditors' Report.		
Resolution 2	To approve a final tax-exempt (one-tier) dividend of 1.5 cents per ordinary share for the year ended 31 March 2017.		
Resolution 3	To re-elect Mr Loh Kai Keong as a director of the Company.		
Resolution 4	To re-elect Mr Chong Ngien Cheong as a director of the Company.		
Resolution 5	To approve directors' fees of up to $234,000 for the year ending 31 March 2018, payable quarterly in arrears.		
Resolution 6	To re-appoint Messrs PricewaterhouseCoopers LLP as auditors of the Company and to authorise the directors to fix their remuneration.		
Resolution 7	To authorise the directors to allot and issue shares pursuant to Section 161 of the Singapore Companies Act.		
Resolution 8	To authorise the directors to grant awards and issue shares pursuant to the Boustead Restricted Share Plan 2011.		
Resolution 9	To authorise the directors to allot and issue shares pursuant to the Boustead Scrip Dividend Scheme.		

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

Signed this __________ day of __________ 2017

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

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

Proxy Form

BOUSTEAD 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 10 July 2017.

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BOUSTEAD SINGAPORE LIMITED
Company Registration Number: 197501036K

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