CREATING SHARED VALUE

Boustead Singapore Limited
Annual Report 2020

BOUSTEAD
Since 1828

CREATING SHARED VALUE

Regardless of how COVID-19 may change the way that Boustead operates, one thing is indelible – the distinct brand of entrepreneurialism, institutionalised in a corporate culture that links back to our earliest days of trading. The 'Boustead Way' prioritises the pursuit of business with a greater purpose. For our leadership teams, it is about creating shared value instead of maximising short-term profit; promoting adaptability and resilience; and favouring longevity over sentimentality. It's also a position, a value, a commercial sensibility that runs through every layer of our organisation.

The concept of creating shared value was popularised by world-renowned Harvard Professor Michael Porter in the astute observation "that societal needs, not just economic needs, define markets." Professor Porter said, "Not all profit is equal. Profits involving a social purpose represent a higher form of capitalism, one that creates a positive cycle of company and community prosperity."

Our creation of shared value underpins our longevity, engenders external and internal resilience, and strengthens relationships with and delivers progress to our key stakeholders in an endearing and enduring manner, with our technology-driven solutions helping to address the world's most complex problems including the COVID-19 pandemic, climate change, ageing populations and most of the United Nations' 17 Sustainable Development Goals.

Ultimately, creating shared value leads to a resilient future.

Corporate Profile

Established in 1828, Boustead Singapore Limited (SGX:F9D) is a progressive global Infrastructure-Related Engineering and Technology Group listed on the SGX Mainboard.

Focusing on the niche engineering and development of key infrastructure to support sustainable socio-economic growth in global markets, our strong suite of engineering services under our Energy Engineering Division and Real Estate Division centres on energy infrastructure and smart eco-sustainable business park and industrial developments.

In addition, we provide technology-driven transformative solutions to improve quality of life for all walks of life. Our Geospatial Division provides professional services and exclusively distributes Esri ArcGIS technology – the world's leading geographic information system, smart mapping and location analytics platform – to major markets in the Asia Pacific including Australia, Singapore, Malaysia and Indonesia. The software creates digital infrastructure solutions that enable smart nations, smart cities and smart communities to solve the world's most complex problems through effective and sustainable improvement of human wellbeing and ecosystems, and planning and management of key infrastructure and resources. Our Healthcare Division provides niche innovative medical solutions that address age-related chronic diseases and mobility issues, with a focus on rehabilitative care and sports science in the Asia Pacific.

With a vast global network stretching across Asia, Australia, Europe, Africa and the Americas, we are ready to serve the world. To date, we have undertaken projects in 89 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 2017, we were ranked by FinanceAsia as Singapore's Best

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

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

Small-Cap in the annual Asia's Best Companies Poll. In 2019, we were awarded the Most Transparent Company in the Industrials Category and Sustainability Award (Runner-Up) in the Mid Cap Category by the Securities Investors Association (Singapore). In 2020, we were ranked among Singapore's Best Employers, at 38th overall and 2nd under our respective category of Business Services & Supplies (including Real Estate) in an evaluation encompassing 1,800 large corporations. We are also listed on the MSCI World Micro Cap Index, FTSE Global Small Cap Index, FTSE Developed Small Cap Index and FTSE ST Industrial Index.

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

Contents

ENERGY ENGINEERING

CREATING SHARED VALUE THROUGH RELIABLE LOWER-EMISSIONS ENERGY

Our Energy Engineering Division provides critical process technologies and eco-sustainable solutions to the global oil & gas, petrochemical and energy industries, which are important drivers of human wellbeing, economic development and progress.

Process heater systems used in gas processing and hydrogen production are part of a multi-decade transition to relatively cleaner fuels and renewables. Waste heat recovery units capture thermal energy from high temperature turbine exhaust and flue gases, which is efficiently transferred for use by other utilities, thus reducing the overall energy demand of plants and potentially doubling the operational efficiency of gas-fired turbines. Water and wastewater treatment plants produce high quality water, treat wastewater for safe release or zero liquid discharge, and reclaim and recycle wastewater, saving an extremely precious resource.

HIGHLIGHTS

This division has delivered:

Over **1,300 projects** in **88 countries** and territories globally.

44,955 gigawatt-hours of total expected annual thermal energy recovery capacity from WHRUs, enough energy to heat 4.4 million UK homes or equal to removing 6.8 million cars off the road each year.

696.5 million cubic metres of total expected annual treatment or recycling capacity from water and wastewater treatment plants, enough water to fill 278,597 Olympic-size swimming pools each year.

Read more on pages 28 to 33.

351 on Braddell, Singapore

REAL ESTATE

CREATING SHARED VALUE THROUGH LIVEABLE BUILT ENVIRONMENT ECOSYSTEMS

Our Real Estate Division under Boustead Projects Limited provides core engineering expertise in the design-and-build and development of smart eco-sustainable business park and industrial developments. For over two decades, we have shaped and transformed Asia's industrial built environment sector, delivering future-ready, custom-built eco-sustainable developments designed to meet Industry 4.0 transformation standards while simultaneously minimising emissions and resource wastage.

At the forefront of our efforts, our market-leading capabilities – built on the adoption of transformative digital and technology-driven methodologies aligned with our progressive philosophy – are complemented by green building credentials and value-added services, supported by robust quality, environmental, health and safety management systems.

HIGHLIGHTS

This division has delivered:

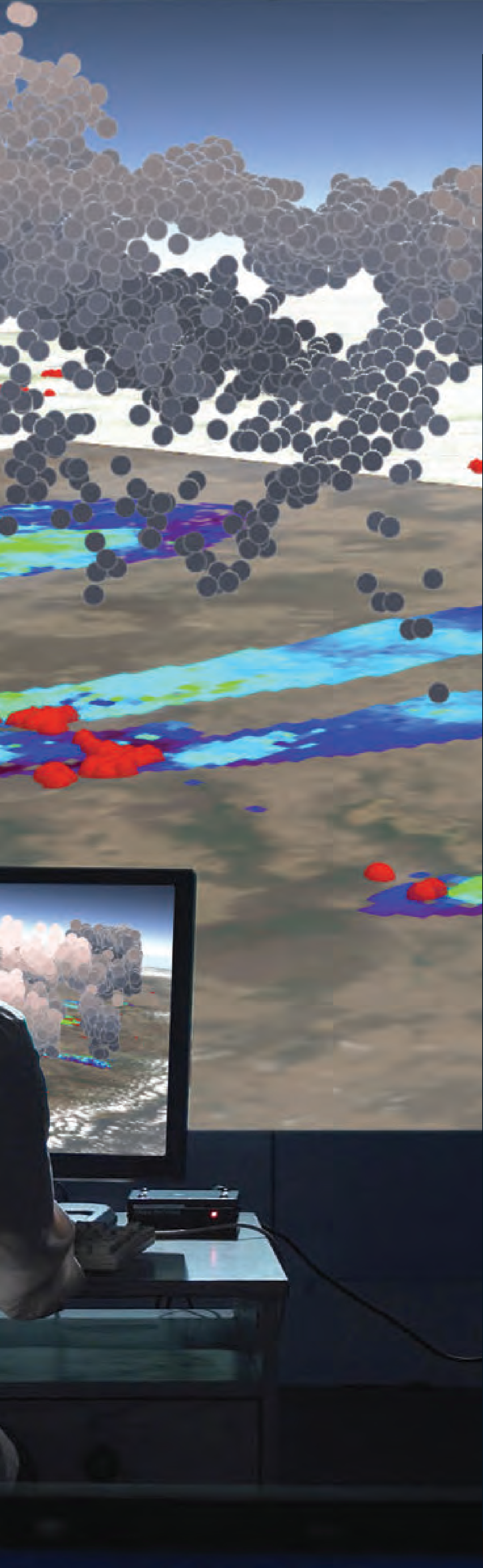
Over **200 projects** in **4 countries** in the Asia Pacific.

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

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

Read more on pages 34 to 41.

Screenshot of smart mapping capabilities utilised to combat Australian bushfires, Australia



GEOSPATIAL

CREATING SHARED VALUE THROUGH SUSTAINABLE SOCIO-ECONOMIC RESILIENCE

Our Geospatial Division provides professional services and exclusively distributes Esri ArcGIS technology – the world's leading geographic information system ("GIS"), smart mapping and location analytics platform – along with related GIS solutions for major markets in the Asia Pacific. The software creates digital infrastructure solutions that enable smart nations, smart cities and smart communities to solve the world's most complex problems through effective and sustainable improvement of human wellbeing and ecosystems, and planning and management of key infrastructure and resources.

By enabling effective visualisation, our smart mapping capabilities place clients with the right tools to effectively combat underutilisation and wastage of limited resources and manage economic, environmental, social and governance initiatives that work towards the United Nations' 17 Sustainable Development Goals.

HIGHLIGHTS

This division has delivered:

Solutions to a client base of over **13,000 organisations** in **8 countries** in the Asia Pacific.

Smart mapping capabilities to support government agencies combatting the Australian bushfires and COVID-19 pandemic.

GIS multiplier effects that add value in a wide range of industries that together account for nearly 75% of global GDP.

Read more on pages 42 to 51.


BIODEX

HEALTHCARE

CREATING SHARED VALUE THROUGH HEALTHIER RECOVERY OUTCOMES

Our Healthcare Division provides innovative medical solutions that address niche areas of age-related chronic diseases and mobility issues across the continuum of long-term care, with a focus on rehabilitative care and sports science in the Asia Pacific.

Our solutions address the pain points of healthcare institutions through outcome-based solutions that promote faster recovery for patients and higher productivity for healthcare professionals, both of which mitigate resource shortages faced by healthcare institutions.

HIGHLIGHTS

This division has delivered:

Solutions to a client base in **7 countries and territories** in the Asia Pacific.

Technology-driven rehabilitation services that significantly improve mobility recovery and reduce mental, physical and psychological fatigue on patients, their families and caregivers.

Enhanced community wellbeing and protection against COVID-19 and other infectious diseases through the provision of digital health platforms that can remotely and continuously track vital signs of patients.

Read more on pages 52 to 55.

Mission, Vision & Business Model

Mission

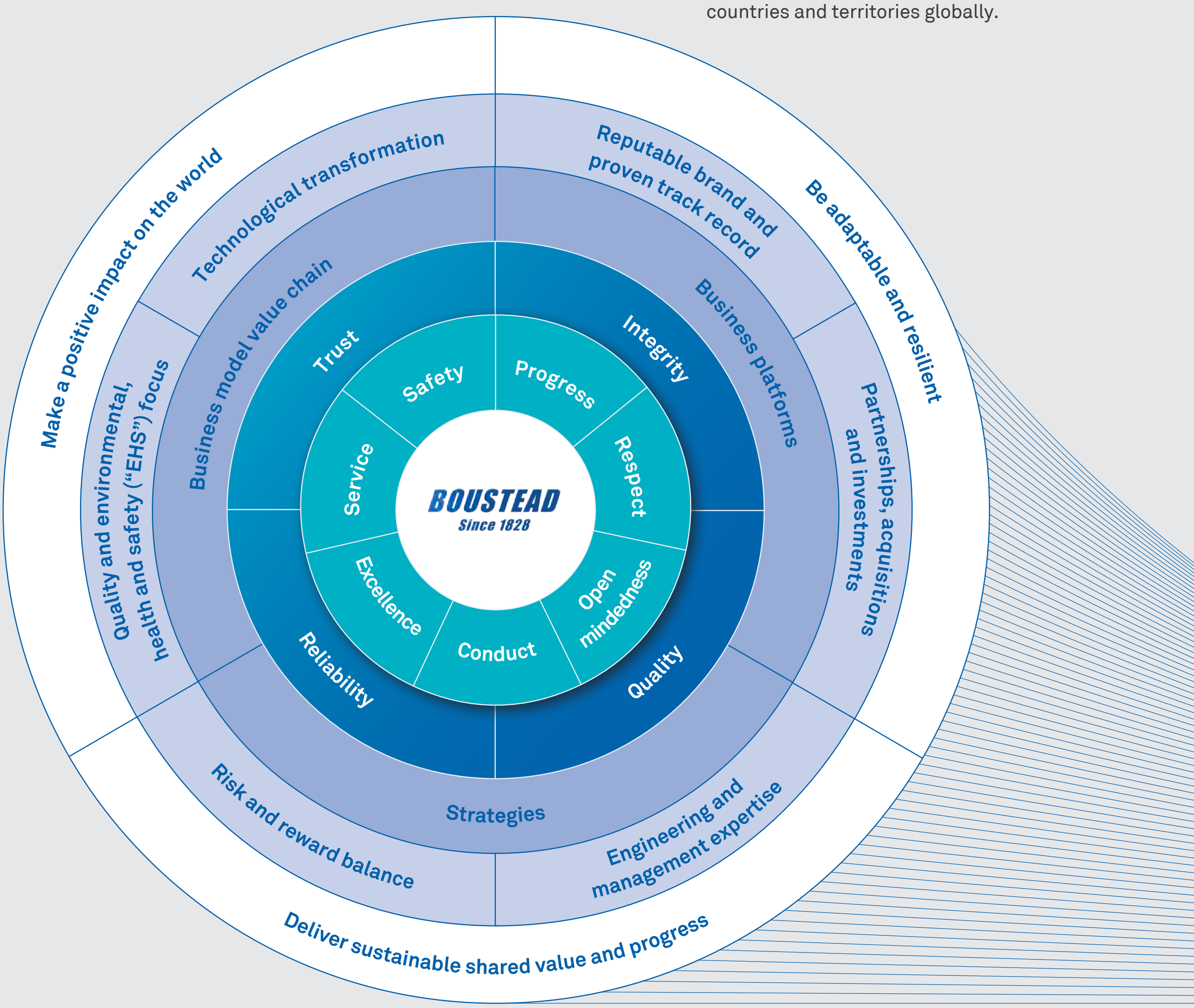
To utilise our vast experience and expertise accumulated since 1828 to provide progressive smart eco-sustainable solutions to communities around the world.

Vision

To be the premier global service provider of niche smart eco-sustainable infrastructure-related engineering services and technology solutions.

Over Boustead's prestigious and rich heritage of 192 years, we have been delivering sustainable shared value and progress to key global stakeholders. We owe our success to our experienced and versatile teams who possess in-depth domain expertise and tremendous international experience and generally undertake the high value-added activities across the engineering and technology value chains.

As a knowledge-driven corporation, we employ a business model with inbuilt exportability and flexibility, which has enabled us to adapt our operations to diverse situations and widespread geographic markets covering 89 countries and territories globally.



At our core is our mission and vision, fortified by our fundamental principles and strong human-centric corporate values: progress, respect, open mindedness, conduct, excellence, service and safety (PROCESS). Over time, we established our reputation for integrity, quality, reliability and trust, which together with our corporate values and business drivers, help us to achieve our long-term objectives to be adaptable and resilient, deliver sustainable shared value and progress to key stakeholders, and make a positive impact economically, environmentally and socially on the world. We are a responsible global corporate citizen with a greater purpose in mind.

Corporate Values

Striving for progress

We want to be distinguished for:

- Our industry leadership, client-focus and strong suite of smart eco-sustainable products, services and solutions;
- Our professionalism, financial performance, proven business and management model, and successful growth strategies; and
- Our contribution to economic, environmental and social progress in global communities.

Respecting our team and stakeholders

We believe in creating a work environment that promotes creativity, excitement and growth, and makes our team feel cared for, challenged, empowered and respected because they are our best asset – they are Boustead. Creating the ideal environment for them to thrive in will eventually translate to delivering sustainable shared value and progress to our key stakeholders.

Keeping an open mind

We endeavour to push the boundaries of paradigms, research and technologies to help our clients improve business performance and sustainability.

Adhering to the highest standards of honourable conduct

We believe in acting honourably in the way that we conduct business. We are committed to building a climate of fairness, honesty, trust and sincerity with all our key stakeholders.

Upholding excellence

We aim to deliver excellence in everything we do.

Servicing our clients

We aim to gain an in-depth understanding of our clients' needs so that we are able to deliver progressive answers to them in the dynamic global business environment.

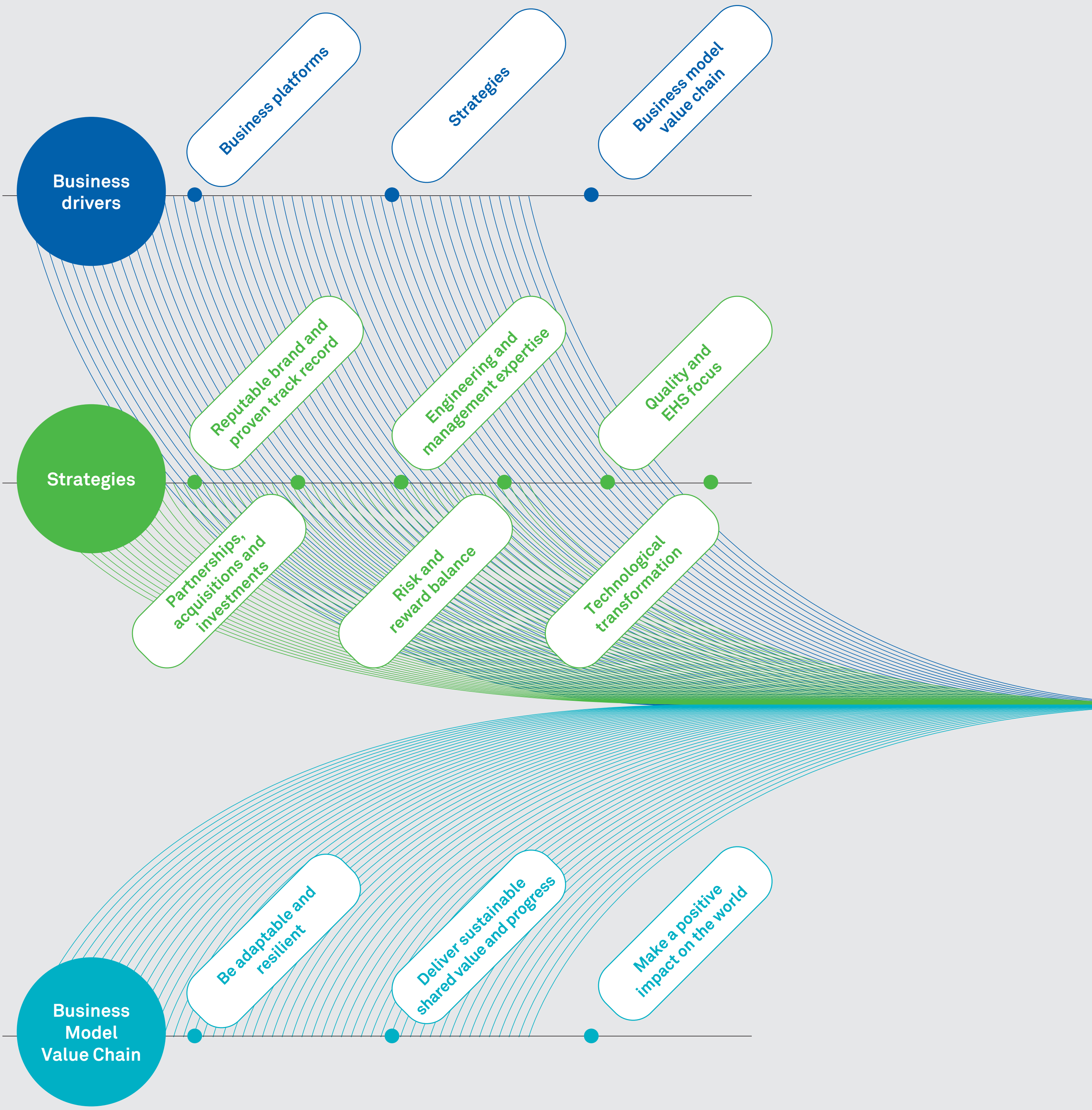
Prioritising safety

We believe in making safety an inherent part of our products, services, solutions and the environment we operate in.

Mission, Vision & Business Model

Achieving Our Mission, Vision & Long-Term Objectives

In order to achieve our mission, vision and long-term objectives, we rely on our business drivers: business platforms, strategies and business model value chain.



Business Platforms

Positioning and presence

- Successful spotting and positioning on global megatrends
- Global view with local market knowledge
- Focus on development in high growth markets
- Broad coverage of industries
- Projects in 89 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, geospatial and healthcare
- Commitments to quality and EHS performance

People

- World-class teams
- Empowering culture
- Fair and non-discriminatory employment practices
- Ability to attract, develop, motivate and retain talent
- Industry technical experts

Strategies

Reputable brand and proven track record

With a strong brand heritage, we have established reputable positions in a broad range of industries, bringing together in-depth domain expertise and proven technologies in over 1,500 projects in 89 countries and territories.

Risk and reward balance

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

Partnerships, acquisitions and investments

Our continuous search for strategic partnerships, catalytic acquisitions and investments is aimed at accelerating our business expansion, enhancing capabilities, broadening revenue streams and driving sustainable long-term growth.

Quality and EHS focus

We strive to achieve the highest standards in quality and workplace EHS 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.

Engineering and management expertise

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

Technological transformation

We aim to incorporate transformative technologies into our products, services and solutions, and be a market leader in the world of Industry 4.0.

Business Model Value Chain

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

Design smart eco-sustainable products, services and solutions

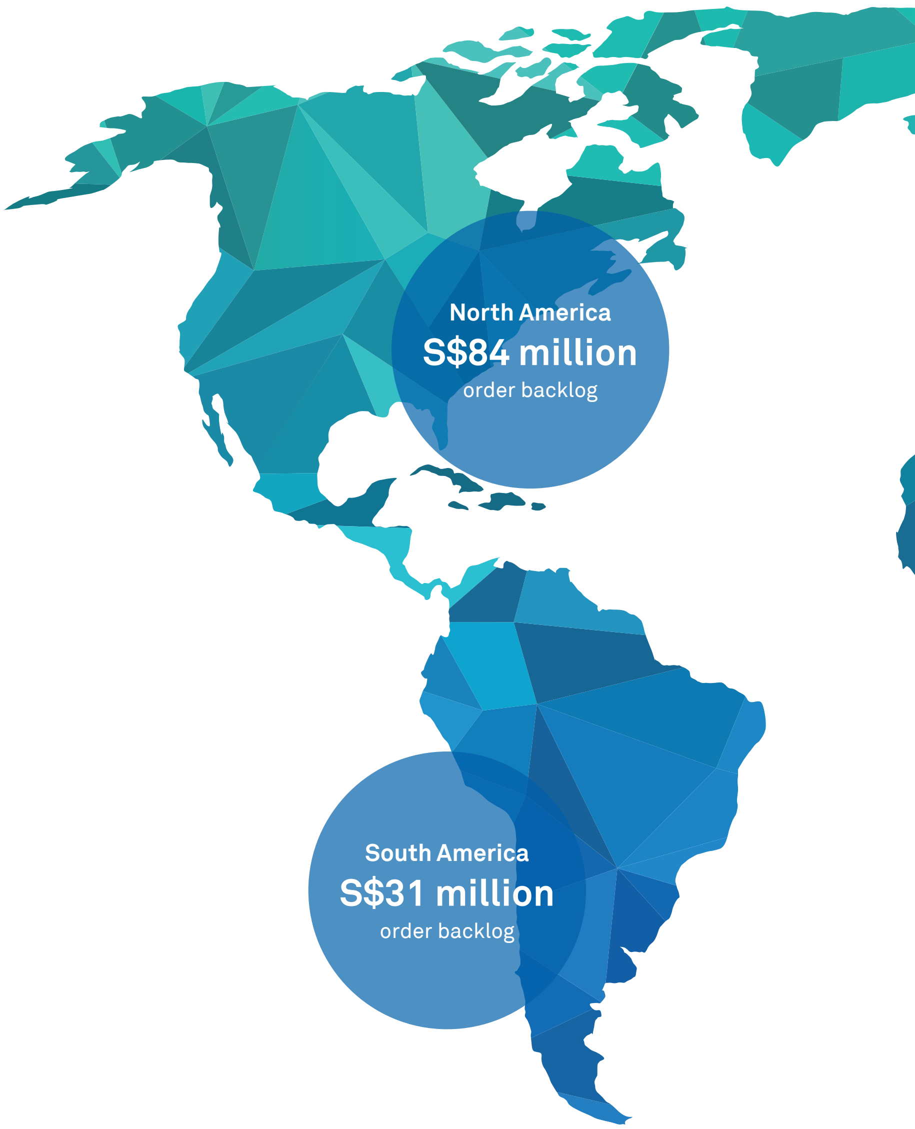
Commit to operational excellence through undertaking design, process, detailed and value engineering, project management, quality and EHS supervision, installation, commissioning and training

Deliver efficiency, performance and value to clients

Generate revenue, profit and cash flow in a sustainable manner

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

Global Presence



Projects undertaken in

89
countries and territories

Order backlog of

S$775 million*

Projects Track Record

- Energy Engineering
- Real Estate
- Geospatial
- Healthcare

Projects Ongoing in FY2020

- Energy Engineering
- Real Estate
- Geospatial
- Healthcare

North America & South America

North America

Canada
USA

Latin America & Caribbean

Argentina
Bolivia
Brazil
Chile
Dominican Republic
Mexico
Netherlands Antilles
Peru
Venezuela

Europe

Eastern Europe

Hungary
Poland
Russia
Slovakia
Ukraine

Northern Europe

Denmark
England
Finland
Ireland
Isle of Man
Lithuania
Norway
Scotland
Sweden
Wales

Southern Europe

Cyprus
Greece
Italy
Spain
Turkey

Western Europe

Austria
Belgium
Germany
Netherlands
Switzerland

Africa

Eastern Africa

Mozambique
Tanzania

North Africa

Algeria
Egypt
Libya
Tunisia

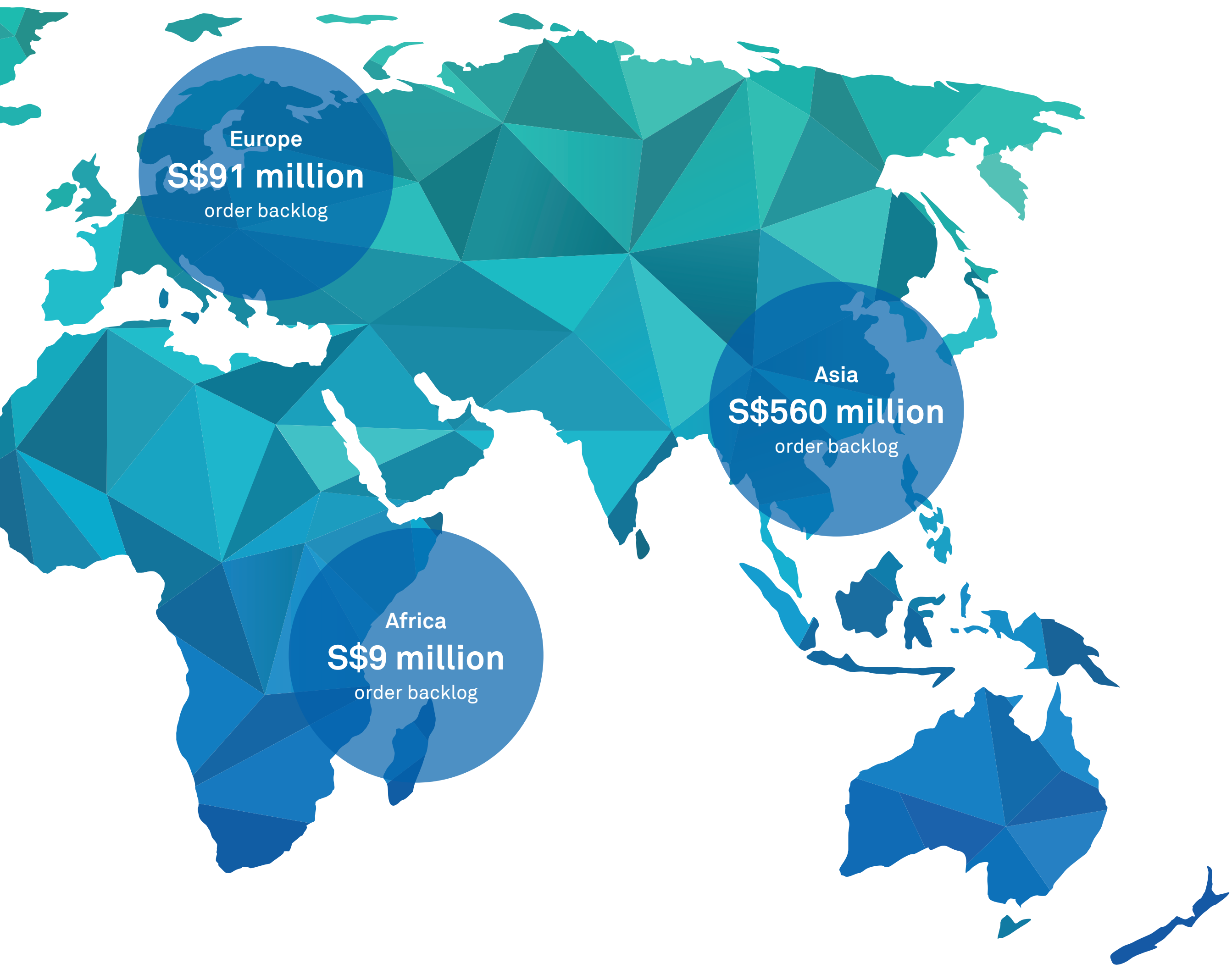
Middle Africa

Angola
Equatorial Guinea

Western Africa

Cote d'Ivoire
Gabon
Ghana
Mauritania
Nigeria
Senegal

* *Order backlog at end of FY2020 plus new orders secured since.*



Central & Western Asia

Central Asia
Azerbaijan
Turkmenistan

Middle East
Bahrain
Iraq
Jordan
Kuwait
Oman
Qatar
Saudi Arabia
UAE

Asia Pacific

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

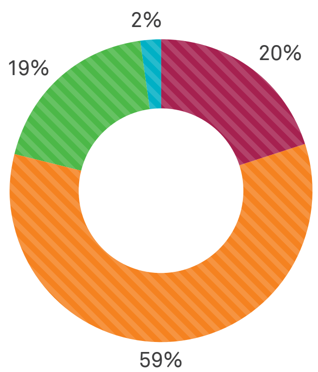
South Asia
Bangladesh
India
Maldives
Pakistan
Sri Lanka

East Asia
China
Hong Kong
Japan
Macau
South Korea
Taiwan

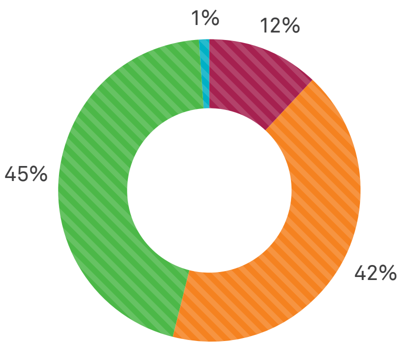
Australia & Oceania
Australia
New Caledonia
New Zealand
Papua New Guinea

Group At A Glance
Financial Performance

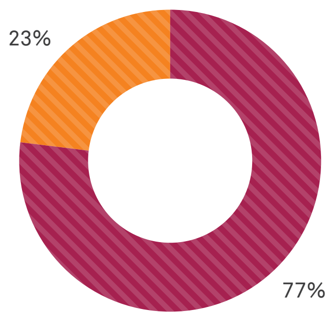
Group Revenue
S$726.6 million
FY2019: S$470.6 million



Group Profit Before Income Tax
S$63.0 million
FY2019: S$62.4 million

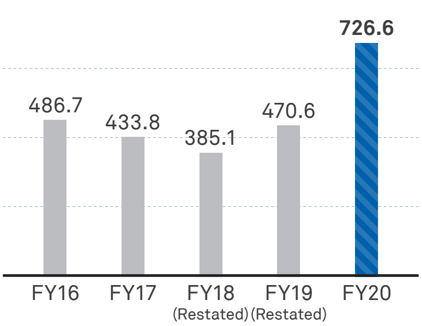


Group Contracts Secured
S$396 million
FY2019: S$722 million

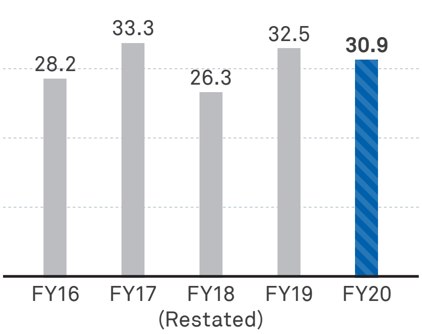


Energy Engineering
Real Estate
Geospatial
Healthcare

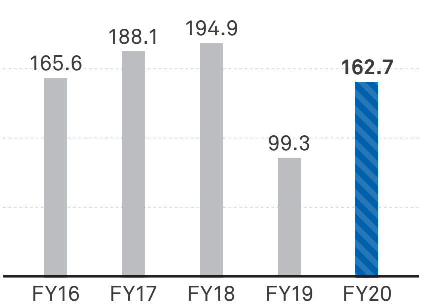
Group Revenue (S$'M)



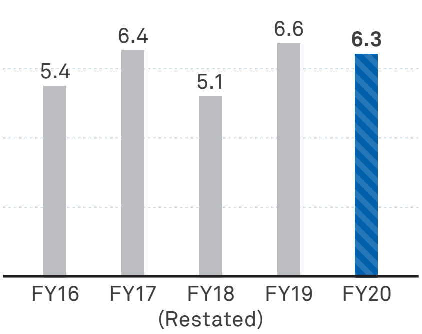
Group Net Profit (S$'M)



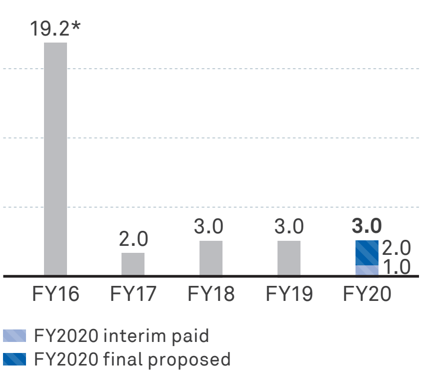
Net Cash Position (S$'M)



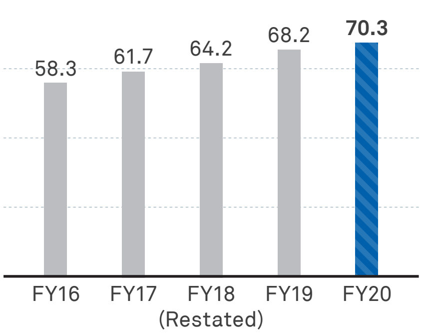
Basic Earnings Per Share (¢)



Gross Dividend Per Share (¢)



Net Asset Value Per Share (¢)



* *Includes dividend in specie of 16.2 cents.*

	FY2016 S$'000	FY2017 S$'000	FY2018 S$'000 (Restated)	FY2019 S$'000 (Restated)	FY2020 S$'000
Revenue and Profits					
Revenue	486,651	433,847	385,106	470,646	**726,561**
Gross profit	150,567	143,551	147,468	141,140	**167,227**
Profit before income tax	56,543	67,686	55,651	62,357	**63,040**
Total profit	41,135	53,486	42,159	49,579	**44,459**
Profit for the year attributable to equity holders of the Company	28,247	33,294	26,322	32,519	**30,872**
Cash/Scrip dividends**	(16,263)	(10,583)	(15,080)	(14,953)	**(14,655)**
Distribution of shares in specie	(84,291)	-	-	-	**-**
Statement of Financial Position					
Equity attributable to equity holders of the Company	304,842	321,952	316,377	336,143	**342,632**
Non-controlling interests	104,895	122,706	126,631	146,207	**154,103**
Capital Employed	409,737	444,658	443,008	482,350	**496,735**
Trade receivables (non-current)	-	-	4,619	11,212	**19,850**
Other receivables and prepayments (non-current)	3,827	6,577	3,127	5,759	**5,831**
Contract assets (non-current)	-	-	5,274	2,657	**1,568**
Investment securities (non-current)	-	-	-	44,544	**42,877**
Available-for-sale financial assets (non-current)	61,576	65,903	38,565	-	**-**
Property, plant and equipment	14,565	11,699	11,830	17,221	**28,896**
Right-of-use assets (non-current)	-	-	-	-	**14,994**
Finance lease receivables (non-current)	-	-	-	-	**21,765**
Investment properties	146,182	134,796	128,827	182,118	**176,713**
Intangible assets	1,186	992	737	2,137	**1,894**
Investments in associated companies	200	-	588	12,875	**18,410**
Investments in joint ventures	13,755	32,354	37,148	40,673	**60,707**
Net deferred income tax (liabilities)/assets	(666)	(236)	(2,159)	1,114	**2,767**
Net cash position	165,620	188,145	194,878	99,264	**162,713**
Net current assets (excluding cash and borrowings)	13,444	14,247	27,332	72,899	**44,141**
Non-current liabilities (excluding deferred income tax liabilities and borrowings)	(9,952)	(9,819)	(7,758)	(10,123)	**(106,391)**
Assets Employed	409,737	444,658	443,008	482,350	**496,735**
Financial Statistics					
Operating profit over turnover (%)	11.6	15.6	14.5	13.2	**8.7**
Return on equity (%) (Note 1)	9.3	10.3	8.3	9.7	**9.0**
Gross dividend per share (¢)	19.2	2.0	3.0	3.0	****3.0**
Dividend cover (times)	0.3	3.2	1.7	2.2	****2.1**
Basic earnings per share (¢) (Note 2)	5.4	6.4	5.1	6.6	**6.3**
Net asset value per share (¢) (Note 3)	58.3	61.7	64.2	68.2	**70.3**
Debt-to-equity (%) (Note 4)	22.8	19.9	15.9	30.6	**24.0**
Loan-to-valuation (%) (Note 5)	25.7	25.1	20.4	34.3	**31.8**

Notes:
1. *Based on profit for the year attributable to equity holders of the Company divided by equity attributable to equity holders of the Company.*
2. *Based on profit for the year attributable to equity holders of the Company divided by weighted average number of ordinary shares in issue during financial year ended 31 March.*
3. *Based on equity attributable to equity holders of the Company divided by number of ordinary shares in issue at end of financial year ended 31 March.*
4. *Based on total borrowings divided by total equity.*
5. *Based on total borrowings by the Real Estate Division (Boustead Projects Limited) divided by the combined independent professional valuations of properties held for sale and investment properties.*

** *Includes proposed final dividend of 2.0 cents per share for FY2020.*

Group at a Glance
Market Review

ENERGY ENGINEERING

Our Energy Engineering Division provides critical process technologies and eco-sustainable solutions to the global oil & gas ("O&G"), petrochemical and energy industries.

This division has undertaken over 1,300 projects in 88 countries and territories globally.

Read more on pages 28 to 33.

Market Review

- There was improvement in global O&G expenditures, especially within the downstream O&G sector.
- The general pickup in confidence levels was subsequently disrupted by the collapse in global crude oil prices, amid the COVID-19 pandemic and resulting lockdowns.

Highlights

- Revenue was at a five-year high, with a second consecutive year of growth on improvement in global O&G expenditures.
- The seven-fold increase in profit before income tax was led by recovery in the downstream O&G business.
- A record level of contracts were secured, led by recovery in the downstream O&G business.

Division Revenue

S$144.5 million

Year-on-year ▲ 41% | FY2019: S$102.5 million

Division Profit before Income Tax

S$7.9 million

Year-on-year ▲ 618% | FY2019: S$1.1 million

Division Team Members

298

Year-on-year ▲ 16% | FY2019: 256

Division Contracts Secured

S$304 million

Year-on-year ▲ 242% | FY2019: S$89 million

REAL ESTATE

Our Real Estate Division under Boustead Projects Limited provides core engineering expertise in the design-and-build and development of smart eco-sustainable business park and industrial developments.

This division has undertaken over 200 projects totalling over 3,000,000 square metres of real estate in four countries in the Asia Pacific.

Read more on pages 34 to 41.

Market Review

- Competition in Singapore's industrial real estate sector remained intense and margins continued to be pressured.
- With the Singapore Government's Industry Transformation Maps in place, sustainable competitiveness is being driven by the implementation of transformative technologies.
- Business park and high-tech industrial rents edged up, while logistics rents stayed stable and low-tech industrial rents stabilised in 2019.
- Post-FY2020, the COVID-19 pandemic resulted in lockdowns that led to a prolonged suspension of construction activities and will affect demand for real estate in Singapore.

Highlights

- Record revenue was supported by conversion of the healthy order backlog carried over at the end of FY2019.
- Profit before income tax was affected by lower gross margins, lower quantum of cost savings, higher overheads and the absence of a gain on sale of a property.
- Four greenfield and brownfield developments were delivered and increased the leasehold portfolio* to 22 completed properties.

Division Revenue

S$426.2 million

Year-on-year ▲ 82% | FY2019: S$234.2 million

Division Profit before Income Tax

S$27.5 million

Year-on-year ▼ 23% | FY2019: S$35.7 million**

Division Team Members

277

Year-on-year ▲ 29% | FY2019: 214

Division Contracts Secured

S$93 million

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

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

GEOSPATIAL

Our Geospatial Division provides professional services and exclusively distributes Esri ArcGIS technology – the world's leading geographic information system ("GIS"), smart mapping and location analytics platform – along with related GIS solutions.

