

**CIRCULAR DATED 13 MARCH 2023**

**THIS CIRCULAR (AS DEFINED HEREIN) IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) AND THE ADVICE OF PRIMEPARTNERS CORPORATE FINANCE PTE. LTD. (AS THE INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT DIRECTORS). THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

This Circular is issued by Boustead Projects Limited (the "**Company**"). If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser(s) immediately.

If you have sold or transferred all your Shares (as defined herein) held through The Central Depository (Pte) Limited ("**CDP**"), you do not need to forward this Circular to the purchaser or the transferee, as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your Shares which are not deposited with CDP, you should immediately forward this Circular to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

**BOUSTEAD PROJECTS LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 199603900E)

**CIRCULAR TO SHAREHOLDERS**

in relation to the

**VOLUNTARY UNCONDITIONAL CASH OFFER**

by

**BOUSTEAD SINGAPORE LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 197501036K)

to acquire all the issued and paid-up ordinary shares in the capital of the Company other than those already owned, controlled or agreed to be acquired by the Offeror (as defined herein), its related corporations and their respective nominees and the parties acting in concert with it

*Independent Financial Adviser to the Independent Directors*

**PRIMEPARTNERS CORPORATE FINANCE PTE. LTD.**  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 200207389D)

**SHAREHOLDERS SHOULD NOTE THAT THE OFFER (AS DEFINED HEREIN) WILL CLOSE AT 5.30 P.M. (SINGAPORE TIME) ON 27 MARCH 2023 (THE "CLOSING DATE"). ACCEPTANCES SHOULD BE RECEIVED BY THE CLOSE OF THE OFFER AT 5.30 P.M. (SINGAPORE TIME) ON 27 MARCH 2023. THERE WILL BE NO EXTENSION OF THE CLOSING DATE BEYOND 27 MARCH 2023.**

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## DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Circular:

### GENERAL

"Acceptance Forms"	: The FAA and the FAT collectively or any one of them, as the case may be
"Award Treasury Shares"	: The aggregate of 2,400,000 award treasury shares of the Company which were transferred to Mr. John Lim Kok Min, Mr. Wong Yu Wei (Huang Youwei), Mr. Chu Kok Hong @ Choo Kok Hong, Mr. Chong Lit Cheong, Professor Yong Kwet Yew and Mr. Tam Chee Chong, directors of the Company, instead of granting share awards under the Boustead Projects Restricted Share Plan 2016, following approval obtained at the extraordinary general meeting of the shareholders of the Company held on 28 July 2021
"Board"	: The board of Directors of the Company as at the Latest Practicable Date
"Business Day"	: A day other than Saturday, Sunday or a public holiday on which banks are open for business in Singapore
"CEO"	: Chief Executive Officer
"Circular"	: This circular to Shareholders dated 13 March 2023 from the Company containing, <i>inter alia</i> , the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in relation to the Offer
"Closing Date"	: 5.30 p.m. (Singapore time) on 27 March 2023, being the last day for the lodgement of acceptances of the Offer
"Code"	: The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
"Commencement Date"	: 27 February 2023, being the date of electronic dissemination of the Offer Document and the date from which the Offer is open for acceptances
"Companies Act"	: The Companies Act 1967 of Singapore, as amended or modified from time to time
"Company Securities"	: (a) Shares; (b) securities which carry voting rights in the Company; or (c) convertible securities, warrants, options (including any options granted under any employee share scheme of the Company) or derivatives in respect of the Shares or other securities which carry voting rights in the Company
"Constitution"	: The constitution of the Company, as amended and modified from time to time
"CPF Agent Banks"	: Agent banks included under the CPFIS
"CPFIS"	: Central Provident Fund Investment Scheme
"CPFIS Investors"	: Investors who have purchased Shares using their CPF contributions pursuant to the CPFIS
"Directors"	: The directors of the Company (including the Independent Directors) as at the Latest Practicable Date
"FAA"	: The Form of Acceptance and Authorisation for Offer Shares which forms part of the Offer Document and which is issued to Shareholders whose Offer Shares are deposited with CDP

<b>"FAT"</b>	: The Form of Acceptance and Transfer for Offer Shares which forms part of the Offer Document and which is issued to Shareholders whose Offer Shares are not deposited with CDP and are registered in such Shareholder's name in the register of members maintained by the Share Registrar
<b>"FF Wong"</b>	: Wong Fong Fui, the Chairman & Group CEO of the Offeror
<b>"FY"</b>	: Financial year ended or ending, as the case may be, 31 March
<b>"HY2023"</b>	: The 6-month period ended 30 September 2022
<b>"IFA Letter"</b>	: The letter dated 13 March 2023 from PrimePartners Corporate Finance Pte. Ltd. to the Independent Directors in respect of the Offer as set out in <u>Appendix I</u> to this Circular
<b>"Independent Directors"</b>	: The Directors who are considered independent for the purposes of the Offer, namely, Mr. John Lim Kok Min, Mr. Chu Kok Hong @ Choo Kok Hong, Mr. Tam Chee Chong, Mr. Chong Lit Cheong and Professor Yong Kwet Yew
<b>"Interested Person"</b>	: As defined in the Note on Rule 24.6 of the Code and read with the Note on Rule 23.12 of the Code, an "interested person", in relation to a company, is: <ul style="list-style-type: none"> <li>(a) a director, chief executive officer, or substantial shareholder of the company;</li> <li>(b) the immediate family of a director, the chief executive officer, or a substantial shareholder (being an individual) of the company;</li> <li>(c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer or a substantial shareholder (being an individual) and his immediate family is a beneficiary;</li> <li>(d) any company in which a director, the chief executive officer or a substantial shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% or more;</li> <li>(e) any company that is the subsidiary, holding company or fellow subsidiary of the substantial shareholder (being a company); or</li> <li>(f) any company in which a substantial shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more</li> </ul>
<b>"Latest Practicable Date"</b>	: 6 March 2023, being the latest practicable date prior to the electronic dissemination of this Circular
<b>"Listing Manual"</b>	: The Listing Manual of the Mainboard of the SGX-ST, as amended or modified from time to time
<b>"Offer"</b>	: The voluntary unconditional cash offer by the Offeror, to acquire the Offer Shares on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT, as such Offer may be amended, extended and revised from time to time by or on behalf of the Offeror
<b>"Offer Announcement"</b>	: The announcement in connection with the Offer released by the Offeror on the Offer Announcement Date
<b>"Offer Announcement Date"</b>	: 6 February 2023, being the date of the Offer Announcement
<b>"Offer Document"</b>	: The offer document dated 27 February 2023 and any other document(s) which may be issued by the Offeror to amend, revise, supplement or update the offer document from time to time



<b>"Offer Price"</b>	: S\$0.95 in cash for each Offer Share
<b>"Offer Shares"</b>	: All the Shares (excluding treasury shares) in the capital of the Company other than those Shares already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees and the parties acting in concert with it as at the date of the Offer in accordance with Rule 15 of the Code
<b>"Offeror Securities"</b>	: (a) The Offeror Shares; (b) securities which carry voting rights in the Offeror; and (c) convertible securities, warrants, options and derivatives in respect of the Offeror Shares or securities which carry voting rights in the Offeror
<b>"Offeror Shares"</b>	: Issued and paid-up ordinary shares in the capital of the Offeror
<b>"Overseas Shareholders"</b>	: Shareholders whose addresses as shown in the Register or in the records of CDP (as the case may be) are outside Singapore
<b>"Proposed Award of Shares Circular"</b>	: The circular to Shareholders dated 12 July 2021 in respect of the proposed award of Shares to Mr. John Lim Kok Min, Mr. Wong Yu Wei (Huang Youwei), Mr. Chu Kok Hong @ Choo Kok Hong, Mr. Chong Lit Cheong, Professor Yong Kwet Yew and Mr. Tam Chee Chong, directors of the Company, by way of transfer of an aggregate of 2,400,000 Award Treasury Shares to them
<b>"Register"</b>	: The register of Shareholders, as maintained by the Share Registrar
<b>"Revised Offer Announcement"</b>	: The revised offer announcement made by the Offeror on 22 February 2023 in relation to the revision of the terms of the Offer
<b>"S\$" and "cents"</b>	: Singapore dollars and cents respectively, being the lawful currency of Singapore
<b>"Securities Account"</b>	: The securities account maintained by a depositor with CDP but does not include a securities sub-account
<b>"SFA"</b>	: The Securities and Futures Act 2001 of Singapore, as amended or modified from time to time
<b>"Shareholders"</b>	: The registered holders of Shares, except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares, mean the depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with those Shares
<b>"Shares"</b>	: Issued and paid-up ordinary shares in the capital of the Company
<b>"SRS"</b>	: Supplementary Retirement Scheme
<b>"SRS Agent Banks"</b>	: Agent banks included under SRS
<b>"SRS Investors"</b>	: Investors who have purchased Shares pursuant to the SRS
<b>"Subject Properties"</b>	: The properties of the Company, its joint venture companies, the Boustead Industrial Fund, its other associates and held through investment securities, at the locations as set out in <a href="#">Appendix VI</a> to this Circular.
<b>"Valuation Reports"</b>	: The valuation reports, valuation certificates and/or valuation summaries prepared by the Valuers in respect of the Subject Properties which are already obtained or in connection with the Offer and for inclusion in this Circular, as set out in <a href="#">Appendix VII</a> to this Circular
<b>"%" or "per cent."</b>	: Per centum or percentage

## COMPANIES / ORGANISATIONS / PERSONS

"Auditor"	: PricewaterhouseCoopers LLP
"CDP"	: The Central Depository (Pte) Limited
"CPF"	: Central Provident Fund
"Company"	: Boustead Projects Limited
"Group"	: The Company and its subsidiaries
"IFA"	: PrimePartners Corporate Finance Pte. Ltd., being the independent financial adviser to the Independent Directors in respect of the Offer
"Offeror"	: Boustead Singapore Limited
"SGX-ST"	: Singapore Exchange Securities Trading Limited
"Share Registrar"	: Boardroom Corporate & Advisory Services Pte Ltd, the share registrar of the Company
"SIC"	: Securities Industry Council of Singapore
"UOB"	: United Overseas Bank Limited
"Valuers"	: The independent valuers appointed by the Company for the purposes of carrying out a valuation of the Subject Properties, being: <ul style="list-style-type: none"><li>(a) Jones Lang LaSalle Property Consultant Pte Ltd;</li><li>(b) Teho Property Consultants Pte. Ltd.;</li><li>(c) Savills Valuation And Professional Services (S) Pte Ltd;</li><li>(d) CBRE WTW Valuation &amp; Advisory Sdn Bhd;</li><li>(e) VAS Valuation Co., Ltd;</li><li>(f) 江苏铭诚土地房地产评估测绘工程咨询有限公司; and</li><li>(g) Colliers Appraisal &amp; Advisory Services Co., Ltd.</li></ul>

**Acting in concert.** Unless otherwise defined, the term "**acting in concert**" shall have the meaning ascribed to it in the Code.

**Depositors, etc.** The terms "**depositor**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

**Subsidiary and Related Corporation.** The terms "**subsidiary**" and "**related corporation**" shall have the meanings ascribed to them respectively in Section 5 and Section 6 of the Companies Act.

**Shareholders.** References to "**you**" and "**your**" in this Circular are, as the context so determines, to Shareholders.

**Headings.** The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

**Genders.** Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing one gender shall, where applicable, include the other or neuter genders. References to persons shall, where applicable, include corporations.

**Statutes.** Any reference in this Circular to any enactment or statutory provision is a reference to that enactment or statutory provision for the time being amended or re-enacted. Any word defined in the Companies Act, the SFA, the Listing Manual or the Code or any statutory modification thereof and not otherwise defined in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA, the Listing Manual or the Code or any statutory modification thereof, as the case may be, unless the context otherwise requires.

**Time and Date.** Any reference to a time of day and date in this Circular is made by reference to Singapore time and date respectively, unless otherwise stated.

**Rounding.** Any discrepancies in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

**Issued Shares.** In this Circular, any reference to the total number of issued Shares is a reference to 313,260,631 Shares (excluding 6,739,369 Shares held in treasury) as at the Latest Practicable Date.

**Statements which are reproduced in their entirety from the Offer Document, the IFA Letter, the Constitution and the Valuation Reports are set out in this Circular within quotes and in italics and capitalised terms used within these reproduced statements bear the meanings ascribed to them in the Offer Document, the IFA Letter, the Constitution and the Valuation Reports respectively.**

## **CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS**

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "aim", "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "potential", "strategy", "forecast", "possible", "probable" and similar expressions or future or conditional verbs such as "if", "will", "would", "should", "could", "may" or "might". These statements reflect the Company's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information as at the Latest Practicable Date. Such forward-looking statements are not guarantees of future results, performance, events or achievements and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Given the risks and uncertainties involved, Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Company nor the IFA guarantees any future performance or event, or undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

## INDICATIVE TIMELINE

Date of despatch of the Offer : 27 February 2023  
Document

Date of despatch of this Circular : 13 March 2023

Closing Date <sup>(1)(2)</sup> : **5.30 p.m. (Singapore time) on 27 March 2023**

Date of settlement of consideration : Please refer to Appendix 1 to the Offer Document for further details for valid acceptances of the Offer

### Notes:

- (1) The Offer must initially be open for 28 days from the Commencement Date. The Offer Document states that there will be no extension of the Closing Date beyond 27 March 2023.
- (2) CPFIS Investors, SRS Investors and other investors who hold Shares through finance companies or depository agents will receive notification letter(s) from their respective CPF Agent Banks, SRS Agent Banks, finance companies and/or depository agents. Such investors should refer to those notification letter(s) for details of the last date and time (which may be earlier than the Closing Date) to reply to their respective CPF Agent Banks, SRS Agent Banks, finance companies and depository agents in order to accept the Offer.

**BOUSTEAD PROJECTS LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 199603900E)

**LETTER FROM THE BOARD OF DIRECTORS**

**Board of Directors**

John Lim Kok Min (Chairman and Independent Non-Executive Director)  
Wong Yu Wei (Huang Youwei) (Executive Deputy Chairman)  
Chu Kok Hong @ Choo Kok Hong (Managing Director)  
Tam Chee Chong (Independent Non-Executive Director)  
Chong Lit Cheong (Independent Non-Executive Director)  
Professor Yong Kwet Yew (Independent Non-Executive Director)

**Registered Office**

82 Ubi Avenue 4  
#07-01  
Edward Boustead Centre  
Singapore 408832

13 March 2023

To : The Shareholders of the Company

Dear Sir/Madam

**VOLUNTARY UNCONDITIONAL CASH OFFER BY THE OFFEROR FOR THE OFFER SHARES**

**1. BACKGROUND**

**1.1 Offer Announcement**

On 6 February 2023, the Offeror announced that it intends to make a voluntary unconditional general offer for the Offer Shares at S\$0.90 for each Offer Share (the "**Offer Announcement**").

**1.2 Revised Offer Announcement**

On 22 February 2023, the Offeror announced, *inter alia*, the revision of the consideration for the Offer Shares to the Offer Price of S\$0.95 for each Offer Share (the "**Revised Offer Announcement**") and the Offeror does not intend to revise the Offer Price, save that the Offeror reserves the right to do so in a competitive situation.

**1.3 Offer Document**

On 27 February 2023, the Offer Document was electronically disseminated to Shareholders by the Offeror, setting out, *inter alia*, the terms and conditions of the Offer. The principal terms and conditions of the Offer are set out in Section 2 of the Letter to Shareholders in the Offer Document.

**Shareholders are urged to read the terms and conditions of the Offer contained in the Offer Document carefully.**

A copy of each of the Offer Announcement, Revised Offer Announcement and the Offer Document is available on the website of the SGX-ST at [www.sgx.com](http://www.sgx.com).

**1.4 Independent Financial Adviser**

The Company has appointed PrimePartners Corporate Finance Pte. Ltd. as the independent financial adviser to advise the Independent Directors in respect of the Offer.

**1.5 Purpose of this Circular**

The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Company and to set out the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors with regard to the Offer.

**Shareholders should read the Offer Document, this Circular, the IFA Letter set out in Appendix I to this Circular and the Valuation Reports set out in Appendix VII to this Circular carefully and consider carefully the recommendation of the Independent Directors in respect of the Offer and the advice of the IFA to the Independent Directors before deciding whether to accept or reject the Offer. If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.**

## 2. THE OFFER

### 2.1 Terms of the Offer

The Offer is made by the Offeror on the principal terms set out in Section 2 of the Letter to Shareholders in the Offer Document, details of which have been extracted from the Offer Document and are set out in italics below. All terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

#### **2. THE OFFER**

**2.1 Offer.** *The Offeror hereby makes the Offer in accordance with Rule 15 of the Code and on the terms and subject to the conditions set out in this Offer Document, the FAA and the FAT.*

**2.2 Offer Shares.** *The Offer will be extended to all Shares other than those Shares already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees and the parties acting in concert with it as at the date of the Offer (the "Offer Shares").*

*For avoidance of doubt, the Offer will be extended to Award Treasury Shares held by the Company's directors, provided that (1) the Offer does not extend to Award Treasury Shares held by parties acting in concert with the Offeror, and (2) any acceptance of the Offer will be subject to the terms of the Boustead Projects Restricted Share Plan 2016.*

**2.3 Offer Price.** *The consideration for the Offer Shares shall be as follows ("Offer Price"):*

***For each Offer Share: S\$0.95 in cash***

*For the purposes of the Offer, the expression "Shareholder" shall mean each holder of Offer Shares.*

***The Offer Price is final. The Offeror does not intend to revise the Offer Price, save that the Offeror reserves the right to revise the terms of the Offer in accordance with the Code if a competitive situation arises.***

**2.4 No Encumbrances.** *The Offer Shares are to be acquired (i) fully paid, (ii) free from any Encumbrances and (iii) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all Distributions declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date.*

**2.5 Adjustment for Distributions.** *Without prejudice to the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution that may be declared, paid or made by the Company on or after the Offer Announcement Date.*

*Accordingly, in the event any Distribution is or has been declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date, the Offer Price payable to the Accepting Shareholder shall be reduced by an amount which is equal to the amount of such Distribution, depending on when the settlement date in respect of the Offer Shares tendered in acceptance of the Offer by such Accepting Shareholder falls, as follows:*

**2.5.1** *if such settlement date falls on or before the record date for the determination of entitlements to the Distribution (the "Record Date"), the Offer Price shall remain unadjusted for each such Offer Share, as the Offeror will receive the Distribution in respect of such Offer Share from the Company; and*

**2.5.2** *if such settlement date falls after the Record Date, the Offer Price for each Offer Share shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share, as the Offeror will not receive the Distribution in respect of such Offer Share from the Company.*

**2.6 Unconditional Offer.** *The Offer is unconditional in all respects.*



- 2.7** ***Warranty.** A Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to unconditionally and irrevocably warrant that he sells such Offer Shares as or on behalf of the beneficial owner(s) thereof (i) fully paid, (ii) free from all Encumbrances and (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all Distributions declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date.*
- 2.8** ***No Options Proposal.** Based on the latest information available to the Offeror, there are no outstanding options to subscribe for new Shares granted under any employee share scheme of the Company ("**Options**") as at the Latest Practicable Date. Accordingly, the Offeror will not make an offer to acquire any Options.*
- 2.9** ***Choices.** Shareholders can, in relation to all or part of their Offer Shares, either:*
- 2.9.1** *accept the Offer in respect of such Offer Shares in accordance with the procedures set out in **Appendix 2** to this Offer Document; or*
- 2.9.2** *take no action and let the Offer lapse in respect of their Offer Shares.*

## **2.2 Details of the Offer**

The Offer is made in accordance with the principal terms and conditions as set out in the Offer Document. Appendix 1 to the Offer Document sets out further details on: (a) the duration of the Offer; (b) the settlement of the consideration for the Offer; (c) the announcements to be made in relation to the Offer; and (d) the right of withdrawal of acceptances of the Offer.

## **2.3 Closing Date**

The Offer Document states that the Offer is open for acceptance by the Shareholders for 28 days from 27 February 2023, being the date of despatch of the notification to Shareholders regarding the electronic dissemination of the Offer Document and its related documents dated 27 February 2023, the Acceptance Forms, and the electronic dissemination of the Offer Document and any related documents, unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder.

**Accordingly, the Offer will close at 5.30 p.m. (Singapore time) on 27 March 2023. The Offer Document states that there will be no extension of the Closing Date beyond 27 March 2023.**

## **2.4 Procedures for Acceptance**

Section 4 of the Letter to Shareholders in the Offer Document states that Appendix 2 to the Offer Document sets out the procedures for acceptance of the Offer.

## **2.5 Offeror's Shareholding in the Company**

Based on the announcement made by the Offeror in respect of its shareholding in the Company on the Latest Practicable Date, as at 6:00 p.m. (Singapore time) on the Latest Practicable Date, the total number of (a) Shares owned, controlled or agreed to be acquired by the Offeror and its concert parties; and (b) valid acceptances of the Offer, amount to an aggregate of 263,815,262 Shares, representing approximately 84.22% of the total number of Shares.

## **3. INFORMATION ON THE OFFEROR**

Details on the Offeror are set out in Section 5 of the Letter to Shareholders in the Offer Document which is reproduced in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

### **5. INFORMATION ON THE OFFEROR**

- 5.1** ***Introduction.** The Offeror is a company incorporated in Singapore on 18 June 1975 and listed on the Mainboard of the SGX-ST on 17 October 1975. The Offeror is a progressive global infrastructure-related engineering and technology group with four (4) core business segments: (i) Energy Engineering; (ii) Real Estate; (iii) Geospatial; and (iv) Healthcare. FF Wong, Chairman & Group CEO is a controlling shareholder and is deemed interested in approximately 43.10% of the total shareholding of the Offeror.*



**5.2 Share Capital.** *As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S\$56,973,000 (excluding any Offeror Shares held in treasury) comprising 477,473,329 ordinary shares.*

**5.3 Shareholding in the Company.** *As at the Latest Practicable Date, the Offeror directly holds 190,147,509 Shares representing approximately 60.70% of the total number of issued Shares of the Company. FF Wong has an aggregate deemed interest in 79.98% of the Shares of the Company (including Shares held by the Offeror), of which he is deemed interested in 19.28% of the Shares of the Company held through nominees. For the avoidance of doubt, as FF Wong is a party acting in concert with the Offeror, the Offer does not extend to the Shares that he controls held through nominees (i.e. 19.28% of the Shares in the Company). In addition, FF Wong and his son, Wong Yu Loon, in their capacities as directors of the Offeror, have abstained from all decisions and deliberations in connection with the making of the Offer, including the terms thereof.*

**5.4 Directors.** *As at the Latest Practicable Date, the directors of the Offeror are:*

**5.4.1** *FF Wong (Chairman & Group CEO);*

**5.4.2** *Wong Yu Loon<sup>1</sup> (Executive Director & Deputy Group CEO);*

**5.4.3** *Mak Lye Mun (Lead Independent Director);*

**5.4.4** *Dr. Tan Khee Giap (Independent Non-Executive Director); and*

**5.4.5** *Liak Teng Lit (Independent Non-Executive Director).*

**Appendix 3** to this Offer Document sets out additional information on the Offeror. Information on the Offeror is also available from its website at [www.boustead.sg](http://www.boustead.sg).

#### **4. NO UNDERTAKINGS**

As set out in paragraph 1.3 of Appendix 5 to the Offer Document, as at 23 February 2023, no person has given any undertaking to the Offeror or any parties acting in concert with it to accept or reject the Offer.

#### **5. RATIONALE FOR THE OFFER**

The rationale for the Offer is set out in Section 7 of the Letter to Shareholders in the Offer Document which is reproduced in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated. **Shareholders are advised to read the extract below carefully.**

##### **7. RATIONALE FOR THE OFFER**

*The Offeror believes that the Offer will be beneficial to all stakeholders of both BSL and BPL for the following reasons:*

**7.1 Simplification and Optimisation of the Group's Organisational Structure.** *The proposed acquisition by the Offeror of all the Offer Shares in the Company (the "**Proposed Acquisition**") is in line with the Offeror's overarching intentions and its ongoing strategic reviews and objective to streamline its investments, businesses, operations and the corporate structure of the group (including the Company).*

*The ongoing COVID-19 pandemic has had an unprecedented impact on the global economy and on the Company's E&C business operations and financial performance. The Company's E&C business profits have been significantly lower in light of the COVID-19 pandemic as compared to the historical profit of the E&C business during the pre-COVID-19 pandemic period.*

<sup>1</sup> Wong Yu Loon is the son of FF Wong.

The Offeror believes that the Proposed Acquisition will allow the Company's management team to focus on rebuilding its business, including the Company's E&C business, as a private limited company without the additional obligations that come with being a listed company on the Mainboard of the SGX-ST, including but not limited to the compliance costs and time dedicated to regulatory and reporting obligations.

The Proposed Acquisition will allow the Offeror to simplify the group structure and reduce organisational complexity, providing the Offeror with greater control and flexibility to mobilise and optimise its resources across its businesses. The simplified group structure will allow for a sharper focus in operations and increase competitiveness, enhancing shareholder value.

**7.2 Opportunity for Shareholders to Fully Realise their Investment at a Premium without incurring Brokerage Costs.** The Offer provides an opportunity for Shareholders who wish to realise their investment to do so in cash, at a premium to prevailing market prices prior to the Offer Announcement Date and without incurring brokerage fees. The Offer Price represents a premium of approximately:

**7.2.1** 13.8% over the last traded price per Share as quoted on the SGX-ST on 3 February 2023 being the last full trading day immediately prior to the Offer Announcement (the "**Last Trading Day**");

**7.2.2** 21.6% over the VWAP of the Shares for the 1-month period prior to and including the Last Trading Day;

**7.2.3** 21.0% over the VWAP of the Shares for the 3-month period prior to and including the Last Trading Day;

**7.2.4** 17.7% over the VWAP of the Shares for the 6-month period prior to and including the Last Trading Day; and

**7.2.5** 6.9% over the VWAP of the Shares for the 12-month period prior to and including the Last Trading Day.

**7.3 Low Trading Liquidity.** Shareholders can quickly and totally exit their investment in the Company in a low liquidity environment without incurring brokerage fees, moreover in an Offer that is unconditional in all respects. The trading volume of the Shares has been generally low, with an average daily trading volume of approximately 10,414 Shares, 39,571 Shares, 26,063 Shares and 39,925 Shares during the 1-month period, 3-month period, 6-month period and 12-month period up to and including the Last Trading Day. These represent 0.003%, 0.013%, 0.008% and 0.013% of the total number of issued Shares for the aforementioned relevant periods, respectively.

Furthermore, there have been 7 days, 19 days, 37 days and 53 days of zero daily trading volume during the 1-month period, 3-month period, 6-month period and 12-month period up to and including the Last Trading Day. These represent 33.3%, 30.6%, 29.4% and 21.2% of the total trading days for the aforementioned relevant periods, respectively.

**7.4 Compliance Costs relating to Listing Status.** The Offeror is of the view that in maintaining the Company's listing status, the Company incurs additional compliance and associated costs. If the Company is delisted, the Company will be able to (i) dispense with costs associated with complying with listing and other regulatory requirements; and (ii) streamline human resources required for such compliance.

## 6. LISTING STATUS AND COMPULSORY ACQUISITION AND THE OFFEROR'S INTENTIONS

Section 8 of the Letter to Shareholders in the Offer Document sets out the Offeror's intentions for the Company and intentions of the Offeror relating to the listing status and compulsory acquisition of the Company, the full text of which have been extracted from the Offer Document and are set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated. **Shareholders are advised to read the extract below carefully.**

### **8. THE OFFEROR'S INTENTIONS FOR THE COMPANY**

**8.1 The Offeror's Future Plans for the Company.** *The Company is a principal subsidiary of the Offeror. The Offeror intends for the Company to continue to develop and grow the existing businesses of the Company and its subsidiaries. The Offeror and the Company will continue to review, from time to time, the operations of the Company and its subsidiaries as well as the Company's strategic options. The Offeror retains the flexibility at any time to further consider any options or opportunities in relation to the Company which may present themselves and which the Offeror may regard to be in the interests of the Offeror and/or the Company.*

**8.2** *Save as disclosed above, the Offeror has no current intentions to (i) introduce any major changes to the existing business of the Company, (ii) re-deploy the fixed assets of the Company, or (iii) discontinue the employment of the existing employees of the Company or its subsidiaries, in each case, other than in the ordinary and usual course of business.*

**8.3 Listing Status of the Company.** *Under Rule 723 of the Listing Manual, the Company must ensure that at least 10% of the total number of Shares (excluding any Shares held in treasury) is at all times held in public hands. Pursuant to Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and its concert parties to above 90% of the total number of issued Shares (excluding Shares held in treasury), the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time it is satisfied that at least 10% of the total number of issued Shares (excluding Shares held in treasury) are held by at least 500 shareholders of the Company who are members of the public. Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding Shares held in treasury), thus causing the percentage of the total number of issued Shares (excluding Shares held in treasury) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.*

*In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total number of issued Shares (excluding Shares held in treasury) held in public hands falls below 10%, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend the trading of all the Shares. Rule 724(2) of the Listing Manual states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares (excluding Shares held in treasury) in public hands to at least 10%, failing which the Company may be delisted from the SGX-ST.*

**8.4 The Offeror's Intentions.** *It is the intention of the Offeror to privatise the Company and delist the Company from the SGX-ST, should the option be available to the Offeror. In the event that the trading of Shares on the SGX-ST is suspended pursuant to Rule 724, Rule 1105 or Rule 1303(1) of the Listing Manual, the Offeror has no intention to undertake or support any action for any such trading suspension by the SGX-ST to be lifted. In addition, the Offeror reserves the right to seek a voluntary delisting of the Company from the SGX-ST, pursuant to Rules 1307 and 1309 of the Listing Manual.*

**8.5 Compulsory Acquisition.** *The Offeror will not be able to avail itself of the powers of compulsory acquisition under Section 215(1) of the Companies Act following the completion of the Offer.*

Paragraph 8.5 of the IFA Letter sets out the implications of delisting or suspension for shareholders, the full text of which have been extracted from the IFA Letter and are set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter, unless otherwise stated. **Shareholders are advised to read and consider the extract below carefully, in conjunction with and in the context of the full text of the IFA Letter.**

**8.5 Implications of delisting or suspension for shareholders**

- (i) *Shareholders who do not accept the Offer should note the following implications or consequences which may arise as a result of any suspension in, and/or delisting of the Shares. Shares of unquoted companies are generally valued at a discount to the shares of comparable listed companies as a result of lack of marketability;*
- (ii) *It is likely to be difficult for shareholders to sell their Shares in the absence of a public market for the Shares as there is no arrangement for such shareholders to exit their investments in the Shares. If the Company is delisted, even if such shareholders were subsequently able to sell their Shares, they may receive a lower price than that of the Final Offer Price;*
- (iii) *As an unlisted company, the Company will no longer be obliged to comply with the listing requirements of the SGX-ST, in particular the continuing corporate disclosure requirements under Chapter 7 of the Listing Manual and Appendices 7.1 to 7.4 to the Listing Manual. Shareholders will no longer enjoy the same level of protection, transparency and accountability afforded by the Listing Manual. Nonetheless, as a company incorporated in Singapore, the Company will still need to comply with the Companies Act and its Constitution and the interests of shareholders who do not accept the Offer will be protected to the extent provided for by the Companies Act which includes, inter alia, the entitlement to be sent a copy of the profit and loss accounts and balance sheet at least 14 days before each annual general meeting, at which the accounts will be presented; and*
- (iv) *There is no assurance that the Company will maintain its historical dividend payments in the future.*

**7. FINANCIAL ASPECTS OF THE OFFER**

Section 9 of the Letter to Shareholders in the Offer Document sets out certain information on the financial aspects of the Offer, extracts of which are set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

**9. FINANCIAL ASPECTS OF THE OFFER**

**9.1 Offer Price.** *The Offer Price represents the following premia over certain historical market prices of the Shares as set out below:*

	<b>Description</b>	<b>Benchmark Price (S\$)<sup>(1)</sup></b>	<b>Premium of Offer Price over Benchmark Price (%)<sup>(2)</sup></b>
(a)	<i>Last traded price of the Shares on the SGX-ST on the Last Trading Day (being 3 February 2023)<sup>3</sup></i>	0.835	13.8
(b)	<i>VWAP of the Shares on the SGX-ST for the 1-month period up to and including the Last Trading Day</i>	0.781	21.6
(c)	<i>VWAP for the 3-month period up to and including the Last Trading Day</i>	0.785	21.0
(d)	<i>VWAP for the 6-month period up to and including the Last Trading Day</i>	0.807	17.7
(e)	<i>VWAP for the 12-month period up to and including the Last Trading Day</i>	0.889	6.9

Notes:

- (1) *Based on data extracted from Bloomberg Finance L.P. on 3 February 2023, being the Last Trading Day figures rounded to the nearest three (3) decimal places.*
- (2) *Premia rounded to the nearest per cent.*

## 8. CONFIRMATION OF FINANCIAL RESOURCES

Section 10 of the Letter to Shareholders in the Offer Document sets out the Offeror's confirmation of financial resources by UOB, extracts of which are set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

### 10. CONFIRMATION OF FINANCIAL RESOURCES

*United Overseas Bank Limited confirms that sufficient financial resources are available to the Offeror to satisfy in full all acceptances of the Offer Shares by the Shareholders on the basis of the Offer Price. For the avoidance of doubt, United Overseas Bank Limited is not acting as financial adviser to the Offeror for the Offer.*

## 9. DIRECTORS' INTERESTS

Details of the Directors including, *inter alia*, the Directors' direct and deemed interests in the Company Securities and the Offeror Securities as at the Latest Practicable Date are set out in Appendix II to this Circular.

