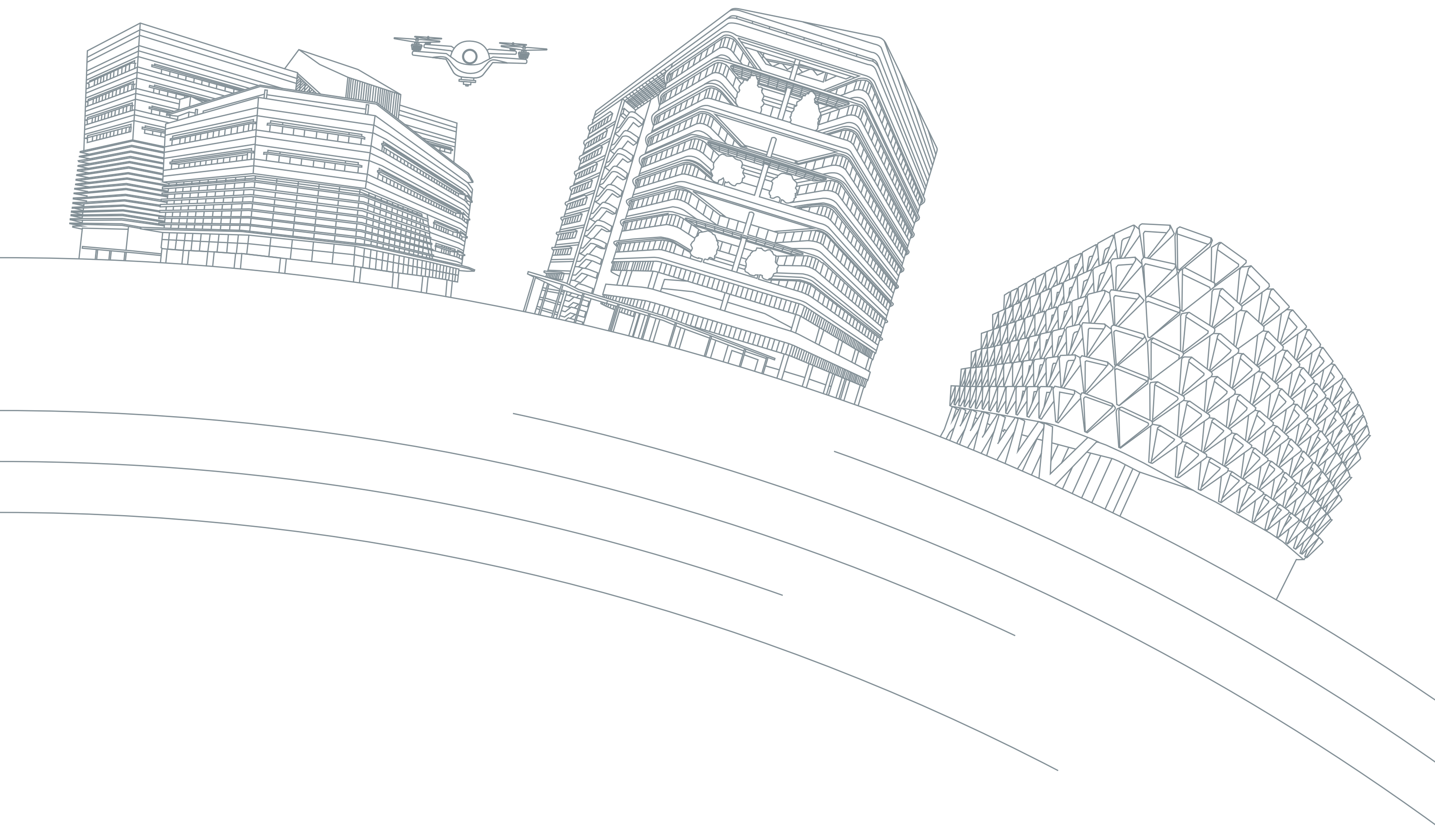
TWO DECADES OF PIONEERSHIP

Boustead Projects Limited
Annual Report 2018



CORPORATE PROFILE

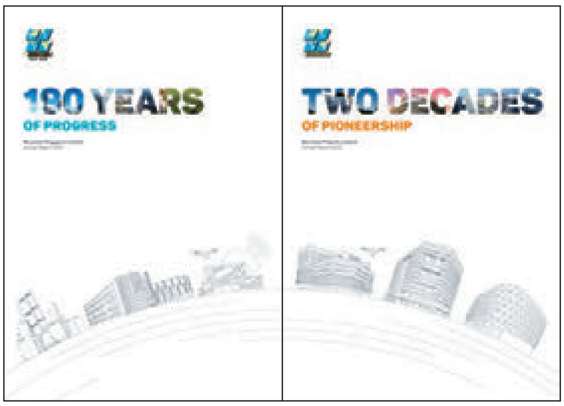
Established in 1996, Boustead Projects Limited (SGX:AVM) is a leading industrial real estate solutions provider in Singapore, with core engineering expertise in the design-and-build and development of industrial facilities for multinational corporations and local enterprises. To date, we have constructed and developed more than 3,000,000 square metres of industrial real estate regionally in Singapore, China, Malaysia and Vietnam. Our wholly-owned design-and-build subsidiary, Boustead Projects E&C Pte Ltd ("BP E&C") is approved by the Building & Construction Authority ("BCA") of Singapore for Grade CW01-A1 and General Builder Class One License to execute building construction contracts of unlimited value.

Our in-depth experience in designing and constructing custom-built facilities covers the aerospace, business park and commercial, food, healthcare and pharmaceutical, high-tech manufacturing, info-communications, lifestyle, logistics, oil & gas, precision engineering, research & development, technology and waste management industries. We are also a leader in pioneering advanced eco-sustainable facilities under the BCA's Green Mark Programme and the US Green Building Council's Leadership in Energy & Environmental Design (LEED) Program. In Singapore, BP E&C is one of only 10 bizSAFE Mentors and also a bizSAFE Star, the highest qualification that can be attained in recognition of a company's health, safety and environmental management programmes.

On 30 April 2015, Boustead Projects listed on the SGX Mainboard. We were awarded the Singapore Corporate Governance Award in the Newly Listed Category at the Securities Investors Association (Singapore)'s 18th Investors' Choice Awards 2017. We are also listed on the MSCI World Micro Cap Index for Singapore, FTSE Global Small Cap Index for Singapore and FTSE ST Small Cap Index.

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

Visit us at **www.bousteadprojects.com**.



Between the Covers

This year, Boustead Singapore Limited celebrates 190 years of progress, while Boustead Projects Limited continues a tradition of over two decades of pioneership.

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

TWO DECADES
OF PIONEERSHIP

As a leading industrial real estate solutions provider in Singapore, Boustead Projects has demonstrated over 20 years of pioneership in design-and-build, design-build-and-lease and advanced eco-sustainable facilities, serving clients from all over the world. From reputable small and medium-sized enterprise clients to global clients including Forbes Fortune 500, S&P 500 and Euronext 100 corporations, we have developed integrated industrial real estate solutions to match our clients' local, regional and global ambitions. In essence, we are a trusted partner of many of the world's best corporations in Singapore's industrial real estate sector, helping them to build their next stage of growth.

Our multiple and integrated capabilities – development, design-and-build, and leasehold portfolio management and ownership – are reinforced by our excellent quality, health, environmental and safety track records, and outright market leadership in building eco-sustainable industrial facilities. Our capabilities now include pioneering the introduction of smart building capabilities and proven technology to develop advanced industrial facilities in line with Industry 4.0 transformations.

As we expand regionally, we are positioned to achieve our vision to be a regional integrated real estate solutions leader offering a full suite of capabilities, and pioneer not only our clients' next stage of growth but our own as well.

CONTENTS

DESIGN-AND-BUILD BUSINESS

PIONEERING

DESIGN-AND-BUILD

Pioneering the design-and-build methodology for industrial facilities in Singapore since Boustead Projects' inception in 1996, we have built a reputation as the leading design-and-build partner for Singapore's industrial real estate sector. Whether for global corporations expanding regionally or for small and medium-sized enterprises serving international markets, we offer a full suite of industrial real estate solutions tailored to meet every client's unique requirements and specifications.

Through our digital delivery approach, we take great care to consider, interpret and understand our client's needs, processes and strategies. This is then translated into every detail of design, value engineering, project management and construction management so that we can deliver a positive and visible difference, one that enables our clients to derive true value from their sizeable investments.

Read more on pages 20 to 23.

Design-and-Build Revenue

S$169.9 million

was 13% lower year-on-year, impacted by an unusually low total value of contracts secured in FY2017 for revenue conversion in FY2018. This was partially offset by greater revenue converted from contracts secured during FY2018.

Design-and-Build Profit Before Income Tax

S$21.0 million

was 41% higher year-on-year, mainly due to higher gross profit achieved through productivity improvements, the unlocking of project cost savings and conversion of projects with higher margins.

Design-and-Build Contracts Secured

S$233 million

was 66% higher year-on-year, on successful design-and-build business development efforts.

Established Track Record

Over S$3.1 billion in 170+ projects

have been delivered over two decades, with leadership positions in the aerospace, logistics and technology industries.

LEASING BUSINESS

PIONEERING

DESIGN-BUILD-AND-LEASE

Pioneering the design-build-and-lease methodology since 2003, we developed our full suite of development capabilities including feasibility studies, land sourcing, development planning and financing. Additionally, we also provide asset management and facilities management services. In recent years, our development offerings have been further enhanced through the Boustead Development Partnership ("BDP") and several other strategic partnerships regionally.

We overcome the constraints of our clients pursuing an asset light strategy but who still require custom-built facilities by delivering facilities leased back to clients under long-term leases. This helps our clients to realise their local, regional and global ambitions.

Today, our leasehold portfolio is a result of our development capabilities and ongoing strategy to grow our recurring income base. Our portfolio (both wholly-owned and jointly-owned properties) contains 19 completed properties and one property under construction, housing some of the world's most reputable global corporations.

Read more on pages 24 to 29.

Leasing Revenue

S$31.5 million

was 5% lower year-on-year, mainly due to a recent lease expiry on one property and full-year vacancy on another property, partially offset by contributions from new leases as well as development management fees from the BDP.

Leasing Profit Before Income Tax

S$14.4 million

was 32% lower year-on-year, mainly due to the absence of non-recurring other gains recorded in FY2017 from compensation for an early lease termination.

Growing Leasehold Portfolio

275,000+ square metres

of gross floor area in both wholly-owned and jointly-owned properties including one property under construction.

Diversified Tenant Base

30+ tenants

originating from a diverse range of industries.

STRATEGIC PARTNERSHIPS & INVESTMENTS

PIONEERING

THROUGH PARTNERSHIPS

Boustead Projects believes that developing a regional outlook is necessary for medium to long-term growth. In line with this, establishing strategic partnerships has helped us to strengthen our market leading position in Singapore and cover more ground regionally. Working with like-minded and reputable partners has allowed us to pool our complementary capabilities and expertise to widen our offerings and concurrently take on larger-scale projects, while simultaneously reducing commercial and operational risks related to a particular geographic market, industry cluster or real estate sector.

As we expand regionally, our intention will be two-fold. Firstly, we aim to follow our global clients regionally and support them in establishing high quality industrial facilities in surrounding countries as they expand. Secondly, we aim to bring our many small and medium-sized enterprise clients into the international scene and support them in establishing a regional presence, aiding their transformation from local enterprises into multinational corporations.

Read more on pages 30 to 31.

Expanding Reach

3 strategic partnerships

to strengthen our offerings across our geographic markets, with the intention to add more strategic partnerships.

Enhancing Leasehold Portfolio

101,000+ square metres

of gross floor area contributed by jointly-owned properties including one property under construction.

BUSINESS MODEL

Our Mission

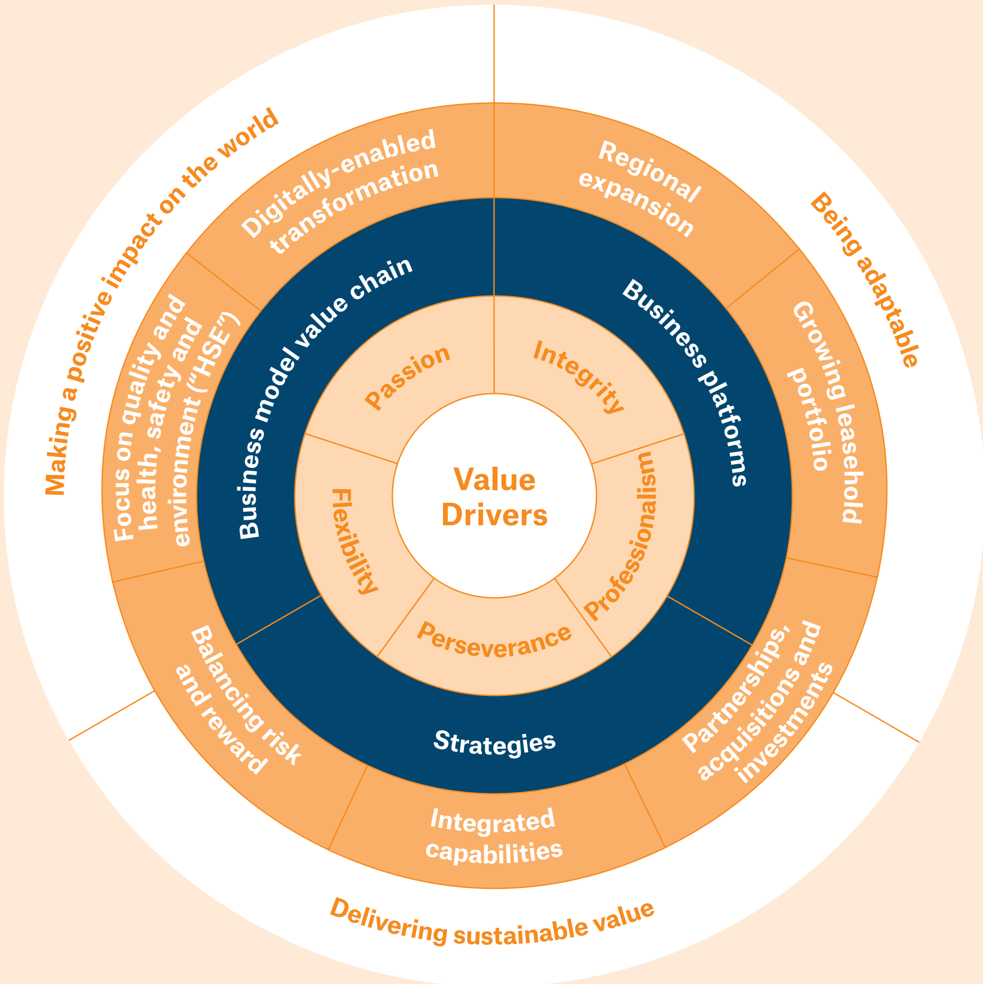
To be a real estate solutions provider with core competencies in design, value engineering and delivery of end-to-end solutions that can be deployed in any industry and market.

Vision

To be a regional integrated real estate solutions leader offering a full suite of capabilities.

Achieving our long-term objectives

In order to achieve our long-term objectives, we rely on our business drivers: business platforms, strategies and business model value chain – guided by our core values. These business drivers highlight how we combine our core competencies and strategies for international markets to ultimately deliver sustainable value to stakeholders.



Our Business Platforms

Positioning and presence
- Extensive capabilities spanning design-and-build, development, asset management and facilities management
- Successful spotting and positioning on global megatrends
- Growing regional presence with local market knowledge
- Broad coverage of industries with clients among world's top MNCs

Performance
- Market leader in Singapore with extensive track record in delivering best-in-class projects
- Green Mark Platinum industrial leader with firsts in heavy industry, aerospace and logistics categories
- Commitments to quality and HSE performance
- Manager and owner of growing leasehold portfolio

People
- Top teams in design-and-build for industrial facilities
- Empowering culture
- Ability to attract, motivate and retain talent
- Industry technical experts

Our Strategies

Regional expansion
Our expansion into fast-growing regional markets rides upon our in-depth engineering and management expertise, leading industry market positions, reputable brand and diversified track record in delivering over 3,000,000 square metres of industrial facilities in Singapore, China, Malaysia and Vietnam.

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

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

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

Balancing risk and reward
We are vigilant in ensuring that our strategies to enhance shareholder value are well-supported by sound risk management.

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

Digitally-enabled transformation
Our ongoing business transformation is supported by steady adoption of digitally-enabled, productivity-enhancing approaches like integrated digital delivery, building information modelling, design for manufacturing and assembly, smart building capabilities and transformative technologies for the world of Industry 4.0.

Our Value Chain

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

Designing sustainable products, services and solutions including Green Mark Platinum and LEED-rated buildings

Committing to operational excellence through undertaking development, design, value engineering, project management, construction management, asset management and facilities management

Delivering efficiency, performance and value to our clients

Generating revenue, profit and cash flow in a sustainable manner

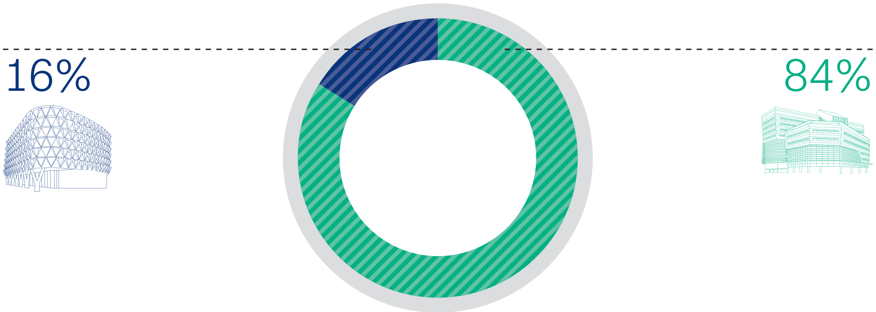
Being adaptable, delivering sustainable value and making a positive impact on the world

GROUP AT A GLANCE

Group Revenue
S$201.3 million

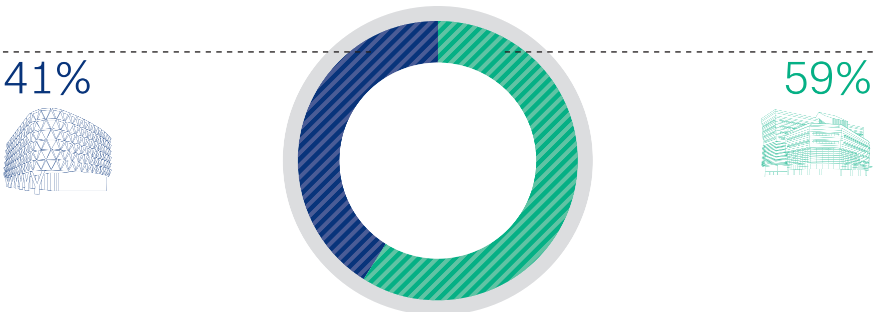
FY2017: S$228.3 million

- Design-and-Build
- Leasing



Group Profit Before Income Tax
S$35.5 million

FY2017: S$44.9 million



Group Net Profit
S$29.2 million

FY2017: S$36.1 million

Group Contracts Secured
S$233 million

FY2017: S$140 million

Group Net Assets
S$244.1 million

FY2017: S$229.4 million

Earnings Per Share
9.1¢

FY2017: 11.3¢

Net Asset Value Per Share
79.0¢

FY2017: 71.7¢

Leasehold Portfolio Gross Floor Area (both completed and under construction)*
275,308 sqm

FY2017: 275,308 sqm

* *Includes both wholly-owned and jointly-owned properties, and also 25 Changi North Rise (sale completed after the end of FY2018).*

Design-and-Build

Our design-and-build business provides turnkey expertise for custom-built facilities for multinational corporations and local enterprises including:

1. Industrial facilities;
2. Business park and commercial buildings; and
3. Industrial and business parks.

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

Read more on pages 20 to 23.

FY2018 Highlights

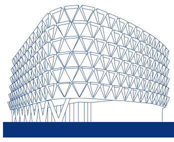
- Lower revenue amid challenging industrial real estate sector
- Gross profit increased on productivity improvements, unlocking of project cost savings and conversion of projects with higher margins
- Secured S$233 million in contracts in Singapore and Vietnam, with more than half from logistics sector

Segment Revenue
S$169.9 million
FY2017: S$195.2 million

Segment Profit Before Income Tax
S$21.0 million
FY2017: S$14.9 million

Segment Contracts Secured
S$233 million
FY2017: S$140 million

Segment Employees
100
FY2017: 100



Leasing

Our leasing business provides development, asset management and facilities management expertise for custom-built facilities to be leased to multinational corporations and local enterprises.

We have developed and retained a leasehold portfolio consisting of primarily single-tenanted high quality custom-built industrial facilities leased to a group of reputable end-user clients.

Read more on pages 24 to 29.

FY2018 Highlights

- Successful marketing launch for ALICE @ Mediapolis
- Completed two jointly-owned properties for leasehold portfolio
- Maiden land acquisition in Vietnam for development of Boustead Industrial Park

Segment Revenue
S$31.5 million
FY2017: S$33.1 million

Segment Profit Before Income Tax
S$14.4 million
FY2017: S$21.1 million

Completed Properties in Leasehold Portfolio*
19
FY2017: 17

Segment Employees
17
FY2017: 6

Strategic Partnerships & Investments

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

Read more on pages 30 to 31.