This division has over 13,000 clients including key government agencies and multinational corporations in eight countries in the Asia Pacific.

Read more on pages 42 to 51.

Market Review

- Key government agencies used smart mapping capabilities to combat major crises including Australia's massive bushfires and the COVID-19 pandemic.
- The outbreak of COVID-19 led to a significant spike in demand from government and healthcare organisations requiring rapidly deployable geo-analysis solutions, dashboards and data hubs to enhance operational awareness and share real-time information.

Highlights

- There was record revenue and a fourth consecutive year of revenue and profit growth.
- There was steadfast demand for geospatial technology across Australia and South East Asia.

Division Revenue

S$137.3 million

Year-on-year ▲ 12% | FY2019: S$122.1 million

Division Profit before Income Tax

S$29.7 million

Year-on-year ▲ 9% | FY2019: S$27.2 million

Division Team Members

448

Year-on-year ▲ 17% | FY2019: 383

Division Year-End Enterprise Agreement and Deferred Maintenance Backlog

S$70 million

Year-on-year ▲ 13% | FY2019: S$62 million

HEALTHCARE

Our Healthcare Division provides innovative medical solutions that address niche areas of age-related chronic diseases and mobility issues, with a focus on rehabilitative care and sports science.

This division's clients include government and private hospitals, nursing homes and outpatient centres in seven countries and territories in the Asia Pacific.

Read more on pages 52 to 55.

Market Review

- Population ageing continues to drive demand for technologies and services in the long-term care market.
- The healthcare industry was affected by socio-political unrest in Hong Kong, political changes in Malaysia, the trade war and COVID-19 pandemic.

Highlights

- A first full-year of revenue and profit contribution was registered.
- Two acquisitions were made to diversify into healthcare education and training services, and local assembly and manufacturing in China.

Division Revenue

S$18.2 million

Year-on-year ▲ 60% | FY2019: S$11.4 million***

Division Profit before Income Tax****

S$1.1 million

Year-on-year ▲ 10% | FY2019: S$1.0 million***

Division Team Members

91

Year-on-year ▲ 15% | FY2019: 79

**** FY2019 financial results only consolidated from 2Q FY2019 onwards following acquisition.*

***** Excludes S$0.4 million annual amortisation adjustment by Group on acquisition over three years.*

Overview | Strategic Report | Financial Statements

Group at a Glance
Economic & Sustainability Performance

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

- Professor Michael Porter

Shared Socio-Economic Value Creation and Distribution in FY2020

Boustead continues to perform our role as a responsible global corporate citizen, incubating and growing businesses with a greater purpose – creating sustainable shared socio-economic value in the process – and developing trusting relationships with key stakeholders globally. We have generated and distributed tremendous direct economic value ("EV") and environmental, social and governance ("ESG") benefits to key stakeholders including our team, clients, partners, suppliers, lenders, shareholders, the media, governments and communities.

Our continuous profitability every year since our current leadership took over in FY1997 – except for FY2002 – has enabled us to reinvest in creating sustainable shared socio-economic value and delivering progress to key stakeholders, laying the cornerstones for our long-term success and longevity.

In FY2020, S$728.2 million in direct EV was generated, which was shared among key stakeholders as shown here.

Suppliers

- Purchases
- Supplier payments
- Other operating expenses
- Indirect jobs for communities where we operate

S$562.9 million
77% of EV

Team

- Salaries
- Defined contribution plans
- Share-based compensation
- Other benefits
- Direct jobs for communities where we operate

S$96.6 million
13% of EV

Lenders and Investors

- Interest paid to lenders
- Dividends paid to shareholders

S$16.2 million
2% of EV

Governments

- Corporate taxes for funding government basic services and sponsored socio-economic and ESG initiatives
- Indirect jobs for communities where we operate

S$17.6 million
2% of EV

Communities

- Community service
- Philanthropic donations
- Indirect jobs for communities where we operate

S$0.55 million
<1% of EV

Economic Value Retained

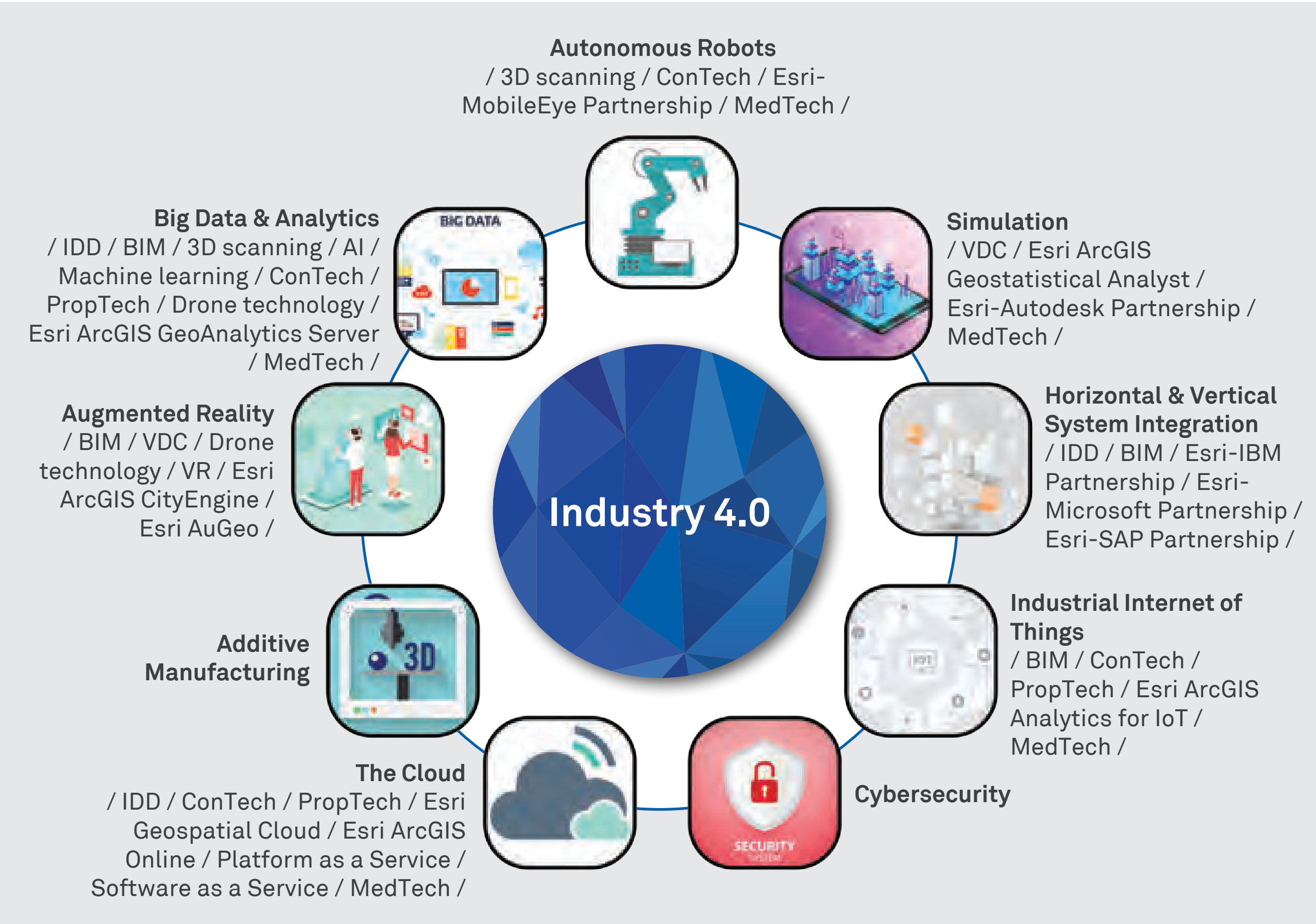
- Reinvestment in core businesses
- Future acquisitions and investments

S$34.3 million
5% of EV

Transformative Technologies Deployment

According to Boston Consulting Group ("BCG"), Industry 4.0 – the fourth industrial revolution – is a transformation that makes it possible to gather and analyse data across machines, enabling faster, more flexible and more efficient processes to produce higher quality goods at reduced costs. This will increase productivity, shift economics, foster industrial growth and modify the profile of the workforce and ultimately change the competitiveness of organisations and regions. BCG went on to name nine technologies that are transforming industrial production as shown below. We have overlaid our already implemented technologies in seven of these areas.

Transformation Initiatives Overlay on Nine Technologies of Industry 4.0



Team Deployment in FY2020

1,135 team members

FY2019: 951 team members

Group at a Glance
Economic & Sustainability Performance

Eco-Sustainable Solutions in Action
We have delivered numerous transformative projects and eco-sustainable solutions around the world which continue to provide significant shared economic, environmental and social benefits to our clients every year and contribute positively to the environment and community ecosystems around them. In FY2020, our clients and their surrounding ecosystems enjoyed estimated benefits as shown here.

BOUSTEAD INTERNATIONAL HEATERS

	Attained in FY2018	Attained in FY2019	Attained in FY2020		Cumulative Capacity Attained Prior to FY2018		Estimated Annual Recovery
Number of waste heat recovery units ("WHRUs")	5 WHRUs	13 WHRUs	37 WHRUs	+	148 WHRUs	=	**203 WHRUs**
Annual thermal energy recovery in gigawatt-hours ("GWh")	498 GWh	1,022 GWh	10,582 GWh	+	32,892 GWh	=	**44,995 GWh**

Also equivalent to:

Gas heating used by 4.4 million UK homes	Removing 6.8 million cars from the road	Reducing 73.6 million barrels of oil consumed	CO_2 stored by 168,136 square kilometres of forest	£1.0 billion in industrial gas tariff savings

Note: Calculations are based on contractual specifications, with the main conversion calculations based on the UK Government Department for Business, Energy & Industrial Strategy's published statistics for average domestic gas heating consumption and industrial gas tariffs for 2019. Other supplementary conversion calculations are based on the US Environmental Protection Agency's greenhouse gas equivalents calculator.

BOUSTEAD SALCON WATER SOLUTIONS

	Attained in FY2018	Attained in FY2019	Attained in FY2020		Cumulative Capacity Attained Prior to FY2018		Estimated Annual Treatment or Recycling
Number of water and wastewater treatment plants	12 plants	5 plants	9 plants	+	123 plants	=	**149 plants**
Annual water and wastewater treatment or recycling in cubic metres ("cu m")	42.0 million cu m	41.0 million cu m	68.4 million cu m	+	545.1 million cu m	=	**696.5 million cu m**

Also equivalent to:

Water used to fill 278,597 Olympic-size swimming pools	US$1.4 billion in water tariff savings

Note: Calculations are based on contractual specifications, with conversion calculations based on the Global Water Intelligence's 2018 Global Water Tariff Survey where the global average water tariff was US$2.04 per cu m. Capacity supplied prior to FY2020 is based on our track record of completed projects after Boustead Salcon Water Solutions was acquired in 2002.

BOUSTEAD PROJECTS

BOUSTEAD PROJECTS	Green Mark Platinum Ratings Attained in FY2018	FY2019	FY2020		Green Mark Platinum Ratings Attained Prior to FY2018		Estimated Annual Savings
Number of Green Mark Platinum buildings	1 building	3 buildings	0 buildings	+	8 buildings	=	**12 buildings**
Energy savings in GWh	1.6 GWh	7.0 GWh	0 GWh	+	35.4 GWh	=	**44.1 GWh**

Also equivalent to:

Electricity used by 10,392 Singapore homes	Removing 6,742 cars from the road	Reducing 72,249 barrels of oil consumed	CO_2 stored by 164 square kilometres of forest	S$9.9 million in electricity tariff savings

	FY2018	FY2019	FY2020		Prior to FY2018		Estimated Annual Savings
Water savings in cu m	4,390 cu m	44,580 cu m	0 cu m	+	82,715 cu m	=	**131,685 cu m**

Also equivalent to:

Water used to fill 52 Olympic-size swimming pools	S$0.2 million in water tariff savings

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

Chairman's Message

FY2020 saw our long-term investments in people, technologies and *possibility* all come together to deliver an empowering window into the future of the Group.

Dear Fellow Shareholders,

I am pleased to share that the Boustead Group delivered another steady performance for the financial year ended 31 March 2020.

A healthy accumulation of order backlogs at both our Energy Engineering Division and Real Estate Division led to the delivery of record revenue – 54% higher year-on-year at S$726.6 million. While the profit attributable to shareholders was 5% lower year-on-year at S$30.9 million, mainly due to one-off impairment losses and an absence of a gain on a property sale, there were strong signs of recovery across the Group.

Had our net profit been adjusted to exclude the impairment losses on legacy projects that ended and the previous year's gain on a property sale, comparative net profit for FY2020 would have been 34% higher year-on-year.

While FY2020 will be remembered by many as a year of great change, where governments, industries and communities were all compelled to embrace a 'new normal', for the Boustead Group, FY2020 will be remembered as a year of transition. FY2020 saw our long-term investments in people, technologies and *possibility* all come together to deliver an empowering window into the future of the Group. With these insights in hand, and with the commitment and support of the Board and the Boustead Group's extended leadership team, I am confident that we will not only efficaciously navigate the challenges of our time but become stronger through this experience.

FY2020 – A Year of Revenue and Order Milestones

During FY2020, the Group achieved broad-based profitability at all four divisions, with profit before income tax ("PBT") growing at three divisions.

Our Energy Engineering Division has successfully endured a five-year recession that engulfed the global oil & gas ("O&G") sector, significantly impacting many O&G corporations within the value chain. Capitalising on its technology-led solutions and strong standing within the sector, UK-headquartered Boustead International Heaters ("BIH") – under the exceptional leadership of CEO Stuart Cummings – steered the division to reach multiple, notable milestones during FY2020. Among BIH's significant achievements was the award of the division's largest contract on record – in the region of S$100 million in value – for the delivery of technically-advanced waste heat recovery units ("WHRUs") for a major energy infrastructure project in Europe. The win contributed to setting another division record of S$304 million in orders secured for the year. In line with the healthy order backlog, division revenue grew by 41% year-on-year to S$144.5 million, energised by BIH's performance. Division PBT exponentially climbed by 618% year-on-year to S$7.9 million and would have been significantly higher if not for the impairment losses from legacy projects and the relatively weak performance of the water and wastewater engineering business. Reassuringly, the division's order backlog carried forward of S$279 million will effectively help sustain operations for another 18 months; providing some protection against the recent collapse in global crude oil prices.

As our largest revenue contributor for the 13th successive year, the Real Estate Division under Boustead Projects continued executing on its impressive order backlog of design-and-build projects, raising division revenue by 82% year-on-year to a division record

S$426.2 million. However, division PBT declined 23% year-on-year to S$27.5 million, mainly due to lower gross margins, lower quantum of cost savings, higher overhead costs and lower interest income, while grappling with the ongoing asset stabilisation of ALICE@Mediapolis. While Boustead Projects' order backlog carried forward of S$496 million is sizeable, design-and-build projects in Singapore are being delayed by a combination of the government's strict restart criteria for the phased resumption of construction sites and a shortfall of available foreign worker resources.

These delays will likely affect FY2021 but will be mitigated by projects secured in China, Malaysia and Vietnam, along with prudent cost management and government business support measures. I have full confidence in Boustead Projects' Managing Director Thomas Chu and his extended leadership team to carry Boustead Projects through one of the sector's most challenging periods.

Boosting revenue and PBT for a fourth consecutive year, our Geospatial Division rode on steadfast demand in exclusive markets across Australia and South East Asia to expand division revenue by 12% year-on-year to a division record S$137.3 million. Division PBT rose by 9% year-on-year to S$29.7 million, outweathering strong currency headwinds. Towards the end of FY2020, the division demonstrated a clear resilience to market pressures brought on by COVID-19. Under the direction of the Geospatial Division's Managing Director Brett Bundock and extended leadership team, the division rendered support to government agencies combatting the economic and social impact of the Australian bushfires and COVID-19 pandemic. These efforts served to both build and enrich key agency relationships across the region and has provided a platform for the division to capitalise on the increased awareness – within government – of the value of geospatial technology.

In a first full-year of contribution, our Healthcare Division's revenue improved by 60% year-on-year to S$18.2 million, with growth registered across rehabilitative care and sports science. However, division PBT of S$1.1 million excluding an annual amortisation adjustment of S$0.4 million, was only marginally higher year-on-year.
We expect healthy returns once invested programmes begin to bear fruit, given the long-term potential in meeting the currently unmet needs of ageing populations across the Asia Pacific, especially in China.

Upholding our dividend tradition, your Board has proposed a final ordinary dividend of 2 cents per share payable in cash for your approval. Together with the interim dividend of 1 cent already paid, the total dividend of 3 cents equates to a dividend payout ratio of 48% and matches the amount paid for FY2019. Separately, Boustead Projects has proposed a final ordinary dividend of 0.8 cents per share.

Planning to Prevail

When COVID-19 first made international headlines in December 2019, few would have predicted how rapidly the outbreak would spread across the globe or the scale of the disruptions to life as we know it. Other than the human and direct healthcare costs, the economic impact of the pandemic has been destabilising, with the International Monetary Fund estimating that close to US$11 trillion in fiscal measures have been triggered worldwide and expecting global GDP to fall 4.9% in 2020. The UN has predicted that 1.6 billion informal economy workers or nearly half of the global workforce could suffer damage to their livelihoods, with the equivalent of 305 million full-time jobs lost in the second quarter of 2020 alone.

Chairman's Message

Despite our long trading history, the Boustead Group is not impervious to the complex mix of challenges presented by the pandemic. While our organisation has endured wars, health and economic crises of equal gravity, it is not our track record that we will be relying on to navigate these uncertain times. Rather, we intend to exercise measured and purposeful caution, preserving cash and implementing prudent cost management measures – including a Group-wide salary freeze. In addition, our capital deployment will undergo more rigorous evaluation, delivered via a strict, risk-based approach. The elevated risks we presently face and imposed restrictive measures have so far been mostly mitigated by our business continuity plans. We have embraced a technology-driven approach, enabling the Group's more than 1,100 team members to maintain productivity through Cloud sharing platforms, telecommuting and virtual meetings. Boustead Projects will leverage technology to reopen project sites and protect stakeholders through geo-fencing and smart building safe management access controls, while the Geospatial Division has already pivoted its operations to maintain its full spectrum of services and client engagements, albeit through digital mediums.

Despite the challenges FY2021 is likely to present, we will remain open to investment opportunities – remaining vigilant in our efforts to identify potential acquisitions.

A Resilient Future Based on Creating Shared Value

Regardless of how COVID-19 may change the way we operate, one thing is indelible – the distinct brand of entrepreneurialism, institutionalised in a corporate culture that links back to Boustead's earliest days of trading. The *'Boustead Way'* prioritises the pursuit of business with a greater purpose. For our leadership team and me, it is about creating shared value instead of maximising short-term profit; promoting adaptability and resilience; and favouring longevity over sentimentality. It's also a position, a value, a commercial sensibility that runs through every layer of our organisation.

The concept of creating shared value was popularised by world-renowned Harvard Professor Michael Porter in the astute observation "that societal needs, not just economic needs, define markets." No organisation is self-contained or unaffected by other stakeholders, or the ecosystems and infrastructure surrounding it. Creating shared value is not a zero-sum game, nor is it about sharing the value already created through a redistribution approach. Instead, creating shared value attempts to expand the total value created both in economic and social terms so that key stakeholders gain greater benefits together; much like the multiplier effect.

Today, the selection of business brands that reside in our Group and the way that we conduct business are based on this premise of creating shared value, shifting from a purely internal economic mindset to a holistic consideration of how our key stakeholders and ecosystems benefit both tangibly and intangibly from our technology-driven solutions in a sustainable manner. Our leadership teams have been inculcated to grasp the interconnection and interdependence of ecosystems and physical, social and symbolic relationships that stretch over space and time. Experts in our domain industries, we also have a keen understanding of cultural norms, history's lessons and its link to the future, ecosystems, relationships and the megatrends that are present before us and will drive our future. Only then can the creation of shared value begin.

Across our global operations, we can see clear evidence of how shared value has been created over the past quarter century.

BIH has executed 250 projects in 58 countries globally, generating about S$1.5 billion in direct economic value ("EV"). Among BIH's technology suite are technically-advanced WHRUs, a technology that captures thermal energy from turbine exhaust and flue gases generated by high temperature processes which would otherwise be lost to atmosphere. This recovered energy is efficiently transferred for use by other utilities, thus reducing the overall energy demand of plants and potentially doubling the operational efficiency of gas-fired turbines. WHRUs supplied by BIH have total expected annual thermal energy recovery capacity of 44,955 gigawatt-hours ("GWh"), enough energy to heat 4.4 million UK homes or equal to removing 6.8 million cars off the road each year. Beyond the obvious benefits to clients, significantly reduced pollution and resource wastage accrue to surrounding communities and natural ecosystems.

Boustead Projects has executed over 200 projects in four countries regionally, generating about S$3.0 billion in direct EV. As the market leader in Green Mark Platinum-rated new private sector industrial developments – where we account for 20% of such projects – Boustead Projects' Green Mark Platinum-rated projects have total expected annual energy and water savings of 44.1 GWh and 131,685 cubic metres, enough energy to power 10,392 Singapore homes and water to fill 52 Olympic-size swimming pools each year respectively. Our efforts in quality – where we account for 10% of projects on the BCA's CONQUAS all-time top 100 industrial projects list – and strong emphasis on health and safety, being one of only eight bizSAFE Mentors, means that we not only care about quality and the wellbeing of our team members but also help to uplift the wellbeing, health and safety of Singapore's subcontractor workforce, our way of protecting the sanctity of life.

Our Geospatial Division – with a presence in eight countries including Australia, Singapore, Malaysia and Indonesia – has generated about S$1.7 billion in direct EV. As an exclusive distributor of Esri ArcGIS technology – the world's leading geographic information system ("GIS"), smart mapping and location analytics platform – and foremost authority on geospatial technology in the Asia Pacific, the division's smart mapping capabilities provide deep insights to key decision-makers across all levels of government and within most industries. A study by AlphaBeta, commissioned by Google in 2016 found that GIS multiplier effects added value in industries accounting for nearly 75% of global GDP. In the Asia Pacific, where three of our markets were part of the study, GIS was estimated to have provided consumer benefits of US$248 billion in time savings, business benefits of up to US$554 billion sales linked to digital maps and societal benefits including emissions reductions of 1.7 billion metric tonnes and potential employment for six million people.

In the most pressing need of our time, Esri technology has been used by the World Health Organization, John Hopkins University and numerous government agencies globally to create COVID-19 dashboards and data hubs to map and study the pandemic and inform the actions of senior decision-makers. In our respective markets, we are providing smart mapping capabilities to support government agencies in healthcare planning, disease surveillance, contact tracing, safe distancing, disinfection, protection and reopening economies, working towards containing the pandemic, safeguarding the wellbeing of citizens and restoring livelihoods across the region.

Our Healthcare Division similarly has important socio-economic impact. Early rehabilitation soon after a stroke significantly improves the odds that patients regain independence through full mobility recovery. Impaired recovery or loss of mobility causes heavy mental, physical and psychological fatigue on patients, their families and caregivers. Other than direct healthcare costs, societal costs include formal and informal carers, loss of income, government-funded benefits, and equipment and home modifications required in order for patients to return home. The division's technology-driven solutions aim to boost the productivity of physiotherapists and help more patients regain independence after a mishap or illness, thereby reducing the costs mentioned and improving quality of life for all walks of life. In the battle against the pandemic, the division has also deployed remote digital diagnosis and monitoring platforms, and turned manufacturing capabilities towards producing surgical face masks and is providing personal protective equipment, disinfection products and services.

Professor Porter said, "Not all profit is equal. Profits involving a social purpose represent a higher form of capitalism, one that creates a positive cycle of company and community prosperity." We totally agree. Creating shared value underpins our longevity, engenders external and internal resilience, and strengthens relationships with and delivers progress to our key stakeholders in an endearing and enduring manner, with our technology-driven solutions helping to address the world's most complex problems including the pandemic, climate change, ageing populations and most of the United Nations' 17 Sustainable Development Goals.

Be under no misgivings here. It's our full intention to continue to invest in lines of business that have the potential to dominate the niche markets they serve. It's how we serve those markets and the impact we have – the shared value we create – that will continue to guide our actions.

Transitioning Towards a Resilient Future

As the custodian of one of Singapore's most enduring commercial brands, the nature of the legacy I am creating is something I think of often. While together we have achieved many great things over the course of the past three decades, I believe one of my greatest personal achievements has been the assembly of the present leadership team. Among the list of names featured throughout this year's report are a group of professionals I have worked with very closely, many for more than two decades. I have both mentored and been educated by this group and I have come to trust their judgement implicitly.

As we move forward, transitioning towards Boustead's next grand advance, the issue of leadership succession has been firmly in focus. At Group HQ, our leadership team has been rejuvenated, with the next generation of highly qualified professionals in place. Among this impressive group of leaders are Wong Yu Loon, Chan Shiok Faun – an almost 30-year Boustead veteran who took over as our Group's CFO in the past year – Keith Chu, Yeo Wee Leong and Karen Kor. Our extended leadership team, those at the helm of our global operations, are top-notch. Adaptable, capable, honourable and extremely hardworking, they represent our best investment for a resilient future.

A Word of Appreciation

I would like to express my deepest gratitude to our leadership and dedicated team members – Boustead Men and Women – who serve around the world, for their valuable contributions to creating shared value everyday, striving to make the world a better place.
I would like to extend my appreciation to all of our key stakeholders – clients, business partners, associates, bankers, suppliers, government agencies and shareholders – for your continuous support. Last but not least, I would also like to thank my fellow Board colleagues for their invaluable advice.

Thank you for supporting us and joining us on this journey of longevity, progress and cultivating business with a greater purpose; for partaking in creating shared value. I look forward to meeting with you at Boustead's very first virtual Annual General Meeting.

May you and your loved ones stay well, healthy and safe during these tumultuous times.

Wong Fong Fui
Chairman &
Group Chief Executive Officer

Energy Engineering

Our Energy Engineering Division's key business brands – Boustead International Heaters, Boustead Controls & Electrics and Boustead Salcon Water Solutions – provide critical process technologies and eco-sustainable solutions to the global oil & gas ("O&G"), petrochemical and energy industries.

Market Sectors

O&G, PETROCHEMICALS AND POWER

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

Geographic Markets

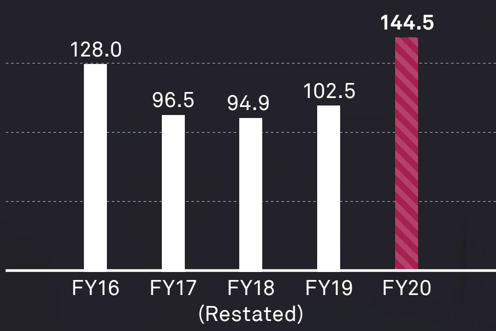
88 COUNTRIES AND TERRITORIES

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

Performance Highlights

DIVISION REVENUE

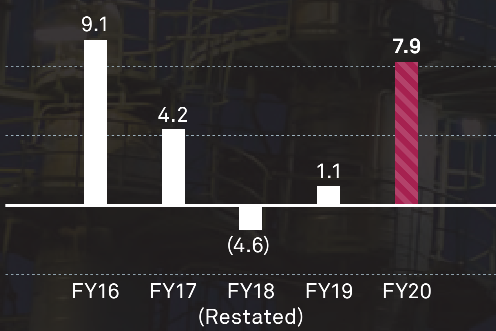
S$144.5 million | Year-on-year ▲ 41%



→ Five-year high and second consecutive year of growth on improvement in global O&G expenditures

DIVISION PROFIT BEFORE INCOME TAX ("PBT")

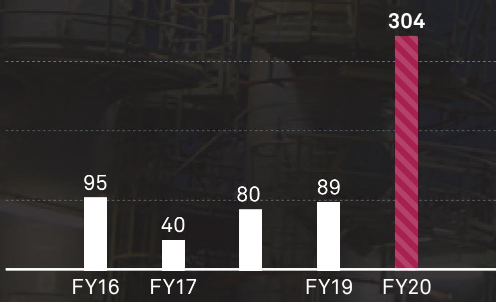
S$7.9 million | Year-on-year ▲ 618%



→ Seven-fold increase led by recovery in downstream O&G business

DIVISION CONTRACTS SECURED

S$304 million | Year-on-year ▲ 242%



→ Record level of contracts secured, led by recovery in downstream O&G business

Energy Engineering

In FY2020, our Energy Engineering Division's revenue rose by 41% year-on-year to S$144.5 million, reaching a five-year high and marking the second consecutive year of growth on continued improvement in global O&G expenditures by clients, especially within the downstream O&G sector. Division PBT exponentially climbed by 618% to S$7.9 million, led by the recovery in the downstream O&G business under Boustead International Heaters ("BIH"). The division secured a record S$304 million in contracts during FY2020, representing a more than three-fold increase year-on-year, driven by the record level of contracts secured by BIH including the division's and BIH's largest contract to date, with a value in the region of S$100 million.

The general pickup in confidence levels over FY2020 was subsequently disrupted by the collapse in global crude oil prices during the final quarter of FY2020, amid the COVID-19 pandemic and resulting lockdowns, with significant oversupply of crude oil in the global O&G market. With existing challenges of the global O&G market further exacerbated by the uncertain global landscape, our division expects lower levels of business development opportunities in the near term and potential supply chain disruptions due to movement restrictions applied by governments worldwide.

Boustead International Heaters

Our Energy Engineering Division's largest business brand and principal business unit catering to the downstream O&G sector is BIH, a leading global specialist with a technology portfolio including direct-fired process heater systems, waste heat recovery units ("WHRUs"), heat recovery steam generators and associated equipment for the global O&G, petrochemical and energy industries. BIH's waste heat recovery offerings enable significantly increased energy efficiency and lower carbon footprints by capturing and utilising energy that is otherwise wasted.

During FY2020, BIH observed an increasing number of quality opportunities and improving investment levels in LNG and petrochemical developments globally, although only the most viable developments continued to reach final investment decision ("FID"). Better demand for petrochemical developments was supported by low feedstock prices – crude oil prices – while continued growth of LNG developments is aligned with the world's ongoing transition from coal-fired to gas-fired and combined-cycle power generation. Market consolidation also occurred, with some of BIH's competitors failing or in weak financial positions. Against this landscape, BIH topped off its strong recovery with a record level of contracts secured, contributing to the strong performance for the year.

In line with the general increase in demand for new equipment, greenfield projects accounted for more than 75% of BIH's revenue mix, with LNG and gas processing plant projects contributing to a growing proportion of BIH's revenue and orders. WHRUs accounted for about 50% of BIH's total revenue mix, making a strong recovery and further boosted by a tripling year-on-year in the number of WHRUs ordered, while process heater systems contributed to most of the remaining revenue.

Transportation of convection section of process heater system to refinery, Belgium

Water and wastewater treatment plants at Central Java Power Plant, Indonesia

Geographically, Europe and North America remained the most important markets for BIH during FY2020, collectively contributing to over 80% of revenue and over 90% of new contracts secured.

In Europe, BIH mainly focused on upgrading and revamping projects at existing refineries, delivering a process heater system in Germany and completing upgrades and modifications for a process heater system in Sweden. BIH also progressed on the supply of a process heater system for one of the world's largest chemical corporations in Belgium and secured a contract for a process heater system in the UK. During FY2020, Europe was also where BIH secured its largest contract to date – in the region of S$100 million – involving the design, engineering and supply of advanced WHRUs for a major energy infrastructure development.

In the US, BIH continued to build on its growing market presence, delivering its largest process heater system for a new isobutane dehydrogenation ("iBDH") plant being constructed by a US engineering, procurement & construction ("EPC") client and also completing two process heater systems under a separate project for the same EPC client. Continuing this successful partnership, BIH secured two additional contracts during FY2020 from this EPC client, the larger of which is for an additional identical train of process heater systems due to the high levels of client satisfaction on the original supply. BIH's successful delivery of the iBDH plant project was followed by a contract for four highly sophisticated process heater systems awarded by a new US EPC client. In yet another sign of BIH's technical competence, it also secured a contract for two process heater systems involving complex process design and a high level of modularisation at a chemical plant expansion for a repeat end-user client for which it had previously completed a project in Chile.

Over in Canada, BIH secured a contract to deliver four WHRUs for Canada's largest LNG development of the year, which also happens to be BIH's largest project for WHRUs in the country to date.

Moving forward in FY2021, with the dampened global O&G outlook caused by the collapse in global crude oil prices, COVID-19 pandemic, resulting lockdowns and movement restrictions imposed by governments worldwide, BIH has observed that some FIDs have since been deferred. However, supported by a strong market position, advanced technical expertise, financial strength and healthy order backlog, BIH is well positioned to continue targeting various growth opportunities and advancing on diversification initiatives.

Energy Engineering

Boustead Controls & Electrics

Our Energy Engineering Division's business brand and principal unit catering to the upstream O&G sector is Boustead Controls & Electrics ("BC&E"), a well-recognised leading regional specialist with a technology portfolio including wellhead control panels ("WHCPs"), hydraulic power units ("HPUs"), integrated control & safety shutdown systems and chemical injection skids ("CI skids").

Over FY2020, BC&E observed generally weaker conditions in the upstream O&G market, with a slowdown in enquiries and steady reduction in opportunities in its traditional key markets of India and the Middle East, as well as significantly increased competition. While the challenging environment continued to impact revenue, BC&E achieved good profit growth on the back of a better operating performance.

During FY2020, BC&E continued to advance on localising its operations in key markets with stringent local content requirements, successfully commencing its full-fledged local manufacturing operations in Abu Dhabi through a joint venture. This allowed BC&E to capture opportunities that were previously inaccessible in Abu Dhabi due to stringent local content requirements. BC&E also completed the setup of local manufacturing operations in Saudi Arabia but due to the COVID-19 pandemic, is currently awaiting government inspections to attain the full licence to commence operations. Progress was also made on achieving prequalification with a number of major clients and further enhancing the technology portfolio to include CI skids, which are increasingly more widely accepted by the industry.

Geographically, India and the Middle East continued to contribute most of BC&E's revenue and new contracts secured in FY2020. In India, BC&E delivered several types of process control systems to projects destined for repeat end-user client, ONGC. Other notable contract wins include those with new clients that BC&E achieved prequalification with during the year, including the supply of WHCPs and HPUs to Qatar Gas, CI skids for Chevron in the Middle East, as well as wellhead shutdown systems for Shell in Nigeria. In Qatar, BC&E also secured two separate contracts for the supply of WHCPs and wellhead transformation systems to a new EPC client.

Moving forward in FY2021, with the dampened global O&G outlook, BC&E has observed a significant curtailment on capital expenditure and projects reaching FID, with some projects either cancelled or suspended, particularly smaller projects which were awarded just before the COVID-19 pandemic. While BC&E expects unprecedented challenges in FY2021 in view of the challenging landscape and stiffer competition, it will continue to strengthen traditional markets and expects the continued enhancement of its local manufacturing capabilities and efficiencies to positively sharpen its competitive edge in Abu Dhabi and Saudi Arabia. In addition, BC&E will continue exploring further localisation of manufacturing operations in other strategic markets in the Middle East.

Chemical injection skids, UAE

Boustead Salcon Water Solutions

Our Energy Engineering Division's business brand and principal unit catering to water and wastewater treatment in the energy sector is Boustead Salcon Water Solutions

("BSWS"), a leading global specialist in industrial water and wastewater engineering and Singapore's largest in the energy sector, with a technology portfolio that includes desalination, condensate polishing, demineralisation and wastewater recycling.

During FY2020, BSWS progressed on more than a dozen industrial water and wastewater treatment projects across six countries in Africa, the Asia Pacific and Middle East. South Asia and South East Asia remain the most important regions, contributing more than 75% of revenue and new contracts secured. The weaker performance of BSWS in FY2020 was mainly due to provisions made for potential cost overruns and the impact of the COVID-19 pandemic. The power industry continues to be the largest revenue contributor to BSWS and accounted for approximately 50% of all ongoing projects, followed by the O&G and petrochemical industries.

Over FY2020, BSWS observed a steady increase in the number of new projects in the O&G sector, although the positive trend was subsequently disrupted by the collapse of global crude oil prices. Against this backdrop, BSWS leaned on its excellent reputation in the power industry to secure contracts from repeat EPC client, Toshiba for seawater desalination, condensate polishing, demineralisation, remineralisation and wastewater treatment plants at Matarbari's ultra-supercritical coal-fired power plant located in Bangladesh.

In Indonesia, BSWS progressed with the delivery of high pressure condensate polishing and wastewater treatment plants for Toshiba at Tanjung Jati B Power Plant Phases 5 and 6, adjacent to BSWS' previously completed seawater desalination, demineralisation and wastewater treatment plants for Phases 3 and 4. BSWS also advanced with condensate polishing and ammonia removal treatment plants for Toshiba at the Cirebon Power Plant Expansion. Elsewhere in Indonesia, BSWS continued with its water and wastewater treatment plants for first-time client Lotte at PLTGU Riau.

In Malaysia, two O&G projects advanced for end-user client Petronas, with the completion of one of them during the year – a hypochlorite plant for the Bokor Phase 3 offshore production platform.

In Saudi Arabia, the delivery of two effluent treatment plants ("ETPs") progressed for Farabi's petrochemical plants in Jubail and Yanbu. The ETPs include oil water separation, moving bed biofilm reactor treatment and volatile organic compound removal filtration, followed by nanofiltration and evaporator systems to create a zero liquid discharge process.

Within Africa, BSWS completed a produced water treatment plant at Mozambique's first offshore O&G development, the Coral South Development and progressed with the delivery of water filtration and condensate polishing plants at Port Harcourt Train 2 in Nigeria for repeat end-user client Indorama, having previously completed water filtration and condensate polishing plants for Port Harcourt Train 1.

Moving forward in FY2021, BSWS will continue to focus on opportunities in its traditional markets, as well as the waste management industry. In Singapore, BSWS has achieved prequalification in several public sector opportunities and intends to focus efforts on securing such projects. BSWS will also continue to explore technology collaborations with strategic partners to augment and enhance its capabilities, bolster technical expertise and reduce risk.

FY2020 Highlights

Apr – Jun 2019

Asia Pacific, Australia, Middle East, North America, South Asia

Awarded S$34m in contracts for WHRUs, process control systems, and water and wastewater treatment plants

Jul – Sep 2019

Africa, Asia Pacific, Europe, Middle East, North America, South Asia

Awarded S$168m in contracts for process heater systems, WHRUs, process control systems, and water and wastewater treatment plants

Oct – Dec 2019

Africa, Asia Pacific, Europe, Middle East, North America, South Asia

Awarded S$35m in contracts for process heater systems and process control systems

Jan – Mar 2020

Asia Pacific, Africa, Middle East, North America, South Asia

Awarded S$67m in contracts for process heater systems, WHRUs, process control systems and water treatment plant

Real Estate

Our Real Estate Division's key business brand under Boustead Projects Limited ("Boustead Projects") – a 53%-owned subsidiary which is separately listed on the SGX Mainboard – provides core engineering expertise in the design-and-build and development of smart eco-sustainable business park and industrial developments. Boustead Projects' integrated digital delivery ("IDD") approach is guided by Industry 4.0 transformation standards and incorporates 7D building information modelling ("BIM"), virtual design and construction ("VDC"), and design for manufacturing and assembly ("DfMA"). Boustead Projects' progressive game-changing methodologies include 3D scanning, artificial intelligence ("AI") and machine learning, data analytics, drone technology and virtual reality ("VR"). These market-leading capabilities are complemented by green building credentials and value-added services, supported by robust quality, environmental, health and safety management systems.

Market Sectors

HIGH VALUE-ADDED INDUSTRIES

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

Geographic Markets

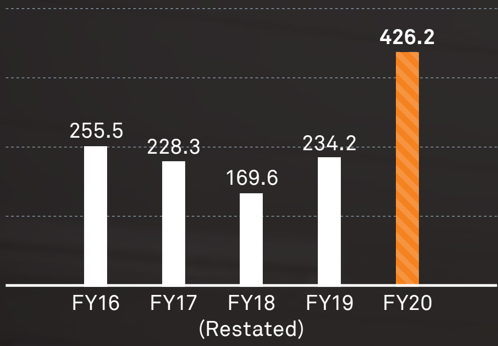
4 COUNTRIES

- → China
- → Malaysia
- → Singapore
- → Vietnam

Performance Highlights

DIVISION REVENUE

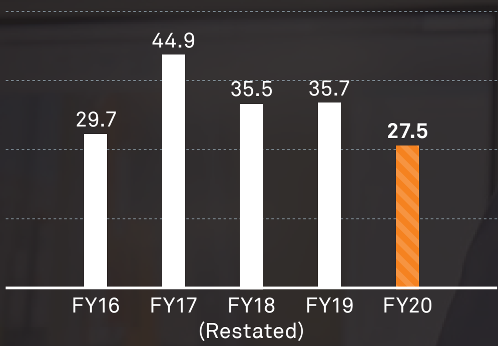
S$426.2 million | Year-on-year ▲ 82%



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

DIVISION PROFIT BEFORE INCOME TAX ("PBT")

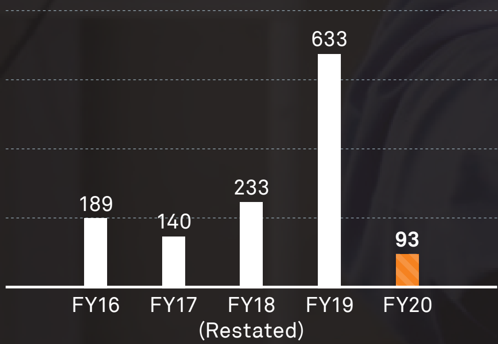
S$27.5 million | Year-on-year ▼ 23%



→ Lower gross margins, lower quantum of cost savings, higher overheads and lower interest income

DIVISION CONTRACTS SECURED

S$93 million | Year-on-year ▼ 85%



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

Virtual reality project walkthrough of JTC Kranji Green, Singapore

Real Estate

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

Construction of JTC Kranji Green, Singapore

Boustead Projects' transformative technologies – full-fledged IDD and Industry 4.0 transformation standards – are shaping future-ready, custom-built developments. In Singapore, BP E&C is one of only eight bizSAFE Mentors and also a bizSAFE Star, the highest qualification that can be attained in recognition of a company's workplace safety and health ("WSH") management programmes. Boustead Projects' WSH efforts have been further recognised with five prestigious WSH Performance Silver Awards and 13 SHARP Awards to date.