## 10. ADVICE AND RECOMMENDATION IN RELATION TO THE OFFER

### 10.1 Appointment of the IFA

PrimePartners Corporate Finance Pte. Ltd. has been appointed as the independent financial adviser to the Independent Directors in respect of the Offer.

### 10.2 Independent Directors

The Independent Directors, Mr. John Lim Kok Min, Mr. Chu Kok Hong @ Choo Kok Hong, Mr. Tam Chee Chong, Mr. Chong Lit Cheong and Professor Yong Kwet Yew are required to make a recommendation to Shareholders in respect of the Offer.

The SIC has ruled that Mr. Wong Yu Wei (Huang Youwei) is exempted from the requirement to make a recommendation to the Shareholders on the Offer, as he is the son of FF Wong, a director and substantial shareholder of the Offeror, and faces an irreconcilable conflict of interest in doing so being a concert party of the Offeror. Nevertheless, Mr. Wong Yu Wei (Huang Youwei) will remain responsible for the accuracy of the facts stated or opinions expressed in documents and advertisements issued by, or on behalf of, the Company in connection with the Offer.

### 10.3 The IFA's Advice to the Independent Directors

The advice of the IFA to the Independent Directors in respect of the Offer is set out in the IFA Letter annexed as Appendix I to this Circular.

The recommendation of the IFA in respect of the Offer has been extracted from the IFA Letter and is reproduced in italics below. Unless otherwise stated, all terms and expressions used in the extract below shall have the meanings given to them in the IFA Letter.

### 9 OPINION

*In arriving at our opinion in respect of the Offer, we have considered the following key considerations (which should be read in conjunction with, and in the context of, the full text of this letter):*

#### ***Factors in favour of the Final Offer Price:***

- (i) The Final Offer Price of S\$0.95 represents premia of 6.9%, 17.4%, 20.9% and 21.6% over the VWAP of the Shares for the 1-year, 6-month, 3-month and 1-month periods prior to the Offer Announcement Date respectively;*

<sup>3</sup> There were no trades on the Shares for each of 2 February 2023 and 3 February 2023. Accordingly, the last traded price per Share as quoted on the SGX-ST on 3 February 2023 reflects the last traded price as at the close of 1 February 2023, being S\$0.835.



- (ii) *During the 2-year Lookback Period, the ADTV of the Shares for the 2-year, 1-year, 6-month, 3-month and 1-month periods prior to the Offer Announcement Date was low, representing 0.16%, 0.05%, 0.03%, 0.05% and 0.01% of the free float of the Shares respectively;*
- (iii) *Save for the period from end of May 2021 to 4 August 2021, during the 2-year Lookback Period up to and including the Last Full Traded Day, the Shares had underperformed the rebased FSSTI and rebased FTSE;*
- (iv) *For the 1-month, 3-month, 6-month and 1-year periods prior to and including the Last Full Traded Day, the implied P/NAV of 0.75 times is above the average historical trailing P/NAV of the Shares of 0.64 times, 0.64 times, 0.67 times and 0.71 times respectively;*
- (v) *For the 1-month, 3-month and 6-month periods prior to and including the Last Full Traded Day, the implied P/E of 22.72 times is above the average historical trailing P/E of the Shares of 18.87 times, 19.24 times and 21.65 times respectively;*
- (vi) *In respect of the Comparable Companies:*
  - *The implied EV/EBITDA ratio of the Company of 13.57 times is above the range of the EV/EBITDA ratios of the Comparable Companies of between 1.19 times and 10.20 times;*
  - *The implied P/E ratio of the Company of 22.72 times is above the range of the P/E ratios of the Comparable Companies of between 2.79 times and 8.53 times;*
  - *The implied P/NAV ratio of the Company of 0.75 times is above the range of the P/NAV ratios of the Comparable Companies of between 0.34 times and 0.69 times; and*
  - *The implied P/RNAV ratio of the Company of 0.52 times is within the range of the P/NAV ratios of the Comparable Companies, being higher than the mean P/NAV ratio of 0.51 but lower than the median P/NAV ratio of 0.56 times;*
- (vii) *The dividend yield (based on the dividends declared for FY2022) of the Company based on the Final Offer Price is approximately 1.05%, which is lower than the mean and median dividend yield of the Comparable Companies at approximately 5.50% and 5.63% respectively. The STI ETF, being an alternative equity instrument, also provides a better dividend yield;*
- (viii) *The Offeror intends to make the Offer with a view to privatise the Company and delist from the SGX-ST, should the option be available to the Offeror. In the event that the Free Float Requirement is not met, it does not intend to preserve the listing status of the Company nor does it intend to undertake or support any action to satisfy the Free Float Requirement; and*
- (ix) *As at the Latest Practicable Date, apart from the Offer being made by the Offeror, no alternative offer or proposal similar to or in competition with the Offer has been received by the Company.*

**Factors against the Final Offer Price:**

- (i) *The Final Offer Price of S\$0.95 is not within our final estimated valuation range for the Shares of between S\$1.17 and S\$1.38;*
- (ii) *Based on the Group's NAV per Share, the Final Offer Price represents a significant discount of 24.9% over the NAV per Share and the P/NAV ratio of the Group as implied by the Final Offer Price of 0.75 times;*

- (iii) *Based on the Group's RNAV per Share, the Final Offer Price represents a significant discount of 48.4% over the RNAV per Share and the P/RNAV ratio of the Group as implied by the Final Offer Price of 0.52 times;*
- (iv) *The Final Offer Price of S\$0.95 represents a discount of 13.9% to the VWAP of the Shares for the 2-year period prior to the Offer Announcement Date;*
- (v) *For the 2-year period prior to and including the Last Full Traded Day, the implied P/NAV of 0.75 times is below the average historical trailing P/NAV of the Shares of 0.80 times;*
- (vi) *For the 1-year and 2-year periods prior to and including the Last Full Traded Day, the implied P/E of 22.72 times is below the average historical trailing P/E of the Shares of 40.36 times and 34.93 times respectively;*
- (vii) *In respect of the Precedent Privatisation Transactions:*
  - *The premium implied by the Final Offer Price of 13.8% over the last transacted price is within the range but is lower than the mean and median premia of 34.5% and 19.8% respectively;*
  - *The premium implied by the Final Offer Price of 21.6% over the 1-month VWAP is within the range but is lower than the mean and median premia of 40.0% and 23.2% respectively;*
  - *The premium implied by the Final Offer Price of 20.9% over the 3-month VWAP is within the range but is lower than the mean and the median premia of 41.2% and 26.5% respectively;*
  - *The premium implied by the Final Offer Price of 17.4% over the 6-month VWAP is within the range but is lower than the mean and the median premia of 41.4% and 25.8% respectively;*
  - *The premium implied by the Final Offer Price of 6.9% over the 1-year VWAP is within the range but is lower than the mean and the median premia of 43.9% and 27.5% respectively; and*
  - *The implied P/NAV and implied P/RNAV ratios of the Company of 0.75 times and 0.52 times respectively are within the range of P/NAV or P/NTA ratios of between 0.35 times and 5.86 times; but significantly lower than the mean and median of 1.60 times and 0.92 times respectively;*
- (viii) *The Final Offer Price of S\$0.95 represents a significant discount of approximately 29.6% to the target base price of S\$1.35 of the latest broker research report available; and*
- (ix) *We also note from the commentary in the latest 6-month financial results announcement by the Company that, barring any unforeseen circumstances and disruptions the Group expects improved profitability in FY2023 as compared to FY2022 having considered the progress made by the E&C business, Real Estate business and growing fund management activities and a healthier order backlog.*

*For the purposes of evaluating the Offer, we have adopted the approach that the terms "fair" and "reasonable" are regarded as two different concepts. The term "fair" relates to an opinion on the value of the offer price compared against the value of the securities subject to the offer (the "**Securities**"), and an offer is "fair" if the price offered is equal to or greater than the value of the Securities.*

*In considering whether an offer is "reasonable", other matters as well as the value of the Securities are considered. Such matters include, but are not limited to, existing voting rights in the company held by the offeror and its concert parties and the market liquidity of the Securities.*

**Having considered the foregoing factors, we are of the view that the Offer is not fair, taking into consideration, in particular, the following:**

- (i) The Final Offer Price of S\$0.95 is not within our final estimated valuation range for the Shares of between S\$1.17 and S\$1.38; and
- (ii) The premia implied by the Final Offer Price over the Company's historical VWAP (i.e. Last Full Traded Day, 1-month, 3-month, 6-month and 1-year period) are lower than the mean and median premia of the Precedent Privatisation Transactions.

**However, we are of the view that the Offer is reasonable, taking into consideration, in particular, the following:**

- (i) it appears likely that the market price following the Offer Announcement till the Latest Practicable Date is supported by the Offer, given that the Final Offer Price of S\$0.95 is at a premium to the historical traded prices of the Shares over the 1-year, 6-month, 3-month, 1-month period and closing price of the Shares of S\$0.835 on the Last Full Traded Day;
- (ii) Following the Offer Announcement Date up to the Offer Price Revision Date, we note that the Shares traded between S\$0.910 and S\$0.990. However, after the Offer Price Revision Date, the closing price of the Shares have been at or close to the Final Offer Price, which further reinforces that the market price following the Offer Announcement till the Latest Practicable Date is supported by the Offer;
- (iii) The Shares have been thinly traded, whereby the highest recorded average daily traded volume was 136,966 Shares, representing 0.16% of the free float for the 2-year Lookback Period prior to Last Full Traded Day. This may result in investors being unable to undertake transactions in larger number of Shares at the intended price or a price higher than the Final Offer Price;
- (iv) Following the Offer Announcement Date up to the Offer Price Revision Date, the ADTV rose to approximately 1.5 million Shares, representing 1.79% of the free float. After the Offer Price Revision Date and up to the Latest Practicable Date, the ADTV then further increased to approximately 2.9 million Shares, representing approximately 3.43% of the free float, which could be attributable to market acquisitions by the Offeror and/or its concert parties during the aforesaid period;
- (v) Save for the period from end of May 2021 to 4 August 2021, the Shares had generally underperformed both the rebased FSSTI and FSTF over the 2-year Lookback Period up till the Latest Practicable Date;
- (vi) The dividend yield (based on the dividends declared for FY2022) of the Company based on the Final Offer Price is approximately 1.05%, which is lower than the mean and median dividend yield of the Comparable Companies at 5.50% and 5.63% respectively. The STI ETF, being an alternative equity instrument, also provides a better dividend yield. This suggests that shareholders who accept the Offer may potentially experience an increase in dividend income if they reinvest the proceeds from the Offer in the shares of the STI ETF or the Comparable Companies; and
- (vii) As at the Latest Practicable Date, apart from the Offer being made by the Offeror, no alternative offer or proposal has been received by the Company.

**In conclusion, we are of the opinion that the financial terms of the Offer are not fair but reasonable. Based on our opinion, we advise the Independent Directors to recommend that shareholders accept the Offer, unless shareholders are able to obtain a price higher than the Final Offer Price on the open market, taking into account all transaction costs in connection with open market transactions.**



*We also advise the Independent Directors to consider highlighting to the shareholders that there is no assurance that the price of the Shares will remain at current levels after the close or lapse of the Offer and the current price performance of the Shares may not be indicative of the future price performance levels of the Shares.*

*This letter is addressed to the Independent Directors for their benefit, in connection with and for the purpose of their consideration of the financial terms of the Offer and should not be relied on by any other party. The recommendation made by them to the shareholders in relation to the Offer shall remain the sole responsibility of the Independent Directors.*

*Whilst a copy of this letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of PPCF in each specific case. This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.*

**Shareholders should read and consider carefully all the considerations relied upon by the IFA, in arriving at its advice to the Independent Directors, in conjunction with and in the context of the full text of the IFA Letter.**

#### **10.4 Recommendation of the Independent Directors**

The Independent Directors, having considered carefully the terms of the Offer and the advice given by the IFA in the IFA Letter, set out their recommendation on Offer below:

The Independent Directors concur with the advice of the IFA in respect of the Offer, and accordingly, recommend that Shareholders should **ACCEPT** the Offer, unless Shareholders are able to obtain a price higher than the Offer Price on the open market, taking into account all transaction costs in connection with open market transactions.

Shareholders should note that the IFA's advice to the Independent Directors and the recommendation of the Independent Directors should not be relied upon by any Shareholder as the sole basis for deciding whether or not to accept the Offer. In making their recommendation, both the IFA and the Independent Directors have not had regard to the general or specific investment objectives, financial situation, risk profiles, tax position or particular needs and constraints of any individual Shareholder. Accordingly, the Independent Directors recommend that any individual Shareholder who may require specific advice in relation to his or her investment objectives or portfolio should consult his or her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

**Shareholders should also note that there is no assurance that the price of the Shares will remain at current levels after the close or lapse of the Offer and the current price performance of the Shares may not be indicative of the future price performance levels of the Shares.**

**Shareholders should read and consider carefully this Circular, including the recommendation of the Independent Directors, the advice of the IFA to the Independent Directors in respect of the Offer as set out in Appendix I to this Circular and the Valuation Reports set out in Appendix VII to this Circular (in particular, the terms of reference, key assumptions and critical factors) in their entirety, before deciding whether to accept or reject the Offer. Shareholders are also urged to read the Offer Document carefully.**

#### **11. OVERSEAS SHAREHOLDERS**

Overseas Shareholders should refer to Section 13 of the Letter to Shareholders in the Offer Document which is reproduced in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

### 13. OVERSEAS SHAREHOLDERS

- 13.1 Overseas Jurisdictions.** *This Offer Document does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Offer Document in any jurisdiction in contravention of applicable law.*

*The release, publication or distribution of this Offer Document in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Offer Document is released, published or distributed should inform themselves about and observe such restrictions.*

*Copies of this Offer Document are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer will violate the laws of that jurisdiction ("**Restricted Jurisdiction**") and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.*

*The Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.*

- 13.2 Overseas Shareholders.** *The availability of the Offer to Shareholders whose addresses are outside Singapore as shown in the Register or in the Depository Register (as the case may be) (each, an "**Overseas Shareholder**") may be affected by the laws of the relevant overseas jurisdictions in which they are located. Accordingly, Overseas Shareholders should inform themselves of, and observe, any applicable requirements in the relevant overseas jurisdictions. **For the avoidance of doubt, the Offer is open to all Shareholders, including those to whom this Offer Document and the relevant Acceptance Forms may not be sent.***

*It is the responsibility of Overseas Shareholders who wish to (a) request for this Offer Document, the relevant Acceptance Forms and/or any related documents, and/or (b) accept the Offer to satisfy themselves as to the full observance of the laws of the relevant overseas jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with other necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholders shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror, its related corporations, CDP, the Registrar and any person acting on their behalf shall be fully indemnified and held harmless by such Overseas Shareholders for any such taxes, imposts, duties or other requisite payments as the Offeror, its related corporations, CDP, the Registrar and/or any person acting on their behalf may be required to pay. In (a) requesting for this Offer Document, the relevant Acceptance Forms and/or any related documents, and/or (b) accepting the Offer, each Overseas Shareholder represents and warrants to the Offeror that he is in full observance of the laws of the relevant jurisdiction in that connection and that he is in full compliance with all necessary formalities or legal requirements.*

***Any Overseas Shareholder who is in doubt about his position should consult his professional adviser in the relevant jurisdiction.***

**13.3** ***Copies of the Offer Document and the relevant Acceptance Forms.** Where there are potential restrictions on sending this Offer Document, and/or the relevant Acceptance Forms to any overseas jurisdiction, the Offeror, CDP and the Registrar each reserves the right not to send these documents to Overseas Shareholders in such overseas jurisdictions. Shareholders (including Overseas Shareholders) may (subject to compliance with applicable laws) obtain electronic copies of this Offer Document, the Acceptance Forms and/or any related documents from the website of the SGX-ST at [www.sgx.com](http://www.sgx.com). To obtain an electronic copy of this Offer Document, please select the section "Securities", select "Company Information" and then "Company Announcements" from the drop-down menu list and type the name of the Company: "Boustead Projects Limited" in the box titled "Filter by Company/Security Name". "Boustead Projects Limited" will appear as a drop-down item below the filter box.*

*Thereafter, please select the announcement dated 27 February 2023 titled "Voluntary Unconditional Cash Offer – Electronic Dissemination of Offer Document". This Offer Document, the Acceptance Forms and its related documents can be accessed by clicking on the link under the section titled "Attachments" at the bottom of the announcement.*

**13.4** ***Notice.** The Offeror reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST or paid advertisement in a daily newspaper published or circulated in Singapore, in which case, such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement or advertisement.*

## **12. INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS**

Section 14.2 of the Letter to Shareholders in the Offer Document sets out information pertaining to CPFIS Investors and SRS Investors, details of which have been extracted from the Offer Document and are set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

**14.2** ***Information Pertaining to CPFIS Investors and SRS Investors.** CPFIS Investors and SRS Investors should receive further information on how to accept the Offer from their respective CPF Agent Banks and SRS Agent Banks. CPFIS Investors and SRS Investors are advised to consult their respective CPF Agent Banks and SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors and SRS Investors should seek independent professional advice. CPFIS Investors and SRS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks and SRS Agent Banks by the deadline stated in the letter from their respective CPF Agent Banks and SRS Agent Banks, which may be earlier than the Closing Date.*

*CPFIS Investors and SRS Investors will receive the Offer Price payable in respect of the Offer Shares validly tendered in acceptance of the Offer through appropriate intermediaries in their respective CPF investment accounts and SRS investment accounts.*

## **13. ACTION TO BE TAKEN BY SHAREHOLDERS**

### **13.1 Shareholders who wish to accept the Offer**

Shareholders who wish to accept the Offer must do so not later than 5.30 p.m. (Singapore time) on 27 March 2023, abiding by the procedures for the acceptance of the Offer as set out in Appendix 2 to the Offer Document, the FAA and/or the FAT. **There will be no extension of the Closing Date beyond 27 March 2023.**

Acceptances should be completed and returned as soon as possible and, in any event, so as to be received, on behalf of the Offeror, by CDP (in respect of the FAA) or the Share Registrar (in respect of the FAT), as the case may be, not later than 5.30 p.m. (Singapore time) on 27 March 2023.

### **13.2 Shareholders who do not wish to accept the Offer**

Shareholders who do not wish to accept the Offer need not take further action in respect of the Offer Document, the FAA and/or the FAT which has been sent to them.

## **14. CONSENTS**

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name in this Circular and the IFA Letter in Appendix I of this Circular, and all references thereto in the form and context in which they appear in this Circular.

The Auditor has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name in this Circular, the independent auditor's report in relation to the audited financial statements of the Group for FY2022 in Appendix III of this Circular, and all references thereto in the form and context in which they appear in this Circular.

Each of the Valuers has given and has not withdrawn its respective written consent to the issue of this Circular with the inclusion of its name in this Circular and the Valuation Reports set out in Appendix VII of this Circular, and all references thereto in the form and context in which they appear in this Circular.

## **15. DIRECTORS' RESPONSIBILITY STATEMENT**

The recommendation of the Independent Directors to Shareholders set out in Section 10.4 of this Circular is the sole responsibility of the Independent Directors. Save for the foregoing, the Directors (including any Director who may have delegated detailed supervision of this Circular) confirm that they have taken all reasonable care and have made all reasonable enquiries to ensure that, to the best of their knowledge and after due and careful consideration, the facts stated and the opinions expressed in this Circular (other than those relating to the Offeror, parties acting in concert or deemed to be acting in concert with the Offeror, the Offer and the IFA Letter) are fair and accurate and that there are no other material facts not contained in this Circular, the omission of which would make any statement in this Circular misleading.

Where any information in this Circular has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, the Offer Announcement, the Revised Offer Announcement, the Offer Document, the IFA Letter and the Valuation Reports) or obtained from the Offeror, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources, or as the case may be, accurately reflected or reproduced in this Circular.

In respect of the IFA Letter and the Valuation Reports, the responsibility of the Directors has been to ensure that the facts stated with respect to the Group are, to the best of their knowledge and belief, fair and accurate in all material respects.

The Directors jointly and severally accept full responsibility accordingly.

## **16. ADDITIONAL INFORMATION**

The attention of the Shareholders is also drawn to the Appendices which form part of this Circular.

**Yours faithfully**  
**For and on behalf of the Board**

Mr. John Lim Kok Min  
Chairman and Independent Non-Executive Director  
13 March 2023

## APPENDIX I

### LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

#### PRIMEPARTNERS CORPORATE FINANCE PTE. LTD.

16 Collyer Quay  
#10-00 Collyer Quay Centre  
Singapore 049318

13 March 2023

To: The Independent Directors of Boustead Projects Limited (the "**Company**")  
(being directors considered to be independent in respect of the Offer)  
82 Ubi Avenue 4,  
#07-01 Edward Boustead Centre,  
Singapore 408832

Dear Sirs

**INDEPENDENT FINANCIAL ADVICE TO THE DIRECTORS CONSIDERED INDEPENDENT IN RESPECT OF THE VOLUNTARY UNCONDITIONAL CASH OFFER BY BOUSTEAD SINGAPORE LIMITED (THE "OFFEROR"), TO ACQUIRE ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF BOUSTEAD PROJECTS LIMITED (THE "SHARES"), OTHER THAN THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR, ITS RELATED CORPORATIONS AND THEIR RESPECTIVE NOMINEES AND THE PARTIES ACTING IN CONCERT WITH IT**

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*Unless otherwise defined or the context otherwise requires, all terms used herein shall have the same meaning defined in the circular issued by the Company dated 13 March 2023 (the "**Circular**").*

## 1 INTRODUCTION

### 1.1 Offer Announcement

On 6 February 2023 ("**Offer Announcement Date**"), Boustead Singapore Limited (the "**Offeror**") announced ("**Offer Announcement**") that it intends to make a voluntary unconditional cash offer (the "**Offer**") for all Shares (excluding treasury shares) in the capital of the Company, other than those Shares already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees and the parties acting in concert with it as at the date of the Offer (the "**Offer Shares**") in accordance with the Rule 15 of the Singapore Code on Take-overs and Mergers (the "**Code**"). The Offeror is a company incorporated in Singapore on 18 June 1975 and listed on the Mainboard of the SGX-ST.

As at the Offer Announcement Date, the Company is a principal subsidiary of the Offeror and the Offeror directly holds 171,896,009 Shares representing approximately 54.87% of the total number of issued Shares of the Company. As at the Offer Announcement Date, the Company has an issued and paid-up share capital of S\$9,504,730.83, comprising 313,260,631 Shares (excluding 6,739,369 Shares held in treasury).

Mr. Wong Fong Fui ("**FF Wong**"), the Offeror's Chairman and Group Chief Executive Officer, is a controlling shareholder and is deemed interested in approximately 43.10% of the total shareholding of the Offeror. As at the Offer Announcement Date, FF Wong has an aggregate deemed interest in 74.16% of the Shares of the Company (comprising Shares held by the Offeror and his deemed interests in 19.28% of the Shares of the Company held through nominees). For the avoidance of doubt, as FF Wong is a party acting in concert with the Offeror, the Offer does not extend to the Shares that he controls held through nominees (i.e. 19.28% of the Shares in the Company). In addition, FF Wong and his son, Mr. Wong Yu Loon, in their capacities as directors of the Offeror, have abstained from all decisions and deliberations in connection with the making of the Offer, including the terms thereof.

On 22 February 2022 (the "**Offer Price Revision Date**"), the Offeror announced that it has revised the offer consideration from S\$0.90 for each Offer Share (the "**Initial Offer Price**") to S\$0.95 for each Offer Share (the "**Final Offer Price**"), and the Offeror does not intend to revise the Final Offer Price,



save that the Offeror reserves the right to do so in a competitive situation (the "**Offer Price Revision Announcement**").

The Offer is unconditional in all respects. The Offeror reserves the right to revise the terms of the Offer in accordance with the Code.

## 1.2 Our Role as Independent Financial Adviser to the Offer

In connection with the Offer, PrimePartners Corporate Finance Pte. Ltd. ("**PPCF**") has been appointed as independent financial adviser ("**IFA**") to advise the directors of the Company (the "**Directors**") who are considered independent in respect of the Offer (the "**Independent Directors**") for the purpose of making their recommendation to the shareholders of the Company in relation to the Offer.

This letter sets out, *inter alia*, our views and evaluation of the financial terms of the Offer and our opinion thereon and forms part of the Circular providing, *inter alia*, details of the Offer and the recommendation of the Independent Directors.

## 2 TERMS OF REFERENCE

We have been appointed to advise the Independent Directors on the financial terms of the Offer in compliance with the provisions of the Code. We have confined our evaluation to the financial terms of the Offer and have not considered the commercial risks and/or commercial merits of the Offer. In addition, we have not been requested to, and we do not express any advice or give any opinion on the merits of the Offer relative to any other alternative transaction. We were not involved in the negotiations pertaining to the Offer nor were we involved in the deliberations leading up to the decision to put forth the Offer to shareholders.

Our terms of reference do not require us to evaluate or comment on the rationale for, or the strategic or long-term merits of the Offer or on the prospects of the Company and its subsidiaries (the "**Group**") or the method and terms by which the Offer is made or any other alternative methods by which the Offer may be made. We have not relied on any financial projections or forecasts in respect of the Group in our evaluation to the financial terms of the Offer. We are not required to express, and we do not express any view herein on the growth prospects, financial position, and earnings potential of the Group. We are also not expressing any view herein as to the prices at which the Shares may be traded after the close of the Offer. Such evaluations and comments remain the sole responsibility of the Directors, although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this letter.

We are not authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Shares. We are therefore not addressing the relative merits of the Offer as compared to any alternative transaction that may be available to the Company, or as compared to any alternative offer that might otherwise be available in the future.

In the course of our evaluation of the financial terms of the Offer, we have relied on, and assumed without independent verification, the accuracy and completeness of published information relating to the Company. We have also relied to a considerable extent on information provided and representations made, including relevant financial analyses and estimates, by the management of the Group (the "**Management**"), the Directors and the Company's professional advisers. We have not independently verified such information, or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information, representation or assurance. We have nevertheless made such reasonable enquiries and exercised our judgement as we deemed necessary and have found no reason to doubt the reliability of the information.

We have relied upon the assurances of the Directors that upon making all reasonable inquiries and to the best of their respective knowledge, information and belief, all material information in connection with the Offer and the Company has been disclosed to us, that such information is true, complete and accurate in all material respects and that there is no other information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Company stated in the Circular to be inaccurate, incomplete or misleading in any material respect. The Directors jointly and severally accept responsibility accordingly.

Our analysis and opinion as set out in this letter is based upon market, economic, industry, monetary and other conditions in effect on, and the information provided to us as at 6 March 2023 (the "**Latest Practicable Date**"). Such conditions may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion considering any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. The shareholders of the Company should further take note of any announcement(s) relevant to their consideration of the Offer which may be released by the Company and/or the Offeror after the Latest Practicable Date.

We have not made any independent evaluation or appraisal of the assets and liabilities including, without limitation, the Group's investments properties, investment securities and properties held under the Group's investments in subsidiaries, associates, and joint ventures. In compliance with the Code and in connection with the Offer, the Company had commissioned the commissioned qualified valuers (the "**Valuers**") to carry out an independent valuation of the Group's (i) investment properties; (ii) properties held through investment securities; (iii) properties owned by joint venture companies; and (iv) properties owned by associates (excluding Boustead Industrial Fund). For the properties owned by Boustead Industrial Fund (a private business trust sponsored by the Company) ("**Boustead Industrial Fund**"), an independent valuation was carried out for each of the property as at 31 December 2022 for internal reporting purposes by Boustead Industrial Fund. Copies of the valuation reports, valuation summary or certificates ("**Valuation Reports**") for the aforementioned properties of the Group (collectively, the "**Appraised Properties**") are attached in Appendix VII to the Circular.

We are not experts in the evaluation or appraisal of the Appraised Properties concerned and we have placed sole reliance on the independent valuations conducted by the Valuers for such appraisal and have not made any independent verification of the contents thereof and the assumptions adopted by the Valuers. In particular, we do not assume any responsibility to enquire about the basis of the valuation contained in their Valuation Reports or if the contents thereof have been prepared and/or included in the Circular in accordance with all applicable regulatory requirements and professional standards including the Code and the International Valuation Standards.

In rendering our opinion, we have not had regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual shareholder. As each shareholder would have different investment objectives and profiles, we would advise the Independent Directors to recommend that any individual shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately. As such, our opinion should not be the sole basis for deciding whether to accept the Offer.

The Company has been separately advised by its own advisers in the preparation of the Circular (other than this letter). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Circular (other than this letter).

Our opinion is addressed to the Independent Directors for their benefit and deliberation of the Offer. Their recommendation made to the shareholders in relation to the Offer shall remain the responsibility of the Independent Directors.

**Our opinion in respect of the Offer, as set out in paragraph 9 of this letter, should be considered in the context of the entirety of this letter and the Circular.**

### **3 THE OFFER**

A notification letter containing the instructions for the electronic retrieval of the offer document dated 27 February 2023 (the "**Offer Document**"), setting out, *inter alia*, the terms and conditions of the Offer, has been despatched to shareholders of the Company. The principal terms and conditions of the Offer are set out in paragraphs 2 and 3 of the Offer Document. **Shareholders are advised to read the terms and conditions of the Offer set out in the Offer Document carefully.**

#### **3.1 Offer Shares**

The Offer will be extended to all Shares other than those Shares already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees and the parties acting in concert with it as at the date of the Offer.

### 3.2 Final Offer Price

As stated in paragraph 2.3 of the Offer Document, the consideration for the Offer Shares is:

**For each Offer Share: S\$0.95 in cash.**

**The Final Offer Price is final. The Offeror does not intend to revise the Final Offer Price, save that the Offeror reserves the right to revise the terms of the Offer in accordance with the Code if a competitive situation arises.**

### 3.3 No Encumbrances

As stated in paragraph 2.4 of the Offer Document, the Offer Shares are to be acquired (i) fully paid; (ii) free from all claims, charges, equities, mortgages, liens, pledges, encumbrances, rights of pre-emption and other third-party rights and interests of any nature whatsoever ("**Encumbrances**"); and (iii) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date, and thereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights, other distributions and/or return of capital (if any) declared, paid or made by the Company in respect of the Offer Shares (collectively, the "**Distributions**") on or after the Offer Announcement Date.

### 3.4 Adjustment for Distributions

Without prejudice to the foregoing, the Final Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution that may be declared, paid or made by the Company on or after the Offer Announcement Date.

Accordingly, in the event any Distribution is or has been declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date, the Final Offer Price payable to a shareholder of the Company who validly accepts the Offer (the "**Accepting Shareholder**") shall be reduced by an amount which is equal to the amount of such Distribution, depending on when the settlement date in respect of the Offer Shares tendered in acceptance of the Offer by such Accepting Shareholder falls, as follows:

- (i) if such settlement date falls on or before the record date for the determination of entitlements to the Distribution (the "**Record Date**"), the Final Offer Price shall remain unadjusted for each such Offer Share, as the Offeror will receive the Distribution in respect of such Offer Share from the Company; and
- (ii) if such settlement date falls after the Record Date, the Final Offer Price for each Offer Share shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share, as the Offeror will not receive the Distribution in respect of such Offer Share from the Company.

### 3.5 Unconditional Offer

The Offer is unconditional in all respects.

### 3.6 Revision of Terms of the Offer

As stated in Appendix 1, paragraph 1.2 to the Offer Document, pursuant to Rule 20.1 of the Code, the Offeror reserves its right to revise the terms of the Offer at such time and in such manner as it may consider appropriate. If the Offer is revised, the Offer will remain open for acceptances for at least 14 days from the date of posting of the written notification of the revision to the shareholders. In any case, where the terms are revised, the benefit of the Offer (as so revised) will be made available to each of the shareholders who have previously accepted the Offer.