FY2018 Highlights

- Boustead Development Partnership completed Continental Building Phase 3 at Kallang iPark and successfully launched marketing for ALICE @ Mediapolis
- THAB completed iBP @ Nusajaya and multi-tenanted logistics hub at Port of Tanjung Pelepas in Iskandar Malaysia

Segment Profit Before Income Tax
S$nil
FY2017: S$8.9 million

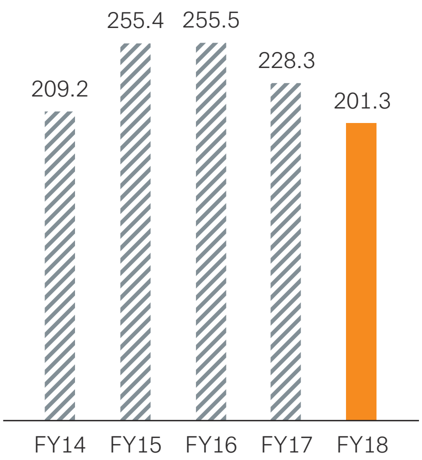
FINANCIAL PERFORMANCE

	31 Mar 14 S$'000	31 Mar 15 S$'000	31 Mar 16 S$'000	31 Mar 17 S$'000	31 Mar 18 S$'000
Revenue and Profits					
Revenue	209,165	255,389	255,475	228,307	**201,342**
Gross profit	52,901	57,299	58,967	58,521	**65,237**
Profit before income tax	39,394	33,422	29,709	44,874	**35,452**
Total profit	35,813	24,562	22,865	36,249	**29,151**
Profit for the year attributable to equity holders of the Company	35,813	24,668	22,865	36,098	**29,151**
Cash dividends*	-	-	-	(7,992)	**(4,634)**
Statement of Financial Position					
Equity attributable to equity holders of the Company	230,738	252,751	193,966	229,378	**244,101**
Non-controlling interests	-	(106)	(106)	-	**-**
Capital Employed	230,738	252,645	193,860	229,378	**244,101**
Trade receivables (non-current)	9,183	7,438	-	-	**4,619**
Other receivables and prepayments (non-current)	-	-	3,395	6,064	**2,651**
Investment in an associated company	1,172	1,094	200	-	**588**
Investments in joint ventures	4,467	10,728	13,755	32,354	**37,148**
Available-for-sale financial assets (non-current)	17,872	17,872	38,391	20,519	**20,519**
Investment properties	108,962	159,857	146,182	134,796	**128,827**
Property, plant and equipment	752	815	743	812	**780**
Net deferred income tax liabilities	(1,772)	(1,816)	(2,737)	(3,077)	**(3,770)**
Net current assets	140,137	233,355	87,686	112,942	**121,566**
Non-current liabilities (excluding deferred income tax liabilities)	(50,035)	(176,698)	(93,755)	(75,032)	**(68,827)**
Assets Employed	230,738	252,645	193,860	229,378	**244,101**
Financial Statistics					
Operating profit over turnover (%)	18.8	13.1	11.6	19.7	**17.6**
Return on equity (%) (Note 1)	15.5	9.8	11.8	15.7	**11.9**
Gross dividend per ordinary share* (¢)	-	-	-	2.5	**1.5**
Dividend cover* (times)	-	-	-	4.5	**6.1**
Basic earnings per ordinary share (¢) (Note 2)	11.2	7.7	7.1	11.3	**9.1**
Net asset value per ordinary share (¢) (Note 3)	72.1	79.0	60.6	71.7	**79.0**

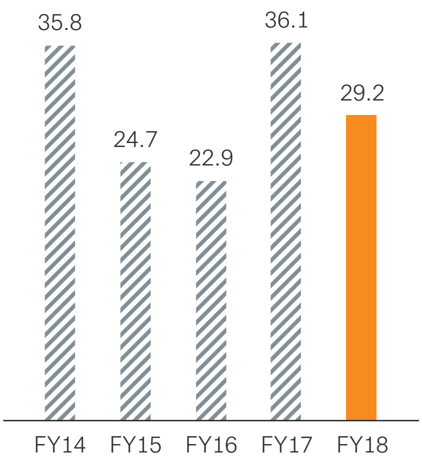
* *Includes proposed final dividend of 1.5 cents for FY2018.*

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

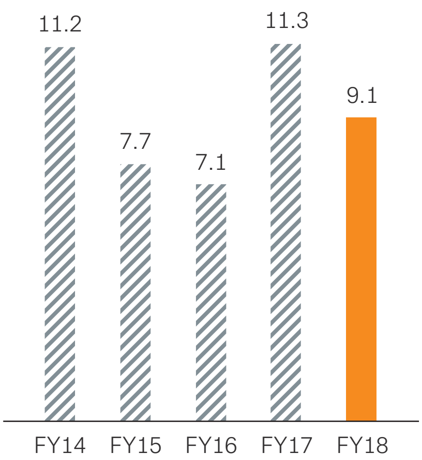
Group Revenue (S$'m)



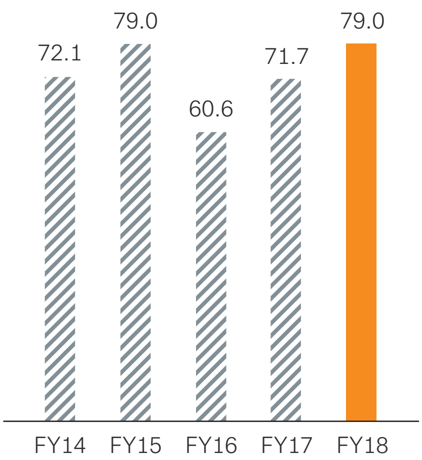
Group Net Profit (S$'m)



Earnings Per Ordinary Share (¢)



Net Asset Value Per Ordinary Share (¢)



ECONOMIC & SUSTAINABILITY PERFORMANCE

Economic value creation and distribution in FY2018

Over Boustead Projects' two decades of pioneership, we have performed our role as a trustworthy corporate citizen, building businesses and trust with regional stakeholders, and delivering sustainable value and progress to them. Over two decades of economic value has been created and distributed to key stakeholders including clients, communities, employees, lenders, governments, shareholders and suppliers around the region.

In FY2018, we created S$202.1 million in economic value, which was distributed to key stakeholders in the following manner.

Suppliers

- Purchases
- Subcontractor payments
- Other operating expenses

S$149.0 million

Employees

- Salaries
- Defined contribution plans
- Share-based compensation
- Other benefits

S$15.7 million

Lenders and shareholders

- Interest paid to lenders
- Dividends paid to shareholders

S$9.9 million

Governments

- Corporate taxes

S$5.9 million

Communities

- Community service
- Philanthropic donations

S$0.03 million

Economic value retained

- Reinvestment in core businesses
- Future acquisitions and investments

S$21.6 million

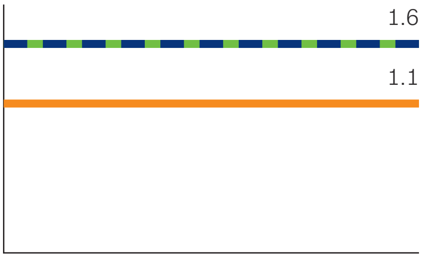
Economic value generated

= S$202.1 million

Environmental and Social Contributions in FY2018

Safety*

Accident frequency rate
# of workplace accidents per million man-hours



Accident severity rate
# of lost man days to workplace accidents per million man-hours

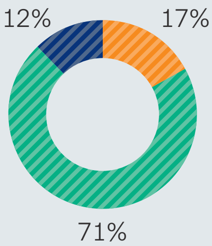
Occupational disease incidence rate
# of occupational disease cases per 100,000 employees

Employees and subcontractors · Employees · Relevant industries average** · National average

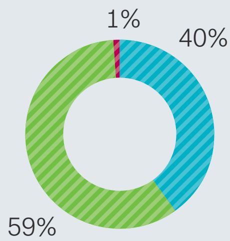
Human Resource Deployment

141 employees (FY2017: 125)

34% female 66% male



- Group HQ & Corporate Services
- Design-and-Build
- Leasing



- Managerial
- Executive
- Non-executive

Environment

We have delivered Green Mark Platinum-rated business park and industrial facilities which provide sizeable energy and water savings to our clients every year. In FY2018, our clients enjoyed estimated savings of over:

37 gigawatt hours of electricity = **Power for 7,800 homes in Singapore every year**

Savings = S$7.0 million

87,000 cubic metres of water = **Water to fill 34 Olympic size swimming pools every year**

Savings = S$0.2 million

* 2017 statistics from Workplace Safety & Health Council.
** Blended weighted average of Singapore's construction and real estate sectors.

LETTER TO SHAREHOLDERS

John Lim Kok Min
Chairman

Thomas Chu Kok Hong
Managing Director

As we review our performance in FY2018, we believe it is appropriate for us to highlight some of our **pioneering achievements** since 1996 that have brought us to where we are today.

Dear Fellow Shareholders,
It gives us great pleasure to present to you the Boustead Projects FY2018 Annual Report for the financial year ended 31 March 2018.

We have delivered a creditable performance for this period. Despite the challenges affecting Singapore's industrial real estate sector which saw our total revenue for FY2018 decline by 12% year-on-year to S$201.3 million, management worked effectively on business development and margin improvements during the year to ensure continued satisfactory profitability for our Company. Although reported total profit before income tax ("PBT") was 21% lower year-on-year, this would have been 14% higher year-on-year if non-recurring gains in FY2017 from the sale of our interest in TripleOne Somerset and the related adjustments for AusGroup's early lease termination were excluded.

FY2018 – Managing the Industry Downturn

During FY2018, we continued to manage the challenges of Singapore's industrial real estate business segment that was coming out of a cyclical downturn.

At our design-and-build business, segment revenue declined 13% year-on-year to S$169.9 million. Segment revenue for the first nine months was affected by the unusually low value of contracts secured in FY2017. However, successful business development efforts in FY2018 resulted in several sizeable contracts, allowing us to increase our revenue in the final quarter and provide a significantly higher order book backlog going into FY2019. Despite lower segment revenue, segment PBT rose 41% year-on-year to S$21.0 million through productivity improvements, the unlocking of cost savings and conversion of projects with higher margins.

At our leasing business, segment revenue dropped 5% year-on-year to S$31.5 million, clearly impacted by a full-year vacancy at 36 Tuas Road

(AusGroup's early lease termination) and also the more recent tenancy expiry at 85 Tuas South Road 1 (Caterpillar's consolidation in Singapore). Reported segment PBT fell 32% year-on-year to S$14.4 million. However, adjusting for the previous year's one-off other gains applicable to this segment, normalised leasing PBT was 11% lower year-on-year.

In FY2018, we were awarded 13 contracts totalling S$233 million compared to S$140 million a year earlier. In Singapore, out of the nine contracts secured, four contracts came from the logistics industry and two contracts came from the waste management industry. Outside of our home market, the most active overseas market was Vietnam. We rode on Vietnam's robust economic recovery to secure four contracts, along with taking a 40-year sublease on our first industrial land there. This is to be developed into a sizeable industrial park located just south east of Ho Chi Minh City and will allow us to seize a strategic long-term position in one of South East Asia's fastest growing economies.

On the strategic partnerships front, Boustead Development Partnership – our co-investment partnership with a reputable Middle East sovereign wealth fund – continued to push forward. Commencing operations at the start of FY2018, GSK's beautiful new regional headquarters at one-north, GSK Asia House made an almost full-year rental contribution. Meanwhile, construction progressed on schedule at our landmark project of the year, ALICE @ Mediapolis, one-north, and also at Continental Building Phase 3 at Kallang iPark, which received its temporary occupation permit on the final day of FY2018. GSK Asia House and ALICE demonstrate our successful foray into the business park real estate sector, traditionally seen as higher value real estate and better able to weather challenging economic conditions as compared to the industrial real estate sector. We plan to further diversify our experience and expand our presence in business parks.

Today, our leasehold portfolio totals 20 wholly-owned and jointly-owned properties (19 completed and one still under construction) spanning over 275,000 square metres of gross floor area in Singapore, China and Malaysia, with a total market valuation approaching S$800 million. We will continue to expand our portfolio, through various options, to a level that we believe will enable us to unlock and optimise value for all shareholders. At the same time, we are actively seeking replacement long-term leases for current vacancies in our portfolio.

In line with our profit performance, your Board is pleased to recommend a final ordinary dividend of 1.5 cents for your approval. In recommending this dividend, your Board has taken into consideration the capital needed to achieve our twin strategy to both grow and regionalise our design-and-build business, as well as to expand our portfolio of leasehold properties.

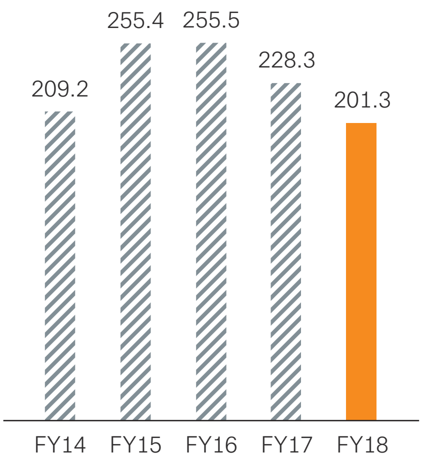
Over Two Decades of Pioneership

As we review our performance in FY2018, we believe it is appropriate for us to highlight some of our pioneering achievements since 1996 that have brought us to where we are today.

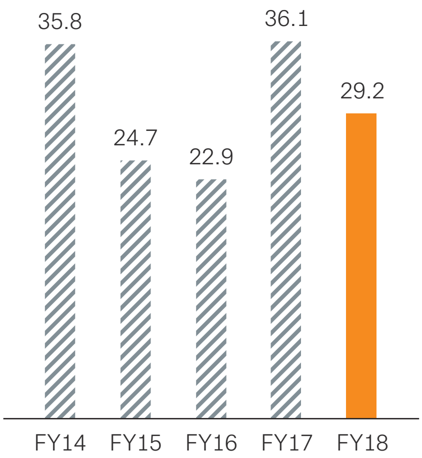
A reality that confronts all corporations is: 'Can we afford to sit back and wait for the industry to force change upon us? Or do we lead positive change in the industry?' At Boustead Projects, the answer is clear. We are constantly challenging ourselves.

The message that fronts our annual report aptly states, 'Two Decades of Pioneership'. For over two decades, we have been the leading pioneer in Singapore's industrial real estate sector, earning a reputation as the preferred industrial real estate solutions partner to numerous Forbes Fortune 500, S&P 500 and Euronext 100 corporations, along with a multitude of global corporations, and reputable small and medium-sized enterprises.

Group Revenue (S$'m)



Group Net Profit (S$'m)



LETTER TO SHAREHOLDERS

Our journey of pioneership began with our founding in 1996 and a business model based on a design-and-build methodology. As early pioneers of the methodology in Singapore, we have built up one of the best teams in the industry. Our integrated design and construction project delivery system brings various building disciplines under one roof and eliminates significant additional costs, coordination, time and wastage for our clients. We changed the norms by which custom-built facilities are delivered. Today, we remain the design-and-build market leader from the private sector.

In 2003, sensing our clients' changing needs to move from outright ownership to that of long-term leasing, we pioneered the design-build-and-lease methodology, a hybrid development and design-and-build model. Development, asset management and facilities management soon became core capabilities as our leasehold portfolio grew. As the only generally acknowledged integrated industrial real estate solutions provider listed on the SGX Mainboard with multiple capabilities covering 80% of the industry value chain, we continue to advance our position to complete the whole value chain and strengthen our holistic proposition to clients.

Over the past decade, embracing change has extended our market leadership in other areas such as eco-sustainable facilities and safety. Since the inception of the Building & Construction Authority ("BCA")'s Green Mark Programme, we have delivered about 18% of all new private sector Green Mark Platinum-rated industrial facilities on Business 1 and Business 2 industrial-zoned land. In safety, our wholly-owned design-and-build subsidiary, Boustead Projects E&C Pte Ltd ("BP E&C") is one of only 10 bizSAFE Mentors in Singapore and also the only one among our direct competitors. In recognition of recent efforts, ALICE received the Green Mark Platinum and BP E&C received the Green and Gracious Builder Award (Excellent) at the recent BCA Awards 2018.

ALICE – The First Truly Smart Building in a Singapore Business Park

In FY2018, our journey of pioneership continued and was best demonstrated in the marketing launch of ALICE in March 2018. The first truly smart building in any business park in Singapore, ALICE will be an 11-floor thriving ecosystem and future home for info-communications, media and technology multinational corporations, and fast-growing ventures when it is completed in 3Q FY2019. ALICE represents best practices in transformative industry processes and technologies, setting a new high standard for Boustead Projects and the industry.

In 2017, following a comprehensive economic consultation and review, the Singapore Government laid out Industry Transformation Maps ("ITMs") for 23 industries to keep Singapore at the forefront of the global economy. Three key themes consistently appeared in these ITMs: Industry 4.0, automation and digitalisation. ALICE converges the ideals of ITMs for three industries – construction, real estate and infocomm media – and breaks new ground, especially in the deployment of integrated digital delivery ("IDD") throughout every aspect of the development lifecycle, as well as in new proven smart technologies.

A showcase in IDD, ALICE extensively uses building information modelling ("BIM"), and virtual design and construction. Although BCA codes of practice require BIM for all new developments at only the submission stage of a project, we took it several steps further with ALICE, extending BIM through the design, project management, construction management and rectification stages and thereafter, into facilities management, operations and maintenance for the entire 30-year building lifecycle. This has maximised the potential of BIM so as to significantly reduce costs and manpower throughout ALICE's lifecycle. In addition, ALICE was constructed virtually (before the actual construction) so that most issues could be anticipated during construction, operations and maintenance, and proactive solutions could be generated. Marking another first for the industry,

Pioneering Achievements

1996	2003	2009	2011	2011
Established Boustead Projects and pioneered design-and-build methodology in Singapore	Pioneered design-build-and-lease methodology in Singapore	Delivered first Green Mark Platinum-rated facility in heavy industry category	Named bizSAFE Mentor, currently one of only 10 in Singapore and only one among direct competitors	Delivered first Green Mark Platinum-rated facilities in aerospace category

ALICE used prefabricated, prefinished volumetric construction for the first large-scale prefabricated bathroom units to be deployed in any business park project.

Complementing IDD, we trained a team of four drone pilots, tasked with conducting comprehensive building surveys at all stages of projects. As ALICE shot towards the skies, our team of drone pilots and drones flew into action, capturing important data which fed into BIM and augmented reality project management, and which will eventually allow potential tenants to appreciate the view from different floors and units without having to step into a completed building.

ALICE's transformative processes and technologies have not been confined to our activities as a developer and design-and-build specialist. To turn ALICE into the first truly smart building in a business park in Singapore, we are working with Habitap – a leading homegrown proptech firm – to customise a smart building app that allows tenants to access detailed control over amenities under a comprehensive and convenient tenant management system on a single app platform tied directly to our backend facilities management system. With a vast improvement to the tenant experience and drastic reduction in manual facilities management activities, ALICE will be nothing short of a smart community.

The best practices at ALICE are standards which we intend to bring to future projects.

FY2019 – A Year of Opportunities

FY2019 is already shaping up to be a promising year. With a healthy order book backlog of S$218 million (unrecognised project revenue remaining at the end of FY2018 plus the total value of new orders since then) and an increasing enquiry pipeline across both design-and-build and real estate development, plus other potential synergistic acquisition and investment opportunities, we believe that we will be able to capitalise on at least some of these opportunities in the coming year to strengthen our long-term market leadership and value creating capabilities.

In line with the ITMs for 23 industries, we intend to help our clients to successfully shift into Industry 4.0, automation and digitalisation. One such industry where transformation is already taking place is in the logistics industry, where we were awarded four contracts in FY2018. In three instances, the world's leading third-party logistics providers selected us to deliver their new next generation logistics facilities. These extremely advanced facilities, integrating the latest in proven smart technologies that automate most processes, pack more into smaller footprints both horizontally and vertically, and reduce reliance on expensive manpower, will be completed in FY2019. As industry transformations take place according to ITMs, we are in the right place to help our clients to see through their successful transformations.

Along with our core activities in design-and-build, development and leasing, we will also be looking to expand our leasehold portfolio, adding on potentially more business park and industrial developments, and translating our success in Singapore to targeted overseas markets.

A Word of Appreciation

We would like to thank our management and staff for their dedicated efforts in a challenging market, and for taking on change and transformation with enthusiasm. We would also like to extend our gratitude to all of our clients, business partners, associates, bankers, suppliers and you, our shareholders for your continuing support. Last but not least, we would like to express our appreciation to our fellow Board colleagues for their wisdom, guidance and continued advice.

We look forward to seeing many of you at our upcoming Annual General Meeting.

John Lim Kok Min
Chairman

Thomas Chu Kok Hong
Managing Director

2012
Delivered first Green Mark Platinum-rated facility in logistics category

2012
Delivered first Green Mark-rated industrial facility in Vietnam

2017
Pioneered full integrated digital delivery platform, with BIM to cover entire 30-year building lifecycle and drone technology for aerial imaging, site surveillance and marketing

2017
Pioneered ALICE, first truly smart building in any Singapore business park and first in industry to adopt large-scale prefabricated bathroom units

DESIGN-AND-BUILD BUSINESS

Pioneering the design-and-build approach for industrial facilities in Singapore since Boustead Projects' inception in 1996, we offer clients a turnkey solution for a custom-built facility through an integrated digital delivery approach, complemented by our value-added services and green building capabilities, and supported by our robust quality, health, environmental and safety management systems. All of our design-and-build activities in Singapore are currently undertaken by our wholly-owned design-and-build subsidiary, Boustead Projects E&C Pte Ltd.

Artist's impression of Bolloré Logistics Blue Hub, Singapore

Market Sectors

- Aerospace
- Business park and commercial
- Food
- Healthcare and pharmaceutical
- High-tech manufacturing
- Info-communications
- Lifestyle
- Logistics
- Oil & gas
- Precision engineering
- Research & development ("R&D")
- Technology
- Waste management

Geographic Markets

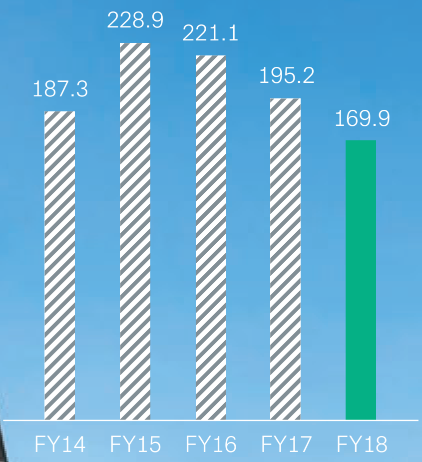
- China
- Malaysia
- Singapore
- Vietnam

Performance Highlights

Segment Revenue (S$'m)

S$169.9 million

Year-on-year ↓ **13%**

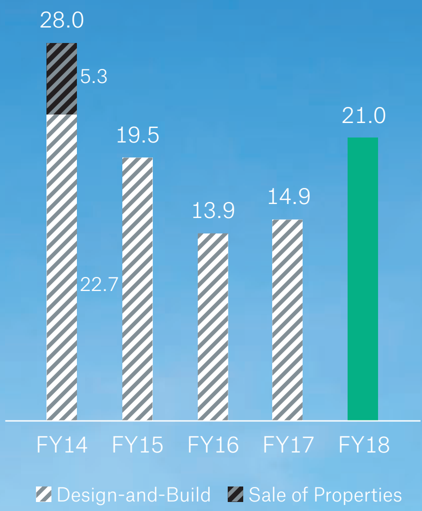


- Unusually low total value of contracts secured in FY2017 for revenue conversion in FY2018

Segment Profit Before Income Tax (S$'m)

S$21.0 million

Year-on-year ↑ **41%**

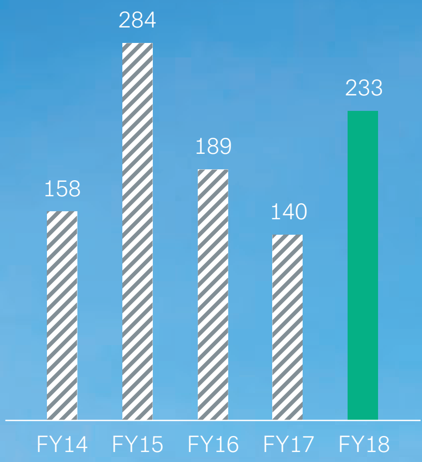


- Productivity improvements, unlocking of cost savings and conversion of projects with higher margins

Segment Contracts Secured (S$'m)

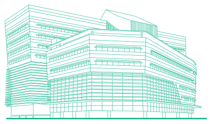
S$233 million

Year-on-year ↑ **66%**



- Successful design-and-build business development efforts

DESIGN-AND-BUILD BUSINESS



Beyonics Headquarters, Singapore

In FY2018, design-and-build revenue fell 13% year-on-year to S$169.9 million, impacted by an unusually low total value of contracts secured in FY2017 for revenue conversion in FY2018, in addition to a major project for GSK Asia House with significant contract value completed in FY2017 that contributed to higher design-and-build revenue recorded for that period. This was partially offset by design-and-build revenue converted from contracts secured during FY2018, as our business development efforts yielded 13 contracts worth S$233 million, compared to the previous year's S$140 million.

Despite lower design-and-build revenue, design-and-build profit before income tax grew 41% year-on-year to S$21.0 million, mainly achieved through productivity improvements, the unlocking of project cost savings and conversion of projects with higher margins.

During the year, we completed 14 projects spanning the automotive, data centre, healthcare and pharmaceutical, lifestyle, logistics, oil & gas, precision engineering and R&D industries.

Our landmark project for the year was ALICE @ Mediapolis, an 11-floor multi-tenanted smart business park development at one-north, JTC Corporation's world-class 200-hectare innovation cluster. Developed by the Boustead Development Partnership ("BDP"), ALICE's design and construction is being undertaken by us and is currently progressing on schedule with expected completion in 3Q FY2019.

ALICE showcases our productivity-focused approach supported by integrated digital delivery that deploys digitalisation and cloud-based technologies, and transformative methodologies like building information modelling, virtual design and construction, and design for manufacturing and assembly.

These methodologies have been extensively adopted in the design, construction, project management and delivery of ALICE, further assisted by the use of drones for aerial imaging, site surveillance and eventually the marketing of ALICE as well. Another first in the industry, ALICE has adopted large-scale prefabricated bathroom units ("PBUs") using prefabricated, prefinished volumetric construction, moving beyond the norm of small PBUs in the residential sector.

Separately under development by the BDP, we completed construction of Continental Building Phase 3 at the Kallang iPark.

In the data centre arena, we completed a sizeable full-scale data centre for a repeat client, one of Singapore's largest SGX-listed conglomerates. This project is anticipated to rate highly on the Building & Construction Authority ("BCA")'s Construction Quality Assessment System (CONQUAS â). This also strengthened our track record in the design-and-build of data centres, a higher value industry that we continue to target.