In FY2020, Boustead Projects continued to be the Group's top revenue contributor for the 13th successive year. Executing on its impressive order backlog of design-and-build projects, Boustead Projects raised revenue by 82% year-on-year to a division record S$426.2 million. However, division PBT decreased by 23% to S$27.5 million, mainly due to lower gross margins on ongoing projects, lower quantum of cost savings from previously completed projects, higher overhead costs, lower interest income and absence of a gain on sale of a property.

Design-and-Build Business

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

Boustead Projects continues to observe and document positive results from its digitalisation efforts including:

- Better coordination between different project stakeholders and higher productivity achieved through redesigning conventional work processes around the use of BIM as the single-point-of-truth;
- More effective project management through Cloud-based, common data environment solutions. For instance, the implementation of the Lean PlanDo app at its project for JTC Kranji Green ("Kranji Green") has improved project planning and tracking by aggregating all construction and scheduling data into a single platform;

DB Schenker Shared Logistics Center (ALPS), Singapore

- Better and faster decision-making in VDC, through the use of BIM and VR technology to simulate immersive virtual environments in life-size proportions;
- Better management and tracking of DfMA prefabricated elements, and faster and better identification, tracking and remediation of defects through the customisation of mobile digital management solutions; and
- Faster and more accurate construction validation through the use of 3D scanning, AI and machine learning, automation and drones. Its collaboration with Airsquire – a startup specialising in image analytics for construction design – has helped automate the validation of construction progress scans against BIM, reduced inspection times by up to 40% compared to manual inspection methods and minimised updating errors in the final BIM.

During FY2020, Boustead Projects delivered projects spanning the logistics, manufacturing, O&G, pharmaceutical, technology and waste management industries, including a number of projects for Fortune 500 corporations. The majority of these projects were in Singapore, which remains the largest geographic market by revenue and profit contribution.

Over at the Airport Logistics Park of Singapore ("ALPS"), Boustead Projects completed its 10th project there and second design-and-build project – DB Schenker Shared Logistics Center (ALPS) – for DB Schenker located at the ALPS, adding to the DB Schenker Megahub completed in 2006. The project also marks the fourth logistics facility that Boustead Projects has completed for DB Schenker in Singapore.

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

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

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

Real Estate

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

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

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

At the Seletar Aerospace Park ("SAP"), Boustead Projects progressed on the design-and-build of its 11th project there and the Boustead Development Partnership ("BDP")'s sixth development, Bombardier Aerospace Singapore Service Centre Phase 2. However, in February 2020, Boustead Projects immediately halted construction activities at the project site and proceeded with full disinfection activities after the detection of a COVID-19 infection of its subcontractor's employee working onsite, with four more of its subcontractor's employees eventually

Boustead Industrial Park Phase 1, Vietnam testing positive for infections. We are heartened to share that all five of these subcontractors' employees have subsequently recovered.

Work also commenced on a project awarded by Boustead Projects' latest strategic partnership with new JV partner, The Platform-Hanwha ARESF Fund No 1 ("The Platform-Hanwha") for a new smart building development located at Braddell Road, which has been named 351 on Braddell.

At the beginning of FY2020, Boustead Projects completed its strategic investment in a 25% shareholding of associated company DSCO Group Holdings Pte Ltd ("DSCO"), a provider of specialised building engineering consulting services in the Asia Pacific, with a strong reputation in the high-growth data centre industry.

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

Boustead Projects' efforts to geographically diversify its business yielded a handful of new projects in China, Malaysia and Vietnam. Shortly after the end of FY2020, Boustead Projects secured a significant contract in terms of scope and size to design-and-build an advanced integrated high-tech manufacturing and office facility in Malaysia for a Fortune 500 technology corporation.

Real Estate Business

During FY2020, Boustead Projects continued to expand its leasehold portfolio* of completed, income-generating properties. In addition, the growth of Boustead Projects' jointly-owned properties also enabled it to concurrently grow its development management and asset management businesses.

Under the BDP, Boustead Projects completed Amcor's integrated production and logistics facility – which has started to contribute leasing income – and progressed on the construction of Bombardier Aerospace Singapore Service Centre Phase 2. Boustead Projects also undertook the BDP's maiden S$77.4 million acquisition of 6 Tampines Industrial Avenue 5 – a sizeable high-specification and advanced technology facility that Boustead Projects had previously built for a Fortune 500 technology corporation – for conversion into a multi-tenanted advanced technology facility.

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

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

In July 2019, Boustead Projects syndicated approximately half of the equity interest in 351 on Braddell to The Platform-Hanwha. This partial divestment was in line with its broader strategy to recycle capital for business expansion and to form strategic collaborations with resilient strategic partners for more co-investment opportunities in the Asia Pacific.

Overseas, Boustead Projects completed Boustead Industrial Park Phase 1 in Dong Nai, Vietnam ("BIP Vietnam Phase 1") and has successfully leased out nearly all of Phase 1, comprising ready-built facilities amounting to an aggregate of 33,630 square metres in total net leasable area. Marketing of Phase 2 has commenced, with approximately 12.6 hectares of land available for development.

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

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

Real Estate

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

During FY2020, Boustead Projects continued to advance on initiatives to unlock value from its completed leasehold portfolio and looks forward to sharing more details when all arrangements have been finalised.

Strategic Partnerships & Investments

In FY2020, Boustead Projects formed three new strategic partnerships with The Platform-Hanwha, Getronics Solutions (S) Pte Ltd ("Getronics") and Sunseap Leasing Pte Ltd ("Sunseap"). These new collaborations complement existing strategic partnerships including the BDP, Echo Base-BP Capital and DSCO in Singapore, BP Malaysia Airports Subang Aerotech and THAB in Malaysia and a consortium led by SGX-listed Perennial Real Estate in China.

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

Getronics

During FY2020, Boustead Projects commenced its collaboration with Getronics – a leading global infocommunications technology service provider – which is intended to enable Boustead Projects to deliver next generation smart industrial buildings by leveraging Getronics' technologies and to augment its integrated suite of transformative digital real estate solutions addressing the entire multi-decade lifecycle of buildings.

Sunseap

During FY2020, Boustead Projects signed a framework agreement with Sunseap – the largest and most established integrated clean energy solutions company in Singapore – on the potential installation of rooftop industrial solar energy systems at its real estate projects and potential provision of lower-cost clean energy solutions to its clients and tenants.

FY2021 Prospects

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

Post-Circuit Breaker, the BCA has administered a gradual, controlled reopening of Singapore's construction industry in multiple phases, further delaying the resumption of the majority of construction projects in Singapore, including those of Boustead Projects. Boustead Projects only recently received approvals to restart most of its design-and-build projects with preparation works and will continue to work closely with the BCA and relevant authorities to ensure the wellbeing, health and safety of all stakeholders as it resumes and scales up operations.

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

The financial impact resulting from project delays is expected to be partially mitigated by Boustead Projects' ongoing efforts to geographically diversify its design-and-build business, various cost reduction measures and the Singapore Government's various COVID-19 support measures for businesses.

FY2020 Highlights

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

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

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

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

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

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

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

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

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

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

Geospatial

Our Geospatial Division's key brands – Esri Australia, Esri Singapore, Esri Malaysia and Esri Indonesia – provide professional services and exclusively distribute Esri ArcGIS technology, the world's leading geographic information system ("GIS"), smart mapping and location analytics platform to major markets in the Asia Pacific. The software creates digital infrastructure solutions that enable smart nations, smart cities and smart communities to solve the world's most complex problems through effective and sustainable improvement of human wellbeing and ecosystems, and planning and management of key infrastructure and resources.

Market Sectors

ALL INDUSTRIES

→ Agribusiness
→ Architecture, engineering and construction ("AEC")
→ Banking
→ Defence and intelligence
→ Education
→ Emergency services
→ Energy, oil & gas ("O&G") and renewables
→ Environmental management
→ Government
→ Health and human services
→ Infrastructure
→ Insurance
→ Law enforcement
→ Mining
→ Non-profit organisations
→ Plantation
→ Ports and maritime
→ Real estate
→ Retail
→ Telecommunications
→ Transport and logistics
→ Utilities

Geographic Markets

8 COUNTRIES AND TERRITORIES

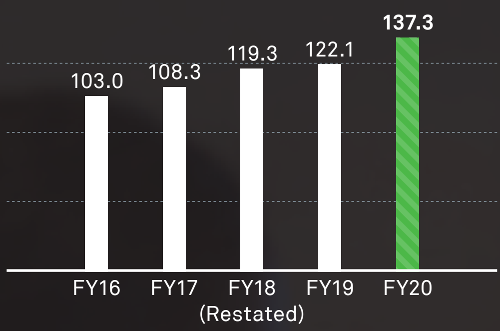
→ Australia
→ Bangladesh
→ Brunei
→ Indonesia
→ Malaysia
→ Papua New Guinea
→ Singapore
→ Timor-Leste

Performance Highlights

DIVISION REVENUE

S$137.3 million

Year-on-year ▲ **12%**

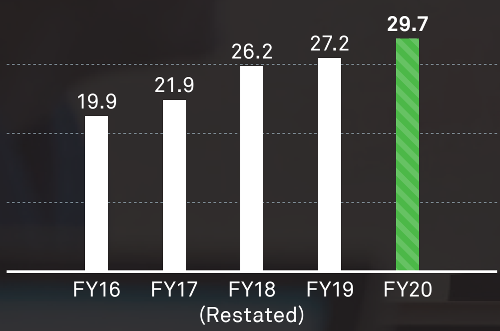


→ Fourth consecutive year of revenue growth and record revenue

DIVISION PROFIT BEFORE INCOME TAX ("PBT")

S$29.7 million

Year-on-year ▲ **9%**

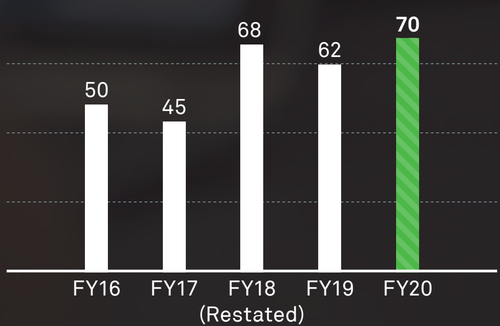


→ Fourth consecutive year of profit growth

DIVISION YEAR-END ENTERPRISE AGREEMENT AND DEFERRED MAINTENANCE BACKLOG

S$70 million

Year-on-year ▲ **13%**



→ Healthy recurring income levels

Esri Australia's GIS for Schools Program, Australia

Geospatial

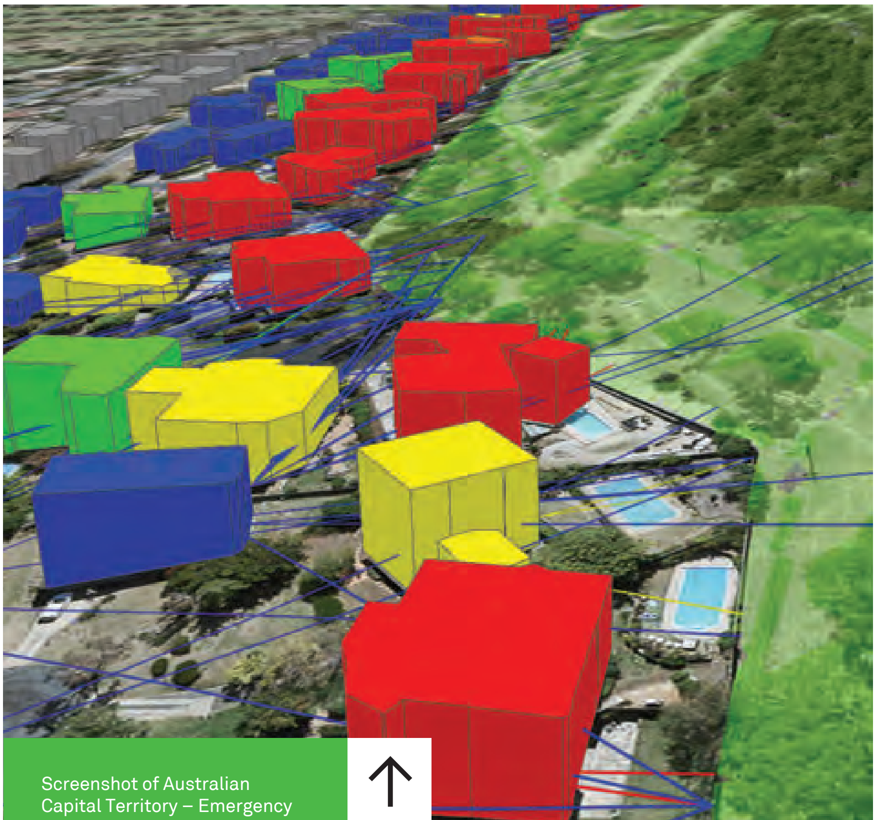
Our Geospatial Division is ranked among the top exclusive distributors in Esri Inc's global network, with a client base numbering over 13,000 organisations regionally. This division is widely acknowledged to be the foremost authority on geospatial technology in the Asia Pacific.

Demonstrating steady long-term growth, the division rode on steadfast demand for geospatial technology across Australia and South East Asia to expand division revenue by 12% year-on-year, achieving a division record of S$137.3 million, outweathering strong currency headwinds. Supported by broad-based, double-digit revenue growth achieved in each of the key geographic markets of Australia, Singapore, Malaysia and Indonesia, division PBT increased 9% year-on-year to S$29.7 million.

During FY2020, the division played strong supporting roles to key government agencies by providing smart mapping capabilities to combat recent major crises including the Australian bushfires and the COVID-19 pandemic.

The outbreak of COVID-19 led to a significant spike in demand from government and healthcare organisations requiring rapidly deployable geo-analysis solutions, dashboards and data hubs to enhance operational awareness and share real-time information. Smart mapping capabilities enabled COVID-19-related healthcare planning, disease surveillance and contact tracing, aided safe distancing efforts, deep cleaning operations, and supported the protection and reopening of economies. Smart mapping has played a key role in helping to contain the pandemic, safeguarding the wellbeing of citizens and restoring livelihoods across the region.

Within South East Asia, the division secured a stronger foothold in key markets including smart city projects, disaster management and utilities, as well as non-government sectors such as the natural resources and retail sectors.

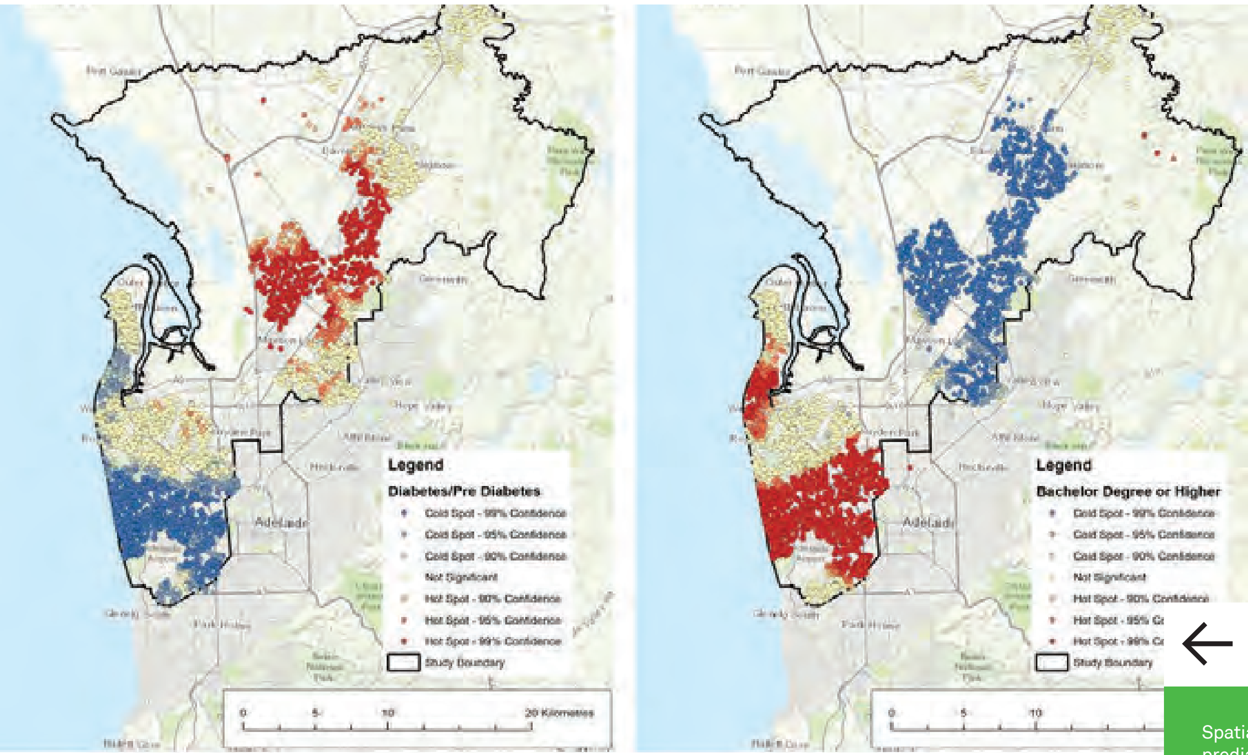


Screenshot of Australian Capital Territory – Emergency Services Agency's Automated Bushfire Attack Level, Australia

Esri Australia

In FY2020, Esri Australia achieved record revenue – crossing A$100 million in revenue for the first time – and continued to be the division's largest contributor and main driver of revenue growth. Performance was solid across the board, led by the Professional Services team which achieved the greatest growth and accounted for nearly 25% of Esri Australia's revenue. The surge in demand for services reflects a growing preference among organisations to have a single provider for all of their geospatial requirements – including Cloud services, software, application support, project delivery and training – and Esri Australia has consistently focused on expanding its services to meet this demand.

During FY2020, Esri Australia launched its new Client Success team with the mandate of deepening, expanding and extending the tenure of client engagements and relationships by delivering value-added services. In order to evolve client engagement models to facilitate sustained growth, Esri Australia launched its Client Health Index to provide data-driven insights into the health of client relationships, which has helped to establish more focused service strategies, increase client satisfaction and generate new opportunities through advocacy. Esri Australia was



Spatial analysis of prediabetes and diabetes levels correlated with educational levels, Australia

able to reap early yet significant gains from these endeavours.

With the growing ubiquity of digital applications driving demand for GIS technology applications that are smart and intuitive, Esri Australia's User Experience for GIS ("UXG") service continued to steadily generate new business opportunities with existing clients including South Australia's Department of Premier & Cabinet, insurance giant RACQ and the Australian Institute of Health & Welfare. During FY2020, Esri Australia's UXG team also issued a research report titled *'Australian governments' attitudes towards the application of user experience principles'* – a national study that explored the challenges many government agencies face relating to user experience – which provides a guide to building the business case for adopting user-centric thinking in the design and deployment of digital services.

With the increasing trend of organisations towards holistically embedding GIS technology as a core business system within their enterprises, FY2020 saw Esri Australia partner with Energy Queensland ("EQ") on a multi-year project to implement what is currently the world's largest utilities GIS project. This project includes managed Cloud services, GIS solution unification, a learning and capability programme and agile project delivery. As part of the project, over 1,000 EQ employees will be skilled and trained to use the new unified GIS solution. A number of complementary projects are also underway within EQ including the Spatial Innovation Lab, where EQ can build and test new GIS capabilities, the development of a GIS governance framework, a skills matrix that can be leveraged by other utility providers and a 5-year enterprise agreement.

During FY2020, growth was also achieved across a broad range of other sectors, including government, natural resources and water utilities. This growth was driven by a number of new large-scale, landmark projects with utilities such as EQ, as well as through ongoing work with established client sites including Melbourne Water and SA Water.

Within the agribusiness sector, Esri Australia partnered with Westchester, a leading farmland asset manager on the delivery of a modern portal to better understand asset information and performance through using location analytics to improve farm management. This web-based GIS solution enables Westchester employees to manage and analyse asset characteristics and data points across a global portfolio of existing farm assets and pipeline properties, enabling them to conduct mobile field inspections and remote asset inspections using drones.

Within the government sector, Esri Australia continued to achieve steady demand for its locally-developed SmarterWX platform – an innovative capital works management tool that allows agencies to collaborate to achieve more efficient and cost-effective public works programmes. The platform secured 54 subscriptions

Geospatial

in FY2020 across state government agencies, municipal councils and utilities nationwide. Esri Australia also entered into an agreement to provide more than 250 organisations in Dial Before You Dig Victoria & Tasmania's member network with access to the SmarterWX Automate solution, representing a key milestone in the product's strategic growth plan.

The various environmental and health crises that posed unprecedented challenges to Australian communities during FY2020 – bushfires, droughts and the COVID-19 pandemic – further reinforced the importance and relevance of GIS technology which was heavily relied upon by the government, health and public safety sectors to monitor, manage and assess the impacts of these crises and guide recovery efforts. The pandemic in particular saw many ArcGIS dashboards developed to provide government and health officials, as well as emergency services personnel with a common operating picture of the crisis as it unfolded.

Even prior to the pandemic, there was growing awareness among medical and research institutions of the critical role of GIS technology in understanding the relationship between health and location. During FY2020, Esri Australia partnered with the University of Canberra to launch a first-of-its-kind, nationwide geospatial health indicator framework which enables higher quality research and a stronger evidence base to shape public policy, inform public health campaigns and prioritise health funding. With the onset of the pandemic, GIS technology gained greater traction within the healthcare sector.

Esri Singapore

In FY2020, fuelled by major projects in the smart government, AEC, and ports and maritime sectors, Esri Singapore's solid double-digit revenue and PBT growth year-on-year led Esri South Asia's overall expansion.

In the government sector, Esri Singapore's ongoing work on smart government initiatives and Smart Nation planning helped provide community leaders with actionable insights. Addressing how traffic congestion may impact the city's efficiency and how to identify specific schools experiencing health issues such as hand, foot and mouth disease outbreaks are some of the challenges government agencies have tackled with Esri technology.

The organising committee of the National Day Parade ("NDP") also engaged Esri Singapore to be the official Smart Mapping Partner of the NDP for the third consecutive year. Esri technology was used to coordinate activities and manage incidents for the large-scale event.

Within the built environment sector, conventional ways of planning, developing and managing infrastructure have been reimagined through the integration of GIS technology with other software capabilities such as building information modelling ("BIM"), computer-aided design and the Internet of Things. Known as 'GeoBIM' in Singapore, this trend continued to fuel significant growth in the nation's digital engineering space.

JTC Corporation ("JTC"), the lead agency spearheading the planning, development and promotion of Singapore's dynamic industrial landscape is leveraging GeoBIM throughout the development lifecycle of the Punggol Digital District ("PDD") – Singapore's first smart and sustainable business park. A key building block of Singapore's Smart Nation vision, the PDD is a 50-hectare development that will cluster and house businesses in key growth sectors of the digital economy such as cybersecurity and technology. By integrating BIM with Esri technology to create a comprehensive 3D map of the PDD, JTC planners can gain deep insights, visualise, manage and analyse BIM within a geospatial environment and easily assess a design's impact on the surrounding ecosystem.

Within the ports and maritime sector, Esri Singapore deepened its relationships with the Port of Singapore Authority and Maritime Port Authority ("MPA") and expects to be able to play a role in the planning and development of Singapore's Next Generation Port. Esri Singapore is also working with the MPA to build GeoSpace-Sea – a National Marine Spatial Data Infrastructure framework. In continuing efforts towards a sustainable marine space, GeoSpace-Sea will provide comprehensive and consolidated geospatial data for port, marine and coastal planning, as well as for environmental management. In terms of the project delivery, populating the database has commenced, which includes hydrographic data and marine environment data such as coastline details and habitat data. All agencies involved will have access to a single central repository of authoritative marine and coastal geospatial data including 3D visualisation of the seabed. GeoSpace-Sea will likely play an important role in future-proofing Singapore's coastline against climate change for many generations to come.

During FY2020, increased demand for software hosted on a private Cloud opened up new opportunities for Esri Singapore to deliver solutions designed to optimise system performance. Esri Singapore worked with large existing clients like the Housing & Development Board and Urban Redevelopment Authority ("URA") in their transition away from multiple siloed GIS deployments towards integrated enterprise-wide GIS technology platforms.

In an effort to engage with the leaders of tomorrow and invest in industry skills development, Esri Singapore launched the Boustead-Esri Geospatial Scholarship programme during FY2020. The scholarship programme is open to Singaporean citizens and permanent residents pursuing a postgraduate degree in geospatial technology at the National University of Singapore.
Esri Singapore is also working closely with industry associations and partners to provide relevant certified professional courses to support anticipated future needs created by the GeoBIM and smart government initiatives.

Esri Singapore also partnered with the Ministry of Education ("MOE") on the roll-out of MOE's EduGIS – a programme which aims to enhance students' spatial thinking skills using desktop, mobile and web GIS apps. In FY2020, approximately 90 teachers and 800 students from over 50 pilot schools used the EduGIS programme. Moving forward, all geography teachers in more than 150 secondary schools will have access to EduGIS in preparation for a revised syllabus that will be implemented in 2021.

Esri Malaysia

In FY2020, Esri Malaysia achieved double-digit revenue and PBT growth year-on-year, in fact recording the largest PBT growth across Esri South Asia. This strong performance was largely driven by new service delivery contracts and increased client retention rates, particularly in the government sector.

The COVID-19 pandemic significantly elevated the profile of GIS at the highest levels of government in Malaysia, with an Esri-powered COVID-19 dashboard providing key insights to the Prime Minister's Office. Many government agencies and city councils such as Kota Kinabalu City Hall, also used Esri technology to proactively engage their constituents with their own COVID-19 Hubs.

In FY2020, Esri Malaysia launched its Local Government Jumpstart Program – a set of modules designed to help local governments rapidly deploy focused GIS applications that support critical workflows. The programme provides a 360-degree view of city operations and key performance indicators, enabling councils to communicate and deliver services to their communities in a more efficient and sustainable manner. It features modules which include a city profiler, land parcel identification, real-time asset management, tax collection and tools to allow citizens to find nearby local facilities and services.

During FY2020, Esri Malaysia worked with three state government agencies in Negeri Sembilan to optimise the GIS9 platform, a web-based GIS technology solution that consolidates the state's geospatial data using ArcGIS Enterprise. Previously, Negeri Sembilan's governing bodies had faced difficulties in carrying out tasks, with delays in data collection and decision-making across 35 different agencies. GIS9 is now being leveraged to support Malaysia's large-scale projects such as Malaysia Vision Valley 2.0, with ongoing discussions on greater integration of the platform with smart collaborations and communities within the state.

On the smart cities front, Esri Malaysia worked with the Iskandar Puteri City Council ("MBIP") to implement OneMap MBIP, a web-based GIS technology platform that integrates MBIP's data silos and delivers comprehensive information across all departments. Prior to the adoption of OneMap MBIP, income projections and maintenance costs were inaccurately estimated due to a lack of comprehensive information across departments, with surveys revealing poor community engagement. With increased GIS adoption, new MBIP Councillors are able to understand their areas better. Community engagement has also improved with the public obtaining easier access to land use information. OneMap MBIP has become the cornerstone of inter-department integration, reinforcing the value of GIS technology in any smart city initiative.

In the transportation sector, Esri Malaysia worked with Mass Rapid Transport Corporation ("MRT Corp") – the developer and asset owner of the Putrajaya Line in Kuala Lumpur – on the development of the KVMRT SSP Geospatial Portal. The project represents Asia's first Cloud-based GIS deployment that utilises Microsoft Azure and fully integrates BIM and reality modelling in a web-enabled portal. The portal provides information on the topographical, geological, structural and environmental aspects of the Putrajaya Line and enables better collaboration between project

Artist's impression of Punggol Digital District, Singapore
© Courtesy of JTC Corporation

Geospatial

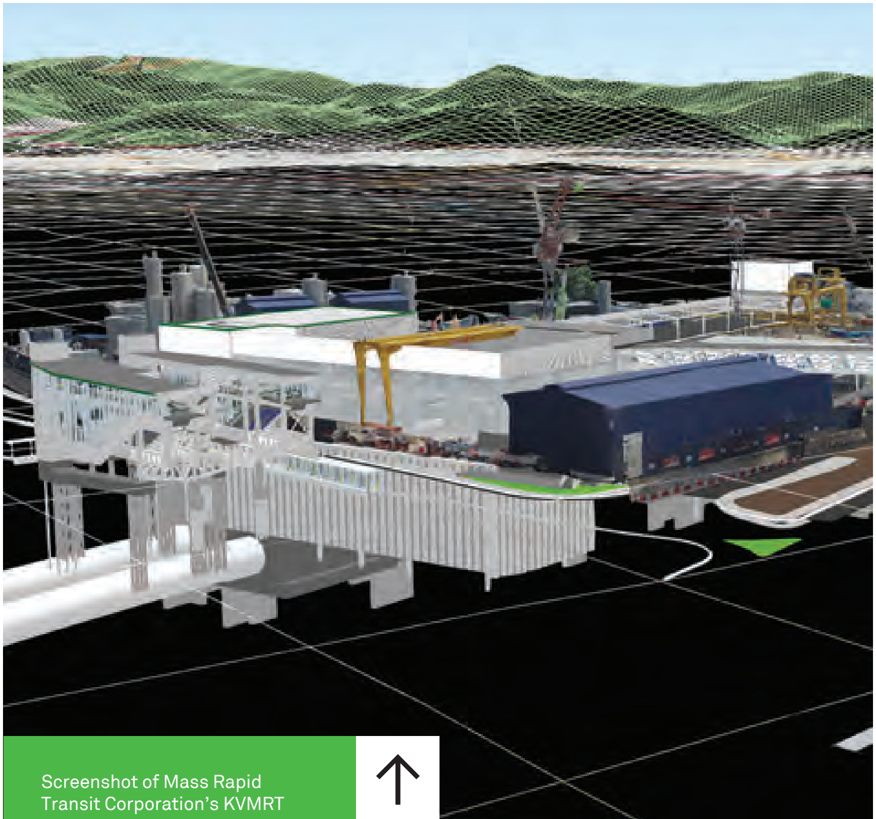
team members, allowing them to visualise, query and analyse data at any location any time. The ability to rapidly retrieve and share data on construction progress led to project productivity gains of 35%, with MRT Corp subsequently invited to take Australia's transport authorities through its world-leading approach.

Esri Indonesia

In FY2020, Esri Indonesia maintained steady revenue growth, securing several commercial projects in the natural resources sector and further diversifying its revenue streams to provide a strong foundation for future growth. Growth was registered across a broad range of sectors including the government, banking, commercial, natural resources and real estate sectors.

In particular, the natural resources sector continued to invest in GIS technology as a key digital transformation platform, contributing to nearly 50% of Esri Indonesia's revenue for FY2020. Esri Indonesia developed an enterprise-wide GIS technology platform for Freeport Indonesia, the owner and operator of Indonesia's largest copper and gold mines, to integrate exploration, operational, geo-hazard and environmental data from across its divisions. Consolidating data from all divisions onto a single shared platform improved collaboration, communication and corporate governance, and enhanced operational efficiency and occupational safety.

In the real estate sector, Esri Indonesia worked with Jababeka – a publicly-listed industrial real estate developer and infrastructure management corporation – on the development of a GIS-powered smartphone application called JSMART. With JSMART, the community of Jababeka Town can report any incidents to Jababeka, such as pipe leakages, road potholes or security issues, enabling the developer to respond to such reports quickly by knowing the exact location for any reported incident.



Screenshot of Mass Rapid Transit Corporation's KVMRT SSP Geospatial Portal, Malaysia

During FY2020, Esri Indonesia's Emergency Spatial Support Centre ("ESSC") continued to actively support emergency management responses for various government agencies. The ESSC's user base already broadly recognises the key role that Esri technology holds in supporting smart city development and operations. In the aftermath of the flooding of Jakarta, Bekasi, Bogor and Tangerang on New Year's Day 2020, the ESSC responded with the creation of a Jakarta Flood Map portal to monitor floodgates, flood-affected areas and flood levels. This dashboard was successfully used by stakeholders and volunteers to accelerate decision-making based on accurate location-based government data.

Amid the COVID-19 pandemic, the ESSC also launched a COVID-19 Geoportal to help local governments and communities in Indonesia to effectively respond to the pandemic. The portal works as a public health tool that integrates information from relevant government agencies which is then visualised on a dynamic mapping dashboard, providing users with a compelling real-time view of the outbreak. The portal also enables collaboration between doctors, geospatial experts, mathematicians and government agencies to determine the direction of policies in response to the pandemic.

On the partnerships front, Esri Indonesia announced a collaboration with Microsoft during FY2020 to run GeoAI – its latest geospatial analytics technology – on the Microsoft Azure platform.

Regional Accolades and Initiatives

At the 2019 Esri User Conference held in July 2019, 10 clients within our division's respective exclusive distribution network in Australia, Singapore, Malaysia and Indonesia were internationally recognised as winners of the prestigious Esri Special Achievement in GIS Award ("SAG Award"), selected from a pool of more than 100,000 private and public sector organisations globally. The SAG Award honours organisations that demonstrate innovative use of GIS technology to solve pressing real world challenges.

In Australia, APA Group, Australian Capital Territory – Emergency Services Agency ("ESA") and South Australia's Department of Planning, Transport & Infrastructure were conferred SAG Awards. ESA was recognised for its world-first Automated Bushfire Attack Level ("Auto BAL") tool which enables ESA to understand the level of risk from bushfire to people and homes in Canberra's bushfire prone areas. In just one hour, Auto BAL allows 16,000 properties to be accurately assessed using 3D mapping of buildings, landscapes and vegetation to determine the individual risk to each home. The assessments provide detailed information to help residents understand how to prepare themselves, their families and homes for the risk of bushfire.

In Singapore, Sembcorp, the Singapore Land Authority ("SLA") and URA were conferred SAG Awards. Sembcorp was recognised for Geo System, its integrated visualisation, planning and analytics solution which acts as the single source of truth and sole repository of information for Sembcorp's key assets – allowing different departments to plan and coordinate tasks around the clock. The SLA was recognised for its development of the Singapore Advanced Map, an integrated 2D/3D digital map platform launched in 2016 which delivers compelling real world visualisations of the entire island – both above and below ground – that is empowering decision-makers from various government agencies to derive actionable insights. The URA was recognised for its use of GIS technology to master land-use planning, which has been key to digitalising URA's Master Plan Review including the recent Master Plan 2019.

In Malaysia, the Defence Geospatial Division ("BGSP") and MRT Corp were conferred SAG Awards. BGSP was recognised for its Centralised GeoCentric Disaster Management collaborative platform built to help anticipate and better respond to natural disasters. The platform was deployed during a flood disaster and played an important role in collecting and sharing real-time data which helped relevant government agencies to coordinate rescue missions, prioritise critical areas and optimise resource distribution. The collective results also provided accurate and detailed reports for top decision-makers to provide a faster and more informed response to major incidents. MRT Corp was recognised for its KVMRT SSP Geospatial Portal as mentioned earlier.

In Indonesia, Astra Honda Motor and the Directorate General of Highways ("Bina Marga") were conferred SAG Awards. Bina Marga was recognised for its implementation of an end-to-end solution to manage the country's vast archipelago road network of nearly 47,000km of roads and about 18,000 bridges on more than 17,500 islands. Through Bina Marga's integrated infrastructure asset management platform, multiple departments were able to easily evaluate the condition, durability and expected lifespan of key assets while simultaneously monitoring planning, operations, maintenance and investments.

Moving forward in FY2021, the role of Esri technology in smart city planning is expected to continue to evolve to consider climate change readiness, crisis response, environmental resilience and holistic ecosystem interdependence and sustainability. Our Geospatial Technology Division aims to be at the centre of mapping this transformation in the Asia Pacific.

FY2020 Largest Enterprise Agreement Highlights

Apr 2019 — **Singapore**
SLA

Apr 2019 — **Singapore**
URA

May 2019 — **Australia**
Public Safety Business Agency

Jul 2019 — **Australia**
Department of Environment, Land, Water & Planning

Oct 2019 — **Australia**
Brisbane City Council

Jan 2020 — **Australia**
Melbourne Water

Feb 2020 — **Singapore**
Ministry of Home Affairs

Mar 2020 — **Australia**
Fortescue Metals Group

Mar 2020 — **Indonesia**
Ministry of Agrarian Affairs and Spatial Planning – Directorate of Spatial Use

Mar 2020 — **Singapore**
JTC

Esri Special Achievement in GIS Awards

	Australia	Singapore
Total	25 awards	19 awards
2019	• APA Group – Infrastructure Planning & Protection for utilities management GIS solution • Australian Capital Territory Emergency Services Agency (“ACT ESA”) for Automated Bushfire Attack Level • South Australia’s Department of Planning, Transport & Infrastructure for state infrastructure planning GIS solution	• Sembcorp Industries Ltd for Geo System • Singapore Land Authority (“SLA”) for Singapore Advanced Map • Urban Redevelopment Authority (“URA”) for Master Plan Review
2018	• Geoscience Australia for MH370 search GIS solution • Power & Water Corporation for utilities management GIS solution	• National Parks Board for MAVEN • PUB for Geographic Resource Information System (“GERI”)
2017	• Australian Army for defence GIS solution	• URA for GEMMA
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	• SLA for Spatial Challenge
2013	• Western Power for utilities enterprise GIS solution	• URA for Integrated Planning & Land Use System (“URA iPLAN”)
2012	• VicRoads for VicTraffic	• Ministry of Health for healthcare management GIS solution • PUB for GERI
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	• ACT ESA for emergency management GIS solution • Tasmania’s Department of Primary Industries & Water for state infrastructure planning 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 management GIS solution	• LTA for Land Transport Infrastructure Data Hub
2007	• City of Greater Geelong for municipal infrastructure planning 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
13 awards	12 awards
• Department of Survey & Mapping Malaysia (“JUPEM”), Geospatial Defence Division (“BGSP”) for Centralised Geo Centric Disaster Management • Mass Rapid Transit Corporation Sdn Bhd for KVMRT SSP Geospatial Portal	• Ministry of Public Works & Public Housing, Directorate General of Highway Construction & Maintenance for infrastructure asset management GIS solution • PT Astra Honda Motor for corporate GIS solution
• Kerajaan Negeri Sembilan for GIS9 • Sabah Lands & Surveys Department for Jabatan Tanah dan Ukur Web Mapping Application • Petronas Carigali Sdn Bhd for Play Based Exploration	• National Resilience Institute for Siskurtannas • PT Telekomunikasi Indonesia for Sales IndiHome Information System
• Penang Geographical Information System Centre for e-Peta	• Indonesian Navy for Hydro-Oceanography Data Centre • Bank Muamalat for bank branch network planning GIS solution
• Malaysian Centre for Geospatial Data Infrastructure (“MaCGDI”) for Malaysia Geospatial Online Services	• Ministry of Home Affairs for population data management GIS solution
• JUPEM for Geospatial Data Acquisition System	• PT Freeport Indonesia for mining operations GIS solution
• JUPEM, BGSP for uGeo for Defence	• PT Pertamina EP for upstream O&G operations GIS solution
• Sarawak Land & Survey Department for Land & Survey Information System	• Ministry of Energy & Minerals Resources, Directorate General of Mineral & Coal Mining for mining management GIS solution
• Ministry of Housing & Local Government, Federal Department of Town & Country Planning for Safe City Monitoring System	• Ministry of Transportation for transportation network planning GIS solution
• MaCGDI for Malaysia Geospatial Data Infrastructure	
• JUPEM, Utility Mapping Section for National Utility Database	• National Coordinator for Survey & Mapping Agency for national geospatial data infrastructure GIS solution

Healthcare

Our Healthcare Division's key business brand under WhiteRock Incorporation, provides innovative medical solutions that address niche areas of age-related chronic diseases and mobility issues across the continuum of long-term care, with a focus on rehabilitative care and sports science in the Asia Pacific. The global phenomenon of population ageing is driving demand for technologies and services in the long-term care market, especially in community hospitals, nursing homes and outpatient centres. This division addresses the pain points of healthcare institutions through outcome-based solutions that promote faster recovery for patients and higher productivity for healthcare professionals, both of which mitigate resource shortages faced by healthcare institutions.