### 3.7 Further Details of the Offer

**Further details of the Offer are set out in Appendix 1** to Offer Document, including details on (i) the duration of the Offer; (ii) the settlement of the consideration for the Offer; (iii) the requirements relating to the announcement of the level of valid acceptances of the Offer; and (iv) the right of withdrawal of acceptances of the Offer.



### 3.8 Warranty

A shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to unconditionally and irrevocably warrant that he sells such Offer Shares as or on behalf of the beneficial owner(s) thereof (i) fully paid; (ii) free from all Encumbrances; and (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all Distributions declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date.

### 3.9 No Options Proposal

Based on the latest information available to the Offeror, there are no outstanding options to subscribe for new Shares granted under any employee share scheme of the Company ("**Options**") as at 23 February 2023, being the latest practicable date of the Offer Document. Accordingly, the Offeror will not make an offer to acquire any Options.

## 4 INFORMATION ON THE COMPANY

The information on the Company as set out below in italics has been extracted from paragraph 6 of the Offer Document. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

### "6. INFORMATION ON THE COMPANY

**6.1 Introduction.** *The Company is a company incorporated in Singapore on 29 May 1996 and listed on the Mainboard of the SGX-ST on 30 April 2015. The Company is a leading provider of innovative eco-sustainable real estate solutions with a regional presence and two (2) core business segments: (i) Engineering & Construction ("**E&C**"), comprising turnkey engineering, full-fledged integrated digital delivery, and project and construction management encompassing design-and-build; and (ii) Real Estate, comprising real estate development, asset and leasing management, and fund management.*

**6.2 Share Capital.** *As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$9,505,000 (excluding any Shares held in treasury) comprising 313,260,631 ordinary shares.*

**6.3 Directors.** *As at the Latest Practicable Date, the directors of the Company are:*

**6.3.1** *John Lim Kok Min (Chairman & Independent Non-Executive Director);*

**6.3.2** *Wong Yu Wei<sup>1</sup> (Executive Deputy Chairman);*

**6.3.3** *Thomas Chu Kok Hong (Managing Director);*

**6.3.4** *Tam Chee Chong (Independent Non-Executive Director);*

**6.3.5** *Chong Lit Cheong (Independent Non-Executive Director); and*

**6.3.6** *Professor Yong Kwet Yew (Independent Non-Executive Director).*

**Appendix 4** *to this Offer Document sets out additional information on the Company. Information on the Company is also available from its website at [www.bousteadprojects.com](http://www.bousteadprojects.com)."*

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<sup>1</sup> Wong Yu Wei is the son of FF Wong.

## 5 INFORMATION ON THE OFFEROR

The information on the Offeror as set out below in italics have been extracted from paragraph 5 of the Offer Document. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

### "5. INFORMATION ON THE OFFEROR

**5.1 Introduction.** *The Offeror is a company incorporated in Singapore on 18 June 1975 and listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 17 October 1975. The Offeror is a progressive global infrastructure-related engineering and technology group with four (4) core business segments: (i) Energy Engineering; (ii) Real Estate; (iii) Geospatial; and (iv) Healthcare. FF Wong, Chairman & Group CEO is a controlling shareholder and is deemed interested in approximately 43.10% of the total shareholding of the Offeror.*

**5.2 Share Capital.** *As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S\$56,973,000 (excluding any Offeror Shares held in treasury) comprising 477,473,329 ordinary shares.*

**5.3 Shareholding in the Company.** *As at the Latest Practicable Date, the Offeror directly holds 190,147,509 Shares representing approximately 60.70% of the total number of issued Shares of the Company. FF Wong has an aggregate deemed interest in 79.98% of the Shares of the Company (including Shares held by the Offeror), of which he is deemed interested in 19.28% of the Shares of the Company held through nominees. For the avoidance of doubt, as FF Wong is a party acting in concert with the Offeror, the Offer does not extend to the Shares that he controls held through nominees (i.e. 19.28% of the Shares in the Company). In addition, FF Wong and his son, Wong Yu Loon, in their capacities as directors of the Offeror, have abstained from all decisions and deliberations in connection with the making of the Offer, including the terms thereof.*

**5.4 Directors.** *As at the Latest Practicable Date, the directors of the Offeror are:*

**5.4.1** *FF Wong (Chairman & Group CEO);*

**5.4.2** *Wong Yu Loon<sup>2</sup> (Executive Director & Deputy Group CEO);*

**5.4.3** *Mak Lye Mun (Lead Independent Director);*

**5.4.4** *Dr. Tan Khee Giap (Independent Non-Executive Director); and*

**5.4.5** *Liak Teng Lit (Independent Non-Executive Director).*

*Appendix 3 to this Offer Document sets out additional information on the Offeror. Information on the Offeror is also available from its website at [www.boustead.sg](http://www.boustead.sg)."*

## 6 RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS FOR THE COMPANY AND ITS LISTING STATUS

### 6.1 Rationale for the Offer

The information on the rationale of the Offer as set out below in italics have been extracted from paragraph 7 of the Offer Document. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

### "7. RATIONALE FOR THE OFFER

*The Offeror believes that the Offer will be beneficial to all stakeholders of both BSL and BPL for the following reasons:*

**7.1 Simplification and Optimisation of the Group's Organisational Structure.** *The proposed acquisition by the Offeror of all the Offer Shares in the Company (the "Proposed Acquisition") is in line with the Offeror's overarching intentions and its ongoing strategic reviews and objective to streamline its investments, businesses, operations and the corporate structure of the group (including the Company).*

<sup>2</sup> Wong Yu Loon is the son of FF Wong.

*The ongoing COVID-19 pandemic has had an unprecedented impact on the global economy and on the Company's E&C business operations and financial performance. The Company's E&C business profits have been significantly lower in light of the COVID-19 pandemic as compared to the historical profit of the E&C business during the pre-COVID-19 pandemic period.*

*The Offeror believes that the Proposed Acquisition will allow the Company's management team to focus on rebuilding its business, including the Company's E&C business, as a private limited company without the additional obligations that come with being a listed company on the Mainboard of the SGX-ST, including but not limited to the compliance costs and time dedicated to regulatory and reporting obligations.*

*The Proposed Acquisition will allow the Offeror to simplify the group structure and reduce organisational complexity, providing the Offeror with greater control and flexibility to mobilise and optimise its resources across its businesses. The simplified group structure will allow for a sharper focus in operations and increase competitiveness, enhancing shareholder value.*

- 7.2 Opportunity for Shareholders to Fully Realise their Investment at a Premium without incurring Brokerage Costs.** *The Offer provides an opportunity for Shareholders who wish to realise their investment to do so in cash, at a premium to prevailing market prices prior to the Offer Announcement Date and without incurring brokerage fees. The Offer Price represents a premium of approximately:*

- 7.2.1** *13.8% over the last traded price per Share as quoted on the SGX-ST on 3 February 2023 being the last full trading day immediately prior to the Offer Announcement (the "Last Trading Day");*
- 7.2.2** *21.6% over the VWAP of the Shares for the 1-month period prior to and including the Last Trading Day;*
- 7.2.3** *21.0% over the VWAP of the Shares for the 3-month period prior to and including the Last Trading Day;*
- 7.2.4** *17.7% over the VWAP of the Shares for the 6-month period prior to and including the Last Trading Day; and*
- 7.2.5** *6.9% over the VWAP of the Shares for the 12-month period prior to and including the Last Trading Day.*

- 7.3 Low Trading Liquidity.** *Shareholders can quickly and totally exit their investment in the Company in a low liquidity environment without incurring brokerage fees, moreover in an Offer that is unconditional in all respects. The trading volume of the Shares has been generally low, with an average daily trading volume of approximately 10,414 Shares, 39,571 Shares, 26,063 Shares and 39,925 Shares during the 1-month period, 3-month period, 6-month period and 12-month period up to and including the Last Trading Day. These represent 0.003%, 0.013%, 0.008% and 0.013% of the total number of issued Shares for the aforementioned relevant periods, respectively.*

*Furthermore, there have been 7 days, 19 days, 37 days and 53 days of zero daily trading volume during the 1-month period, 3-month period, 6-month period and 12-month period up to and including the Last Trading Day. These represent 33.3%, 30.6%, 29.4% and 21.2% of the total trading days for the aforementioned relevant periods, respectively.*

- 7.4 Compliance Costs relating to Listing Status.** *The Offeror is of the view that in maintaining the Company's listing status, the Company incurs additional compliance and associated costs. If the Company is delisted, the Company will be able to (i) dispense with costs associated with complying with listing and other regulatory requirements; and (ii) streamline human resources required for such compliance."*

## 6.2 The Offeror's Intentions for the Company

The information on the Offeror's intentions for the Company as set out below in italics has been extracted from paragraph 8 of the Offer Document. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

### **"8. THE OFFEROR'S INTENTIONS FOR THE COMPANY**

**8.1 *The Offeror's Future Plans for the Company.*** *The Company is a principal subsidiary of the Offeror. The Offeror intends for the Company to continue to develop and grow the existing businesses of the Company and its subsidiaries. The Offeror and the Company will continue to review, from time to time, the operations of the Company and its subsidiaries as well as the Company's strategic options. The Offeror retains the flexibility at any time to further consider any options or opportunities in relation to the Company which may present themselves and which the Offeror may regard to be in the interests of the Offeror and/or the Company.*

**8.2** *Save as disclosed above, the Offeror has no current intentions to (i) introduce any major changes to the existing business of the Company, (ii) re-deploy the fixed assets of the Company, or (iii) discontinue the employment of the existing employees of the Company or its subsidiaries, in each case, other than in the ordinary and usual course of business.*

**8.3 *Listing Status of the Company.*** *Under Rule 723 of the Listing Manual, the Company must ensure that at least 10% of the total number of Shares (excluding any Shares held in treasury) is at all times held in public hands. Pursuant to Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and its concert parties to above 90% of the total number of issued Shares (excluding Shares held in treasury), the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time it is satisfied that at least 10% of the total number of issued Shares (excluding Shares held in treasury) are held by at least 500 shareholders of the Company who are members of the public. Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding Shares held in treasury), thus causing the percentage of the total number of issued Shares (excluding Shares held in treasury) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.*

*In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total number of issued Shares (excluding Shares held in treasury) held in public hands falls below 10%, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend the trading of all the Shares. Rule 724(2) of the Listing Manual states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares (excluding Shares held in treasury) in public hands to at least 10%, failing which the Company may be delisted from the SGX-ST.*

**8.4 *The Offeror's Intentions.*** *It is the intention of the Offeror to privatise the Company and delist the Company from the SGX-ST, should the option be available to the Offeror. In the event that the trading of Shares on the SGX-ST is suspended pursuant to Rule 724, Rule 1105 or Rule 1303(1) of the Listing Manual, the Offeror has no intention to undertake or support any action for any such trading suspension by the SGX-ST to be lifted. In addition, the Offeror reserves the right to seek a voluntary delisting of the Company from the SGX-ST, pursuant to Rules 1307 and 1309 of the Listing Manual.*

**8.5 *Compulsory Acquisition.*** *The Offeror will not be able to avail itself of the powers of compulsory acquisition under Section 215(1) of the Companies Act following the completion of the Offer."*

## 7 ASSESSMENT OF THE FINANCIAL TERMS OF THE OFFER

In assessing the fairness and reasonableness of the financial terms of the Offer, we have considered the following factors which we consider to be pertinent and to have a significant bearing on our assessment of the Offer:

- (i) Historical market price performance and trading activity of the Shares;
- (ii) Share price performance relative to market indices;

- (iii) Historical financial information of the Group;
- (iv) Analysis of the Group's net asset value ("**NAV**") per Share and revalued NAV ("**RNAV**") per Share;
- (v) Historical trailing price-to-NAV ("**P/NAV**") and price-to-earnings ("**P/E**") ratios of the Shares;
- (vi) Valuation ratios of selected companies listed on the SGX-ST that are broadly comparable to the Company;
- (vii) Selected precedent privatisation transactions on SGX-ST;
- (viii) Precedent comparable transactions involving public listed companies that are broadly comparable to the Company;
- (ix) Estimated valuation of the Shares;
- (x) Analyst's estimate and price target for the Company; and
- (xi) Distribution track record of the Company.

The following is a brief description of the following widely used valuation measures considered in our evaluation:

Valuation ratios	General descriptions
<b>EV/EBITDA</b>	<b>"EV"</b> or <b>"enterprise value"</b> is the sum of the company's market capitalisation, preferred equity, minority interests, short and long-term debt less its cash and equivalents. <b>"EBITDA"</b> stands for historical earnings before interest, tax, depreciation and amortisation expenses, including of shares of associates' and joint ventures' income and excluding exceptional items. The <b>"EV/EBITDA"</b> ratio illustrates the market value of the company's business relative to its historical pre-tax operating cash flow performance, without regard to the company's capital structure. The P/E is an earnings-based valuation methodology.
<b>P/E</b>	<b>"P/E"</b> or <b>"price-to-earnings"</b> illustrates market price of a company's shares relative to its earnings per share. The P/E ratio is affected by, <i>inter alia</i> , the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and intangible assets.
<b>P/NAV</b>	<b>"P/NAV"</b> illustrates the comparison between a company's stock price or market value versus the book value of the company's total shareholders' common equity as indicated on its balance sheet. Comparisons of companies using their book NAVs are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies. The P/NAV approach is meaningful as it shows the extent to which the value of each share is backed by both tangible and intangible assets and would be relevant in the event that the company or group decides to realise or convert the use of all or most of its assets. P/NAV shows the extent to which the value of each share is backed by assets and represents an asset-based relative valuation methodology.
<b>P/RNAV</b>	<b>"P/RNAV"</b> or <b>"price-to-RNAV"</b> illustrates the extent that the value of each share is backed by assets, taking into account their market or realisable values which have been revalued. RNAV is typically used to revalue property-related assets that are held by property investors and developers, which may be carried in the accounts at either historical cost or on a revalued basis, depending on the relevant accounting standards adopted.



Valuation ratios	General descriptions
P/NTA	"P/NTA" or "price-to-NTA" refers to the ratio of a company's share price divided by NTA per share. The ratio represents an asset-based relative valuation which takes into consideration the book value or NTA backing of a company. The NTA of a company provides an estimate of its value assuming a hypothetical sale of all its tangible assets and repayment of its liabilities and obligations, with the balance being available for distribution to its shareholders. It is an asset-based valuation methodology and this approach is meaningful to the extent that it measures the value of each share that is attached to the net tangible assets of the company.

We have also considered other relevant considerations which have a significant bearing on our assessment as set out in paragraph 8 of this letter.

The figures, underlying financial and market data used in our analysis, including securities prices, trading volumes, free float data and foreign exchange rates have been extracted from S&P Capital IQ, Bloomberg L.P., Monetary Authority of Singapore, SGXNet and other public filings as at the Latest Practicable Date or as provided by the Company where relevant. PPCF makes no representation or warranties, express or implied, as to the accuracy or completeness of such information.

## 7.1 Historical market price performance and trading activity of the Shares

The Shares were last transacted on 1 February 2023 ("**Last Full Traded Day**") prior to the Offer Announcement Date. For the purpose of our analysis, we have compared the Final Offer Price against the historical market price performance of the Shares and considered the historical trading volume of the Shares from 1 February 2021 to 1 February 2023, being the 2-year period prior to the trading halt and to the Last Full Traded Day (the "**2-year Lookback Period**"), and after the Last Full Traded Day to the Offer Announcement Date and up to and including the Latest Practicable Date.

We set out below the daily closing price and daily trading volume of the Shares for the 2-year Lookback Period. We have also marked certain dates in the chart where significant events have occurred.

Daily closing price and daily trading volume of the Shares for 2-year Lookback Period up to and including the Last Full Traded Day



Sources: Bloomberg L.P. and the Company's announcements on the SGXNet

### Earnings announcements:

- E1. 25 May 2021.** The Group announced its full year financial results for the financial year ended 31 March ("FY") 2021. The Group's revenue decreased by approximately 29.3% from approximately S\$426.2 million in FY2020 to approximately S\$301.4 million in FY2021. However, net profit after tax increased by approximately 495.0% from approximately S\$22.1 million in FY2020 to approximately S\$131.6 million in FY2021.
- E2. 11 November 2021.** The Group announced its financial results for the 6-month ended 30 September 2021 ("1H2022"). Revenue increased by approximately 104.2% from approximately S\$87.7 million in 1H2021 to approximately S\$179.1 million in 1H2022. The Group recorded a profit after tax of approximately S\$5.9 million in 1H2022 as compared to a loss after tax of approximately S\$2.3 million in 1H2021.
- E3. 25 May 2022.** The Group announced its full year financial results for FY2022. The Group's revenue increased by approximately 12.5% from approximately S\$301.4 million in FY2021 to approximately S\$339.1 million in FY2022. However, its net profit after tax decreased by approximately 91.4% from approximately S\$131.6 million in FY2021 to approximately S\$11.3 million in FY2022.
- E4. 10 November 2022.** The Group announced its financial results for the 6-month ended 30 September 2022 ("1H2023"). The Group's revenue decreased by approximately 34.3% from approximately S\$179.1 million in FY2022 to approximately S\$117.7 million in 1H2023. However, its net profit after tax increased by approximately 29.9% from approximately S\$5.9 million in 1H2022 to approximately S\$7.7 million in 1H2023.

### Other significant events or announcements:

- A1. 1 February 2021.** The Company announced that its wholly-owned subsidiary, BP-Vietnam Development Pte Ltd ("BP-VD") had, on 29 January 2021 entered into a sale and purchase agreement with Mr Bui Duc Manh to acquire 8,575,000 issued ordinary shares in KTG Industrial Bac Ninh Development Joint Stock Company (the "Target"), representing 49.0% of the issued and paid-up share capital of the Target. The Target is the sole owner and developer of two (2) land lots located within the Yen Phong Industrial Zone in Bac Ninh, Vietnam.
- A2. 4 March 2021.** The Company announced the completion of the Proposed Initial Subscription<sup>3</sup> and Proposed Divestment<sup>4</sup> in connection with the establishment of Boustead Industrial Fund, a private business trust sponsored by the Company. Boustead Industrial Fund is a private business trust with an investment mandate to invest in, administer and manage certain investments in logistics, business parks and industrial properties.
- A3. 4 August 2021.** The Company announced that its wholly-owned subsidiary, Boustead Projects E&C Pte Ltd ("BP E&C"), has received summons to appear at the State Courts of Singapore on 27 August 2021 to answer to 79 charges under the Air Navigation Act 1966 and subsidiary legislation promulgated thereunder Chapter 6 of Singapore ("ANA").
- A4. 5 August 2021.** The ex-date for the final dividend of S\$0.009 per share and a special dividend of S\$0.145 per Share declared for FY2021.
- A5. 3 November 2021.** The Company announced that its engineering and construction ("E&C") subsidiaries in Singapore, Malaysia and Vietnam have been awarded a pipeline of contracts and variations collectively valued at about S\$75 million since the start of FY2022. This raised the Group's order backlog to approximately S\$426 million.
- A6. 29 March 2022.** The Company announced that BP E&C pleaded guilty to 10 charges at a hearing held at the State Courts of Singapore on 28 March 2022. These charges related to the use of unmanned drones by BP E&C at two (2) of its construction sites. For the 10 charges, BP E&C was imposed with fines of a total amount of S\$94,000, with the 69 remaining charges mentioned in the Company's announcement dated 4 August 2021, taken into consideration for the purposes of sentencing.

<sup>3</sup> The initial subscription of (i) new units in the Boustead Industrial Fund for the Company to hold a 25.0% effective interest in units in the Boustead Industrial Fund; and (ii) up to S\$59.0 million in aggregate principal amount of 7.0% Notes due 2031 issued by Perpetual (Asia) Limited (in its capacity as trustee of Boustead Industrial Fund), representing 25.0% of the aggregate principal amount of Notes issued.

<sup>4</sup> The sale of (i) 11 properties directly held by the Company and/or together with joint venture partners; and (ii) the Company's interests in three (3) special purpose vehicles to Boustead Industrial Fund.

- A7. 5 May 2022.** The Company announced that its wholly-owned subsidiary BP-VD has entered into a strategic collaboration arrangement with Khai Toan Joint Stock Company ("**KTG**") to acquire, develop and own a portfolio of logistics and industrial properties in Vietnam ("**Strategic Collaboration**"). Pursuant to the Strategic Collaboration, BP-VD will own the properties in Vietnam via acquiring and holding 60.0% of the issued and paid-up share capital in KTG & Boustead Joint Stock Company ("**KBJSC**"), which will be transferred from KTG at a consideration of approximately US\$28.2 million. KBJSC is the 100% parent company of KTG & Boustead Industrial Logistics Joint Stock Company ("**KBIL**"), which owns the initial portfolio of six (6) logistics and industrial properties ("**Initial Vietnamese Properties**") through special purpose vehicles ("**KBIL SPVs**") where the properties held by the KBIL SPVs have a total market value of approximately US\$84.2 million.
- A8. 24 June 2022.** The 50%-joint venture company, Bideford House Pte Ltd (the "**Purchaser**"), of the Company's wholly-owned subsidiary, BP-Real Estate Investment Pte Ltd, has completed the acquisition of a property situated at 28 & 30 Bideford Road, Singapore 229922 for a consideration of approximately S\$515 million. The consideration will be funded by the Purchaser via external bank financing as well as shareholders' loans.
- A9. 18 July 2022.** The Company announced that BP E&C has been awarded a record contract valued at approximately S\$300 million by a Fortune 500 corporation to design and build an integrated manufacturing, logistics and office facility in Singapore. This has boosted the Group's order backlog to approximately S\$523 million.
- A10. 30 January 2023.** The Company announced that Boustead Industrial Fund has entered into a put and call option agreement to acquire a property at 26 Tai Seng Street, Singapore 534057, at a purchase price of approximately S\$98.8 million, which was negotiated on a willing-buyer and willing-seller basis.

Based on the chart above, we note that in the 2-year Lookback Period, the Shares had generally traded above the Final Offer Price until around May 2022, but have since traded below the Final Offer Price even until the Last Full Traded Day. The Final Offer Price represents a premium of 13.8% to the last transacted Share price of S\$0.835 on the Last Full Traded Day.

We have also set out below the daily closing price and daily trading volume of the Shares for the period after the Last Full Traded Day to the Offer Announcement Date, Offer Price Revision Date and up to and including the Latest Practicable Date.

**Daily closing price and daily trading volume of the Shares from the Offer Announcement Date up to the Latest Practicable Date**



Sources: Bloomberg L.P. and the Company's announcements on the SGXNet



## Significant events or announcements:

- A11. 6 February 2023.** The Offeror announced that it intends to make a voluntary unconditional general offer for all the issued and paid up ordinary shares in the capital of the Company other than those Shares already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees and the parties acting in concert with it as the date of the Offer in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers. The offer price of S\$0.90 (being the Initial Offer Price) in cash for each Offer Share.
- A12. 22 February 2023.** A trading halt was announced by the Company and the Offeror announced that it is revising the offer price to S\$0.95 (being the Final Offer Price) in cash for each Offer Share.
- A13. 23 February 2023.** Following the announcement of the Final Offer Price and lifting of the trading halt, the Offeror acquired 18,251,500 Shares, representing 5.83% of the Shares at a price of S\$0.95 per Share, on 23 February 2023.

Based on the above, we note that the last transacted price of the Shares on 1 February 2023 (being the Last Full Traded Day) was S\$0.835. On 7 February 2023 (being the Market Day after the Offer Announcement Date), the price of the Shares rose to close at S\$0.910. Subsequent to the Offer Announcement Date and up to and including 22 February 2023 (being the Offer Price Revision Date), the Shares had traded above the Initial Offer Price of S\$0.900, at between S\$0.910 and S\$0.990, representing a premium of between approximately 1.1% to 10.0% to the Initial Offer Price. From 22 February 2023, being the Offer Price Revision Date, and up to and including the Latest Practicable Date, the Shares had traded at between S\$0.950 and S\$0.955.

We have also set out below the premium over or discount as implied by the Final Offer Price to the historical VWAP and historical trading volume of the Shares from 1 February 2021 (being the beginning of the 2-year Lookback Period) up to and including the Latest Practicable Date.

Premium/(discount) implied by the Final Offer Price to VWAP <sup>(1)(5)</sup>							
	VWAP <sup>(1)</sup> (S\$)	Premium / (discount) of Final Offer Price over VWAP (%)	Highest closing price (S\$)	Lowest closing price (S\$)	No. of traded days <sup>(2)</sup>	Average daily trading volume ("ADTV") <sup>(3)</sup>	ADTV as a percentage of free float <sup>(3) (4)</sup> (%)
<b>Periods up to and including the Last Full Traded Day</b>							
2-year VWAP	1.104	(13.9)	1.370	0.770	503	136,966	0.16
1-year VWAP	0.889	6.9	1.000	0.770	250	40,024	0.05
6-month VWAP	0.809	17.4	0.900	0.770	127	26,647	0.03
3-month VWAP	0.786	20.9	0.850	0.770	63	39,202	0.05
1-month VWAP	0.781	21.6	0.845	0.785	21	10,414	0.01
Last Full Traded Day	0.835	13.8	0.835	0.790	-	1,700	0.00
<b>Periods after the Offer Announcement Date up to and including the Latest Practicable Date</b>							
After the Offer Announcement Date up to the Offer Price Revision Date	0.925	2.7	0.990	0.910	12	1,539,508	1.79
After the Offer Announcement Date up to the Latest Practicable Date	0.939	1.2	0.990	0.910	20	2,100,495	2.45
After the Offer Price Revision Date up to the Latest Practicable Date	0.950	-	0.955	0.950	8	2,941,975	3.43
Last transacted price on the Latest Practicable Date	0.950	-	0.950	0.950	-	217,400	0.25

Source: Bloomberg L.P.

**Notes:**

- (1) VWAP is calculated based on the aggregate daily turnover value of the Shares and aggregate daily traded volume of the Shares for the relevant trading days for each relevant period as obtained from Bloomberg L.P., excluding off-market transactions.
- (2) Traded days refer to the number of days on which the Shares were traded on the SGX-ST during that relevant period.
- (3) The ADTV of the Shares is calculated based on the total volume of Shares traded during the relevant periods, divided by the number of market days (excluding days with full day trading halts on the Shares) during that relevant period.
- (4) Free float refers to approximately 85,833,404 Shares based on the free float of approximately 27.4% of the issued Shares, held by the public (as defined under the Listing Manual of the SGX-ST) as at the latest practicable date as disclosed in the Company's annual report for FY2022.
- (5) The price shown refers to the closing price.

Based on the above, we note the following in relation to the trading prices of the Shares:

- (i) The Final Offer Price is within the range of the daily closing price of the Shares over the 2-year Lookback Period up to and including the Last Full Traded Day, which is between a low of S\$0.770 per Share and a high of S\$1.370 per Share;
- (ii) The Final Offer Price represents premia of 6.9%, 17.4%, 20.9% and 21.6% over the VWAP of the Shares for the 1-year, 6-month, 3-month and 1-month periods prior to the Offer Announcement Date respectively, and represents a discount of 13.9% to the VWAP of the Shares for the 2-year period prior to the Last Full Traded Day;
- (iii) The Final Offer Price represents a premium 13.8% to the closing price of the Shares of S\$0.835 on the Last Full Traded Day;
- (iv) Following the Offer Announcement Date and up to the Offer Price Revision Date, we note that the Shares traded between S\$0.910 and S\$0.990. Between the period after the Offer Announcement Date up to and including 14 February 2023, the Shares had traded above the Initial Offer Price of S\$0.900 between S\$0.910 to S\$0.945. From 15 February 2023 up to the Offer Price Revision Date, the Shares traded between a range of between S\$0.955 and S\$0.990 per Share, which were also above the Final Offer Price of S\$0.950; and
- (v) Following the Offer Price Revision Date up to the Latest Practicable Date, we noted that the Shares traded mostly at S\$0.950 for the period after the Offer Price Revision Date up to the Latest Practicable Date. This was mainly attributable to market acquisitions by the Offeror and the Offeror's concert parties during the aforesaid period.

We note the following regarding the trading liquidity of the Shares:

- (i) During the 2-year Lookback Period, the ADTV of the Shares for the 2-year, 1-year, 6-month, 3-month and 1-month periods prior to the release of the Offer Announcement was low, representing 0.16%, 0.05%, 0.03%, 0.05% and 0.01% of the free float of the Shares respectively;
- (ii) Subsequent to the Offer Announcement Date and up to and including the Latest Practicable Date, the trading liquidity of the Shares rose significantly to an ADTV of approximately 2.1 million, representing approximately 2.45% of the Company's free float; and
- (iii) Subsequent to the Offer Price Revision Date and up to and including the Latest Practicable Date, the trading liquidity of the Shares rose significantly to an ADTV of approximately 2.9 million, representing approximately 3.43% of the Company's free float, as compared to 2-year Lookback Period. This was mainly attributable to market acquisitions by the Offeror and the Offeror's concert parties during the aforesaid period.

Based on the information presented in paragraphs above:

- (i) It appears likely that the recent market price is supported by the Offer, given that the Final Offer Price is at a premium to the historical traded prices of the Shares over the 1-year, 6-month, 3-month, 1-month periods and closing price of the Shares of S\$0.835 on the Last Full Traded Day; and
- (ii) The highest ADTV as a percentage of free float for the periods prior to and including the Offer Announcement Date was 0.16%. Hence, the trading prices of the Share may not be considered as a fair representation of the value of the Shares. The absolute traded volume of the Shares is fairly thin which may result in investors being unable to undertake transactions

in larger number of Shares at the intended price or a price higher than the Final Offer Price.

**Shareholders should note that there is no assurance that the market prices and trading volumes of the Shares will maintain at the level for the period after the Offer Announcement Date up to the Latest Practicable Date after the close or lapse of the Offer. Shareholders are advised that the historical trading performance of the Shares should not, in any way, be relied upon as an indication or a promise of its future trading performance.**

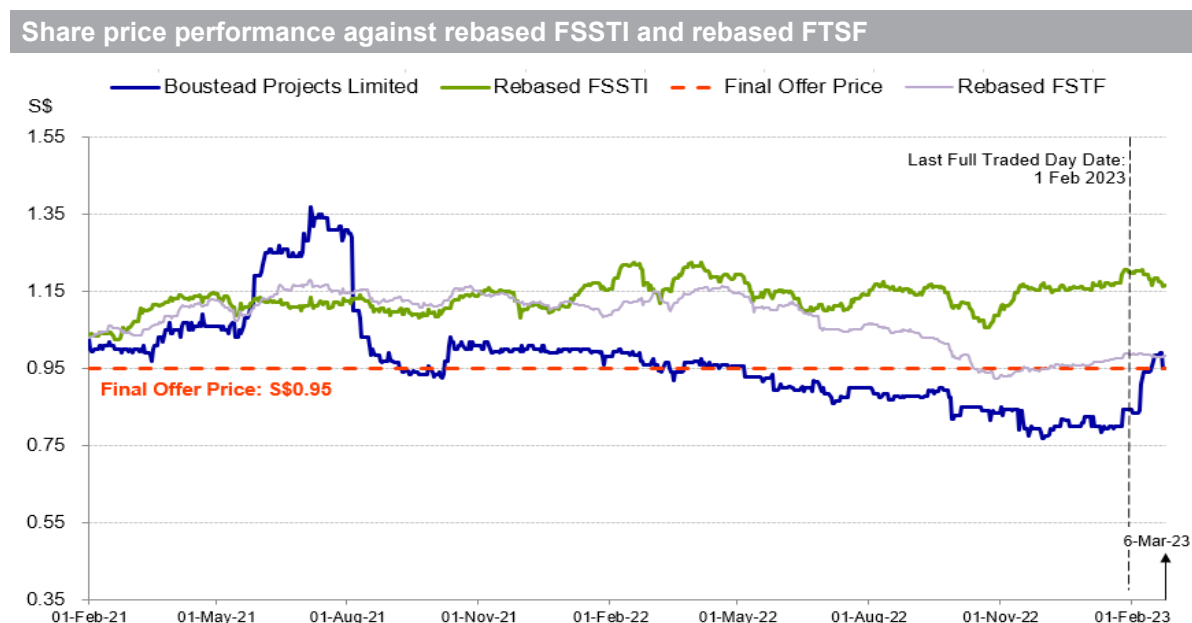
We wish to highlight that the market valuation of shares traded on a stock exchange may be affected by, *inter alia*, its relative liquidity, the size of its free float, the extent of research coverage, the investor interest it attracts, the prevailing economic conditions, economic outlook and the general market sentiment at a given point in time.

## 7.2 Share price performance relative to market indices

To gauge the market price performance of the Shares relative to the general share price performance of the Singapore equity market, we have compared the market price movement of the Shares against the following indices:

- (i) FTSE Straits Times Index (the "**FSSTI**"), which is a market capitalisation weighted index based on stocks of 30 representative companies listed on the Mainboard of the SGX-ST; and
- (ii) FTSE Straits Times Fledgling Index (the "**FTSF**"), which is a modified market capitalisation weighted index comprising of all companies that are too small to be included within the FTSE Straits Times All Share Index.