Further strengthening our track record with repeat clients, we delivered our second and third projects for AIMS AMP Capital Industrial REIT. One project was for a redevelopment of two industrial facilities into a single three-storey industrial facility in Tuas suitable for production and logistics, while the other project was for a five-storey industrial facility in Marsiling which serves as the new headquarters of Beyonics.

During FY2018, we achieved a Green and Gracious Builder Award (Excellent) under the BCA's Green and Gracious Builder Scheme, an upgrade from the Merit attained in 2015, reflecting our continued commitment to being an environmentally and socially responsible builder.

Overseas, five existing projects in Malaysia were completed. Three of these were within Iskandar Malaysia, comprising an eco-packaging facility near the Port of Pasir Gudang and two developments undertaken through an associate: iBP @ Nusajaya, a premier freehold business park, and a multi-tenanted logistics hub at the Port of Tanjung Pelepas. Along Peninsular Malaysia's eastern coast, construction works for two projects at a petrochemical complex were completed.

In FY2018, our business development efforts yielded 13 contracts worth S$233 million amid a challenging market. Nine contracts were secured in Singapore, four from the logistics industry and two from the waste management industry, with the remainder awarded by repeat clients for additions & alterations and fit-outs. Three of the four logistics industry projects are for advanced, highly-automated next-generation logistics facilities awarded by the world's leading third-party logistics providers, two of which are repeat clients, reaffirming our position as the preferred design-and-build partner for the logistics industry in the age of Industry 4.0, and further extending our logistics track record to over a million square metres of gross floor area.

Riding on Vietnam's robust economic recovery, we picked up four contracts there, including a design-and-build contract from a repeat client for a power solutions manufacturing facility expansion. We will continue to focus on strengthening our foothold in Vietnam and expect our design-and-build business to synergistically grow with our development endeavours there.

With conditions in Singapore's real estate market sector expected to remain challenging in FY2019, we will continue to focus on capturing opportunities in higher value industries, driving cost and productivity improvements, and further expanding regionally. We aim to penetrate certain high barrier to entry industries and overseas geographic markets by acquiring the necessary capabilities through means such as acquisitions, investments or strategic partnerships.

FY2018 Highlights

Jun 2017

Singapore
Awarded contract for hazardous chemical waste treatment facility from Veolia

Aug 2017

Singapore
Awarded contract for advanced ramp-up logistics facility from Yusen Logistics

Oct 2017

Singapore
Awarded S$56 million in contracts for industrial waste management complex, additions & alterations and fitouts

Nov 2017

Singapore, Vietnam
Awarded S$67 million in contracts for advanced logistics facility and manufacturing facility expansion

Dec 2017

Singapore
Awarded contract for advanced ramp-up logistics facility from Bolloré Logistics

LEASING BUSINESS

Pioneering the design-build-and-lease approach in Singapore since 2003, Boustead Projects' leasing business is based on a hybrid methodology in which we assume dual roles as the developer and owner of a property, along with that of design-and-build partner to deliver a custom-built facility typically leased to a client under a long-term agreement. Under our development capabilities, we conduct feasibility studies, land sourcing, development planning and financing. Additionally, we also provide asset management and facilities management services. For over a decade, this has allowed us to build a growing base of quality leasehold properties that provides our business with long-term recurring income.

Artist's impression of Boustead Industrial Park, Vietnam

Market Sectors

- Aerospace and transportation
- Engineering
- General manufacturing
- Healthcare and pharmaceutical
- Info-communications
- Logistics
- Oil & gas
- Research & development ("R&D")
- Technology

Geographic Markets

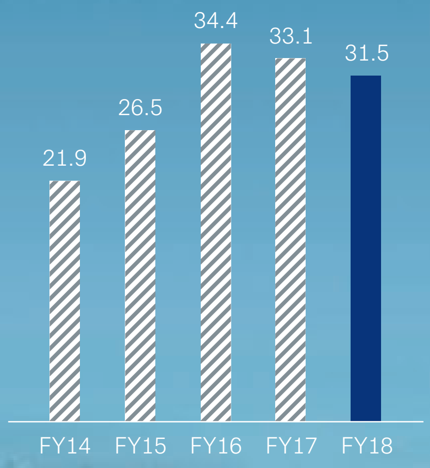
- China
- Malaysia
- Singapore
- Vietnam

Performance Highlights

Segment Revenue (S$'m)

S$31.5 million

Year-on-year ↓ **5%**

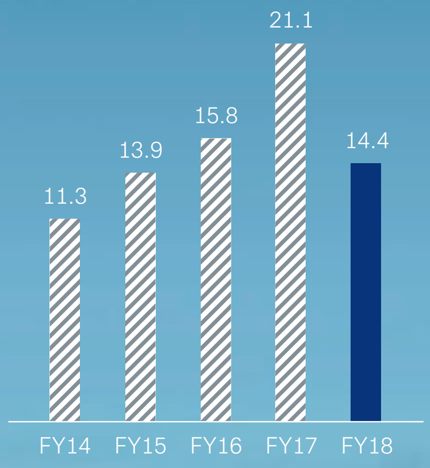


- Early lease termination on one property and lease expiry on another property

Segment Profit Before Income Tax (S$'m)

S$14.4 million

Year-on-year ↓ **32%**



- Early lease termination on one property and lease expiry on another property, and absence of one-off other gains

LEASING BUSINESS

GSK Asia House, one-north, Singapore

In FY2018, leasing revenue declined 5% year-on-year to S$31.5 million, mainly due to the lease expiry of 85 Tuas South Avenue 1 in January 2018 and lack of contribution from 36 Tuas Road due to AusGroup's early lease termination in 4Q FY2017, partially offset by contributions from new leases, as well as development management fees from the Boustead Development Partnership ("BDP").

During the year, the BDP completed the development of Continental Building Phase 3, a R&D centre expansion for Continental Automotive, which is now linked to Continental Building Phases 1 and 2 completed in 2012 and 2014 respectively under design-build-and-lease arrangements. This takes the total gross floor area ("GFA") of the combined Continental Building to 27,338 square metres of space dedicated to high value R&D activities related to advanced automotive systems.

The BDP also progressed on schedule with the development of the landmark ALICE @ Mediapolis, one-north. The first truly smart building in any business park in Singapore, ALICE's 11 floors will host a thriving and synergistic ecosystem of established multinational corporations and fast-growing ventures in the info-communications, media and technology industries when completed in 3Q FY2019. ALICE's physical environment comes complete with amenities, collaborative spaces, shared media facilities and an artistically decorated and green landscape, bundled with smart building solutions that are holistically designed to enhance user experience. For its achievements in eco-sustainability, ALICE was awarded the highest rating, Green Mark Platinum.

* *Includes both wholly-owned and jointly-owned properties, and also 25 Changi North Rise (sale completed after the end of FY2018).*
** *Includes 25 Changi North Rise (sale completed after the end of FY2018).*

Integrated with a smart building management system, an ALICE app designed by Boustead Projects in collaboration with Habitap – a leading homegrown proptech firm – will provide ALICE's tenants and registered visitors with the ability to use mobile phones to gain access to the building, in-app concierge services and engage the ALICE community through posts and events notifications. The ALICE app will also provide tenants the ease of accessing common building services such as air conditioning extension, carpark season parking, facilities booking, fault reporting and real-time energy consumption monitoring with a few clicks on the ALICE app. The tenant interface has also been tied to the smart building management system, providing a single and comprehensive data analytics-driven backend system for operations and facilities management, and greatly reducing manual tasks and the number of facilities management staff.

In Malaysia, we completed a logistics hub at the Port of Tanjung Pelepas, which is a development under our associate, THAB Development Sdn Bhd ("THAB"). The logistics hub is catered to corporations looking for quality logistics space located at the port, with half of the space already leased to an anchor tenant.

On the business development front, we secured our maiden land acquisition in Vietnam in December 2017, entering into an agreement to sublease land from Thao Dien Real Estate Corporation ("Thao Dien") for the development of Boustead Industrial Park within Nhon Trach 2 – Nhon Phu Industrial Park. The site's close proximity to Ho Chi Minh City and within the south east economic zone makes it a strategic location for logistics. The total land area is 186,903 square metres and will be leased to us for approximately 40 years up until February 2057. We have started construction of ready-built industrial facilities on the first 60,000 square metres of land and have also commenced marketing activities.

In September 2017, we entered into an agreement to sell 25 Changi North Rise for S$10.5 million. This decision was made in consideration of the relatively short land lease tenure remaining for the property of under 20 years. Following the receipt of approval from JTC Corporation for the sale, we completed the transaction in June 2018.

With the additions of Continental Building Phase 3 and the logistics hub under THAB, the number of completed properties in our leasehold portfolio* increased to 19. The eventual completion of ALICE in 3Q FY2019, is expected to increase our leasehold portfolio* to over 275,000 square metres in GFA and with a total market valuation approaching S$800 million, supported by a relatively well-staggered lease expiry profile, and well-diversified and reputable tenant base. At the end of FY2018, our completed wholly-owned leasehold properties** comprised over 174,000 square meters in GFA, had an overall occupancy rate of 83% and a weighted average lease expiry ("WALE") of almost four years, while our completed jointly-owned leasehold properties comprised over 61,000 square meters in GFA, had an overall occupancy rate of 77% and a WALE of almost seven years.

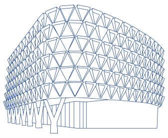
Our completed leasehold portfolio** is detailed on pages 28 to 29 of this report.

Going forward, we will continue to expand our leasehold portfolio of income-generating properties through pursuing opportunities under the BDP and other strategic partnerships, and potentially through acquisitions and investments as well. We will also continue to actively evaluate various options to grow and unlock the value of our leasing business.

FY2018 Highlights

Sep 2017	Sep 2017	Dec 2017	Mar 2018	Mar 2018
Malaysia THAB completed logistics hub at Port of Tanjung Pelepas, Iskandar Malaysia	**Singapore** Entered into sale and purchase agreement for sale of 25 Changi North Rise (sale completed in Jun 2018)	**Vietnam** Entered into agreement to sublease 186,903 sqm of land for 40 years from Thao Dien at Nhon Trach 2 – Nhon Phu Industrial Park	**Singapore** BDP conducted marketing launch of ALICE @ Mediapolis, one-north	**Singapore** BDP completed Continental Building Phase 3 at Kallang iPark

LEASING BUSINESS



Leasehold Portfolio

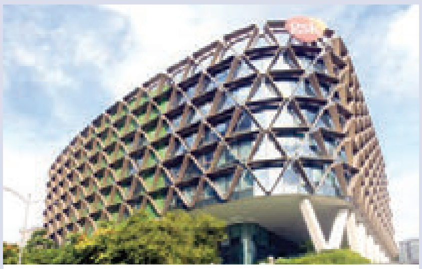
At the end of FY2018, our leasehold portfolio* contained 19 completed properties and one property under construction totalling over 275,000 square metres of gross floor area ("GFA"), comprising reputable global corporations which include some of the world's best corporations. Our completed properties – with the exception of 25 Changi North Rise – are displayed here.

Breakdown by Industry (GFA)

Aerospace & transportation	25%
Engineering	3%
General manufacturing	5%
Healthcare & pharmaceutical	5%
Heavy industry	8%
Info-communications	15%
Logistics	27%
Oil & gas	4%
Technology	8%

Singapore

84 Boon Keng Road (Phase 3)
Year of completion **2018**
GFA (sqm) **11,151**



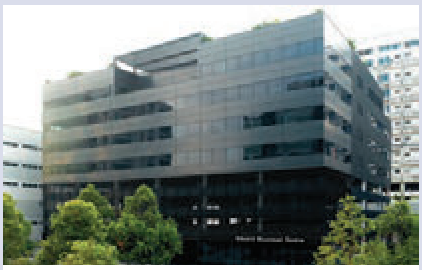
23 Rochester Park
Year of completion **2016**
GFA (sqm) **14,338**

11 Seletar Aerospace Link
Year of completion **2015**
GFA (sqm) **3,567**

10 Tukang Innovation Drive
Year of completion **2014**
GFA (sqm) **24,800**

31 Tuas South Avenue 10
Year of completion **2014**
GFA (sqm) **10,527**

80 Boon Keng Road (Phase 2)
Year of completion **2014**
GFA (sqm) **4,938**



82 Ubi Avenue 4
Year of completion **2014**
GFA (sqm) **8,759**

16 Tampines Industrial Crescent
Year of completion **2013**
GFA (sqm) **20,020**

10 Seletar Aerospace Heights
Year of completion **2013**
GFA (sqm) **6,290**

* *Includes both wholly-owned and jointly-owned properties, and also 25 Changi North Rise (sale completed after the end of FY2018).*

Breakdown by Region (GFA)

China	5%
Malaysia	9%
Singapore (Central)	30%
Singapore (East)	31%
Singapore (North)	4%
Singapore (West)	21%

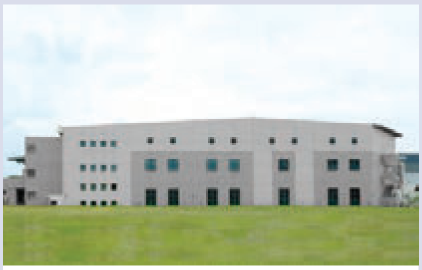
80 Boon Keng Road (Phase 1)
Year of completion **2012**
GFA (sqm) **11,249**

10 Changi North Way
Year of completion **2011**
GFA (sqm) **12,019**

26 Changi North Rise
Year of completion **2011**
GFA (sqm) **6,000**

16 Changi North Way
Year of completion **2008**
GFA (sqm) **11,320**

85 Tuas South Avenue 1
Year of completion **2008**
GFA (sqm) **10,433**



12 Changi North Way
Year of completion **2005**
GFA (sqm) **23,881**

36 Tuas Road
Year of completion **1995**
GFA (sqm) **11,470**

Malaysia

Port of Tanjung Pelepas, Iskandar Malaysia
Year of completion **2017**
GFA (sqm) **24,105**

China

Wuxi Boustead Industrial Development
Year of completion **2003 - 2007**
GFA (sqm) **13,940**

STRATEGIC PARTNERSHIPS & INVESTMENTS

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

iBP @ Nusajaya, Iskandar Malaysia

Our current partnerships include the Boustead Development Partnership ("BDP") in Singapore, THAB Development Sdn Bhd ("THAB") in Malaysia and a consortium led by SGX-listed Perennial Real Estate Holdings Ltd ("PREH") in China.

BDP

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

FY2018 was another active year for the BDP, as detailed on pages 22 to 27 of this report. The BDP successfully completed a third development – Continental Building Phase 3 – and progressed on track with ALICE @ Mediapolis, an 11-floor multi-tenanted smart business park development at one-north, which achieved a well-received marketing launch near the close of FY2018.

THAB

Established in 2013, THAB is a strategic partnership platform that we formed with AME Construction Sdn Bhd, Tat Hong Holdings Ltd and CSC Holdings Ltd to address our growing presence in Malaysia. During FY2018, THAB completed two developments: iBP @ Nusajaya, a premier freehold business park located in the Southern Industrial & Logistics Clusters of Nusajaya (Flagship Zone B) and a multi-tenanted logistics hub at the Port of Tanjung Pelepas (Flagship Zone C).

PREH-Led Consortium

In China, we hold a 4% stake in Beijing Tongzhou Integrated Development Phase 1 – a mixed-use Grade A iconic landmark development at the centre of Beijing Tongzhou's new Central Business District – through a consortium led by PREH. Phase 1 features a proposed 414,000 square metres of gross floor area with an eight-level retail podium, two office towers and one residential tower, and is due to be completed by 2021.

Going forward in FY2019, we will continue to focus on building additional strategic partnerships and platforms to support our medium to long-term growth efforts in Singapore and the region, which may include partnering with industry specialists and local expertise to penetrate certain high barrier to entry industries and overseas geographic markets.

FY2018 Highlights

Sep 2017

Malaysia
THAB completed iBP @ Nusajaya and logistics hub at Port of Tanjung Pelepas, Iskandar Malaysia

Mar 2018

Singapore
BDP conducted marketing launch of ALICE @ Mediapolis, one-north

Mar 2018

Singapore
BDP completed Continental Building Phase 3 at Kallang iPark

QUALITY, SAFETY & SUSTAINABILITY AWARDS

	Awarded by:			
	BCA / USGBC			
	Green Mark Platinum	Green Mark Gold	LEED Gold	Construction Quality & Other Awards
2018	• ALICE @ Mediapolis			• BP E&C: Green and Gracious Builder Award (Excellent)
2017		• Markono M-Cube • XP Power (Green Mark Gold Overseas)		• BP: Construction Excellence Award for Seagate Singapore Design Center – The Shugart • BP E&C: BIM Gold Award – Organisation Category
2016	• Kuehne + Nagel Singapore Logistics Hub		• Kuehne + Nagel Singapore Logistics Hub	• CONQUAS for Seagate Singapore Design Center – The Shugart
2015	• Edward Boustead Centre • Seagate Singapore Design Center – The Shugart			• BP: Green and Gracious Builder Award (Merit) • BP: Construction Productivity Award – Projects for Edward Boustead Centre • CONQUAS for Edward Boustead Centre
2014	• DB Schenker Shared Logistics Center 3 (Tampines LogisPark)			• BP: Construction Excellence Certificate of Merit for SDV Green Hub • CONQUAS for Kerry Logistics Centre • CONQUAS for ST Electronics Building • CONQUAS for ST Electronics Hub
2013		• Greenpac Greenhub • Jabil Circuit • Kerry Logistics Centre • Satair Airbus Singapore Centre	• Kerry Logistics Centre • SDV Green Hub	• CONQUAS for SDV Green Hub
2012	• SDV Green Hub	• XP Power (Green Mark Gold Overseas)		• CONQUAS for Rolls-Royce Test Bed Facility
2011	• Rolls-Royce Wide Chord Fan Blade Manufacturing Facility • Rolls-Royce Test Bed Facility			
2010		• IBM Singapore Technology Park • Sun Venture Investments @ 50 Scotts Road		• CONQUAS for Sun Venture Investments @ 50 Scotts Road
2009	• Applied Materials Building	• StarHub Green		
2008				

Legend

BCA: Building & Construction Authority
BIM: Building Information Modelling
BP: Boustead Projects
BP E&C: Boustead Projects E&C
EDB: Economic Development Board of Singapore
LEED: Leadership in Energy & Environmental Design

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

SHARP: Safety & Health Award Recognition for Projects
USGBC: US Green Building Council
WSH: Workplace Safety & Health
WSHC: Workplace Safety & Health Council

BOARD OF DIRECTORS

John Lim Kok Min
Chairman & Independent Non-Executive Director
- Chairman, Nominating Committee
- Chairman, Remuneration Committee
- Member, Audit & Risk Committee

Bachelor of Arts (Economics) (Hons), University of Malaya

Date of appointment: 25 March 2015
Date of last re-election: 28 July 2016

Mr Lim was appointed as Chairman and Independent Non-Executive Director in 2015. With over 45 years of extensive senior management experience in the Asia Pacific, he is currently independent non-executive Chairman of IREIT Global Group Pte Ltd and an independent non-executive director of Silverlake Axis Ltd. He relinquished his role as independent non-executive director of Boustead Singapore Limited in 2015 following his appointment to the Board of Boustead Projects. Other appointments previously held by him include Chairman of Gas Supply Pte Ltd, Senoko Power Pte Ltd, Singapore Institute of Directors and Building & Construction Authority, Deputy Chairman of NTUC FairPrice Co-operative Ltd, and Vice-Chairman of the Agri-Food & Veterinary Authority, Singapore Institute of Management and Temasek Polytechnic. He has also been Deputy Group Executive Chairman & President of LMA International NV, Group Chief Executive Officer of Cold Storage Holdings Ltd, and Group Managing Director of Pan-United Corporation Ltd and JC-MPH Ltd. A current director of several private and public corporations and managers of real estate investment trusts listed on the SGX, he is also a member of their audit, remuneration and nominating committees. He has held directorships in Australia, New Zealand and several countries in South East Asia.

Wong Yu Wei
Deputy Chairman & Executive Director
- Member, Nominating Committee

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

Date of appointment: 1 December 2008
Date of last re-election: 28 July 2016

Mr Wong joined Boustead Projects in 2009 and was appointed as Deputy Chairman and Executive Director in 2015. He began his role at Boustead Projects as Deputy Managing Director and was subsequently promoted to Senior Deputy Managing Director before assuming his current role. With more than a decade of experience in property development, he is responsible for managing real estate investments, legal matters, development and execution of strategic alliances and joint ventures, as well as expanding business overseas. He previously held positions within the Boustead Group as General Manager of Strategic Operations at Boustead Singapore Limited, and as Business Development Support Consultant and Business Development Coordinator for Esri Australia Pty Ltd and Esri South Asia Pte Ltd respectively.

Thomas Chu Kok Hong
Managing Director & Executive Director
- Member, Nominating Committee

Bachelor of Engineering (Civil) (Hons), University of Melbourne;
Certificate of Real Estate Investment Finance, APREA Institute

Date of appointment: 5 January 2009
Date of last re-election: 27 July 2017

Mr Chu joined Boustead Projects in 1997 and was appointed as Managing Director in 2009. He began his role at Boustead Projects as Project Engineer and was subsequently promoted through various positions such as Project Manager, Business Development Manager and Business Development Director before assuming his current role. He is responsible for day-to-day functions including business development, project management and setting strategic direction.

Mr Chu is also a member of Singapore's Committee on Future Economy's Sub-Committee on Future City. The sub-committee, comprising members from the private and public sectors, studied how Singapore can continue to develop its infrastructure to support future growth in an inclusive and sustainable manner, and to enhance connectivity with the region.

Chong Lit Cheong
Independent Non-Executive Director

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

Mombusho (Colombo Plan) Scholar;
Bachelor of Engineering (Electronics), University of Tokyo;
Advanced Management Programme, INSEAD

Date of appointment: 15 May 2015
Date of last re-election: 28 July 2016

Mr Chong was appointed as Independent Non-Executive Director in 2015. He is currently Group Chief Corporate Officer of Surbana Jurong Pte Ltd. Prior to this, he held several senior appointments in the CapitaLand Group, as Chief Executive Officer of CapitaLand Commercial Ltd, Chief Executive Officer for Regional Investments, Deputy Group Chief Corporate Officer and Senior Advisor, Strategic Projects. Before joining CapitaLand, he held positions including Chief Executive Officer of International Enterprise Singapore and JTC Corporation, and Managing Director of the National Science & Technology Board (now called A*STAR). Earlier, he served in the Economic Development Board of Singapore where he was posted to Suzhou, China, to lead the development of the China-Singapore Suzhou Industrial Park. He also holds a directorship in ST Electronics (Info-Comm Systems) Pte Ltd.

James Lim Jit Teng
Independent Non-Executive Director

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

Bachelor of Engineering (Civil) (Hons), University of Canterbury

Date of appointment: 25 March 2015
Date of last re-election: 30 July 2015

Mr Lim was appointed as Independent Non-Executive Director in 2015. Mr Lim was Executive Director of Boustead Singapore Limited from 1996 to 2005 and oversaw the activities of the industrial real estate solutions division before his retirement. He was subsequently appointed as a consultant to Boustead Projects up until 2014. He has over 30 years of experience in the building industry in Australia, South East Asia, Middle East, India and China. He previously held positions including Executive Director of Guthrie GTS Ltd, Director of Sunshine Allied Ltd and Director of Lend Lease Singapore Pte Ltd.

KEY MANAGEMENT TEAM

Steven Koh

Deputy Managing Director (Operations)

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

Mr Koh joined Boustead Projects in 1999 as Project Manager. He was subsequently promoted to Senior Project Manager and Operations Director before assuming his current role in 2011. He oversees operations and project management teams to ensure that projects complete on schedule and meet key performance and specification factors such as profitability, quality, reliability and safety, and also spearheads ongoing digitalisation and innovation activities. Prior to joining Boustead Projects, he was Project Engineer at Takenaka Singapore Pte Ltd, where his role was to plan and execute projects from 1994 to 1999. He has over 20 years of industry experience.