Market Sectors

- → Aged care
- → Essential healthcare
- → Rehabilitative care
- → Sports science

Geographic Markets

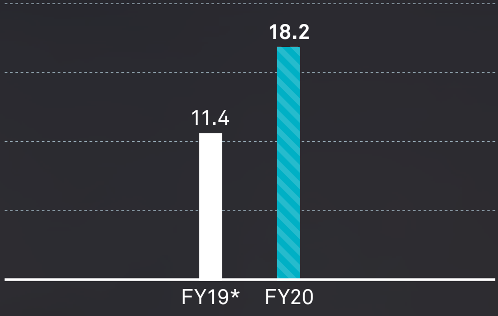
7 COUNTRIES AND TERRITORIES

- → Australia
- → China
- → Hong Kong
- → Japan
- → Malaysia
- → Singapore
- → Thailand

Performance Highlights

DIVISION REVENUE

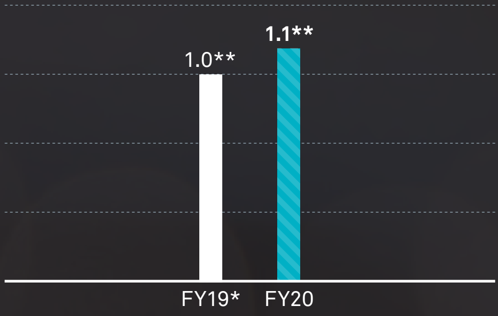
S$18.2 million | Year-on-year ▲ 60%



→ First full-year of revenue contribution

DIVISION PROFIT BEFORE INCOME TAX ("PBT")

S$1.1 million** | Year-on-year ▲ 10%



→ First full-year of PBT contribution

* *FY2019 financial results only consolidated from 2Q FY2019 onwards following acquisition.*

** *Excludes S$0.4 million annual amortisation adjustment by Group on acquisition over three years.*


100% 9:22 AM
Caretaker Medical
ECG
PULSE PRESSURE
HR
77
RESP
17
BP
SYS 120
DIA 75
MAP
SPO2
96
TEMP
98.6
ECG
SNR
100%
CT4 (16:70) Manual
Oximeter connect

Healthcare

WhiteRock Incorporation ("WRI") comprises healthcare businesses across the Asia Pacific, the largest being wholly-owned subsidiary, United BMEC and 50%-owned associated company, Beijing Pukang Sport & Medical ("Pukang"). Pukang has a client network of over 1,500 hospitals and 50 nursing homes, and an addressable market of more than 230 million Chinese citizens with chronic diseases.

In the rehabilitation of cardiac and stroke patients, WRI introduced leading technologies that play an important role in combatting comorbidities (i.e. the presence of one or more additional related diseases). Another area of focus for WRI is in addressing mobility deficits of the elderly through transformative mobility technology such as adaptive fitness programmes, exoskeletons and robotics.

In FY2020, WRI achieved S$18.2 million in division revenue and S$1.1 million in division PBT in its first full-year of contributions, excluding a S$0.4 million annual amortisation adjustment on our acquisition spread over three years. While growth was registered across WRI's various business lines in rehabilitative care and sports science during FY2020, WRI's businesses were nonetheless affected by socio-political unrest in Hong Kong, political changes

Sports training equipment at Olympic training centre, China in Malaysia, the trade war and the COVID-19 pandemic.

Technology distribution revenue continued to provide for the majority of WRI's revenue during FY2020. However, services revenue increased to 40% of the overall mix from 20% a year earlier, as WRI advanced on various programmes to grow recurring, services-led income. These include the acquisition of a 100% shareholding in Beijing Echo Health Co Ltd ("Echo Health") and an 80% interest in YouNova Health Technology (ChongQing) Co Ltd ("YouNova") (formerly known as IntellInnovation Health Technology (ChongQing) Co Ltd) through WRI's 50%-owned associated company, J&M International Medical & Healthcare for an aggregate cash consideration of S$5.6 million in December 2020.

Echo Health has enabled WRI to create greater awareness in China through education, training and greater client engagement. YouNova has allowed WRI to initiate assembly operations for rehabilitation products through OEM ventures with WRI's principals and has also commenced with the manufacture of its own basic rehabilitation products including continuous passive motion equipment, pain management equipment and rehabilitation couches to meet local demand within Chinese hospitals, which has shifted towards mandatory localisation requirements in light of the trade war.

Public healthcare in Singapore has moved into an integrated aged care model, an approach which consolidates chronic care management from acute care settings to community care settings, ensuring patients receive the right care at the right place at the right time. United BMEC is applying technology together with clinical rehabilitation and exercise physiology know-how to support this integrated healthcare model, an approach that is likely to see adoption across WRI's markets in the future.

In cardiovascular rehabilitation, WRI successfully piloted a post-stroke rehabilitation programme in Singapore dubbed 'WALK-ON' – focusing on helping post-stroke patients to regain their walking ability – and laying the groundwork for launching the programme in China.

In medical education, WRI secured significant contracts for medical education simulation technologies, riding on the great demand to train medical professionals regionally and setting the platform for enlarging WRI's client base across its various markets.

Pukang had an active year in sports science. Pukang secured several major contracts for the supply of sports equipment in preparation for major international sporting events including working with China's Summer and Winter Olympics Teams on equipping more than a dozen of their training centres, with significant project carryover into FY2021.

In the provision of technology enabling elderly care in hospital settings and in light of COVID-19, WRI is expanding beyond wound care and disinfection services to introduce new automation devices, the Caretaker remote vital signs monitoring device and medical devices that alleviate the burden of nursing the aged in high patient load environments. Digital health platforms can remotely and continuously track vital signs of patients, enabling clinical distancing of medical professionals from quarantined COVID-19 patients, monitoring of early-stage COVID-19 patients in their homes to keep hospital beds for more advanced patients and potentially tracking the onset of viral infections in home settings through data analytics of relevant physiologic metrics.

Moving forward in FY2021 and beyond, WRI will broaden the depth and scope of its local assembly capabilities to buffer against de-globalisation and supply chain disruptions resulting from socio-political developments and pandemics, and continue collaborating with long-term healthcare partners and domain experts to develop proprietary lines of advanced equipment and customised solutions with clinical protocols for performance training, recovery and rehabilitation. The gestation period for WRI's investments is expected to be a medium-term endeavour, aligned with the norms of the healthcare industry's thorough evaluation and adoption process.

Quality, Safety & Sustainability Awards

	Awarded by: BCA		
	Construction Excellence, Quality & Productivity Awards	Green Mark Platinum & Super Low Energy	Green Mark Gold Plus & Gold
Total	7 awards	12 awards	13 awards
2020			• ASM Front-End Manufacturing (Gold Plus) • Bombardier Aerospace Singapore Service Centre Phase 2 (Gold)
2019	• BP E&C: Construction Productivity Award – Projects (Gold) for Continental Building Phase 3	• Surbana Jurong Campus (Super Low Energy) / **1st Super Low Energy in large-scale industrial category** / • Bolloré Blue Hub • Veolia Singapore Office@Tuas View Circuit	
2018	• BP E&C: Green & Gracious Builder Award (Excellent)	• ALICE@Mediapolis	
2017	• BP E&C: BIM Gold Award – Organisation Category • BP: Construction Excellence Award for Seagate Singapore Design Center – The Shugart		• Markono M-Cube (Gold) • XP Power (Gold Overseas) / **1st Green Mark in non-residential building category in Vietnam** /
2016		• Kuehne+Nagel Singapore Logistics Hub	
2015	• BP: Green & Gracious Builder Award (Merit) • BP: Construction Productivity Award – Projects (Gold) for Edward Boustead Centre	• Edward Boustead Centre • Seagate Singapore Design Center – The Shugart	• Greenpac Greenhub (Gold Plus)
2014	• BP: Construction Excellence Certificate of Merit for Bolloré Green Hub	• DB Schenker Shared Logistics Center 3 (Tampines LogisPark)	• Greenpac Greenhub (Office Interior Gold Plus) • Kerry Logistics Centre (Gold) • Satair Airbus Singapore Centre (Gold)
2013			• Greenpac Greenhub (Gold) • Jabil Circuit (Gold)
2012		• Bolloré Green Hub / **1st in logistics category** /	
2011		• Rolls-Royce Wide Chord Fan Blade Manufacturing Facility • Rolls-Royce Test Bed Facility / **1st in aerospace category** /	
2010			• IBM Singapore Technology Park (Gold) • Sun Venture Investments@50 Scotts Road (Gold)
2009		• Applied Materials Building / **1st in heavy industry category** /	• StarHub Green (Gold)

Legend

ASRA: Asia Sustainability Reporting Awards
BCA: Building & Construction Authority
BIM: Building Information Modelling
BP: Boustead Projects
BP E&C: Boustead Projects E&C
BS: Boustead Singapore
BSWS: Boustead Salcon Water Solutions
ES: Enterprise Singapore
ESG: Environmental, social and governance
FA ABC: FinanceAsia Asia's Best Companies
IRM AC SEA: IR Magazine Awards & Conference South East Asia
LEED: Leadership in Energy & Environmental Design

Awarded by:		
USGBC	WSHC	Others
LEED Gold	bizSAFE, Safety & SHARP Awards	ESG, Investor & Quality Awards
3 awards	23 awards	17 awards
		• BS: Singapore's Best Employers 2020 – The Straits Times and Statista
	• Bolloré Blue Hub • Veolia Hazardous Chemical Waste Treatment Complex	• BS: Most Transparent Company (Winner), Industrials Category – SIAS ICA • BS: Sustainability Award (Runner-Up), Mid Cap Category – SIAS ICA • BS: Best Liquidity and Investments Solution Regional – The Asset Triple A Awards • Boustead FY2020 Longevity Report: Asia's Best First Time Sustainability Report Finalist – ASRA • BP FY2020 Longevity Report: Asia's Best First Time Sustainability Report Finalist – ASRA
	• BP E&C: WSH Performance (Silver) Award • ALICE@Mediapolis	
	• GSK Asia House	• BP: Singapore Corporate Governance Award, Newly Listed Category – SIAS ICA • BP E&C: Singapore Quality Class Certification under ES Business Excellence Framework • BS: Best Small Cap in Singapore – FA ABC • BS: Best at Investor Relations (3rd) – FA ABC
• Kuehne+Nagel Singapore Logistics Hub	• Kuehne+Nagel Singapore Logistics Hub	• BS: Certificate for Excellence and Nomination for Best IR in Singapore – IRM AC SEA • Loh Kai Keong: Best CFO, Mid Cap Category – SCA
	• MTU Asia Pacific HQ	• BS: Singapore Golden Jubilee Business Award
	• DB Schenker Shared Logistics Center 3 (Tampines LogisPark) (Commendation)	
• Kerry Logistics Centre • Bolloré Green Hub **/ 1st LEED Gold in logistics industry in Asia /**		
	• BSWS: bizSAFE Star • BP: WSH Performance (Silver) Award • Bolloré Green Hub	
	• 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 • Le FreePort • Singapore Aero Engine Services	• BS: Most Transparent Company (Runner-Up), Construction Category – SIAS ICA
	• BP: bizSAFE Star • BP: WSH Performance (Silver) Award • StarHub Green	• BS: Forbes Asia 200 Best Under a Billion • BS: Most Transparent Company (Runner-Up), Construction Category – SIAS ICA • Wong Fong Fui: Best CEO, Mid Cap Category – SCA

SCA: Singapore Corporate Awards
SHARP: Safety & Health Award Recognition for Projects
SIAS ICA: Securities Investors Association (Singapore) Investors' Choice Awards
USGBC: US Green Building Council
WSH: Workplace Safety & Health
WSHC: Workplace Safety & Health Council

Board of Directors

Wong Fong Fui

Chairman &
Group Chief Executive Officer ("CEO")
- Member, Nominating Committee

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

Appointed: 15 April 1996
Last re-elected: 28 July 2016

Mr Wong was appointed as our Chairman & Group CEO in 1996. An entrepreneur with proven success in diverse fields, he began his career as a chemical engineer in the oil & gas industries and subsequently co-founded various private engineering and construction corporations in his early years. Prior to joining the Boustead Group, he was Group Managing Director of QAF Ltd, a conglomerate which he successfully turned around from 1988 to 1996, with a focused strategy on growing food manufacturing and retail businesses including Gardenia. He was instrumental in the startup and privatisation of national carrier, Myanmar Airways International from 1993 to 1998. In 2009, he was named Best CEO (Mid-Cap Category) at the Singapore Corporate Awards. That same year, he was also appointed by the Singapore Government's Ministry of Finance to sit on the Economic Strategies Committee and as Co-Chairman for the Land Sub-Committee. In 2014, he received an Honorary PhD of Business from his alma mater, the UNSW. In 2015, the Singapore Chinese Chamber of Commerce & Industry awarded him the SG50 Outstanding Chinese Business Pioneers Award. From 2016 to 2018, he sat on the National University of Singapore Board of Trustees.

Wong Yu Loon

Executive Director &
Deputy Group Chief Executive Officer ("Deputy Group CEO")

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

Appointed: 2 April 2013
Last re-elected: 26 July 2018

Mr Wong joined the Boustead Group in 2003 and was appointed as our Executive Director in 2013 and Deputy Group CEO in 2016. He began his role here as Corporate Planning Manager and was subsequently promoted to Group Investment Director before assuming his current position. He is responsible for assisting our Group CEO in overseeing strategic execution, business development and day-to-day management and operations. He has over a decade of extensive mergers and acquisitions, and corporate and financial advisory experience, having worked with various corporate financial institutions and investment banks regionally.

Dr Tan Khee Giap

Independent Non-Executive Director
- Chairman, Audit & Risk Committee
- Member, Nominating Committee
- Member, Remuneration Committee

PhD (Monetary Economics), University of East Anglia

Appointed: 28 June 2018
Last re-elected: 26 July 2018

Dr Tan was appointed as our Independent Non-Executive Director in 2018. He is currently Associate Professor of Public Policy at the Lee Kuan Yew School of Public Policy, National University of Singapore and the Chairman of the Singapore National Committee for Pacific Economic Cooperation. He relinquished his role as independent non-executive director of Boustead Projects Limited in 2018 following his appointment to our Board. He is currently independent non-executive director of Amcorp Global Ltd, BreadTalk Group Ltd, Chengdu Rural Commercial Bank Co Ltd and Lian Beng Group Ltd, and senior business advisor to United Overseas Bank Ltd. He has consulted extensively at several of the Singapore Government's ministries, statutory boards and government-linked corporations and has served as a member of the Resource Panels of the Government Parliamentary Committees for Defence & Foreign Affairs, Finance and Trade & Industry, and Transport since 2007.

Chong Ngien Cheong

Independent Non-Executive Director
- Chairman, Nominating Committee
- Member, Audit & Risk Committee
- Member, Remuneration Committee

Bachelor of Commerce, Nanyang University

Appointed: 23 May 1996
Last re-elected: 26 July 2019

Mr Chong was appointed as our Independent Non-Executive Director in 1996. He is currently 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, Chartered Institute of Public Relations
Fellow, Hong Kong Management Association

Appointed: 21 September 2000
Last re-elected: 26 July 2018

Mr Scotchbrook was appointed as our Independent Non-Executive Director in 2000. With over 50 years of extensive corporate communications and crisis management experience, he founded Scotchbrook Communications Ltd, a firm focused on corporate and financial communications and investor relations. A proponent of good corporate governance, he is currently non-executive director of Convenience Retail Asia Ltd and independent non-executive director of Del Monte Pacific Ltd. He is a Fellow of the British Chartered Institute of Public Relations and Hong Kong Management Association.

Liak Teng Lit

Independent Non-Executive Director
- Member, Audit & Risk Committee

Bachelor of Pharmacy, National University of Singapore (“NUS”)
Master of Science (Pharmaceutical Sciences), Aston University
Master of Business Administration, NUS

Appointed: 1 April 2020

Mr Liak was appointed as our Independent Non-Executive Director in 2020. With over 40 years of extensive healthcare experience, he is currently on the boards of At-Sunrice GlobalChef Academy and Pathlight School. He was previously Group Chief Operating Officer of Perennial Real Estate Holdings Ltd and Chief Executive Officer (“CEO”) of Perennial Healthcare Pte Ltd. Prior to this, he held several public healthcare positions including Group CEO of Alexandra Health System and CEO of Khoo Teck Puat Hospital, Alexandra Hospital, Changi General Hospital and Toa Payoh Hospital. He was also involved in the restructuring of major public hospitals including Kandang Kerbau Hospital, National University Hospital and Singapore General Hospital. He previously served as Chairman of the National Environment Agency and Public Hygiene Council, and on the boards of Alexandra Health System, Centre for Liveable Cities, National Parks Board, National Philanthropy & Volunteer Centre, NorthLight School, NTUC First Campus, NTUC Health and Singapore Tourism Board, among others.

Key Management Team

Group Headquarters

Wong Fong Fui
Chairman & Group Chief Executive Officer
Boustead Singapore Limited, 1996
Profiled under Board of Directors, page 58

Wong Yu Loon
Executive Director & Deputy Group Chief Executive Officer
Boustead Singapore Limited, 2003
Profiled under Board of Directors, page 58

Chan Shiok Faun
Group Chief Financial Officer
Boustead Singapore Limited, 1991

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

Yeo Wee Leong
Senior Vice President – Internal Audit
Boustead Singapore Limited, 2008

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

Energy Engineering

Downstream Oil & Gas/ Petrochemicals

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

Upstream Oil & Gas

Prasun Chakraborty
Managing Director
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

Anindya Chakraborty
Country Manager
Boustead Controls & Electrics (India) Pvt Ltd, 2004

Water & Wastewater Engineering

Roland Ang
Chief Executive Officer
Boustead Salcon Water Solutions Pte Ltd, 2020

Michael Teo
Project Director
Boustead Salcon Water Solutions Pte Ltd, 1989

Sun Ping
Business Development Director
Boustead Salcon Water Solutions Pte Ltd, 2004

Real Estate

Thomas Chu
Managing Director
Boustead Projects Limited, 1997

Wong Yu Wei
Executive Director
Boustead Projects Limited, 2009

Raymond Lum
Chief Operating Officer
Boustead Projects Limited, 2018

Lee Keen Meng
Chief Financial Officer
Boustead Projects Limited, 2009

Steven Koh
Deputy Managing Director (Operations)
Boustead Projects E&C Pte Ltd, 1999

Liew Kau Keen
Director (Business Development)
Boustead Projects E&C Pte Ltd, 2001

Howard How
Director (Environmental, Health & Safety)
Boustead Projects E&C Pte Ltd, 2007

Neo Eng Huat
Director (Audit & Improvement)
Boustead Projects E&C Pte Ltd, 2007

Nicholas Heng
Director (Projects)
Boustead Projects E&C Pte Ltd, 2007

Charlie Chan
Director (Operations)
Boustead Projects E&C Pte Ltd, 2019

Samuel Lim
Director (Real Estate)
Boustead Funds Management Pte Ltd, 2019

Geospatial

Esri Australia

Brett Bundock
Managing Director
Esri Australia Pty Ltd, 1988

Kaylee Holdsworth
Chief Financial Officer
Esri Australia Pty Ltd, 2006

Mark Billing
Chief Sales Officer
Esri Australia Pty Ltd, 2005

Jeffrey Robinson
Chief Information Officer
Esri Australia Pty Ltd, 2011

Raquel Jackson
Chief Marketing Officer
Esri Australia Pty Ltd, 2011

Kate Ramsay
Chief Client Officer
Esri Australia Pty Ltd, 2006

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

Dr Achmad Istamar
Chief Executive Officer
PT Esri Indonesia, 2016

Healthcare

Goh Boon Seong
Chief Executive Officer
WhiteRock Incorporation Pte Ltd, 1999

Jason Jia
Deputy Chief Executive Officer
WhiteRock Incorporation Pte Ltd, 1996

Ang Eng Joo
Managing Director – South East Asia & Chief Technology Officer
WhiteRock Incorporation Pte Ltd, 1988

Tay Eng Hean
Managing Director – Sleep Health Management & WhiteRock Hong Kong
WhiteRock Incorporation Pte Ltd, 1999

Stakeholder Relations

Stakeholder Communications

For more than 15 years, investor relations ("IR") has been a key facet of Boustead's holistic communications with stakeholders. Our IR Team has proactively communicated with analysts, investors, the media and global financial community in an accurate, consistent, sincere, timely and transparent manner. During 2018, with the launch of our inaugural Boustead FY2018 Longevity Report (Sustainability Report), we added yet another avenue of annual communications with stakeholders.

All our annual reports, company announcements and financial results announcements for at least the past five years, as well as substantial information that would be of interest to investors are available at **www.boustead.sg/investor_centre.**

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

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

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

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

For our strong efforts in corporate governance, transparency and sustainability, Boustead was honoured with the Most Transparent Company (Winner) in the Industrials Category and Sustainability Award (Runner-Up) in the Mid Cap Category at the Securities Investors Association (Singapore) Investors' Choice Awards 2019.

In addition, we were recognised on several other fronts by other stakeholder groups for our strong efforts in treasury management and talent management. We were awarded the Best Liquidity & Investments Solution Regional Award at The Asset Triple A Treasury, Trade, Supply Chain & Risk Management Awards 2019. The Straits Times and global research firm Statista also released their inaugural Singapore's Best Employers 2020, presenting a ranking of the 150 most attractive employers in Singapore to work for. In this national talent management survey, Boustead was ranked 38th overall, 2nd in our respective industry category of Business Services & Supplies (including Real Estate) and 7th for Singapore global-headquartered corporations, based on over 160,000 evaluations conducted across 25 industries for corporations employing at least 200 people, of which there are about 1,800 such corporations in Singapore including Fortune 500 corporations, large multinational corporations and our homegrown corporations.

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

Summary of FY2020 Investor Relations Activities

55
face-to-face/ teleconference investor meetings hosted
(FY2019: 45)

78
investors met
(FY2019: 382)

0
investor conferences/ events attended
(FY2019: 3)

3
research firms providing coverage:

- CIMB Research
- Seeking Alpha
- UOB Kay Hian

Delivering Value to Shareholders

3.0¢*
dividends for FY2020

68.0¢**
total return to shareholders over past decade

S$292.3 million
market capitalisation at end of FY2020

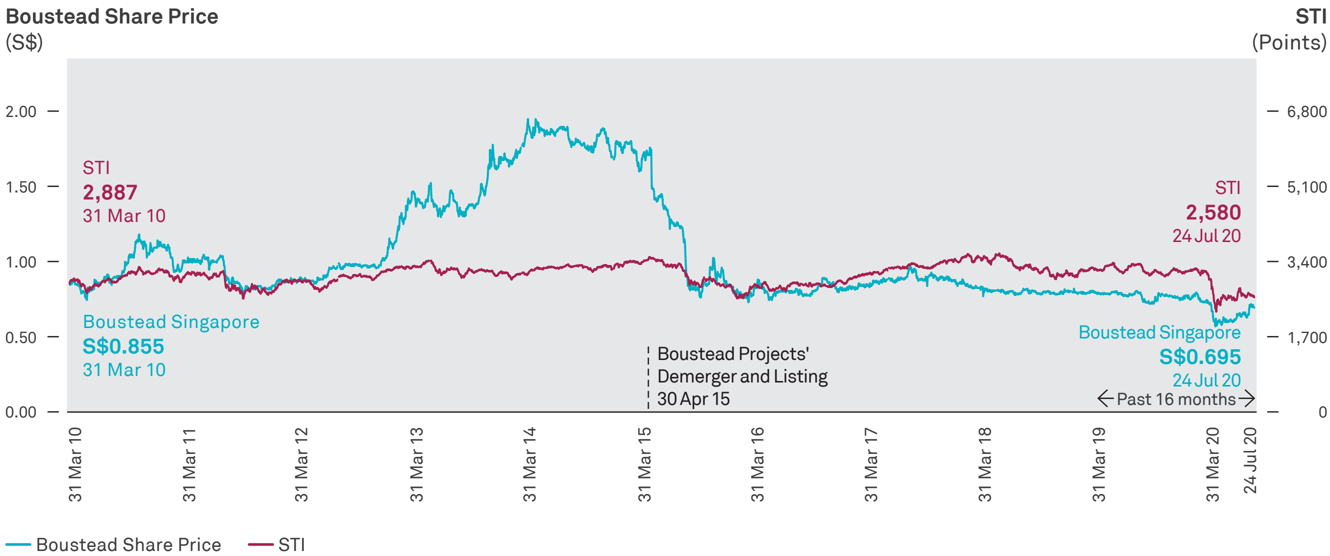
S$38.1 million
worth of net share buybacks conducted over past decade

* *Includes proposed final dividend of 2 cents per share for FY2020.*
** *Includes dividends and net share buybacks but excludes capital gains over the past decade, for comparative review.*

FY2020 Calendar	
Date	**Activity/Event**
Jul 2019	• FY2019 annual report • Annual general meeting • Extraordinary general meeting
Aug 2019	• 1Q FY2020 financial results announcement • FY2019 longevity report
Sep 2019	• FY2019 final dividend of 2 cents in cash/scrip
Nov 2019	• 2Q FY2020 financial results announcement
Dec 2019	• FY2020 interim dividend of 1 cent
Jul 2020	• FY2020 financial results announcement

FY2021 Calendar***	
Date	**Activity/Event**
Aug 2020	• FY2020 annual report • Annual general meeting • Extraordinary general meeting
Sep 2020	• FY2020 final dividend of 2 cents (proposed)
Oct 2020	• FY2020 longevity report
Nov 2020	• 1H FY2021 financial results announcement
May 2021	• FY2021 financial results announcement

Share Performance and STI Commentary



Opening FY2020 at S$0.785, Boustead's share price decreased by approximately 11% over the past 16 months, touching a high of S$0.820 on 16 July 2019 and low of S$0.545 on 23 March 2020 and recovering to close at S$0.695 on 24 July 2020. A major cause behind the share price decrease was the onset of the COVID-19 pandemic.

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

Corporate Information

Directors

Wong Fong Fui
Chairman &
Group Chief Executive Officer

Wong Yu Loon
Executive Director & Deputy Group
Chief Executive Officer

Dr Tan Khee Giap
Independent Non-Executive
Director

Chong Ngien Cheong
Independent Non-Executive
Director

Godfrey Ernest Scotchbrook
Independent Non-Executive
Director

Liak Teng Lit
Independent Non-Executive
Director

Audit & Risk Committee

Dr Tan Khee Giap
Chairman

Chong Ngien Cheong

Godfrey Ernest Scotchbrook

Liak Teng Lit

Nominating Committee

Chong Ngien Cheong
Chairman

Dr Tan Khee Giap

Wong Fong Fui

Remuneration Committee

Godfrey Ernest Scotchbrook
Chairman

Chong Ngien Cheong

Dr Tan Khee Giap

Share Registrar

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

Auditors

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

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

Principal Bankers

United Overseas Bank Ltd

DBS Bank Ltd

Malayan Banking Bhd

The Hongkong and Shanghai Banking Corporation Ltd

Sumitomo Mitsui Banking Corporation

CIMB Bank Bhd

Place of Incorporation

Singapore

Date of Incorporation

18 June 1975

Company Secretary

Alvin Kok

Company Registration

197501036K

Registered Office

Boustead Singapore Limited
82 Ubi Avenue 4
#08-01 Edward Boustead Centre
Singapore 408832

Stock Exchange Listing

Singapore Exchange Securities Trading Ltd

Financial Statements

Contents

Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

In the opinion of the directors,

(a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 105 to 209 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 March 2020 and the financial performance, changes in equity and cash flows of the Group for the financial year 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
Wong Yu Loon
Dr Tan Khee Giap
Chong Ngien Cheong
Godfrey Ernest Scotchbrook
Liak Teng Lit (Appointed on 1 April 2020)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

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

	Holdings registered in name of director		Holdings in which director is deemed to have an interest	
	At 31.3.2020	At 1.4.2019	At 31.3.2020	At 1.4.2019
The Company – Boustead Singapore Limited				
(No. of ordinary shares)				
Wong Fong Fui	**-**	-	**205,048,032**	177,871,829
Chong Ngien Cheong	**-**	400,000	**-**	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
Chong Ngien Cheong	**-**	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 2020 were the same as those as at 31 March 2020.

SHARE OPTIONS

No options were granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company under option at the end of the financial year.

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 the Company in their capacity as directors and/or executives of the Company.

Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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
Dr Tan Khee Giap

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) There were no share awards granted or vested pursuant to the 2011 Share Plan during the year. The details of share awards granted and vested since the commencement of the 2011 Share Plan are as follows:

Name of participant	Number of shares comprised in awards granted during the financial year	Aggregate number of shares comprised in awards since commencement of the 2011 Share Plan to end of financial year	Aggregate number of shares comprised in awards vested since commencement of the 2011 Share Plan to end of financial year	Aggregate number of shares comprised in awards outstanding as at end of financial year
<u>Associate of Controlling Shareholder of the Company</u>				
Wong Yu Wei	-	120,715	(120,715)	-
Employees of the Company's subsidiary	-	1,074,971	(1,074,971)	-
	-	1,195,686	(1,195,686)	-

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 2020

AUDIT & RISK COMMITTEE

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

Dr Tan Khee Giap (Chairman)
Chong Ngien Cheong
Godfrey Ernest Scotchbrook
Liak Teng Lit (appointed on 1 April 2020)

The Audit & Risk Committee met 3 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, half-year and full-year announcements on the consolidated financial statements of the Group and the changes in equity and financial position of the Company;

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

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

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

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

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

INDEPENDENT AUDITOR

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

On behalf of the directors

Wong Fong Fui
Director

Wong Yu Loon
Director

30 July 2020

Corporate Governance

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

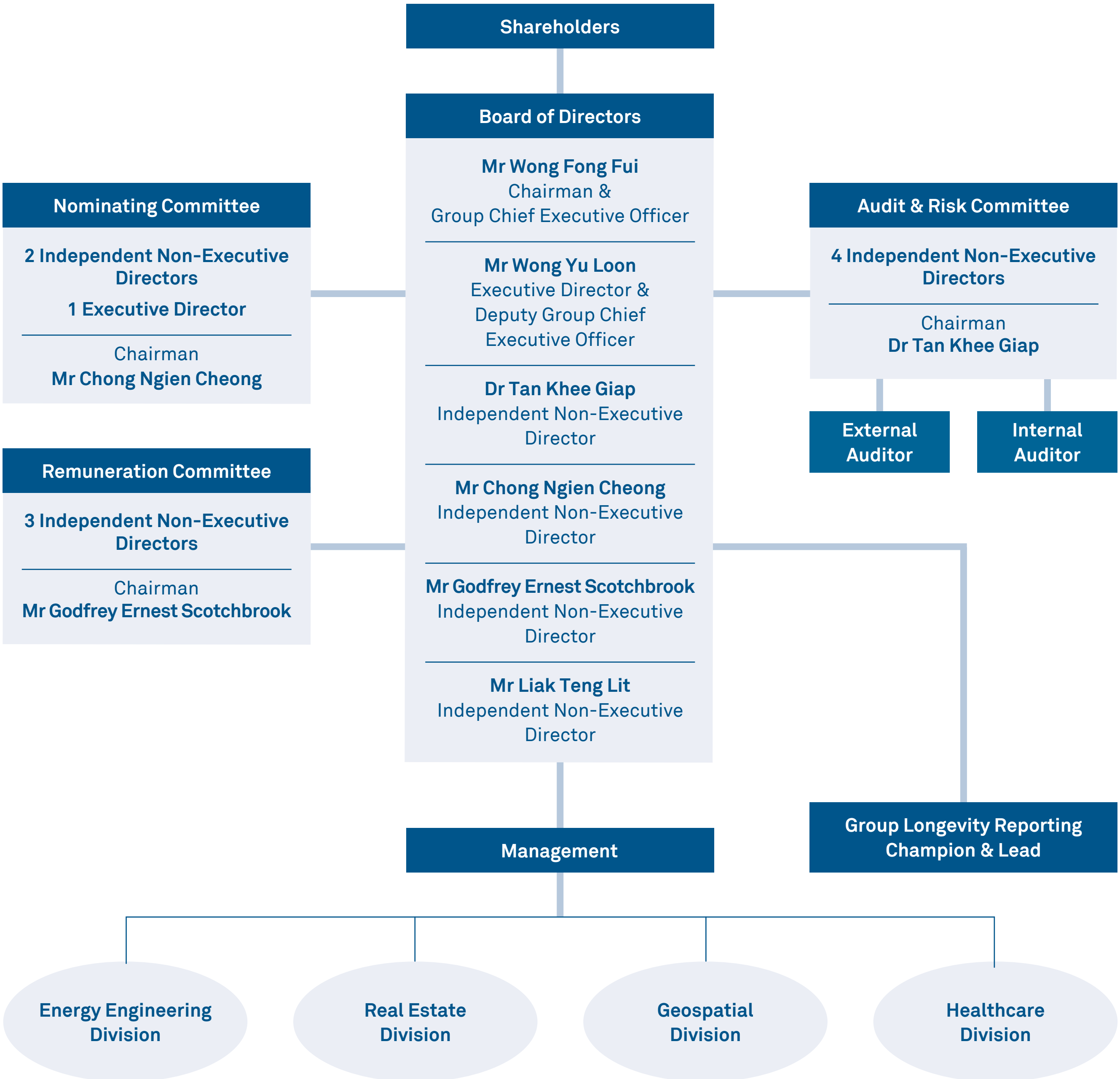
The Board is pleased to present this Corporate Governance Report ("**Report**") which outlines the Company's corporate governance practices for the financial year ended 31 March 2020 ("**FY2020**") with specific reference made to the principles and provisions of the Code and accompanying Practice Guidance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

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

Corporate Governance

GOVERNANCE FRAMEWORK

The Company's governance structure is as follows:



Corporate Governance

BOARD MATTERS

The Board's Conduct of Affairs

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

Board Duties and Responsibilities

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

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

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

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

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

Corporate Governance

Conflict of Interests

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

Understanding of Directors' Role

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

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

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

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

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

As at 31 March 2020, all of the non-executive directors on the Board had have many years of board experience and were therefore familiar with the duties and responsibilities of a director of a listed issuer. Mr Liak Teng Lit, who was appointed as director of the Company on 1 April 2020 and who did not have prior experience as a director of a listed issuer, will be enrolled on the Listed Entity Directors Programme conducted by SID in accordance with the requirements under the Listing Manual of the SGX-ST.

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

Corporate Governance

Delegation of Authority

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

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

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

The Company's Real Estate Division, operating under the Company's subsidiary Boustead Projects Limited, is listed separately on SGX-ST. It has its own board of directors that is responsible for the overall leadership, control and management of the division.

Board Committees

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

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

Board Meetings

The Board conducts a minimum of two scheduled meetings a year, in line with the move to semi-annual reporting by the Company with effect from 7 February 2020. This schedule is normally determined during the fourth quarter of each calendar year for the forthcoming financial year to allow directors to plan for attendance at these meetings. Where necessary, additional Board meetings are also held to address significant transactions or issues that arise.

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

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

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

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

Corporate Governance

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

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

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

	Board		Ad Hoc Board		Audit & Risk Committee		Nominating Committee		Remuneration Committee	
Name of Director	No. Held [1]	No. Attended	No. Held [1]	No. Attended	No. Held [1]	No. Attended	No. Held [1]	No. Attended	No. Held [1]	No. Attended
Wong Fong Fui	3	3	1	1	-	-	1	1	-	-
Wong Yu Loon	3	3	1	1	-	-	-	-	-	-
Dr Tan Khee Giap [2]	3	3	1	1	3	3	1	1	-	-
Chong Ngien Cheong	3	3	1	1	3	3	1	1	1	1
Godfrey Ernest Scotchbrook	3	3	1	1	3	3	-	-	1	1
Loh Kai Keong [3] [4]	3	3	-	-	3	3	-	-	1	1
Liak Teng Lit [5]	-	-	-	-	-	-	-	-	-	-

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

(2) *Dr Tan Khee Giap was appointed as a member of the Remuneration Committee on 31 January 2020.*

(3) *Mr Loh Kai Keong resigned as a director of the Company on 31 January 2020 and consequently ceased to be a member of the Audit & Risk Committee and Remuneration Committee.*

(4) *Mr Loh Kai Keong attended three (3) Board and Audit & Risk Committee meetings and one (1) Remuneration Committee meeting as a member before his cessation as member of these Board Committees on 31 January 2020.*

(5) *Mr Liak Teng Lit was appointed as a director of the Company on 1 April 2020.*

Access to Information

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

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

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

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

Corporate Governance

Role of Company Secretary

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

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

Commitment to Sustainability

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

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

Board Composition and Guidance

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

Board Composition

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

Wong Fong Fui (Chairman & Group Chief Executive Officer)
Wong Yu Loon (Executive Director & Deputy Group Chief Executive Officer)
Dr Tan Khee Giap (Independent Non-Executive Director)
Chong Ngien Cheong (Independent Non-Executive Director)
Godfrey Ernest Scotchbrook (Independent Non-Executive Director)
Liak Teng Lit (Independent Non-Executive Director)

Board Independence

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

Corporate Governance

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

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

The Nominating Committee has reviewed the independence of each of the current directors taking into account the guidance in the Code, the Practice Guidance and the SGX-ST Listing Manual, and is satisfied that apart from Mr Wong Fong Fui and Mr Wong Yu Loon, all of the other directors are independent.

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.

Board Diversity

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

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

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

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

Corporate Governance

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

Non-Executive Directors

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

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

Chairman and Managing Director/Chief Executive Officer

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

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

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

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, in the management of day-to-day operations. Whilst Mr Wong Yu Loon is the son of Mr Wong Fong Fui, more than half of the Board is made up of independent directors and the various board committees are chaired by and comprise a majority of independent directors. The Board has consistently demonstrated it is able to exercise independent decision-making. Because of this, the Board has not appointed a lead independent director to date. 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.

Board Membership

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

Nominating Committee

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

1. Chong Ngien Cheong, Chairman (Independent Non-Executive Director)
2. Dr Tan Khee Giap (Independent Non-Executive Director)
3. Wong Fong Fui

Corporate Governance

Terms of Reference

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

(a) reviewing and recommending candidates for appointments to the Board and Board Committees (excluding the appointment of existing members of the Board to each of the Audit & Risk Committee, Nominating Committee and Remuneration Committee for the purposes of the initial establishment of such Board Committees), as well as candidates for senior management staff, who are not also candidates for appointment to the Board;

(b) reviewing of board succession plans for the directors, in particular, the Chairman and the Chief Executive Officer;

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

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

(e) reviewing and recommending directors for re-appointment or re-election;

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

(g) determining the independence of the directors;

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

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

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

Selection of New Directors

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

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

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

Corporate Governance

Re-Nomination of Directors

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

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

Pursuant to Article 94 of the Company's Constitution, Dr Tan Khee Giap and Mr Godfrey Ernest Scotchbrook shall be retiring at the AGM to be held on 25 August 2020. At the recommendation of the Nominating Committee, Dr Tan Khee Giap and Mr Godfrey Ernest Scotchbrook will be seeking re-election at the forthcoming AGM. If re-elected, Dr Tan Khee Giap will remain as Chairman of the Audit & Risk Committee and member of the Nominating Committee and Remuneration Committee, and Mr Godfrey Ernest Scotchbrook will remain as Chairman of the Remuneration Committee and member of the Audit & Risk Committee.

Pursuant to Article 98 of the Company's Constitution, any director appointed by the Board shall hold office only until the next following annual general meeting and shall then be eligible for re-election. Accordingly, Mr Liak Teng Lit, who was appointed as a director on 1 April 2020, shall be retiring at the AGM to be held on 25 August 2020. At the recommendation of the Nominating Committee, Mr Liak Teng Lit will be seeking re-election at the forthcoming AGM. If re-elected, Mr Liak Teng Lit will remain as a member of the Audit & Risk Committee.

The Nominating Committee has considered the performance and contribution of Dr Tan Khee Giap, Mr Godfrey Ernest Scotchbrook and Mr Liak Teng Lit and recommended to the Board their re-election as directors at the AGM to be held on 25 August 2020. The Board has concurred with the Nominating Committee to recommend their re-election as directors at the AGM to be held on 25 August 2020.

Please see the relevant details of Dr Tan Khee Giap, Mr Godfrey Ernest Scotchbrook and Mr Liak Teng Lit, each of whom is standing for re-election as a director at the forthcoming AGM, as required to be disclosed pursuant to Rule 720(6) of the Listing Manual of the SGX-ST in the section "Additional Information on Directors Seeking Re-election Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST" below.

Assessment of Independence

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

To facilitate this process, directors are required disclose, among other things, their relationships with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement in the best interests of the Company. An independent director shall notify the Nominating Committee immediately, if as a result of a change in circumstances, he no longer meets the criteria for independence. The Nominating Committee shall review the change in circumstances and make its recommendations to the Board.

The Nominating Committee has reviewed the independence of each director in accordance with the guidance in the Code, the Practice Guidance the SGX-ST Listing Manual and is satisfied of the independence of the independent directors, i.e. Dr Tan Khee Giap, Mr Chong Ngien Cheong, Mr Godfrey Ernest Scotchbrook and Mr Liak Teng Lit, who collectively comprise a majority of the Board.