The FSSTI and FTSF have been rebased to the closing price of the Company as at the beginning of the 2-year Lookback Period (being 1 February 2021) prior to the release of the Offer Announcement. The market price performance of the Shares relative to the rebased FSSTI and FTSF for the period from 1 February 2021 up to and including the Latest Practicable Date, is illustrated below.



Source: Bloomberg L.P.

We have also set out in the table below the movements in the last transacted prices as compared to the start of the 2-year Lookback Period (being 1 February 2021) and the rebased FSSTI and rebased FTSF between the Last Full Traded Day and the Latest Practicable Date:

	As at the Last Full Traded Day	As at the Latest Practicable Date	Percentage Change
	(S\$)	(S\$)	(%)
Shares	0.835	0.950	13.8%
Rebased FSSTI	1.201	1.152	(4.1)%
Rebased FTSF	0.987	0.977	(1.0)%

Source: Bloomberg L.P.

Based on the above, we note the following:

- (i) During the period from end of May 2021 to 4 August 2021, the Shares had outperformed the rebased FSSTI and rebased FTSTF. We note that this was following the Group's announcement in relation to (i) its full year financial results for FY2021, whereby its net profit after tax increased by approximately 495.0% from FY2020 mainly due to one-off gain of approximately S\$134.8 million from the Boustead Industrial Fund's value-unlocking transaction; and (ii) the declaration of final dividend of S\$0.009 per share and a special dividend of S\$0.145 per Share for FY2021. Further details on the Company's financial performance for FY2021 are set out under paragraph 7.3.1 below;
- (ii) Save for the period from end of May 2021 to 4 August 2021, during the 2-year Lookback Period up to and including the Last Full Traded Day, the Shares had under-performed the rebased FSSTI and rebased FTSTF;
- (iii) Since the beginning of the 2-year Lookback Period from 1 February 2021 compared to the Last Full Traded Day, the Share price had decreased by 18.9%, while the rebased FSSTI had increased 16.6% and the rebased FTSTF has decreased 4.2%; and
- (iv) Subsequent to the Offer Announcement Date and up to the Latest Practicable Date, the Share prices increased significantly to outperform the rebased FSSTI and FTSTF, having increased by approximately 13.8% as compared to the decrease of approximately 4.1% and 1.0% in the rebased FSSTI and FTSTF over the same period.

The above observation reinforces our view that the market price of the Shares appears to have been supported by the Offer subsequent to the Offer Announcement Date. Shareholders should note that there is no assurance that the market price of the Shares will be maintained at the prevailing level as at the Latest Practicable Date after the close of the Offer.

## 7.3 Historical financial information of the Group

### 7.3.1 Financial performance of the Group

For the purpose of evaluating the financial terms of the Offer, we have considered the Group's audited financial statements for FY2020, FY2021 and FY2022 and the unaudited six-month financial statements for 1H2022 and 1H2023. A summary of the statement of comprehensive income of the Group for FY2020, FY2021, FY2022, 1H2022 and 1H2023 is set out in the table below. The following summary statement of comprehensive income should be read in conjunction with the full text of the audited financial statements set out in the Company's annual reports and the financial results announcement of the Group in respect of the relevant financial years including the notes thereto.

The Group's businesses comprise the following:

- (i) Provision of turnkey engineering and construction services ("**E&C**");
- (ii) Developing, owning, managing, leasing and sale of properties, and real estate fund management ("**Real Estate**"); and
- (iii) Management of financial assets and other investments ("**HQ Activities**").

Selected items from statements of comprehensive income					
(S\$'000)	FY2020 (Audited)	FY2021 (Audited)	FY2022 (Audited)	1H2022 (Unaudited)	1H2023 (Unaudited)
Revenue	426,224	301,405	339,089	179,126	117,729
Profit before income tax ("PBT")	27,455	140,564	13,841	8,353	10,595
PBT margin	6.4%	46.6%	4.1%	4.7%	9.0%
Profit after tax ("PAT")	22,125	131,642	11,331	5,900	7,664
PAT margin	5.2%	43.7%	3.3%	3.3%	6.5%
Profit attributable to equity holders of the Company	22,212	131,688	11,336	5,902	7,666
Profit margin (excluding non-controlling interests)	5.2%	43.7%	3.3%	3.3%	6.5%

Revenue and profit/(loss) before tax of the Group by business segments					
(S\$'000)	FY2020 (Audited)	FY2021 (Audited)	FY2022 (Audited)	1H2022 (Unaudited)	1H2023 (Unaudited)
<b>Revenue</b>					
<b>E&amp;C</b>	<b>391,919</b>	<b>264,713</b>	<b>324,509</b>	<b>172,760</b>	<b>109,102</b>
Percentage of revenue	92.0%	87.8%	95.7%	96.4%	92.7%
<b>Real Estate</b>	<b>34,305</b>	<b>36,692</b>	<b>14,580</b>	<b>6,366</b>	<b>8,627</b>
Percentage of revenue	8.0%	12.2%	4.3%	3.6%	7.3%
<b>HQ Activities<sup>(1)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Percentage of revenue	-	-	-	-	-
<b>Total revenue</b>	<b>426,224</b>	<b>301,405</b>	<b>339,089</b>	<b>179,126</b>	<b>117,729</b>
<b>Profit/(loss) before income tax</b>					
<b>E&amp;C</b>	<b>19,560</b>	<b>3,083</b>	<b>(6,512)</b>	<b>2,789</b>	<b>2,440</b>
Percentage of profit/(loss)	71.2%	2.2%	(47.0)%	33.4%	23.0%
<b>Real Estate</b>	<b>7,895</b>	<b>137,481</b>	<b>17,924</b>	<b>4,582</b>	<b>6,668</b>
Percentage of profit/(loss)	28.8%	97.8%	129.5%	54.9%	62.9%
<b>HQ Activities<sup>(1)</sup></b>	<b>-</b>	<b>-</b>	<b>2,429</b>	<b>982</b>	<b>1,487</b>
Percentage of profit/(loss)	-	-	17.5%	11.8%	14.0%
<b>Total PBT</b>	<b>27,455</b>	<b>140,564</b>	<b>13,841</b>	<b>8,353</b>	<b>10,595</b>
<b>Revenue of the Group by geographical segments</b>					
(S\$'000)	FY2020 (Audited)	FY2021 (Audited)	FY2022 (Audited)	1H2022 (Unaudited)	1H2023 (Unaudited)
<b>Singapore</b>	<b>416,256</b>	<b>226,691</b>	<b>263,900</b>	<b>143,239</b>	<b>99,381</b>
Percentage of revenue	97.7%	75.2%	77.8%	80.0%	84.4%
<b>Malaysia</b>	<b>1,232</b>	<b>67,501</b>	<b>64,013</b>	<b>30,115</b>	<b>12,888</b>
Percentage of revenue	0.3%	22.4%	18.9%	16.8%	10.9%
<b>Socialist Republic of Vietnam</b>	<b>7,337</b>	<b>3,734</b>	<b>4,556</b>	<b>1,709</b>	<b>3,747</b>
Percentage of revenue	1.7%	1.2%	1.3%	1.0%	3.2%
<b>Other countries</b>	<b>1,399</b>	<b>3,479</b>	<b>6,620</b>	<b>4,063</b>	<b>1,713</b>
Percentage of revenue	0.3%	1.2%	2.0%	2.3%	1.5%
<b>Total revenue</b>	<b>426,224</b>	<b>301,405</b>	<b>339,089</b>	<b>179,126</b>	<b>117,729</b>

Sources: The Company's annual reports for FY2020, FY2021 and FY2022 and the Company's financial results announcements for 1H2022 and 1H2023.

**Notes:**

- (1) We noted that in FY2020, the business segments of the Company were classified differently compared with FY2021, FY2022 and 1H2023, whereby there was previously an "Investment" segment instead of the "HQ Activities" segment. Accordingly, we have presented the information as shown in the annual report for FY2020.
- (2) Any discrepancies in the tables above between the total sum of amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

**1H2023 as compared to 1H2022**

For 1H2023, overall revenue was 34.3% lower year-on-year at S\$117.7 million, mainly attributable to lower revenue contributions from the E&C business, in line with a leaner order backlog of E&C projects carried forward at the end of FY2022. This was partially offset by higher revenue contribution from the Real Estate business mainly due to higher rental income from growing real estate activities in Vietnam.

The Group's gross profit for 1H2023 was 3.0% lower year-on-year at S\$11.2 million, mainly due to the significantly lower revenue from the E&C business.

The Group's PBT for 1H2023 was 26.8% higher year-on-year at S\$10.6 million, mainly due to (i) the higher interest income derived from the notes issued by Boustead Industrial Fund held by the Group; and (ii) lower total overhead expenses due to the absence of share-based compensation expense in relation to directors and lower employee compensation. In addition, share of profit of associates and joint ventures was 56.9% higher year-on-year at S\$1.7 million, mainly due to improvements in ongoing asset stabilisations under joint ventures, which was partially offset by higher share of losses under



associates and for the newly acquired 28 & 30 Bideford Road. The increase was partially offset by the lower other gains due to marginal foreign exchange losses registered in 1H2023 as compared to significant gains in 1H2022, and higher finance expenses due to an increase in bank loans and lease liabilities, following the completion of Boustead Industrial Park Phase 2A in Vietnam.

The Group's PAT and net profit attributable to shareholders of the Company for 1H2023 were 29.9% higher year-on-year at S\$7.7 million based on the reasons set out above.

#### *FY2022 as compared to FY2021*

For FY2022, overall revenue was 12.5% higher year-on-year at S\$339.1 million, mainly attributable to higher revenue recognition from projects under the Group's E&C business in 1H2022, whereas 1H2021 was deeply impacted by the prolonged shutdown of E&C project sites due to government-imposed pandemic-related measures. The increased in the Group's revenue was partially offset by the reduction in rental revenue from Real Estate business.

The Group's gross profit for FY2022 was 21.0% lower year-on-year at S\$13.9 million, mainly due to the reduction in rental revenue from Real Estate business which was partially offset by an improvement in gross profit for E&C business in FY2022. The prolonged shutdown of E&C project sites in FY2021 limited the generation of gross profits and resulted in the incurrence of pandemic-related costs.

The Group's PBT for FY2022 was 90.2% lower year-on-year at S\$13.8 million, mainly due to (i) significant decrease in other gains as the one-off gain of S\$134.8 million for FY2021 arising from the Boustead Industrial Fund's value-unlocking transaction ("**BIF Value-Unlocking Gain**") did not recur in FY2022. The other gains for FY2022 relate to S\$3.8 million fair value gain on purchased mezzanine debt and net currency exchange gains of S\$0.5 million; and (ii) higher total overhead expenses, mainly due to loss on disposal and impairment of property, plant and equipment, higher employee compensation and employee share-based compensation expense recorded in relation to the reissuance of treasury shares to Directors of the Company (which did not have an impact to the net assets of the Company and the Group), partially offset by lower legal and professional fees. The decrease was partially offset by the higher interest income derived from the notes issued by Boustead Industrial Fund, lower impairment loss on financial asset for FY2022 relates to a provision made on a loan to an associate and lower finance expenses due to the extinguishing of almost all bank borrowings and a significant reduction in lease liabilities arising from the disposal of properties to Boustead Industrial Fund at the end of FY2021.

The Group's PAT and net profit attributable to shareholders of the Company for FY2022 were 91.4% lower year-on-year at S\$11.3 million. Adjusting for the BIF Value-Unlocking Gain, total profit for FY2022 compared favourably to the total loss for FY2021 of S\$3.2 million.

#### *Order book backlog*

Based on the announcements released by the Company, we note the following order book backlog that comprises unrecognised project revenue remaining at the end of the financial year plus the total value of new orders secured since the previous financial year. The table set out the order book backlog announced by the Company as at the end of FY2021, 1H2022, FY2022 and 1H2023:

Financial Year	Announcement Date	Order Book Backlog (S\$'million)	Details of Announcement
FY2022	25 May 2021	351	The Company announced that S\$178 million of new contracts were secured during FY2021, bringing the Group's order backlog to S\$351 million
FY2022	11 November 2021	280	The Company announced order backlog is at S\$280 million including the S\$75 million in new contracts secured in FY2022
FY2023	25 May 2022	235	The Group announced that the current order backlog stood at S\$235 million
FY2023	10 November 2022	452	The Group had secured S\$320 million in new contracts since start of FY2023, taking order backlog to S\$452 million

Sources: The Company's financial results announcements for FY2021, 1H2022, FY2022 and 1H2023

We understand from the Management that the new orders secured are typically recognised as revenue over the next 18 months to 24 months. Based on the Company's public announcement as at 10 November 2022, the total outstanding value of construction works yet to be reported as revenue remains at approximately S\$452 million.



### 7.3.2 Financial position of the Group

The unaudited statement of financial position of the Group as at 30 September 2022 is set out in the table below. The following statement of financial position of the Group should be read in conjunction with the full text of the financial results announcement of the Group for 1H2023.

(S\$'000)	As at 30 September 2022 (Unaudited)
<b>Non-current assets</b>	
Trade receivables	12,755
Other receivable and prepayments	73,325
Investment securities	31,661
Property, plant and equipment	1,119
Rights-of-use assets	2,091
Finance lease receivables	20,136
Investment properties	86,924
Intangible assets	101
Investments in associates	6,039
Investments in joint ventures	186,845
Deferred income tax assets	9,409
	<hr/> 430,405 <hr/>
<b>Current assets</b>	
Cash and cash equivalents	165,410
Trade receivables	78,724
Other receivables and prepayments	31,459
Finance lease receivables	433
Contract assets	8,353
	<hr/> 284,379 <hr/>
<b>Total assets</b>	<hr/> 714,784 <hr/>
<b>Non-current liabilities</b>	
Trade and other payables	56,100
Lease liabilities	45,352
Borrowings	10,161
Deferred income tax liabilities	1,530
	<hr/> 113,143 <hr/>
<b>Current liabilities</b>	
Trade and other payables	116,793
Lease liabilities	1,248
Income tax payable	17,623
Contract liabilities	69,292
Borrowings	617
	<hr/> 205,573 <hr/>
<b>Total liabilities</b>	<hr/> 318,716 <hr/>
<b>Net assets</b>	<hr/> 396,068 <hr/>
<b>Equity</b>	

**Capital and reserves attributable to equity holders of the Company**

Share capital	15,000
Treasury shares	(5,495)
Retained profits	376,778
Other reserves	9,925
	<hr/>
	396,208
Non-controlling interests	(140)
	<hr/>
<b>Total equity</b>	<hr/> <b>396,068</b> <hr/>

Source: The Company's financial results announcement for 1H2023

Segment Assets Breakdown					
	As at 31 March 2020 <sup>(1)</sup>	As at 31 March 2021	As at 31 March 2022	As at 30 September 2021	As at 30 September 2022
(S\$'000)	(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)
<b>Segment Assets</b>					
<b>E&amp;C</b>					
Segment assets	139,761	146,964	133,806	123,671	155,654
Investment in associates	3,449	4,671	5,659	5,346	5,672
<b>Total segment assets</b>	<b>143,210</b>	<b>151,635</b>	<b>139,465</b>	<b>129,017</b>	<b>161,326</b>
Percentage of total assets	21.3%	20.9%	20.7%	19.6%	22.6%
<b>Real Estate</b>					
Segment assets	357,161	148,924	166,665	156,759	164,809
Investment in associates	-	-	-	-	367
Investment in joint ventures	60,707	70,123	54,866	67,651	186,845
Loan to an associate	74,518	13,791	12,658	17,632	7,186
Notes issued by an associate	-	59,000	72,750	59,000	72,750
<b>Total segment assets</b>	<b>492,386</b>	<b>291,838</b>	<b>306,939</b>	<b>301,042</b>	<b>431,957</b>
Percentage of total assets	73.3%	40.3%	45.6%	45.7%	60.4%
<b>Investment<sup>(1)</sup></b>					
Segment assets	31,315	-	-	-	-
Investment in associates	-	-	-	-	-
<b>Total segment assets</b>	<b>31,315</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Percentage of total assets	4.7%	-	-	-	-
<b>HQ Activities<sup>(1)</sup></b>					
Segment assets	-	241,809	122,704	125,983	80,431
Investment securities	-	31,421	93,938	91,509	31,661
<b>Total segment assets</b>	<b>-</b>	<b>273,230</b>	<b>216,642</b>	<b>217,492</b>	<b>112,092</b>
Percentage of total assets	0.0%	37.7%	32.2%	33.0%	15.7%
<b>Deferred income tax assets (Group)</b>	<b>4,611</b>	<b>8,190</b>	<b>9,618</b>	<b>10,968</b>	<b>9,409</b>
<b>Total assets of main business segments</b>	<b>671,522</b>	<b>724,893</b>	<b>672,664</b>	<b>658,519</b>	<b>714,784</b>

Sources: The Company's annual reports for FY2021 and FY2022 and unaudited financial results announcement for 1H2023.

**Note:**

- (1) We noted that in FY2020, the business segments of the Company were classified differently compared with FY2021, FY2022 and 1H2023, whereby there was previously an "Investment" segment instead of the "HQ Activities" segment. Accordingly, we have presented the information as shown in the annual report for FY2020 as the restated figures are not publicly available.

Non-current assets (excluding financial assets and deferred income taxes) by geographical locations				
	As at 31 March 2020	As at 31 March 2021	As at 31 March 2022	As at 30 September 2022
(S\$'000)	(Audited)	(Audited)	(Audited)	(Unaudited)
<b>Singapore</b>	<b>221,557</b>	<b>129,316</b>	<b>105,300</b>	<b>196,174</b>
Percentage of non-current assets	87.3%	76.7%	69.9%	69.2%
<b>Malaysia</b>	<b>27</b>	<b>150</b>	<b>64</b>	<b>432</b>
Percentage of non-current assets	0.01%	0.09%	0.04%	0.2%
<b>Socialist Republic of Vietnam</b>	<b>32,197</b>	<b>36,508</b>	<b>42,491</b>	<b>84,360</b>
Percentage of non-current assets	12.7%	21.6%	28.2%	29.8%
<b>Other countries</b>	<b>6</b>	<b>2,717</b>	<b>2,744</b>	<b>2,534</b>
Percentage of non-current assets	0.002%	1.6%	1.8%	0.9%
<b>Total non-current assets of the Group</b>	<b>253,787</b>	<b>168,691</b>	<b>150,599</b>	<b>283,500</b>

Sources: The Company's annual reports for FY2021 and FY2022 and unaudited financial results announcements for 1H2023.

Assets

As at 30 September 2022, the Group has total assets of S\$714.8 million comprising non-current assets of S\$430.4 million and current assets of S\$284.4 million, representing 60.2% and 39.8% of total assets respectively.

The non-current assets of the Group comprised mainly (i) investments in joint ventures of S\$186.8 million, representing 26.1% of total assets, which are joint ventures of the Group established to hold properties for rental income mainly in Singapore; (ii) investment properties of S\$86.9 million, representing 12.2% of total assets, comprising the investment properties owned directly by the Group for rental generation purpose in Singapore, Vietnam and People's Republic of China; (iii) other receivables and prepayments of S\$73.3 million, representing 10.3% of total assets which mainly relates to the notes issued by Boustead Industrial Fund; (iv) investment securities of S\$31.7 million, representing 4.4% of total assets. Further details of the properties held by the Group and the independent valuation that was commissioned on the Appraised Properties is found in paragraph 7.4.2 of this letter.

The current assets of the Group comprised mainly cash and cash equivalents of S\$165.4 million, trade receivables of S\$78.7 million and other receivables and prepayments of S\$31.5 million, representing 23.1%, 11.0% and 4.4% of total assets respectively.

#### Liabilities

As at 30 September 2022, the Group has total liabilities of S\$318.7 million comprising non-current liabilities of S\$113.1 million and current liabilities of S\$205.6 million, representing 35.5% and 64.5% of total liabilities respectively.

The liabilities of the Group comprised mainly trade and other payables of S\$172.9 million, lease liabilities of S\$46.6 million and contract liabilities of S\$69.3 million, representing 54.2%, 14.6% and 21.7% of total liabilities respectively.

As at 30 September 2022, the Group's financial position remained healthy, with cash and cash equivalents of S\$165.4 million and total equity of S\$396.1 million.

### **7.3.3 Cash flows of the Group**

A summary of the consolidated statements of cash flows of the Group for FY2020, FY2021, FY2022 and 1H2023 is set out in the table below. The following summary consolidated statements of cash flows should be read in conjunction with the full text of the results announcements and annual reports of the Group in respect of the relevant financial years/periods including the notes thereto.

<b>Summary Consolidated Statements of Cash Flows (S\$'000)</b>	<b>FY2020 (Audited)</b>	<b>FY2021 (Audited)</b>	<b>FY2022 (Audited)</b>	<b>1H2023 (Unaudited)</b>
Net cash provided by/(used in) operating activities	107,181	36,696	9,444	(13,659)
Net cash (used in)/provided by investing activities	(91,114)	256,718	(51,566)	(28,456)
Net cash provided by/(used in) financing activities	3,816	(123,921)	(42,189)	(4,821)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>19,883</b>	<b>169,493</b>	<b>(84,311)</b>	<b>(46,936)</b>

Sources: The Group's annual report for FY2020, FY2021 and FY2022, and unaudited financial results announcement for 1H2023.

#### 1H2023

During 1H2023, the Group recorded net cash used operating activities of S\$13.7 million which was mainly operating cash flow before changes in working capital of S\$6.2 million being offset by a negative change in working capital of S\$19.9 million.

Net cash used in investing activities for FY2022 amounted to S\$51.6 million, mainly due to the purchase of mezzanine debt issued by SC Aetas (Cayman) Ltd, subscription to additional units and notes issued by Boustead Industrial Fund, deposits paid for an investment in KBJSC and development of 100%-owned Boustead Industrial Park Phase 2A in Vietnam, partially offset by the repayment of loans, dividends and interest received from associates, joint ventures and a related party.

Net cash used in financing activities for 1H2023 amounted to S\$4.8 million, mainly due to dividends paid to equity holders of the Company, and principal and interest payments of lease liabilities.

As a result of the above cash movements, the Group's net cash and cash equivalents decreased by S\$46.9 million.

#### FY2022

Net cash provided by operating activities for FY2022 amounted to S\$9.4 million, supported by an operating cash flow before changes in working capital of S\$4.0 million, a positive change in working capital of S\$8.3 million, net interest received of S\$1.3 million and tax payments of S\$4.2 million.

Net cash used in investing activities for FY2022 amounted to S\$51.6 million, mainly due to the purchase of mezzanine debt issued by SC Aetas (Cayman) Ltd, subscription to additional units and notes issued by Boustead Industrial Fund, deposits paid for an investment in KBJSC and development of 100%-owned Boustead Industrial Park Phase 2A in Vietnam, partially offset by the repayment of loans, dividends and interest received from associates, joint ventures and a related party.

Net cash used in financing activities for FY2022 amounted to S\$42.2 million, mainly due to dividends paid to equity holders of the Company and lease payment obligations, partially offset by net proceeds from borrowings and reissuance of treasury shares to Directors of the Company.

As a result of the above cash movements, Group's net cash and cash equivalents decreased by S\$84.3 million.

#### **7.3.4 Post Balance Sheet Events after 30 September 2022**

- (i) Proposed Disposal of Boustead Projects Land (Vietnam) Co. Ltd ("**BPLV**") ("**Proposed Sale of BPLV**") to KBJSC and acquisition of an additional property in Vietnam by KBIL ("**Acquisition of TPB Vietnam Property**")

As mentioned in paragraph 7.1, the Company had entered into the Strategic Collaboration with KTG whereby BP-VD will acquire and hold 60.0% of the issued and paid-up share capital in KBJSC upon completion. Accordingly, we note that the Company had accounted for its 60.0% investments in KBJSC under investment in joint ventures under its statement of financial position as at 30 September 2022 as set out in its financial results announcements for 1H2023, which comprised the cost of investment in the Initial Vietnamese Properties.

Following which, (i) BP-VD has entered into an agreement on 20 December 2022 for the disposal of its wholly-owned subsidiary, BPLV which holds industrial properties in Vietnam ("**BPLV Properties**"), to KBJSC at a purchase consideration of VND613,361,441,564 (equivalent to approximately S\$34.9 million<sup>5</sup>). Pursuant to the Proposed Sale of BPLV, the Group will hold an effective interest in 60.0% in BPLV Properties through KBJSC; and (ii) KBIL has entered into an agreement on 5 December 2022 to acquire an additional property located in Vietnam ("**TPB Vietnam Property**") at a consideration of VND106,664 million (equivalent to approximately S\$6.0 million<sup>6</sup>).

Based on our discussion with Management, the Proposed Sale of BPLV and Acquisition of TPB Vietnam Property have been accounted for by the Management in the Group's statement of financial position using accounting treatments consistent with the Strategic Collaboration. Accordingly, we have also taken into account the increase in the investment into KBJSC arising from the above transactions, of which the Group's resultant effective interest in both the BPLV Properties and TBP Vietnam Property would both be at 60.0% and the Management expects to record a gain of disposal of S\$4.3 million arising from the Proposed Sale of BPLV.

- (ii) Capital Contribution into Bideford House Pte. Ltd. ("**Bideford Capital Contribution**")

As at the Latest Practicable Date, the Group has an effective interest of 50.0% in Bideford House Pte. Ltd., a joint venture company. In February 2023, the Group has made a further capital contribution of S\$7.5 million. Based on our discussion with Management, this would result in an increase in the investment in aforementioned joint venture company of S\$7.5 million, and a corresponding decrease in the cash balance.

Based on the above, we have taken into consideration aforementioned post-balance sheet events adjustments ("**Post-Events Adjustments**") in arriving at the RNAV of the Group, which is set out in

<sup>5</sup> Based on the foreign exchange rate as extracted from S&P Capital IQ S\$1.00:VND17,557 as at 20 December 2022.

<sup>6</sup> Based on the foreign exchange rate as extracted from S&P Capital IQ S\$1.00:VND17,698 as at 5 December 2022.

paragraph 7.4.2 below.

#### 7.4 Analysis of the Group's NAV per Share and RNAV per Share

The Group's net assets extracted from its unaudited condensed consolidated statement of financial position as at 30 September 2022 are set out below:

	Unaudited As at 30 September 2022 (S\$'000)	Contribution to Total Assets
<b>Current assets</b>		
Cash and cash equivalents	165,410	23.1%
Trade receivables	78,724	11.0%
Other receivables and prepayments	31,459	4.4%
Finance lease receivables	433	0.1%
Contract asset	8,353	1.2%
<b>Total current assets</b>	<b>284,379</b>	<b>39.8%</b>
<b>Non-current assets</b>		
Trade receivables	12,755	1.8%
Other receivables and prepayments	73,325	10.3%
Investment securities	31,661	4.4%
Property, plant and equipment	1,119	0.2%
Right of use assets	2,091	0.3%
Finance lease receivables	20,136	2.8%
Investment properties	86,924	12.2%
Intangible assets	101	0.0%
Investment in associates	6,039	0.8%
Investment in joint ventures	186,845	26.1%
Investment in subsidiaries	-	
Deferred income tax asset	9,409	1.3%
<b>Total non-current assets</b>	<b>430,405</b>	<b>60.2%</b>
<b>Total assets</b>	<b>714,784</b>	
<b>Total liabilities</b>	<b>318,716</b>	
<b>Equity attributable to owners of the Company</b>	<b>396,208</b>	
<b>Non-controlling interests</b>	<b>(140)</b>	
<b>Total equity</b>	<b>396,068</b>	

The net asset backing of the Group is measured by its NAV, NTA or RNAV. We noted that the Group's intangible assets pertain to club membership of approximately S\$0.1 million, which is not considered to be material against the Group's total assets. Accordingly, we have only considered using RNAV and NAV per Share in our analysis, as the Company's NAV and NTA should not be materially different.

Shareholders should note that the analysis based on the NAV/RNAV of the Group only provides an estimate of the value of the Group based on a hypothetical scenario involving the sale of all its assets in an orderly manner over a reasonable period of time and does not take into account or consideration other variables such as the hypothetical sale of assets in a non-orderly manner or over a short period of time, time value of money, market conditions, legal and professional fees, liquidation costs, contractual obligations, regulatory requirements and availability of potential buyers, all of which could theoretically lower the NAV or NTA that can be realised. While the asset base of the Group can be a basis for valuation, such a valuation does not necessarily imply a realisable market value as the market value of the assets and liabilities may also vary depending on prevailing market and economic conditions.

Given the asset-intensive nature of the Group's business model and activities, we have focused on



the asset-based valuation approach (as opposed to other valuation approaches) for the purpose of evaluating the financial terms of the Offer.

#### 7.4.1 NAV per Share

	As at 30 September 2022 (Unaudited)
<b>Equity attributable to equity holders of the Company (S\$'000)</b>	<b>396,208</b>
Number of issued Shares as at the Latest Practicable Date	313,260,631
<b>NAV per Share (S\$)</b>	<b>1.27</b>
<b>Final Offer Price (S\$)</b>	<b>0.95</b>
<b>P/NAV ratio as implied by the Final Offer Price</b>	<b>0.75 times</b>
<b>Discount of Final Offer Price over the NAV per Share</b>	<b>(24.9)%</b>

Based on the total number of 313,260,631 issued Shares as at the Latest Practicable Date and the NAV of approximately S\$396.2 million, the NAV per Share is approximately S\$1.27. The Final Offer Price represents a discount of approximately 24.9% to the latest reported NAV per Share of the Group as at 30 September 2022 and values the Group at a P/NAV ratio of approximately 0.75 times.

#### 7.4.2 RNAV per Share

In our evaluation of the financial terms of the Offer, we have considered the carrying values of the assets of the Group as at 30 September 2022 to assess if any material assets should be revalued or adjusted for the purpose of our assessment of the Final Offer Price as compared to the NAV of the Group or whether there are any factors which have not been otherwise disclosed in the financial statements of the Group that may have a material impact on the NAV of the Group as at 30 September 2022.

In view of the significant properties held by the Group, which represented more than 30% of its total assets as at 30 September 2022, the Company had either commissioned the Valuers to carry out an independent valuation or provided recent valuation reports as at 31 December 2022 of the Appraised Properties. The purpose of the independent valuation is to determine the revaluation surplus or deficit arising from the independent valuation of the Appraised Properties, as compared to the carrying values of the Appraised Properties as at 30 September 2022. We have also enquired Management on the potential tax liability (if any) which would arise if the Appraised Properties were to be sold at the revalued amounts in a hypothetical scenario and accounted for this in our assessment of the net revaluation surplus or deficit, which would impact the RNAV of the Group. In the computation of the revaluation surplus as set out in this section, we have relied and included the appropriate adjustments based on Management's inputs and our discussions with the Management.

Based on the Valuation Reports, the independent valuations have been prepared on the basis of "Market Value", defined as the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing, where the parties had each acted knowledgeably, prudently and without compulsion. In arriving at their opinion of the market value of the Appraised Properties, the Valuers had adopted the generally accepted valuation approaches to value the Appraised Properties, which has been described in the respective Valuation Reports. Copies of the Valuation Reports of the Appraised Properties are attached in Appendix VII to the Circular, on which we have placed sole reliance of such valuations.

**We recommend the Independent Directors to advise shareholders to read the Valuation Reports carefully, in particular, the terms of reference, key assumptions and critical factors.**

(a) **Revaluation Surplus of the Investment Properties**

The aggregate net book value of the investment properties is approximately S\$86.9 million as at 30 September 2022, representing approximately 12.2% of the carrying amount of the total assets of the Group as at 30 September 2022.

Based on the book value of the investment properties as at 30 September 2022 and their market value or fair value (as the case may be) based on the respective Valuation Reports, we have computed the revaluation surplus of the investment properties as set out below:

Address	Valuer/Valuation Methodology	Adjusted Book Value or Carrying Value as at 30 September 2022 (S\$'000) <sup>(1)</sup>	Market Value / Fair Value based on the Valuation Reports (S\$'000)	Total Revaluation Surplus / (Deficit) (S\$'000) <sup>(2)</sup>
31 Tuas South Ave 10	Teho Property Consultants Pte. Ltd. ("Teho") / Discounted Cash Flow Analysis, Capitalisation of Income Approach and Market Comparison Approach	7,409	20,200	12,791
36 Tuas Road	Teho / Market Comparison Approach	30,910	33,000	2,090
No. 3, No. 7 and No. 8 Xin Mei Road Plot 117, Wuxi New District Wuxi Jiangsu	江苏铭诚土地房地产评估测绘工程咨询有限公司 / Cost Approach and Income Approach <sup>(3)</sup>	1,944	4,742 <sup>(4)</sup>	2,797
Total revaluation surplus				17,678
Less: Potential tax liabilities				3,229
<b>Net revaluation surplus</b>				<b>14,449</b>

Sources: Valuation Reports and Management

**Notes:**

- (1) For properties that are required to pay annual land rent, the right-of-use assets relating to leasehold lands have been excluded from the carrying amount or book value of the property as at 30 September 2022.
- (2) The revaluation surplus or deficit is the difference between the market value of each property and the respective book value as at 30 September 2022.
- (3) The valuer has considered the direct comparison method for comparative properties, discounted cash flow method and capitalisation approach in deriving the valuation. We have assumed the average of (i) cost approach and (ii) income approach as set out in the valuation report to derive the market value to derive the revaluation surplus of these properties.
- (4) Converted based on the valuation of RMB24,343,000 as set out in the valuation report using the foreign exchange rate as extracted from S&P Capital IQ S\$1.00:RMB5.1336 on 20 February 2023, being the valuation date.