Lee Keen Meng

Chief Financial Officer

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

Mr Lee joined Boustead Projects in 2009 as Finance Director. He was subsequently promoted to Senior Finance Director before assuming his current role in 2015 upon the listing of Boustead Projects on the SGX Mainboard. He oversees financial and management reporting, treasury and taxation matters of the Group. Prior to joining Boustead Projects, he was with Honeywell Pte Ltd from 2004 to 2009, where he joined as South East Asia Controller for the Automation & Control Solutions Business and was subsequently promoted to Asia Pacific Finance Leader for the Process Solutions Lifecycle Solutions & Services Business. He also held positions at Sembcorp Engineers & Constructors Pte Ltd, PSA Corporation Ltd, Oversea-Chinese Banking Corporation Ltd and the Auditor-General's Office of Singapore. He has over 20 years of accounting and finance experience.

Liew Kau Keen

Director (Business Development)

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

Mr Liew joined Boustead Projects in 2001 as Site Engineer. He was subsequently promoted to Site Manager, Project Manager, Business Development Manager, Senior Business Development Manager and Deputy Director (Business Development) before assuming his current role in 2015. He oversees the design-and-build division's business development, architecture, quantity surveying and mechanical & electrical engineering teams. He is responsible for driving design-and-build business development activities in Singapore and South East Asia, and currently heads Boustead Projects' business in Vietnam which he pioneered in 2007. He has over 15 years of industry experience.

Howard How

Director (Environmental, Health & Safety)

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

Mr How joined Boustead Projects in 2007 as Senior Corporate Safety Manager. He was subsequently promoted to Deputy Director (Environmental, Health & Safety) before assuming his current role in 2015. He oversees quality assurance and control, and health, safety and environmental ("HSE") teams in complying with internal, legal and statutory requirements. He also ensures adherence to industry standards and best codes of practice. For his excellent contributions to uplifting industry safety standards and improving Boustead Projects' strong safety record, he was awarded the WSH Officer Award at the WSH Awards 2010 hosted by the WSH Council and MOM. He also sits as Committee Member on SCAL's WSH Subcommittee. He has over 15 years of industry experience in the safety field.

Note: Thomas Chu Kok Hong and Wong Yu Wei are profiled under Board of Directors, page 34.

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

Mr Neo joined Boustead Projects in 2007 as Deputy Construction Manager. He was subsequently promoted to Construction Manager, Deputy Director (Operations) and Director (Operations) before assuming his current role in 2016. He oversees quality assurance and control, and construction audit and improvement teams in driving continuous improvement efforts. Prior to joining Boustead Projects, he held positions at a number of construction corporations including Lian Soon Construction Pte Ltd, Jurong Primewide Pte Ltd and JTCI (Singapore) Pte Ltd. He has over 35 years of industry experience.

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

Mr Heng joined Boustead Projects in 2007 as Project Manager. He was subsequently promoted to Senior Project Manager and Deputy Director (Projects) before assuming his current role in 2015. He oversees project management teams in ensuring that projects are delivered on schedule, according to clients' specifications and meeting all budget, legal and statutory requirements. Prior to joining Boustead Projects, he held positions at Jurong Primewide Pte Ltd, Toa Corporation and Shimizu Corporation where he worked on several high-profile projects including Changi Airport Terminal 3, HDB Hub and Parkview Square. He has over 15 years of industry experience.

Sandra Loke
Director (Real Estate)
Bachelor of Engineering (Electrical & Electronic Engineering), Nanyang Technological University

Ms Loke returned to Boustead Projects in 2017 in her current role, where she oversees the real estate division's development, leasing, asset management, business development and investment activities. From 2007 to 2012, she was with Boustead Projects as Business Development Manager and was subsequently promoted to Senior Business Development Manager, during which time she was instrumental in securing key projects for the design-and-build and leasing businesses. Prior to her return to Boustead Projects, she held key positions in Mapletree Industrial Trust Management Ltd and Ascendas Funds Management (Singapore) Ltd.
She has over a decade of industry experience.

Hogan Seah
Director (Operations)
Bachelor of Engineering (Civil), National University of Singapore
Certificate in Construction Productivity Management, BCA Academy

Mr Seah joined Boustead Projects in 2017 in his current role, where he oversees construction management teams. Prior to joining Boustead Projects, he held various positions at Greatearth Construction Pte Ltd since 2003, where he completed various large-scale complex projects that involved extensive use of advanced prefabrication and precast construction methodologies across different real estate sectors. He has over 25 years of industry experience.

INVESTOR RELATIONS

Summary of FY2018 Investor Relations Activities

47
face-to-face/teleconference investor meetings hosted
(FY2017: 61)

87
investors met
(FY2017: 304)

2
investor conferences/ events attended
(FY2017: 3)

1
research firm providing coverage:
– CIMB Research

Investor Communications

Even before Boustead Projects was listed on the SGX Mainboard on 30 April 2015, investor relations ("IR") had already become a key facet of our holistic communications with stakeholders. Proactively communicating with analysts, investors, the media and global financial community in an accurate, consistent, sincere, timely and transparent manner is a priority for us.

In FY2018, our IR Team met 87 investors at investor conferences, meetings and presentations to share our business strategies and financial performance. All our annual reports, company announcements and financial results announcements for the past five years, as well as substantial information that would be of interest to investors are available at **www.bousteadprojects.com/investor_centre**.

We continued to actively engage with institutional and retail investors, presenting at a non-deal lunch roadshow organised by CIMB Securities as well as the SGX-GS ASEAN Consumption Plays Corporate Day 2018 co-organised by SGX and Goldman Sachs.

At the Securities Investors Association (Singapore)'s 18th Investors' Choice Awards 2017, Boustead Projects was honoured with the prestigious Singapore Corporate Governance Award in the Newly Listed Category for outstanding efforts in improving corporate governance. We are truly honoured by the acknowledgements from the local financial community.

As part of SGX requirements, the IR Team is in the process of producing our inaugural Sustainability Report for release later this year.

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

FY2018 Calendar

Date	Activity/Event
Apr 2017	• CIMB Securities non-deal lunch roadshow for institutional investors, Singapore
May 2017	• FY2017 financial results announcement • FY2017 financial results webcast briefing
Jul 2017	• FY2017 annual report • Annual general meeting • Extraordinary general meeting
Aug 2017	• 1Q FY2018 financial results announcement • FY2017 final dividend payment of 1.5 cents • FY2017 special dividend payment of 1.0 cent
Sep 2017	• Singapore Corporate Governance Award in Newly Listed Category for Boustead Projects, SIAS Investors' Choice Awards 2017
Nov 2017	• 2Q FY2018 financial results announcement
Feb 2018	• 3Q FY2018 financial results announcement
Mar 2018	• SGX-GS ASEAN Consumption Plays Corporate Day 2018

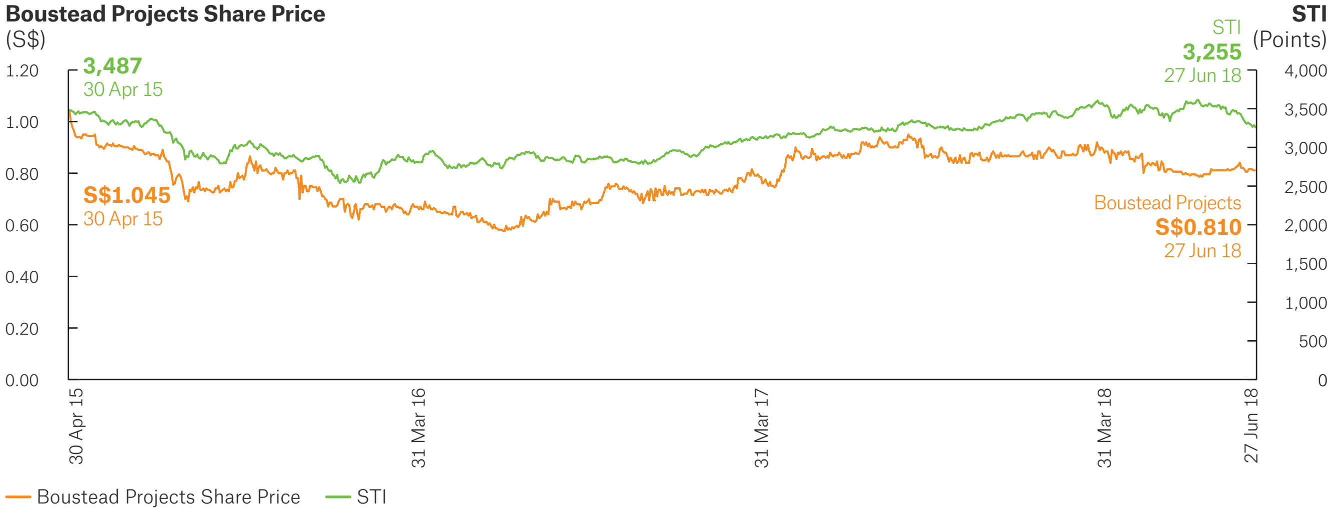
Delivering Value to Shareholders

1.5¢*
dividends for FY2018

4.0¢*
dividends since listing in FY2016

S$248.7 million
market capitalisation at end of FY2018

Share Performance and STI Commentary



Opening FY2018 at S$0.870, Boustead Projects' share price decreased by approximately 7% over the past 15 months, touching a high of S$0.955 on 28 June 2017 and closing at S$0.810 on 27 June 2018.

FY2019 Calendar**

Date	Activity/Event
Apr 2018	• SGX-CGS-CIMB Construction & Infrastructure Day 2018
May 2018	• FY2018 financial results announcement • FY2018 financial results webcast briefing
Jun 2018	• Value Invest Asia Facebook Live Interview: Future of Boustead Singapore and Boustead Projects
Jul 2018	• Release of FY2018 annual report • Annual general meeting • Extraordinary general meeting
Aug 2018	• 1Q FY2019 financial results announcement • FY2018 final dividend payment of 1.5 cents (proposed)
Nov 2018	• 2Q FY2019 financial results announcement
Feb 2019	• 3Q FY2019 financial results announcement
May 2019	• FY2019 financial results announcement

* *Includes proposed final dividend of 1.5 cents for FY2018.*
** *Subject to change. Please check **www.bousteadprojects.com/investor_centre** for the latest updates.*

CORPORATE INFORMATION

Directors
John Lim Kok Min
Chairman & Independent Non-Executive Director

Wong Yu Wei
Deputy Chairman & Executive Director

Thomas Chu Kok Hong
Managing Director & Executive Director

Chong Lit Cheong
Independent Non-Executive Director

James Lim Jit Teng
Independent Non-Executive Director

Audit & Risk Committee
Chong Lit Cheong
Chairman

John Lim Kok Min

James Lim Jit Teng

Nominating Committee
John Lim Kok Min
Chairman

James Lim Jit Teng

Chong Lit Cheong

Wong Yu Wei

Thomas Chu Kok Hong

Remuneration Committee
John Lim Kok Min
Chairman

James Lim Jit Teng

Chong Lit Cheong

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: Yee Chen Fah
(Date of appointment: 7 October 2013)

Principal Bankers
United Overseas Bank Ltd

DBS Bank Ltd

Malayan Banking Bhd

The Hongkong and Shanghai Banking Corporation Ltd

Place of Incorporation
Singapore

Date of Incorporation
29 May 1996

Company Secretary
Tay Chee Wah

Company Registration
199603900E

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

Stock Exchange Listing
Singapore Exchange Securities Trading Ltd

FINANCIAL STATEMENTS

Contents

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 March 2018 and the statement of financial position of the Company as at 31 March 2018.

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 65 to 122 are drawn up so as to give a true and fair view of the statement of financial position of the Company and of the Group as at 31 March 2018 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:

John Lim Kok Min
Wong Yu Wei (Huang Youwei)
Chu Kok Hong @ Choo Kok Hong
James Lim Jit Teng
Chong Lit Cheong

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 2018

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

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

	Holdings registered in name of director			Holdings in which director is deemed to have an interest		
	At 21.04.2018	At 31.03.2018	At 1.4.2017	At 21.04.2018	At 31.03.2018	At 1.4.2017
Boustead Projects Limited						
(No. of ordinary shares)						
John Lim Kok Min	169,296	169,296	169,296	-	-	-
Wong Yu Wei (Huang Youwei)	557,070	515,834	481,471	17,800	17,800	-
Chu Kok Hong @ Choo Kok Hong	492,048	385,494	280,699	1,578	1,578	1,578
James Lim Jit Teng	-	-	-	1,113,624	1,113,624	1,113,624
Shares awards (unvested) granted under the Boustead Projects Restricted Share Plan 2016						
Wong Yu Wei (Huang Youwei)	61,854	103,090	-	-	-	-
Chu Kok Hong @ Choo Kok Hong	159,830	266,384	-	-	-	-
Ultimate Holding Company - Boustead Singapore Limited						
(No. of ordinary shares)						
John Lim Kok Min	564,322	564,322	564,322	-	-	-
Wong Yu Wei (Huang Youwei)	122,388	122,388	104,669	-	-	-
Chu Kok Hong @ Choo Kok Hong	236,896	236,896	210,318	5,198	5,198	5,198
James Lim Jit Teng	-	-	-	3,759,371	3,759,371	3,759,371
Shares awards (unvested) granted under the Boustead Restricted Share Plan 2011						
Wong Yu Wei (Huang Youwei)	-	-	17,719	-	-	-
Chu Kok Hong @ Choo Kok Hong	-	-	26,578	-	-	-
Related corporation - Geologic Pte Ltd						
(No. of ordinary shares)						
Wong Yu Wei (Huang Youwei)	35,000	35,000	35,000	-	-	-

DIRECTORS' CONTRACTUAL BENEFITS

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

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

SHARE AWARDS

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

(b) The committee administering the 2016 Share Plan comprises three members, all of whom are non-executive directors. "Executive employees" mean confirmed employees of a group entity fulfilling at least an executive role, selected by the committee to participate in the 2016 Share Plan, in accordance with the terms and conditions thereof.

(c) Details of the 2016 Share Plan are disclosed in Note 6(b) to the financial statements.

(d) The members of the committee administering the 2016 Share Plan are:

John Lim Kok Min (Chairman)
Chong Lit Cheong
James Lim Jit Teng

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

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

Date of grant	Balance at 1 April 2017	Share awards granted	Share awards vested	Share awards forfeited	Balance at 31 March 2018
23 October 2017	-	1,420,177	(355,045)	(41,092)	1,024,040
	-	1,420,177	(355,045)	(41,092)	1,024,040

Name of participant	Number of shares comprised in awards granted during the year	Aggregate number of shares comprised in awards since commencement of the 2016 Share Plan to end of year	Aggregate number of shares comprised in awards vested since commencement of the 2016 Share Plan to end of year	Aggregate number of shares forfeited since commencement of the 2016 Share Plan to end of year	Aggregate number of shares comprised in awards outstanding as at end of year
Associate of Controlling Shareholder of the Company					
Wong Yu Wei (Huang Youwei)	137,453	137,453	(34,363)	-	103,090
Employees of the Company's subsidiary	1,282,724	1,282,724	(320,682)	(41,092)	920,950
	1,420,177	1,420,177	(355,045)	(41,092)	1,024,040

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

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

AUDIT & RISK COMMITTEE

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

Chong Lit Cheong (Chairman)
John Lim Kok Min
James Lim Jit Teng

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

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2018 before their submission to the Board of Directors.

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

INDEPENDENT AUDITOR

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

On behalf of the directors

Wong Yu Wei (Huang Youwei)
Director

Chu Kok Hong @ Choo Kok Hong
Director

Singapore
29 June 2018

CORPORATE GOVERNANCE

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

The Board is pleased to present the Corporate Governance Report (the "Report") which outlines the Company's corporate governance practices with specific reference made to the principles and guidelines of the Code, which forms part of 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 adopted all the best practice recommendations of the Code. Where there are deviations from the Code, appropriate explanations are provided within this Annual Report.

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

The Board is accountable to shareholders and responsible for the overall management and long-term success of the Company. It approves the Group's strategic plans, key business initiatives, major investments and funding decisions. Additionally, the Board has direct responsibility for decision-making in respect of 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 monitor 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, financial reporting; and
- assuming the responsibility for corporate governance.

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

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

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

The Board conducts a minimum of four scheduled meetings a year. This schedule is normally determined before the fourth quarter of each calendar year for the forthcoming financial year. Where necessary, additional Board meetings are also held to address significant transactions or issues that arise. A total of four formal Board meetings, four formal Audit & Risk Committee meetings, one formal Nominating Committee meeting and one formal Remuneration Committee meeting were held in the course of the year under review. Additionally, ad hoc Board meetings were also held during the year under review. 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.

CORPORATE GOVERNANCE

The attendance of the directors at scheduled regular Board and Board committees meetings during the year under review were as follows:-

	Board		Audit & Risk Committee		Nominating Committee		Remuneration Committee	
Name of Director	**No. Held**	**No. Attended**	**No. Held**	**No. Attended**	**No. Held**	**No. Attended**	**No. Held**	**No. Attended**
John Lim Kok Min (1)	4	4	4	4	1	1	-	-
Wong Yu Wei (Huang Youwei)	4	4	-	-	1	1	-	-
Chu Kok Hong @ Choo Kok Hong	4	4	-	-	1	1	-	-
Dr Tan Khee Giap (2)	4	4	4	4	1	1	1	1
James Lim Jit Teng (3)	4	4	-	-	1	1	1	1
Chong Lit Cheong (4)	4	4	4	4	-	-	1	1

(1) *Mr John Lim Kok Min was appointed as Chairman of the Remuneration Committee with effect from 28 June 2018.*

(2) *Dr Tan Khee Giap resigned as a Director of the Company on 28 June 2018 and consequently ceased as a Chairman of the Remuneration Committee, a member of the Audit & Risk Committee and Nominating Committee.*

(3) *Mr James Lim Jit Teng was appointed as a member of the Audit & Risk Committee with effect from 28 June 2018.*

(4) *Mr Chong Lit Cheong was appointed as a member of the Nominating Committee with effect from 28 June 2018.*

The Company's Constitution allows Board and committee meetings to be conducted by way of telephone and video-conference. However, the directors maintain a preference to meet in person as far as possible.

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

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

The authority of the executive directors are set out in formal board resolutions. In addition, for matters of significant values, such as the Company's acquisition or divestment of assets, investment, incurring of debt and the use of the Company's common seal, a majority resolution of the full Board is required. 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 current non-executive members of the Board have many years of board experience and have been directors of the Company for at least three years. Since their appointment in 2015, they have familiarised themselves with the Company's business operations and governance practices. Newly appointed directors are given comprehensive briefings by management on the business operations, strategies and plans of the Group.

All non-executive directors are welcome to request for additional explanations, briefings and informal discussions on any aspect of the Group's operations or business issues at all times. The directors may, at any time, visit the Group's projects sites in order to gain a better understanding of business operations.

The Company provides members of the Board with updates on board processes, governance practices and changes to laws and regulations that have a bearing either on the Group or on an individual director. Directors are also encouraged to keep themselves abreast of the latest developments relevant to the Group or themselves by attending appropriate training courses (arranged by the Company or initiated by the directors themselves) at the Company's expense.

During the year under review, three of the directors attended at least one training.

The Company maintains a corporate membership with the Singapore Institute of Directors, which provide training and resources useful for the Company in keeping up to date with best practices in corporate governance.

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

CORPORATE GOVERNANCE

Principle 2: Board Composition and Guidance

Presently, the Board comprises five directors, three of whom are independent directors following the resignation of Dr Tan Khee Giap on 28 June 2018. While the Board is of the view that the current board size continues to remain adequate, taking into account the nature and scope of the Company's operations, it nevertheless intends to replace Dr Tan with another suitably qualified independent director in the new year. The Board is also able to exercise objective judgement on corporate affairs independently, in particular, from the management of the Company.

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

John Lim Kok Min (Chairman and Independent Non-Executive Director)
Wong Yu Wei (Huang Youwei) (Deputy Chairman and Executive Director)
Chu Kok Hong @ Choo Kok Hong (Managing Director and Executive Director)
James Lim Jit Teng (Independent Non-Executive Director)
Chong Lit Cheong (Independent Non-Executive Director)

The Nominating Committee has reviewed the independence of each director in accordance with the Code's definition of independence and is satisfied that more than one-half of the Board continues to be independent directors.

The Nominating Committee considers an "independent" Director as one who has no relationship with the Group (the Company and its related companies), its 10% shareholders or its officers or has any other situation that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interest of the Company and the Group.

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

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

No director has served beyond nine years in the Company.

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

The Nominating Committee is of the view that the current Board, comprising of two executive directors and three independent directors, have a sufficiently wide range of relevant skills, experience and domain knowledge which collectively ensure that the Board is well equipped to deal with a wide range of issues to meet the Company's objectives. Also, no individual or group of individuals dominate the Board's decision-making.

The Board, in pursuance of board diversity, has prioritised relevant skills and domain knowledge as being the more important requisites for the composition of the Board. The Board does not currently have a female member.

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 the 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 amongst themselves prior to Board meetings. The non-executive directors met at least once during the year under review without the presence of management.

CORPORATE GOVERNANCE

Principle 3: Chairman and Managing Director/Chief Executive Officer

There is a clear division of roles and responsibilities of the Chairman and the Managing Director to ensure a balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Chairman is an independent non-executive director.

Mr John Lim Kok Min is the Chairman who leads the Board to ensure effectiveness on all aspects of its roles. The Chairman sets the meeting agenda and 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.

Mr Chu Kok Hong @ Choo Kok Hong, the Managing Director, is responsible for managing and developing the operations of the Company. He executes strategic plans approved by the Board and ensures that the directors are kept updated and informed of the Group's business. He is assisted by the Deputy Chairman & Executive Director, Mr Wong Yu Wei (Huang Youwei).

There is no lead independent director as the Chairman is an independent director and he and the Managing Director are not immediate family members.

Principle 4: Board Membership

Nominating Committee

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

1. John Lim Kok Min, Chairman (Independent Non-Executive Director)
2. James Lim Jit Teng (Independent Non-Executive Director)
3. Chong Lit Cheong (Independent Non-Executive Director)
4. Wong Yu Wei (Huang Youwei)
5. Chu Kok Hong @ Choo Kok Hong

Mr Chong Lit Cheong was appointed a member of the Nominating Committee replacing Dr Tan Khee Giap who had resigned on 28 June 2018.

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

(a) reviewing and recommending candidates for appointments to the Board and board committees as well as candidates for senior management staff, who are not also candidates for appointment to the Board;

(b) reviewing of board succession plans for the directors, in particular, the Chairman and the Managing Director;

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

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

(e) reviewing and recommending nomination for re-appointment or re-election or renewal of appointment of the directors;

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

(g) determining the independence of the directors on an annual basis and as and when circumstances require;

(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 Listing Manual, and by amendments made thereto from time to time.

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

CORPORATE GOVERNANCE

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

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

Pursuant to the Constitution of the Company, Mr Wong Yu Wei (Huang Youwei) and Mr James Lim Jit Teng shall be retiring at the Annual General Meeting to be held on 26 July 2018 ("2018 AGM"). At the recommendation of the Nominating Committee, they will be seeking re-election at the 2018 AGM.

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)
John Lim Kok Min	Chairman & Independent Non-Executive Director	25 March 2015	28 July 2016	Silverlake Axis Ltd IREIT Global Group Pte Ltd as Managers for IREIT Global	Boustead Singapore Limited Forterra Real Estate Pte Ltd as Manager for Forterra Trust
Wong Yu Wei (Huang Youwei)	Deputy Chairman & Executive Director	1 December 2008	28 July 2016	-	-
Chu Kok Hong @ Choo Kok Hong	Managing Director & Executive Director	5 January 2009	27 July 2017	-	-
James Lim Jit Teng	Independent Non-Executive Director	25 March 2015	30 July 2015	-	-
Chong Lit Cheong	Independent Non-Executive Director	15 May 2015	28 July 2016	-	Quill Capita Management Sdn Bhd as Manager of Quill Capita Trust Capitaland Commercial Trust Management Ltd as Manager of Capitaland Commercial Trust

CORPORATE GOVERNANCE

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

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

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

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

New directors are appointed by the Board after the Nominating Committee recommends their appointment. When the need for a new director arises, the Nominating Committee will review the current expertise, skills and attributes of the Board, identify its future needs and shortlist candidates with the appropriate profiles for nomination. The search may be through professional recruiters, contacts and recommendations. The objective of this process is to ensure the Board collectively has, at all times, the diversity, skills, knowledge and experience necessary to effectively meet the needs of the Company.