Corporate Governance

Assessment of Directors' Commitment

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

(a) the respective director's preparation for and participation at Board meetings;

(b) the assessment of the effectiveness of the individual director; and

(c) the assessment of the time and attention given by each director to the affairs of the Company and the Group.

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

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

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	26 July 2018	-	-
Dr Tan Khee Giap	Independent Non-Executive Director	28 June 2018	26 July 2018	Amcorp Global Limited Lian Beng Group Ltd	BreadTalk Group Limited Boustead Projects Limited
Chong Ngien Cheong	Independent Non-Executive Director	23 May 1996	27 July 2019	-	-
Godfrey Ernest Scotchbrook	Independent Non-Executive Director	21 September 2000	26 July 2018	Convenience Retail Asia Ltd Del Monte Pacific Limited	-
Liak Teng Lit	Independent Non-Executive Director	1 April 2020	-	-	-

Please also refer to the sections "Board of Directors" on pages 58 to 59, and the section "Additional Information on Directors Seeking Re-election Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST" on pages 96 to 100, of the Annual Report 2020 for information on other principal commitments of the directors.

Corporate Governance

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

Board Performance

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

Assessment of Composition and Skill Set of the Board

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

The Nominating Committee is of the view that the primary aim of this annual evaluation of the Board is to assess whether the Board as a whole continues to perform effectively. This exercise also provides a platform for the Board members to exchange feedback on the Board’s strengths and shortcomings with a view to strengthening the effectiveness of the Board.

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

Evaluation Process and Criteria

The Board, based on the recommendation of the Nominating Committee, adopts a formal process with objective performance criteria for the annual evaluation of the effectiveness and performance of the Board and the Board Committees as a whole.

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

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

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

The Nominating Committee has conducted an evaluation of the Board and the Board Committees in respect of FY2020. No external facilitator was engaged for the purpose of these evaluations as the Nominating Committee and the Board are of the view that the current evaluation process is adequate. Moving forward, where appropriate, the Board will consider such engagement.

Based on such evaluation, the Nominating Committee and the Board are satisfied with the performance and effectiveness of the Board and the Board Committees as a whole for FY2020. For future Board evaluations, the Nominating Committee will seek to add the evaluation of individual directors, covering both self-evaluation and peer evaluation, taking into account numerous factors, including the directors’ attendance, participation and contribution at the Board and various Board Committee meetings.

Corporate Governance

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

Level and Mix of Remuneration

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

Disclosure on Remuneration

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

Remuneration Committee

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

1. Godfrey Ernest Scotchbrook, Chairman (Independent Non-Executive Director)
2. Chong Ngien Cheong (Independent Non-Executive Director)
3. Dr Tan Khee Giap (Independent Non-Executive Director)

Terms of Reference

According to the written terms of reference of the Remuneration Committee, read together with the Code, the Remuneration Committee is authorised to, among other things, provide a formal, transparent and objective procedure for developing policies on director and executive remuneration, as well as for fixing the remuneration packages of individual directors and key management personnel. The Remuneration Committee also implements and administers the Boustead Restricted Share Plan 2011 ("**2011 Share Plan**") (on which further information is set out in the section "Boustead Restricted Share Plan 2011" below).

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

The Remuneration Committee, with recommendation from Management, will put forward the list of employees and the amount of share awards to be granted under the 2011 Share Plan to the Board for endorsement.

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

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

In carrying out its terms of reference, the Remuneration Committee has direct access to the Company's Senior Vice-President, Group Human Resources, should they have any queries on human resources matters. The Remuneration Committee may also obtain independent external legal and other professional advice as it deems necessary. The expenses of such advice will be borne by the Company. The Remuneration Committee did not appoint any remuneration consultants in FY2020 but has had the benefit of relevant data from market surveys carried out by leading firms of compensation consultants.

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

Corporate Governance

Remuneration Policy and Framework

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

Remuneration of Non-Executive Directors

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

Apart from the fixed fees described above, the non-executive directors are also eligible to participate in the 2011 Share Plan. The Board believes that allowing non-executive directors to participate in the 2011 Share Plan will give them a stake in the Company while providing the Company with additional flexibility in compensating them for their services, and enabling the Company to attract and retain experienced and qualified individuals from a wide range of professional backgrounds to join the Company. No shares have been awarded to non-executive directors under the 2011 Share Plan to date. A description of the 2011 Share Plan is set out in the section "Boustead Restricted Share Plan 2011" below.

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

	Fee per Annum
Board Member	S$30,000
Chairman of the Board	S$20,000
Audit and Risk Committee	
Chairman	S$30,000
Member	S$15,000
Nominating Committee	
Chairman	S$10,000
Member	S$5,000
Remuneration Committee	
Chairman	S$10,000
Member	S$5,000

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

Corporate Governance

Remuneration of Executive Directors and Management

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

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

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

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

Complementing the fixed and variable components of the remuneration package described above is the long-term incentive in the form of share awards that can be granted under the 2011 Share Plan. This long-term incentive is applicable only to selected employees whose role and services have been identified to be of significant importance to the performance and growth of the Company. Such long-term incentives would give recognition to these selected employees and promote commitment, dedication and loyalty to the Group. There was no grant of share awards to eligible employees for FY2020. A description of the 2011 Share Plan is set out in the section "Boustead Restricted Share Plan 2011" below.

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

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

Remuneration of Non-Executive Directors for FY2020

The aggregate directors' fees paid to the non-executive directors for FY2020 amounted to approximately S$259,000, details of which are set out below:

Name of Director	Directors' Fee S$'000	Total S$'000
Dr Tan Khee Giap	74	74
Chong Ngien Cheong	69	69
Godfrey Ernest Scotchbrook	67	67
Loh Kai Keong *	49	49
Liak Teng Lit **	-	-

* *Mr Loh Kai Keong resigned as a director of the Company on 31 January 2019.*

** *Mr Liak Teng Lit was appointed as a director of the Company on 1 April 2019.*

The payment of directors' fees up to S$272,000 for FY2020 was approved by shareholders as a lumpsum at the AGM held on 26 July 2019.

Corporate Governance

Remuneration of Executive Directors and Key Management Personnel for FY2020

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

Name	Salary	Bonus	Fees	Other Benefits	Total
Executive Directors					
S$500,000 to S$749,999					
Wong Fong Fui	43%	52%	-	5%	100%
S$250,000 to S$499,999					
Wong Yu Loon	70%	23%	-	7%	100%
Key Management Personnel					
S$750,000 to S$999,999					
Thomas Chu Kok Hong	57%	34%	-	9%	100%
Doug Van Gelder	19%	81%	-	-	100%
Brett John Bundock	47%	49%	-	4%	100%
S$500,000 to S$749,999					
Wong Yu Wei	58%	31%	-	11%	100%
S$250,000 to S$499,999					
Koh Boon Teik	59%	29%	-	12%	100%

The total remuneration paid to the above five key management personnel, other than the executive directors, for FY2020 was approximately S$3,651,000.

The Board has, after careful deliberation, decided to disclose the remuneration of the Chairman and Group Chief Executive Officer, Mr Wong Fong Fui, and Executive Director and Deputy Group Chief Executive Officer, Mr Wong Yu Loon, for FY2020 in remuneration bands of S$250,000 and by a percentage breakdown in terms of categories and components, instead of disclosing the exact remuneration. This is a variation from Provision 8.1(a) of the Code which provides, among other things, that the amounts of remuneration of each individual director and the CEO are disclosed in the annual report.

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

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

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

Corporate Governance

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 eligible executive employees, non-executive directors of the Company as well as associates of controlling shareholders of the Company are invited to participate in the 2011 Share Plan. The selection of eligible participants in the 2011 Share Plan shall be determined at the absolute discretion of the committee appointed by the Board to administer the 2011 Share Plan. The participation of associates of controlling shareholders shall be approved by independent members of the Company. Further information on the 2011 Share Plan can be found on pages 68 and 182 of the Annual Report.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

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

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

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

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

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

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

Corporate Governance

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

(a) the Group Chief Executive Officer and the Group Chief Financial Officer that as of 31 March 2020, the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

(b) the Group Chief Executive Officer and other key management personnel that as of 31 March 2020, the Group's risk management and internal control systems to address the key financial, operational, compliance and information technology risks affecting the operations are adequate and effective to meet the needs of the Group in its current business environment.

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

AUDIT & RISK COMMITTEE

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

Audit & Risk Committee

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

1. Dr Tan Khee Giap, Chairman (Independent Non-Executive Director)
2. Chong Ngien Cheong (Independent Non-Executive Director)
3. Godfrey Ernest Scotchbrook (Independent Non-Executive Director)
4. Liak Teng Lit (Independent Non-Executive Director)

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

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

Terms of Reference

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

(a) overseeing the adequacy of the controls established by Management to identify and manage areas of potential risk and to safeguard the assets of the Company;

(b) evaluating the processes in place to ensure that accounting records are properly maintained in accordance with statutory requirements and financial information provided to shareholders and the directors is accurate and reliable;

(c) reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;

(d) reviewing with external and internal auditors and reporting to the Board at least annually the adequacy and effectiveness of the Company's internal controls system, including financial, operational, compliance and information technology controls (such review can be carried out internally or with the assistance of any competent third parties);

Corporate Governance

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

(f) reviewing the effectiveness of the internal audit function;

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

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

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

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

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

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

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

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

(o) reviewing the risk management structure (including all hedging policies) and any oversight of the risk management processes and activities to mitigate and manage risk at acceptable levels determined by the directors;

(p) reporting to the Board the work performed by the Audit & Risk Committee in carrying out its functions;

(q) reviewing the co-operation given by officers to the external auditors; and

(r) performing any other act as delegated by the Board and approved by the Audit & Risk Committee.

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

(a) review at least annually the adequacy and effectiveness of the Company's risk management systems;

(b) review the assurance from the Group Chief Executive Officer and the Group Chief Financial Officer on the financial records and financial statements;

(c) review the adequacy and independence of the Company's internal audit function; and

(d) review the adequacy of the external audit.

Corporate Governance

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

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

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

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

External Auditor

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

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

	S$'000	% of Total Fees Paid
Audit fees	540	92
Non-audit fees	48	8
Total fees	588	100

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

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

Significant matter	How the Audit & Risk Committee reviewed this matter and what decisions were made
Revenue recognition of Design-and-Build contracts under the Real Estate segment	The Audit & Risk Committee reviewed the revenue recognition of Design-and-Build contracts under the Real Estate segment and considered management's judgments, assumptions and methodologies used and found them to be reasonable. The revenue recognition of Design-and-Build contracts under the Real Estate Solutions segment 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 2020. Refer to page 102 of this Annual Report.

Corporate Governance

Internal Audit

The Audit & Risk Committee oversees the implementation of an effective system of internal controls as well as putting in place a risk management framework to continually identify, evaluate and manage significant business risks of the Group. To support the Audit & Risk Committee in their role, the Audit & Risk Committee decides on the appointment, selection, termination and remuneration of experienced and qualified in-house personnel as internal auditor to carry out the internal audit function for the Group and the primary reporting line of the internal audit function is to the Audit & Risk Committee Chairman.

The role of the internal audit function is to provide independent assurance to the Audit & Risk Committee that the Company maintains a sound system of internal controls. The internal audit function adopts a risk-based approach to evaluate the adequacy and effectiveness of key controls and procedures when performing audits of high-risk areas. It also undertakes investigations as directed by the Audit & Risk Committee.

Annually, the Audit & Risk Committee will review and approve audit plans and the resource requirement prepared by the internal auditor and shall ensure that the internal auditor is able to effectively and adequately discharge his duties. The Company's internal audit function is performed by the Internal Audit Department, headed by the Senior Vice-President, Internal Audit.

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

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

The Company engages external experts as when and where required.

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

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

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

Whistleblowing Policy

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

The Whistleblowing Policy, endorsed by the Audit & Risk Committee, provides for a mechanism by which employees of the Group and third parties may, in good faith and in confidence, raise concerns or observations about possible corporate malpractice and impropriety in financial reporting or other matters directly to the Chairman of the Audit & Risk Committee, the Senior Vice-President, Internal Audit or the Senior Vice-President, Group Human Resources.

The policy framework ensures independent investigation of issues or concerns raised and implementation of appropriate follow-up action, and provides assurance that employees will be protected from reprisal within the limits of the law. The Whistleblowing Policy and the avenues for reporting are made available to employees of the Group and third parties, and are also available on the Company's website. The Senior Vice-President, Internal Audit is required to report to the Audit & Risk Committee every quarter whether they have received any whistleblower report in that quarter.

There were no reported incidents pertaining to whistleblowing during the year under review.

Corporate Governance

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

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

Shareholder Rights

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

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

Conduct of General Meetings

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

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

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

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

Shareholders are given the opportunity to raise questions and clarify any issues that they may have relating to the resolutions to be passed. The Board and senior management are present at each general meeting to respond to any questions from shareholders. The Group's external auditors are also present to address queries regarding the conduct of the audit and the preparation and content of the auditors' report. During FY2020, the AGM of the Company held on 26 July 2019 and the extraordinary general meeting of the Company held on 26 July 2019 to approve the renewal of the share buy-back mandate were the only general meetings that was held, and all the directors of the Company attended both meetings.

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

Corporate Governance

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

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

Dividend Policy

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on, among other things, the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the directors may deem appropriate. However, subject to the above, it is the Company's aim to declare and pay sustainable dividends and the Company has been declaring dividends on a half-yearly basis.

In view of the very challenging conditions resulting from the COVID-19 pandemic and the significant adverse impact this is expected to have on the Company's financial results for FY2021, the Board has recommended a final tax exempt one-tier dividend of 2.0 Singapore cents per ordinary share for the FY2020. The Company will be seeking the approval of shareholders at the forthcoming AGM to be held for the declaration of the said proposed final dividend.

Engagement with Shareholders

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

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

All material information on the performance and development of the Group and of the Company is disclosed in an accurate, clear, comprehensive, consistent, sincere, timely and transparent manner through company announcements released over SGXNET, media releases and the Company's website. The Company does not practice selective disclosure of material information. All materials on the half-year and full-year financial results are available on the Company's website and are accompanied by a media release in English.

The Company has a dedicated Investor Relations ("**IR**") Team which focuses on facilitating the communications with key stakeholders – institutional and retail shareholders, analysts and media – on a regular basis, to attend to their queries or concerns, as well as keep key stakeholders or the public informed of the Group's corporate developments and financial performance, in a balanced manner on both positive and negative matters. Communication activities include investor conferences, meetings, presentations, media interviews and investor outreach programmes to share business strategies and financial performance.

Corporate Governance

The Company has instituted an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders. The Company is committed to the accurate, clear, comprehensive, consistent, sincere, timely and transparent disclosure of material information, having a dedicated IR team which focuses on facilitating communications with shareholders and other stakeholders and the carrying out of regular communications and outreach activities as described above. For details on the Group's IR activities in FY2020, please refer to the Stakeholder Relations on pages 62 to 63 of this Annual Report.

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

Taking into account the foregoing, the Company is of the view that the practices adopted by the Company are consistent with the intent of Principle 12.

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

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

Managing Stakeholders' Relationships

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

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

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

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

Corporate Website

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

Corporate Governance

Measures Implemented to Protect Stakeholders from COVID-19

During the initial stages of the global COVID-19 pandemic, the Company moved quickly to safeguard the wellbeing of its stakeholders including its team members, subcontractors and their employees, clients and surrounding communities by implementing preventive and control measures such as strict health checks, safe distancing measures, split team and telecommuting arrangements. During the YELLOW status of the Disease Outbreak Response System Condition ("DORSCON"), the Company implemented temperature screening twice a day and health declarations for all team members and subcontractors, and instructed them to inform their supervisors and seek immediate medical attention if they were unwell. When the DORSCON stepped up to ORANGE status, the Company stopped all mass meetings/activities at its office and project sites, broke down meetings into smaller functional groups, and compartmentalised the different trades to minimise contact. Post-Circuit Breaker, the Company has implemented the substantive list of safe management measures as required by the Ministry of Health and Ministry of Manpower, with most activities conducted remotely or via videoconferencing and telecommuting on secure Cloud-based platforms, where possible.

DEALINGS IN SECURITIES

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

MATERIAL CONTRACTS

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

INTERESTED PERSON TRANSACTIONS

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

For the financial year ended 31 March 2020, 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.

Corporate Governance

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

Dr Tan Khee Giap, Mr Godfrey Ernest Scotchbrook and Mr Liak Teng Lit are the directors seeking re-election at the forthcoming AGM to be held on 25 August 2020 (collectively, the "**Retiring Directors**").

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

Name of Director	Dr Tan Khee Giap	Mr Godfrey Ernest Scotchbrook	Mr Liak Teng Lit
Date of Appointment	28 June 2018	21 September 2000	1 April 2020
Date of last re-appointment (if applicable)	26 July 2018	26 July 2018	-
Age	62	74	67
Country of principal residence	Singapore	Hong Kong	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the work experience and suitability of Dr Tan Khee Giap for re-appointment as a Director of the Company. The Board has concluded that Dr Tan Khee Giap possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the work experience and suitability of Mr Godfrey Ernest Scotchbrook for re-appointment as a Director of the Company. The Board has concluded that Mr Godfrey Ernest Scotchbrook possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the work experience and suitability of Mr Liak Teng Lit for re-appointment as a Director of the Company. The Board has concluded that Mr Liak Teng Lit possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Director, Chairman of the Audit & Risk Committee and member of the Nominating Committee and Remuneration Committee	Non-Executive Director, Chairman of the Remuneration Committee and member of the Audit & Risk Committee	Non-Executive Director and member of the Audit & Risk Committee
Professional qualifications	PhD (Monetary Economics), University of East Anglia	Fellow, Chartered Institute of Public Relations Fellow, Hong Kong Management Association	MBA National University Singapore M Sc Pharmaceutical Sciences University of Aston in Birmingham, United Kingdom Bachelor of Pharmacy, National University of Singapore

Corporate Governance

Name of Director	Dr Tan Khee Giap	Mr Godfrey Ernest Scotchbrook	Mr Liak Teng Lit
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil
Working experience and occupation(s) during the past 10 years	Co-Director of Asia Competitiveness Institute and Associate Professor of Public Policy at the National University of Singapore Lee Kuan Yew School of Public Policy and the Chairman of the Singapore National Committee for Pacific Economic Cooperation	Founder of Scotchbrook Communications Ltd, a firm focused on corporate and financial communications and investor relations	On the Advisory Board of Centre for Liveable Cities. Group Chief Operating Officer of Perennial Real Estate Holdings Ltd and Chief Executive Officer of Perennial Healthcare Pte Ltd. Also held several public healthcare positions including Group CEO of Alexandra Health System and CEO of Khoo Teck Puat Hospital and Alexandra Hospital.
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries	Nil	Yes	Nil
Shareholding Details	N.A.	The Company Indirect interest of 1,052,783 ordinary shares Boustead Projects Limited Indirect interest of 315,834 ordinary shares	N.A.
Other Principal Commitments (as defined in the Code) including directorships – Past (for the last 5 years)	Non-executive director of Artivision Technologies Ltd and Boustead Projects Limited	Nil	Nil
Other Principal Commitments (as defined in the Code) including directorships – Present	Non-executive director of Chengdu Rural Commercial Bank Co Ltd, Lian Beng Group Ltd and Amcorp Global Limited, and senior business advisor to United Overseas Bank Ltd	Non-executive director of Convenience Retail Asia Ltd and independent non-executive director of Del Monte Pacific Ltd	On the boards of At-Sunrice GlobalChef Academy and Pathlight School

Corporate Governance

Name of Director		Dr Tan Khee Giap	Mr Godfrey Ernest Scotchbrook	Mr Liak Teng Lit
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.				
(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c)	Whether there is any unsatisfied judgement against him?	No	No	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No

Corporate Governance

Name of Director	Dr Tan Khee Giap	Mr Godfrey Ernest Scotchbrook	Mr Liak Teng Lit
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.			
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-			
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

Corporate Governance

Name of Director	Dr Tan Khee Giap	Mr Godfrey Ernest Scotchbrook	Mr Liak Teng Lit
Disclosure applicable to the appointment of Director only.			
Any prior experience as a director of an issuer listed on the Exchange?	N.A.	N.A.	N.A.
If yes, please provide details of prior experience.	N.A.	N.A.	N.A.
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	N.A.	N.A.	N.A.
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable)	N.A.	N.A.	N.A.

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 Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

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

Basis for Opinion

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

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

Independence

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

Our Audit Approach

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

Independent Auditor's Report

TO THE MEMBERS OF BOUSTEAD SINGAPORE LIMITED

Our Audit Approach (cont'd)

Key Audit Matters

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

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition of Design-and-Build contracts under Real Estate segment Refer to Note 3 (Critical accounting estimates, assumptions and judgements), Note 4 (Revenue from contracts with customers) and Note 44 (Events occurring after reporting date) to the financial statements. During the financial year ended 31 March 2020, revenue from Design-and-Build contracts amounted to $391,919,000, which represented 54% of the Group's total revenue. Revenue from Design-and-Build contracts are recognised over time by reference to the progress towards satisfaction of performance obligations under the contracts. Measurement of progress of the projects at the reporting date is based on the proportion of contract costs incurred to-date over the estimated total contact costs. Revenue from Design-and-Build contracts are also adjusted with variations to the contracts claimable from customers, as well as liquidated damages due to delays or other causes, payable customers. Significant judgement is required to estimate: - the total contract costs which affected the measurement of progress of the projects at the reporting date and accordingly revenue recognised; - the variations or claims from sub-contractors; and - provision for liquidated damages recognised within revenue from these contracts. Subsequent to reporting date, the Singapore Government introduced COVID-19 "Circuit Breaker" measures in which the Group's Design-and-Build construction projects ceased activities till 19 June 2020, after which resumption of activities is slow. As at the date of these financial statements, the global COVID-19 situation remains very fluid and the assessment of the probable impact of the COVID-19 disruptions in respect of the delay in completion of Design-and-Build contracts and construction costs is still ongoing.	We have performed the following audit procedures to address the Key Audit Matter: We have obtained an understanding of the progress of projects through discussions with management and examination of documents such as contracts and correspondences with customers, variation order claims from sub-contractors and advice from external legal advisers. In relation to total contract revenue, our audit procedures include the following: a. Traced the total contract sums to contracts and agreed variation orders; and b. Assessed the progress of construction against contractual timeline for delays and the adequacy of provision for liquidated damages. In relation to total contract costs, our audit procedures include the following: a. Selected samples of costs incurred and traced to supplier invoices and sub-contractors' billings; and b. Selected samples of projects in progress at the reporting date and tested estimation of cost-to-complete by tracing to quotations and/or contracts with sub-contractors and suppliers. In relation to the revenue recognised for projects in progress at the reporting date, we have: a. Recomputed the measurement of progress based on the proportion of contract costs incurred to-date to the estimated total contract costs; and b. Recomputed the revenue for the current financial year based on the measurement of progress and traced to the accounting records. Based on the audit procedures performed, we have assessed management estimation of the revenue on Design-and-Build contracts to be reasonable. We have assessed that the disclosures in the financial statements in relation to the sensitivity of estimations on revenue and costs on Design-and-Build contracts to be appropriate. We have assessed the disclosures in the financial statements in relation to estimation uncertainty on the impact of COVID-19 on the Design-and-Build contracts 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 all the sections of the annual report but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Independent Auditor's Report

TO THE MEMBERS OF BOUSTEAD 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 Kok Moi Lre.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 30 July 2020

Consolidated Income Statement

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	2020 $'000	2019 $'000 (Restated)
Revenue	4	**726,561**	470,646
Cost of sales	7	**(559,334)**	(329,506)
Gross profit		**167,227**	141,140
Other income	5	**6,473**	8,281
Other gains - net	6	**895**	8,847
Impairment loss on financial assets and contract assets	39(b)	**(3,393)**	(1,327)
Expenses			
- Selling and distribution	7	**(37,894)**	(34,074)
- Administrative	7	**(63,456)**	(56,730)
- Finance	9	**(5,213)**	(2,338)
Share of loss of associated companies and joint ventures	10	**(1,599)**	(1,442)
Profit before income tax		**63,040**	62,357
Income tax expense	11	**(18,581)**	(12,778)
Total profit		**44,459**	49,579
Profit attributable to:			
Equity holders of the Company		**30,872**	32,519
Non-controlling interests		**13,587**	17,060
		44,459	49,579
Earnings per share for profit attributable to equity holders of the Company (cents per share)			
Basic	12	**6.30**	6.60
Diluted	12	**6.29**	6.58

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

Consolidated Statement of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	2020 $'000	2019 $'000
Total profit		**44,459**	49,579
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss:			
Financial assets, at FVOCI			
- Fair value gains – debt instruments	19, 34	**144**	316
- Reclassification to profit or loss on disposal	19, 34	**(151)**	(347)
Cash flow hedges			
- Fair value losses	34	**-**	(17)
- Reclassification to profit or loss on disposal	34	**17**	-
Currency translation differences arising from consolidation	34	**(3,295)**	(3,101)
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of retirement benefit obligation, net of tax		**1,504**	(510)
Financial assets, at FVOCI			
- Fair value (losses)/gains – equity investments	19, 34	**(111)**	231
Non-controlling interests' share of currency translation differences arising from consolidation	34	**(384)**	(382)
Other comprehensive loss, net of tax		**(2,276)**	(3,810)
Total comprehensive income		**42,183**	45,769
Total comprehensive income attributable to:			
Equity holders of the Company		**29,012**	28,985
Non-controlling interests		**13,171**	16,784
		42,183	45,769

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

Statements of Financial Position – Group and Company

AS AT 31 MARCH 2020

	Note	Group 31 March 2020 $'000	Group 31 March 2019 $'000	Company 31 March 2020 $'000	Company 31 March 2019 $'000
ASSETS					
Current assets					
Cash and cash equivalents	13	**281,706**	246,861	**48,716**	41,179
Trade receivables	14	**111,371**	96,034	**-**	-
Other receivables and prepayments	15	**114,276**	67,316	**1,920**	4,791
Loans to subsidiaries	16	**-**	-	**41,812**	29,965
Inventories	17	**3,572**	3,568	**-**	-
Properties held for sale	18	**26,726**	26,670	**-**	-
Right-of-use assets	22	**9,096**	-	**-**	-
Finance lease receivables	23	**430**	-	**-**	-
Contract assets	4(b)	**69,520**	103,474	**-**	-
Investment securities	19	**6,625**	15,811	**1,925**	15,811
Derivative financial instruments	31	**-**	234	**-**	-
		623,322	559,968	**94,373**	91,746
Non-current assets					
Trade receivables	14	**19,850**	11,212	**-**	-
Other receivables and prepayments	15	**5,831**	5,759	**3,062**	2,915
Contract assets	4(b)	**1,568**	2,657	**-**	-
Investment securities	19	**42,877**	44,544	**10,762**	8,018
Property, plant and equipment	20	**28,896**	17,221	**5**	-
Right-of-use assets	22	**14,994**	-	**-**	-
Finance lease receivables	23	**21,765**	-	**-**	-
Investment properties	21	**176,713**	182,118	**-**	-
Intangible assets	24	**1,894**	2,137	**30**	30
Investments in associated companies	25	**18,410**	12,875	**-**	-
Investments in joint ventures	26	**60,707**	40,673	**-**	-
Investments in subsidiaries	27	**-**	-	**81,273**	85,595
Deferred income tax assets	28	**7,934**	5,165	**-**	-
		401,439	324,361	**95,132**	96,558
Total assets		**1,024,761**	884,329	**189,505**	188,304
LIABILITIES					
Current liabilities					
Trade and other payables	29	**209,509**	167,791	**4,661**	977
Lease liabilities	22	**5,740**	-	**-**	-
Income tax payable	11	**15,925**	13,133	**1,409**	-
Loans from subsidiaries	16	**-**	-	**79,604**	60,420
Contract liabilities	4(b)	**66,198**	58,981	**-**	-
Borrowings	30	**92,663**	67,840	**-**	-
Derivative financial instruments	31	**103**	303	**9**	272
		390,138	308,048	**85,683**	61,669
Non-current liabilities					
Trade and other payables	29	**14,513**	6,158	**-**	-
Lease liabilities	22	**90,309**	-	**-**	-
Contract liabilities	4(b)	**1,159**	1,134	**-**	-
Borrowings	30	**26,330**	79,757	**-**	-
Pension liabilities	32	**410**	2,831	**-**	-
Deferred income tax liabilities	28	**5,167**	4,051	**-**	-
		137,888	93,931	**-**	-
Total liabilities		**528,026**	401,979	**85,683**	61,669
NET ASSETS		**496,735**	482,350	**103,822**	126,635
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	33	**74,443**	70,758	**74,443**	70,758
Treasury shares	33	**(9,309)**	(1,488)	**(9,309)**	(1,488)
Other reserves	34	**(9,973)**	(6,955)	**2,398**	2,142
Retained profits	35	**287,471**	273,828	**36,290**	55,223
		342,632	336,143	**103,822**	126,635
Non-controlling interests	27	**154,103**	146,207	**-**	-
Total equity		**496,735**	482,350	**103,822**	126,635

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

Consolidated Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

		← 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
2020								
Balance as at 1 April 2019		**70,758**	**(1,488)**	**(6,955)**	**273,828**	**336,143**	**146,207**	**482,350**
Profit for the year		**-**	**-**	**-**	**30,872**	**30,872**	**13,587**	**44,459**
Other comprehensive (loss)/income for the year	34	**-**	**-**	**(3,352)**	**1,492**	**(1,860)**	**(416)**	**(2,276)**
Total comprehensive (loss)/income for the year		**-**	**-**	**(3,352)**	**32,364**	**29,012**	**13,171**	**42,183**
Employee share-based compensation								
- Value of employee services	34	**-**	**-**	**99**	**-**	**99**	**90**	**189**
- Treasury shares re-issued by a subsidiary	34	**-**	**-**	**(26)**	**(427)**	**(453)**	**453**	**-**
Dividends								
- In cash	35	**-**	**-**	**-**	**(10,987)**	**(10,987)**	**(2,936)**	**(13,923)**
- In scrip	35	**-**	**-**	**-**	**(3,948)**	**(3,948)**	**-**	**(3,948)**
Issue of new shares pursuant to scrip dividend scheme	33,34	**3,685**	**-**	**263**	**-**	**3,948**	**-**	**3,948**
Purchase of treasury shares	33,34	**-**	**(7,821)**	**-**	**-**	**(7,821)**	**-**	**(7,821)**
Effect of acquisition of shares from non-controlling shareholders	27	**-**	**-**	**(2)**	**(3,359)**	**(3,361)**	**(2,882)**	**(6,243)**
Total transactions with owners, recognised directly in equity		**3,685**	**(7,821)**	**334**	**(18,721)**	**(22,523)**	**(5,275)**	**(27,798)**
End of financial year		**74,443**	**(9,309)**	**(9,973)**	**287,471**	**342,632**	**154,103**	**496,735**
2019								
Balance as at 1 April 2018		104,555	(35,285)	(4,209)	256,965	322,026	131,658	453,684
Profit for the year		-	-	-	32,519	32,519	17,060	49,579
Other comprehensive loss for the year	34	-	-	(3,019)	(515)	(3,534)	(276)	(3,810)
Total comprehensive (loss)/income for the year		-	-	(3,019)	32,004	28,985	16,784	45,769
Employee share-based compensation								
- Value of employee services	34	-	-	284	-	284	254	538
Dividends								
- In cash	35	-	-	-	(14,789)	(14,789)	(2,852)	(17,641)
Purchase of treasury shares by a subsidiary	34	-	-	(6)	(352)	(358)	358	-
Effect of acquisition of shares from non-controlling shareholders		-	-	(5)	-	(5)	5	-
Cancellation of treasury shares		(33,797)	33,797	-	-	-	-	-
Total transactions with owners, recognised directly in equity		(33,797)	33,797	273	(15,141)	(14,868)	(2,235)	(17,103)
End of financial year		70,758	(1,488)	(6,955)	273,828	336,143	146,207	482,350

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

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	2020 $'000	2019 $'000
Cash flows from operating activities		
Profit before income tax	**63,040**	62,357
Adjustments for:		
- Share of loss of associated companies and joint ventures	**1,599**	1,442
- Unrealised construction and project management margins	**8,311**	8,248
- Depreciation expense	**16,218**	9,345
- Amortisation expense	**625**	216
- Loss/(Gain) on disposal of property, plant and equipment	**44**	(100)
- Employee share-based compensation expense	**189**	538
- Gains on disposal of investment securities	**(151)**	(347)
- Fair value losses on investment securities	**1,076**	154
- Gain on disposal of a property	**-**	(5,890)
- Amortisation of intangible assets	**-**	44
- Finance expenses	**5,213**	2,338
- Interest income	**(6,473)**	(7,120)
- Unrealised currency exchange gains	**80**	149
	89,771	71,374
Change in working capital, net of effects from acquisition and disposal of subsidiaries:		
- Trade receivables, other receivables and prepayments	**(25,433)**	(7,717)
- Inventories and contracts assets/liabilities	**43,786**	(36,898)
- Properties held for sale	**(47)**	(445)
- Trade and other payables	**53,754**	6,886
- Derivative financial instruments	**48**	(572)
Cash provided by operations	**161,879**	32,628
Interest received	**5,176**	7,120
Interest paid	**(2,326)**	(2,338)
Income tax paid	**(17,584)**	(16,549)
Net cash generated from operating activities	**147,145**	20,861

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

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	2020 $'000	2019 $'000
Cash flows from investing activities			
Proceeds from disposal of investment securities		**13,146**	15,352
Proceeds from disposal of property, plant and equipment		**328**	127
Proceeds from disposal of property – net		**-**	10,395
Proceeds from disposal of a subsidiary, net of cash disposed of	13	**7,440**	-
Repayment of loan by an associated company		**4,459**	-
Government grant received		**-**	92
Acquisition of a subsidiary, net of cash acquired	42	**-**	(17,244)
Purchase of investment securities		**(3,451)**	(4,700)
Purchase of property, plant and equipment		**(11,253)**	(8,127)
Additions to investment properties		**(11,531)**	(59,573)
Additions to intangible assets		**(403)**	(738)
Capital contributions to joint ventures		**(26,266)**	(15,190)
Loan to a joint venture		**(58,000)**	-
Loan to associated companies		**(6,451)**	(8,255)
Investment in an associated company		**(87)**	-
Dividends received from joint ventures		**3,840**	2,600
Deposits paid for property, plant and equipment		**-**	(4,788)
Deposits paid for investment		**-**	(3,089)
Net cash used in investing activities		**(88,229)**	(93,138)
Cash flows from financing activities			
Proceeds from borrowings		**59,949**	111,313
Purchase of treasury shares		**(7,821)**	-
Repayment of borrowings		**(44,397)**	(37,014)
Principal payment of lease liabilities		**(5,730)**	-
Interest payment of lease liabilities		**(2,887)**	-
Payment to non-controlling shareholder for the purchase of shares in a subsidiary		**(6,243)**	-
Dividends paid to non-controlling interests		**(2,936)**	(2,852)
Dividends paid to equity holders of the Company		**(10,987)**	(14,789)
Net cash (used in)/provided by financing activities		**(21,052)**	56,658
Net increase/(decrease) in cash and cash equivalents		**37,864**	(15,619)
Cash and cash equivalents			
Beginning of financial year	13	**246,861**	265,382
Effects of currency translation on cash and cash equivalents		**(3,019)**	(2,902)
End of financial year	13	**281,706**	246,861

Reconciliation of liabilities arising from financing activities

				Non-cash changes					
	1 April	Proceeds	Principal and interest payments	Adoption of SFRS(I) 16	(Disposal)/ Acquisition of subsidiaries	Interest expense	Addition during the financial year	Foreign exchange movement	31 March
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Borrowings									
2020	147,597	59,949	(46,723)	-	(44,207)	2,326	-	51	118,993
2019	70,504	111,313	(39,352)	-	2,794	2,338	-	-	147,597
Lease liabilities									
2020	-	-	(8,617)	92,683	-	2,887	9,173	(77)	96,049

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

1. GENERAL INFORMATION

Boustead 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 Notes 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 the Singapore Financial Reporting Standards (International) ("SFRS(I)") under the historical cost convention, except as disclosed in the accounting policies below.

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

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

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

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

Adoption of SFRS(I) 16 *Leases*

(a) When the Group is the lessee

Details of the Group leases are disclosed in Note 22.

The Group's accounting policy on leases before and after the adoption of SFRS(I) 16 are as disclosed in Note 2.17(a) and Note 2.17(b) respectively.

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

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

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

(a) When the Group is the lessee (cont'd)

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

(a) applied a single discount rate to a portfolio of leases with reasonably similar characteristics;

(b) relied on previous assessments on whether leases are onerous as an alternative to performing an impairment review;

(c) accounted for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases;

(d) excluded initial direct costs in the measurement of the right-of-use ("ROU") asset at the date of initial application; and

(e) used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

There were no onerous contracts as at 1 April 2019.

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

(i) The Group chose to measure its ROU assets at a carrying amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statements of financial position immediately before the date of transition.

(ii) Recognised its lease liabilities by discounting the remaining lease payments as at 1 April 2019 using the incremental borrowing rate for each individual lease or, if applicable, the incremental borrowing rate for each portfolio of leases with reasonably similar characteristic.

(b) When the Group is a lessor

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

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

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

(c) When the Group is the intermediate lessor

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

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

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

The accounting policy for subleases are disclosed in Note 2.17(b).

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

	The Group Increase $'000
Investment properties	49,763
Right-of-use assets	20,311
Finance lease receivables	22,609
Lease liabilities	92,683

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

	$'000
Operating lease commitment disclosed as at 31 March 2019	62,343
Add: Land lease payable to JTC	91,477
Less: Short-term leases	(1,769)
Less: Discounting effect using weighted average incremental borrowing rate of 4.04%	(66,441)
Add: Finance lease liabilities recognised as at 31 March 2019	20
Add: Extension options which are reasonably certain to be exercised	7,053
Lease liabilities recognised as at 1 April 2019	92,683

Further details of the Group's leases are disclosed in Note 22 and 23.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

(ii) Change in presentation of costs by function

Payroll related costs

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

Direct operating expenses of leasehold properties

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

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

Consolidated Income Statement for the financial year ended 31 March 2019

	As previously reported	(Increase)/ Decrease	As restated
	$'000	$'000	$'000
Cost of sales	(316,265)	(13,241)	(329,506)
Expenses			
- Selling and distribution	(35,644)	1,570	(34,074)
- Administrative	(68,401)	11,671	(56,730)
Total profit	49,579	-	49,579

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Revenue

(a) Revenue from Real Estate - Design-and-Build contracts

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

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

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

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

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

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

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Revenue (cont'd)

(b) Revenue from Energy Engineering

(i) Engineering contracts

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

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

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

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

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

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

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

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

(ii) Sale of products

The Group sells spare parts. Sales are recognised when control of the products has been transferred to its customer, being when the products are delivered to the customer.

Revenue is recognised based on the price specified in the contract. No element of financing is deemed present as the sales are made with a credit term which is consistent with market practice.

A receivable (financial asset) is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Revenue (cont'd)

(b) Revenue from Energy Engineering (cont'd)

(iii) Services

Revenue from maintenance services is recognised when the services are rendered.

The customers are invoiced at the end of the contract. No element of financing is deemed present as the services are made with a credit term which is consistent with market practice.

(c) Revenue from Geospatial

Revenue from contracts with multiple performance obligations is recognised when the Group satisfies a performance obligation ("PO"). The amount of revenue recognised is the amount of transaction price allocated to the satisfied PO. The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services.

(i) Sale of products - Licence

The Group distributes geospatial software and licences. Sales are recognised when control of the products has been transferred to its customer, being when the product licence key is provided to the customer. Revenue from these sales is recognised based on the price specified in the contract. No element of financing is deemed present as the sales are made with a credit term which is consistent with market practice.

A receivable (financial asset) is recognised when the licence key is provided as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

(ii) Maintenance and other services

Revenue from maintenance and other services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised on a straight-line basis over the term of the contract.

The customers are invoiced at commencement of the contract. A contract liability is recognised for the amounts invoiced but services not yet rendered. No element of financing is deemed present as the sales are made with a credit term which is consistent with market practice.

(d) Revenue from Healthcare

(i) Sale of products

The Group distributes medical products. Sales are recognised when control of the products has been transferred to its customer, being when the products are delivered to the customer.

Revenue is recognised based on the price specified in the contract. The Group's obligation to provide a refund for faulty products under the standard warranty terms is recognised as a provision. Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. No element of financing is deemed present as the sales are made with a credit term which is consistent with market practice.

A receivable (financial asset) is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

(ii) Services

Revenue is recognised in the accounting period in which the services are rendered, by reference to the completion of the specific transaction assessed on the basis of the actual services provided as a proportion of the total services to be performed.

The customers are invoiced based on payment schedules with a credit term which is consistent with market practice. A contract asset is recognised for the cumulative revenue recognised but not yet invoiced.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Revenue (cont'd)

(e) ***Sale of industrial properties***

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

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

(f) ***Interest income***

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

(g) ***Dividend income***

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of dividend can be reliably measured.

(h) ***Property rental***

Please refer to Note 2.17(b) for the accounting policy for rental income.