In assessing the revaluation surplus of the investment properties, we have considered whether there are any potential tax liabilities on the revaluation surplus which may affect the NAV of the Group, assuming the investment properties are to be sold at the valuation amount in a hypothetical scenario. The potential tax liabilities arising from the above revaluation surplus amounts to approximately S\$3.2 million.

(b) **Revaluation Surplus of the Properties held under Joint Venture Companies and Associates**

The Group has engaged independent valuers to carry out an assessment of the valuation of the properties held in joint venture companies and associates either as at 31 December 2022, 28 February 2023, or 3 March 2023.

Based on the book or carrying values of the properties held in joint ventures and associates as at 30 September 2022 and their market value or fair value (as the case may be) based on the respective valuation reports, we have computed the revaluation surplus of the properties as set out below:

Address	Valuer/Valuation Methodology	Adjusted Book Value / Carrying Value as at 30 September 2022 <sup>(1)</sup> (S\$'000)	Market Value / Fair Value based on the Valuation Reports (S\$'000)	Total Revaluation Surplus / (Deficit) <sup>(2)</sup> (S\$'000)	Revaluation Surplus / (Deficit) Attributable to the Company (S\$'000)
Boustead Industrial Fund Portfolio Properties <sup>(3)</sup>	Jones Lang LaSalle Property Consultants Pte Ltd ("JLL") / Discounted cash flow analysis and income capitalisation method	540,124	589,300	49,176	12,294
29 Media Circle @ Mediapolis <sup>(4)</sup>	Teho / Income capitalisation method and discounted cash flow analysis	159,862	218,500	58,638	29,906
11 Seletar Aerospace Link <sup>(5)</sup>	JLL / Income capitalisation method and discounted cash flow analysis	7,113	12,000	4,887	1,845
84 Boon Keng Road <sup>(6)</sup>	JLL / Income capitalisation method and discounted cash flow analysis	15,177	30,000	14,823	9,227
98 Tuas Bay Drive <sup>(7)</sup>	JLL / Income capitalisation method and discounted cash flow analysis	12,336	17,400	5,064	2,583
8 & 12 Seletar Aerospace Heights <sup>(8)</sup>	JLL / Discounted cash flow analysis	57,093	75,000	17,907	9,133
1 One-north Crescent <sup>(9)</sup>	JLL / Income capitalisation method and discounted cash flow analysis	78,279	111,000	32,721	9,195
6 Tampines Industrial Avenue 5 <sup>(10)</sup>	JLL / Income capitalisation method and discounted cash flow analysis	75,796	100,000	24,204	12,344
10 Tukang Innovation Drive <sup>(11)</sup>	JLL / Income capitalisation method and discounted cash flow analysis	34,043	60,000	25,957	16,418
28 & 30 Bideford Road <sup>(12)</sup>	Savills Valuation And Professional Services (S) Pte Ltd ("Savills") / Income capitalisation method and direct comparison method	539,512	550,000	10,488	5,244
Tam Phuoc B Industrial Park <sup>(13)</sup>	VAS Valuation Co., Ltd ("VAS") / Capitalisation approach and discounted cash flow analysis approach	7,220	8,039 <sup>(14)</sup>	819	492
Nhon Trach Textile Industrial Park <sup>(13)</sup>	VAS / Capitalisation approach and discounted cash flow analysis	16,317	18,395 <sup>(15)</sup>	2,078	1,247
Nhon Trach Textile 3A Industrial Park <sup>(13)</sup>	VAS / Capitalisation approach and discounted cash flow analysis	10,686	11,308 <sup>(16)</sup>	622	373
Nhon Trach Textile 3B Industrial Park <sup>(13)</sup>	VAS / Direct comparison approach	10,974	10,626 <sup>(17)</sup>	(349)	(209)

Address	Valuer/Valuation Methodology	Adjusted Book Value / Carrying Value as at 30 September 2022 <sup>(1)</sup> (S\$'000)	Market Value / Fair Value based on the Valuation Reports (S\$'000)	Total Revaluation Surplus / (Deficit) <sup>(2)</sup> (S\$'000)	Revaluation Surplus / (Deficit) Attributable to the Company (S\$'000)
Yen Phuong 1 Industrial Park <sup>(13)</sup>	VAS / Capitalisation approach and discounted cash flow analysis	10,974	15,513 <sup>(18)</sup>	4,538	2,723
Yen Phuong 2 Industrial Park <sup>(13)</sup>	VAS / Capitalisation approach and discounted cash flow analysis	23,826	30,798 <sup>(19)</sup>	6,972	4,183
Yen Phuong 2C Industrial Park <sup>(13)</sup>	VAS / Capitalisation approach, direct comparison approach and residual/ discounted cash flow analysis	45,053	59,544 <sup>(20)</sup>	14,492	8,695
Road No. 3, Nhon Trach II Industrial Park - Nhon Phu, Phu Hoi Commune, Nhon Trach District, Dong Nai Province <sup>(13)</sup>	VAS / Capitalisation approach, direct comparison approach and residual/ discounted cash flow analysis	24,861	58,186 <sup>(21)</sup>	33,325	19,995
Total revaluation surplus					145,686
Less: Potential tax liabilities					25,892
<b>Net revaluation surplus</b>					<b>119,794</b>

Sources: Valuation Reports and Management

**Notes:**

- (1) For properties that are required to pay annual land rent, the right-of-use assets relating to leasehold lands have been excluded from the carrying amount or book value of the property as at 30 September 2022.
- (2) The revaluation surplus or deficit is the difference between the market value of each property and the respective carrying value as at 30 September 2022.
- (3) The Group has an effective interest of 25.0% in Boustead Industrial Fund which holds a portfolio of properties. Accordingly, the revaluation surplus has been presented based on the amount attributable to the Group.
- (4) The Group has an effective interest of 51.0% in BP-Dojo LLP which holds the property. Accordingly, the revaluation surplus has been presented based on the amount attributable to the Group.
- (5) The Group has a total effective interest of 37.75% in this property through (i) 25.5% direct interest in BP-SF Turbo LLP which holds the property; and (ii) 12.25% indirect interest held via Boustead Industrial Fund. Accordingly, the revaluation surplus has been presented based on the amount attributable to the Group.
- (6) The Group has a total effective interest of 62.25% in this property through (i) 50.0% direct interest in BP-CA3 LLP which holds the property; and (ii) 12.25% indirect interest held via Boustead Industrial Fund. Accordingly, the revaluation surplus has been presented based on the amount attributable to the Group.
- (7) The Group has an effective interest of 51.0% in BP-AMC LLP which holds the property. Accordingly, the revaluation surplus has been presented based on the amount attributable to the Group.
- (8) The Group has an effective interest of 51.0% in BP-BBD2 Pte. Ltd. which holds the property. Accordingly, the revaluation surplus has been presented based on the amount attributable to the Group.
- (9) The Group has a total effective interest of 28.1% in this property through (i) 25.75% direct interest in Snakepit-BP LLP which holds the property; and (ii) 2.35% indirect interest held via Snakepit-BP 1 Pte. Ltd. Accordingly, the revaluation surplus has been presented based on the amount attributable to the Group.
- (10) The Group has an effective interest of 51.0% in BP-TPM LLP which holds the property. Accordingly, the revaluation surplus has been presented based on the amount attributable to the Group.
- (11) The Group has a total effective interest of 63.25% in this property through (i) 51.0% direct interest in BP-TN Pte. Ltd. which holds the property; and (ii) 12.25% indirect interest held via Boustead Industrial Fund. Accordingly, the revaluation surplus has been presented based on the amount attributable to the Group.
- (12) The Group has an effective interest of 50.0% in Bideford House Pte. Ltd. which holds the property. Accordingly, the revaluation surplus has been presented based on the amount attributable to the Group.

- (13) The Group has a total effective interest of 60.0% in the Initial Vietnamese Properties (as defined herein), BPLV Properties (as defined below) and the TPB Vietnam Property (as defined below) (collectively, the **"Vietnamese Portfolio Properties"**). Accordingly, the revaluation surplus has been presented based on the amount attributable to the Group. The Company has a 60.0% interest in KBJSC that has a 100% of KBIL, which in turn holds the special purpose vehicles that owns the respective Vietnamese Portfolio Properties. Further details are discussed earlier under paragraph 7.3.4 of this letter.
- (14) Converted based on the valuation of VND141,482,000,000 as set out in the valuation report using the foreign exchange rate as extracted from S&P Capital IQ S\$1.00:VND17,599 on 3 March 2023, being the valuation date.
- (15) Converted based on the valuation of VND323,730,000,000 as set out in the valuation report using the foreign exchange rate as extracted from S&P Capital IQ S\$1.00:VND17,599 on 3 March 2023, being the valuation date.
- (16) Converted based on the valuation of VND199,000,000,000 as set out in the valuation report using the foreign exchange rate as extracted from S&P Capital IQ S\$1.00:VND17,599 on 3 March 2023, being the valuation date.
- (17) Converted based on the valuation of VND187,000,000,000 as set out in the valuation report using the foreign exchange rate as extracted from S&P Capital IQ S\$1.00:VND17,599 on 3 March 2023, being the valuation date.
- (18) Converted based on the valuation of VND273,000,000,000 as set out in the valuation report using the foreign exchange rate as extracted from S&P Capital IQ S\$1.00:VND17,599 on 3 March 2023, being the valuation date.
- (19) Converted based on the valuation of VND542,000,000,000 as set out in the valuation report using the foreign exchange rate as extracted from S&P Capital IQ S\$1.00:VND17,599 on 3 March 2023, being the valuation date.
- (20) Converted based on the valuation of VND1,047,900,000,000 as set out in the valuation report using the foreign exchange rate as extracted from S&P Capital IQ S\$1.00:VND17,599 on 3 March 2023, being the valuation date.
- (21) Converted based on the valuation of VND1,024,000,000,000 as set out in the valuation report using the foreign exchange rate as extracted from S&P Capital IQ S\$1.00:VND17,599 on 3 March 2023, being the valuation date.

In assessing the revaluation surplus of the properties held in joint venture companies and Boustead Industrial Fund, we have considered whether there are any potential tax liabilities on the revaluation surplus which may affect the NAV of the Group, assuming these properties are to be sold at the valuation amount in a hypothetical scenario. The potential tax liabilities arising from the above revaluation surplus amounts to approximately S\$25.9 million.

#### Properties held under associate - THAB Development Sdn Bhd ("**THAB**")

THAB is a property development and investment holding company that has interests in land and properties in Nusajaya, Iskandar Malaysia ("**THAB Properties**"). As at 30 September 2022, the carrying amount of the Group's equity investment in THAB is nil as the Group's share of loss in THAB Group had exceeded its cost of equity investment as at 30 September 2022. Further, the Group has extended an unsecured loan to THAB that is repayable on demand and recorded as other receivables as at 30 September 2022 ("**Loan to THAB**"), with its recoverability depending on the valuation on the THAB Properties. Based on the valuation report of THAB Properties, the Management has confirmed that there would be no further impairment for the Loan to THAB as at 30 September 2022.

#### **(c) Investment securities**

As at the Latest Practicable Date, the Group holds a 5.27% unquoted equity interest in Perennial Tongzhou Development Pte. Ltd. ("**PTD**"), which represents a 4.0% effective interest in Beijing Tongzhou Integrated Development (Phase 1), a mixed-use property project located in Tongzhou District, Beijing, The People's Republic of China. The fair value of the investment is determined using an asset-based valuation model taking into consideration the fair value of the underlying properties being developed by PTD. The fair value of the underlying properties as at 15 February 2023 is based on a valuation performed by an independent professional property valuer. Based on discussions with the Management, the Group expects to record a fair value loss on financial assets of approximately S\$0.6 million mainly due the weakening of the RMB against S\$.

#### *RNAV of the Group*

In view of the market/fair valuation of the Appraised Properties, we have assessed the RNAV of the Group by adjusting for the potential revaluation surpluses attributable to the Appraised Properties. We have also considered potential tax liabilities which may arise from the disposal



of the Appraised Properties which may affect the RNAV, as assessed by the Management, for the purpose of evaluating the Final Offer Price.

We set out below the summary of adjustments which are made to the unaudited NAV as at 30 September 2022 to determine the RNAV as at 30 September 2022:

	<b>As at 30 September 2022 (Unaudited)</b>
NAV attributable to owners of the parent (S\$'000)	396,208
<i>Post-Events Adjustments (S\$'000)<sup>(1)</sup></i>	<i>(3,300)</i>
<i>Net revaluation surplus of the investment properties (S\$'000)</i>	<i>14,449</i>
<i>Net revaluation surplus of the properties held under joint ventures and associates (S\$'000)</i>	<i>119,794</i>
<i>Adjustments to revaluation surplus on the Appraised Properties<sup>(2)</sup> (S\$'000)</i>	<i>49,812</i>
<i>Less: Fair Value Loss of Investment Securities</i>	<i>(578)</i>
<b>RNAV of the Group (S\$'000)</b>	<b>576,385</b>
Number of issued Shares as at 30 September 2022	313,260,631
<b>RNAV per Share (S\$)</b>	<b>1.84</b>
<b>Final Offer Price (S\$)</b>	<b>0.95</b>
<b>P/RNAV ratio as implied by the Final Offer Price</b>	<b>0.52 times</b>
<b>Discount of Final Offer Price over the NAV per Share</b>	<b>48.4%</b>

**Notes:**

- (1) Please refer to paragraph 7.3.4 above for further details.
- (2) As the RNAV is computed in the event of a hypothetical sale of the Group's Appraised Properties, we have included the following adjustments (i) excluded the Group's share of right-of-use assets, net of lease liabilities, relating to leasehold lands; (ii) excluded the Group's share of accrued income recognised in relation to rental income which is recorded in profit or loss on a straight-line basis over the lease term; (iii) included the Group's share of unrealised margins from construction, project management and acquisition fee previously eliminated, net of tax; and (iv) included the Group's share of gain on disposal of properties due to retained interests previously eliminated, net of tax.

Based on the total number of 313,260,631 issued Shares as at the Latest Practicable Date and the RNAV of approximately S\$576.4 million, the RNAV per Share is approximately S\$1.84. The Final Offer Price represents a discount of approximately S\$0.89 or 48.4% to the RNAV per Share, and values the Company at a P/RNAV ratio of approximately 0.52 times.

Shareholders should be aware that the Group has not realised the gain or loss as set out in the above adjustments to the NAV as at the Latest Practicable Date. There is no assurance that the actual gain or loss (if any) eventually recorded by the Group will be the same as that derived from the assessments based on current market value, independent valuation and the Management's estimates.

Save as disclosed above and the announcements released by the Company on the SGXNet, Management and Independent Directors confirm that, to the best of their knowledge and based on information made available to them, as at the Latest Practicable Date:

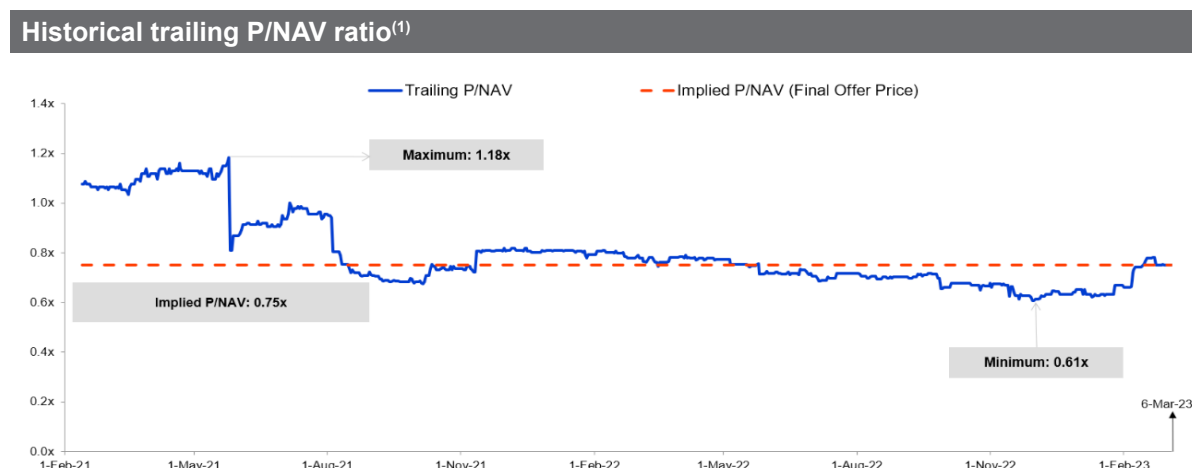
- (1) Save as disclosed in this letter and in the ordinary course of the Group's business, there are no material acquisitions and disposals of assets by the Group between 30 September 2022 and the Latest Practicable Date, and the Group does not have any plans for such impending material acquisition or disposal of assets, conversion of the use of its material assets or material change in the nature of the Group's business;
- (2) There are no material contingent liabilities, bad or doubtful debts or impairment losses, material events, unrecorded earnings or expenses or assets or liabilities that may have a material impact on the unaudited NAV of the Group as at 30 September 2022;
- (3) There is no litigation, claim or proceeding pending or threatened against the Company or any of its subsidiaries or of any fact likely to give rise to any proceeding which might materially and adversely affect the financial position of the Group;

- (4) There is no material change to the accounting policies and methods of computation which may materially affect the NAV of the Group as at 30 September 2022;
- (5) There are no other intangible assets as at the Latest Practicable Date and which ought to be disclosed in the statement of financial position of the Group in accordance with the Singapore Financial Reporting Standards (International) and which have not been so disclosed and where such intangible assets would have had a material impact on the overall financial position of the Group as at 30 September 2022; and
- (6) Save for the revaluation surpluses attributable to the Appraised Properties, there are no material differences between the realisable value of the Group's assets and their respective book values as at 30 September 2022 which would have a material impact on the latest reported NAV of the Group.

## 7.5 Historical trailing P/NAV and P/E ratios of the Shares

### *Historical trailing P/NAV of the Company*

We have compared the P/NAV of the Shares as implied by the Final Offer Price of 0.75 times against the historical trailing P/NAV of the Shares (based on the daily closing prices of the Shares and the Group's trailing announced NAV per Share) for the 2-year Lookback Period up to and including the Latest Practicable Date.



Sources: Bloomberg L.P. and PPCF calculations

**Note:**

- (1) P/NAV ratio of the Shares implied by the Final Offer Price (using the latest NAV per Share computed based on the Company's unaudited financial results announcement for 1H2023) against the trailing P/NAV of the Shares computed based on the corresponding NAV as represented by as reported by the Company in its interim and full-year financial results announcements.

The average, minimum and maximum of the historical trailing P/NAV of the Shares from 1 February 2021 (being the beginning of the 2-year Lookback Period) to the Latest Practicable Date are set out below:

Historical trailing P/NAV ratios of the Shares			
	Historical trailing P/NAV (times)		
	Average	Maximum	Minimum
<b>Periods up to and including the Last Full Traded Day</b>			
2-year	0.80	1.18	0.61
1-year	0.71	0.81	0.61
6-month	0.67	0.72	0.61
3-month	0.64	0.68	0.61
1-month	0.64	0.67	0.62
<b>After the Offer Announcement Date up to and including the Latest Practicable Date</b>			
Period after the Offer Announcement Date up to the Offer Price Revision Date	0.76	0.78	0.72

Historical trailing P/NAV ratios of the Shares			
	Historical trailing P/NAV (times)		
	Average	Maximum	Minimum
Period after the Offer Price Revision Date up to the Latest Practicable Date	0.75	0.76	0.75

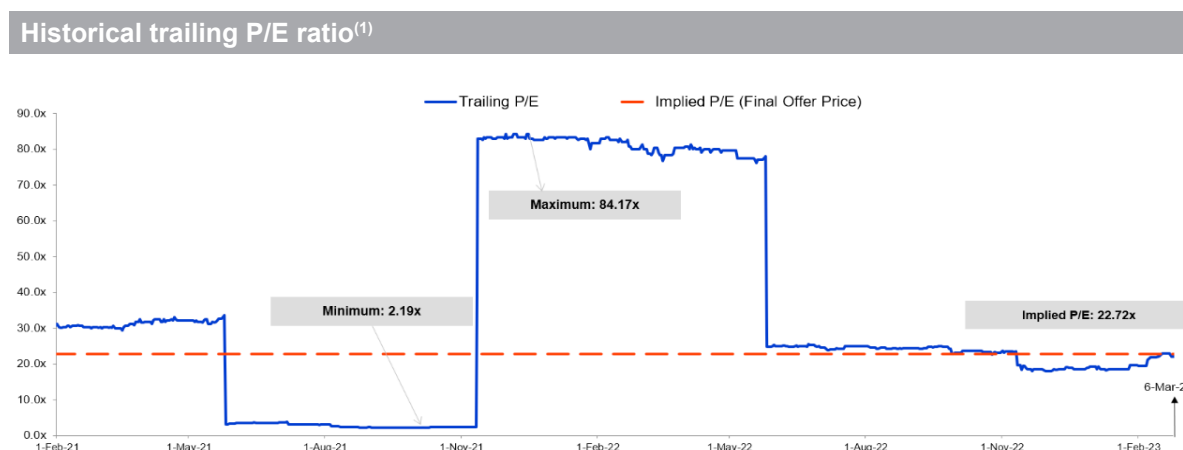
Sources: Bloomberg L.P., the Company's financial results announcements and PPCF calculations

Based on the above, we note that:

- For the 1-month, 3-month, 6-month and 1-year periods prior to and including the Last Full Traded Day, the implied P/NAV of 0.75 times is above the average historical trailing P/NAV of the Shares of 0.64 times, 0.64 times, 0.67 times and 0.71 times respectively;
- For the 2-year period prior to and including the Last Full Traded Day, the implied P/NAV of 0.75 times is below the average historical trailing P/NAV of the Shares of 0.80 times. We noted that this was mainly due to an increase in the Group's NAV which was supported by the BIF Value-Unlocking Gain;
- For the period after the Offer Announcement Date up to and including the Offer Price Revision Date, the implied P/NAV of 0.75 times is slightly below the average historical trailing P/NAV of the Shares of 0.76 times; and
- For the period after the Offer Price Revision Date up to and including the Latest Practicable Date, the implied P/NAV of 0.75 times is at the average historical trailing P/NAV of the Shares of 0.75 times.

#### Historical trailing P/E of the Company

We have compared the P/E of the Shares as implied by the Final Offer Price of 22.72 times against the historical trailing P/E of the Shares (based on the daily closing prices of the Shares and the Group's trailing announced weighted average earnings per Share) for the 2-year Lookback Period up to and including the Latest Practicable Date.



Source: Bloomberg L.P. and PPCF calculations

#### Note:

- P/E ratio of the Shares implied by the Final Offer Price (using the latest earnings per Share computed based on the Company's unaudited financial results announcement for 1H2023) against the trailing P/E of the Shares computed based on the corresponding weighted average earnings per Share as reported by the Company in its interim and full-year financial results announcements.

The average, minimum and maximum of the historical trailing P/E of the Shares from 1 February 2021 (being the beginning of the 2-year Lookback Period) to the Latest Practicable Date are set out below:

Historical trailing P/E ratio of the Shares			
	Historical trailing P/E (times)		
	Average	Maximum	Minimum
<b>Periods up to and including the Last Full Traded Day</b>			
2-year	34.93	84.17	2.19
1-year	40.36	83.33	17.91
6-month	21.65	25.00	17.91
3-month	19.24	23.61	17.91
1-month	18.87	19.65	18.26
<b>After the Offer Announcement Date up to and including the Latest Practicable Date</b>			
Period after the Offer Announcement Date up to the Offer Price Revision Date	22.27	23.02	21.16
Period after the Offer Price Revision Date up to the Latest Practicable Date	22.10	22.21	22.09

Sources: Bloomberg L.P., the Company's financial results announcements and PPCF calculations

Based on the above, we note that:

- (a) For the 1-month, 3-month and 6-month periods prior to and including the Last Full Traded Day, the implied P/E of 22.72 times is above the average historical trailing P/E of the Shares of 18.87 times, 19.24 times, 21.65 times respectively;
- (b) For the 1-year and 2-year periods prior to and including the Last Full Traded Day, the implied P/E of 22.72 times is below the average historical trailing P/E of the Shares of 40.36 times and 34.93 times respectively;
- (c) For the period after the Offer Announcement Date up to the Offer Price Revision Date, the implied P/E of 22.72 times is slightly above the average historical trailing P/E of the Shares of 22.27 times; and
- (d) For the period after the Offer Price Revision Date up to the Latest Practicable Date, the implied P/E of 22.72 times is slightly above the average historical trailing P/E of the Shares of 22.10 times.

## 7.6 Valuation ratios of selected companies listed on the SGX-ST that are broadly comparable to the Company

For the purpose of evaluating the financial terms of the Offer, we have made reference to the valuation ratios of selected companies listed on the SGX-ST which we consider to be broadly comparable to the Company, to get an indication of the current market expectations with regard to the perceived valuation of the Company.

In our selection of the comparable companies, we have made reference to selected companies listed on the SGX-ST which we consider to be broadly comparable to the principal business of the Group, that is, listed companies that are engaged in construction and property development and investment activities with a market capitalisation of more than S\$100.0 million as at the Latest Practicable Date ("**Comparable Companies**"). We have had discussions with Management about the suitability and reasonableness in selecting the Comparable Companies for comparison with the Group.

The Independent Directors should note that the prices at which shares trade include factors other than historical financial performance, and some of these include, amongst others, the relative sentiments of the market for the shares, historical share price performance, prospects of the financial performance, the demand/supply conditions of the shares, the relative liquidity of the shares, as well as the market capitalisation.

Relevant information has been extracted from S&P Capital IQ, Bloomberg L.P., publicly available annual reports and/or public announcements of the Comparable Companies. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information. The accounting policies of the Comparable Companies with respect to the values for which the assets, premiums, cost or claims are provided for or recorded may differ from that of the Group.

Brief descriptions of the Comparable Companies are set out below:

Summary of Comparable Companies	
Name	Business description
Hock Lian Seng Limited ("Hock Lian Seng")	Hock Lian Seng provides civil engineering services to public and private sectors in Singapore and operates through three segments, namely civil engineering, properties development, and properties investment. The civil engineering segment is involved in the provision of infrastructure construction and civil engineering works, primarily for the public sector. The properties development segment develops focuses on the residential and industrial sectors. The properties investment segment invests in properties for renting and/or for capital appreciation.
KSH Holdings Limited ("KSH Holdings")	KSH Holdings operates as a construction builder and contractor for public and private sectors. KSH Holdings operates through construction, and property development and investment segments. It constructs residential, commercial, hospitality, and mixed-use development projects; and rents and sells properties. KSH Holdings serves property developers, landowners and government bodies across Singapore, China, Malaysia, Japan, Australia and United Kingdom.
Lian Beng Group Limited ("Lian Beng")	Lian Beng engages in the construction business in Singapore and internationally. Lian Beng operates through four segments, namely construction, dormitory, investment holding, and property development. The construction segment constructs residential, institutional, industrial, and commercial properties; and undertakes civil engineering projects. This segment also sells construction materials, provides engineering and construction services; and leases and maintains construction machinery and equipment. The dormitory segment involves the rental of dormitory units and provision of accommodation services. The investment holding segment holds investments in securities and properties, and the property development segment develops and sells residential, commercial and industrial properties.
Lum Chang Holdings Limited ("Lum Chang")	Engages in activities in Singapore, Malaysia, and the United Kingdom. Lum Chang operates through three segments, namely construction, property development and investment, and investment holding. Its property portfolio includes commercial and residential projects. The company undertakes construction projects in various areas, which include civil and infrastructure, commercial, hospital, hotels and leisure, industrial, mixed development, institution, and residential properties. It is also involved in the development of properties, and offers interior fitting-out, conservation and restoration, addition and alteration services, and project management services.
Wee Hur Holdings Limited ("Wee Hur")	Engages in building construction, workers' dormitory, property development, and fund management businesses in Singapore and Australia. Wee Hur operates through eight segments: building construction, workers' dormitory, property development, corporate, purpose-built student accommodation, fund management, venture capital, and student accommodation operation. Its construction services include new construction, additions and alterations, refurbishment and upgrading, and restoration and conservation of heritage and conservation buildings. These services are provided across residential, commercial, industrial, institutional, religious, restoration, and conservation projects.

Source: S&P Capital IQ

We wish to highlight that the Comparable Companies are not exhaustive and we recognise that there may not be any listed company which we may consider to be identical to the Company in terms of, *inter alia*, geographical spread, composition of business activities, customer base, size and scale of business operations, risk profile, asset base, market capitalisation, valuation methodologies adopted, accounting policies, track record, future prospects, market/industry size, political risk, competitive and regulatory environment, tax factors, financial positions and other relevant criteria and that such businesses may have fundamentally different annual



**profitability objectives. The Independent Directors should note that any comparison made with respect to the Comparable Companies herein is strictly limited in scope and merely serves to provide an illustrative perceived market valuation of the Company as at the Latest Practicable Date.**

We set out below the valuation statistics for the Comparable Companies based on their last transacted share prices as at the Latest Practicable Date.

Comparable company	Listed exchange	Market capitalisation <sup>(1)</sup> (S\$'million)	EV/ LTM <sup>(2)</sup> EBITDA ratio	LTM <sup>(2)</sup> P/E ratio <sup>(3)</sup>	P/NAV ratio <sup>(4)</sup>
Hock Lian Seng	SGX	140.8	1.19	8.53	0.60
KSH Holdings	SGX	185.9	10.20	7.62	0.53
Lian Beng	SGX	264.8	9.94	5.23	0.34
Lum Chang	SGX	137.5	n.m. <sup>(2)</sup>	n.m. <sup>(2)</sup>	0.71
Wee Hur	SGX	189.5	2.55	2.79	0.39

<b>High</b>	10.20	8.53	0.69
<b>Low</b>	1.19	2.79	0.34
<b>Mean</b>	5.97	6.04	0.51
<b>Median</b>	6.25	6.43	0.56

<b>Company (as implied by the Final Offer Price)</b>	<b>SGX</b>	<b>297.60</b>	<b>13.57</b>	<b>22.72</b>	<b>0.75</b> <b>(NAV as at 30 September 2022)</b>
					<b>0.52</b> <b>(RNAV as at 30 September 2022)</b>

Sources: SGXNet, S&P Capital IQ and the relevant announcements by the Comparable Companies on SGXNet

**Notes:**

- (1) Market capitalisation of the Comparable Companies is based on their respective last transacted prices as at the Latest Practicable Date as extracted from S&P Capital IQ. Market capitalisation of the Company is approximately S\$297.6 million based on the Final Offer Price and the total outstanding Shares of 313,260,631 as at the Latest Practicable Date.
- (2) LTM means latest 12 months and n.m. means not meaningful as the LTM earnings and/or EBITDA of the Comparable Company is negative.
- (3) Net profit attributable to shareholders of the Comparable Companies and the Company are computed on a trailing 12-month basis from the latest available audited and/or unaudited consolidated financial results and the Company's unaudited financial results for 1H2023.
- (4) P/NAV ratio is the ratio of a company's share price as at the Latest Practicable Date divided by its consolidated net asset value attributed to the company per share as at the latest available financial results.

Based on the information above, we note that based on the Final Offer Price:

- (a) The implied EV/EBITDA ratio of the Company of 13.57 times is above the range of the EV/EBITDA ratios of the Comparable Companies of between 1.19 times and 10.20 times;
- (b) The implied P/E ratio of the Company of 22.72 times is above the range of the P/E ratios of the Comparable Companies of between 2.79 times and 8.53 times;
- (c) The implied P/NAV ratio of the Company of 0.75 times is above the range of the P/NAV ratios of the Comparable Companies of between 0.34 times and 0.69 times; and
- (d) The implied P/RNAV ratio of the Company of 0.52 times is within the range of the P/NAV ratios of the Comparable Companies, being higher the mean P/NAV ratio of 0.51 times but lower than the median P/NAV ratio of 0.56 times.