Key information on the Company's directors are set on pages 34 to 35 of the Annual Report.

Principle 5: Board Performance

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

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

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

The Nominating Committee also carries out an annual evaluation of the Board with the aim of assessing how well the Board, its committees, the directors and the Chairman are performing. This formal evaluation process assesses the effectiveness of the Board as a whole. Assessment parameters include evaluation of the Board's composition, access to information, the quality of Board processes, accountability and the Board's performance in relation to discharging its principal responsibilities.

The Nominating Committee has also conducted its evaluation of the Board committees and individual directors in respect of the financial year ended 31 March 2018. No external facilitator was engaged for the purpose of these evaluations as the Nominating Committee assesses that its current evaluation process is adequate.

The Nominating Committee has reviewed and is satisfied with the performance and effectiveness of the Board as a whole, Board committees and individual directors for the financial year ended 31 March 2018.

Formal assessment of executive directors have been conducted during the year under review and relevant feedback has been given.

Following the review in the financial year ended 31 March 2018, the Board is of the view that the Board and its Board committees operate effectively and each Director is contributing to the overall effectiveness of the Board.

CORPORATE GOVERNANCE

Principle 6: Access to Information

Management recognises that it is essential to provide adequate information on Group affairs and material events and transactions in a timely and on-going basis to the Board to enable the Board to discharge its duties effectively and efficiently. Where a physical Board meeting is not possible, communication with members of the Board is effected through other means, e.g. electronic mail and teleconferencing. Alternatively, where necessary, management will arrange to personally meet and brief each director before seeking the Board's approval on a particular issue. Any requests by directors for further explanation, briefings or informal discussions on any aspect of the Group's operations are always facilitated expeditiously.

Directors have unrestricted access to the Company's records and information. The Board is provided with management reports which include board papers and related materials containing relevant background or explanatory information, financial analysis and/or external reports required to support the decision-making process. The Board is also provided with management accounts of the Group's performance, position and prospects on a quarterly basis.

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

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

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

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

REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

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

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

Mr John Lim Kok Min was appointed as the Chairman of the Remuneration Committee replacing Dr Tan Khee Giap who had resigned on 28 June 2018.

The objectives of the Remuneration Committee are to provide a formal, transparent and objective procedure for fixing the remuneration packages of individual directors and key management personnel, and to implement and administer the Boustead Projects Restricted Share Plan 2016.

The Remuneration Committee reviews and approves recommendations on remuneration policies and packages to attract, retain and motivate directors and key management personnel to exert their best efforts to work towards the growth of the Group, the protection and promotion of the interests of all shareholders and the improvement of corporate performance. The review of remuneration packages takes into consideration the long term interests of the Group and ensures that the interests of the directors and key management personnel are aligned with those of shareholders. The review covers all aspects of remuneration, including but not limited to, salaries, fees, allowances, bonuses, long term incentives and benefits-in-kind.

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

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

CORPORATE GOVERNANCE

The Remuneration Committee has not appointed any external remuneration consultant for the year under review.

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

Principle 8: Level and Mix of Remuneration

Executive directors do not receive directors' fees but are remunerated as members of management. The remuneration package of the executive directors and the key management personnel comprises a basic salary component and a variable component which is the annual bonus, based on the performance of the Group as a whole and their individual performance. This is designed to align management remuneration with the interests of shareholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group.

Complementing basic salary and a variable component of the remuneration package are long term incentives in the form of share awards that can be granted under the Boustead Projects Restricted Share Plan 2016. 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.

Non-executive directors are paid directors' fees in accordance with their level of contributions, taking into account factors such as effort, time spent and responsibilities for serving on the Board and on Board committees. The directors' fees paid to non-executive directors take into consideration their roles and responsibilities and existing market practices.

The payment of fees to non-executive directors is subject to the approval of the Company at each Annual General Meeting.

The Company has established the Boustead Projects Restricted Share Plan 2016 under which non-executive directors are eligible to participate. No shares have been awarded to non-executive directors to date.

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.

Principle 9: Disclosure on Remuneration

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

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

Remuneration of Directors for the year ended 31 March 2018

Name of Director	Salary	Bonus	Directors' Fee	Other Benefits	Total
S$1,000,000 to S$1,249,999					
Chu Kok Hong @ Choo Kok Hong	43%	39%	-	18%	100%
S$500,000 to S$749,999					
Wong Yu Wei (Huang Youwei)	46%	35%	-	19%	100%
Below S$250,000					
John Lim Kok Min	-	-	100%	-	100%
Dr Tan Khee Giap*	-	-	100%	-	100%
James Lim Jit Teng	-	-	100%	-	100%
Chong Lit Cheong**	-	-	100%	-	100%

* *Resigned on 28 June 2018.*

** *Director's fee paid to CapitaLand Limited and Surbana Jurong Private Limited.*

CORPORATE GOVERNANCE

Remuneration of key executives for the year ended 31 March 2018

Name of Executive	Salary	Bonus	Fees	Other Benefits	Total
S$500,000 to S$749,999					
Steven Koh Boon Teik	46%	34%	-	20%	100%
Lee Keen Meng	46%	34%	-	20%	100%
S$250,000 to S$499,999					
Heng Eng Kiat	45%	33%	-	22%	100%
Neo Eng Huat	58%	33%	-	9%	100%
Liew Kau Keen	45%	33%	-	22%	100%
How Tan Hong	46%	34%	-	20%	100%
Sandra Loke Oi Leng*	80%	5%	-	15%	100%
Below S$250,000					
Hogan Seah*	60%	26%	-	14%	100%

* *Appointed during the year under review.*

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

The Board also believes that it is not in the interests of the Company and the Group for the remuneration of the executive directors and key executives to be disclosed in detail and in exact dollar terms as the Company considers information pertaining to the remuneration of its executive directors to be commercially sensitive. For this reason, the remuneration paid to the top eight key executives is also not disclosed in exact dollar terms.

The total remuneration paid to the above eight key executives for the financial year ended 31 March 2018 was S$2,681,899.

Save as disclosed in this Report, there are no termination, retirement and post-employment benefits granted to directors, Managing Director or the key management personnel.

None of the Company's employees are related to the directors during the financial year under review.

The Boustead Projects Restricted Share Plan 2016 (the "2016 Share Plan") was approved by the members of the Company at its Extraordinary General Meeting on 28 July 2016. Under the 2016 Share Plan, all eligible executive employees, non-executive directors of the Company as well as associate of controlling shareholders of the Company are invited to participate in the 2016 Share Plan. The selection of 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 associates of controlling shareholders shall be approved by independent members of the Company. Further information on the 2016 Share Plan can be found on page 44 of the Annual Report.

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

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

For the financial year ended 31 March 2018, both executive directors were entitled to receive the variable performance bonuses under their respective service agreements according to the performance conditions set.

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

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

CORPORATE GOVERNANCE

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Board is responsible for presenting a balanced and comprehensive assessment of the Group's performance, position and prospects to shareholders through timely release of its quarterly annual financial results through announcements via SGXNET and the Company's corporate website.

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

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

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

The Board also ensures that Company complies with the applicable legislative and regulatory requirements by establishing written policies (where appropriate) and reviewing all relevant compliance reports from management.

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

Principle 11: Risk Management and Internal Controls

The Board is responsible for the governance of risk and determines the Company's levels of risk tolerance and risk policies. 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 by the Audit & Risk Committee.

The Board, aided by the Audit & Risk Committee, regularly reviews and improves its business and operational activities to identify areas of significant business risks as well as taking appropriate measures to control and mitigate these risks. Management reviews all significant control policies and procedures and highlights all significant matters to the Audit & Risk Committee and the Board. The financial risk management objectives and policies are outlined in the financial statements. Risk management alone does not guarantee that business undertakings will not fail. However, by identifying and managing risks that may arise, the Board is in a position to make more informed decisions. 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 awareness 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 are also conducted every quarter during the Audit & Risk Committee meetings 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 risk management and internal controls systems were adequate and effective to address financial, operational, compliance and information technology risks as at 31 March 2018.

CORPORATE GOVERNANCE

In addition, the Audit & Risk Committee and the Board have received assurance from the Managing Director and the Chief Financial Officer that as of 31 March 2018:-

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

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

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

Principle 12: Audit & Risk Committee

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

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

Mr James Lim Jit Teng was appointed as a member of the Audit & Risk Committee replacing Dr Tan Khee Giap who had resigned on 28 June 2018.

The principal functions of the Audit & Risk Committee include:-

(a) overseeing the adequacy of the controls established by executive 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 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 the audit plans with external and internal auditors and reporting to the Board at least annually on the results of the internal auditors' examination and evaluation of the adequacy and effectiveness of the internal control system, including financial, operational, compliance and information technology controls (such review may be carried out internally or with the assistance of competent third parties);

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

(f) reviewing the effectiveness of the Group's 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 Company's 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 other transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the regulations of the SGX-ST, and are reasonable and in the best interests of the Company;

(k) monitoring the investments in our 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 financial information and ensuring proper disclosure;

CORPORATE GOVERNANCE

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

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

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

(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 the management to the external auditors; and

(r) performing any other act as delegated by the Board.

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

The Audit & Risk Committee members have relevant accounting or related financial management expertise or experience.

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

The Audit & Risk Committee is authorised to investigate any matter within its terms of reference, and has full access to, and cooperation of, the management. The Audit & Risk Committee has full discretion to invite any Director or executive officer to attend its meetings, as well as access to reasonable resources to enable it to discharge its functions properly.

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

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

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

The Audit & Risk Committee has reviewed the Group's audited consolidated financial statements for the financial year ended 31 March 2018 and discussed with management and the external auditors the significant matters which involved management judgment:-

Significant matters	How the Audit & Risk Committee reviewed these matters and what decisions were made
Contract revenue recognition using the percentage-of-completion ("POC") method	The Audit & Risk Committee reviewed the contract revenue recognition using the POC method and considered management's judgments, assumptions and methodologies used in the determination of the POC and found them to be reasonable. The contract revenue recognition using the POC method was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for the financial year ended 31 March 2018. Refer to page 62 of this Annual Report.

CORPORATE GOVERNANCE

Whistle-blowing 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 whistle-blowing policy and arrangements by which employees of the Group and third parties are provided with accessible channels to report and to raise, in good faith and in confidence, any concerns about possible improprieties in matters of financial reporting or suspected fraud, corruption, dishonest practices or other misdemeanors.

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

As such, the Company has put in place a whistle-blowing policy framework, endorsed by the Audit & Risk Committee, which provides for a mechanism by which employees of the Company 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 (i) the Audit & Risk Committee Chairman or (ii) the Chief Financial Officer. Details of the whistle-blowing policy framework and arrangements for confidential reporting have been made available to all employees. 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 whistle-blowing policy and the email address for reporting are made available to employees. Management is required to report to the Audit & Risk Committee at every quarterly meeting whether they have received any whistle-blower report in that quarter.

The Company has zero tolerance for corruption and bribery.

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

The Audit & Risk Committee receives updates from management and the external auditors annually on any changes in accounting standards, in particular those which are expected to have significant impact on the Company's financial statements.

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

None of the Audit & Risk Committee member is an existing or a former partner or director of the Company's current auditing firm or auditing corporation.

Principle 13: Internal Audit

The Audit & Risk Committee oversees the implementation of an effective system of internal controls as well as putting in place a risk management framework to continually identify, evaluate and manage significant business risks of the Group. To support the Audit & Risk Committee in their role, the Audit & Risk Committee approves the appointment and selection of an experienced and qualified in-house personnel as Internal Auditor to carry out the internal audit function for the Group and the Internal Auditor shall report to the Audit & Risk Committee Chairman. Annually, the Audit & Risk Committee shall 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 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.

The Audit & Risk Committee is satisfied that the internal audit function is carried out by suitably qualified and experienced professionals with the relevant experience.

The Company engages external experts as when and where required.

The 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 with its adequacy and effectiveness.

CORPORATE GOVERNANCE

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholder Rights

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

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

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

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

Principle 15: Communication with Shareholders

The Company has a dedicated Investor Relations (IR) team which focuses on facilitating the communications with all stakeholders – both institutional and retail shareholders, analysts and media – on a regular basis, to attend to their queries or concerns as well as keep the investors or public apprised of the Group's corporate developments and financial performance. Communication activities include investor conferences, meetings and presentations to share our business strategies and financial performance.

The Company has a policy of maintaining regular communication with all shareholders and relevant stakeholders. For details on the Group's Investor Relations activities, please refer to the IR section on pages 38 to 39 of this Annual Report.

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

To enable shareholders to contact the Company easily, the contact details of the IR personnel are set out on all announcements as well as on the Company's website.

The IR personnel have procedures in place for responding to investors' queries as soon as applicable.

Every quarterly financial results announcement of the Company is accompanied by a press release in English.

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

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

Principle 16: Conduct of Shareholder Meetings

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

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

CORPORATE GOVERNANCE

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

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

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

All resolutions at general meetings of the Company are voted by poll as required by Rule 730A(2) of the Listing Manual.

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

DEALINGS IN SECURITIES

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 two weeks before the announcement of the Group's financial results for the first three quarters of its financial year and one month before the announcement of the Group's full-year financial results, 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 (Cap. 289) and observe laws against insider trading at all times.

MATERIAL CONTRACTS

Since the end of the previous financial year, no material contracts involving the interest of the managing director/chief executive officer, each director or controlling shareholder of the Company have been entered into by the Company or any of its subsidiaries, and no such contract subsisted as at 31 March 2018.

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 2018, the following transactions that the Group entered into would be regarded as interested person transactions pursuant to the Listing Manual of the SGX-ST:-

	Name of interested person	**Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S$100,000)**	
		31.3.18 S$'000	**31.3.17 S$'000**
	Boustead Singapore Limited ("BSL") & its subsidiaries ("BSL Group")		
i)	Lease of office common area from the BSL Group [(1)] (includes shared expenses such as IT, utilities and common area usage)	**176**	178
ii)	Reimbursement to BSL for the issue of BSL shares to employees of the Company pursuant to the Boustead Restricted Share Plan 2011 [(1)]	**-**	332

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BOUSTEAD PROJECTS LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the accompanying consolidated financial statements of Boustead Projects Limited (the "Company") and its subsidiaries (the "Group") and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated statement of comprehensive income of the Group for the year ended 31 March 2018;
- the consolidated statement of financial position of the Group as at 31 March 2018;
- the statement of financial position of the Company as at 31 March 2018;
- the consolidated statement of changes in equity of the Group for the year then ended;
- the consolidated statement of cash flows of the Group for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

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

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

Independence

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BOUSTEAD PROJECTS LIMITED

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.

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 2018. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Contract revenue recognition using the percentage-of-completion ("POC") method *Refer to Note 3 (Critical accounting estimates, assumptions and judgements) and Note 16 (Contracts work-in-progress)* During the financial year ended 31 March 2018, revenue from construction contract amounted to S$169,866,000 and it represented 84% of the total revenue of the Group. The Group uses the POC method to account for its contract revenue in accordance with FRS 11 *Construction Contracts*. We focused on the revenue recognition and provision for foreseeable losses under the POC method due to the significant management assumptions required in estimating the total contract costs.	We obtained an understanding of the projects under construction through discussions with management and project managers, conducted site visits and examined project documentation (including contracts, correspondences with customers on delays or extension of time). In relation to total contract revenue for project in progress, our audit procedures include the following: • traced total contract sums to contracts entered into by the Group and its customers; and • recomputed the POC. In relation to total contracts costs, our audit procedures include the following: • traced the costs to complete for selected projects by substantiating costs that have been committed to quotations and contracts entered; • assessed the competence of the surveyors; • tested the reasonableness of the costs to complete for selected projects, focusing on those with significant activities during the year; and • assessed the reasonableness of costs incurred against our understanding of the project. Based on the audit procedures performed above, we have assessed management's estimates to be reasonable. We then recomputed the cumulative contract revenue and the contract revenue for the current financial year as well as the amount of foreseeable loss (where relevant) for each project, and traced to the accounting records and found it to be appropriate. We have also assessed the disclosures of the assumptions and the sensitivity in the financial statements to be appropriate.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BOUSTEAD PROJECTS LIMITED

Other Information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BOUSTEAD PROJECTS LIMITED

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 29 June 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	Note	2018 $'000	2017 $'000
Revenue	4	**201,342**	228,307
Cost of sales	5	**(136,105)**	(169,786)
Gross profit		**65,237**	58,521
Other income	7	**3,617**	3,581
Other gains - net	8	**77**	14,698
Expenses			
- Selling and distribution	5	**(4,265)**	(4,013)
- Administrative	5	**(24,414)**	(22,829)
- Finance	9	**(1,949)**	(2,391)
Share of loss of an associated company and joint ventures	10	**(2,851)**	(2,693)
Profit before income tax		**35,452**	44,874
Income tax expense	11	**(6,301)**	(8,625)
Total profit		**29,151**	36,249
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation	29	**1,405**	(1,011)
Other comprehensive income/(loss), net of tax		**1,405**	(1,011)
Total comprehensive income		**30,556**	35,238
Profit attributable to:			
Equity holders of the Company		**29,151**	36,098
Non-controlling interests		**-**	151
		29,151	36,249
Total comprehensive income attributable to:			
Equity holders of the Company		**30,556**	35,087
Non-controlling interests		**-**	151
		30,556	35,238
Earnings per share for profit attributable to equity holders of the Company (cents per share)			
Basic earnings per share	12	**9.1**	11.3
Diluted earnings per share	12	**9.1**	11.3

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

STATEMENTS OF FINANCIAL POSITION – GROUP AND COMPANY

AS AT 31 MARCH 2018

		Group		Company	
	Note	2018 $'000	2017 $'000	2018 $'000	2017 $'000
ASSETS					
Current assets					
Cash and cash equivalents	13	**111,386**	113,374	**52,802**	100,164
Properties held for sale	14	**30,730**	30,612	**-**	-
Trade receivables	15	**59,718**	64,185	**15,134**	43,272
Other receivables and prepayments	15	**29,984**	41,681	**140,053**	143,309
Contracts work-in-progress	16	**8,700**	8,436	**-**	2,468
		240,518	258,288	**207,989**	289,213
Non-current assets					
Trade receivables	15	**4,619**	-	**-**	-
Other receivables and prepayments	15	**2,651**	6,064	**-**	-
Investment in an associated company	17	**588**	-	**-**	-
Investments in joint ventures	18	**37,148**	32,354	**44,240**	37,263
Investments in subsidiaries	19	**-**	-	**40,022**	28,282
Available-for-sale financial assets	20	**20,519**	20,519	**20,519**	20,519
Investment properties	21	**128,827**	134,796	**-**	-
Property, plant and equipment	22	**780**	812	**-**	506
		195,132	194,545	**104,781**	86,570
Total assets		**435,650**	452,833	**312,770**	375,783
LIABILITIES					
Current liabilities					
Borrowings	23	**5,095**	18,295	**-**	-
Trade and other payables	24	**95,353**	106,695	**73,000**	167,419
Income tax payable		**10,632**	10,898	**2,468**	4,651
Contracts work-in-progress	16	**7,872**	9,458	**-**	-
		118,952	145,346	**75,468**	172,070
Non-current liabilities					
Borrowings	23	**65,409**	70,059	**-**	-
Trade payables	24	**3,418**	4,973	**-**	3,170
Deferred income tax liabilities	25	**3,770**	3,077	**-**	77
		72,597	78,109	**-**	3,247
Total liabilities		**191,549**	223,455	**75,468**	175,317
NET ASSETS		**244,101**	229,378	**237,302**	200,466
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	26	**15,000**	15,000	**15,000**	15,000
Treasury shares	26	**(8,885)**	(35)	**(8,885)**	(35)
Retained profits	28	**239,338**	218,179	**229,818**	185,141
Other reserves	29	**(1,352)**	(3,766)	**1,369**	360
		244,101	229,378	**237,302**	200,466
Non-controlling interests		**-**	-	**-**	-
Total equity		**244,101**	229,378	**237,302**	200,466

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	Note	Share capital $'000	Treasury shares $'000	Retained profits $'000	Other reserves $'000	Equity attributable to equity holders of the Company $'000	Non-controlling interests $'000	Total equity $'000
2018								
Beginning of financial year		**15,000**	**(35)**	**218,179**	**(3,766)**	**229,378**	**-**	**229,378**
Profit for the year		**-**	**-**	**29,151**	**-**	**29,151**	**-**	**29,151**
Other comprehensive income for the year		**-**	**-**	**-**	**1,405**	**1,405**	**-**	**1,405**
Total comprehensive income for the year		**-**	**-**	**29,151**	**1,405**	**30,556**	**-**	**30,556**
Dividends		**-**	**-**	**(7,992)**	**-**	**(7,992)**	**-**	**(7,992)**
Purchase of treasury shares	26	**-**	**(9,155)**	**-**	**-**	**(9,155)**	**-**	**(9,155)**
Employee share-based compensation								
- Value of employee services	29(b)(ii)	**-**	**-**	**-**	**1,314**	**1,314**	**-**	**1,314**
- Treasury shares re-issued		**-**	**305**	**-**	**(305)**	**-**	**-**	**-**
End of financial year		**15,000**	**(8,885)**	**239,338**	**(1,352)**	**244,101**	**-**	**244,101**
2017								
Beginning of financial year		15,000	-	182,081	(3,115)	193,966	(106)	193,860
Profit for the year		-	-	36,098	-	36,098	151	36,249
Other comprehensive loss for the year		-	-	-	(1,011)	(1,011)	-	(1,011)
Total comprehensive income/(loss) for the year		-	-	36,098	(1,011)	35,087	151	35,238
Distributions		-	-	-	-	-	(45)	(45)
Purchase of treasury shares	26	-	(35)	-	-	(35)	-	(35)
Employee share-based compensation								
- Value of employee services	29(b)(ii)	-	-	-	360	360	-	360
End of financial year		15,000	(35)	218,179	(3,766)	229,378	-	229,378

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	Note	2018 $'000	2017 $'000
Cash flows from operating activities			
Profit before income tax		**35,452**	44,874
Adjustments for:			
- Depreciation expense		**6,692**	7,080
- Share of loss of an associated company and joint ventures		**2,851**	2,693
- Employee share-based compensation expense		**1,314**	692
- Interest income		**(2,388)**	(2,325)
- Finance expenses		**1,949**	2,391
- Currency exchange (gains)/losses - net		**(77)**	71
- Impairment loss on an investment property		**-**	3,551
- Fair value gains on derivative financial instrument		**-**	(105)
- Gain on disposal of an available-for-sale financial asset - net		**-**	(8,913)
- Write-off of accrued leasing income		**-**	954
		45,793	50,963
Change in working capital:			
- Trade and other receivables		**(1,385)**	(322)
- Contracts work-in-progress		**(1,851)**	(3,219)
- Properties held for sale		**(55)**	(164)
- Trade and other payables		**(11,863)**	2,381
Cash generated from operations		**30,639**	49,639
Interest received		**2,388**	2,325
Interest paid		**(1,949)**	(2,391)
Income tax paid		**(5,874)**	(5,619)
Net cash provided by operating activities		**25,204**	43,954
Cash flows from investing activities			
Purchase of property, plant and equipment		**(291)**	(392)
Addition to investment properties		**(377)**	-
Proceeds from disposal of an available-for-sale financial asset		**25,895**	1,375
Proceeds from repayment of loans by joint ventures		**-**	5,453
Loan to an associated company		**(6,587)**	-
Loans to joint ventures		**(9,390)**	(20,370)
Loan to a related party		**(1,897)**	(2,054)
Dividends received from a joint venture		**115**	266
Net cash provided/(used in) by investing activities		**7,468**	(15,722)
Cash flows from financing activities			
Purchase of treasury shares		**(9,155)**	(35)
Repayment of borrowings		**(17,850)**	(5,095)
Dividends paid to equity holders of the Company		**(7,992)**	-
Dividends paid to non-controlling interests		**-**	(45)
Net cash used in financing activities		**(34,997)**	(5,175)
Net (decrease)/increase in cash and cash equivalents		**(2,325)**	23,057
Cash and cash equivalents			
Beginning of financial year	13	**113,374**	90,876
Effect of currency translation on cash and cash equivalents		**337**	(559)
End of financial year	13	**111,386**	113,374

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	1 April 2017 $'000	Principal and interest payments $'000	Non-cash changes $'000	31 March 2018 $'000
			Interest expenses	
Bank borrowings	88,354	(19,799)	1,949	**70,504**

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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

1. GENERAL INFORMATION

Boustead Projects Limited (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office and principal place of business is 82 Ubi Avenue 4, #07-01 Edward Boustead Centre, Singapore 408832.