2.3 Group accounting

(a) ***Subsidiaries***

(i) ***Consolidation***

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

In preparing the consolidated financial statements, transactions and balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. 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 income statement, consolidated statement of comprehensive income, statement of changes in equity, and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Group accounting (cont'd)

(a) *Subsidiaries (cont'd)*

(ii) *Acquisitions*

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

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

Acquisition-related costs are expensed as incurred.

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

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

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (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 2.8 for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) *Transactions with non-controlling interests*

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Group accounting (cont'd)

(c) Associated companies and joint ventures

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

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 the 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. Interest in an associate or joint venture includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

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

(iii) Disposals

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

Please refer to Note 2.8 for the accounting policy on investments in associated companies and joint ventures in the separate financial statements of the Company.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 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
Buildings	40 – 50 years
Leasehold property and fitouts	3 – 20 years
Machinery and equipment	3 – 15 years
Furniture, office equipment and motor vehicles	4 – 10 years
Medical equipment and operating assets	2 – 5 years

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

(c) Subsequent expenditure

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

(d) Disposal

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Intangible assets

(a) Goodwill

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 acquisitions of joint ventures and associated companies represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associated companies and joint ventures is included in the carrying amount of the investments.

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

(b) Acquired trademarks

Trademarks acquired as part of a business combination are fair valued based on their intended use in accordance with SFRS(I) 1-38 *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.

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

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

(c) Contract backlogs

Contract backlogs is initially recognised at cost and is 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 3 years, which is the shorter of their estimated useful life and period of contractual rights.

(d) Software development

Costs directly attributable to the development of software is capitalised as intangible asset only when effectiveness of the software is demonstrated, the Group has an intention and ability to complete and use the software and the costs can be measured reliably. Such costs include purchase of materials and services and payroll-related costs of employees directly involved in the development of the software. These costs are amortised using the straight-line method over their estimated useful lives of 3 years. Research costs are recognised as expense when incurred.

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of 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 Investment properties

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

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

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

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

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

2.8 Investments in subsidiaries, associated companies and joint ventures

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 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
Right-of-use assets
Investments in subsidiaries, associated companies and joint ventures

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.10 Financial assets

(a) Classification and measurement

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

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVPL").

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

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

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

At initial recognition

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

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, trade receivables, other receivables and prepayments and loan to subsidiaries.

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

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

- FVOCI: Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income ("OCI") and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other gains - net". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".

- FVPL: Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other gains - net".

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Financial assets (cont'd)

(a) Classification and measurement (cont'd)

__At subsequent measurement__ (cont'd)

(ii) Equity instruments

The Group subsequently measures all its equity instruments at their fair values. Equity instruments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "Other gains - net ", except for those equity instruments which are not held for trading.

The Group has elected to recognise changes in fair value of equity instruments not held for trading in other comprehensive income as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains/losses" in OCI. Dividends from equity instruments are recognised in profit or loss as "dividend income".

(b) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 39 details how the Group determines whether there has been a significant increase in credit risk.

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

(c) Recognition and derecognition

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

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

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 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.

2.12 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.

2.13 Financial guarantees

The Group and Company has given guarantees in favour of banks in respect of banking and loan facilities granted to its subsidiaries, an associated company, a joint venture and a related party. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries, an associated company, a joint venture and a related party fail to make principal or interest payments when due in accordance with the terms of their borrowings. Intra-Group transactions are eliminated on consolidation.

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

(a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and

(b) the amount of expected loss computed using the impairment methodology under SFRS(I) 9.

2.14 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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 Derivatives financial instruments and hedging activities

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

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

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis on whether the hedging relationship meets the hedge effectiveness requirements under SFRS(I) 9.

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

The following hedge in-placed qualified as cash flow hedge under SFRS(I) 9. The Group's management strategies and hedge documentation are aligned with the requirements of SFRS(I) 9 and are thus treated as continuing hedges.

Cash flow hedge - Interest rate swaps

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Leases

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

(i) When the Group is the lessee:

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

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

(ii) When the Group is the lessor:

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Leases (cont'd)

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

(i) When the Group is the lessee:

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

- **Right-of-use assets**

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

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

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

Right-of-use assets which meet the definition of an investment property is presented within "Investment properties" and accounted for in accordance with Note 2.7.

- **Lease liabilities**

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

Lease payments include the following:

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Leases (cont'd)

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

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

- **Lease liabilities** (cont'd)

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

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

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

- **Short term and low value leases**

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

- **Variable lease payments**

  Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments. Details of the variable lease payments are disclosed in Note 22.

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

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

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

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

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 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.

2.19 Income taxes

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

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

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

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

Deferred income tax is measured:

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

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

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

The Group accounts for investment tax credits (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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Provisions

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

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

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

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

2.21 Employee compensation

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

(a) 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 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 other comprehensive income in the period when they arise. The experience adjustments are not to be classified to profit or loss in a subsequent period.

Past service costs are recognised immediately in profit or loss.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Employee compensation (cont'd)

(b) Employee share-based compensation

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

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

2.22 Currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from net investment in foreign operations, and any fair value changes on the effective portion of derivative financial instruments designated and qualifying as net investment hedge 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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 Currency translation (cont'd)

(c) Translation of Group entities' financial statements

The results and statement of financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as 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 with loss of control of the foreign operation.

2.23 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.

2.24 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, if any.

2.25 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.

2.26 Dividends to the Company's shareholders

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

(a) Impact of Coronavirus Disease 2019 ("COVID-19") for Design-and-Build contracts under Real Estate segment

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

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

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

(b) Estimation of total contract costs for Design-and-Build contracts under Real Estate segment

The Group has significant ongoing contracts at each reporting date with customers to design and build industrial buildings and facilities.

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONT'D)

(b) *Estimation of total contract costs for Design-and-Build contracts under Real Estate segment (cont'd)*

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

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

(c) *Estimation of customers' claim on liquidated damages*

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

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

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

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

(e) *Uncertainty over the measurement of provision for onerous contracts*

The Group has certain ongoing contracts with customers relating to design, engineering and supply of plants under Energy Engineering contracts which are onerous. Provision for onerous contracts amounting to $826,000 (Note 29) has been made as at 31 March 2020. The provision represents the excess of estimated total costs over the estimated revenue on these projects.

The measurement of the provision for onerous contract is dependent on the estimated total cost-to-complete and claims from customers on these projects which has been made by taking into consideration information from the ongoing monitoring of the progress of the projects, including testing results of the plants and feedback from customers.

The estimation is based on information available at the date of these financial statements. As the projects are inherently complex and involve uncertainties that may not be apparent to management at that date, new information may surface subsequently that could affect the accuracy of management's estimation of the provision for onerous contracts.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) Disaggregation of revenue from contracts with customers

	At a point in time $'000	Over time $'000	Total $'000
GROUP			
2020			
Revenue from contracts with customers			
Real Estate			
- Design-and-Build contracts	**-**	**391,919**	**391,919**
Energy Engineering			
- Engineering contracts	**-**	**135,707**	**135,707**
- Sale of products	**4,625**	**-**	**4,625**
- Services	**4,130**	**-**	**4,130**
Geospatial			
- Licence	**35,027**	**-**	**35,027**
- Maintenance and other services	**-**	**102,291**	**102,291**
Healthcare			
- Sale of products	**13,864**	**-**	**13,864**
- Services	**-**	**4,289**	**4,289**
	57,646	**634,206**	**691,852**
Revenue from other sources			
Property rental income			**34,305**
Dividend income			**404**
Total			**726,561**
2019			
Revenue from contracts with customers			
Real Estate			
- Design-and-Build contracts	-	205,061	205,061
Energy Engineering			
- Engineering contracts	-	96,719	96,719
- Sale of products	3,079	-	3,079
- Services	2,661	-	2,661
Geospatial			
- Licence	39,259	-	39,259
- Maintenance and other services	-	82,882	82,882
Healthcare			
- Sale of products	8,959	-	8,959
- Services	-	2,398	2,398
	53,958	387,060	441,018
Revenue from other sources			
Property rental income			29,162
Dividend income			466
Total			470,646

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

4. REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(b) Contract assets and liabilities

	Group		
	31 March		1 April
	2020 $'000	2019 $'000	2018 $'000
Contract assets			
Current			
- Design-and-Build contracts under Real Estate	**26,712**	69,945	16,872
- Engineering contracts under Energy Engineering	**37,979**	29,126	24,999
- Licence contracts under Geospatial	**5,771**	8,436	6,535
- Service contracts under Healthcare	**60**	28	-
Less: Loss allowance (Note 39(b))	**(1,002)**	(4,061)	(4,061)
	69,520	103,474	44,345
Non-current			
- Licence contracts under Geospatial	**1,568**	2,657	5,274
Total contract assets	**71,088**	106,131	49,619
Contract liabilities			
Current			
- Design-and-Build contracts under Real Estate	**20,741**	18,695	7,872
- Engineering contracts under Energy Engineering	**11,571**	4,672	4,743
- Maintenance contracts under Geospatial	**33,743**	34,638	29,892
- Service contracts under Healthcare	**143**	976	-
	66,198	58,981	42,507
Non-current			
- Maintenance contracts under Geospatial	**1,159**	1,134	1,003
Total contract liabilities	**67,357**	60,115	43,510

Contract assets relate to the Group's right to consideration for work completed but not yet billed at reporting date. The contract assets balance decreased mainly due to a sizeable project under a deferred payment arrangement was completed and billed during the financial year ended 31 March 2020.

Contract liabilities relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers for Design-and-Build contracts, Engineering contracts, sale of products and rendering of services. Contract liabilities increased due to more contracts in which the Group billed and received consideration ahead of provision of services.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

4. REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(b) Contract assets and liabilities (cont'd)

(i) Revenue recognised in relation to contract liabilities

	Group	
	2020 **$'000**	**2019** **$'000**
Revenue recognised in current period that was included in the contract liability balance at the beginning of the period		
- Design-and-Build	**18,695**	7,872
- Engineering contracts	**22,755**	4,425
- Sale of products and services	**32,790**	29,038
	74,240	41,335

(ii) Unsatisfied performance obligations

	Group	
	2020 **$'000**	**2019** **$'000**
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at 31 March		
- Design-and-Build	**399,556**	644,877
- Engineering contracts	**231,341**	73,377
- Sale of products	**35,137**	50,855
	666,034	769,109

Management expects that the transaction price allocated to the unsatisfied performance obligations as at 31 March 2020 may be recognised as revenue as the Group continues to perform to complete the construction over the next 1 to 3 years (2019: 1 to 3 years).

The amount disclosed above does not include variable consideration which is subject to significant risk of reversal.

As permitted under the SFRS(I) 15, the aggregated transaction price allocated to unsatisfied contracts of periods one year or less, or are billed based on time incurred, is not disclosed.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

5. OTHER INCOME

	Group	
	2020 $'000	2019 $'000
Interest income		
- Financial assets, at amortised cost		
- Bank deposits	**3,460**	5,286
- Loan to a joint venture	**274**	-
- Loan to associated companies	**891**	551
- Loan to a related party*	**401**	384
	5,026	6,221
- Financial assets, at FVOCI	**44**	397
- Financial assets, at FVPL	**509**	379
- Others	**155**	123
	5,734	7,120
Finance income on sublease	**739**	-
Sublease rental income	**-**	1,161
	6,473	8,281

* *Subsidiary of an associated company*

6. OTHER GAINS - NET

	Group	
	2020 $'000	2019 $'000
Fair value (losses)/gains		
- Derivative financial instruments	**(48)**	572
- Financial assets, at FVPL (Note 19(a))	**(1,076)**	(154)
Financial assets, at FVOCI		
- Reclassification from other comprehensive income on disposal	**151**	347
Gain on disposal of a property	**-**	5,890
Currency exchange gains – net	**1,868**	2,192
	895	8,847

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

7. EXPENSES BY NATURE

	Group	
	2020 $'000	2019 (Restated) $'000
Employee compensation (Note 8)	**96,663**	82,080
Sub-contractor fees and other construction and engineering costs	**458,831**	247,335
Purchases of inventories and services	**60,952**	50,259
Depreciation expense (Notes 20, 21 and 22)	**16,218**	9,345
Amortisation of intangible assets (Note 24)	**625**	216
Directors' fees		
- Directors of the Company	**259**	274
- Directors of a subsidiary	**275**	217
Allowance/(Reversal of) for impairment of inventories	**587**	(198)
Fees on audit services paid/payable to:		
- Auditor of the Company	**540**	403
- Other auditors	**277**	402
Fees on non-audit services paid/payable to:		
- Auditor of the Company	**48**	25
- Other auditors	**28**	44
Legal and professional fees	**4,841**	4,201
Rental expense on operating leases	**1,305**	7,954
Property tax	**3,366**	3,432
Utility charges	**618**	471
Repair and maintenance expenses	**4,234**	3,417
Marketing expenses	**2,765**	2,195
Loss/(Gain) on disposal of property, plant and equipment	**44**	(100)
Write-off of intangible assets (Note 24)	**-**	44
Training and recruitment expenses	**1,438**	1,036
Travel expenses	**2,275**	2,192
Telecommunication expenses	**1,535**	1,326
Others	**2,960**	3,740
Total cost of sales, selling and distribution and administrative expenses	**660,684**	420,310

8. EMPLOYEE COMPENSATION

	Group	
	2020 $'000	2019 $'000
Wages and salaries	**89,258**	75,075
Employer's contribution to defined contribution plans including Central Provident Fund	**7,131**	6,251
Employee share-based compensation expense (Note 33)	**189**	538
Other benefits	**85**	216
	96,663	**82,080**

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

9. FINANCE EXPENSES

	Group	
	2020 $'000	2019 $'000
Interest expense		
- Bank borrowings	**2,326**	2,338
- Lease liabilities	**2,887**	-
	5,213	2,338

10. SHARE OF LOSS OF ASSOCIATED COMPANIES AND JOINT VENTURES

	Group	
	2020 $'000	2019 $'000
Share of loss/(profit) after income tax		
- Associated companies (Note 25)	**1,165**	(195)
- Joint ventures (Note 26)	**(2,764)**	(1,247)
	(1,599)	(1,442)

11. INCOME TAXES

(a) Income tax expense

	Group	
	2020 $'000	2019 $'000
Tax expense attributable to profit is made up of:		
- Profit for the financial year:		
Current income tax		
- Singapore	**7,760**	10,431
- Foreign	**10,762**	7,359
	18,522	17,790
Deferred income tax (Note 28)	**(745)**	(2,042)
	17,777	15,748
- Under/(Over) provision in prior financial years:		
Current income tax	**2,202**	(1,573)
Deferred income tax (Note 28)	**(1,398)**	(1,397)
	804	(2,970)
	18,581	12,778

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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	
	2020 $'000	**2019 $'000**
Profit before tax	**63,040**	62,357
Share of loss of associated companies and joint ventures – net of tax	**1,599**	1,442
Profit before tax and share of loss of associated companies and joint ventures	**64,639**	63,799
Tax calculated at tax rate of 17% (2019: 17%)	**10,989**	10,846
Effects of:		
- expenses not deductible for tax purposes	**3,645**	2,120
- different tax rates in other countries	**3,101**	2,969
- deferred income tax assets not recognised	**1,860**	1,114
- income not subject to tax	**(626)**	(264)
- tax incentives	**(339)**	(241)
- under/(over) provision in prior financial years - net	**804**	(2,970)
- utilisation of previously unrecognised tax losses	**-**	(124)
- others	**(853)**	(672)
Tax charge	**18,581**	12,778

(b) Movement in current income tax payable

	Group	
	2020 $'000	**2019 $'000**
Beginning of financial year	**13,133**	13,526
Currency translation differences	**(348)**	(112)
Acquisition of a subsidiary (Note 42)	**-**	51
Income tax paid	**(17,584)**	(16,549)
Tax expense	**18,522**	17,790
Under/(Over) provision in prior financial years	**2,202**	(1,573)
End of financial year	**15,925**	13,133

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

12. EARNINGS PER SHARE

(a) Basic earnings per share

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

	2020	2019
Profit attributable to equity holders of the Company ($'000)	**30,872**	32,519
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**490,342**	492,985
Basic earnings per share (cents per share)	**6.30**	6.60

(b) Diluted earnings per share

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

The profit attributable to equity holders of the Company has been adjusted for the effects of conversion of dilutive potential ordinary shares of a subsidiary.

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

	2020	2019
Profit attributable to equity holders of the Company ($'000)	**30,872**	32,519
Adjustment for dilutive potential ordinary shares of a subsidiary ($'000)	**(32)**	(81)
Adjusted profit attributable to equity holders of the Company ($'000)	**30,840**	32,438
Weighted average number of ordinary shares outstanding for diluted earnings per share ('000)	**490,342**	492,985
Diluted earnings per share (cents per share)	**6.29**	6.58

13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Cash at bank and on hand	**141,935**	164,719	**6,716**	3,979
Short-term bank deposits	**139,771**	82,142	**42,000**	37,200
	281,706	246,861	**48,716**	41,179

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

13. CASH AND CASH EQUIVALENTS (CONT'D)

Acquisition and disposal of subsidiaries

Please refer to Note 42 for the effects of acquisition of a subsidiary on the cash flows of the Group.

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

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

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

14. TRADE RECEIVABLES

	Group	
	2020 $'000	2019 $'000
Current		
Trade receivables:		
- Non-related parties	**116,675**	109,245
- Joint ventures	**9,948**	3,293
- An associated company	**1,332**	1,128
- A related party*	**952**	958
Less: Allowance for impairment of receivables – non-related parties (Note 39(b))	**(27,286)**	(29,292)
	101,621	85,332
Retention sum receivables:		
- Non-related parties	**9,412**	6,084
- Joint ventures	**338**	4,618
	9,750	10,702
	111,371	96,034
Non-current		
Retention sum receivables		
- Non-related parties	**14,900**	10,909
- Joint ventures	**4,950**	376
Less: Allowance for impairment of retention sum receivables – non-related parties	**-**	(73)
	19,850	11,212

* *Subsidiary of an associated company*

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

15. OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Current				
Loans to:				
- Associated companies	**19,372**	16,801	**1,723**	1,424
Less: Allowance for impairment of loan to an associated company	**(1,689)**	-	**-**	-
	17,683	16,801	**-**	-
- A joint venture	**58,558**	-	**-**	-
- A related party*	**7,784**	7,479	**-**	-
	84,025	24,280	**1,723**	1,424
Other receivables:				
- Non-related parties	**14,429**	17,922	**181**	2,383
- Subsidiaries	**-**	-	**10**	3,000
- Joint ventures	**224**	8	**-**	-
- An associated company	**34**	-	**-**	-
- A related party*	**552**	504	**-**	-
Less: Allowance for impairment of other receivables – Non-related parties	**(5,133)**	(5,629)	**-**	(2,016)
	94,131	37,085	**1,914**	4,791
Tax recoverable	**2,313**	1,092	**-**	-
Deposits	**1,750**	10,742	-	-
Prepayments	**15,908**	18,106	**6**	-
Staff loans and advances	**174**	291	**-**	-
	114,276	67,316	**1,920**	4,791
Non-current				
Loan to:				
- An associated company	**3,062**	2,915	**3,062**	2,915
Other receivables	**1,673**	1,528	**-**	-
Prepayments	**1,096**	1,316	**-**	-
	5,831	5,759	**3,062**	2,915

* *Subsidiary of an associated company*

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

15. OTHER RECEIVABLES AND PREPAYMENTS (CONT'D)

Current loan to an associated company by the Group amounting to $17,649,000 is unsecured, bears interest at 0.50% (2019: 0.50%) above Kuala Lumpur Interbank Offered Rate ("KLIBOR") per annum and is repayable on demand. Movement in the allowance for impairment of loan to an associated company is disclosed in Note 39(b).

Current loan to an associated company by the Group and Company amounting to $1,723,000 is unsecured, bears interest at a fixed rate of 8.00% (2019: 8.00%) per annum and is repayable within the next 12 months.

Non-current loan to an associated company by the Group and Company is unsecured, bears interest at a fixed rate of 8.00% (2019: 8.00%) per annum and is repayable in full by March 2022.

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

Loan to a related party is unsecured, bears interest at 2.00% (2019: 2.00%) above KLIBOR per annum and is repayable on demand.

Other receivables due from subsidiaries, joint venture, an associated company and a related party are unsecured, interest-free and are repayable on demand. Movement in the allowance for impairment of other receivables is disclosed in Note 39(b).

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

16. LOANS TO/FROM SUBSIDIARIES

	Company	
	2020 $'000	2019 $'000
Loans to subsidiaries		
- Non-interest bearing	**31,830**	24,739
- Interest bearing	**35,101**	28,939
	66,931	53,678
Less: Allowance for impairment of loans to subsidiaries	**(25,119)**	(23,713)
	41,812	29,965
Loans from subsidiaries		
- Non-interest bearing	**1,688**	1,826
- Interest bearing	**77,916**	58,594
	79,604	60,420

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

Interest bearing loans to subsidiaries bear effective interest at 0.92% (2019: 0.49%) per annum and are unsecured and repayable on demand.

Interest bearing loans from subsidiaries bear effective interest at 1.45% (2019: 1.44%) per annum and are unsecured and repayable on demand.

Movement in the allowance for impairment of loans to subsidiaries:

	Company	
	2020 $'000	2019 $'000
Beginning of financial year	**23,713**	21,829
Allowance made	**1,406**	1,884
End of financial year	**25,119**	23,713

17. INVENTORIES

	Group	
	2020 $'000	2019 $'000
Raw materials	**244**	205
Finished goods	**3,328**	3,363
	3,572	3,568

The cost of inventories recognised as an expense and included in "cost of sales" amounted to $20,509,000 (2019: $26,848,000).

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

18. PROPERTIES HELD FOR SALE

As at 31 March 2020, the Group has the following properties held for sale:

Location	Description/Area	Terms of lease
(1) Singapore No. 12 Changi North Way	Industrial/ Gross floor area ("GFA"): 23,881 sq metres	30 years from 16 January 2005 with an option to extend a further 30 years
(2) Singapore No. 16 Changi North Way	Industrial/ GFA: 11,320 sq metres	27 years 4 months from 1 September 2007 with an option to extend a further 30 years
(3) Singapore No. 85 Tuas South Avenue 1	Industrial/ GFA: 10,433 sq metres	30 years from 16 April 2007 with an option to extend a further 23 years
(4) People's Republic of China No. 3 Xin Mei Road Plot 117, Wuxi New District Wuxi, Jiangsu	Industrial/ GFA: 3,737 sq metres	50 years from 15 April 2003
(5) People's Republic of China No. 7 Xin Mei Road Plot 117, Wuxi New District Wuxi, Jiangsu	Industrial/ GFA: 6,038 sq metres	50 years from 15 April 2003
(6) People's Republic of China No. 18 Xin Mei Road Plot 117, Wuxi New District Wuxi, Jiangsu	Industrial/ GFA: 3,238 sq metres	50 years from 15 April 2003

As at 31 March 2020, properties held for sale amounting to $9,400,000 (2019: $9,400,000) are pledged to the banks for banking facilities (Note 30).

During the financial year ended 31 March 2019, the Group disposed its property at 25 Changi North Rise, Singapore, at a gain of $5,890,000 (Note 6).

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

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

19. INVESTMENT SECURITIES

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Financial assets, at FVPL	**18,187**	23,214	**12,687**	18,114
Financial assets, at FVOCI	**31,315**	37,141	**-**	5,715
Total	**49,502**	60,355	**12,687**	23,829
Less: Current portion	**(6,625)**	(15,811)	**(1,925)**	(15,811)
Non-current portion	**42,877**	44,544	**10,762**	8,018

(a) Financial assets, at FVPL

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Beginning of financial year	**23,214**	21,741	**18,114**	21,341
Currency translation differences	**140**	-	**140**	-
Additions	**3,451**	4,700	**3,051**	-
Fair values losses (Note 6)	**(1,076)**	(154)	**(1,076)**	(154)
Disposals	**(7,542)**	(3,073)	**(7,542)**	(3,073)
End of financial year	**18,187**	23,214	**12,687**	18,114

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Current				
Listed instruments:				
- Equity instruments – Singapore	**1,925**	5,934	**1,925**	5,934
- Debt instruments – Singapore	**-**	4,162	**-**	4,162
Non-listed instruments:				
- Convertible loan	**4,700**	-	**-**	-
	6,625	10,096	**1,925**	10,096
Non-current				
Listed instruments:				
- Debt instruments – Singapore	**7,950**	8,018	**7,950**	8,018
Non-listed instruments:				
- Convertible loan	**-**	4,700	**-**	-
- Equity instruments – Singapore	**3,612**	400	**2,812**	-
	11,562	13,118	**10,762**	8,018
Total	**18,187**	23,214	**12,687**	18,114

The instruments are all mandatorily measured at fair value through profit or loss.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

19. INVESTMENT SECURITIES (CONT'D)

(b) Financial assets, at FVOCI

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Beginning of financial year	**37,141**	48,868	**5,715**	17,673
Currency translation differences	**(256)**	5	**(256)**	5
Fair value (losses)/gains	**(118)**	200	**(7)**	(31)
Disposals	**(5,452)**	(11,932)	**(5,452)**	(11,932)
End of financial year	**31,315**	37,141	**-**	5,715

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Current assets				
Listed instruments:				
- Debt instruments – Singapore	**-**	5,715	**-**	5,715
Non-current assets				
Non-listed instrument:				
- Equity instrument	**31,315**	31,426	**-**	-
Total	**31,315**	37,141	**-**	5,715

The Group holds a 5.27% equity interest in Perennial Tongzhou Development Pte. Ltd. ("PTD"), which represents a 4.00% effective interest in Beijing Tongzhou Integrated Development (Phase 1), a mixed-use property project located in Tongzhou District, Beijing, The People's Republic of China.

The fair value of the investment is determined using an asset based valuation model taking into consideration the fair value of the underlying properties being developed by PTD. The fair value of the underlying property is based on independent external valuation.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

20. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Building	Leasehold property and fitouts	Machinery and equipment	Furniture, office equipment and motor vehicles	Medical equipment and operating assets	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group							
2020							
Cost							
Beginning of financial year	4,888	6,522	6,642	6,164	17,715	628	42,559
Currency translation differences	(371)	(126)	(377)	(412)	(236)	(30)	(1,552)
Additions	-	1,908	713	9,639	3,638	143	16,041
Disposals	-	-	(1,056)	(167)	(1,331)	(55)	(2,609)
End of financial year	4,517	8,304	5,922	15,224	19,786	686	54,439
Accumulated depreciation							
Beginning of financial year	-	1,030	4,090	5,712	14,358	148	25,338
Currency translation differences	-	(5)	(332)	(405)	(254)	14	(982)
Depreciation charge	-	164	413	808	1,820	219	3,424
Disposals	-	-	(1,036)	(164)	(1,036)	(1)	(2,237)
End of financial year	-	1,189	3,135	5,951	14,888	380	25,543
Net book value							
End of financial year	**4,517**	**7,115**	**2,787**	**9,273**	**4,898**	**306**	**28,896**
2019							
Cost							
Beginning of financial year	460	5,213	6,763	6,341	16,603	-	35,380
Currency translation differences	(19)	(213)	(277)	(105)	(278)	(2)	(894)
Additions	4,447	1,522	156	192	1,512	298	8,127
Acquisition of subsidiaries (Note 42)	-	-	-	-	396	368	764
Disposals	-	-	-	(193)	(497)	(36)	(726)
Reclassifications	-	-	-	21	(21)	-	-
Grants received	-	-	-	(92)	-	-	(92)
End of financial year	4,888	6,522	6,642	6,164	17,715	628	42,559
Accumulated depreciation							
Beginning of financial year	-	939	3,886	5,501	13,224	-	23,550
Currency translation differences	-	(40)	(223)	(88)	(225)	-	(576)
Depreciation charge	-	131	427	489	1,853	163	3,063
Disposals	-	-	-	(192)	(492)	(15)	(699)
Reclassifications	-	-	-	2	(2)	-	-
End of financial year	-	1,030	4,090	5,712	14,358	148	25,338
Net book value							
End of financial year	4,888	5,492	2,552	452	3,357	480	17,221

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

21. INVESTMENT PROPERTIES

	Land	Building and other costs	Right-of-use assets	Total
	$'000	$'000	$'000	$'000
Group				
2020				
Cost				
Beginning of financial year	58,119	164,023	-	222,142
Adoption of SFRS(I) 16 (Note 2.1(i)(c))	-	-	49,763	49,763
Reclassification	(58,119)	-	58,119	-
Additions	-	11,531	-	11,531
Disposals (Note 13)	-	(5,938)	(53,600)	(59,538)
Currency translation difference	-	137	640	777
End of financial year	-	169,753	54,922	224,675
Accumulated depreciation				
Beginning of financial year	2,282	37,742	-	40,024
Reclassification	(2,282)	-	2,282	-
Depreciation charge	-	6,143	1,795	7,938
End of financial year	-	43,885	4,077	47,962
Net book value				
End of financial year	**-**	**125,868**	**50,845**	**176,713**
2019				
Cost				
Beginning of financial year	4,519	158,050	-	162,569
Additions	53,600	5,973	-	59,573
End of financial year	58,119	164,023	-	222,142
Accumulated depreciation				
Beginning of financial year	1,938	31,804	-	33,742
Depreciation charge	344	5,938	-	6,282
End of financial year	2,282	37,742	-	40,024
Net book value				
End of financial year	55,837	126,281	-	182,118

The following amounts are recognised in profit and loss:

	Group	
	2020 $'000	2019 $'000
Rental income	**24,076**	22,376
Direct operating expenses arising from:		
- Investment properties that generate rental income	**5,968**	5,024
- Investment property that does not generate rental income	**-**	283

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

21. INVESTMENT PROPERTIES (CONT'D)

As at 31 March 2020, the details of the Group's investment properties are as follows:

Location	Description	Existing use	Terms of lease
Singapore 10 Seletar Aerospace Heights	Industrial facilities	Rental	30 years lease from 1 June 2012
Singapore 80 Boon Keng Road	Industrial facilities	Rental	Phase 1 - 30 years lease from 1 April 2011 with an option to extend a further 26 years Phase 2 – 30 years lease from 1 October 2013 with an option to extend a further 16 years
Singapore 16 Tampines Industrial Crescent	Industrial facilities	Rental	30 years lease from 16 June 2012
Singapore 26 Changi North Rise	Industrial facilities	Rental	30 years lease from 30 April 2010 with an option to extend a further 30 years
Singapore 10 Changi North Way	Industrial facilities	Rental	24 years lease from 16 September 2010 with an option to extend a further 30 years
Singapore 31 Tuas South Ave 10	Industrial facilities	Rental	30 years lease from 16 December 2013
Singapore 10 Tukang Innovation Drive	Industrial facilities	Rental	30 years lease from 1 November 2013
Singapore 36 Tuas Road	Industrial facilities	Rental	12 years lease from 1 October 2013 with an option to extend a further 30 years
Socialist Republic of Vietnam Road No. 3, Nhon Trach II Industrial Park - Nhon Phu, Phu Hoi Commune, Nhon Trach District, Dong Nai Province	Industrial facilities	Phase 1 – Rental Phase 2 – Construction in progress	39 years lease 2 months from 22 December 2017

As at 31 March 2020, investment properties amounting to $43,113,000 (2019: $87,633,000) have been pledged to banks for banking facilities (Note 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 valuers have considered the direct comparison method for comparative properties, discounted cash flow method and capitalisation approach in deriving the valuation of $277,423,000 (2019: $332,470,000), net of lease payments.

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

22. LEASES – THE GROUP AS A LESSEE

Nature of the Group's leasing activities

The Group leases leasehold land for use as investment properties and properties held for sale in Singapore, People Republic of China and Socialist Republic of Vietnam for remaining lease period ranging from 14 to 36 years. The Group also leases buildings as factories, warehouses and offices, as well as motor vehicles.

For the Group's properties located in Singapore, the Group is required to pay JTC Corporation ("JTC") annual land rent in respect of certain of land use as investment properties and properties held for sale, except for the properties where upfront payments were made. The annual land rent is based on market rent in the relevant year of the current lease term and the lease provides that any increase in annual land rent from year to year shall not exceed 5.5% of the annual land rent for the immediate preceding year. The leases are non-cancellable with remaining lease terms of up to 24 years, with options to renew up to a further 30 years for some of the leases (see further details in Note 2.1).

The right-of-use of the leasehold land for investment properties is presented within investment properties (Note 21).

The right-of-use of the leasehold land for properties held for sale, leased buildings and leased motor vehicles are presented as right-of-use assets on the statement of financial position.

There is no externally imposed covenant on these lease arrangements.

(a) *Carrying amounts and depreciation charge during the financial year*

	Right-of-use assets					Investment properties	
	Leasehold land	Leasehold buildings	Machinery	Motor vehicles	Sub-total	Leasehold land	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Net Book Value							
At 1 April 2019	-	-	-	-	-	-	-
Adoption of SFRS(I) 16	9,963	10,102	26	220	20,311	49,763	70,074
Reclassification	-	-	-	-	-	55,837	55,837
Additions	815	7,674	182	123	8,794	-	8,794
Depreciation charge (Note 7)	(1,208)	(3,496)	(50)	(102)	(4,856)	(1,795)	(6,651)
Disposal	-	(265)	-	-	(265)	(53,600)	(53,865)
Currency translation differences	3	102	1	-	106	640	746
At 31 March 2020	9,573	14,117	159	241	24,090	50,845	74,935
Less: Current portion	(9,096)	-	-	-	(9,096)	-	(9,096)
Non-current portion	477	14,117	159	241	14,994	50,845	65,839

(b) *Interest expense*

	2020 $'000
Interest expense on lease liabilities	**2,887**

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

22. LEASES – THE GROUP AS A LESSEE (CONT'D)

(c) *Lease expense not capitalised in lease liabilities*

	2020 $'000
Lease expense – short-term leases	**1,305**

(d) Total cash outflow for all the leases in 2020 was $9,922,000.

(e) *Extension options*

The leases for certain leasehold land, leasehold buildings and motor vehicles contain extension periods for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension options.

23. LEASES – THE GROUP AS A LESSOR

Nature of the Group leasing activities – Group as a lessor

The Group has leased out investment properties and properties held for sale to non-related parties for monthly lease payments. Where considered necessary to reduce credit risk, the Group may obtain bank guarantees for the payment of leases. This lease is classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

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

	31 March	31 March/ 1 April
	2020 $'000	2019 $'000
Less than one year	**30,753**	25,775
One to two years	**28,310**	24,886
Two to three years	**26,027**	23,000
Three to four years	**21,262**	22,385
Four to five years	**16,114**	19,561
More than five years	**35,424**	48,927
	157,890	164,534

Lease income from investment properties are disclosed in Note 21.

Nature of the Group's leasing activities – Group as an intermediate lessor

Subleases – classified as finance leases

The Group's sub-lease of its right-of-use of a leasehold land is classified as a finance lease because the sub-lease is for the entire remaining lease term of the head lease.

ROU assets relating to the head lease is derecognised. The net investment in the sub-lease is recognised under "Finance lease receivables".

Finance income recognised on the sub-lease during the financial year is $739,000.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

23. LEASES – THE GROUP AS A LESSOR (CONT'D)

Nature of the Group's leasing activities – Group as an intermediate lessor (cont'd)

Subleases – classified as finance leases (cont'd)

The following table shows the maturity analysis of the undiscounted lease payments to be received:

	31 March 2020 $'000	1 April 2019 $'000
Less than one year	**1,155**	1,155
One to two years	**1,155**	1,155
Two to three years	**1,155**	1,155
Three to four years	**1,155**	1,155
Four to five years	**1,155**	1,155
More than five years	**29,751**	30,905
Total undiscounted lease payments	**35,526**	36,680
Less: Unearned finance income	**(13,331)**	(14,071)
Net investment in finance lease	**22,195**	22,609
Current	**430**	415
Non-current	**21,765**	22,194
Total	**22,195**	22,609

24. INTANGIBLE ASSETS

	Trademarks $'000	Contract backlogs $'000	Software development $'000	Others $'000	Total $'000
Group					
2020					
Cost					
Beginning of financial year	1,211	951	613	480	3,255
Currency translation differences	(101)	-	-	-	(101)
Additions	-	-	403	-	403
End of financial year	1,110	951	1,016	480	3,557
Accumulated amortisation					
Beginning of financial year	808	-	-	148	956
Currency translation differences	(80)	-	-	-	(80)
Amortisation charge (Note 7)	197	423	-	5	625
End of financial year	925	423	-	153	1,501
Accumulated impairment					
Beginning and end of financial year	**-**	**-**	**-**	**162**	**162**
Net book value					
End of financial year	**185**	**528**	**1,016**	**165**	**1,894**

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

24. INTANGIBLE ASSETS (CONT'D)

	Trademarks	Contract backlogs	Software development	Others	Total
	$'000	$'000	$'000	$'000	$'000
Group					
2019					
Cost					
Beginning of financial year	1,283	-	-	399	1,682
Currency translation differences	(72)	-	-	-	(72)
Acquisition of subsidiaries (Note 42)	-	951	-	-	951
Additions	-	-	613	125	738
Write-off (Note 7)	-	-	-	(44)	(44)
End of financial year	1,211	951	613	480	3,255
Accumulated amortisation					
Beginning of financial year	640	-	-	143	783
Currency translation differences	(43)	-	-	-	(43)
Amortisation charge (Note 7)	211	-	-	5	216
End of financial year	808	-	-	148	956
Accumulated impairment					
Beginning and end of financial year	-	-	-	162	162
Net book value					
End of financial year	403	951	613	170	2,137

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

25. INVESTMENTS IN ASSOCIATED COMPANIES

	Group	
	2020 $'000	2019 $'000
Beginning of financial year	**12,875**	588
Currency translation differences	**331**	(154)
Acquisition of subsidiaries (Note 42)	**-**	11,837
Addition	**3,177**	-
Share of profit/(loss), net of tax (Note 10)	**1,165**	(195)
Unrealised construction and project management margins	**(144)**	(430)
Reclassification to allowance for impairment loss (Note 39(b))	**771**	-
Reclassification to current liabilities (Note 29)	**235**	1,229
End of financial year	**18,410**	12,875

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

The carrying amount of the Group's equity investment in an associated company is $Nil as the Group's share of loss had exceeding its cost of equity investment. However, as a subsidiary of the associated company had obtained bank financing which the Group has granted a proportional corporate guarantee as security for the loan, the Group has continued to equity account for its share of loss in the subsidiary of the associated company in excess of the Group's equity investment amounting to $1,464,000 as at 31 March 2020 (2019: $1,229,000). The outstanding loan amounted to $9,211,000 as at 31 March 2020 (2019: $9,860,000).

Details of loans provided to associated companies by the Group are disclosed in Note 15.

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

26. INVESTMENTS IN JOINT VENTURES

	Group	
	2020 $'000	2019 $'000
Beginning of financial year	**40,673**	37,148
Capital contribution	**26,266**	15,190
Partial disposal of a subsidiary	**8,537**	-
Share of losses, net of tax (Note 10)	**(2,764)**	(1,247)
Unrealised construction and project management margins	**(8,165)**	(7,818)
Dividends received	**(3,840)**	(2,600)
End of financial year	**60,707**	40,673

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

26. INVESTMENTS IN JOINT VENTURES (CONT'D)

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

Name of entity	Principal activities	Country of business/ incorporation	% of ownership interest	
			2020	2019
Held by Boustead Projects Limited				
BP-Vista LLP [(1)]	Holding of property for rental income	Singapore	**30%**	30%
BP-DOJO LLP [(1)]	Holding of property for rental income	Singapore	**51%**	51%
BP-Ubi Development Pte Ltd and its subsidiary [(1)]	Holding of property for rental income	Singapore	**50%**	50%
BP-SF Turbo LLP [(1)]	Holding of property for rental income	Singapore	**50%**	50%
BP-CA3 LLP [(1)]	Holding of property for rental income	Singapore	**50%**	50%
BP-AMC LLP [(1)]	Holding of property for rental income	Singapore	**51%**	51%
BP-BBD2 Pte Ltd [(1)]	Holding of property for rental income	Singapore	**51%**	51%
Snakepit-BP LLP [(1)]	Holding of property for rental income	Singapore	**28%**	28%
Snakepit-BP 1 Pte Ltd [(1)]	Investment holding	Singapore	**5%**	5%
Echo Base-BP Capital Pte Ltd [(1)]	Provide real estate consultancy and management services	Singapore	**50%**	50%
EFactory Vietnam Co Ltd [(2)]	Provide real estate consultancy and management services	Socialist Republic of Vietnam	**50%**	50%
BP-Braddel LLP [(1)(4)]	Holding of property for rental income	Singapore	**51%**	-
BP-TPM LLP [(1)(3)]	Holding of property for rental income	Singapore	**51%**	-

(1) *Audited by PricewaterhouseCoopers LLP, Singapore*
(2) *Audited by RSM Vietnam Auditing & Consulting Company Limited*
(3) *Newly incorporated during the year*
(4) *Subsidiary of the Group as at 31 March 2019*

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

26. INVESTMENTS IN JOINT VENTURES (CONT'D)

The subsidiary of BP-Ubi Development Pte Ltd had obtained bank financing for its development of an investment property which the Group granted a proportional corporate guarantee as security for the loan. The outstanding loan amounted to $18,850,000 as at 31 March 2020 (2019: $19,650,000).