We noted that the P/E ratio implied by the Offer Price is significantly higher than those the P/E ratios of the Comparable Companies which may be due to the fluctuations of the Group's profitability for FY2020, FY2021, FY2022 and 1H2023. For illustration purposes only, we have computed the average LTM P/E of the Company based on the 1-year, 2-year and 3-year periods before the Latest Practicable Date below:

Period	As at 3-year prior to the Latest Practicable Date	As at 2-year prior to the Latest Practicable Date	As at 1-year prior to the Latest Practicable Date	Average 3-year P/E prior to the Latest Practicable Date
LTM net income of the Company (S\$'million) <sup>(1)</sup>	22.13	10.34	139.84	-
LTM P/E (implied by the Final Offer Price) (times) <sup>(2)</sup>	13.45	28.79	2.13	14.79

Sources: S&P Capital IQ and PPCF calculations

**Notes:**

- (1) Computed based on the financial results available as at the respective periods before Latest Practicable Date.
- (2) Market capitalisation of the Company is approximately S\$297.6 million based on the Final Offer Price and the total outstanding Shares of 313,260,631 as at the Latest Practicable Date.

Based on the average LTM P/E, we note that based on the Final Offer Price the implied P/E ratio of the Company of 14.79 times is above the range of the P/E ratios of the Comparable Companies of between 2.79 times and 8.53 times.

## 7.7 Selected precedent privatisation transactions on SGX-ST

Pursuant to Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that brings the holdings owned by the Offeror and its concert parties to above 90% of the total number of issued Shares (excluding Shares held in treasury), the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time it is satisfied that at least 10% of the total number of Shares (excluding Shares held in treasury) are held by at least 500 shareholders who are members of the public (the **"Free Float Requirement"**).

We note that it is the intention of the Offeror, and the purpose of the Offer, to privatise and delist the Company from the Official List of the SGX-ST should the option be available to the Offeror.

In the event that the trading of Shares on the SGX-ST is suspended pursuant to Rule 724, Rule 1105 or Rule 1303(1) of the Listing Manual, the Offeror has no intention to undertake or support any action for any such trading suspension by the SGX-ST to be lifted. In addition, the Offeror reserves the right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual.

Accordingly, for the purpose of our evaluation of the financial terms of the Offer, we have compared the valuation statistics implied by the Final Offer Price *vis-à-vis* recent successful privatisations and delistings of companies listed on the SGX-ST where the offeror has indicated similar intentions where it does not intend to preserve the listing status of the company.

We set out below the statistics on (i) privatisation transactions of companies listed on the SGX-ST, whether by way of scheme of arrangement under Section 210 of the Companies Act ("**SOA**"), voluntary general offers ("**VGO**") or mandatory general offers ("**MGO**") under the Code; and (ii) delisting offers under Rule 1307 of the Listing Manual ("**VD**"), and the offer resulted in a successful privatisation and delisting of the target company ("**Precedent Privatisation Transactions**").

As some of the Precedent Privatisation Transactions had undertaken revaluations and/or adjustments to their assets which may have a material impact on their last announced book values, we have also, where relevant, compared the financial terms of such offer transactions with the revalued NAV (or revalued NTA where applicable) and/or adjusted NAV (or adjusted NTA where applicable) of the Precedent Privatisation Transactions where available. The details on the Precedent Privatisation Transactions announced from 1 January 2021 up to the Latest Practicable Date are set out as follow:

Precedent Privatisation Transactions in Singapore									
Announcement date	Target companies	Type	Offer price per share (\$)	Premium/(Discount) of offer price over/to					Offer Price to NTA/NAV (times)
				Last price transacted (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	1-year VWAP (%)	
11 Jan 21	CEI Limited	VGO	1.15	16.2%	18.1%	20.5%	23.6%	26.1%	1.93 <sup>(1)</sup>
15 Jan 21	GL Limited	VGO	0.80	42.9%	46.6%	52.4%	45.8%	25.1%	0.73 <sup>(2)</sup>
28 Jan 21	International Press Softcom Limited	VGO	0.045	13.9%	25.4%	32.0%	21.6%	26.8%	1.09 <sup>(3)</sup>
12 Mar 21	World Class Global Limited	SOA	0.21	112.1%	107.9%	107.9%	89.2%	73.6%	0.83 <sup>(4)</sup>
19 Mar 21	Singapore Reinsurance Corporation Limited	VGO	0.3535	17.8%	20.6%	20.8%	21.8%	27.4%	0.79 <sup>(5)</sup>
30 Mar 21	Neo Group Limited	VGO	0.60	19.9%	17.9%	14.5%	15.4%	30.9%	1.66 <sup>(6)</sup>
30 Mar 21	Singapore Press Holdings Limited	SOA	2.36	1.3%	10.1%	16.7%	26.1%	47.3%	1.05 <sup>(7)</sup>
29 Apr 21	Sin Ghee Huat Corporate Ltd	VGO	0.27	25.6%	68.2%	68.2%	68.2%	68.2%	0.60 <sup>(8)</sup>
30 Apr 21	Top Global Limited	VGO	0.39	122.9%	133.6%	146.8%	148.7%	142.6%	0.53 <sup>(9)</sup>
6 May 21	Cheung Woh Technologies Limited	VGO	0.285	90.0%	90.0%	92.6%	109.6%	141.5%	1.10 <sup>(10)</sup>
31 May 21	Dutech Holdings Ltd	VGO	0.435	74.0%	73.3%	74.7%	73.3%	61.1%	0.77 <sup>(11)</sup>
9 Jul 21	Fragrance Group Limited	VGO	0.138	16.9%	19.0%	19.0%	20.0%	21.1%	0.71 <sup>(12)</sup>
9 Nov 21	SingHaiyi Group Ltd	VGO	0.117	7.1%	7.0%	10.7%	18.3%	20.0%	0.60 <sup>(13)</sup>
10 Nov 21	Starburst Holdings Limited	VGO	0.238	4.4%	3.9%	9.2%	12.8%	25.3%	1.84 <sup>(14)</sup>
10 Dec 21	United Global Limited	VGO	0.45	9.1%	16.7%	16.7%	16.2%	14.1%	1.70 <sup>(15)</sup>
15 Dec 21	Roxy-Pacific Holdings Limited	VGO	0.485	19.8%	21.0%	23.5%	30.3%	37.0%	0.64 <sup>(16)</sup>
29 Dec 21	Koufu Group Limited	VGO	0.77	1.4%	14.5%	13.6%	15.1%	15.3%	3.21 <sup>(17)</sup>
16 Feb 22	Shinvest Holding Ltd	VGO	3.50	13.6%	8.5%	10.2%	10.1%	14.3%	0.66 <sup>(18)</sup>
7 Mar 22	Singapore O&G Ltd	VGO	0.295	18.0%	14.8%	12.2%	11.3%	11.3%	4.60 <sup>(19)</sup>
13 Apr 22	Excelpoint Technology Ltd	SOA	1.93	21.4%	36.6%	31.3%	45.9%	72.3%	1.53 <sup>(20)</sup>
17 May 22	Hwa Hong Corporation Limited	VGO / MGO	0.40	37.9%	36.1%	32.0%	22.0%	24.6%	0.79 <sup>(21)</sup>
20 May 22	T T J Holdings Limited	VGO	0.23	36.1%	33.6%	28.8%	28.0%	29.4%	0.63 <sup>(22)</sup>
17 Jun 22	Allied Technologies Limited	VGO	0.011	n.a.	n.a.	n.a.	n.a.	n.a.	0.35 <sup>(23)</sup>
29 Jul 22	GYP Properties Limited	VGO	0.20	34.2%	37.9%	33.3%	28.2%	30.7%	0.69 <sup>(24)</sup>
20 Aug 22	SP Corporation Limited	SOA	1.59	169.5%	163.7%	162.8%	156.9%	140.5%	1.00 <sup>(25)</sup>
29 Aug 22	Silkroad Nickel Ltd.	VGO	0.42	2.4%	5.4%	5.1%	(5.5)%	(3.2)%	5.20 <sup>(26)</sup>
12 Sep 22	Memories Group Limited	VD	0.047	34.3%	67.3%	72.2%	74.7%	76.7%	1.02 <sup>(27)</sup>
13 Sep 22	Singapore Medical Group Ltd	VGO	0.40	24.9%	28.1%	28.9%	25.8%	27.5%	4.20 <sup>(28)</sup>
14 Sep 22	Moya Holdings Asia Limited	VGO	0.092	41.5%	43.8%	48.4%	48.4%	46.0%	3.54 <sup>(29)</sup>
3 Oct 22	MS Holdings Limited	VGO	0.07	17.7%	n.a.	25.2%	25.5%	24.6%	0.48 <sup>(30)</sup>
6 Oct 22	Asian Healthcare Specialists Limited	VGO	0.188	17.5%	18.3%	21.3%	22.3%	19.5%	5.86 <sup>(31)</sup>
24 Nov 22	Chip Eng Seng Corporation Ltd.	VGO / MGO	0.75	5.6%	13.1%	26.5%	33.7%	42.6%	0.76 <sup>(32)</sup>
				<b>High</b>	169.5%	163.7%	162.8%	156.9%	5.86
				<b>Low</b>	1.3%	3.9%	5.1%	(5.5)%	0.35
				<b>Mean</b>	34.5%	40.0%	41.2%	41.4%	1.60
				<b>Median</b>	19.8%	23.2%	26.5%	27.5%	0.92

Company (as implied by the VGO Final Offer Price)	13.8%	21.6%	20.9%	17.4%	6.9%	0.75 (NAV as at 30 September 2022)	0.52 (RNAV as at 30 September 2022)
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Sources: Bloomberg L.P., S&P Capital IQ and the respective target companies' shareholders' circulars and announcements

**Notes:**

- (1) Based on the re-valued net tangible assets ("RNTA") per share of CEI Limited as at 31 December 2020;
- (2) Based on the NAV per share of GL Limited as at 31 December 2020;
- (3) Based on the NTA per share of International Press Softcom Limited as at 31 December 2020;
- (4) Based on the RNAV per share of World Class Global Limited as at 31 December 2020;
- (5) Based on the NAV per share of Singapore Reinsurance Corporation Limited as at 31 December 2020;
- (6) Based on the RNTA per share of Neo Group Limited as at 30 September 2020;
- (7) Based on the NAV per share of Singapore Press Holdings Limited as at 31 August 2021;
- (8) Based on the RNAV per share of Sin Ghee Huat Corporate Ltd as at 31 December 2020;
- (9) Based on the NTA per share of Top Global Limited as at 31 December 2020;
- (10) Based on the RNAV per share of Cheung Woh Technologies Limited as at 28 February 2021;
- (11) Based on the NTA per share of Dutech Holdings Ltd as at 31 December 2020;
- (12) Based on the NAV per share of Fragrance Group Limited as at 30 June 2021;
- (13) Based on the RNAV per share of SingHaiyi Group Ltd as at 30 September 2021;
- (14) Based on the RNAV per share of Starburst Holdings Limited as at 30 June 2021;
- (15) Based on the NTA per share of United Global Limited as at 30 June 2021;
- (16) Based on RNAV the per share of Roxy-Pacific Holdings Limited as at 30 June 2021;
- (17) Based on the NAV per share of Koufu Group Limited as at 30 June 2021;
- (18) Based on the RNTA per share of Shinvest Holding Ltd as at 31 August 2021;
- (19) Based on the NTA per share of Singapore O&G Ltd as at 31 December 2021;
- (20) Based on the NTA per share of Excelpoint Technology Ltd as at 31 December 2021;
- (21) Based on the Adjusted RNAV per share of Hwa Hong Corporation Limited as at 31 December 2021;
- (22) Based on the NAV per share of T T J Holdings Limited as at 31 January 2022;
- (23) Based on the Adjusted NAV per share of Allied Technologies Limited as at 31 March 2022;
- (24) Based on the RNTA per share of GYP Properties Limited as at 30 June 2022;
- (25) Based on the NAV per share of SP Corporation Limited as at 30 June 2022;
- (26) Based on the NTA per share of Silkroad Nickel Ltd. as at 30 June 2022;
- (27) Based on the RNAV per share of Memories Group Limited as at 30 June 2022;
- (28) Based on the NTA per share of Singapore Medical Group Ltd as at 30 June 2022;
- (29) Based on the Adjusted NTA per share of Moya Holdings Asia Limited as at 30 June 2022;
- (30) Based on the NAV per share of MS Holdings Limited as at 30 April 2022;
- (31) Based on the Adjusted NTA per share of Asian Healthcare Specialists Limited as at 31 March 2022; and
- (32) Based on the Adjusted NAV per share of Chip Eng Seng Corporation Ltd as at 30 June 2022.

Based on the above analysis, we note the following:

- (a) The premium of approximately 13.8% implied by the Final Offer Price over the last transacted price of the Shares on the Last Full Traded Day is within the range but is lower than the mean and median premia of 34.5% and 19.8% respectively as implied by the respective offer prices paid over the last transacted market prices of the shares on their respective last trading day with respect to the Precedent Privatisation Transactions;
- (b) The premium of approximately 21.6% implied by the Final Offer Price over the 1-month VWAP of the Shares up to and including the Last Full Traded Day is within the range but is lower than the mean and median premia of 40.0% and 23.2% respectively as implied by the respective offer prices over the 1-month VWAP of the shares with respect to the Precedent Privatisation Transactions;
- (c) The premium of approximately 20.9% implied by the Final Offer Price over the 3-month VWAP of the Shares up to and including the Last Full Traded Day is within the range but is lower than the mean and the median premia of 41.2% and 26.5% respectively as implied by the respective offer prices over the 3-month VWAP of the shares with respect to the Precedent Privatisation Transactions;

- (d) The premium of approximately 17.4% implied by the Final Offer Price over the 6-month VWAP of the Shares up to and including the Last Full Traded Day is within the range but is lower than the mean and the median premia of 41.4% and 25.8% respectively as implied by the respective offer prices over the 6-month VWAP of the shares with respect to the Precedent Privatisation Transactions;
- (e) The premium of approximately 6.9% implied by the Final Offer Price over the 1-year VWAP of the Shares up to and including the Last Full Traded Day is within the range but is lower than the mean and the median premia of 43.9% and 27.5% respectively as implied by the respective offer prices over the 1-year VWAP of the shares with respect to the Precedent Privatisation Transactions; and
- (f) The implied P/NAV and implied P/RNAV ratios of the Company of 0.75 times and 0.52 times respectively are within the range of P/NAV or P/NTA ratios of the Precedent Privatisation Transactions of between 0.35 times and 5.86 times; but significantly lower than the mean and median P/NAV or P/NTA ratios of the Precedent Privatisation Transactions of 1.60 times and 0.92 times respectively.

The Independent Directors should note that the level of premium (if any) an acquirer would normally pay for acquiring and/or privatising a listed company (as the case may be) varies in different circumstances depending on, *inter alia*, the attractiveness of the underlying business to be acquired, the synergies to be gained by the acquirer from integrating the target company's businesses with its existing business, the possibility of a significant revaluation of the assets to be acquired, the availability of substantial cash reserves, the liquidity in the trading of the target company's shares, the presence of competing bids for the target company, the extent of control the acquirer already has in the target company and prevailing market expectations. Consequently, each Precedent Privatisation Transaction should be judged on its own merits (or otherwise).

The list of Precedent Privatisation Transactions indicated herein has been compiled based on publicly available information as at the Latest Practicable Date. The above table captures only the premia/discounts implied by the offer prices in respect of the Precedent Privatisation Transactions over the aforesaid periods and does not highlight bases other than the aforesaid in determining an appropriate premium/discount for the recent Precedent Privatisation Transactions. It should be noted that the comparison is made without taking into account the total amount of the offer value of each respective Precedent Privatisation Transaction or the relative efficiency of information or the underlying liquidity of the shares of the relevant companies or the performance of the shares of the companies or the quality of earnings prior to the relevant announcement and the market conditions or sentiments when the announcements were made or the desire or the relative need for control leading to compulsory acquisition.

**We wish to highlight that the Company is not in the same industry and does not conduct the same businesses as the other companies in the list of Precedent Privatisation Transactions and would not, therefore, be directly comparable to the list of companies in terms of, *inter alia*, geographical markets, composition of business activities, scale of business operations, risk profile, asset base, valuation methodologies adopted, accounting policies, track record, future prospects, market/industry size, political risk, competitive and regulatory environment, financial positions and other relevant criteria. Accordingly, the Independent Directors should note that the above comparison merely serves as a general guide to provide an indication of the premium or discount in connection with the Precedent Privatisation Transactions. The list of the Precedent Privatisation Transactions is by no means exhaustive and any comparison of the Offer with the Precedent Privatisation Transactions is for illustration purposes only. Conclusions drawn from the comparisons made may not necessarily reflect any perceived market valuation for the Company.**



## 7.8 Precedent comparable transactions involving public listed companies that are broadly comparable to the Company

In addition to the Precedent Privatisation Transactions set out in paragraph 7.7 above, we have also considered recently completed mandatory cash offer for public listed companies on the SGX-ST (excluding real estate investment trusts and business trusts) that were announced since January 2020 and completed as at the Latest Practicable Date, where the offeror has indicated intentions to maintain the listing status of the target company and these companies continued to be listed after the close of their respective offers. For better comparability, we have further narrowed down and identified such non-privatisation precedent transactions that involves public listed companies principally engaged in construction, property development and property investment businesses ("**Precedent Comparable Transactions on SGX-ST**") which are broadly similar to the Group.

In addition, we have considered and compared the valuation statistics implied by the Final Offer Price vis-à-vis mandatory cash offer for public listed companies on Bursa Malaysia Securities Berhad ("**Bursa Malaysia**") over the two (2)-year period prior and up to the Latest Practicable Date which are engaged in principally engaged in construction and engineering businesses ("**Precedent Comparable Transactions on Bursa Malaysia**"). We have considered the Precedent Comparable Transactions on Bursa Malaysia given its proximity to Singapore, and that Malaysia also contributed a meaningful portion of the Group's revenue. However, publicly available information on these Precedent Comparable Transactions on Bursa Malaysia may be limited and may not include the relevant financial information necessary for our comparison purposes.

In making the comparison herein, we wish to highlight to the Independent Directors that the companies in the Precedent Comparable Transactions on SGX-ST and Precedent Comparable Transactions on Bursa Malaysia (collectively, "**Precedent Comparable Transactions**") are not exhaustive and the target companies listed in the Precedent Comparable Transactions as set out in the analysis below may not be identical to the Group in terms of, *inter alia*, composition of business, business activities, size and scale of operations, risk profile, geographical spread of business, operating and financial leverage, accounting policies, track record, financial performance and future prospects, liquidity and market capitalisation. Each transaction must be judged on its own commercial and financial merits. The premium or discount that an offeror pays in any particular Precedent Comparable Transactions varies in different specific circumstances depending on, *inter alia*, factors such as the intention of the offeror, the potential synergy the offeror can gain by acquiring the target, the prevailing market conditions and sentiments, attractiveness and profitability of the target's business and assets, the possibility of a significant revaluation of the assets to be acquired, the availability of substantial cash reserves, the liquidity in the trading of the target company's shares, the presence or absence of competing bids for the target company, and the existing and desired level of control in the target company. The list of the Precedent Comparable Transactions is by no means exhaustive and as such any comparison made serves as an illustration only. Conclusions drawn from the comparisons made may not necessarily reflect the perceived or implied market valuation of the Company.

Brief descriptions of the Precedent Comparable Transactions are set out below:

Precedent Comparable Transactions on SGX-ST	
Target Company	Description and Background
Lum Chang	<p>Please refer to paragraph 7.6 for the descriptions of Lum Chang.</p> <p>RMDV Investments Pte. Ltd. ("<b>RMDV</b>"), the offeror has acquired such number of shares of Lum Chang via open market purchases and married deals on the SGX-ST which, when taken together with shares owned by the offeror and parties acting in concert with it, has resulted in the offeror and parties acting in concert with it holding such number of shares amounting to more than 50% of the voting rights attributable to the total number of issued shares of the company.</p> <p>As a result of the acquisition of shares by RMDV, RMDV made the offer in compliance with the requirements of the Code.</p>
Lian Beng	<p>Please refer to paragraph 7.6 for the descriptions of Lian Beng.</p> <p>Ong Sek Chong &amp; Sons Pte Ltd had acquired, pursuant to a married deal ("<b>Market Acquisition</b>"), an aggregate of shares, representing approximately 1.17% of the total shares issued by the Lian Beng and pursuant to Rule 14.1(b) of the Code, the offeror announced the offer for all the offer shares at an offer price of S\$0.50 per offer share.</p>



Keong Hong Holdings Limited (" <b>Keong Hong</b> ")	<p>Keong Hong, an investment holding company, engages in the building construction, and property and hotel development activities in Singapore, Japan, and the Maldives. It operates through four (4) segments, being (i) construction; (ii) property development; (iii) investment property; and (iv) investment holding.</p> <p>LHJB Capital (S) Finance Pte. Ltd. ("<b>LHJB</b>") entered into a sale and purchase agreement with to acquire an aggregate number of ordinary shares of Keong Hong, representing approximately 19.05% of the total number of shares which will result in the offeror shareholding in Keong Hong to increased from 26.73% to 45.78%. In compliance with Rule 14 of the Code, LHJB had made a mandatory conditional cash offer for all the remaining shares, other than treasury shares and those shares owned, controlled or agreed to be acquired, directly or indirectly, by the offeror and the persons acting in concert with the offeror.</p>
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Precedent Comparable Transactions on Bursa Malaysia	
Target Company	Description and Background
Pesona Metro Holdings Berhad (" <b>Pesona</b> ")	<p>Pesona, an investment holding company, constructs buildings and infrastructure works in Malaysia. Pesona operates through three (3) segments, namely (i) construction works; (ii) manufacturing and trading of polyurethane; and (iii) and maintenance services of student hostel. It constructs residential and commercial buildings; and provides infrastructure works for the construction of highways and irrigation projects. The company is also involved in various businesses including property investment activities. Pesona was incorporated in 2011 and is headquartered in Seri Kembangan, Malaysia.</p> <p>Kombinasi Emas Sdn Bhd and Wie Hock Kiong made an offer to acquire remaining 40.01% of stake in Pesona on 30 November 2022. The joint offerors intend to maintain the listing status of Pesona on the Main Market of Bursa Malaysia.</p>
Stella Holdings Berhad (" <b>Stella</b> ")	<p>Stella, an investment holding company, principally engaged in the construction, property investment, maintenance and facility management, oil and gas, and healthcare businesses in Malaysia. The company is involved in the construction of civil and structural, mechanical and electrical works, and project management businesses and undertakes small and medium sized contracts. Stella is based in Shah Alam, Malaysia.</p> <p>Varia Engineering Services Sdn Bhd, Datuk Lau Beng Wei and Datuk Lau Beng Sin agreed to acquire 51.7% stake in Stella from Fine Approach Sdn Bhd, Cerdik Cempaka Sdn Bhd, Anjuran Utama Sdn Bhd, Westiara Development Sdn Bhd, Nova Premium Sdn Bhd and others for RM32.9 million on 21 October 2022.</p>
Hock Seng Lee Berhad (" <b>Hock Seng Lee</b> ")	<p>Hock Seng Lee engages in the marine and civil engineering, construction contracting, and property development businesses in Malaysia. It operates in three (3) segments: (i) construction; (ii) property development; and (iii) general trading. The company undertakes dredging, land reclamation and earthworks, road and bridge construction, tunnelling, and other infrastructure and building works. It is also involved in the development of residential and commercial properties; building construction; trading of construction materials; investment in properties; provision of property management and maintenance services; and general trading activities. The company was incorporated in 1979 and is headquartered in Kota Samarahan, Malaysia. Hock Seng Lee is a subsidiary of Hock Seng Lee Enterprise Sdn Bhd.</p> <p>Hock Seng Lee Enterprise Sdn Bhd and Dato' Yu Chee Hoe, Tony Yu Yuong Wee, Tang Sing Ngiik and Vincent Yu Yuong Yih made an offer to acquire remaining 15.8% stake in Hock Seng Lee for approximately RM120 million on 17 February 2022. The offeror and the joint ultimate offerors intend to continue the existing businesses of the Hock Seng Lee Group but does not tend to maintain the listing status of Hock Seng Lee on the Main Market of Bursa Securities post-offer.</p>

Sources: S&P Capital IQ and the respective target companies' announcements and reports

## Precedent Comparable Transactions on SGX-ST

The details on the selected Precedent Comparable Transactions on SGX-ST are set out below:

Target company	Announcement date	Transaction type	Premium/(Discount) of offer price over/to					Offer price-to-NAV (times)	Offer price-to-RNAV (times)	IFA opinion
			Last transacted price (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	1-year VWAP (%)			
Lum Chang	17-Nov-20	MGO	8.6%	8.6%	8.7%	8.8%	10.3%	0.56	0.52 <sup>(1)</sup>	<b>Reject</b> – Not fair, not reasonable
Lian Beng	14-Jun-21	MGO	6.4%	7.1%	1.6%	6.6%	11.4%	0.34	0.33 <sup>(2)</sup>	<b>Reject</b> – Not fair, not reasonable
Keong Hong	21-Jan-22	MGO	3.8%	7.9%	11.1%	11.0%	12.7%	0.57	0.50 <sup>(3)</sup>	<b>Reject</b> – Not fair, not reasonable
			<b>Max</b>	8.6%	8.6%	11.1%	11.0%	12.7%	0.76	0.52
			<b>Min</b>	3.8%	7.1%	1.6%	6.6%	10.3%	0.34	0.33
			<b>Mean</b>	6.3%	7.9%	7.1%	8.8%	11.5%	0.49	0.45
			<b>Median</b>	6.4%	7.9%	8.7%	8.8%	11.4%	0.45	0.50
			<b>The Company (as Implied by the Final Offer Price)</b>	<b>13.8%</b>	<b>21.6%</b>	<b>20.9%</b>	<b>17.4%</b>	<b>6.9%</b>	<b>0.75 (NAV as at 30 September 2022)</b>	<b>0.52 (RNAV as at 30 September 2022)</b>

Sources: S&P Capital IQ and the respective target companies' announcements and circulars

### Notes:

- (1) Based on the RNNAV per share of Lum Chang as at 30 June 2020.
- (2) Based on the RNNAV per share of Lian Beng as at 30 November 2020.
- (3) Based on the RNNAV per share of Keong Hong as at 16 February 2022.

Based on the above analysis, we note the following:

- (i) The premium of approximately 13.8% implied by the Final Offer Price over the last transacted price of the Shares on the Last Full Traded Day is above the range of the premia as implied by the respective offer prices paid over the last transacted market prices of the shares on their respective last trading day with respect to the Precedent Comparable Transactions on SGX-ST;
- (ii) The premium of approximately 21.6% implied by the Final Offer Price over the 1-month VWAP of the Shares up to and including the Last Full Traded Day above the range of the premia as implied by the respective offer prices over the 1-month VWAP of the shares with respect to the Precedent Comparable Transactions on SGX-ST;
- (iii) The premium of approximately 20.9% implied by the Final Offer Price over the 3-month VWAP of the Shares up to and including the Last Full Traded Day is above the range of the premia as implied by the respective offer prices over the 3-month VWAP of the shares with respect to the Precedent Comparable Transactions on SGX-ST;
- (iv) The premium of approximately 17.4% implied by the Final Offer Price over the 6-month VWAP of the Shares up to and including the Last Full Traded Day is above the range of the premia as implied by the respective offer prices over the 6-month VWAP of the shares with respect to the Precedent Comparable Transactions on SGX-ST;
- (v) The premium of approximately 6.9% implied by the Final Offer Price over the 1-year VWAP of the Shares up to and including the Last Full Traded Day is below the range of the premia of 10.3% and 12.7% respectively as implied by the respective offer prices over the 1-year VWAP of the shares with respect to the Precedent Comparable Transactions on SGX-ST; and
- (vi) The implied P/NAV ratio of the Company of 0.75 times is above the range of P/NAV or P/NTA ratios of the Precedent Comparable Transactions on SGX-ST of between 0.49 times and 0.45 times.
- (vii) The implied P/RNAV ratio of the Company of 0.52 times is similar to the maximum P/RNAV

ratio of the Precedent Comparable Transactions on SGX-ST.

#### Precedent Comparable Transactions on Bursa Malaysia

Relevant information has been extracted from S&P Capital IQ and/or public announcements of the Precedent Comparable Transactions on Bursa Malaysia, where available. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information. The details on the selected Precedent Comparable Transactions on Bursa Malaysia are set out below:

Target company	Announcement date	Transaction type	Premium/(Discount) of offer price over/to					Offer price-to-NAV (times)	IFA opinion
			Last Transacted Price (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	1-year VWAP (%)		
Pesona	30-Nov-22	MGO	-	1.4%	(0.4)%	(2.4)%	(14.6)%	0.88 <sup>(1)</sup>	<b>Reject</b> – Not fair, not reasonable
Stella	21-Oct-22	MGO	1.1%	4.7%	3.2%	1.2%	(4.7)%	1.25 <sup>(2)</sup>	<b>Reject</b> – Not fair, not reasonable
Hock Seng Lee	17-Feb-22	MGO	0.8%	0.7%	9.2%	16.2%	26.0%	0.84 <sup>(3)</sup>	<b>Reject</b> – Not fair, but reasonable
			<b>Max</b>	1.1%	4.7%	9.2%	16.2%	26.0%	1.25
			<b>Min</b>	-	0.7%	(0.4)%	(2.4)%	(14.6)%	0.84
			<b>Mean</b>	0.6%	2.3%	4.0%	5.0%	2.2%	0.99
			<b>Median</b>	0.8%	1.4%	3.2%	1.2%	(4.7)%	0.88
			<b>The Company (as Implied by the Final Offer Price)</b>	13.8%	21.6%	20.9%	17.4%	6.9%	0.75 (NAV as at 30 September 2022) 0.52 (RNAV as at 30 September 2022)

Sources: S&P Capital IQ and the respective target companies' announcements and circulars

#### Notes:

- (1) Computed based on the offer price of RM0.19 divided by the NAV per share of RM0.217 of Pesona as at 30 September 2022.
- (2) Computed based on the offer price of RM0.95 divided by the non-diluted NAV per share of RM0.76 of Stella as at 30 June 2022.
- (3) Computed based on the offer price of RM1.35 divided by the NAV per share of Hock Seng Lee of RM1.609 as at 31 December 2021.

For illustration purposes only, we note the following:

- (a) The premium of approximately 13.8% implied by the Final Offer Price over the last transacted price of the Shares on the Last Full Traded Day is above the range of the premia implied by the respective offer prices paid over the last transacted market prices of the shares on their respective last trading day with respect to the Precedent Comparable Transactions on Bursa Malaysia;
- (b) The premium of approximately 21.6% implied by the Final Offer Price over the 1-month VWAP of the Shares up to and including the Last Full Traded Day is above the range of the premia implied by the respective offer prices over the 1-month VWAP of the shares with respect to the Precedent Comparable Transactions on Bursa Malaysia;
- (c) The premium of approximately 20.9% implied by the Final Offer Price over the 3-month VWAP of the Shares up to and including the Last Full Traded Day is above the range of the premia implied by the respective offer prices over the 3-month VWAP of the shares with respect to the Precedent Comparable Transactions on Bursa Malaysia;
- (d) The premium of approximately 17.4% implied by the Final Offer Price over the 6-month VWAP of the Shares up to and including the Last Full Traded Day is above the range of the premia implied by the respective offer prices over the 6-month VWAP of the shares with respect to the

Precedent Comparable Transactions on Bursa Malaysia;

- (e) The premium of approximately 6.9% implied by the Final Offer Price over the 1-year VWAP of the Shares up to and including the Last Full Traded Day is within the range, and is higher than the mean and the median premia/(discount) of 2.2% and (4.7)% respectively as implied by the respective offer prices over the 1-year VWAP of the shares with respect to the Precedent Comparable Transactions on Bursa Malaysia;
- (f) The implied P/NAV ratio of the Company of 0.75 times is within the range of the implied P/NAV ratios of the Precedent Comparable Transactions on Bursa Malaysia, but below the mean and median of 0.99 times and 0.88 times respectively; and
- (g) The implied P/RNAV ratio of the Company of 0.52 times respectively is below the range of the implied P/NAV ratios of the Precedent Comparable Transactions on Bursa Malaysia of between 0.84 times and 1.25 times.

## **7.9 Estimated valuation of the Shares**

As mentioned in paragraphs 7.1 to 7.8 above, we have taken into consideration various factors and evaluated the financial terms of the Offer, being the Final Offer Price of S\$0.95 per Share.