The principal activities of the Company are to design-and-build and develop industrial facilities and industrial parks for lease or sale. The principal activities of an associated company, joint ventures and its subsidiaries are set out in Notes 17, 18 and 19 of the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

Interpretations and amendments to published standards effective in the financial year ended 31 March 2018

On 1 April 2017, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

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

FRS 7 Statement of cash flows

The amendments to FRS 7 *Statement of cash flows* (Disclosure initiative) sets out required disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The Group has included the additional required disclosures in Consolidated Statement of Cash Flows to the Financial Statement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Revenue recognition

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

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

(a) Construction contracts

Refer to Note 2.6 for the accounting policy for revenue from construction contracts.

(b) Sale of industrial properties

The Group constructs industrial properties for sale. Revenue from the sale of industrial properties is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the 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 revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(c) Interest income

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

(d) Rental income

Refer to Note 2.16(b)(i) for the accounting policy for rental income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Group accounting

(a) Subsidiaries

(i) Consolidation

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

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

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

(ii) Acquisitions

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

(iii) Disposals

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

Any retained equity interest in the entity is 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 2.22 for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Group accounting (cont'd)

(b) Transactions with non-controlling interests

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

(c) An associated company and joint ventures

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

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

(i) Acquisitions

Investments in an associated company 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 an associated company or joint ventures represents the excess of the cost of acquisition of an associated company or joint ventures over the Group's share of the fair value of the identifiable net assets of an associated company or joint ventures and is included in the carrying amount of the investments.

(ii) Equity method of accounting

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

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

(iii) Disposals

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

Please refer to Note 2.22 for the accounting policy on investments in an associated company and joint ventures in the separate financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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

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

	Estimated useful lives
Plant and machinery	5 years
Office computers	5 years
Office equipment, furniture and fittings	5 years
Renovations	5 years

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

(c) Subsequent expenditure

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

(d) Disposal

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.5 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.

2.6 Construction contracts

The Group enters into construction contracts with customers to design and build industrial facilities. When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the reporting date ("percentage-of-completion method"). When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

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

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

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

Progress billings not yet paid by customers and retention sum receivables by customers are included within "trade receivables". Advances received are included within "trade and other payables".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.7 Investment properties

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

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

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

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

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

2.8 Impairment of non-financial assets

Property, plant and equipment
Investment properties
Investments in subsidiaries, an associated company and joint ventures

Property, plant and equipment, investment properties and investments in subsidiaries, an associated company 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 cash-generating-units ("CGU") to which the asset belongs.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.9 Financial assets

(a) Classification

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are presented as "cash and cash equivalents" (Note 13), "trade receivables, other receivables and prepayments" (Note 15) and "contracts work-in-progress" (Note 16) on the statement of financial position.

(ii) Available-for-sale financial assets

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

(b) Recognition and derecognition

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

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

(c) Initial measurement

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

(d) Subsequent measurement

Loans and receivables are subsequently carried at amortised cost using the effective interest method. Available-for-sale financial assets are subsequently carried at fair value. Available-for-sale financial assets whose fair value cannot be reliably measured are measured at cost less impairment loss.

Interest and dividend income on available-for-sale financial assets are recognised separately in income. Changes in the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.9 Financial assets (cont'd)

(e) Impairment

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

(i) Loans and receivables

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

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

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

(ii) Available-for-sale financial assets

In addition to the objective evidence of impairment described in Note 2.9(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

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

2.10 Offsetting financial instruments

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

2.11 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.12 Borrowings

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

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

2.13 Trade and other payables

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

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

2.14 Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. For net investment hedge, the fair value changes on the effective portion of the hedging instruments are recognised in other comprehensive income. Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

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

Net investment hedge

Currency forwards and options

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

The fair value changes relating to the ineffective portion of the hedge are recognised immediately in profit or loss.

2.15 Fair value estimation of financial assets and liabilities

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.16 Leases

(a) When the Group is the lessee:

The Group leases land from non-related parties and office space from a joint venture (Note 30 (a)) under operating leases.

(i) Lessee - Operating leases

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

(b) When the Group is the lessor:

The Group leases investment properties and properties held for sale under operating leases to non-related parties.

(i) Lessor - Operating leases

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

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

2.17 Income taxes

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

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated 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, an associated company and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred income tax is measured:

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.18 Provisions

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

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

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

2.19 Employee compensation

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

(a) Defined contribution plans

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

(b) Employee share-based compensation

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

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

2.20 Currency translation

(a) Functional and presentation currency

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.20 Currency translation (cont'd)

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

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

(c) Translation of Group entities' financial statements

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

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

2.21 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, and deposits with financial institutions which are subject to an insignificant risk of change in value.

2.22 Investments in subsidiaries, an associated company and joint ventures

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

2.23 Segment reporting

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.24 Share capital and treasury shares

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

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

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

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

2.25 Dividends to the Company's shareholders

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

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

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

Critical accounting estimates and assumptions

Revenue recognition – construction contracts

The Group has significant contracts that are on-going as at 31 March 2018, as disclosed in Note 16. For these contracts, management has to estimate the total contract costs to complete, which are used to measure the stage of completion for the Group's recognition of construction revenue. When it is probable that the total contract costs will exceed the total construction revenue, a provision for foreseeable losses is recognised as expense immediately.

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

If the percentage of completion at the reporting date had been higher/lower by 1% (2017: 1%) from management's estimates, the Group's revenue and gross profit would have been higher/lower by $2,958,000 (2017: $2,162,000) and $297,000 (2017: $197,000) respectively.

4. REVENUE

	2018 $'000	**2017 $'000**
Construction contract revenue	**169,866**	195,217
Property rental income	**31,476**	33,090
	201,342	228,307

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

5. EXPENSES BY NATURE

	2018 $'000	2017 $'000
Sub-contractor fees and other construction costs	**129,759**	163,022
Directors' fees	**244**	244
Employee compensation (Note 6)	**15,667**	13,297
Depreciation expense (Note 21 and 22)	**6,692**	7,080
Auditor's remuneration paid/payable to:		
- auditor of the Company for statutory audit	**167**	165
- other auditors	**24**	28
Other fees on non-audit services paid/payable to:		
- auditor of the Company	**10**	-
Property tax	**3,368**	3,505
Rental expenses	**4,520**	4,822
Maintenance expenses	**1,059**	822
Selling expenses	**278**	241
Legal and professional fees	**1,350**	1,593
Write-off of accrued leasing income	**-**	954
Training and recruitment expenses	**319**	195
Travel expenses	**239**	260
Others	**1,088**	400
Total cost of sales, selling and distribution and administrative expenses	**164,784**	196,628

6. EMPLOYEE COMPENSATION

	2018 $'000	2017 $'000
Wages and salaries	**13,306**	11,777
Employer's contribution to defined contribution plans including Central Provident Fund	**1,047**	828
Share-based compensation expense payable to the ultimate holding company	**-**	332
Share-based compensation expense (Note 29(b)(ii))	**1,314**	360
	15,667	13,297

(a) Employee share plans – Boustead Restricted Share Plan 2011

The Company's ultimate holding company grants equity compensation under the Boustead Restricted Share Plan 2011 (the "2011 Share Plan") to certain eligible employees of the Company.

The awards granted under the 2011 Share Plan are subject to performance-based restrictions which will only vest after a further period of service beyond the performance target completion date.

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

Details of the shares in the Company's ultimate holding company under the 2011 Share Plan outstanding during the year are as follows:

	2018	2017
Number of shares		
Outstanding at beginning of financial year	**177,182**	589,009
Vested during the year	**(177,182)**	(411,827)
Outstanding at the end of financial year	**-**	177,182

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

6. EMPLOYEE COMPENSATION (cont'd)

(a) Employee share plans – Boustead Restricted Share Plan 2011 (cont'd)

The fair value of the share awards granted under the 2011 Share Plan was determined based on the market share price at the grant date.

The ultimate holding company recharges the share-based compensation expense to the Company when incurred. The Group and Company did not recognise any expenses (2017: $332,000) relating to such equity settled share-based compensation transactions during the financial year.

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

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

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

Details of the shares in the Company's ultimate holding company under the 2016 Share Plan outstanding during the year are as follows:

	2018	2017
Number of shares		
Outstanding at beginning of financial year	**-**	-
Granted during the year	**1,420,177**	-
Forfeited during the year	**(41,092)**	-
Vested during the year	**(355,045)**	-
Outstanding at the end of financial year	**1,024,040**	-

In 2018, the fair value of the shares granted under 2016 Share Plan was $0.86 each. The fair value was determined based on the market share price at the grant date.

The Group recognised total expenses of $1,314,000 (2017: $360,000) relating to such equity settled share-based compensation during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

7. OTHER INCOME

	2018 $'000	2017 $'000
Interest income		
- Non-related parties	**1,355**	1,988
- Associated company	**310**	140
- Related party	**723**	170
- Joint ventures	**-**	27
	2,388	2,325
Sublease income	**1,229**	1,256
	3,617	3,581

8. OTHER GAINS - NET

	2018 $'000	2017 $'000
Currency exchange gains/(losses) - net	**77**	(71)
Impairment loss on an investment property	**-**	(3,551)
Gain on disposal of an available-for-sale financial asset - net	**-**	8,913
Compensation from termination of lease	**-**	9,407
	77	14,698

9. FINANCE EXPENSES

	2018 $'000	2017 $'000
Interest expense	**1,949**	2,391

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

	2018 $'000	2017 $'000
Share of profits/(losses) after income tax		
- An associated company	**1,527**	(602)
- Joint ventures	**878**	99
	2,405	(503)
Unwinding of previously recognised/(elimination of) share of unrealised construction and project management margins - net		
- An associated company	**103**	(586)
- Joint ventures	**(5,359)**	(1,604)
	(5,256)	(2,190)
	(2,851)	(2,693)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

11. INCOME TAXES

Income tax expense

	2018 $'000	2017 $'000
Tax expense attributable to profit is made up of:		
Current income tax		
- Singapore	**6,353**	8,873
- Foreign	**396**	261
	6,749	9,134
Deferred income tax (Note 25)	**503**	810
	7,252	9,944
(Over)/under provision in prior financial years		
Current income tax	**(1,141)**	(849)
Deferred income tax (Note 25)	**190**	(470)
	(951)	(1,319)
	6,301	8,625

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:

	2018 $'000	2017 $'000
Profit before tax	**35,452**	44,874
Share of loss of an associated company and joint ventures, net of tax	**2,851**	2,693
Profit before tax and share of loss of an associated company and joint ventures	**38,303**	47,567
Tax calculated at tax rate of 17% (2017: 17%)	**6,512**	8,086
Effects of		
- tax incentives	**(431)**	(647)
- expenses not deductible for tax purposes	**1,230**	2,393
- intra-group unrealised gains subject to tax	**-**	195
- income not subject to tax	**(125)**	(133)
- different tax rates in other countries	**209**	88
- other	**(143)**	(38)
- over provision in prior financial years	**(951)**	(1,319)
Tax charge	**6,301**	8,625

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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.

	2018	2017
Profit attributable to equity holders of the Company ($'000)	**29,151**	36,098
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**318,899**	319,997
Basic earnings per share (cents per share)	**9.1**	11.3

(b) Diluted earnings per share

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

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

	2018	2017
Profit attributable to equity holders of the Company ($'000)	**29,151**	36,098
Weighted average number of ordinary shares outstanding for diluted earnings per share ('000)	**320,000**	320,000
Diluted earnings per share (cents per share)	**9.1**	11.3

13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2018 $'000	**2017 $'000**	**2018 $'000**	**2017 $'000**
Cash at bank and on hand	**53,066**	48,071	**8,802**	39,164
Short-term bank deposits	**58,320**	65,303	**44,000**	61,000
	111,386	113,374	**52,802**	100,164

The short-term bank deposits have maturities of less than a year and earn interest at a weighted average rate of 1.87% (2017: 1.63%) per annum as at reporting date. The carrying amounts of these assets approximate their fair value.

Cash and cash equivalents belonging to a subsidiary of the Group amounting to $5,183,000 (2017: $4,594,000) is held in the People's Republic of China ("PRC") and is subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through normal dividends.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

14. PROPERTIES HELD FOR SALE

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

As at 31 March 2018, properties held for sale amounting to $9,132,000 (2017: $9,070,000) are pledged to the banks for banking facilities (Note 23).

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 $96,605,000 (2017: $99,659,000). Key inputs used in the valuations are the estimated annual net rent, internal rate of return and comparable sales in the area.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

15. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2018 $'000	**2017 $'000**	**2018 $'000**	**2017 $'000**
Trade and other receivables and prepayments – current				
Trade receivables from:				
- Non-related parties	**23,648**	38,672	**6,779**	28,736
- Joint ventures	**21,051**	6,814	**426**	3,174
- Related party (a subsidiary of an associated company)	**1,075**	5,405	**-**	-
Retention sum receivables	**13,944**	13,294	**7,929**	11,362
Trade receivables	**59,718**	64,185	**15,134**	43,272
Other receivables and prepayments				
Loans to:				
- Subsidiaries	**-**	-	**132,535**	114,858
Less: Allowance for impairment of loan to a subsidiary	**-**	-	**(2,036)**	(2,166)
	-	-	**130,499**	112,692
- Associated company	**10,208**	3,406	**-**	-
- Related party	**6,710**	4,527	**-**	-
Loans – net	**16,918**	7,933	**130,499**	112,692
Other receivables from:				
- Non-related parties	**3,856**	30,270	**545**	26,991
- Subsidiaries	**-**	-	**4,042**	2,224
- Joint venture	**10**	196	**10**	155
- Associated company	**870**	527	**-**	-
- Related party	**517**	223	**-**	-
Tax recoverable	**416**	567	**-**	-
Deposits	**5,515**	1,427	**4,915**	1,115
Prepayments	**1,882**	538	**42**	132
Total other receivables and prepayments	**29,984**	41,681	**140,053**	143,309

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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

	Group		Company	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Trade and other receivables and prepayments – non-current				
Trade receivables from:				
- Retention sum receivables	**4,619**	-	**-**	-
Trade receivables	**4,619**	-	**-**	-
Other receivables and prepayments				
Other receivables from:				
- Non-related parties	**1,095**	4,196	**-**	-
Prepayments	**1,556**	1,868	**-**	-
Total other receivables and prepayments	**2,651**	6,064	**-**	-

The loans to subsidiaries are unsecured, bear interest up to 1.84% (2017: 1.50%) per annum and are repayable on demand. The loan to an associated company is unsecured, bears interest at 0.50% (2017: 0.50%) above Kuala Lumpur Interbank Offered Rate ("KLIBOR") per annum and is repayable on demand. The loan to a related party is unsecured, bears interest at 1.40% (2017: 1.40%) 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.

As at 31 March 2017, included within other receivables - current from non-related parties was an amount of $26,125,000, being the remaining portion of consideration from the Group's and Company's disposal of its entire shareholding in an unquoted equity security (Note 20).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

16. CONTRACTS WORK-IN-PROGRESS

	Group		Company	
	2018 **$'000**	**2017** **$'000**	**2018** **$'000**	**2017** **$'000**
Contracts work-in-progress:				
Amounts due from contract customers	**8,700**	8,436	**-**	2,468
Aggregate contract costs incurred and profits recognised to date	**35,764**	73,012	**-**	39,899
Less: Allowance for foreseeable losses	**-**	(110)	**-**	-
Less: Progress billings	**(27,064)**	(64,466)	**-**	(37,431)
	8,700	8,436	**-**	2,468
Contracts work-in-progress:				
Amounts due to contract customers	**7,872**	9,458	**-**	-
Progress billings	**49,168**	43,574	**-**	-
Less: Aggregate contract costs incurred and profits recognised to date	**(41,296)**	(34,116)	**-**	-
	7,872	9,458	**-**	-

As at 31 March 2018, there are no (2017: $Nil) advances received from customers for contract work.

17. INVESTMENT IN AN ASSOCIATED COMPANY

	Group	
	2018 **$'000**	**2017** **$'000**
Beginning of financial year	**-**	200
Currency translation differences	**(7)**	(47)
Share of gain/(loss), net of tax	**1,527**	(602)
Unwinding of previously recognised/(elimination of) share of unrealised construction and project management margins - net	**103**	(586)
Reclassification (from)/to deferred gain	**(1,035)**	1,035
End of financial year	**588**	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

17. INVESTMENT IN AN ASSOCIATED COMPANY (cont'd)

Set out below is the associated company of the Group as at 31 March 2018. The associated company as listed below has share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation is also its principal place of business.

Name of entity	Place of business/ country of incorporation	% of ownership interest 2018	2017
THAB Development Sdn Bhd and its subsidiary [(1)]	Malaysia	**35%**	35%

[(1)] *Audited by KPMG, Malaysia*

THAB Development Sdn Bhd ("THAB") was set up as a property development company cum investment holding company. THAB acquired six parcels of industrial vacant land in Nusajaya, Iskandar Malaysia with the purpose of developing the land for sale and lease. The development was completed in April 2017 and share of results from the sale of industrial plots are recognised during the financial year. THAB has taken bank financing to finance its development and the Group has granted a proportional corporate guarantee to the bank as security for the loan of $21,266,000 (2017: $28,799,000).

THAB PTP Sdn Bhd ("THAB PTP"), a subsidiary of THAB, was set up as a property development company to acquire land in Malaysia for the purpose of developing an investment property for lease. During the financial year, THAB PTP has taken bank financing to finance its development and the Group has granted a proportional corporate guarantee to the bank as security for the loan of $9,979,000.

Summarised financial information for an associated company

Set out below are the summarised financial information for THAB and its subsidiary.

Summarised statement of financial position

	THAB Development Sdn Bhd and its subsidiary As at 31 March 2018 $'000	2017 $'000
Current assets	**59,676**	93,425
Non-current assets	**18,314**	10,504
Current liabilities	**(56,213)**	(89,573)
Non-current liabilities	**(16,306)**	(13,248)
Net assets	**5,471**	1,108

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

17. INVESTMENT IN AN ASSOCIATED COMPANY (cont'd)

Summarised statement of comprehensive income

	THAB Development Sdn Bhd and its subsidiary For the financial year ended 31 March	
	2018 $'000	**2017 $'000**
Revenue	**48,667**	-
Profit before income tax	**3,851**	301
Profit/(Loss) after income tax and total comprehensive income/(loss)	**4,363**	(1,721)
Share of profit/(loss), net of tax	**1,527**	(602)
Unwinding of previously recognised/(elimination of) share of unrealised construction and project management margins - net	**103**	(586)
Share of profit/(loss) after income tax, representing total comprehensive income/(loss)	**1,630**	(1,188)

The information above reflects the amounts presented in the financial statements of the associated company and the Group's share of those amounts, adjusted for differences in accounting policies between the Group and the associated company.

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in associated company is as follows:

	THAB Development Sdn Bhd and its subsidiary As at 31 March	
	2018 $'000	**2017 $'000**
Net assets		
Beginning of financial year	**1,108**	2,829
Profit/(Loss) for the financial year	**4,363**	(1,721)
End of financial year	**5,471**	1,108
Interest in associated company (35%)	**1,915**	388
Elimination of share of unrealised construction and project management margins - net	**(1,143)**	(1,246)
Currency translation differences	**(184)**	(177)
Deferred gain	**-**	1,035
Carrying value	**588**	-

As at 31 March 2018, there are no contingent liabilities and capital commitment relating to the Group's interest in the associated company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

18. INVESTMENTS IN JOINT VENTURES

	Group		Company	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Beginning of financial year	**32,354**	13,755	**37,263**	17,203
Capital contribution	**9,390**	20,370	**6,977**	20,060
Share of profits, net of tax	**878**	99	**-**	-
Elimination of share of unrealised construction and project management margins - net	**(5,359)**	(1,604)	**-**	-
Elimination of dividends	**(115)**	(266)	**-**	-
End of financial year	**37,148**	32,354	**44,240**	37,263

Set out below are the joint ventures of the Group as at 31 March 2018 and 2017. 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	
			2018	2017
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%

(1) *Audited by PricewaterhouseCoopers LLP, Singapore*

The subsidiary of BP-Ubi Development Pte Ltd had taken bank financing to finance its development and the Group has granted a proportional corporate guarantee to the bank as security for the loan of $20,450,000 (2017: $21,250,000). There are no other contingent liabilities relating to the Group's interest in the joint ventures. The Group has $7,911,000 (2017: $17,944,000) of commitments to provide funding if called, relating to its joint ventures.

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

	Group	
	2018 $'000	2017 $'000
BP-Vista LLP	**10,754**	10,909
BP-DOJO LLP	**20,264**	16,861
Other joint ventures	**6,130**	4,584
	37,148	32,354

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

18. INVESTMENTS IN JOINT VENTURES (cont'd)

Summarised financial information for joint ventures

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

Summarised statement of financial position

	BP-Vista LLP As at 31 March		BP-DOJO LLP As at 31 March	
	2018 $'000	**2017 $'000**	**2018 $'000**	**2017 $'000**
Current assets	**13,779**	7,273	**13,678**	10,164
Includes:				
- Cash and cash equivalents	**7,129**	3,589	**3,265**	3,744
Non-current assets	**130,337**	136,088	**142,382**	95,253
Current liabilities	**(99,432)**	(7,697)	**(21,549)**	(7,928)
Includes:				
- Financial liabilities (excluding trade and other payables)	**(96,339)**	-	**(4,355)**	(4,355)
- Other liabilities (including trade and other payables)	**(3,093)**	(7,697)	**(17,194)**	(3,573)
Non-current liabilities	**(43,871)**	(136,637)	**(134,628)**	(97,496)
Includes:				
- Financial liabilities	**-**	(92,766)	**(85,277)**	(64,080)
Net assets/(liabilities)	**813**	(973)	**(117)**	(7)

Summarised statement of comprehensive income

	BP-Vista LLP For the financial year ended 31 March		BP-DOJO LLP For the financial year ended 31 March	
	2018 $'000	**2017 $'000**	**2018 $'000**	**2017 $'000**
Revenue	**11,347**	2,742	**-**	-
Interest income	**8**	-	**4**	-
Expenses	**(9,569)**	(3,705)	**(114)**	(7)
Includes:				
- Depreciation and amortisation	**(5,350)**	(2,174)	**-**	-
- Interest expense	**(2,492)**	(1,012)	**-**	-
- Other expenses	**(1,727)**	(519)	**(114)**	(7)
Profit/(Loss) after income tax, representing total comprehensive income/(loss)	**1,786**	(963)	**(110)**	(7)
Share of profit/(loss), net of tax	**536**	(289)	**(56)**	(4)
Elimination of share of unrealised construction and project management margins - net	**(692)**	(1,444)	**(3,519)**	(177)
Share of loss after income tax, representing total comprehensive loss	**(156)**	(1,733)	**(3,575)**	(181)

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 2018

18. INVESTMENTS IN JOINT VENTURES (cont'd)

Reconciliation of summarised financial information

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

	BP-Vista LLP As at 31 March		BP-DOJO LLP As at 31 March	
	2018 $'000	**2017 $'000**	**2018 $'000**	**2017 $'000**
Net liabilities				
Beginning of financial year	**(973)**	(10)	**(7)**	-
Profit/(Loss) for the financial year	**1,786**	(963)	**(110)**	(7)
End of financial year	**813**	(973)	**(117)**	(7)
Interests in joint ventures (30%; 51%)	**244**	(292)	**(60)**	(4)
Shareholders' loans	**13,161**	13,161	**24,019**	17,042
Elimination of share of unrealised construction and project management margins - net	**(2,651)**	(1,960)	**(3,695)**	(177)
Carrying value	**10,754**	10,909	**20,264**	16,861

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

	For the financial year ended 31 March	
	2018 $'000	**2017 $'000**
Profit after income tax, representing total comprehensive income	**796**	784
Share of profits, net of tax	**398**	392
(Elimination of)/unwinding of share of unrealised construction and project management margins - net	**(1,148)**	17
Share of (loss)/profit after income tax, representing total comprehensive (loss)/income	**(750)**	409
Aggregate carrying value	**6,130**	4,584

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

19. INVESTMENTS IN SUBSIDIARIES

	Company	
	2018 **$'000**	**2017** **$'000**
Unquoted equity shares at cost		
Beginning of financial year	**17,676**	17,671
Additions	**-**	5
Disposals	**-***	-*
End of financial year	**17,676**	17,676
Less: Allowance for impairment losses	**(233)**	(233)
	17,443	17,443
Loan to a subsidiary	**22,579**	10,839
Total investments in subsidiaries	**40,022**	28,282

* *Less than $1,000.*

The loan to a subsidiary form part of the Company's net investment in the subsidiary. The loan is unsecured, bears interest at 0.50% (2017: 0.50%) above KLIBOR per annum. Repayment of the loan is neither planned nor likely to occur in the foreseeable future.