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

The Group has committed to provide funding if called, to its joint ventures amounting to $13,596,000 as at 31 March 2020 (2019: $16,138,000).

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

	Group	
	2020 $'000	**2019 $'000**
BP-DOJO LLP	**14,753**	19,114
BP-TPM LLP	**15,036**	-
BP-Vista LLP	**6,191**	8,739
Other joint ventures	**24,727**	12,820
	60,707	40,673

The Group's share of results of its material joint ventures are as follows:

	Group	
	2020 $'000	**2019 $'000**
BP-DOJO LLP	**(3,009)**	(2,492)
BP-TPM LLP	**(237)**	-
BP-Vista LLP	**317**	676
Other joint ventures	**165**	569
	(2,764)	(1,247)

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

26. INVESTMENTS IN JOINT VENTURES (CONT'D)

Summarised financial information for joint ventures

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

Summarised statements of financial position

	BP-DOJO LLP		BP-TPM LLP		BP-Vista LLP	
	31 March		31 March		31 March	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Current assets	**10,032**	6,536	**8,525**	-	**13,172**	14,793
Includes:						
- Cash and cash equivalents	**4,882**	5,157	**2,672**	-	**4,494**	5,563
Non-current assets	**178,321**	184,452	**81,658**	-	**119,534**	124,942
Current liabilities	**(138,302)**	(8,270)	**(59,877)**	-	**(2,094)**	(4,072)
Includes:						
- Financial liabilities (excluding trade and other payables)	**(131,640)**	-	**(58,000)**	-	**-**	-
- Other liabilities (including trade and other payables)	**(6,662)**	(8,270)	**(1,877)**	-	**(2,094)**	(4,072)
Non-current liabilities	**-**	(125,862)	**-**	-	**(96,331)**	(96,331)
Includes:						
- Financial liabilities	**-**	(125,862)	**-**	-	**(96,331)**	(96,331)
Net assets	**50,051**	56,856	**30,306**	-	**34,281**	39,332

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

26. INVESTMENTS IN JOINT VENTURES (CONT'D)

***Summarised financial information for joint ventures** (cont'd)*

Summarised income statement

	BP-DOJO LLP		BP-TPM LLP		BP-Vista LLP	
	For the financial year ended 31 March		For the financial year ended 31 March		For the financial year ended 31 March	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Revenue	**9,582**	903	**-**	-	**11,440**	12,050
Interest income	**38**	23	**-**	-	**23**	53
Other income	**928**	43	**67**	-	**3,177**	-
Expenses	**(17,353)**	(6,172)	**(531)**	-	**(11,891)**	(10,455)
Includes:						
- Depreciation and amortisation	**(7,216)**	(3,036)	**-**	-	**(5,409)**	(5,395)
- Interest expense	**(4,244)**	(1,694)	**-**	-	**(2,930)**	(2,919)
- Other expenses	**(5,893)**	(1,442)	**(531)**	-	**(3,552)**	(2,141)
(Loss)/profit after income tax, representing total comprehensive (loss)/income	**(6,805)**	(5,203)	**(464)**	-	**2,749**	1,648
Share of (loss)/profit, net of tax (51%, 51%, 30%)	**(3,471)**	(2,654)	**(237)**	-	**825**	494
Amortisation of previously capitalised unrealised gains and losses	**462**	162	**-**	-	**(508)**	182
Share of (loss)/profit after income tax, representing total comprehensive (loss)/income	**(3,009)**	(2,492)	**(237)**	-	**317**	676

The information above reflects the amounts presented in the financial statements of the joint ventures and the Group's share of those amounts, adjusted for differences in accounting policies between the Group and the joint ventures.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

26. INVESTMENTS IN JOINT VENTURES (CONT'D)

Summarised financial information for joint ventures *(cont'd)*

Reconciliation of summarised financial information

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

	BP-DOJO LLP		BP-TPM LLP		BP-Vista LLP	
	31 March		31 March		31 March	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Net assets						
Beginning of financial year	**56,856**	46,980	**-**	-	**39,332**	44,684
(Loss)/Profit for the financial year	**(6,805)**	(5,203)	**(464)**	-	**2,749**	1,648
Dividends paid	**-**	-	**-**	-	**(7,800)**	(7,000)
Capital contribution	**-**	15,079	**30,770**	-	**-**	-
End of financial year	**50,051**	56,856	**30,306**	-	**34,281**	39,332
Interests in joint ventures (51%; 51%; 30%)	**25,526**	28,997	**15,456**	-	**10,284**	11,800
Unrealised construction and project management margins	**(10,773)**	(9,883)	**(420)**	-	**(4,093)**	(3,061)
Carrying value	**14,753**	19,114	**15,036**	-	**6,191**	8,739

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

27. INVESTMENTS IN SUBSIDIARIES

	Company	
	2020 $'000	2019 $'000
Equity shares at cost		
Beginning of financial year	**121,587**	102,709
Additions	**-**	18,878
End of financial year	**121,587**	121,587
Less: Allowance for impairment losses	**(42,316)**	(38,205)
	79,271	83,382
Loans to subsidiaries	**23,069**	23,240
Less: Allowance for impairment of loans to subsidiaries	**(21,067)**	(21,027)
	2,002	2,213
	81,273	85,595

The loans to subsidiaries are unsecured and interest-free. The loans to subsidiaries form part of the Company's net investment in subsidiaries as the Company does not expect to demand repayment of the loans in the foreseeable future.

Movement in the allowance for impairment losses of equity shares:

	Company	
	2020 $'000	2019 $'000
Beginning of financial year	**38,205**	38,205
Allowance made	**4,111**	-
End of financial year	**42,316**	38,205

Movement in the allowance for impairment of loans to subsidiaries:

	Company	
	2020 $'000	2019 $'000
Beginning of financial year	**21,027**	15,729
Allowance made	**40**	5,450
Allowance written back	**-**	(152)
End of financial year	**21,067**	21,027

In 2019, there were write-backs of allowance for loan receivables as a portion of the loan receivables from its subsidiary has been repaid.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

27. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of significant subsidiaries as at 31 March 2020 and 2019 are set out below:

Name of companies	Principal activities	Country of business/ incorporation	Equity holding as at 2020 %	Equity holding as at 2019 %
Significant subsidiaries held by the Company				
Boustead Projects Limited [1][11]	Design-and-build and develop of industrial facilities and industrial parks for lease or sale	Singapore	**52.7**	52.9
Boustead Services Pte. Ltd. [1]	Provision of management services	Singapore	**100.0**	100.0
Esri Australia Pty Ltd [2]	Exclusive distributor for Esri geospatial and provider of professional services and training	Australia	**88.2**	88.2
Esri South Asia Pte Ltd [1]	Exclusive distributor for Esri geospatial and provider of professional services and training	Singapore	**88.2**	88.2
Boustead Salcon Water Solutions Pte. Ltd. [1]	Provide design, engineering and construction services 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
WhiteRock Incorporation Private Limited [1]	Investment holding	Singapore	**100.0**	100.0
Significant subsidiaries held by the Company's subsidiaries				
Boustead Projects E&C Pte. Ltd. [1][11]	Provide project management, design, construction and property-related services	Singapore	**52.7**	52.9
BP Engineering Solutions Sdn Bhd [9][11]	Provide project management, design, construction and property-related services	Malaysia	**52.7**	52.9
CN Logistics Pte. Ltd. [1][11]	Holding of property for rental income	Singapore	**52.7**	52.9
Boustead Projects (Vietnam) Co. Ltd [7][11]	Provide project management, design, construction and property-related services	Socialist Republic of Vietnam	**52.7**	52.9
BP-UMS Pte. Ltd. [1][11][15]	Dormant	Singapore	**52.7**	52.9
BP-Tuas 1 Pte. Ltd. [1][11]	Holding of property for rental income	Singapore	**52.7**	52.9
BP-CA Pte. Ltd. [1][11]	Holding of property for rental income	Singapore	**52.7**	52.9
BP-SFN Pte. Ltd. [1][11]	Holding of property for rental income	Singapore	**52.7**	52.9
BP-BBD Pte. Ltd. [1][11]	Holding of property for rental income	Singapore	**52.7**	52.9

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

27. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of companies	Principal activities	Country of business/ incorporation	Equity holding as at 2020 %	Equity holding as at 2019 %
Significant subsidiaries held by the Company's subsidiaries (cont'd)				
PIP Pte. Ltd. (1)(11)	Provide project management, design, construction and property-related services	Singapore	**52.7**	52.9
BP-EA Pte. Ltd. (1)(11)	Holding of property for rental income	Singapore	**52.7**	52.9
BP-JCS Pte. Ltd. (1)(11)	Holding of property for rental income	Singapore	**52.7**	52.9
BP Lands Sdn Bhd (9)(11)	Investment holding	Malaysia	**52.7**	52.9
BP-TN Pte. Ltd. (1)(11)	Holding of property for rental income	Singapore	**52.7**	52.9
Wuxi Boustead Industrial Development Co. Ltd (6)(11)	Development of industrial space for lease/sale	People's Republic of China	**52.7**	52.9
Boustead Real Estate Fund (1)(11)	Private business trust	Singapore	**52.7**	52.9
Boustead Trustees Pte. Ltd. (1)(11)	Trustee for real estate trust	Singapore	**52.7**	52.9
Boustead Funds Management Pte. Ltd. (1)(11)	Property fund management	Singapore	**52.7**	52.9
Boustead Property Services Pte. Ltd. (1)(11)	Management of properties	Singapore	**52.7**	52.9
BP-Braddell LLP (12)	Holding of property for rental income	Singapore	**-**	52.9
CP-SH1 Pte. Ltd. (12)	Investment holding	Singapore	**-**	52.9
BP-TPM1 Pte Ltd (1)(13)	Investment holding	Singapore	**52.7**	-
BP Batu Kawan Sdn Bhd (10)(11)	Investment holding	Malaysia	**52.7**	52.9
BP Aerotech (Subang) Sdn Bhd (10)(11)	Investment holding	Malaysia	**52.7**	52.9
BP Malaysia Airports Subang Aerotech Sdn. Bhd. (9)(13)	Investment holding	Malaysia	**36.9**	-
BPMA HS Sdn. Bhd. (13)(14)	Investment holding	Malaysia	**36.9**	-
Controls & Electrics Pte Ltd (1)	Design, engineering and supply of process control systems	Singapore	**94.4**	78.8
MapData Services Pty Ltd (2)	Provider of geospatial technology and data sets	Australia	**88.2**	88.2
Esri Malaysia Sdn Bhd (4)	Exclusive distributor for Esri geospatial and provider of professional services and training	Malaysia	**88.2**	88.2

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

27. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of companies	Principal activities	Country of business/ incorporation	Equity holding as at 2020 %	Equity holding as at 2019 %
Significant subsidiaries held by the Company's subsidiaries (cont'd)				
Esri Singapore Pte Ltd [1]	Exclusive distributor for Esri and provider of professional services and training	Singapore	**88.2**	88.2
PT Esri Indonesia [5]	Exclusive distributor for Esri geospatial and provider of professional services and training	Indonesia	**88.2**	88.2
Boustead International Heaters Limited [3]	Provide design and engineering services, and supply of process heater systems and waste heat recovery units	United Kingdom	**100.0**	100.0
Boustead International Heaters Pte. Ltd. [1]	Provide design and engineering services, and supply of process heater systems and waste heat recovery units	Singapore	**100.0**	100.0
BIH Heaters Malaysia Sdn Bhd [4]	Provide design and engineering services, and supply of process heater systems and waste heat recovery units	Malaysia	**100.0**	100.0
United BMEC Pte Ltd [1]	Distribution of medical and rehabilitation equipment	Singapore	**100.0**	100.0
WhiteRock Medical Asia Pte. Ltd. [1]	Distribution of medical devices	Singapore	**100.0**	100.0
WhiteRock Medical Limited [8]	Distribution of medical and rehabilitation equipment	Hong Kong	**100.0**	100.0
Medisolution Pte. Ltd. [1]	Manufacturers, designers, maintainers and dealers in biomedical and rehabilitation engineering products, apparatus of every description and other related activities	Singapore	**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 Doli, Bambang, Sulistiyanto, Dadang & Ali, Indonesia*
(6) *Audited by Zhonghui Certified Public Accountants LLP Wuxi Branch, China*
(7) *Audited by RSM Vietnam Auditing & Consulting Company Limited, Socialist Republic of Vietnam*
(8) *Audited by independent member of Baker Tilly Limited, Hong Kong*
(9) *Audited by KPMG PLT, Malaysia*
(10) *Audited by CLW & Associates, Malaysia*
(11) *Changes in equity holding are resultant from purchase/re-issuance of treasury shares by Boustead Projects Limited*
(12) *On 30 July 2019, the Group disposed its subsidiary, CP-SH1 Pte Ltd, which owned 49% interest in BP-Braddell LLP. Accordingly, CP-SH1 Pte Ltd ceased to be a subsidiary and BP-Braddell LLP became a joint venture of the Group*
(13) *Incorporated during the year*
(14) *In the process of appointing auditor*
(15) *In the process of voluntary liquidation/strike-off*

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

27. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Carrying value of non-controlling interests

	2020 $'000	2019 $'000
Boustead Projects Limited and its subsidiaries ("BP Group")	**140,430**	132,341
Other subsidiaries	**13,673**	13,866
	154,103	146,207

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.

Summarised consolidated statement of financial position

	BP Group	
	31 March	
	2020 $'000	2019 $'000
Current		
Assets	**340,224**	294,473
Liabilities	**(250,631)**	(196,613)
Total current net assets	**89,593**	97,860
Non-current		
Assets	**332,069**	271,473
Liabilities	**(124,377)**	(88,303)
Total non-current net assets	**207,692**	183,170
Net assets	**297,285**	281,030

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

27. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Summarised consolidated income statement

	BP Group	
	For the financial year ended 31 March	
	2020 $'000	2019 $'000
Revenue	**426,224**	234,223
Profit before income tax	**27,455**	35,675
Income tax expense	**(5,330)**	(5,097)
Profit after tax	**22,125**	30,578
Other comprehensive income/(loss), net of tax	**154**	(223)
Total comprehensive income	**22,279**	30,355
Total comprehensive income allocated to non-controlling interests	**10,409**	14,400
Dividends paid to non-controlling interests	**(2,936)**	(2,182)

Summarised consolidated cash flows

	BP Group	
	For the financial year ended 31 March	
	2020 $'000	2019 $'000
Net cash provided by/(used in) by operating activities	**107,181**	(38)
Net cash used in investing activities	**(91,114)**	(74,114)
Net cash provided by financing activities	**3,816**	71,132

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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 as follows:

	Group	
	2020 $'000	**2019 $'000**
Deferred income tax assets	**7,934**	5,165
Deferred income tax liabilities	**(5,167)**	(4,051)
	2,767	1,114

The movement in the net deferred income tax account is as follows:

	Group	
	2020 $'000	**2019 $'000**
Beginning of financial year	**1,114**	(2,159)
Currency translation differences	**(163)**	(31)
Tax charged to		
- profit or loss (Note 11(a))	**2,143**	3,439
- other comprehensive income	**(327)**	(135)
End of financial year	**2,767**	1,114

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 2020, the Group has unrecognised tax losses and unrecognised capital allowances of $47,971,000 (2019: $42,843,000) 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 2020, deferred income tax liabilities of $2,146,000 (2019: $1,581,000) 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 $12,997,000 (2019: $9,500,000).

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

	Revenue currently not assessable for tax but recognised for accounting	Expenditure currently deductible for tax but not recognised for accounting	Accelerated tax depreciation	Others	Total
	$'000	$'000	$'000	$'000	$'000
2020					
Beginning of financial year	(1,628)	(87)	(3,995)	(100)	(5,810)
Currency translation differences	133	7	(27)	(100)	13
Credited/(Charged) to profit of loss	775	-	(1,141)	147	(219)
End of financial year	**(720)**	**(80)**	**(5,163)**	**(53)**	**(6,016)**
2019					
Beginning of financial year	(3,154)	(206)	(3,779)	(5)	(7,144)
Currency translation differences	(150)	(4)	-	84	(70)
Credited/(Charged) to profit or loss	1,676	123	(216)	(179)	1,404
End of financial year	(1,628)	(87)	(3,995)	(100)	(5,810)

Group

Deferred income tax assets

	Unrealised construction and project management margins	Revenue assessed for tax but not recognised for accounting	Expenditure currently not deductible for tax but recognised for accounting	Provisions	Others	Total
	$'000	$'000	$'000	$'000	$'000	$'000
2020						
Beginning of financial year	3,196	148	648	2,249	683	6,924
Currency translation differences	-	(12)	(54)	(229)	119	(176)
Credited/(Charged) to						
- profit or loss	1,415	940	-	108	(101)	2,362
- other comprehensive income	-	-	-	-	(327)	(327)
End of financial year	**4,611**	**1,076**	**594**	**2,128**	**374**	**8,783**
2019						
Beginning of financial year	-	446	1,262	2,578	699	4,985
Currency translation differences	-	11	51	(142)	119	39
Credited/(Charged) to						
- profit of loss	3,196	(309)	(665)	(187)	-	2,035
- other comprehensive income	-	-	-	-	(135)	(135)
End of financial year	3,196	148	648	2,249	683	6,924

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

29. TRADE AND OTHER PAYABLES

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Current				
Trade payables	**71,254**	43,733	**-**	-
Retention sum payables	**14,075**	10,019	**-**	-
Accruals for contract costs	**73,122**	68,207	**-**	-
Accruals for operating expenses	**27,971**	28,222	**965**	299
Provision for onerous contracts	**826**	1,631	**-**	-
Other payables	**13,131**	8,598	**3,656**	678
Deposits received	**5,439**	4,158	**-**	-
Advanced billings - property rental income	**2,844**	3,118	**-**	-
Deferred grant income	**843**	-	**40**	-
Dividends payable to non-controlling interests	**4**	105	**-**	-
	209,509	167,791	**4,661**	977
Non-current				
Retention sum payables	**13,376**	4,572	**-**	-
Other payables	**1,137**	1,586	**-**	-
	14,513	6,158	**-**	-

Included in accruals for operating expenses is share of accumulated loss from investment in an associated company amounting to $1,464,000 (2019: $1,229,000).

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

30. BORROWINGS

	Group	
	2020 $'000	2019 $'000
Bank borrowings		
- Current	**92,663**	67,840
- Non-current	**26,330**	79,757
Total	**118,993**	147,597

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	
	2020 $'000	2019 $'000
3 months or less	**118,993**	105,154

(a) Security granted

Total borrowings include secured liabilities of $61,314,000 (2019: $147,597,000) for the Group. Bank borrowings are secured over the Group's properties held for sale (Note 18) and investment properties (Note 21). As at 31 March 2019, there was a bank borrowing secured over a banker's guarantee given in favour of the Group.

(b) Fair value of non-current borrowings

Carrying amounts of non-current borrowings of $26,330,000 (2019: $38,534,000) approximates their fair values as all the amounts are at floating interest rates and are revised every one to three months.

Non-current borrowings of $41,223,000 as at 31 March 2019 with fixed interest rates had fair value of $40,769,000, which was computed based on the present value of the cash flows on the borrowings discounted at a rate of 3.32%, which was the borrowing rate that the directors expected would be available to the Group at the reporting date.

The fair value of borrowings are within level 2 of the fair values hierarchy.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

31. DERIVATIVE FINANCIAL INSTRUMENTS

	Group			Company		
	Contract notional amount	Fair value Asset	Fair value Liability	Contract notional amount	Fair value Asset	Fair value Liability
	$'000	$'000	$'000	$'000	$'000	$'000
31 March 2020						
Derivatives not held for hedging:						
- Currency forwards	**20,467**	**-**	**(103)**	**3,970**	**-**	**(9)**
		-	**(103)**		**-**	**(9)**
31 March 2019						
Derivatives held for hedging:						
Cash-flow hedges						
- Interest rate swaps	42,914	13	(31)	-	-	-
Derivatives not held for hedging:						
- Currency forwards	37,044	221	(272)	7,879	-	(272)
		234	(303)		-	(272)

32. PENSION LIABILITIES

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

	Group	
	2020 $'000	2019 $'000
The amount recognised in the statement of financial position relates to funded and unfunded plans as follows:		
Present value of funded obligation	**22,780**	25,002
Fair value of plan assets	**(22,655)**	(22,433)
Deficit of funded plans	**125**	2,569
Present value of unfunded obligation	**285**	262
Total deficit of defined benefit pension plans	**410**	2,831

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

32. PENSION LIABILITIES (CONT'D)

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

The defined benefit pension 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 an independent qualified actuary. The significant assumptions used were as follows:

	2020	2019
Discount rate (per annum)	**2.35%**	2.50%
Rate of price inflation (per annum)	**2.80%**	3.35%
Rate of increase in salaries (per annum)	**2.00%**	2.35%
Post-retirement mortality assumption	**100% of S3PXA, CMI 2018 projections, 1.25% per annum long-term rate of improvement, smoothing parameter of 7 and initial addition rate of 0% per annum**	100% of S2PXA, CMI 2017 projections, 1.25% per annum long-term rate of improvement, smoothing parameter of 7.5

Sensitivity analysis

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

- a 0.10% (2019: 0.10%) decrease in discount rate would increase liabilities by $353,000 (2019: $406,000).
- a 0.10% (2019: 0.10%) increase in rate of price inflation would increase liabilities by $335,000 (2019: $388,000).
- a 0.25% (2019: 0.25%) increase in mortality long-term rate would increase liabilities by $212,000 (2019: $247,000).

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 2020

32. PENSION LIABILITIES (CONT'D)

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

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
2020			
Beginning of financial year	**25,002**	**(22,433)**	**2,569**
Interest expense/(income)	**609**	**(554)**	**55**
Remeasurements:			
- Loss on plan assets, excluding amounts included in interest income	**-**	**324**	**324**
- Gain from change in demographic assumption	**(628)**	**-**	**(628)**
- Gain from change in financial assumption	**(1,163)**	**-**	**(1,163)**
- Experience gains	**(253)**	**-**	**(253)**
- Tax on remeasurement	**389**	**(62)**	**327**
	(1,655)	**262**	**(1,393)**
Currency translation differences	**(412)**	**56**	**(356)**
Contributions:			
- Employers	**-**	**(750)**	**(750)**
Payment from plans:			
- Benefit payments	**(764)**	**764**	**-**
End of financial year	**22,780**	**(22,655)**	**125**
2019			
Beginning of financial year	25,004	(22,595)	2,409
Past service cost	137	-	137
Interest expense/(income)	631	(578)	53
	768	(578)	190
Remeasurements:			
- Gain on plan assets, excluding amounts included in interest income	-	(458)	(458)
- Loss from change in financial assumptions	1,169	-	1,169
- Tax on remeasurement	(222)	87	(135)
	947	(371)	576
Currency translation differences	(936)	933	(3)
Contributions:			
- Employers	-	(603)	(603)
Payment from plans:			
- Benefit payments	(781)	781	-
End of financial year	25,002	(22,433)	2,569

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

32. PENSION LIABILITIES (CONT'D)

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

Plan assets are comprised as follows:

	Group	
	2020 $'000	2019 $'000
Diversified growth funds	**8,609**	8,973
Index-linked gilts	**8,835**	8,300
Corporate bonds	**5,211**	5,160
	22,655	22,433

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

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

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

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

The Group has agreed with the trustees to reduce the funding deficit where necessary and the expected amount for the financial year ending 31 March 2021 is approximately $786,000. Additional contributions will be agreed with the trustees when necessary.

The weighted average duration of the defined benefit obligation is 18 years (2019: 18 years).

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

32. PENSION LIABILITIES (CONT'D)

(b) Unfunded defined benefit pension scheme in Indonesia

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

	2020	2019
Discount rate (per annum)	**8.60%**	8.30%
Rate of increase in salaries (per annum)	**3.60%**	5.00%
Post-retirement mortality assumption	**Indonesia – III (2011)**	Indonesia – III (2011)

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

- a 1.00% (2019: 1.00%) decrease in discount rate would increase liabilities by $18,000 (2019: $24,000).
- a 1.00% (2019: 1.00%) increase in discount rate would decrease liabilities by $16,000 (2019: $20,000).

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.

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 2020

32. PENSION LIABILITIES (CONT'D)

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

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

	Present value of obligation	
	2020 $'000	2019 $'000
Beginning of financial year	**262**	253
Current service cost	**85**	79
Interest expense	**22**	19
	107	98
Remeasurements:		
- Gain from change in demographic assumptions	**(22)**	-
- Gain from change in financial assumptions	**(46)**	(81)
- Experience (gains)/losses	**(43)**	15
	(111)	(66)
Currency translation differences	**34**	(1)
Payment from plans:		
- Benefit payments	**(7)**	(22)
End of financial year	**285**	262

The weighted average duration of the defined benefit obligation is 22 years (2019: 22 years).

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

33. SHARE CAPITAL AND TREASURY SHARES

	No. of ordinary shares		Amount	
	Issued share capital	Treasury shares	Share capital	Treasury shares
	'000	'000	$'000	$'000
Group and Company				
2020				
Beginning of financial year	**494,985**	**(2,000)**	**70,758**	**(1,488)**
Purchase of treasury shares	**-**	**(10,893)**	**-**	**(7,821)**
Issue of new shares pursuant to scrip dividend scheme	**5,082**	**-**	**3,685**	**-**
End of financial year	**500,067**	**(12,893)**	**74,443**	**(9,309)**
2019				
Beginning of financial year	540,432	(47,447)	104,555	(35,285)
Cancellation of treasury shares	(45,447)	45,447	(33,797)	33,797
End of financial year	494,985	(2,000)	70,758	(1,488)

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.

(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 for a period of ten years. Under the 2011 Share Plan, all deserving executive employees and non-executive directors of the Company as well as associates of controlling shareholders separately approved by independent members of the Company are eligible to participate in the 2011 Share Plan at the discretion of a committee duly authorised by the Board of Directors.

Awards granted under the 2011 Share Plan may be subject to 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.

There are no outstanding shares under the 2011 Share Plan as at 31 March 2020 and 2019.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

33. SHARE CAPITAL AND TREASURY SHARES (CONT'D)

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

The Boustead Projects Restricted Share Plan 2016 (the "2016 Share Plan") was approved by the members of 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 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.

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

	2020	2019
Number of shares		
Beginning of financial year	**1,788,085**	1,024,040
Granted during the financial year	**-**	1,564,887
Forfeited during the financial year	**(24,741)**	-
Vested and issued during the financial year	**(947,354)**	(800,842)
End of financial year	**815,990**	1,788,085

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

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

34. OTHER RESERVES

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
(a) Composition:				
Foreign currency translation reserve	**(3,952)**	(654)	**-**	-
Share-based compensation reserve	**335**	654	**-**	-
Capital reserve	**(12,050)**	(12,724)	**2,398**	2,135
Fair value reserve	**5,694**	5,778	**-**	7
Hedging reserve	**-**	(9)	**-**	-
	(9,973)	(6,955)	**2,398**	2,142
(b) Movement:				
(i) Foreign currency translation reserve				
Beginning of financial year	**(654)**	2,444	**-**	-
Net currency translation differences arising from consolidation	**(3,679)**	(3,483)	**-**	-
Employee share-based compensation				
- Treasury shares re-issued by a subsidiary	**(1)**	1	**-**	-
Effects of acquisition of shares from non-controlling interests	**(2)**	2	**-**	-
Less: Non-controlling interests	**384**	382	**-**	-
End of financial year	**(3,952)**	(654)	**-**	-
(ii) Share-based compensation reserve				
Beginning of financial year	**654**	725	**-**	-
Employee share-based compensation				
- Value of employee services	**189**	538	**-**	-
- Treasury shares re-issued by a subsidiary	**(790)**	(669)	**-**	-
Less: Non-controlling interests	**282**	60	**-**	-
End of financial year	**335**	654	**-**	-
(iii) Capital reserve				
Beginning of financial year	**(12,724)**	(13,065)	**2,135**	2,135
Employee share-based compensation				
- Treasury shares re-issued by a subsidiary	**790**	354	**-**	-
Issue of new shares pursuant to scrip dividend scheme	**263**	-	**263**	-
Effects of acquisition of shares from non-controlling interests	**-**	(7)	**-**	-
Less: Non-controlling interests	**(379)**	(6)	**-**	-
End of financial year	**(12,050)**	(12,724)	**2,398**	2,135
(iv) Fair value reserve				
Beginning of financial year	**5,778**	5,687	**7**	38
Fair value gain	**33**	547	**144**	316
Reclassification to profit or loss on disposal (Note 6)	**(151)**	(347)	**(151)**	(347)
Employee share-based compensation				
- Treasury shares re-issued by a subsidiary	**(18)**	-	**-**	-
Less: Non-controlling interests	**52**	(109)	**-**	-
End of financial year	**5,694**	5,778	**-**	7
(v) Hedging reserve				
Beginning of financial year	**(9)**	-	**-**	-
Fair value loss	**-**	(17)	**-**	-
Realised and transferred to profit or loss	**17**	-	**-**	-
Less: Non-controlling interests	**(8)**	8	**-**	-
End of financial year	**-**	(9)	**-**	-

Other reserves are non-distributable.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

35. RETAINED PROFITS

(a) Retained profits of the Group are distributable except for accumulated retained profits of associated companies and joint ventures amounting to $7,055,000 (2019: $3,897,000) and 10% of accumulated retained profits of a subsidiary in People's Republic of China amounting to $276,000 (2019: $233,000). Retained profits of the Company are distributable.

(b) Retained profits of the Company are distributable. Movement in retained profits for the Company is as follows:

	Company	
	2020 $'000	**2019 $'000**
Beginning of financial year	**55,223**	68,067
(Loss)/Profit for the financial year	**(3,998)**	1,945
Dividends paid		
- In cash (Note 36)	**(10,987)**	(14,789)
- In scrip (Note 36)	**(3,948)**	-
End of financial year	**36,290**	55,223

36. DIVIDENDS

	Company	
	2020 $'000	**2019 $'000**
2.0 cents (2019: 2.0 cents) final tax-exempt (one-tier) cash/scrip dividend (2019: cash dividend) per ordinary share paid in respect of the previous financial year	**10,023**	9,859
1.0 cent (2019: 1.0 cent) interim tax-exempt (one-tier) cash dividend per ordinary share paid in respect of the current financial year	**4,912**	4,930
	14,935	14,789

At the Annual General Meeting on 25 August 2020, a final tax-exempt (one-tier) cash of 2.0 cents per ordinary share amounting to approximately $9,743,000 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 March 2021.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

37. COMMITMENTS

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

Details of significant leases of the Group are disclosed in Note 22.

As at 31 March 2019, 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
	$'000
Not later than one financial year	4,342
Between two and five financial years	9,681
Later than five financial years	48,320
	62,343

The annual land rent payable on leases from JTC based on prevailing rental rates as at 31 March 2019 approximates $3,835,000.

As disclosed in Note 2.1, the Group has adopted SFRS(I) 16 on 1 April 2019. These lease payments have been recognised as right-of-use assets and lease liabilities on the statement of financial position as at 31 March 2020, except for short-term and low value leases.

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

On 1 April 2019, the Group has adopted SFRS(I) 16 and the undiscounted lease payments from the operating leases to be received after 31 March 2019 is disclosed in Note 23.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

38. CONTINGENCIES

(a) As at 31 March 2020, the Group and the Company has the following guarantees whereby the directors are of the view that it is more likely than not that no amount will be payable under these arrangements. The earliest period that the guarantees could be called is upon demand.

(i) The Group has given guarantees in favour of banks in respect of loan facilities granted to a related party and a joint venture. The outstanding guarantees amounting to $12,649,000 (2019: $16,860,000) as at 31 March 2020.

(ii) The Company has given guarantees in favour of banks in respect of loan facilities granted to a subsidiary. The outstanding guarantees amounting to $1,101,000 (2019: $1,320,000) at the reporting date.

(iii) The Group has given guarantees in favour of banks in respect of loan facilities granted to its subsidiaries, a related party and a joint venture. The outstanding guarantees amounting to $73,964,000 (2019: $83,144,000) at the reporting date.

(iv) The Company has given guarantees for its subsidiaries' performance guarantees issued by banks in respect of performance on certain contracts in favour of third parties amounting to $1,402,000 at 31 March 2020 (2019: $Nil).

(v) The Group and the Company have procured performance guarantees amounting to $148,686,000 (2019: $117,524,000) and $14,006,000 (2019: $20,672,000) respectively issued by banks in favour of third parties in respect of performance on contracts with customers.

(b) On 27 November 2018, the Company's subsidiary, Boustead Project Limited ("BP"), was served with a writ of summons (Suit No 1141 of 2019), filed by YCH Holdings (Pte) Ltd ("YCH") in the High Court of the Republic of Singapore (the "Suit"). YCH was claiming:

(i) a declaration that BP had breached contractual obligations it allegedly owed to YCH in connection with a development project known as Supply Chain City;

(ii) damages to be assessed in respect of the BP's alleged breach of the contract referred to in (i) above;

in the alternative to (i) and (ii) above, damages in tort (for alleged fraudulent misrepresentation/tort of deceit) in the sum of $2,335,000, interest, costs and such further relief which the Court deems fit. In the Further and Better Particulars dated 17 March 2020 filed in respect of the State of Claim (Amendment No. 1) dated 18 December 2018, YCH quantified its claim for damages against BP in respect of BP's alleged breach of the contract as $40,652,000.

On 24 May 2020, BP reached a settlement with YCH without admission of liability and purely with a view to resolving the suit amicably, as well as to prevent escalating of legal costs. Under the agreement, BP paid YCH $800,000 and retained the sum of $2,335,000 that YCH previously had paid to BP. YCH had applied to the Court to discontinue the Suit on 28 May 2020. By consent of YCH and BP, the Court granted leave to discontinue the Suit on 1 June 2020.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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"), Euro Dollar ("EUR") and Australian Dollar ("AUD"). Exposure to exchange fluctuation risks is managed as far as possible by natural hedges of matching revenue and costs and using derivatives such as foreign currency forward exchange contracts.

In addition, the Group is exposed to currency translation risk on the net assets in foreign operations. Currency exposure to the net assets of the Group's foreign operations in 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 2020

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 $'000	SGD[1] $'000	MYR $'000	EUR $'000	AUD $'000
At 31 March 2020					
Financial assets					
Cash and cash equivalents	26,422	3,154	290	1,128	2
Trade receivables	25,096	18	-	4,107	-
Other receivables and prepayments	14	10	11	1,723	-
Investment securities	2,812	-	-	-	-
Intercompany receivables	2,616	19,258	4,611	-	103
	56,960	22,440	4,912	6,958	105
Financial liabilities					
Trade and other payables	(14,743)	(8)	(84)	(5,093)	(20)
Intercompany payables	(3,269)	(1,910)	(605)	-	(18,278)
	(18,012)	(1,918)	(689)	(5,093)	(18,298)
Add: Derivative financial instruments	(9,174)	-	-	(20,609)	-
Currency exposure of financial assets/(liabilities)	**29,774**	**20,522**	**4,223**	**(18,744)**	**(18,193)**
At 31 March 2019					
Financial assets					
Cash and cash equivalents	20,212	14,697	-	320	38
Trade receivables	13,632	-	-	8,384	-
Other receivables and prepayments	1,038	-	-	63	-
Investment securities	2,709	-	-	-	-
Intercompany receivables	2,392	122	3,049	-	-
	39,983	14,819	3,049	8,767	38
Financial liabilities					
Trade and other payables	(12,299)	-	(145)	(1,966)	-
Intercompany payables	(4,462)	(22,192)	-	-	(7,823)
	(16,761)	(22,192)	(145)	(1,966)	(7,823)
Add: Derivative financial instruments	4,253	-	-	(10,268)	-
Currency exposure of financial assets/(liabilities)	27,475	(7,373)	2,904	(3,467)	(7,785)

[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 2020

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:

	31 March 2020		31 March 2019	
	USD $'000	AUD $'000	USD $'000	AUD $'000
<u>Company</u>				
Financial assets				
Cash and cash equivalents	**469**	**-**	244	-
Investment securities	**2,812**	**-**	2,709	-
	3,281	**-**	2,953	-
Financial liabilities				
Intercompany payable	**-**	**(17,560)**	-	(7,185)
	-	**(17,560)**	-	(7,185)
Less: Derivative financial instruments	**(3,979)**	**-**	(7,879)	-
Currency exposure of financial liabilities	**(698)**	**(17,560)**	(4,926)	(7,185)

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

39. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

The following table details the sensitivity to a 10% (2019: 10%) increase and decrease in the relevant foreign currencies against the functional currency of each Group entity. 10% (2019: 10%) is the sensitivity rate used when reporting foreign currency risk internally to the Board of Directors 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% (2019: 10%) change in foreign currency rates.

If the relevant foreign currency change against the SGD by 10% (2019: 10%) with all other variables including tax rate being held constant, the effects to the profit after tax of the Group and the Company arising from the net financial liability/asset position will be as follows:

	← Increase/(Decrease) →	
	31 March 2020	31 March 2019
	Profit after tax	Profit after tax
	$'000	$'000
Group		
USD against SGD		
- Strengthened	**2,471**	2,280
- Weakened	**(2,471)**	(2,280)
MYR against SGD		
- Strengthened	**351**	241
- Weakened	**(351)**	(241)
EUR against SGD		
- Strengthened	**(1,556)**	(288)
- Weakened	**1,556**	288
AUD against SGD		
- Strengthened	**(1,510)**	(646)
- Weakened	**1,510**	646
SGD against IDR		
- Strengthened	**(175)**	(1,603)
- Weakened	**175**	1,603
SGD against GBP		
- Strengthened	**1,632**	1,001
- Weakened	**(1,632)**	(1,001)
Company		
USD against SGD		
- Strengthened	**(58)**	(409)
- Weakened	**58**	409
AUD against SGD		
- Strengthened	**(1,457)**	(596)
- Weakened	**1,457**	596

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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 the investments held by the Group which are classified either as financial assets, at FVOCI, or at FVPL. To manage its price risk arising from these investments, 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 financial assets, at FVOCI and financial assets, at FVPL had changed by 10% (2019: 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)			
	31 March 2020		31 March 2019	
	Profit after tax	Other comprehensive income	Profit after tax	Other comprehensive income
	$'000	$'000	$'000	$'000
Group				
Financial assets, at FVOCI				
Unquoted equity securities				
- increased by	**-**	**3,132**	-	3,143
- decreased by	**-**	**(3,132)**	-	(3,143)
Quoted debt securities				
- increased by	**-**	**-**	-	572
- decreased by	**-**	**-**	-	(572)
Financial assets, at FVPL				
Quoted equity securities				
- increased by	**193**	**-**	593	-
- decreased by	**(193)**	**-**	(593)	-
Quoted debt securities				
- increased by	**795**	**-**	1,218	-
- decreased by	**(795)**	**-**	(1,218)	-
Unquoted equity securities				
- increased by	**361**	**-**	40	-
- decreased by	**(361)**	**-**	(40)	-

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

39. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(ii) Price risk (cont'd)

	Increase/(Decrease)			
	31 March 2020		31 March 2019	
	Profit after tax	Other comprehensive income	Profit after tax	Other comprehensive income
	$'000	$'000	$'000	$'000
<u>Company</u>				
Financial assets, at FVOCI				
Quoted debt securities				
- increased by	-	-	-	572
- decreased by	-	-	-	(572)
Financial assets, at FVPL				
Quoted equity securities				
- increased by	193	-	593	-
- decreased by	(193)	-	(593)	-
Quoted debt securities				
- increased by	795	-	1,218	-
- decreased by	(795)	-	(1,218)	-
Unquoted equity securities				
- increased by	281	-	-	-
- decreased by	(281)	-	-	-

(iii) Cash flow and fair value interest rate risks

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

The Group's exposure to cash flow interest rate risks arises mainly from borrowings, loans to associated companies 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% with all other variables including tax rate being held constant, the Group's profit after tax would have been lower/higher by $329,000 (2019: lower/higher by $1,054,000) as a result of higher/lower interest income from loans to 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% with all other variables including tax rate being held constant, the Company's profit after tax would have been lower/higher by $355,000 (2019: lower/higher by $246,000), as a result of higher/lower interest income on loans to subsidiaries and higher/lower interest expense on loans from subsidiaries.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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 Group adopts the policy of dealing only with customers of appropriate credit standing and history, and obtaining appropriate and sufficient collateral such as security deposits and banker's guarantee where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Before accepting any new customer, the Group assesses the potential customer's credit quality and their financial ability to pay for the services engaged. Management periodically monitors and reviews the customer's long overdue payment and proactively engages with the customer to resolve the causes of the overdue payment. There are three (2019: one) external customers, 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 except for corporate guarantees provided to banks on loan facilities of its associated company, a related party and a joint venture, as disclosed in Note 38(a)(iv) to the financial statements.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially assessed up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, management believes that there is no further credit provision required in excess of the allowance for impairment of receivables.