We have considered the earnings approach to value the Shares using EBITDA and net income. However, as set out under paragraph 7.3.1 above, we note that the Group's earnings were subject to significant fluctuations from year-to-year. We have summarised the key factors leading to the fluctuation in the Group's earnings especially during the periods from FY2020 up to 1H2023 based on the business segments of the Group:

### E&C business

- (i) From FY2020 to 1H2023, the E&C business had contributed around 90% of revenue to the Company. The revenue of E&C business has been negatively affected mainly by COVID-19 from FY2021 onwards. The revenue for the E&C business has decreased by approximately S\$127.2 million or 32.5% from FY2020 to FY2021. In FY2022, revenue has increased around S\$59.8 million or 22.6% to S\$324.5 million, which is still approximately 17.2% lower than the revenue in FY2020 of S\$391.9 million; and
- (ii) The impact of COVID-19 had also led to lower margins, due to an order backlog of E&C projects that had resulted in executing projects with margins secured previously that did not take into account escalated costs arising from inflation, labour shortage and supply chain disruptions. In FY2020, the E&C business PBT margin was around 5.0%. The PBT margins for FY2021 was significantly lower at approximately 1.2% compared to FY2020. In FY2022, the E&C business incurred a loss resulting in a loss before tax margin of approximately 2.0% mainly due to reduced revenue from the leaner order backlog of E&C projects and less favourable margins secured prior to COVID-19. In 1H2023, the E&C business has recorded a PBT of approximately S\$2.4 million which was slightly lower than approximately S\$2.8 million for 1H2022.

### Real Estate business

- (i) The PBT attributable to Real Estate business has been fluctuating significantly in the recent years with PBT recorded of approximately S\$7.9 million, S\$137.5 million, S\$17.9 million and S\$6.7 million, representing approximately 28.8%, 97.8%, 129.5% and 62.9% of the Company's PBT for FY2020, FY2021, FY2022 and 1H2023 respectively; and
- (ii) The key event in FY2021 was the launch of the Boustead Industrial Fund to invest in, administer and manage certain investments in logistics, business parks and industrial properties. In that year, the Real Estate business PBT increased significantly by approximately 1641.4% or S\$129.6 million from approximately S\$7.9 million in FY2020 to approximately S\$137.5 million in FY2021 mainly due to one-off gain arising from the BIF Value-Unlocking Gain.

Accordingly, we considered that earnings approach using the EV/EBITDA and P/E multiples may not be appropriate in valuing the Group given that it may be challenging to determine the normalised EBITDA or net income as it involves subjective estimates and assumptions. This is particularly so arising from the COVID-19 pandemic and other unprecedented macro-economic factors that will impact the Group's business environment especially in the E&C segment. In addition, we note that the

acquisition and realisation of properties or interests in properties occurs as and when opportunities arise and may not happen on a consistent basis.

As such, our approach to determine the estimated value of the Group will take into consideration the NAV and RNAV multiples in evaluating the financial terms of the Offer.

#### Our valuation approach – cost approach using NAV and RNAV

As set out in our analysis under paragraph 7.4 of this letter, the Group's material assets are mainly its property-related assets, which comprised the Group's leasehold property, investments properties, investment securities and properties held under the Group's investments in subsidiaries, associates, and joint ventures. The aggregate carrying value of the property-related assets represent more than 30% of its total assets as at 30 September 2022.

As mentioned in our analysis, the Group derived significant revenue from its E&C activities. In view of the Group's profile with significant construction activities (total outstanding value of construction works yet to be reported as revenue remains at approximately S\$452 million as at 30 September 2022) and the significant property assets, including investment properties and investments in joint venture and associates, we have adopted the cost approach based on NAV and RNAV for the Company arising from the valuation of the Appraised Properties.

Based on the above, we are of the view that the (i) NAV and RNAV of the Company can be used to approximate the estimated valuation of the Shares of the Company as it is a tangible asset and less subject to material valuation uncertainties; and (ii) RNAV is more reflective of the Group value as most of the Group's properties were previously held at cost less accumulated depreciation and impairment losses and not stated as their respective fair values prior to 30 September 2022 and is regarded as the upper bound of our estimated valuation of the Shares of the Company.

#### Market approach using the P/NAV or P/RNAV multiples

We have also considered market approach using P/NAV, P/NTA or P/RNAV multiples as an alternative valuation approach and a cross reference to the P/NAV and P/RNAV of the Company.

We have assessed the range of the mean and median P/NAV or P/NTA ratios of the Precedent Privatisation Transactions of 1.60 times and 0.92 times, respectively. As the mean and median are considerably different, it appears that the data may be skewed by some Precedent Privatisation Transactions. As such, we have considered the median of 0.92 of the Precedent Privatisation Transactions to be more representative and appropriate to cross reference to our estimated valuation range of the Shares.

In assessing the reasonableness of the P/NAV or P/RNAV multiples of the Precedent Comparable Transactions, we note that the list of transactions mainly comprises non-privatisation transactions (i.e. five (5) out of the six (6) Precedent Comparable Transactions). In particular, the respective offerors' intention to keep the listing status of the target company could have attributed to a less attractive offer price, of which the respective IFAs has opined the financial terms of the offers as "**not fair**". Accordingly, we have not placed reliance on the P/NAV or P/RNAV of the Precedent Comparable Transactions in our evaluation of the Final Offer Price.

We have also assessed the mean and median P/NAV multiples of the Comparable Companies ("**CC P/NAV Ratios**") of 0.51 and 0.56 times respectively, as at the Latest Practicable Date. However, we are of the view that the estimated valuation range of the Shares derived based on the CC P/NAV Ratios would appear to be low as (i) the CC P/NAV Ratios are lower than the mean and median P/NAV or P/NTA ratios of the Precedent Privatisation Transactions; and (ii) the CC P/NAV Ratios are only slightly higher than the mean and median of P/NAV or P/RNAV ratios of Precedent Comparable Transactions on SGX-ST and lower than the mean and median of P/NAV ratio of Precedent Comparable Transactions on Bursa Malaysia, and noting that all the respective IFAs of the Precedent Comparable Transactions have opined the financial terms of the offers as "**not fair**".



### Our conclusion

In view of the foregoing, we have considered that the initial estimated valuation range of the Shares could be between a lower bound of approximately S\$1.17<sup>7</sup> (based on the median implied P/NAV or P/NTA from Precedent Comparable Transactions) and upper bound of approximately S\$1.84 (based on the RNAV per Share). We note that the initial estimated valuation range is wide and have considered the following factors:

- (i) As set out in Paragraph 7.4 of this letter, we noted that the majority of the Group's properties are mostly held under investments in joint ventures and associates which the Company does not hold a majority effective interest and/or does not have the sole decision-making power in relation to the management and disposal of these properties as at the Latest Practicable Date;
- (ii) The Management has confirmed that the properties are investment properties to be held for long-term rental yield and/or for capital appreciation; and
- (iii) In the event of a hypothetical sale of all the properties or the Group's interests in properties at the RNAV, comprising of more than 30 properties that are currently held under the Group as at the Latest Practicable Date, the sale of the properties may be subject to approval of relevant governmental authority that may include JTC Corporation, the availability of buyers and other potential costs such as professional fees and liquidation costs to be incurred.

Having considered the above, the likelihood for the Group to realise all of its properties at the RNAV in the short-term is considerably low. Accordingly, we have applied a discount of 25% to the RNAV per Share of S\$1.84 to arrive at the final upper bound of S\$1.38.

**As such, the Final Offer Price of S\$0.95 is below our final estimated valuation range for the Shares of between S\$1.17 and S\$1.38.**

### **7.10 Analyst's estimate and price target for the Company**

We have noted and reviewed the estimates of the price target by a brokerage sourced from S&P Capital IQ. The summary of the price target by the analyst from the brokerage is shown in the table below:

Analyst's price target for the Company				
Date	Analyst	Recommendation	Target Base Price (S\$) <sup>(1)</sup>	Premium/ (Discount) of Final Offer Price to Target Price
21 November 2022	CGS-CIMB Securities (Singapore) Pte Ltd ("CGS-CIMB")	Add	1.35	(29.6)%

Source: CGS-CIMB report on the Company dated 21 November 2022

**Note:**

- (1) The target base price of S\$1.35 is the base price of the Company indicated by the analyst report which is a 25.0% discount to the RNAV per share of S\$1.79.

The report by CGS-CIMB was released after the announcement of the Group's financial results for 1H2023. Based on CGS-CIMB's report, we note that the Final Offer Price of S\$0.95 represents a discount of approximately 29.6% to the target price of S\$1.35.

**We wish to highlight that the above research report is not exhaustive and the estimated price target of the Shares in this report represent the individual views of the analyst (and not PPCF) based on the circumstances, including but not limited to, market, economic and industry conditions and market sentiment and investor perceptions on the prospects of the Company, prevailing at the date of the publication of the respective reports. The opinion of the analyst may change over time due to, *inter alia*, changes in market conditions, the Company's corporate developments and the emergence of new information relevant to the Company. As such, the estimated price target in this analyst reports may not be an accurate prediction of future market prices of the Shares.**

<sup>7</sup> The lower bound of S\$1.17 is computed based on the median implied P/NAV or P/NTA of the Precedent Privatisation Transactions of 0.92 times multiplied by the Company's NAV per Share of S\$1.27.



## 7.11 Distribution track record of the Company

For the purpose of assessing the Offer, we have considered the historical distribution track record of the Shares for the last five (5) financial years prior to the Offer Announcement Date and compared them with the returns which a shareholder may potentially obtain by re-investing the proceeds from the Offer in other selected alternative equity investments.

The Company had declared and paid the following distributions in respect of its last five (5) financial years:

Historical dividend track record of the Company					
S\$	FY2018	FY2019	FY2020	FY2021	FY2022
Interim dividend per Share	-	-	-	-	-
Final dividend per Share	0.015	0.015	0.008	0.009	0.002
Special dividend per Share	-	0.005	-	0.145	0.008
<b>Total dividend per Share</b>	<b>0.015</b>	<b>0.02</b>	<b>0.008</b>	<b>0.154</b>	<b>0.01</b>
Share price on final cum-dividend date <sup>(1)</sup>	0.895	0.99	0.795	1.29	0.895
<b>Final dividend yield (%)</b>	<b>1.68</b>	<b>1.52</b>	<b>1.01</b>	<b>0.70</b>	<b>0.22</b>
<b>Total dividend yield (%)</b>	<b>1.68</b>	<b>2.02</b>	<b>1.01</b>	<b>11.94</b>	<b>1.12</b>

Sources: Bloomberg L.P., financial results announcements of the Company and PPCF calculations

**Note:**

(1) The closing market price as at the final cum dividend date for each respective financial year.

Notwithstanding that the Company does not have a fixed and written dividend policy, the Company has a historical dividend track record in the last five (5) financial years. The Company has not declared any interim dividends for the last five (5) financial years, while the final dividend declared at the publication of the Company's full-year financial results will be paid after the approval by shareholders at the annual general meeting. We noted that the Company has declared a special dividend of S\$0.145 per Share for FY2021 which was mainly attributable to a significant one-off gain in relation to the BIF Value-Unlocking Gain. There can be no assurance that in any given year a dividend will be proposed or declared. The payment of dividends, if any, and the amounts and timing thereof, will depend on a number of factors, including profit growth, cash position, projected capital requirements for business growth and other factors as the Board may deem appropriate, as well as other legal and regulatory requirements. The observation above only serves as an illustrative guide and is not an indication of the future dividend policy of the Company.

For the purpose of assessing the Offer, we have considered the shareholders who accept the Offer may re-invest the proceeds from the Offer in selected alternative equity investments including the equity of the Comparable Companies and/or a broad Singapore market index instrument such as the STI Exchange Traded Fund ("STI ETF").

For illustration purposes, we have set out below the dividend yields of the Comparable Companies in their respective most recently completed financial year end, and the distribution yield of STI ETF based on its distributions declared over the calendar year of 2022:

Dividend yields of Comparable Companies		
Comparable Companies	Latest completed financial year end	Net dividend yield <sup>(1)</sup> (%)
Hock Lian Seng <sup>(2)</sup>	31 December 2022	3.64
KSH Holdings	31 March 2022	5.63
Lian Beng	31 May 2022	5.71
Lum Chang <sup>(3)</sup>	30 June 2022	10.13
Wee Hur <sup>(2)</sup>	31 December 2022	2.38
<b>Mean</b>	—	5.50
<b>Median</b>	—	5.63
<b>STI ETF</b>	—	3.54
<b>The Company (based on the Final Offer Price)</b>		<b>1.05<sup>(4)</sup></b>

Sources: Bloomberg L.P., financial results and dividend announcements of the Company and PPCF calculations

**Notes:**

- (1) Net dividend yield of each selected alternative investment is computed as the dividends declared over the most recently completed financial year as reported in the annual reports, results announcements and company filings, divided by the closing market price as at the final cum dividend date (or where there was no trading on such date, the last available closing market price on the Latest Practicable Date). The aforementioned dividend yield computed may differ from the actual dividend yield which will vary depending on the actual cost of investment paid by the individual investor.
- (2) The dividend yields for Hock Lian Seng and Wee Hur are computed based on the dividends declared for the financial year ended 31 December 2022 as at the Latest Practicable Date, assuming that these companies will not declare further dividends relating to the latest completed financial year end. The share price is the last available closing market price on the Latest Practicable Date.
- (3) The dividend yield for Lum Chang is significantly higher than those of other Comparable Companies due to the special dividend declared for the financial year ended 30 June 2022.
- (4) Based on the total dividends declared by the Company for FY2022 of S\$0.01 per Share divided by the Final Offer Price of S\$0.95.

Based on the above analysis, we note that the dividend yield (based on the dividends declared for FY2022) of the Company based on the Final Offer Price is approximately 1.05%, which is lower than the mean and median dividend yield of the Comparable Companies at approximately 5.50% and 5.63% respectively. This suggest that shareholder who accept the Offer may potentially experience an increase in dividend income if they reinvest the proceeds from the Offer in the shares of Comparable Companies.

We wish to highlight the above dividend analysis serves only as an illustrative guide and is not an indication of the Company's future dividend policy or that of any of the Comparable Companies. There is no assurance that the Comparable Companies will continue to pay dividends in the future and/or maintain their respective level of dividends paid in the past periods.

Notwithstanding the above, it is uncertain whether the Company and the Comparable Companies can maintain its historical dividend yields at the levels set out above, hence it is uncertain whether the shareholders will be able to increase their investment income by liquidating their investment in the Company and reinvesting their proceeds in the Comparable Companies.

**The Independent Directors should note that an investment in STI ETF and equity of the Comparable Companies provides a different risk-return profile as compared to an investment in the Shares, and therefore the above comparison serves purely as a guide only. Furthermore, it should also be noted that the above analysis ignores the effect of any potential capital gain or capital loss that may accrue to the shareholders arising from their investment in the Shares due to market fluctuations in the price of the Shares during the relevant corresponding periods in respect of which the above dividend yields were analysed.**

**In addition, there can be no assurance that in any given year a distribution will be proposed or declared. The payment of distributions, if any, and the amounts and timing thereof, will depend on a number of factors, including future profits, financial conditions, general economic and business conditions, and future prospects and such other factors as the Board may deem relevant, as well as other legal and regulatory requirements.**

## 8 OTHER CONSIDERATIONS

### 8.1 Outlook of the industry and market that the Group is operating in

We note that the Company had made a commentary in its financial results announcement for 1H2023 on the significant trends and competitive conditions of the industry that may affect the Group in the next reporting period and the next 12 months. The commentary has been reproduced below in italics and should be read in the context of the entire 1H2023 results announcement:

*"The BP Group's current order backlog (unrecognised project revenue remaining at the end of 1H FY2023 plus the total value of new orders secured since then) stands at a healthier level of \$452 million, having secured \$320 million in new contracts since the start of FY2023, including a previously announced record contract from a Fortune 500 corporation valued at approximately \$300 million.*

*During 1H FY2023, the BP Group achieved meaningful progression with its two largest projects secured pre-pandemic – JTC Kranji Green and Surbana Jurong Campus – and is expecting to complete these projects in FY2023. As the pre-pandemic projects move toward completion, the BP Group expects to free up more resources that would enable it to secure new projects such as the record contract mentioned earlier, in line with its plans to selectively rebuild its order backlog in high value-added sectors where it maintains a competitive advantage, expertise and familiarity that would mitigate longer term challenges. Notwithstanding that, there could still be margin risks associated with the complex geoeconomic and geopolitical landscape, and tighter local conditions for manpower, materials and supply chain.*

*Under the Real Estate Business, the BP Group continues to boost recurring income through asset stabilisations and higher occupancies, with active management and leasing efforts. During May 2022, the BP Group announced the proposed acquisition of a 60% shareholding in KTG & Boustead Joint Stock Company ("KBJSC"), the holding company for KTG & Boustead Industrial Logistics Fund, a move which will strengthen the BP Group's strategic presence in Vietnam, once the transaction is completed. Outside of industrial real estate activities, the BP Group also announced that its 50%-owned joint venture had acquired 28 & 30 Bideford Road, a brand new Grade-A 18-floor mixed development comprising hospitality, healthcare and commercial components in Singapore's prime Orchard Precinct for \$515 million. The BP Group is currently working on bringing the development into full operations.*

*In view of the progress made by the E&C Business, Real Estate Business and growing fund management activities, the BP Group expects improved profitability in FY2023 in comparison to FY2022, barring any unforeseen circumstances and disruptions. With a healthier order backlog and stable financial position, the BP Group remains well-positioned to pursue value-creation opportunities across the region."*

The above historical commentary by the Company was not made in connection with the Offer.

In addition, we also note that the Group's key market is Singapore and we have set out in below a summary of the outlook of the general economy as well as the engineering and construction and real estate industries in Singapore, based on publicly available information:

## Summary of estimated outlook of Singapore

### Growth outlook for Singapore

#### Economic Survey of Singapore Press Release by Ministry Trade and Industry Singapore ("MTI")

- Singapore's economy grew by 3.6% in 2022 but was slower than the expansion in 2021 of 9.8%.
- *"Singapore's external demand outlook has improved slightly, with the faster-than-expected easing of China's COVID-19 restrictions. This has led to improvements in the growth outlook of regional economies".*
- At the same time, uncertainties in the global economy remain mainly due to:
  - *"With major central banks still raising interest rates, disorderly market adjustments and the exposure of latent vulnerabilities among highly indebted corporates and households could increase financial stability risks".*
  - *"Further escalations in the war in Ukraine and geopolitical tensions among global powers could worsen supply disruptions, dampen consumer and business confidence, as well as weigh on global trade".*
- *"Taking into account the global and domestic economic environment, the GDP growth forecast for 2023 is maintained at "0.5 to 2.5 per cent"."*

### General outlook of the engineering and construction industry

We have set out the following excerpts from selected media articles and reports in relation to the engineering and construction industry in Singapore:

#### Report by MTI – "Economic Survey of Singapore" dated February 2023

- *"Total construction output in 2023 is projected to increase to between \$30.0 billion and \$33.0 billion, supported by a steady level of construction demand and some remaining backlogs of construction works that were disrupted by the COVID-19 pandemic"*

#### Article by the Building and Construction Authority – "Singapore's Construction Demand to Remain Strong in 2023" dated 12 January 2023

- Both residential and industrial building construction demand are expected to be similar to last year's level, underpinned by the development of new condominiums and high-specification industrial buildings. Due to the rescheduling of some major projects from 2022 to 2023 as well as the redevelopment of old commercial premises to enhance asset values, commercial building demand is anticipated to increase."
- *"Over the medium-term, BCA expects the total construction demand to reach between \$25 billion and \$32 billion per year from 2024 to 2027."*

#### Article by Channel NewsAsia – "Singapore's construction industry slowly but surely tackling cost, labour issues" dated 21 December 2022

- "Authorities have reported that construction output here this year has recovered close to pre-pandemic levels, signalling that construction activities are progressing at a steady pace."
- *"... there is increasing demand for both residential properties and commercial properties in Singapore. Whether supply can meet the rising demand, depends on how quickly the wider construction industry can overcome the reported labour and material shortages, while contending with factors beyond their control, such as geopolitical tensions, energy prices and supply chain disruptions"*

## Summary of estimated outlook of Singapore

### General outlook of the real estate industry

We have set out the following excerpts from selected media articles and reports in relation to the real estate industry in Singapore:

#### Report by MTI – "Economic Survey of Singapore" dated February 2023

- *"In the industrial space market, overall rental rose by 6.9 per cent in 2022, faster than the 2.0 per cent increase seen in the previous year. Rentals of all types of industrial property space (i.e., single-use factories, multiple-user factories, warehouses and business parks) increased in 2022. Meanwhile, overall industrial property prices grew by 7.5 per cent, accelerating from the 4.4 percent increase in 2021."*

#### Report by Cushman & Wakefield – "Singapore + 2023" dated 2022

- *"New industrial supply rose in 2022 due to construction delays accrued during the pandemic. Some new supply were pushed back to 2023, especially in single user factory and warehouse markets. While vacancy rates is expected to increase in 2023, the brunt of it would be felt by older stock amidst a flight to quality. While supply in single-user factory space will increase significantly in 2023 and 2024, most of it are pre-committed by occupiers. So actual new supply into the market would be limited. New industrial supply may remain tempered as developers face higher construction costs, market uncertainty and strict JTC regulations. Nonetheless, a weaker economic outlook and sharp rent increases in prior years would lead to increasing tenant resistance and slower rental growth."*
- *"Business park and high-tech space could benefit from decentralisation demand as companies look for cost-effective alternatives as economic conditions weaken, though there is a preference for close-to-city locations."*

We observe from the above industry articles and articles that:

- (a) Amidst uncertainty caused by the tighter financial conditions across various economies and geopolitical tensions, Singapore's GDP growth forecast for 2023 is maintained at 0.5% to 2.5%;
- (b) Growth in the construction demand in Singapore is expected to remain strong in 2023, mainly due to the rescheduling of some major projects from 2022 to 2023. Private sector demand is also expected to remain healthy over the medium-term as well, in view of healthy investment commitments and Singapore's strong economic fundamentals. However, the recovery of the industry may be hampered by increasing cost, labour and supply chain issues and the ongoing conflict in Ukraine; and
- (c) The growth in the real estate sector in Singapore continues to grow, with overall rentals in the industrial market rising. Supply, however, is tempered as developers face higher construction costs and high interest rates environment. Regardless, a weaker economic outlook and sharp rental increases in prior years is likely to lead to increasing tenant resistance and slower rental growth. Notwithstanding, business parks could benefit from decentralisation demand as companies look for cost-effective alternatives.

## 8.2 Offeror's intention for the listing status of the Company

As set out in paragraph 8.4 of the Offer Document, it is the intention of the Offeror to privatise the Company and delist the Company from the SGX-ST should the option be available to the Offeror. In the event that the trading of Shares on the SGX-ST is suspended pursuant to Rule 724, Rule 1105 or Rule 1303(1) of the Listing Manual, **the Offeror has no intention to undertake or support any action for any such trading suspension by the SGX-ST to be lifted. In addition, the Offeror reserves the right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual.**



### 8.3 Alternative takeover offer

The Directors confirm that (i) no other third parties have approached the Company with an intention to make an offer for the Company; and (ii) apart from the Offer being made by the Offeror, no other third party has made a firm offer for the Company as at the Latest Practicable Date.

### 8.4 Compulsory acquisition

The Offeror will not be able to avail itself of the powers of compulsory acquisition under Section 215(1) of the Companies Act following the completion of the Offer. Accordingly, after the close of the Offer, the Offeror will not be entitled to exercise the right to compulsorily acquire all the Shares of shareholders who have not accepted the Offer ("**Dissenting Shareholders**") even if the Offeror receives valid acceptances pursuant to the Offer of more than 90% of the total number of issued Shares (other than those already held by the Offeror and its related corporations and their respective nominees and the parties acting in concert with it). **Dissenting Shareholders should take note of the implications set out in Paragraph 8.5 of this letter below in this event.**

### 8.5 Implications of delisting or suspension for shareholders

- (i) Shareholders who do not accept the Offer should note the following implications or consequences which may arise as a result of any suspension in, and/or delisting of the Shares. Shares of unquoted companies are generally valued at a discount to the shares of comparable listed companies as a result of lack of marketability;
- (ii) It is likely to be difficult for shareholders to sell their Shares in the absence of a public market for the Shares as there is no arrangement for such shareholders to exit their investments in the Shares. If the Company is delisted, even if such shareholders were subsequently able to sell their Shares, they may receive a lower price than that of the Final Offer Price;
- (iii) As an unlisted company, the Company will no longer be obliged to comply with the listing requirements of the SGX-ST, in particular the continuing corporate disclosure requirements under Chapter 7 of the Listing Manual and Appendices 7.1 to 7.4 to the Listing Manual. Shareholders will no longer enjoy the same level of protection, transparency and accountability afforded by the Listing Manual. Nonetheless, as a company incorporated in Singapore, the Company will still need to comply with the Companies Act and its Constitution and the interests of shareholders who do not accept the Offer will be protected to the extent provided for by the Companies Act which includes, inter alia, the entitlement to be sent a copy of the profit and loss accounts and balance sheet at least 14 days before each annual general meeting, at which the accounts will be presented; and
- (iv) There is no assurance that the Company will maintain its historical dividend payments in the future.

## 9 OPINION

In arriving at our opinion in respect of the Offer, we have considered the following key considerations (which should be read in conjunction with, and in the context of, the full text of this letter):

#### **Factors in favour of the Final Offer Price:**

- (i) The Final Offer Price of S\$0.95 represents premia of 6.9%, 17.4%, 20.9% and 21.6% over the VWAP of the Shares for the 1-year, 6-month, 3-month and 1-month periods prior to the Offer Announcement Date respectively;
- (ii) During the 2-year Lookback Period, the ADTV of the Shares for the 2-year, 1-year, 6-month, 3-month and 1-month periods prior to the Offer Announcement Date was low, representing 0.16%, 0.05%, 0.03%, 0.05% and 0.01% of the free float of the Shares respectively;
- (iii) Save for the period from end of May 2021 to 4 August 2021, during the 2-year Lookback Period up to and including the Last Full Traded Day, the Shares had underperformed the rebased FSSTI and rebased FTSF;
- (iv) For the 1-month, 3-month, 6-month and 1-year periods prior to and including the Last Full Traded Day, the implied P/NAV of 0.75 times is above the average historical trailing P/NAV of the Shares of 0.64 times, 0.64 times, 0.67 times and 0.71 times respectively;



- (v) For the 1-month, 3-month and 6-month periods prior to and including the Last Full Traded Day, the implied P/E of 22.72 times is above the average historical trailing P/E of the Shares of 18.87 times, 19.24 times and 21.65 times respectively;
- (vi) In respect of the Comparable Companies:
  - The implied EV/EBITDA ratio of the Company of 13.57 times is above the range of the EV/EBITDA ratios of the Comparable Companies of between 1.19 times and 10.20 times;
  - The implied P/E ratio of the Company of 22.72 times is above the range of the P/E ratios of the Comparable Companies of between 2.79 times and 8.53 times;
  - The implied P/NAV ratio of the Company of 0.75 times is above the range of the P/NAV ratios of the Comparable Companies of between 0.34 times and 0.69 times; and
  - The implied P/RNAV ratio of the Company of 0.52 times is within the range of the P/NAV ratios of the Comparable Companies, being higher than the mean P/NAV ratio of 0.51 but lower than the median P/NAV ratio of 0.56 times;
- (vii) The dividend yield (based on the dividends declared for FY2022) of the Company based on the Final Offer Price is approximately 1.05%, which is lower than the mean and median dividend yield of the Comparable Companies at approximately 5.50% and 5.63% respectively. The STI ETF, being an alternative equity instrument, also provides a better dividend yield;
- (viii) The Offeror intends to make the Offer with a view to privatise the Company and delist from the SGX-ST, should the option be available to the Offeror. In the event that the Free Float Requirement is not met, it does not intend to preserve the listing status of the Company nor does it intend to undertake or support any action to satisfy the Free Float Requirement; and
- (ix) As at the Latest Practicable Date, apart from the Offer being made by the Offeror, no alternative offer or proposal similar to or in competition with the Offer has been received by the Company.

**Factors against the Final Offer Price:**

- (i) The Final Offer Price of S\$0.95 is not within our final estimated valuation range for the Shares of between S\$1.17 and S\$1.38;
- (ii) Based on the Group's NAV per Share, the Final Offer Price represents a significant discount of 24.9% over the NAV per Share and the P/NAV ratio of the Group as implied by the Final Offer Price of 0.75 times;
- (iii) Based on the Group's RNAV per Share, the Final Offer Price represents a significant discount of 48.4% over the RNAV per Share and the P/RNAV ratio of the Group as implied by the Final Offer Price of 0.52 times;
- (iv) The Final Offer Price of S\$0.95 represents a discount of 13.9% to the VWAP of the Shares for the 2-year period prior to the Offer Announcement Date;
- (v) For the 2-year period prior to and including the Last Full Traded Day, the implied P/NAV of 0.75 times is below the average historical trailing P/NAV of the Shares of 0.80 times;
- (vi) For the 1-year and 2-year periods prior to and including the Last Full Traded Day, the implied P/E of 22.72 times is below the average historical trailing P/E of the Shares of 40.36 times and 34.93 times respectively;
- (vii) In respect of the Precedent Privatisation Transactions:
  - The premium implied by the Final Offer Price of 13.8% over the last transacted price is within the range but is lower than the mean and median premia of 34.5% and 19.8% respectively;
  - The premium implied by the Final Offer Price of 21.6% over the 1-month VWAP is within the range but is lower than the mean and median premia of 40.0% and 23.2% respectively;

- The premium implied by the Final Offer Price of 20.9% over the 3-month VWAP is within the range but is lower than the mean and the median premia of 41.2% and 26.5% respectively;
  - The premium implied by the Final Offer Price of 17.4% over the 6-month VWAP is within the range but is lower than the mean and the median premia of 41.4% and 25.8% respectively;
  - The premium implied by the Final Offer Price of 6.9% over the 1-year VWAP is within the range but is lower than the mean and the median premia of 43.9% and 27.5% respectively; and
  - The implied P/NAV and implied P/RNAV ratios of the Company of 0.75 times and 0.52 times respectively are within the range of P/NAV or P/NTA ratios of between 0.35 times and 5.86 times; but significantly lower than the mean and median of 1.60 times and 0.92 times respectively;
- (viii) The Final Offer Price of S\$0.95 represents a significant discount of approximately 29.6% to the target base price of S\$1.35 of the latest broker research report available; and
- (ix) We also note from the commentary in the latest 6-month financial results announcement by the Company that, barring any unforeseen circumstances and disruptions the Group expects improved profitability in FY2023 as compared to FY2022 having considered the progress made by the E&C business, Real Estate business and growing fund management activities and a healthier order backlog.

For the purposes of evaluating the Offer, we have adopted the approach that the terms "fair" and "reasonable" are regarded as two different concepts. The term "fair" relates to an opinion on the value of the offer price compared against the value of the securities subject to the offer (the "**Securities**"), and an offer is "fair" if the price offered is equal to or greater than the value of the Securities.

In considering whether an offer is "reasonable", other matters as well as the value of the Securities are considered. Such matters include, but are not limited to, existing voting rights in the company held by the offeror and its concert parties and the market liquidity of the Securities.

**Having considered the foregoing factors, we are of the view that the Offer is not fair, taking into consideration, in particular, the following:**

- (i) The Final Offer Price of S\$0.95 is not within our final estimated valuation range for the Shares of between S\$1.17 and S\$1.38; and
- (ii) The premia implied by the Final Offer Price over the Company's historical VWAP (i.e. Last Full Traded Day, 1-month, 3-month, 6-month and 1-year period) are lower than the mean and median premia of the Precedent Privatisation Transactions.

**However, we are of the view that the Offer is reasonable, taking into consideration, in particular, the following:**

- (i) It appears likely that the market price following the Offer Announcement till the Latest Practicable Date is supported by the Offer, given that the Final Offer Price of S\$0.95 is at a premium to the historical traded prices of the Shares over the 1-year, 6-month, 3-month, 1-month period and closing price of the Shares of S\$0.835 on the Last Full Traded Day;
- (ii) Following the Offer Announcement Date up to the Offer Price Revision Date, we note that the Shares traded between S\$0.910 and S\$0.990. However, after the Offer Price Revision Date, the closing price of the Shares have been at or close to the Final Offer Price, which further reinforces that the market price following the Offer Announcement till the Latest Practicable Date is supported by the Offer;
- (iii) The Shares have been thinly traded, whereby the highest recorded average daily traded volume was 136,966 Shares, representing 0.16% of the free float for the 2-year Lookback Period prior to Last Full Traded Day. This may result in investors being unable to undertake transactions in larger number of Shares at the intended price or a price higher than the Final Offer Price;

- (iv) Following the Offer Announcement Date up to the Offer Price Revision Date, the ADTV rose to approximately 1.5 million Shares, representing 1.79% of the free float. After the Offer Price Revision Date and up to the Latest Practicable Date, the ADTV then further increased to approximately 2.9 million Shares, representing approximately 3.43% of the free float, which could be attributable to market acquisitions by the Offeror and/or its concert parties during the aforesaid period;
- (v) Save for the period from end of May 2021 to 4 August 2021, the Shares had generally underperformed both the rebased FSSTI and FSTF over the 2-year Lookback Period up till the Latest Practicable Date;
- (vi) The dividend yield (based on the dividends declared for FY2022) of the Company based on the Final Offer Price is approximately 1.05%, which is lower than the mean and median dividend yield of the Comparable Companies at 5.50% and 5.63% respectively. The STI ETF, being an alternative equity instrument, also provides a better dividend yield. This suggests that shareholders who accept the Offer may potentially experience an increase in dividend income if they reinvest the proceeds from the Offer in the shares of the STI ETF or the Comparable Companies; and
- (vii) As at the Latest Practicable Date, apart from the Offer being made by the Offeror, no alternative offer or proposal has been received by the Company.