The Group had the following subsidiaries as at 31 March 2018 and 2017:

Name of companies	Principal activities	Country of business/ incorporation	Equity holding	
			2018 **%**	**2017** **%**
Significant subsidiaries held by the Company				
Boustead Projects E&C Pte Ltd [(1)]	Provide project management, design, construction and property-related services	Singapore	**100**	100
BP Engineering Solutions Sdn Bhd [(2)]	Provide project management, design, construction and property-related services	Malaysia	**100**	100
Boustead Projects (Vietnam) Co. Ltd [(3)]	Design-and-build contractors	Vietnam	**100**	100
PIP Pte Ltd [(1)]	Provide project management, design, construction and property-related services	Singapore	**100**	100
BP-CA Pte Ltd [(1)]	Holding of property for rental income	Singapore	**100**	100
BP-SFN Pte Ltd [(1)]	Holding of property for rental income	Singapore	**100**	100
BP-UMS Pte Ltd [(1)]	Holding of property for rental income	Singapore	**100**	100
BP-Tuas 1 Pte Ltd [(1)]	Holding of property for rental income	Singapore	**100**	100
CN Logistics Pte Ltd [(1)]	Holding of property for rental income	Singapore	**100**	100
BP-BBD Pte Ltd [(1)]	Holding of property for rental income	Singapore	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

19. INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of companies	Principal activities	Country of business/ incorporation	Equity holding	
			2018 %	2017 %
Significant subsidiaries held by the Company (cont'd)				
BP-JCS Pte Ltd [1]	Holding of property for rental income	Singapore	**100**	100
BP-TN Pte Ltd [1]	Holding of property for rental income	Singapore	**100**	100
BP-EA Pte Ltd [1]	Holding of property for rental income	Singapore	**100**	100
Wuxi Boustead Industrial Development Co. Ltd [8]	Development of industrial space for lease/sale	People's Republic of China	**100**	100
Boustead Real Estate Fund [1]	Private business trust	Singapore	**100**	100
Boustead Trustees Pte Ltd [1]	Trustee for real estate trust	Singapore	**100**	100
Boustead Funds Management Pte Ltd [1]	Property fund management	Singapore	**100**	100
Boustead Property Services Pte Ltd [1]	Management of properties	Singapore	**100**	100
BP-PRC Pte Ltd [1]	Investment holding	Singapore	**100**	100
BP Lands Sdn Bhd [2]	Investment holding	Malaysia	**100**	100
BP-Vietnam Development Pte Ltd [1] [5]	Investment holding	Singapore	**100**	-
BP-GD1 Pte Ltd [6]	Investment holding	Singapore	**100**	100
BP-TM Pte Ltd [6]	Investment holding	Singapore	**100**	100
BP-IDN Pte Ltd [6]	Investment holding	Singapore	**100**	100
Boustead Projects Land (Vietnam) Co. Ltd [3] [5]	Holding of property for rental income	Vietnam	**100**	-
Boustead Projects (Thailand) Co. Ltd [4]	Provide project management, design, construction and property-related services	Thailand	**100**	100
Boustead Projects Investments Pte Ltd [7]	Holding of property for rental income	Singapore	**-**	100
BP-Conti Alloy Pte Ltd [7]	Holding of property for rental income	Singapore	**-**	100
PT Boustead Projects Land (Indonesia) Co. Ltd [6]	Real estate trading	Indonesia	**100**	100

(1) *Audited by PricewaterhouseCoopers LLP, Singapore.*

(2) *Audited by PricewaterhouseCoopers, Malaysia.*

(3) *Audited by RSM Vietnam.*

(4) *In the process of voluntary liquidation/strike-off.*

(5) *Newly incorporated during the year.*

(6) *Not required to be audited as the company is exempted from audit.*

(7) *Liquidated/strike-off during the year.*

(8) *Audited by Zhonghui Certified Public Accountants LLP Wuxi Branch.*

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

20. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group and Company	
	2018 $'000	**2017 $'000**
Beginning of financial year	**20,519**	38,391
Disposals (Note (a))	**-**	(17,872)
End of financial year	**20,519**	20,519

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

	Group and Company	
	2018 $'000	**2017 $'000**
Unquoted securities		
- Equity securities, at cost (Note (b))	**20,519**	20,519

(a) On 25 January 2017, the Group entered into a sale and purchase agreement to dispose of its entire shareholding in the unquoted equity security amounting to $17,872,000. The disposal was completed on 31 March 2017.

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

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

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

21. INVESTMENT PROPERTIES

	Group	
	2018 $'000	**2017 $'000**
Cost		
Beginning of financial year	**162,192**	163,270
Additions	**377**	-
Adjustments on costs finalisation	**-**	(1,078)
End of financial year	**162,569**	162,192
Accumulated depreciation and impairment losses		
Beginning of financial year	**27,396**	17,088
Depreciation charge	**6,346**	6,757
Impairment charge	**-**	3,551
End of financial year	**33,742**	27,396
Net book value		
End of financial year	**128,827**	134,796

Investment properties are leased to non-related parties under operating leases (Note 30).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

21. INVESTMENT PROPERTIES (cont'd)

The following amounts are recognised in profit or loss:

	Group	
	2018 **$'000**	**2017** **$'000**
Rental income	**22,531**	25,257
Direct operating expenses arising from:		
- Investment properties that generate rental income	**5,023**	5,408
- Investment property that does not generate rental income	**287**	-

As at 31 March 2018, the details of the Group's investment properties are as follows:

Location	Description	Existing use	Terms of lease
10 Seletar Aerospace Heights	Industrial/ Leasehold	Rental	30 years from 1 June 2012
80 Boon Keng Road (Phase 1)	Industrial/ Leasehold	Rental	30 years from 1 April 2011 with an option to extend a further 26 years
16 Tampines Industrial Crescent	Industrial/ Leasehold	Rental	30 years from 16 June 2012
26 Changi North Rise	Industrial/ Leasehold	Rental	30 years from 30 April 2010 with an option to extend a further 30 years
10 Changi North Way	Industrial/ Leasehold	Rental	24 years from 16 September 2010 with an option to extend a further 30 years
80 Boon Keng Road (Phase 2)	Industrial/ Leasehold	Rental	30 years from 1 October 2013 with an option to extend a further 16 years
31 Tuas South Ave 10	Industrial/ Leasehold	Rental	30 years from 16 December 2013
10 Tukang Innovation Drive	Industrial/ Leasehold	Rental	30 years from 1 November 2013
36 Tuas Road	Industrial/ Leasehold	Rental	12 years from 1 October 2013 with an option to extend a further 30 years
Road No. 3, Nhon Trach II Industrial Park –Nhon Phu, Phu Hoi Commune, Nhon Trach District, Dong Nai Province	Industrial/ Leasehold	Construction in progress	39 years 2 months from 22 December 2017

As at 31 March 2018, investment properties amounting to $33,499,000 (2017: $45,320,000) have been pledged to banks for banking facilities (Note 23).

Independent professional valuations of the Group's completed investment properties have been performed by independent valuers with appropriate recognised professional qualifications and recent experience with the location and category of the properties being valued. The valuers have considered the direct comparison method for comparative properties and capitalisation approach in deriving the valuation of $249,310,000 (2017: $252,100,000). Key inputs used in the valuations are the estimated annual net rent, internal rate of return and comparable sales in the area.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

22. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery	Office computers	Office equipment, furniture and fittings	Renovations	Total
	$'000	$'000	$'000	$'000	$'000
<u>**Group**</u>					
2018					
Cost					
Beginning of financial year	**670**	**1,381**	**391**	**125**	**2,567**
Additions	**131**	**45**	**24**	**91**	**291**
Disposal	**-**	**(632)**	**(184)**	**(27)**	**(843)**
Currency translation differences	**-**	**-**	**23**	**-**	**23**
End of financial year	**801**	**794**	**254**	**189**	**2,038**
Accumulated depreciation					
Beginning of financial year	**386**	**1,027**	**254**	**88**	**1,755**
Depreciation charge	**87**	**190**	**40**	**29**	**346**
Disposal	**-**	**(632)**	**(184)**	**(27)**	**(843)**
End of financial year	**473**	**585**	**110**	**90**	**1,258**
Net book value					
End of financial year	**328**	**209**	**144**	**99**	**780**
2017					
Cost					
Beginning of financial year	430	1,311	324	119	2,184
Additions	240	72	67	13	392
Disposal	-	(2)	-	(7)	(9)
End of financial year	670	1,381	391	125	2,567
Accumulated depreciation					
Beginning of financial year	285	873	216	67	1,441
Depreciation charge	101	156	38	28	323
Disposal	-	(2)	-	(7)	(9)
End of financial year	386	1,027	254	88	1,755
Net book value					
End of financial year	**284**	**354**	**137**	**37**	**812**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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

	Plant and machinery	Office computers	Office equipment, furniture and fittings	Renovations	Total
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Company					
2018					
Cost					
Beginning of financial year	**430**	**1,365**	**303**	**115**	**2,213**
Disposal	**-**	**(632)**	**(183)**	**(24)**	**(839)**
Transfer to a subsidiary	**(430)**	**(733)**	**(120)**	**(91)**	**(1,374)**
End of financial year	**-**	**-**	**-**	**-**	**-**
Accumulated depreciation					
Beginning of financial year	**371**	**1,024**	**234**	**78**	**1,707**
Disposal	**-**	**(632)**	**(183)**	**(24)**	**(839)**
Transfer to a subsidiary	**(371)**	**(392)**	**(51)**	**(54)**	**(868)**
End of financial year	**-**	**-**	**-**	**-**	**-**
Net book value					
End of financial year	**-**	**-**	**-**	**-**	**-**
2017					
Cost					
Beginning of financial year	430	1,293	303	111	2,137
Additions	-	72	-	4	76
End of financial year	430	1,365	303	115	2,213
Accumulated depreciation					
Beginning of financial year	285	868	211	59	1,423
Depreciation charge	86	156	23	19	284
End of financial year	371	1,024	234	78	1,707
Net book value					
End of financial year	**59**	**341**	**69**	**37**	**506**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

23. BORROWINGS

	Group	
	2018 $'000	**2017 $'000**
Current		
Bank borrowings	**5,095**	18,295
Non-current		
Bank borrowings	**65,409**	70,059
Total borrowings	**70,504**	88,354

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	
	2018 $'000	**2017 $'000**
3 months or less	**70,504**	88,354

(a) Security granted

Total borrowings include secured liabilities of $70,504,000 (2017: $88,354,000) for the Group. Bank borrowings are secured over investment properties (Note 21) and properties held for sale (Note 14).

(b) Fair value of non-current borrowings

At the end of the reporting period, the carrying amounts of the borrowings approximated their fair values as all the amounts are at floating interest rates and are revised every one to three months.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Trade and other payables – current				
Trade payables to:				
- Non-related parties - billed	**16,843**	12,474	**2,035**	4,786
- Non-related parties - unbilled	**49,730**	60,018	**14,229**	48,736
	66,573	72,492	**16,264**	53,522
Other payables to:				
- Non-related parties	**5,323**	5,044	**30**	59
- Fellow subsidiary	**-**	27	**-**	-
- Subsidiary	**-**	-	**15,494**	18,785
	5,323	5,071	**15,524**	18,844
Retention sum payables	**17,242**	21,008	**12,928**	19,491
Accruals for operating expenses	**6,215**	8,124	**584**	4,381
Loans from subsidiaries	**-**	-	**27,700**	71,181
Trade and other payables – current	**95,353**	106,695	**73,000**	167,419
Trade payables – non-current				
Retention sum payables	**3,418**	4,973	**-**	3,170

Other payables to a fellow subsidiary and a subsidiary are unsecured, interest free and repayable on demand.

Loans from subsidiaries are unsecured, bear interest up to 1.84% (2017: 1.50%) per annum and are repayable on demand.

Included in trade payables is a provision for liquidated damages amounting to $3,751,000 (2017: $4,000,000).

Included in prior year's accruals for operating expenses is a deferred gain from investment in an associated company amounting to $1,035,000.

25. DEFERRED INCOME TAXES

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

	Group		Company	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Deferred income tax liabilities				
- To be settled after one financial year	**3,770**	3,077	**-**	77

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

25. DEFERRED INCOME TAXES (cont'd)

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

	Group		Company	
	2018 $'000	**2017 $'000**	**2018 $'000**	**2017 $'000**
Deferred income tax liabilities				
Accelerated tax depreciation				
Beginning of financial year	**3,077**	2,737	**77**	1
Charged/(credited) to profit or loss	**693**	340	**(77)**	76
End of financial year	**3,770**	3,077	**-**	77

26. SHARE CAPITAL AND TREASURY SHARES

	No. of ordinary shares		Amount	
	Issued share capital	**Treasury shares**	**Share capital**	**Treasury shares**
	'000	**'000**	**$'000**	**$'000**
<u>Group and Company</u>				
2018				
Beginning of financial year	**320,000**	**(40)**	**15,000**	**(35)**
Treasury shares purchased	**-**	**(11,409)**	**-**	**(9,155)**
Treasury shares re-issued	**-**	**355**	**-**	**305**
End of financial year	**320,000**	**(11,094)**	**15,000**	**(8,885)**
2017				
Beginning of financial year	320,000	-	15,000	-
Treasury shares purchased	-	(40)	-	(35)
End of financial year	320,000	(40)	15,000	(35)

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

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

The Company acquired 11,409,000 (2017: 40,000) shares in the Company in the open market during the financial year. The total amount paid to acquire the shares was $9,155,000 (2017: $35,000) and this is presented as a component within shareholders' equity.

The Company re-issued 355,000 (2017: Nil) treasury shares in the Company during the financial year pursuant to the Boustead Projects Restricted Share Plan 2016 at the award price of $0.86 each. The cost of the treasury shares re-issued amounted to $305,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

27. DIVIDENDS

	Group	
	2018 **$'000**	**2017** **$'000**
Ordinary dividends paid		
Dividends paid in respect of the previous financial year of 1.5 cents* (2017: Nil) per share	**4,795**	-
Special dividends paid		
Dividends paid in respect of the previous financial year of 1.0 cents* (2017: Nil) per share	**3,197**	-
Dividends paid (Note 28)	**7,992**	-

* *Calculated based on 319,622,200 ordinary shares post sub-division.*

At the forthcoming Annual General Meeting on 26 July 2018, a final ordinary dividend of 1.5 cents per share amounting to a total of $4,634,000 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 2019.

28. RETAINED PROFITS

(a) Retained profits of the Group are distributable except for 10% of accumulated retained profits of a China subsidiary amounting to $177,000 (2017: $121,000).

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

	Company	
	2018 **$'000**	**2017** **$'000**
Beginning of financial year	**185,141**	161,125
Net profit	**52,669**	24,016
Dividends paid (Note 27)	**(7,992)**	-
End of financial year	**229,818**	185,141

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

29. OTHER RESERVES

	Group		Company	
	2018 $'000	**2017 $'000**	**2018 $'000**	**2017 $'000**
(a) Composition:				
Foreign currency translation reserve	**133**	(1,272)	**-**	-
Share-based compensation reserve	**1,367**	360	**1,367**	360
Capital reserve	**2**	-	**2**	-
Merger reserve	**(2,854)**	(2,854)	**-**	-
	(1,352)	(3,766)	**1,369**	360

	Group		Company	
	2018 $'000	**2017 $'000**	**2018 $'000**	**2017 $'000**
(b) Movement:				
(i) Foreign currency translation reserve				
Beginning of financial year	**(1,272)**	(261)	**-**	-
Net currency translation differences arising from consolidation	**1,405**	(1,011)	**-**	-
End of financial year	**133**	(1,272)	**-**	-
(ii) Share-based compensation reserve				
Beginning of financial year	**360**	-	**360**	-
Employee share-based compensation				
- Value of employee services (Note 6)	**1,314**	360	**1,314**	360
- Treasury share re-issued (Note 26)	**(307)**	-	**(307)**	-
End of financial year	**1,367**	360	**1,367**	360
(iii) Capital reserve				
Beginning of financial year	**-**	-	**-**	-
Employee share-based compensation				
- Treasury share re-issued (Note 26)	**2**	-	**2**	-
End of financial year	**2**	-	**2**	-
(iv) Merger reserve				
Beginning and end of financial year	**(2,854)**	(2,854)	**-**	-

Other reserves are non-distributable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

30. COMMITMENTS

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

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

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

	2018 $'000	2017 $'000
Not later than one financial year	**4,385**	4,634
Between one and five financial years	**16,230**	17,609
Later than five financial years	**120,442**	131,666
	141,057	153,909

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

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

The Group leases out industrial space to non-related parties under non-cancellable operating leases. The leases have varying terms, escalation clauses and renewal rights.

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

	2018 $'000	2017 $'000
Not later than one financial year	**27,797**	28,852
Between one and five financial years	**79,173**	77,071
Later than five financial years	**78,185**	94,934
	185,155	200,857

Operating lease receivables are subjected to revisions at periodic intervals based on terms and conditions of the lease agreements.

31. CONTINGENCIES

(a) The Company has given guarantees in favour of banks in respect of loan facilities granted to its subsidiaries, an associated company, a related party and a joint venture. The outstanding guarantees amount to $91,664,000 (2017: $95,858,000) at the reporting date.

(b) The Company has entered into performance guarantees of $44,052,000 (2017: $25,906,000) issued by banks in favour of third parties in respect of performance on construction contracts.

(c) The earliest period that the above guarantees could be called is upon demand. As of the reporting date, the directors are of the view that it is more likely than not that no amount will be payable under these arrangements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

32. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

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

(a) Market risk

(i) Currency risk

The Group operates in Asia with significant operations in Singapore and Malaysia.

During the financial year, translation risks of overseas net investments are not hedged by hedging instruments.

Currency exposure to the net assets of the Group's foreign operations in China, Malaysia and Vietnam are managed primarily through natural hedges of matching assets and liabilities. Management reviews periodically so that the net exposure is kept at an acceptable level.

The Group does not have any other significant unhedged exposure to currency risks as sales and purchases are primarily denominated in the respective functional currencies of the Group entities, mainly Singapore Dollars ("SGD"), Malaysian Ringgit ("MYR"), Renminbi ("RMB") and Vietnam Dong ("VND").

(ii) Price risk

The Group and the Company are not exposed to any equity security price risk.

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's exposure to cash flow interest rate risks arises mainly from borrowings, loans to an associated company 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% (2017: 1%) with all other variables including tax rate being held constant, the Group's profit after tax would have been lower/higher by $445,000 (2017: $667,000) 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% (2017: 1%) with all other variables including tax rate being held constant, the Company's profit after tax would have been higher/lower by $853,000 (2017: $345,000), 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 2018

32. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits, trade receivables and other receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit standing and history, and obtaining sufficient collateral or buying credit insurance where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

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

Before accepting any new customer, the Group assesses the potential customer's credit quality and their financial ability to pay for the services engaged. Management periodically monitors and reviews the customer's long overdue payment and proactively engages with the customer to resolve the causes of the overdue payment. There are four (2017: seven) external customers which individually represents more than 5% of the Group's total trade receivables. There are seven (2017: nine) external customers which individually represents more than 5% of the Company's total trade receivables.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

32. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Credit risk (cont'd)

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

There is no other class of financial assets that is past due and/or impaired except for trade receivables and a loan to a subsidiary.

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

	Group		Company	
	2018 $'000	**2017 $'000**	**2018 $'000**	**2017 $'000**
Past due over 3 months	**723**	5,073	**73**	2,674

Financial assets past due and impaired relate to a loan to a subsidiary by the Company. The carrying amount of the loan to a subsidiary determined to be impaired and the movement in the related allowance for impairment are as follows:

	Company	
	2018 $'000	**2017 $'000**
Past due over 3 months	**2,036**	2,166
Less: Allowance for impairment	**(2,036)**	(2,166)
	-	-
Balance at beginning of financial year	**2,166**	2,115
Currency translation differences	**(130)**	51
Balance at end of financial year	**2,036**	2,166

There are no (2017: $Nil) impaired trade receivables as at 31 March 2018.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

32. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At the reporting date, assets held by the Group and the Company for managing liquidity risk included cash and short-term bank deposits as disclosed in Note 13.

Management monitors rolling forecasts of the liquidity reserve (comprises undrawn borrowing facilities and cash and cash equivalents (Note 13)) of the Group and the Company on the basis of expected cash flow. This is generally carried out at the local level in the operating companies of the Group in accordance with the practice and limits set by the Group. In addition, the Group's liquidity management policy involves considering the level of liquid assets necessary to meet projected cash flows, monitoring liquidity ratios and maintaining debt financing plans.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months approximate their carrying amounts as the impact of discounting is not significant. The maximum amount of the financial guarantee contracts are 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 2018			
Trade and other payables	**95,353**	**3,418**	**-**
Borrowings	**6,862**	**68,715**	**-**
At 31 March 2017			
Trade and other payables	106,695	4,973	-
Borrowings	20,485	50,181	24,665
Company			
At 31 March 2018			
Trade and other payables	**45,300**	**-**	**-**
Loans from subsidiaries	**28,210**	**-**	**-**
Financial guarantees	**91,664**	**-**	**-**
At 31 March 2017			
Trade and other payables	96,238	3,170	-
Loans from subsidiaries	72,076	-	-
Financial guarantees	95,858	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

32. 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 banks require the Group to have minimum total net tangible assets of $90,000,000 (2017: $90,000,000), a maximum total liability gearing ratio of 275% (2017: 275%) and maximum consolidated gearing of 1.5 (2017: 1.5) times. The Group's strategy which was unchanged from 2017, is to maintain gearing ratios and minimum level of total net tangible assets within the banks' requirements.

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

The Group is in compliance with all externally imposed capital requirements for the financial years ended 31 March 2018 and 31 March 2017.

(e) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and in Note 20 to the financial statements, except for the following:

	Group		Company	
	2018 $'000	**2017 $'000**	**2018 $'000**	**2017 $'000**
Loans and receivables	**213,620**	231,334	**207,947**	289,081
Financial liabilities at amortised cost	**169,275**	200,022	**73,000**	170,589

(f) Fair value measurements

There is no assets and liabilities measured at fair values as at 31 March 2018 and 2017.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

33. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The Company's immediate and ultimate holding company is Boustead Singapore Limited, incorporated in the Republic of Singapore.