The movements in credit loss allowance are as follows:

	Trade receivables	Retention sum receivables	Contract assets	Loan to associated companies	Other receivables	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
2020						
Balance at 1 April 2019	29,292	73	4,061	-	5,629	39,055
Currency translation differences	(4)	-	70	-	31	97
Loss allowance recognised in profit or loss during the year on:						
- Allowance made	249	-	932	918	1,489	3,588
- Allowance written back	(195)	-	-	-	-	(195)
Reclassification (Note 25)	-	-	-	771	-	771
Write off	(2,056)	(73)	(4,061)	-	(2,016)	(8,206)
Balance at 31 March 2020	**27,286**	**-**	**1,002**	**1,689**	**5,133**	**35,110**
2019						
Balance at 1 April 2018	28,056	-	4,061	-	5,658	37,775
Currency translation differences	(7)	-	-	-	(29)	(36)
Loss allowance recognised in profit or loss during the year on:						
- Allowance made	1,254	73	-	-	-	1,327
Write off	(11)	-	-	-	-	(11)
Balance at 31 March 2019	29,292	73	4,061	-	5,629	39,055

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

39. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

	Other receivables
	$'000
Company	
2020	
Balance at 1 April 2019	2,016
Write off	(2,016)
Balance at 31 March 2020	-
2019	
Balance at 1 April 2018 and 31 March 2019	2,016

Credit loss allowance are predominantly related to trade and other receivables and contract assets arising from Energy Engineering contracts. Trade and other receivables from other segments are subject to immaterial credit loss.

Trade receivables and contract assets

In measuring the expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and days past due. The contract assets relate to unbilled work in progress, which have substantially the same risk characteristics as the trade receivables for the same type of contracts.

The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts for forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Some of the forward-looking macroeconomic factors include:

- Historical financial and default rate of the customer
- Any publicly available information on the customer
- Any macroeconomic or geopolitical information relevant to the customer
- Any other objectively supportable information on the quality and abilities of the customer's management relevant for its performance

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

39. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

The Group's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 31 March 2020 and 1 April 2019 are set out in the provision matrix as follows:

		Past due			
	Current	Within 30 days	30 to 60 days	>60 days	Total
	$'000	$'000	$'000	$'000	$'000
Group					
As at 31 March 2020					
Expected loss rate	-	-	-	88.2%	
Trade receivables	93,563	2,506	1,901	30,937	128,907
Loss allowance	-	-	-	(27,286)	(27,286)
As at 1 April 2019					
Expected loss rate	-	-	-	89.8%	
Trade receivables	73,683	5,446	2,890	32,605	114,624
Loss allowance	(28)	-	-	(29,264)	(29,292)

Cash and cash equivalents

The Group and the Company held cash and cash equivalents with banks which have good credit-ratings and consider to have low credit risk. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

Finance lease receivables and other receivables

The Group and the Company monitor the credit risk of the counterparty based on past due information to assess if there is any significant increase in credit risk. The receivables are measured on 12-months expected credit losses.

Financial guarantee contracts

The Company has issued financial guarantees to banks for borrowings of its subsidiaries. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiaries have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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 and listed equity and debt instruments as disclosed in Note 19.

Management monitors rolling forecasts of the liquidity reserve (comprises undrawn borrowing facility and cash and cash equivalents (Note 13) and listed equity and debt instruments (Note 19) 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. The maximum amount of the financial guarantee contracts is allocated to the earliest period in which the guarantee could be called.

	Less than 1 year	Between 2 and 5 years	Over 5 years
	$'000	$'000	$'000
Group			
At 31 March 2020			
Trade and other payables	**206,315**	**14,513**	**-**
Borrowings	**94,156**	**26,992**	**-**
Lease liabilities	**9,830**	**29,985**	**117,099**
Financial guarantees	**12,649**	**-**	**-**
At 31 March 2019			
Trade and other payables	163,800	6,158	-
Borrowings	71,423	85,795	-
Financial guarantees	16,860	-	-
Company			
At 31 March 2020			
Trade and other payables	**4,661**	**-**	**-**
Loans from subsidiaries	**80,734**	**-**	**-**
Financial guarantees	**1,101**	**-**	**-**
At 31 March 2019			
Trade and other payables	**977**	**-**	**-**
Loans from subsidiaries	**61,252**	**-**	**-**
Financial guarantees	**1,320**	**-**	**-**

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

39. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk (cont'd)

The table below analyses the significant 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
	$'000
Group	
At 31 March 2020	
Gross-settled currency forwards	
- Receipts	**29,687**
- Payments	**(29,790)**
At 31 March 2019	
Gross-settled currency forwards	
- Receipts	7,878
- Payments	(8,150)
Company	
At 31 March 2020	
Gross-settled currency forwards	
- Receipts	**3,970**
- Payments	**(3,979)**
At 31 March 2019	
Gross-settled currency forwards	
- Receipts	7,878
- Payments	(8,150)

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

39. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Capital risk

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

Management monitors capital based on gearing ratios and the level of total net tangible assets, which are in tandem with the requirements of the banks. The Group's strategy which was unchanged from prior year, is to maintain gearing ratios and minimum level of total net tangible assets within the banks' requirements.

The consolidated 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 consolidated tangible net worth. Consolidated tangible net worth is calculated as the sum of share capital and retained profits.

The Group is in compliance with all externally imposed capital requirements for the financial years ended 31 March 2020 and 31 March 2019.

(e) Financial instruments by category

The carrying amount of the different categories of financial instruments are as follows:

	Group	Company
	$'000	$'000
31 March 2020		
Financial assets, at FVPL	**18,187**	**12,687**
Financial liabilities, at FVPL	**103**	**9**
Financial assets, at FVOCI	**31,315**	**-**
Financial assets, at amortised cost	**513,717**	**95,510**
Financial liabilities, at amortised cost	**435,871**	**84,265**
31 March 2019		
Financial assets, at FVPL	23,448	18,114
Financial liabilities, at FVPL	303	272
Financial assets, at FVOCI	37,141	5,715
Financial assets, at amortised cost	406,668	78,850
Financial liabilities, at amortised cost	317,555	61,397

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

39. FINANCIAL RISK MANAGEMENT (CONT'D)

(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	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
<u>Group</u>				
31 March 2020				
Assets				
Investment securities	**9,876**	**2,811**	**36,815**	**49,502**
Total assets	**9,876**	**2,811**	**36,815**	**49,502**
Liabilities				
Derivative financial instruments	**-**	**(103)**	**-**	**(103)**
Total liabilities	**-**	**(103)**	**-**	**(103)**
31 March 2019				
Assets				
Investment securities	23,829	-	36,526	60,355
Derivative financial instruments	-	234	-	234
Total assets	23,829	234	36,526	60,589
Liabilities				
Derivative financial instruments	-	(303)	-	(303)
Total liabilities	-	(303)	-	(303)

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

39. FINANCIAL RISK MANAGEMENT (CONT'D)

(f) Fair value measurements (cont'd)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Company				
31 March 2020				
Assets				
Investment securities	**9,876**	**2,811**	**-**	**12,687**
Total assets	**9,876**	**2,811**	**-**	**12,687**
Liabilities				
Derivative financial instruments	**-**	**(9)**	**-**	**(9)**
Total liabilities	**-**	**(9)**	**-**	**(9)**
31 March 2019				
Assets				
Investment securities	23,829	-	-	23,829
Total assets	23,829	-	-	23,829
Liabilities				
Derivative financial instruments	-	(272)	-	(272)
Total liabilities	-	(272)	-	(272)

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of the reporting period.

There were no transfers between the levels of fair value hierarchy during the financial year.

The fair value of financial instruments 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 each 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. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves. These 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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

39. FINANCIAL RISK MANAGEMENT (CONT'D)

(f) Fair value measurements (cont'd)

The following table presents the changes in Level 3 instruments:

	Unquoted equity instruments, held as Financial assets, at FVOCI	Debt instruments, held as Financial assets, at FVPL	Others
	$'000	$'000	$'000
2020			
Beginning of financial year	**31,426**	**4,700**	**400**
Purchases	**-**	**-**	**400**
Fair value gain recognised in other comprehensive income	**(111)**	**-**	**-**
End of financial year	**31,315**	**4,700**	**800**
2019			
Beginning of financial year	31,195	-	400
Purchases	-	4,700	-
Fair value gain recognised in other comprehensive income	231	-	-
End of financial year	31,426	4,700	400

Details of inputs used in Level 3 fair value measurements are as follows:

Description	Valuation technique	Fair value at 31 March 2020 ($'000)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Unquoted equity instruments, held as Financial assets, at FVOCI	Income capitalisation approach	**31,315 (2019: 31,426)**	Capitalisation rate	4.0% - 5.0% (2019: 4.0% - 5.0%)	The higher the income capitalisation rate, the lower the fair value
Debt instruments, held as Financial assets, at FVPL	Discounted cash flow	**4,700 (2019: 4,700)**	Risk-adjusted discount rate	2.7% (2019: 4.0% - 5.0%)	The higher the discount rate, the lower the fair value

The Level 3 financial instruments were valued using discounted cash flow analysis.

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 loans to/from subsidiaries and borrowings approximate their fair values.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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	
	2020 $'000	2019 $'000
Rental expense to a joint venture	**847**	1,254
Project and development management fees from joint ventures*	**(1,168)**	(899)
Construction contract revenue from joint ventures*	**(47,972)**	(25,972)
Construction contract revenue from a related party*	**-**	(317)
Management fee from an associated company	**24**	(6)
Sale of goods to associated companies	**(1,457)**	(548)
Trade usage fees paid on behalf of associated companies	**-**	(677)
Payments made on behalf and reimbursement of expenses to an associated company	**1,148**	(34)
Asset and property management fees from joint ventures	**(1,190)**	(235)
Interest income from:		
- Associated companies	**(891)**	(551)
- A related party (a subsidiary of an associated company)	**(401)**	(384)
- A joint venture	**(274)**	-

* *Transaction values disclosed are after elimination of the Group's shares in the transaction.*

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2020 $'000	2019 $'000
Short-term benefits	**14,336**	13,608
Post-retirement benefits	**844**	764
Share-based compensation expense	**107**	454
	15,287	14,826

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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 Engineering : Design, engineering and supply of critical systems including process heater systems, waste heat recovery units, process control systems, and water and wastewater treatment plants for the global oil & gas, petrochemical and power industries.

(ii) Real Estate : Smart eco-sustainable real estate including design-and-build and development expertise for business park and industrial developments in Singapore, China, Malaysia and Vietnam.

(iii) Geospatial : Exclusive distribution and professional services related to Esri geospatial – ArcGIS, the world's leading geographic information system and location analytics platform – to major markets across Australia and parts of South East Asia.

(iv) Healthcare : Distribution and services related to niche innovative medical solutions that address age-related chronic diseases and mobility issues, with a focus on rehabilitative care, sleep care and sports science in the Asia Pacific.

(v) HQ activities : Management of the Group's divisions to maximise shareholders' returns.

(a) Segment revenue and results

The segment information for the reportable segments are as follows:

	Energy Engineering		Real Estate		Geospatial		Healthcare		HQ activities		Group	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Revenue												
External sales	**144,462**	102,459	**426,224**	234,223	**137,318**	122,141	**18,153**	11,357	**-**	-	**726,157**	470,180
Dividend income	**-**	-	**-**	-	**-**	-	**-**	-	**404**	466	**404**	466
Total revenue	**144,462**	102,459	**426,224**	234,223	**137,318**	122,141	**18,153**	11,357	**404**	466	**726,561**	470,646
Results												
Segment result	**7,286**	390	**28,208**	33,641	**28,657**	25,865	**844**	723	**(3,215)**	(3,044)	**61,780**	57,575
Interest income											**6,473**	7,120
Finance expense											**(5,213)**	(2,338)
Profit before income tax											**63,040**	62,357
Income tax expense											**(18,581)**	(12,778)
Total profit											**44,459**	49,579

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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

41. SEGMENT INFORMATION (CONT'D)

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

	Energy Engineering		Real Estate		Geospatial		Healthcare		HQ activities		Group	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Depreciation expense	843	751	10,361	6,573	3,559	1,287	997	311	457	423	16,217	9,345
Amortisation of intangible assets	-	-	6	5	460	211	159	-	-	-	625	216
Share of loss/(profit) of associated companies and joint ventures	-	-	3,430	2,617	-	-	(1,831)	(1,175)	-	-	1,599	1,442
Gain on disposal of a property	-	-	-	5,890	-	-	-	-	-	-	-	5,890

(b) Segment assets and liabilities

	Energy Engineering		Real Estate		Geospatial		Healthcare		HQ activities		Group	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Segment assets												
Segment assets	118,695	104,193	602,704	522,077	123,150	105,870	17,105	14,996	76,056	78,480	937,710	825,616
Investments in associated companies	-	-	3,449	-	-	-	14,961	12,875	-	-	18,410	12,875
Investments in joint ventures	-	-	60,707	40,673	-	-	-	-	-	-	60,707	40,673
Deferred income tax assets											7,934	5,165
Total assets											1,024,761	884,329
Additions to:												
- property, plant and equipment	1,706	487	9,632	520	4,409	6,507	266	346	28	267	16,041	8,127
- investment properties	-	-	11,531	59,573	-	-	-	-	-	-	11,531	59,573
- intangible assets	-	-	-	125	-	-	403	613	-	-	403	738
Segment liabilities												
Segment liabilities	59,362	47,919	359,843	270,025	73,456	62,016	6,801	5,693	7,472	(858)	506,934	384,795
Income tax payable											15,925	13,133
Deferred income tax liabilities											5,167	4,051
Total liabilities											528,026	401,979

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

41. SEGMENT INFORMATION (CONT'D)

(b) Segment assets and liabilities (cont'd)

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.

All assets are allocated to reportable segments other than deferred income tax assets.

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

(c) Geographical information

The Group operates in six primary geographical areas – Singapore, 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 income tax assets) by geographical locations is as follows:

	Singapore		Asia Pacific		Australia		North and South America		Europe		Middle East		Group	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Revenue from external customers	**445,492**	241,850	**57,831**	58,487	**96,730**	99,757	**47,713**	34,665	**54,149**	15,776	**24,646**	20,111	**726,561**	470,646
Non-current assets	**256,220**	241,457	**25,829**	2,544	**17,460**	10,455	**-**	-	**4,585**	4,541	**184**	-	**304,278**	258,997

(d) Information about major customers

There is one (2019: one) customer from the Group's real estate segment representing more than 10% of the Group's revenue. The customer contributed $99,454,000 (2019: $64,474,000) in revenue to the Group.

42. BUSINESS COMBINATIONS

On 24 May 2018, the Company entered into a sale and purchase agreement with WhiteRock Medical Company Pte. Ltd. to acquire 100% of the shareholding of WhiteRock Incorporation Private Limited and its subsidiaries ("WhiteRock Group") operating in Singapore, China, Hong Kong, Malaysia and Thailand. The WhiteRock Group is an equipment and services provider for rehabilitative care, sleep care and sports science. The acquisition was completed on 25 June 2018 at an agreed price of $18,878,000, which approximated the consolidated net asset value of the WhiteRock Group as at 31 December 2017.

Details of the consideration paid, the assets acquired and liabilities assumed, the non-controlling interest recognised and the effects on the cash flows of the Group, at the acquisition date, are as follows:

		$'000
(a)	**Purchase consideration**	
	Cash paid and consideration transferred for the business	18,878
(b)	**Effect on cash flows of the Group**	
	Cash paid (as above)	18,878
	Less: Cash and cash equivalents in subsidiaries acquired	(1,634)
	Cash outflow on acquisition	17,244

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

42. BUSINESS COMBINATIONS (CONT'D)

		At fair value $'000
(c)	**Identifiable assets acquired and liabilities assumed**	
	Cash and cash equivalents	1,634
	Property, plant and equipment (Note 20)	764
	Contract backlogs (included in intangibles) (Note 24 and note (f) below)	951
	Investment in associated companies (Note 25)	11,837
	Inventories	2,775
	Trade receivables (Note (e) below)	4,392
	Other receivables and prepayments	4,450
	Total assets	26,803
	Trade and other payables	(5,080)
	Borrowings	(2,794)
	Income tax payable (Note 11(b))	(51)
	Total liabilities	(7,925)
	Total identifiable net assets and consideration transferred for the business	**18,878**

(d) Acquisition-related costs

Acquisition-related costs of $52,000 are included in "administrative expenses" in the consolidated statement of comprehensive income and in operating cash flows in the consolidated statement of cash flows.

(e) Acquired receivables

The fair value of trade and other receivables is $8,842,000 and includes trade receivables with a fair value of $4,392,000. The gross contractual amount for trade receivables due is $4,392,000.

(f) Fair values

The fair value of the acquired identifiable intangible assets of $951,000 (contract backlogs) was finalised in 2019. No adjustments were required to be recognised.

(g) Revenue and profit contribution

The acquired business contributed revenue of $11,357,000 and net profit of $536,000 to the Group from the period from 25 June 2018 to 31 March 2019.

Had the WhiteRock Group been acquired from 1 April 2018, consolidated revenue and consolidated profit for the year ended 31 March 2019 would have been $15,235,000 and $313,000 respectively.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

43. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

(a) Amendments to SFRS(I) 3 *Business Combination* (effective for annual periods beginning on or after 1 April 2020)

The amendments provide new guidance on the assessment of whether an acquisition meets the definition of a business under SFRS(I) 3. To be considered a business, an acquisition would have to include an output and a substantive process that together significantly contribute to the ability to create outputs. A framework is introduced to evaluate when an input and substantive process are present. To be a business without outputs, there will now need to be an organised workforce.

The definition of the term 'outputs' is narrowed to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

It is also no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets.

Entities can apply a 'concentration test' that, if met, eliminates the need for further assessment. Under this optional test, where substantially all of the fair value of gross assets acquired is concentrated in a single asset (or a group of similar assets), the assets acquired would not represent a business.

These amendments are applied to business combinations and asset acquisitions with acquisition date on or after 1 April 2020. Early application is permitted.

(b) Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 *Interest Rate Benchmark Reform* (effective for annual periods beginning on or after 1 April 2020)

The amendments provide exceptions that allow entities to continue hedge accounting for existing hedge relationships under the assumption that Inter Bank Offer Rate (IBOR) based hedged cash flows are not altered as a result of the IBOR Reform.

These amendments are issued due to global reform of interest rate benchmarks such as IBORs. IBORs are key reference rates for financial instruments such as derivatives, loans and bonds. In response to cases of attempted manipulation in relation to key IBORs, and to the decline in liquidity in key interbank unsecured funding markets, the Financial Stability Board made several recommendations relating to:

- strengthening of IBORs by anchoring them to a greater number of transactions, where possible, and improving the processes and controls around submissions;
- identifying alternative near-risk-free rates (RFRs) and, where suitable, encouraging market participants to transition new contracts to an appropriate RFR.

Regulators in a number of jurisdictions, including Singapore, are in the midst of phasing out IBORs and replacing them with more suitable alternative reference rates. There is currently uncertainty around the timing and precise nature of these changes.

The management anticipates that the adoption of the above amendments to SFRS(I)s in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

44. EVENTS OCCURRING AFTER REPORTING DATE

Following the outbreak of the global COVID-19 pandemic, the Singapore Government imposed a Circuit Breaker from 7 April 2020 to 1 June 2020 which resulted in the suspension of all non-essential construction activities during the period. In view of the delayed project completions resulting from the Circuit Breaker and the phased resumption of construction sites, the operating and financial results of the Group are expected to be materially impacted in the financial year ending 31 March 2021 ("FY2021") by the corresponding delays in revenue recognition for the Design-and-Build contracts under the Real Estate segment, as well as the Group's share of associated resumption, prolongation and acceleration costs which may potentially be incurred.

Delayed completion of the Group's ongoing joint venture development projects will also corresponding delay the commencement of leasing income and recognition of management fees attributable to these projects.

The COVID-19 pandemic had also caused potential supply chain disruptions due to movement restrictions applied by government worldwide for the Group's Energy Engineering segment.

As at the date of these financial statements, the global COVID-19 situation remains very fluid, as a result of which the Group cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for FY2021.

45. 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 30 July 2020.

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 Director & Deputy Group Chief Executive Officer: Wong Yu Loon

ENERGY ENGINEERING

Boustead International Heaters Ltd
Europa House
Woodlands Court
Albert Drive
Burgess Hill
West Sussex RH15 9TN
United Kingdom

Main: +44 1444 237500
Web: www.bihl.com

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 for the global oil & gas ("O&G"), petrochemical and energy industries.

Controls & Electrics Pte Ltd
30 Gul Drive
Singapore 629478

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

Managing Director: 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 for the upstream O&G 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
Web: www.bousteadsalcon.com

Chief Executive Officer: Roland Ang

Boustead Salcon Water Solutions ("BSWS") is a leading global water and 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. BSWS has delivered projects across the O&G, petrochemical, pharmaceutical, power, semiconductor and special defence industries, as well as for municipal authorities.

REAL ESTATE

Boustead Projects Limited (listed on SGX Mainboard as SGX:AVM)
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
Deputy Chairman & Executive Director: Wong Yu Wei

Boustead Projects Limited ("Boustead Projects") is a leading real estate solutions provider in Singapore, with core engineering expertise in the design-and-build and development of smart eco-sustainable business park and industrial developments for clients including Fortune 500, S&P 500 and Euronext 100 corporations. To date, Boustead Projects has constructed and developed more than 3,000,000 square metres of 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 Singapore's Building & Construction Authority ("BCA") for Grade CW01-A1 and General Builder Class 1 Licence to execute building construction contracts of unlimited value.

Boustead Projects' transformative technologies – full-fledged integrated digital delivery and Industry 4.0 transformation standards – are shaping future-ready, custom-built developments. Boustead Projects' in-depth experience covers the aerospace, business park, food, healthcare and pharmaceutical, high-tech manufacturing, logistics, research & development, technology and waste management industries, among others. Boustead Projects is also the market leader in pioneering advanced eco-sustainable industrial developments under the BCA's Green Mark Programme and also the quality leader on the BCA's CONQUAS all-time top 100 industrial projects list. In Singapore, BP E&C is one of only eight bizSAFE Mentors and also a bizSAFE Star, the highest qualification that can be attained in recognition of a company's workplace safety and health ("WSH") management programmes. Boustead Projects' WSH efforts have been further recognised with five prestigious WSH Performance Silver Awards and 13 Safety & Health Award Recognition for Projects (SHARP) to date.

Management & Principal Activities

GEOSPATIAL

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 of Esri ArcGIS technology in the country, with branch offices in Brisbane (headquarters), Adelaide, Canberra, Darwin, Melbourne, Perth and Sydney. Additionally, Esri Australia is the exclusive distributor of ArcGIS technology in Papua New Guinea. Esri Australia also provides hosted solutions, professional services, software maintenance services and training for ArcGIS technology.

Esri South Asia Pte Ltd
29 Media Circle
#08-01 ALICE@Mediapolis (North Lobby)
Singapore 138565

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 ArcGIS technology in Singapore, Malaysia and Indonesia respectively. Additionally, Esri South Asia is the exclusive distributor of ArcGIS technology in Bangladesh, Brunei and Timor-Leste. Esri South Asia also provides hosted solutions, professional services, software maintenance services and training for ArcGIS technology.

Esri Singapore Pte Ltd
29 Media Circle
#08-01 ALICE@Mediapolis (North Lobby)
Singapore 138565

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 of Esri ArcGIS technology in the country. Esri Singapore also provides hosted solutions, professional services, software maintenance services and training for ArcGIS technology.

Management & Principal Activities

Esri Malaysia Sdn Bhd
Unit 3A-1, Level 3A
Tower 2B, UOA Business Park
No 1, Jalan Pengaturcara U1/51A
Seksyen U1
40150 Shah Alam
Selangor
Malaysia

Main: +60 3 5022 0122
Web: www.esrimalaysia.com.my

Chief Executive Officer: Tan Choon Sang

Esri Malaysia is Malaysia's foremost authority on GIS and the exclusive distributor of Esri ArcGIS technology in the country. Esri Malaysia also provides hosted solutions, professional services, software maintenance services and training for ArcGIS technology.

PT Esri Indonesia
Menara 165, 6th Floor Unit B
Jalan TB Simatupang Kavling 1
Jakarta Selatan 12560
Indonesia

Main: +62 21 2940 6355
Web: www.esriindonesia.co.id

Chief Executive Officer: Dr Achmad Istamar

Esri Indonesia is Indonesia's foremost authority on GIS and the exclusive distributor of Esri ArcGIS technology in the country, with branch offices in Jakarta (headquarters), Balikpapan, Pekanbaru and Surabaya. Esri Indonesia also provides hosted solutions, professional services, software maintenance services and training for ArcGIS technology.

HEALTHCARE

WhiteRock Incorporation Pte Ltd
2 Kim Chuan Drive
#06-01 CSI Distribution Centre
Singapore 537080

Main: +65 6305 2573
Web: www.whiterock.com.sg

Chief Executive Officer: Goh Boon Seong

WhiteRock is a leading provider of innovative medical solutions that address age-related chronic diseases and mobility issues, with a focus on rehabilitative care and sports science in the Asia Pacific. WhiteRock's largest subsidiary, United BMEC Pte Ltd and largest associated company, 50%-owned Beijing Pukang Sport & Medical Co Ltd, have a strong network across Australia, China, Hong Kong, Japan, Malaysia, Singapore and Thailand.

Statistics of Shareholdings

AS AT 9 JULY 2020

SHARE CAPITAL

Number of ordinary shares	:	487,144,229 *
Number/Percentage of treasury shares	:	12,923,000 (2.65%)
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	218	5.05	8,751	0.00
100 - 1,000	355	8.22	211,607	0.04
1,001 - 10,000	2,125	49.19	11,244,088	2.31
10,001 - 1,000,000	1,599	37.01	80,349,109	16.50
1,000,001 AND ABOVE	23	0.53	395,330,674	81.15
TOTAL	**4,320**	**100.00**	**487,144,229**	**100.00**

LOCATION OF SHAREHOLDERS

Country	No. of Shareholders	%	No. of Shares	%**
SINGAPORE	4,030	93.29	482,070,868	98.96
MALAYSIA	237	5.49	3,583,767	0.74
OTHERS	53	1.22	1,489,594	0.30
TOTAL	**4,320**	**100.00**	**487,144,229**	**100.00**

Statistics of Shareholdings

AS AT 9 JULY 2020

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%**
1	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	208,620,153	42.83
2	DBS NOMINEES (PRIVATE) LIMITED	65,754,361	13.50
3	RAFFLES NOMINEES (PTE.) LIMITED	34,486,010	7.08
4	CITIBANK NOMINEES SINGAPORE PTE LTD	29,323,679	6.02
5	IFAST FINANCIAL PTE. LTD.	10,225,780	2.10
6	HSBC (SINGAPORE) NOMINEES PTE LTD	7,092,832	1.46
7	MAYBANK KIM ENG SECURITIES PTE.LTD	5,336,938	1.10
8	HELEN TAN CHENG HOONG	5,166,000	1.06
9	UOB KAY HIAN PRIVATE LIMITED	5,030,347	1.03
10	YEO KER KUANG	2,803,555	0.58
11	HENG SIEW ENG	2,527,033	0.52
12	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	2,182,020	0.45
13	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	2,055,642	0.42
14	JACK INVESTMENT PTE LTD	1,982,392	0.41
15	CHAN CHEE WENG	1,841,076	0.38
16	SOH KOK BENG LEONARD	1,650,078	0.34
17	YEO BOON LI CAROLINE	1,588,133	0.33
18	PHILLIP SECURITIES PTE LTD	1,450,323	0.30
19	DEPUTY OF HO CHEE POEY	1,350,352	0.28
20	SINGAPORE NOMINEES PRIVATE LIMITED	1,244,746	0.26
	Total	**391,711,450**	**80.41**

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	%	Deemed Interest	%**
Wong Fong Fui	-	-	205,798,032 (1)	42.25
FMR LLC	-	-	47,867,536 (1)	9.83
Fidelity Management & Research Company	-	-	43,506,301 (1)	8.93

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 9 July 2020 was approximately 47.18%**. 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 by way of electronic means on Tuesday, 25 August 2020 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 2020 and the Independent Auditors' Report thereon.

Resolution 1

2. To approve a final tax-exempt (one-tier) dividend of 2.0 cents per ordinary share for the year ended 31 March 2020.

Resolution 2

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

a. Dr Tan Khee Giap **Resolution 3**

b. Mr Godfrey Ernest Scotchbrook **Resolution 4**

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

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

4. To re-elect Mr Liak Teng Lit retiring under Article 98 of the Company's Constitution.

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

Resolution 5

5. To approve directors' fees of up to $272,000 for the financial year ending 31 March 2021, payable quarterly in arrears (2020 actual: $259,000).

[See Explanatory Note 1] **Resolution 6**

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

Resolution 7

AS SPECIAL BUSINESS

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

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

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

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

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

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

Notice of Annual General Meeting

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

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

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

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

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

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

[See Explanatory Note 2] **Resolution 8**

8. **The proposed renewal of the Share Buy-Back Mandate**

All capitalised terms used in this resolution which are not defined herein shall have the same meaning ascribed to them in the Addendum to Shareholders dated 3 August 2020.

That:

(a) for the purposes of the Companies Act, Chapter 50 of Singapore (the "Companies Act"), and such other laws and regulations as may for the time being be applicable, approval be and is hereby given for the exercise by the directors of the Company ("Directors") of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the share capital of the Company ("Shares") not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) on-market share purchases ("On-Market Share Purchase"), transacted on the Singapore Exchange Securities Trading Limited ("SGX-ST"); and/or

(ii) off-market share purchases ("Off-Market Share Purchase") (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable (the "Share Buy-Back Mandate");

Notice of Annual General Meeting

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

(b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buy-Back Mandate shall, at the discretion of the Directors, either be cancelled or held in treasury and dealt with in accordance with the Companies Act;

(c) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Ordinary Resolution and the expiring on the earlier of:

(i) the date on which the next Annual General Meeting of the Company is held or required by law to be held;

(ii) the date on which the purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated; or

(iii) the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked;

(d) for the purposes of this Ordinary Resolution:

"Prescribed Limit" means ten per cent (10%) of the total issued ordinary share capital of the Company (excluding any treasury shares and subsidiary holdings) as at the date of passing of this Ordinary Resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of Shares of the Company shall be taken to be the total number of Shares of the Company as altered after such capital reduction (excluding any treasury shares and subsidiary holdings);

"Relevant Period" means the period commencing from the date on which the last Annual General Meeting of the Company was held and expiring on the date of the next Annual General Meeting of the Company is held or is required by law to be held, or the date on which the purchases of the Shares are carried out to the full extent mandated, whichever is earlier, unless prior to that, it is varied or revoked by resolution of the shareholders of the Company in general meeting;

"Maximum Price" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of an On-Market Share Purchase, 105% of the Average Closing Price;

(ii) in the case of an Off-Market Share Purchase, 120% of the Average Closing Price,

where:

"Average Closing Price" means the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, immediately preceding the date of making the On-Market Share Purchase or, as the case may be, the day of the making of an offer pursuant to the Off-Market Share Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Days;

"day of the making of an offer" means the day on which the Company announces its intention to make an offer for the purchase of Shares from the shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Share Purchase; and

"Market Day" means a day on which the SGX-ST is open for trading in securities;

(e) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including, without limitation, executing such documents as may be required) as they and/or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Ordinary Resolution.

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

Notice of Annual General Meeting

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

9. **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 any treasury shares and subsidiary holdings) from time to time.

[See Explanatory Note 4] **Resolution 10**

10. **Authority to allot and issue shares pursuant to the Boustead Scrip Dividend Scheme**

That authority be and is hereby given to the directors of the Company to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the application of the Boustead Scrip Dividend Scheme.

[See Explanatory Note 5] **Resolution 11**

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

NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT DATE

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed from 5.00 p.m. on 2 September 2020 for the purpose of determining shareholders' entitlements to the final dividend to be paid on 11 September 2020, subject to and contingent upon shareholders' approval for the proposed dividend being obtained at the forthcoming Annual General Meeting of the Company.

Duly completed transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 2 September 2020 will be registered before entitlements to the dividend are determined.

By Order of the Board

Alvin Kok
Company Secretary
3 August 2020

Explanatory Notes on Ordinary and Special Businesses to be transacted

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

2. The Ordinary Resolution 8 is to enable the directors to issue shares in the Company up to 50% of the total number of issued shares excluding any treasury shares and subsidiary holdings in the capital of the Company (in the case of issuance other than on a pro-rata basis to existing shareholders, such aggregate number of shares not to exceed 20% of the total number of issued shares excluding any treasury shares and subsidiary holdings in the capital of the Company) for such purposes as they consider to be in the interests of the Company.

3. The Ordinary Resolution 9 is to empower the Directors of the Company from the date of the Annual General Meeting until the date of the next Annual General Meeting is to be held or is required by law to be held, whichever is the earlier, to make purchases (whether by way of On-Market Purchases or Off-Market Purchases on an equal access scheme) from time to time of up to ten per cent (10%) of the total number of Shares (excluding treasury shares and subsidiary holdings) at prices up to but not exceeding the Maximum Price. The rationale for, the authority and limitation on, the source of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate are set out in greater detail in the Addendum accompanying this Notice of Annual General Meeting.

Notice of Annual General Meeting

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

4. The Ordinary Resolution 10 is to allow the directors to grant awards and issue shares pursuant to the Boustead Restricted Share Plan 2011.

5. The Ordinary Resolution 11 is to allow the directors to issue shares pursuant to the Boustead Scrip Dividend Scheme.

Notes:

(1) **Pre-Registration**

The Annual General Meeting ("AGM") is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM are set out in this Notice of AGM which has been uploaded on SGXNet and the Company's website on the same day. The announcement and this Notice of AGM may also be accessed at https://www.sgx.com/securities/company-announcements and https://www.boustead.sg/.

A member will be able to participate at the AGM by watching the AGM proceedings via a "live" audio-visual webcast and audio-only feed via mobile phones, tablets or computers. In order to do so, a member must pre-register by 2.30 p.m. on 22 August 2020, at https://sg.conveneagm.com/bousteadsingapore for the Company to authenticate his/her/its status as members. Authenticated members will receive email instructions on how to access the "live" webcast of the proceedings of the AGM by 10.30 a.m. on 24 August 2020. Members who do not receive an email by 12 noon on 24 August 2020, but have registered by the 22 August 2020 deadline, may contact the Company's Share Registrar at AGM.TeamE@boardroomlimited.com.

Investors holding Shares through relevant intermediaries (as defined in Section 181 of the Companies Act) ("Investors") (other than CPF/SRS investors) will not be able to pre-register at https://sg.conveneagm.com/bousteadsingapore for the "live" webcast of the AGM. An Investor (other than CPF/SRS investors) who wish to participate in the "live" webcast of the AGM should instead approach his/her relevant intermediary as soon as possible in order for the relevant intermediary to make the necessary arrangements to pre-register. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number) to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, via email to AGM.TeamE@boardroomlimited.com no later than 2.30 p.m. on 22 August 2020.

(2) **Submission of Proxy Form**

Due to the current COVID-19 control measures in Singapore, a member may not attend in person, and may only attend the AGM by observing and listening to the proceedings of the AGM by electronic means. A member will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A member (whether individual or corporate) must appoint the Chairman of the AGM ("Chairman") as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The Chairman, as proxy, need not be a member of the Company. The instrument for the appointment of proxy ("proxy form") may be accessed at the Company's website at https://www.boustead.sg/ or the SGXNet. Where a member (whether individual or corporate) appoints the Chairman as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman as proxy for that resolution will be treated as invalid.

The proxy form is not valid for use by Investors (including CPF/SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wish to vote should instead approach his/her/its relevant intermediary as soon as possible to specify his/her/its voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator by 5.00 p.m. on 14 August 2020, being 7 working days before the date of the AGM to submit his/her voting instructions.

The proxy form must be submitted to the Company in the following manner:

(a) if submitted by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623; or

(b) if submitted electronically, be submitted via email to AGM.TeamE@boardroomlimited.com,

in either case, by 2.30 p.m. on 23 August 2020, being 48 hours before the time appointed for holding this AGM.

Notice of Annual General Meeting

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

A member who wishes to submit the proxy form must complete and sign the proxy form attached with this booklet or download it from the Company's website or the SGXNet, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.

In view of the current Covid-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

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

The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman as proxy).

In the case of members of the Company whose Shares are entered against his/her names in the Depository Register, the Company may reject any proxy form submitted if such members are not shown to have Shares entered against his/her names in the Depository Register (as defined in Part IIIAA of the Securities and Futures Act, Chapter 289 of Singapore), as at 72 hours before the time appointed for holding this AGM as certified by The Central Depository (Pte) Limited to the Company.

(3) **Submission of Questions**

Members and Investors will not be able to ask questions "live" during the webcast of this AGM. All members and Investors may submit questions relating to the business of this AGM by 2.30 p.m. on 22 August 2020:

(a) via the pre-registration website at https://sg.conveneagm.com/bousteadsingapore;

(b) by email to bousteadsingapore.agm2020@boustead.sg; or

(c) by post to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult to submit questions by post, members and Investors are strongly encouraged to submit their questions via the pre-registration website or by email. The Company will endeavour to answer all substantial and relevant questions prior to, or at this AGM.

(4) **Annual Report and other documents:**

The Annual Report for the financial year ended 31 March 2020 ("Annual Report 2020") which was issued and released on 3 August 2020 can be accessed at SGXNet and at the Company's website at https://www.boustead.sg/.

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.

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Proxy Form

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

Annual General Meeting to be held on 25 August 2020 at 2.30 p.m.

(Before completing this form, please see notes below)

IMPORTANT:

1. The Annual General Meeting ("AGM") is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Alternative arrangements relating to attendance at the AGM via electronic means (in particular, arrangements by which the meeting can be electronically accessed via "live" audio-visual webcast or audio-only stream), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the Notice of AGM dated 3 August 2020. The Notice of AGM may be accessed at the Company's IR website at https://www.boustead.sg/, and will also be made available on SGXNet at https://www.sgx.com/securities/company-announcements.
3. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.
4. This proxy form is not valid for use by investors holding shares in the Company ("Shares") through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50 of Singapore)) ("Investors") (including investors holding through Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("SRS") ("CPF/SRS investors")) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify voting instructions. A CPF/SRS investor who wishes to vote should approach his/ her CPF Agent Bank or SRS Operator by 5.00 p.m. on 14 August 2020, being 7 working days before the date of the AGM to submit his/her voting instructions.
5. By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of the AGM dated 3 August 2020.
6. Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.

I/We ______________________ (Name) ______________ (NRIC/Passport/Co. Reg. No.)

of ____

being a member/members of the above-named Company, hereby appoint the Chairman of the Annual General Meeting of the Company as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Tuesday, 25 August 2020 at 2.30 p.m. and at any adjournment thereof in the manner indicated below:

	Ordinary Resolutions:	For	Against	Abstain
Resolution 1	To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 31 March 2020 and the Independent Auditors' Report.			
Resolution 2	To approve a final tax-exempt (one-tier) dividend of 2.0 cents per ordinary share for the year ended 31 March 2020.			
Resolution 3	To re-elect Dr Tan Khee Giap as a director of the Company.			
Resolution 4	To re-elect Mr Godfrey Ernest Scotchbrook as a director of the Company.			
Resolution 5	To re-elect Mr Liak Teng Lit as a director of the Company.			
Resolution 6	To approve directors' fees of up to $272,000 for the year ending 31 March 2021, payable quarterly in arrears.			
Resolution 7	To re-appoint Messrs PricewaterhouseCoopers LLP as auditors of the Company and to authorise the directors to fix their remuneration.			
Resolution 8	To authorise the directors to allot and issue shares pursuant to Section 161 of the Singapore Companies Act.			
Resolution 9	To approve the proposed renewal of the Share Buy-Back Mandate.			
Resolution 10	To authorise the directors to grant awards and issue shares pursuant to the Boustead Restricted Share Plan 2011.			
Resolution 11	To authorise the directors to allot and issue shares pursuant to the Boustead Scrip Dividend Scheme.			

You may tick (√) within the relevant box to vote for or against, or abstain from voting, in respect of all your Shares for each resolution. Alternatively, you may indicate the number of Shares that you wish to vote for or against, and/or abstain from voting, for each resolution in the relevant box. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman as your proxy for that resolution will be treated as invalid.**

Signed this __________ day of __________ 2020

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. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you only have shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.

2. Due to the current COVID-19 control measures in Singapore, a member may not attend in person, and may only attend the AGM by observing and listening to the proceedings of the AGM by electronic means. A member will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. This proxy form may be accessed at the Company's IR website at https://www.boustead.sg/, and will also be made available on SGXNet at https://www.sgx.com/securities/company-announcements. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstention from voting, in respect of a Resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as a proxy for that Resolution will be treated as invalid.

   CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective Agent Banks or SRS Operators to submit their votes by 5.00 pm on 14 August 2020.

3. The Chairman of the Meeting, as proxy, need not be a member of the Company.

4. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623; or

   (b) if submitted electronically, be submitted via email to AGM.TeamE@boardroomlimited.com.

   in either case, by 2.30 p.m. on 23 August 2020, being 48 hours before the time appointed for holding this AGM.

   A member who wishes to submit the proxy form must complete and sign the proxy form attached with this booklet or download it from the Company's website or the SGXNet, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

5. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing the Chairman of the Meeting as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument appointing the Chairman of the Meeting as proxy is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.

   The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor is not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment) appointing the Chairman of the Meeting as proxy. In addition, in the case of a member whose shares are entered against his name in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 3 August 2020.

BOUSTEAD SINGAPORE LIMITED
Company Registration Number: 197501036K

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