34. 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*

	2018 $'000	2017 $'000
Rental expense to a fellow subsidiary (includes shared expenses such as IT, utilities and common area usage)	**176**	178
Rental expense to a joint venture	**363**	356
Project and development management fees from joint ventures	**(2,315)**	(777)
Construction contract revenue from joint ventures	**(54,742)**	(49,156)
Asset and property management fees from joint ventures	**(139)**	(38)
Construction contract revenue from a related party	**(7,364)**	(6,562)
Construction management fee from an associated company	**(258)**	(785)
Interest income from related parties		
- joint ventures	**-**	(27)
- associated company	**(310)**	(140)
- related party (a subsidiary of an associated company)	**(723)**	(170)
	(1,033)	(337)

Outstanding balances at 31 March 2018 and 31 March 2017 arising from sale/purchase of goods and services, are unsecured and receivable/payable within 12 months from reporting date and are disclosed in Notes 15 and 24 respectively.

(b) *Key management personnel compensation*

Key management personnel compensation is as follows:

	2018 $'000	2017 $'000
Wages and salaries	**2,267**	2,324
Employer's contribution to defined contribution plans, including Central Provident Fund	**69**	69
Share-based compensation expense	**385**	360
	2,721	2,753

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

35. SEGMENT INFORMATION

Segment information is presented in respect of the Group's reportable segment provided to the senior management which comprises the Managing Director, Executive Director and Chief Financial Officer for the purpose of resource allocation and assessment of segment performance.

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

The Group's businesses comprise the following:

(i) Design-and-Build: Provision of design-and-build expertise for industrial facilities.

(ii) Leasing: Owning and leasing of industrial facilities.

(iii) Investment: Owning of available-for-sale financial assets.

Management monitors performance across all the geographic areas, and aggregates the financial results into Singapore, Malaysia and other countries, with Singapore and Malaysia contributing materially to the overall Group's financial results.

(a) Segment revenue and results

The segment information for the reportable segments is as follows:

	Design-and-build		Leasing		Investment		Elimination		Group	
	2018 $'000	**2017 $'000**	**2018 $'000**	**2017 $'000**	**2018 $'000**	**2017 $'000**	**2018 $'000**	**2017 $'000**	**2018 $'000**	**2017 $'000**
Revenue										
External revenue	**169,866**	195,217	**31,476**	33,090	**-**	-	**-**	-	**201,342**	228,307
Total revenue	**169,866**	195,217	**31,476**	33,090	**-**	-	**-**	-	**201,342**	228,307
Results										
Segment result	**19,547**	14,899	**15,466**	22,274	**-**	8,913	**-**	(1,146)	**35,013**	44,940
Includes:										
- Depreciation expense	**(325)**	(306)	**(6,367)**	(6,774)	**-**	-	**-**	-	**(6,692)**	(7,080)
- Sub-contractor fees and other construction costs	**(129,759)**	(163,022)	**-**	-	**-**	-	**-**	-	**(129,759)**	(163,022)
- Write-off of accrued leasing income	**-**	-	**-**	(954)	**-**	-	**-**	-	**-**	(954)
- Other gain/(loss) – net	**77**	(71)	**-**	5,856	**-**	8,913	**-**	-	**77**	14,698
- Employee compensation	**(14,090)**	(12,578)	**(1,577)**	(719)	**-**	-	**-**	-	**(15,667)**	(13,297)
- Share of (loss)/profit of an associated company and joint ventures	**(3,353)**	(2,893)	**502**	200	**-**	-	**-**	-	**(2,851)**	(2,693)
- Property related expenses	**(526)**	(407)	**(8,828)**	(8,969)	**-**	-	**-**	-	**(9,354)**	(9,376)
Interest income	**1,478**	1,156	**910**	1,169	**-**	-	**-**	-	**2,388**	2,325
Finance expense									**(1,949)**	(2,391)
Profit before tax									**35,452**	44,874
Income tax expense									**(6,301)**	(8,625)
Total profit									**29,151**	36,249

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Segment results represent profit earned by each segment without allocation of finance costs and income tax expense. This is the measure reported to the senior management for the purposes of resource allocation and assessment of segment performance.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

35. SEGMENT INFORMATION (cont'd)

(b) Segment assets and liabilities

	Design-and-build		Leasing		Investment		Group	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Segment assets								
Segment assets	**155,665**	198,389	**221,730**	201,571	**20,519**	20,519	**397,914**	420,479
Investment in an associated company	**588**	-	**-**	-	**-**	-	**588**	-
Investments in joint ventures	**-**	-	**37,148**	32,354	**-**	-	**37,148**	32,354
Consolidated total assets							**435,650**	452,833
Additions to:								
- property, plant and equipment	**255**	339	**36**	53	**-**	-	**291**	392
- investments in joint ventures	**-**	-	**9,390**	20,370	**-**	-	**9,390**	20,370
Segment liabilities								
Segment liabilities	**102,357**	112,714	**74,790**	96,766	**-**	-	**177,147**	209,480
Income tax payable/ deferred income tax liabilities							**14,402**	13,975
Consolidated total liabilities							**191,549**	223,455

For the purposes of monitoring segment performance and allocating resources between segments, the senior management monitors the tangible and financial assets, as well as the financial liabilities attributable to each segment.

All assets are allocated to reportable segments.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

35. SEGMENT INFORMATION (cont'd)

(c) Revenue from core businesses

	Group	
	2018 $'000	**2017 $'000**
Design-and-build	**169,866**	195,217
Leasing	**31,476**	33,090
	201,342	228,307

(d) Geographical information

The Group operates primarily in Singapore and Malaysia. The Group's revenue from external customers and non-current assets (excluding financial assets) by geographical locations are as follows:

	Singapore		Malaysia		Other countries		Group	
	2018 $'000	**2017 $'000**	**2018 $'000**	**2017 $'000**	**2018 $'000**	**2017 $'000**	**2018 $'000**	**2017 $'000**
Revenue								
External sales	**186,856**	208,813	**12,421**	18,435	**2,065**	1,059	**201,342**	228,307
Non-current assets	**167,907**	169,800	**611**	25	**381**	5	**168,899**	169,830

(e) Information about major customers

There are one (2017: two) customer from the Group's design-and-build segment representing more than 10% of the Group's revenue. The customer contributed $37,880,000 (2017: $46,985,000 and $27,268,000) in revenue to the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

36. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 April 2018 or later periods and which the Group has not early adopted:

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

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

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

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

  The Group is required to adopt a new accounting framework from 1 April 2018 (Note 37). The new accounting framework has similar requirements of FRS 115 and the impact of adopting the equivalent FRS 115 is disclosed in Note 37.

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

  The complete version of FRS 109 replaces most of the guidance in FRS 39. FRS 109 retains the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through Profit or Loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI (FVOCI). Gains and losses on the sales of financial assets at FVOCI are not transferred to profit or loss on sale but reclassified from the FVOCI reserve to retained profits.

  Under FRS 109, there are no changes to classification and measurement requirements for financial liabilities except for the recognition of fair value changes arises from changes in own credit risk. For liabilities designated at fair value through profit or loss, such changes are recognised in OCI.

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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

- **FRS 109 *Financial Instruments* (effective for annual periods beginning on or after 1 April 2018) (cont'd)**

  The Group currently measures its investment in an unquoted equity security at cost (Note 20). Under FRS 109, the Group will be required to measure the investment at fair value. Any difference between the previous carrying amount under FRS 39 and the fair value would be recognised in the opening retained profits when the Group applies FRS 109.

  The Group is required to adopt a new accounting framework from 1 April 2018 (Note 37). The new accounting framework has similar requirements of FRS 109 and the impact of adopting the equivalent FRS 109 is disclosed in Note 37.

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

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

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

  The new standard also introduces expanded disclosures requirements and changes in presentation.

  The Group is required to adopt a new accounting framework from 1 April 2018 (Note 37). The new accounting framework has similar requirements of FRS 116. The Group has yet to determine to what extent the commitments as at the reporting date will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

37. ADOPTION OF SFRS(I)s

The Singapore Accounting Standards Council has introduced a new Singapore financial reporting framework that is equivalent to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The new framework is referred to as 'Singapore Financial Reporting Standards (International)' ("SFRS(I)s") hereinafter.

As required by the listing requirements of the Singapore Exchange, the Group has adopted SFRS(I)s on 1 April 2018 and will be issuing its first set of financial information prepared under SFRS(I)s for the quarter ending 30 June 2018.

In adopting SFRS(I)s, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. The Group will also concurrently apply new major SFRS(I) 9 *Financial Instruments* and SFRS(I) 15 *Revenue from Contracts with Customers*. The estimated impact arising from the adoption of SFRS(I)s on the Group's financial statements are set out as follows:

(a) Application of SFRS(I)

The Group is required to retrospectively apply all SFRS(I)s effective at the end of the first SFRS(I) reporting period (financial year ending 31 March 2019), subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

The Group plans to elect to set the cumulative translation differences for all foreign operations to be zero as at the date of transition to SFRS(I) on 1 April 2017. As a result, other reserves and retained profits as at 1 April 2017 and 31 March 2018 will be increased/reduced by $1,272,000 respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

37. ADOPTION OF SFRS(I)s (cont'd)

(b) Adoption of SFRS(I) 9

The Group plans to adopt SFRS(I) 9 without restating prior periods' information and will recognise any difference between the previous carrying amount under FRS 39 and the fair value in the opening retained earnings.

(i) Classification and measurement

Currently, the Group has an investment in unquoted equity securities at cost. Under SFRS(I) 9, the Group will have to measure the unquoted equity at fair value. Any difference between the previous carrying amount under FRS 39 and the fair value would be recognised in the opening retained earnings when the Group applies SFRS(I) 9.

(ii) Impairment of financial assets

The following financial assets will be subject to the expected credit loss impairment model under SFRS(I) 9:

- trade receivables and contract assets recognised under SFRS(I) 15; and
- loans to subsidiaries, an associated company and a related party and other receivables at amortised cost.

The Group does not expect a material impact arising from the application of the expected credit loss impairment model, but will have to perform a detailed analysis to determine the extent of the impact.

(c) Adoption of SFRS(I) 15

In accordance with the requirements of SFRS(I) 1, the Group will adopt the SFRS(I) 15 retrospectively. The main adjustments are as follows:

(i) Accounting for contracts with multiple performance obligations

Under SFRS, the contracts for construction of building have been assessed to be one contract with revenue recognised progressively by reference to the stage of completion of the contract activity at the balance sheet date.

(ii) Presentation of contract assets and liabilities

The Group is expected to change the presentation of certain amounts in the balance sheet to reflect the terminology in SFRS(I) 15:

- Amounts due from customers arising from construction contracts and construction contract work-in-progress under SFRS will be reclassified to be presented as part of contract assets.

- Amounts due to customers arising from construction contracts and progress billing for development properties under completion contract method under SFRS will be classified as contract liabilities.

The Group is still in the progress of finalising its assessment of impact arising from adoption of SFRS(I) 15. The Group does not expect a material impact arising from these changes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

38. EVENT SUBSEQUENT TO THE BALANCE SHEET DATE

BP-UMS Pte Ltd ("BP-UMS"), a wholly-owned subsidiary of the Company, has on 7 September 2017 entered into a sale and purchase agreement for the sale of the leasehold interest in the land and buildings erected on Lot 4468K of Mukim 31 at 25 Changi North Rise, Singapore 498778.

On 14 June 2018, the sale has been completed with no change to the original sale price of approximately $10,500,000.

39. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Boustead Projects Limited on 29 June 2018.

MANAGEMENT & PRINCIPAL ACTIVITIES

BOUSTEAD PROJECTS GROUP HEADQUARTERS

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

Main: +65 6748 3945
Fax: +65 6748 9250
Web: www.bousteadprojects.com

Managing Director: Thomas Chu
Executive Director & Senior Deputy Managing Director: Wong Yu Wei

Boustead Projects E&C Pte Ltd
82 Ubi Avenue 4
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Singapore 408832

Main: +65 6748 3945
Fax: +65 6748 9250

Managing Director: Thomas Chu

Boustead Projects E&C provides technical consulting services and design-and-build expertise for industrial facilities in Singapore.

Boustead Funds Management Pte Ltd
82 Ubi Avenue 4
#07-01 Edward Boustead Centre
Singapore 408832

Main: +65 6748 3945
Fax: +65 6748 9250

Director: Wong Yu Wei

Boustead Funds Management provides development, asset, leasing and property management services.

BP Engineering Solutions Sdn Bhd
BP Lands Sdn Bhd
Suite 05-26, Level 5
Indah Walk 3
Jalan Indah 15, Bukit Indah
81200 Nusajaya, Johor
Malaysia

Main: +60 7 235 0203
+60 7 235 0204
Fax: +60 7 235 0205

Director: Wong Yu Wei

BP Engineering Solutions provides technical consulting services and design-and-build expertise for industrial facilities in Malaysia.

BP Lands is an investment holding company in Malaysia.

MANAGEMENT & PRINCIPAL ACTIVITIES

Boustead Projects (Vietnam) Co Ltd
Floor 8, Miss Ao Dai Building
21 Nguyen Trung Ngan Street
Ben Nghe Ward, District 1
Ho Chi Minh City
Vietnam

Main: +84 8 3829 5674
Fax: +84 8 3829 5681

General Director: Liew Kau Keen

Boustead Projects (Vietnam) provides technical consulting services and design-and-build expertise for industrial facilities in Vietnam.

Boustead Projects Land (Vietnam) Co Ltd
Belt Road 3, Nhon Trach 2 – Nhon Phu Industrial Park
Phu Hoi Commune, Nhon Trach District
Dong Nai Province
Vietnam

General Director: Bernald Tan

Boustead Projects Land (Vietnam) provides development, leasing and property management services in Vietnam.

Wuxi Boustead Industrial Development Co Ltd
55 Xin Mei Road
New District Wuxi
Wuxi 214028, Jiangsu Province
China

Main: +86 510 8522 7491
Fax: +86 510 8521 5921

Legal Representative: Thomas Chu

Wuxi Boustead Industrial Development is an investment holding company in Wuxi, China.

STATISTICS OF SHAREHOLDINGS

AS AT 18 JUNE 2018

SHARE CAPITAL

Number of ordinary shares	:	309,315,765*
Number/Percentage of treasury shares	:	10,684,235 (3.45%)
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	185	5.62	6,693	0.00
100 - 1,000	760	23.09	433,732	0.14
1,001 - 10,000	1,804	54.80	6,439,184	2.08
10,001 - 1,000,000	530	16.10	27,851,074	9.01
1,000,001 AND ABOVE	13	0.39	274,585,082	88.77
TOTAL	**3,292**	**100.00**	**309,315,765**	**100.00**

LOCATION OF SHAREHOLDERS

Country	No. of Shareholders	%	No. of Shares	%**
SINGAPORE	3,190	96.90	306,565,685	99.11
MALAYSIA	75	2.28	2,171,262	0.70
OTHERS	27	0.82	578,818	0.19
TOTAL	**3,292**	**100.00**	**309,315,765**	**100.00**

STATISTICS OF SHAREHOLDINGS

AS AT 18 JUNE 2018

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%**
1	BOUSTEAD SINGAPORE LIMITED	163,861,009	52.98
2	RAFFLES NOMINEES (PTE) LIMITED	65,756,290	21.26
3	HSBC (SINGAPORE) NOMINEES PTE LTD	14,854,565	4.80
4	CITIBANK NOMINEES SINGAPORE PTE LTD	9,552,737	3.09
5	DBS NOMINEES (PRIVATE) LIMITED	7,582,655	2.45
6	MAYBANK KIM ENG SECURITIES PTE. LTD.	2,717,900	0.88
7	PHILLIP SECURITIES PTE LTD	2,102,464	0.68
8	YEO KER KUANG	1,605,467	0.52
9	HELEN TAN CHENG HOONG	1,549,800	0.50
10	WONG SHAW SENG REGI	1,500,000	0.48
11	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,290,021	0.42
12	ABN AMRO CLEARING BANK N.V.	1,148,641	0.37
13	WONG HENG CHONG	1,063,533	0.34
14	CHANG CHING CHAU @ TEW KING CHANG	638,550	0.21
15	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	638,277	0.21
16	WONG YU WEI (HUANG YOUWEI)	557,070	0.18
17	CHAN CHEE WENG	510,151	0.16
18	WONG KET SEONG @ WONG KET YIN	500,000	0.16
19	CHU KOK HONG @ CHOO KOK HONG	492,048	0.16
20	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	476,067	0.15
	Total	**278,397,245**	**90.00**

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	%	Deemed Interest	%**
Wong Fong Fui	-	-	224,242,603	72.50
Boustead Singapore Limited	163,861,009	52.98	-	-

Note:

Mr Wong Fong Fui is deemed interested in 52,690,334 shares, representing approximately 17.03% of the total issued share capital of the company, held through nominees. In addition, Mr Wong, through his interest in not less than 20% of the issued share capital of the following entities, is also deemed interested in:-

(i) 163,861,009 shares (representing approximately 52.98%) held by Boustead Singapore Limited; and

(ii) 7,691,260 shares (representing approximately 2.49%) held by Bright Assets Enterprises Limited.

SHAREHOLDINGS IN THE HANDS OF THE PUBLIC

The percentage of shareholdings in the hands of the public as at 18 June 2018 was approximately 29.19%.** This is in compliance with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited, which requires at least 10% of the issued ordinary shares of the company to be held by the public.

** *The percentage of issued ordinary shares is calculated based on the total number of issued shares, excluding treasury shares of the Company.*

NOTICE OF ANNUAL GENERAL MEETING

BOUSTEAD PROJECTS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199603900E)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Boustead Projects Limited (the "Company") will be held at Nicoll 3, Level 3, Suntec Singapore International Convention and Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Thursday, 26 July 2018 at 10.30 a.m. to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 31 March 2018 and the Independent Auditors' Report thereon. **Resolution 1**

2. To approve a final tax-exempt (one-tier) dividend of 1.5 cents per ordinary share for the year ended 31 March 2018. **Resolution 2**

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

   a. Mr Wong Yu Wei (Huang Youwei) **Resolution 3**

   b. Mr James Lim Jit Teng **Resolution 4**

   Note:
   Mr James Lim Jit Teng will, upon re-election as a director of the Company, remain as a member of the Audit & Risk Committee, 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.

4. To approve directors' fees of up to $244,000 for the financial year ending 31 March 2019, payable quarterly in arrears (2018: $244,000).
   [See Explanatory Note 1] **Resolution 5**

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

AS SPECIAL BUSINESS

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

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

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

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

BOUSTEAD PROJECTS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199603900E)

(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 7**

7. **Authority to grant awards and issue shares pursuant to the Boustead Projects Restricted Share Plan 2016**

That authority be and is hereby given to the directors of the Company to grant awards in accordance with the provisions of the Boustead Projects Restricted Share Plan 2016 and to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the grant of awards under the Boustead Projects Restricted Share Plan 2016, provided that the aggregate number of new shares to be issued pursuant to the Boustead Projects Restricted Share Plan 2016 shall not exceed fifteen per cent (15%) of the issued ordinary share capital of the Company (excluding any treasury shares and subsidiary holdings) from time to time.

[See Explanatory Note 3] **Resolution 8**

8. **Authority to allot and issue shares pursuant to the Boustead Projects Limited Scrip Dividend Scheme**

That authority be and is hereby given to the directors of the Company to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the application of the Boustead Projects Limited Scrip Dividend Scheme.

[See Explanatory Note 4] **Resolution 9**

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

NOTICE OF ANNUAL GENERAL MEETING

BOUSTEAD PROJECTS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199603900E)

NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT DATE

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed from 5.00 p.m. on 3 August 2018 for the purpose of determining shareholders' entitlements to the final dividend to be paid on 17 August 2018, subject to and contingent upon shareholders' approval for the proposed dividend being obtained at the forthcoming Annual General Meeting of the Company.

Duly completed transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 3 August 2018 will be registered before entitlements to the dividends are determined.

By Order of the Board

Tay Chee Wah
Company Secretary
9 July 2018

Explanatory Notes on Ordinary and Special Business to be transacted

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

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

3. The Ordinary Resolution 8 is to allow the directors to grant awards and issue shares pursuant to the Boustead Projects Restricted Share Plan 2016.

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

NOTICE OF ANNUAL GENERAL MEETING

BOUSTEAD PROJECTS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199603900E)

Notes:

(1) A member (other than a Relevant Intermediary*) entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint not more than two proxies to attend and vote in his stead. A shareholder of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company.

(2) Where a member (other than a Relevant Intermediary*) appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.

(3) A Relevant Intermediary may appoint more than 2 proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).

(4) The instrument appointing a proxy must be signed by the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

(5) If a proxy is to be appointed, the instrument appointing a proxy must be duly deposited at the registered office of the Company at 82 Ubi Avenue 4, #07-01 Edward Boustead Centre, Singapore 408832 not later than 48 hours before the time appointed for the holding of the AGM.

* A Relevant Intermediary is:

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

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

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

PERSONAL DATA PRIVACY

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

PROXY FORM

BOUSTEAD PROJECTS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199603900E)

Annual General Meeting to be held on
26 July 2018 at 10.30 a.m.
(Before completing this form, please see notes below)

IMPORTANT:
1. For investors who have used their CPF monies to buy shares in the capital of Boustead Projects Limited, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
2. Pursuant to Section 181(1C) of the Companies Act, Chapter 50 of Singapore, Relevant Intermediaries may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
3. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We ____________ (Name) ____________ (NRIC/ Passport Number)

of ____________

being a member/members of the above-named Company, hereby appoint Mr/Mrs/Ms

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

and/or (delete as appropriate)

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

or failing him/ her/ them, the Chairman of the Annual General Meeting of the Company as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, 26 July 2018 at 10.30 a.m. and at any adjournment thereof in the manner indicated below:

	Ordinary Resolutions:	For	Against
Resolution 1	To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 31 March 2018 and the Independent Auditors' Report thereon.		
Resolution 2	To approve a final tax-exempt (one-tier) dividend of 1.5 cents per ordinary share for the year ended 31 March 2018.		
Resolution 3	To re-elect Mr Wong Yu Wei (Huang Youwei) as a director of the Company.		
Resolution 4	To re-elect Mr James Lim Jit Teng as a director of the Company.		
Resolution 5	To approve directors' fees of up to $244,000 for the year ending 31 March 2019, payable quarterly in arrears.		
Resolution 6	To re-appoint Messrs PricewaterhouseCoopers LLP as auditors of the Company and to authorise the directors to fix their remuneration.		
Resolution 7	To authorise the directors to allot and issue shares pursuant to Section 161 of the Singapore Companies Act.		
Resolution 8	To authorise the directors to grant awards and issue shares pursuant to the Boustead Projects Restricted Share Plan 2016.		
Resolution 9	To authorise the directors to allot and issue shares pursuant to the Boustead Projects Limited Scrip Dividend Scheme.		

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

Signed this ________ day of ________ 2018

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 PROJECTS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199603900E)

Notes:

1. A member (other than a Relevant Intermediary*) entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.

2. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.

3. A member of the Company having a share capital who is a Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified). In such event, the Relevant Intermediary shall submit a list of its proxies together with the information required in this form of proxy including the number and class of shares in relation to which each proxy has been appointed, to the registered office of the Company at 82 Ubi Avenue 4, #07-01 Edward Boustead Centre, Singapore 408832.

   "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

4. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Cap. 289) of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all shares held by the member.

5. This instrument appointing a proxy or proxies (together with the power of attorney (if any) under which it is signed or a certified copy thereof), must be deposited at the registered office of the Company at 82 Ubi Avenue 4, #07-01 Edward Boustead Centre, Singapore 408832 not less than 48 hours before the time fixed for holding the AGM.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

8. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the AGM in person. CPF Investors and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.

9. Agent Banks acting on the request of CPF Investors who wish to attend the AGM as Observers are required to submit in writing, a list with details of the investor's name, NRIC/Passport number, addresses and number of shares held. The list, signed by an authorised signatory of the agent bank, should reach the Company Secretary, at the Secretary's Office at 82 Ubi Avenue 4, #07-01 Edward Boustead Centre, Singapore 408832, not less than 48 hours before the time fixed for holding the AGM.

GENERAL:

The Company shall be entitled to reject a proxy form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject a proxy form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 9 July 2018.

design & production by **Q-Plus Design**

BOUSTEAD PROJECTS LIMITED
Company Registration Number: 199603900E

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