**In conclusion, we are of the opinion that the financial terms of the Offer are not fair but reasonable. Based on our opinion, we advise the Independent Directors to recommend that shareholders accept the Offer, unless shareholders are able to obtain a price higher than the Final Offer Price on the open market, taking into account all transaction costs in connection with open market transactions.**

We also advise the Independent Directors to consider highlighting to the shareholders that there is no assurance that the price of the Shares will remain at current levels after the close or lapse of the Offer and the current price performance of the Shares may not be indicative of the future price performance levels of the Shares.

This letter is addressed to the Independent Directors for their benefit, in connection with and for the purpose of their consideration of the financial terms of the Offer and should not be relied on by any other party. The recommendation made by them to the shareholders in relation to the Offer shall remain the sole responsibility of the Independent Directors.

Whilst a copy of this letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of PPCF in each specific case. This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully,  
For and on behalf of  
**PrimePartners Corporate Finance Pte. Ltd.**

Mark Liew  
Chief Executive Officer and Executive Director

## APPENDIX II

### ADDITIONAL GENERAL INFORMATION

#### 1. DIRECTORS

The names, addresses and designations of the Directors as at the Latest Practicable Date are set out below:

Name	Address	Description
Mr. John Lim Kok Min	c/o 82 Ubi Avenue 4, #07-01 Edward Boustead Centre, Singapore 408832	Chairman and Independent Non-Executive Director
Mr. Wong Yu Wei (Huang Youwei)	c/o 82 Ubi Avenue 4, #07-01 Edward Boustead Centre, Singapore 408832	Executive Deputy Chairman
Mr. Chu Kok Hong @ Choo Kok Hong	c/o 82 Ubi Avenue 4, #07-01 Edward Boustead Centre, Singapore 408832	Managing Director
Mr. Tam Chee Chong	c/o 82 Ubi Avenue 4, #07-01 Edward Boustead Centre, Singapore 408832	Independent Non-Executive Director
Mr. Chong Lit Cheong	c/o 82 Ubi Avenue 4, #07-01 Edward Boustead Centre, Singapore 408832	Independent Non-Executive Director
Professor Yong Kwet Yew	c/o 82 Ubi Avenue 4, #07-01 Edward Boustead Centre, Singapore 408832	Independent Non-Executive Director

#### 2. HISTORY AND PRINCIPAL ACTIVITIES

The Company is a company incorporated in Singapore on 29 May 1996 and listed on the Mainboard of the SGX-ST on 30 April 2015. The Company is a leading provider of innovative eco-sustainable real estate solutions with a regional presence across Singapore, China, Malaysia and Vietnam. The Group's businesses comprise the following:

- (a) Engineering & Construction: Provision of turnkey Engineering & Construction services.
- (b) Real Estate: Developing, owning, managing, leasing and sale of properties, and real estate fund management.
- (c) HQ Activities: Management of financial assets and other investments.

#### 3. SHARE CAPITAL

##### 3.1 Issued Share Capital

The issued and paid-up share capital of the Company as at the Latest Practicable Date is S\$9,504,730.83, comprising 313,260,631 Shares (excluding 6,739,369 Shares held in treasury).

##### 3.2 Capital, Dividends and Voting Rights

The rights of Shareholders in respect of capital, dividends and voting are contained in the Constitution. An extract of the relevant provisions in the Constitution relating to the rights of Shareholders in respect of capital, dividends and voting has been reproduced in Appendix V to this Circular. The Constitution is available for inspection at the registered address of the Company at 82 Ubi Avenue 4, #07-01 Edward Boustead Centre, Singapore 408832. Capitalised terms and expressions not defined in the extracts have the meanings ascribed to them in the Constitution and/or the Companies Act.

### 3.3 Number of Shares Issued since the End of the Last Financial Year

As at the Latest Practicable Date, the Company has not issued any new Shares since the end of FY2022, being the last financial year of the Company.

### 3.4 Convertible Instruments

As at the Latest Practicable Date, the Company has not issued any instruments convertible into, rights to subscribe for, or options in respect of, securities being offered for or which carry voting rights affecting the Shares that are outstanding as at the Latest Practicable Date.

## 4. DISCLOSURE OF INTERESTS

### 4.1 Interests of the Company in Offeror Securities

As at the Latest Practicable Date, the Company does not have any direct or deemed interests in any Offeror Securities.

### 4.2 Dealings in Offeror Securities by the Company

As at the Latest Practicable Date, the Company has not dealt for value in any Offeror Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

### 4.3 Interests of the Directors in Offeror Securities

Save as disclosed below and in the Offer Document, as at the Latest Practicable Date, none of the Directors has any direct or deemed interest in any of the Offeror Securities.

Name	Direct Interest		Deemed Interest	
	No. of Offeror Shares	% <sup>(1)</sup>	No. of Offeror Shares	% <sup>(1)</sup>
John Lim Kok Min	579,890	0.12	-	-
Wong Yu Wei (Huang Youwei)	125,765	0.03	-	-
Chu Kok Hong @ Choo Kok Hong <sup>(2)</sup>	243,432	0.05	5,478	-
Tam Chee Chong	-	-	-	-
Chong Lit Cheong	-	-	-	-
Professor Yong Kwet Yew	-	-	-	-

#### Notes:

- (1) Based on the issued share capital of the Offeror comprising 477,473,329 Shares (excluding 22,593,900 treasury shares) at the Latest Practicable Date.
- (2) Mr Chu Kok Hong @ Choo Kok Hong is deemed interested in 5,478 Shares, representing less than 0.01% of the total issued Offeror Shares, held through a nominee account.

### 4.4 Dealings in Offeror Securities by the Directors

None of the Directors has dealt for value in any Offeror Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

#### 4.5 Interests of the Directors in Company Securities

Save as disclosed below, none of the Directors has any direct or deemed interests in any Company Securities as at the Latest Practicable Date:

Name	Direct Interest		Deemed Interest	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
John Lim Kok Min	269,296	0.09	-	-
Wong Yu Wei (Huang Youwei) <sup>(2)</sup>	18,671	-	1,833,843	0.59
Chu Kok Hong @ Choo Kok Hong <sup>(3)</sup>	1,995,490	0.64	1,578	-
Tam Chee Chong	100,000	0.03	-	-
Chong Lit Cheong	100,000	0.03	-	-
Professor Yong Kwet Yew	100,000	0.03	-	-

**Notes:**

- (1) Based on the issued share capital of the Company comprising 313,260,631 Shares (excluding 6,739,369 treasury shares) at the Latest Practicable Date.
- (2) Mr. Wong Yu Wei (Huang Youwei) has a direct interest in 18,671 Shares, representing less than 0.01% of the total issued Shares. Mr. Wong Yu Wei (Huang Youwei) is deemed interested in 1,833,843 Shares, representing 0.59% of the total issued Shares, held through a nominee account jointly held by Mr. Wong Yu Wei (Huang Youwei) and his spouse.
- (3) Mr. Chu Kok Hong @ Choo Kok Hong is deemed interested in 1,578 Shares, representing less than 0.01% of the total issued Shares, held through a nominee account.

#### 4.6 Dealings in Company Securities by the Directors

None of the Directors has dealt for value in any Company Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

#### 4.7 Offeror Securities owned or controlled by the IFA

As at the Latest Practicable Date, none of the IFA or any funds whose investments are managed by the IFA on a discretionary basis owns or controls any Offeror Securities.

#### 4.8 Dealings in Offeror Securities by the IFA

During the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date, none of the IFA or any funds whose investments are managed by the IFA on a discretionary basis has dealt for value in the Offeror Securities.

#### 4.9 Company Securities owned or controlled by the IFA

As at the Latest Practicable Date, none of the IFA or any funds whose investments are managed by the IFA on a discretionary basis owns or controls any Company Securities.

#### 4.10 Dealings in Company Securities by the IFA

During the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date, none of the IFA or any funds whose investments are managed by the IFA on a discretionary basis has dealt for value in the Company Securities.

#### 4.11 Intentions of the Directors in respect of their Shares

As at the Latest Practicable Date, in respect of the Directors who have a beneficial interest in Shares:

- (a) Mr. John Lim Kok Min intends to accept the Offer in respect of 219,296 Shares, but is not able to accept the Offer for the remainder 50,000 Shares as such Shares are Award Treasury Shares and accordingly are subject to the moratorium set out in Section 2.6 of the Proposed Award of Shares Circular, which is explained in further detail in this paragraph 4.11 of [Appendix II](#) below;



- (b) Mr. Chu Kok Hong @ Choo Kok Hong intends to accept the Offer in respect of 1,497,068 Shares, but is not able to accept the Offer for the remainder 500,000 Shares as such Shares are Award Treasury Shares and accordingly are subject to the moratorium set out in Section 2.6 of the Proposed Award of Shares Circular, which is explained in further detail in this paragraph 4.11 of Appendix II below;
- (c) Mr. Tam Chee Chong intends to accept the Offer in respect of 50,000 Shares, but is not able to accept the Offer for the remainder 50,000 Shares as such Shares are Award Treasury Shares and accordingly are subject to the moratorium set out in Section 2.6 of the Proposed Award of Shares Circular, which is explained in further detail in this paragraph 4.11 of Appendix II below;
- (d) Mr. Chong Lit Cheong intends to accept the Offer in respect of 50,000 Shares, but is not able to accept the Offer for the remainder 50,000 Shares as such Shares are Award Treasury Shares and accordingly are subject to the moratorium set out in Section 2.6 of the Proposed Award of Shares Circular, which is explained in further detail in this paragraph 4.11 of Appendix II below; and
- (e) Professor Yong Kwet Yew intends to accept the Offer in respect of 50,000 Shares, but is not able to accept the Offer for the remainder 50,000 Shares as such Shares are Award Treasury Shares and accordingly are subject to the moratorium set out in Section 2.6 of the Proposed Award of Shares Circular, which is explained in further detail in this paragraph 4.11 of Appendix II below.

Section 2.6 of the Proposed Award of Shares Circular provides, amongst other things, that these Directors have undertaken not to directly or indirectly offer, sell, contract to sell, transfer, realise, dispose of or otherwise deal with his Award Treasury Shares or any interest therein for a period of one (1) year commencing from the date of transfer of the Award Treasury Shares. The above restrictions will continue to apply to 50% of the Award Treasury Shares held by each Director for a further period of one (1) year thereafter. The moratorium in respect of 50% of the Award Treasury Shares held by each Director will be in place until August 2023. An aggregate of 2,400,000 Award Treasury Shares were transferred to Mr. John Lim Kok Min, Mr. Wong Yu Wei (Huang Youwei), Mr. Chu Kok Hong @ Choo Kok Hong, Mr. Tam Chee Chong, Mr. Chong Lit Cheong and Professor Yong Kwet Yew following the approval of the proposed award of the Award Treasury Shares by the Shareholders at the extraordinary general meeting of the Company held on 28 July 2021.

Mr. Wong Yu Wei (Huang Youwei) is the son of FF Wong, a director and substantial shareholder of the Offeror. Accordingly, Mr. Wong Yu Wei (Huang Youwei) is presumed to be acting in concert with the Offeror. As set out in Section 2.1 of this Circular, the Offer is not extended to Shares already owned by the parties acting in concert with the Offeror as at the date of the Offer. Accordingly, the Offer does not extend to the Shares held directly or indirectly by Mr. Wong Yu Wei (Huang Youwei).

## **5. OTHER DISCLOSURES**

### **5.1 Directors' Service Contracts**

As at the Latest Practicable Date:

- (a) there are no service contracts between any of the Directors or proposed directors with the Company or any of its subsidiaries which have more than 12 months to run and which are not terminable by the employing company within the next 12 months without paying any compensation; and
- (b) there are no such contracts entered into or amended during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

### **5.2 Arrangements affecting Directors**

Save as disclosed in this Circular, as at the Latest Practicable Date:

- (a) it is not proposed that any payment or other benefit shall be made or given to any Director or director of any other corporation which is by virtue of Section 6 of the Companies Act deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer;

- (b) there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer; and
- (c) none of the Directors has a material personal interest, whether direct or indirect, in any material contract entered into by the Offeror.

## 6. MATERIAL CONTRACTS WITH INTERESTED PERSONS

As at the Latest Practicable Date, save as disclosed in publicly available information on the Group (including without limitation the announcements, financial statements and annual reports released by the Company on SGXNet), neither the Company nor any of its subsidiaries has entered into material contracts with persons who are Interested Persons (other than those entered into in the ordinary course of business) during the period beginning three (3) years before the Offer Announcement Date and ending on the Latest Practicable Date.

## 7. MATERIAL LITIGATION

As at the Latest Practicable Date, save as disclosed in publicly available information on the Group (including without limitation the announcements, financial statements and annual reports released by the Company on SGXNet):

- (a) neither the Company nor any of its subsidiaries is engaged in any material litigation or arbitration proceedings, as plaintiff or defendant, which might materially and adversely affect the financial position of the Company and its subsidiaries, taken as a whole; and
- (b) the Directors are not aware of any material litigation, claims or proceedings or any facts likely to give rise to any such material litigation, claims or proceedings, which might materially and adversely affect the financial position of the Group, taken as a whole.

## 8. FINANCIAL INFORMATION

### 8.1 Consolidated Statements of Comprehensive Income

A summary of the audited consolidated statement of comprehensive income of the Group for FY2020, FY2021 and FY2022 and the unaudited financial information of the Group for HY2023 is set out below.

	<b>Audited FY2020 S\$'000</b>	<b>Audited FY2021 S\$'000</b>	<b>Audited FY2022 S\$'000</b>	<b>Unaudited HY2023 S\$'000</b>
Revenue	426,224	301,405	339,089	117,729
Cost of sales	(374,289)	(283,838)	(325,216)	(106,532)
Gross profit	51,935	17,567	13,873	11,197
Interest income	3,811	3,348	7,203	4,341
Other (losses)/gains - net	(333)	132,868	4,275	1,408
Impairment loss on financial asset	(918)	(1,527)	(452)	-
Expenses				
- Selling and distribution	(3,496)	(3,360)	(3,342)	(1,267)
- Administrative	(15,550)	(16,171)	(19,695)	(5,862)
- Finance	(4,564)	(3,221)	(1,370)	(942)
Share of (loss)/profit of associates and joint ventures	(3,430)	11,060	13,349	1,720
Profit before income tax	27,455	140,564	13,841	10,595
Income tax expense	(5,330)	(8,922)	(2,510)	(2,931)
<b>Total profit</b>	<b>22,125</b>	<b>131,642</b>	<b>11,331</b>	<b>7,664</b>

	<b>Audited FY2020 S\$'000</b>	<b>Audited FY2021 S\$'000</b>	<b>Audited FY2022 S\$'000</b>	<b>Unaudited HY2023 S\$'000</b>
<b>Other comprehensive income/(loss):</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Cash flow hedges				
- Realised and transferred to profit or loss	17	-	-	-
Share of other comprehensive income of an associate	-	-	353	405
Currency translation differences arising from consolidation	248	(560)	262	(1,240)
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Financial asset, at fair value through other comprehensive income				
- Fair value (loss)/gain	(111)	106	240	-
<b>Other comprehensive income/(loss), net of tax</b>	<b>154</b>	<b>(454)</b>	<b>855</b>	<b>(835)</b>
<b>Total comprehensive income</b>	<b>22,279</b>	<b>131,188</b>	<b>12,186</b>	<b>6,829</b>
<b>Profit attributable to:</b>				
Equity holders of the Company	22,212	131,688	11,336	7,666
Non-controlling interests	(87)	(46)	(5)	(2)
	22,125	131,642	11,331	7,664
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	22,366	131,234	12,191	6,831
Non-controlling interests	(87)	(46)	(5)	(2)
	22,279	131,188	12,186	6,829
<b>Earnings per share for profit attributable to equity holders of the Company (cents per share)</b>				
- Basic	7.2	42.3	3.6	2.4
- Diluted	7.1	42.3	3.6	2.4
<b>Net dividends per share (cents/share)</b>	<b>2.0</b>	<b>0.8</b>	<b>15.4</b>	<b>1.0</b>

**Note:**

(1) The dividends under net dividends per share refer to ordinary and special dividends which were paid in FY2020, FY2021, FY2022 and HY2023 respectively.

The above summary should be read together with the annual reports of the Company for FY2020, FY2021 and FY2022 and relevant financial statements, copies of which are available for inspection at the registered office of the Company at 82 Ubi Avenue 4, #07-01 Edward Boustead Centre, Singapore 408832 during normal business hours.

The unaudited financial information of the Group for HY2023 are set out in fuller detail in [Appendix IV](#) of this Circular.

## 8.2 Statements of Financial Position

A summary of the audited consolidated statement of financial position of the Group as at 31 March 2022 and the unaudited consolidated statement of financial position of the Group as at 30 September 2022 is set out below.

	<b>Audited as at 31 March 2022 S\$'000</b>	<b>Unaudited as at 30 September 2022 S\$'000</b>
<b>Current Assets</b>		
Cash and cash equivalents	213,866	165,410
Trade receivables	45,924	78,724
Other receivables and prepayments	41,699	31,459
Investment securities	62,277	-
Finance lease receivables	522	433
Contract assets	10,656	8,353
	<b>374,944</b>	<b>284,379</b>
<b>Non-Current Assets</b>		
Trade receivables	12,320	12,755
Other receivables and prepayments	73,544	73,325
Investment securities	31,661	31,661
Property, plant and equipment	2,211	1,119
Rights-of-use assets	203	2,091
Finance lease receivables	20,362	20,136
Investment properties	87,172	86,924
Intangible assets	104	101
Investments in associates	5,659	6,039
Investments in joint ventures	54,866	186,845
Deferred income tax assets	9,618	9,409
	<b>297,720</b>	<b>430,405</b>
<b>Total Assets</b>	<b>672,664</b>	<b>714,784</b>
<b>Current Liabilities</b>		
Trade and other payables	120,963	116,793
Lease liabilities	871	1,248
Income tax payable	16,442	17,623
Contract liabilities	36,022	69,292
Borrowings	610	617
	<b>174,908</b>	<b>205,573</b>
<b>Non-Current Liabilities</b>		
Trade and other payables	51,348	56,100
Lease liabilities	42,761	45,352
Borrowings	9,956	10,161
Deferred income tax liabilities	1,319	1,530
	<b>105,384</b>	<b>113,143</b>
<b>Total Liabilities</b>	<b>280,292</b>	<b>318,716</b>
<b>Net Assets</b>	<b>392,372</b>	<b>396,068</b>

	Audited as at 31 March 2022 S\$'000	Unaudited as at 30 September 2022 S\$'000
<b>Equity</b>		
<b>Capital and reserves attributable to equity holders of the Company</b>		
Share capital	15,000	15,000
Treasury shares	(5,495)	(5,495)
Retained profits	372,245	376,778
Other reserves	10,760	9,925
	392,510	396,208
Non-controlling interests	(138)	(140)
<b>Total equity</b>	<b>392,372</b>	<b>396,068</b>

The above summary should be read together with the annual report for FY2022, the audited financial statements of the Group for FY2022, which are set out in Appendix III of this Circular, and the unaudited financial information of the Group for HY2023, which is set out in Appendix IV of this Circular, and the related notes thereto.

### 8.3 Significant Accounting Policies

A summary of the significant accounting policies of the Group is set out in Note 2 to the audited financial statements of the Group for FY2022, which are reproduced in Appendix III of this Circular.

Save as disclosed in this Circular and publicly available information on the Group (including but not limited to that contained in the audited financial statements of the Group for FY2022), there are no significant accounting policies or any points from the notes to the financial statements which are of major relevance for the interpretation of the accounts.

### 8.4 Changes in Accounting Policies

Save as disclosed in this Circular and in publicly available information on the Group (including without limitation the announcements, financial statements and annual reports released by the Company on SGXNet), as at the Latest Practicable Date, there is no change in the accounting policy of the Group which will cause the figures disclosed in this Circular not to be comparable to a material extent.

Copies of the annual report of the Company for FY2022 and the unaudited financial information of the Group for HY2023 are available on the SGX-ST website at [www.sgx.com](http://www.sgx.com) or for inspection at the registered address of the Company at 82 Ubi Avenue 4, #07-01 Edward Boustead Centre, Singapore 408832 during normal office hours for the period during which the Offer remains open for acceptance.

### 8.5 Material Changes in Financial Position

Save for information disclosed in this Circular and publicly available information on the Group (including without limitation the announcements, financial statements and annual reports released by the Company on SGXNet and the unaudited financial information of the Group for HY2023 as announced on 10 November 2022 and set out in Appendix IV of this Circular), there are no known material changes in the financial position of the Company as at the Latest Practicable Date since 31 March 2022, being the date of the Company's last published audited financial statements laid before Shareholders in general meeting.

### 8.6 Material Change in Information

Save as disclosed in this Circular and save for the information relating to the Company and the Offer that is publicly available, there has been no material change in any information previously published by or on behalf of the Company during the period commencing from the Offer Announcement Date and ending on the Latest Practicable Date.



## **8.7 Valuation of the Subject Properties**

The Company has commissioned independent valuations or already obtained Valuation Reports of the Subject Properties. As disclosed in the Valuation Reports, the basis of valuation is market value. Copies of the Valuation Reports are set out in Appendix VII to this Circular. The Valuation Reports in respect of the Subject Properties are also available for inspection at the registered address of the Company at 82 Ubi Avenue 4, #07-01 Edward Boustead Centre, Singapore 408832.

Under Rule 26.3 of the Code, the Company is required, *inter alia*, to make an assessment of any potential tax liability which would arise if the Subject Properties, which are the subject of a valuation given in connection with the Offer, were to be sold at the amount of the valuation.

Based on information provided to the Company by the respective Valuers, in a hypothetical scenario where the Subject Properties are sold on an "as is" basis, the Group may incur potential tax liabilities of approximately S\$29.1 million. The aforesaid potential tax liabilities (if any) might crystallise as and when the Company disposes of its interests in the Subject Properties.

## **9. GENERAL**

### **9.1 Costs and Expenses**

All expenses and costs incurred by the Company in relation to the Offer will be borne by the Company.

### **9.2 Documents For Inspection**

Copies of the following documents are available for inspection at the registered address of the Company at 82 Ubi Avenue 4, #07-01 Edward Boustead Centre, Singapore 408832 during normal business hours for the period during which the Offer remains open for acceptance:

- (a) the Constitution;
- (b) the annual reports of the Company for FY2020, FY2021 and FY2022;
- (c) the IFA Letter as set out in Appendix I to this Circular;
- (d) the audited financial statements of the Group for FY2022 and its accompanying notes as set out in Appendix III to this Circular;
- (e) the unaudited financial statements of the Group for HY2023 and its accompanying notes as set out in Appendix IV to this Circular;
- (f) the Valuation Reports as set out in Appendix VII to this Circular; and
- (g) the letters of consent referred to in Section 14 of this Circular.

### **APPENDIX III**

#### **AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR FY2022**

The audited financial statements of the Group for FY2022 which are set out below have been reproduced from the Company's annual report for FY2022 and were not specifically prepared for inclusion in this Circular.

All capitalised terms used in the notes to the audited financial statements of the Group for FY2022 set out below shall have the same meanings given to them in the annual report of the Company for FY2022.

A copy of the annual report for FY2022 is available for inspection at the registered address of the Company at 82 Ubi Avenue 4, #07-01 Edward Boustead Centre, Singapore 408832, during normal business hours for the period during which the Offer remains open for acceptance.

## Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

The directors present their statement to the members together with the audited consolidated financial statements of the Group for the financial year ended 31 March 2022 and the statement of financial position of the Company as at 31 March 2022.

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 94 to 171 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 March 2022 and the financial performance, changes in equity and cash flows of the Group for the financial year then ended; 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  
Tam Chee Chong  
Chong Lit Cheong  
Professor Yong Kwet Yew

### 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" and "One-off Award of Shares" in this statement.

# Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 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 21.04.2022	At 31.03.2022	At 01.04.2021	At 21.04.2022	At 31.03.2022	At 01.04.2021
<b>Boustead Projects Limited</b>						
<u>(No. of ordinary shares)</u>						
John Lim Kok Min	269,296	269,296	169,296	-	-	-
Wong Yu Wei (Huang Youwei)	18,671	18,671	113,135	1,833,843	1,833,843	717,800
Chu Kok Hong @ Choo Kok Hong	1,995,490	1,995,490	963,679	1,578	1,578	1,578
Chong Lit Cheong	100,000	100,000	-	-	-	-
Professor Yong Kwet Yew	100,000	100,000	-	-	-	-
Tam Chee Chong	100,000	100,000	-	-	-	-
<b>Shares awards (unvested)</b>						
<b>granted under the Boustead Projects</b>						
<b>Restricted Share Plan 2016</b>						
Wong Yu Wei (Huang Youwei)	-	-	21,579	-	-	-
Chu Kok Hong @ Choo Kok Hong	-	-	31,811	-	-	-
<b>Ultimate Holding Company</b>						
<b>- Boustead Singapore Limited</b>						
<u>(No. of ordinary shares)</u>						
John Lim Kok Min	579,890	579,890	579,890	-	-	-
Wong Yu Wei (Huang Youwei)	125,765	125,765	125,765	-	-	-
Chu Kok Hong @ Choo Kok Hong	243,432	243,432	243,432	5,478	5,478	5,478
<b>Related corporation</b>						
<b>- Geologic Private Limited</b>						
<u>(No. of ordinary shares)</u>						
Wong Yu Wei (Huang Youwei)	35,000	35,000	35,000	-	-	-

## SHARE OPTIONS

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

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

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

## DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this statement, 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 2022

### 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 to the financial statements.
- (d) The members of the committee administering the 2016 Share Plan are:

Chong Lit Cheong (Chairman)  
John Lim Kok Min  
Professor Yong Kwet Yew

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 2021	Granted	Vested	Forfeited	Balance at 31 March 2022
13 September 2018	150,991	-	(150,991)	-	-

Name of participant	Number of shares comprised in awards granted during the financial year	Aggregate number of shares comprised in awards since commencement of the 2016 Share Plan to end of financial year	Aggregate number of shares comprised in awards vested since commencement of the 2016 Share Plan to end of financial year	Aggregate number of shares forfeited since commencement of the 2016 Share Plan to end of financial year	Aggregate number of shares comprised in awards outstanding as at end of financial year
Associate of Controlling Shareholder of the Company					
Wong Yu Wei (Huang Youwei)	-	353,243	(353,243)	-	-
Employees of the Company's subsidiary	-	2,631,821	(2,565,988)	(65,833)	-
	-	2,985,064	(2,919,231)	(65,833)	-

- (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 2022

### ONE-OFF AWARD OF SHARES TO DIRECTORS BY WAY OF TRANSFER OF AN AGGREGATE OF 2,400,000 TREASURY SHARES AT THE DISCOUNTED TRANSFER PRICE OF S\$0.806 PER TREASURY SHARE ("AWARD OF SHARES")

- (a) The Award of Shares by way of transferring an aggregate of 2,400,000 treasury shares to the directors was approved by the shareholders of the Company at its Extraordinary General Meeting held on 28 July 2021 ("EGM").
- (b) The Award of Shares was made at a discounted price of S\$0.806 per treasury share, which represents the average price at which the Company bought back treasury shares that the Company holds as at 9 July 2021 (being the date of the Company's announcement to propose the Award of Shares to the directors). The market price of the Company's share, as at the date of the EGM was S\$1.28 per share.
- (c) The breakdown of the Award of Shares granted to the directors is set out below:

Name of Director	No. of Treasury Shares Awarded	Total Transfer Price Paid (S\$)
John Lim Kok Min	100,000	80,600
Wong Yu Wei (Huang Youwei)	1,000,000	806,000
Chu Kok Hong @ Choo Kok Hong	1,000,000	806,000
Chong Lit Cheong	100,000	80,600
Professor Yong Kwet Yew	100,000	80,600
Tam Chee Chong	100,000	80,600

- (d) The Award of Shares represents a one-off ex-gratia payment to the directors in recognition of the strategic leadership of, and time spent and effort by, the Board in FY2021, to successfully establish Boustead Industrial Fund (a private business trust sponsored by the Company) and in unlocking an unprecedented shareholder value despite the challenging conditions from the COVID-19 pandemic.

## Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 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:

Tam Chee Chong (Chairman)  
John Lim Kok Min  
Chong Lit Cheong

The Audit & Risk Committee met 4 times during the year under review and carried out its functions in accordance with Section 201B(5) of the Companies Act 1967 of Singapore. In performing those functions, the Audit & Risk Committee has, among others, reviewed the following:

- (a) the audit plan of the external auditors and internal auditors;
- (b) the results of the internal auditors' examination and evaluation of the Group's system of internal accounting and operational controls;
- (c) the Group's financial and operating results and accounting policies;
- (d) the consolidated financial statements of the Group and the statement of financial position of the Company before their submission to the directors of the Company and the external auditors' report on those financial statements;
- (e) the half-year and full-year announcements on the consolidated financial statements of the Group and the changes in equity and financial position of the Company;
- (f) the co-operation and assistance given by the management to the external auditors and internal auditors of the Company; and
- (g) the performance, independence and appointment/re-appointment of the external auditors of the Company.

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

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

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

### INDEPENDENT AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept reappointment.

On behalf of the directors

**Wong Yu Wei (Huang Youwei)**  
Director

**Chu Kok Hong @ Choo Kok Hong**  
Director

30 June 2022

# 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 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2022 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 financial year ended 31 March 2022;
- the statements of financial position of the Group and the Company as at 31 March 2022;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

#### Basis for Opinion

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

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

#### Independence

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

#### Our Audit Approach

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

# Independent Auditor's Report

## TO THE MEMBERS OF BOUSTEAD PROJECTS LIMITED

### Our Audit Approach (cont'd)

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgements, were of most significance in our audit of the financial statements for the financial year ended 31 March 2022 ("reporting date"). These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>Revenue recognition of Engineering &amp; Construction contracts</b></p> <p>Refer to Note 3 (Critical accounting estimates, assumptions and judgements), Note 4 (Revenue) to the financial statements.</p> <p>During the financial year ended 31 March 2022, revenue from Engineering &amp; Construction contracts amounted to \$324,509,000, which represented 96% of the Group's total revenue.</p> <p>Revenue from Engineering &amp; Construction contracts are recognised over time by reference to the progress towards satisfaction of performance obligations under the contracts. Measurement of progress of the projects at the reporting date is based on the proportion of contract costs incurred to-date over the estimated total contract costs.</p> <p>Revenue from Engineering &amp; Construction contracts are also adjusted with variations to the contracts claimable from customers, as well as liquidated damages due to delays or other causes, payable to customers.</p> <p>The Coronavirus Disease 2019 ("COVID-19") pandemic has significantly slowed down the progress of the Group's Engineering &amp; Construction contracts since early 2021. Furthermore, supply chain and labour issues from the pandemic and the current global geoeconomic and geopolitical climate situation have resulted and may continue to result in additional costs to complete the projects and project delays beyond the contracted dates of completion. The delay may lead to potential liquidated damage claims by customers and costs overrun, resulting in loss-making contracts.</p> <p>We focus on this area because of the significant management's judgements are required to estimate:</p> <ul style="list-style-type: none"> <li>- the total contract costs, including variation claims from sub-contractors, which affected the measurement of progress of the projects at the reporting date and accordingly revenue recognised; and</li> <li>- provision for liquidated damage from these contracts.</li> </ul>	<p>We have performed the following audit procedures to address the Key Audit Matter:</p> <p>We have obtained an understanding of the progress of projects through discussions with management and examination of documents such as contracts and correspondences with customers, variation order claims from sub-contractors and advice from external legal advisers.</p> <p>In relation to total contract revenue, our audit procedures include the following:</p> <ol style="list-style-type: none"> <li>Traced the total contract sums to contracts and agreed variation orders;</li> <li>For variation orders where management had determined that there was sufficient basis to claim from customers but pending final agreement with the customers, selected samples of claims to customers' instructions and schedule of rates with subcontractors or quotations from subcontractors; and</li> <li>Assessed the progress of construction against contractual timeline for delays and the adequacy of provision for liquidated damages.</li> </ol> <p>In relation to total contract costs, our audit procedures include the following:</p> <ol style="list-style-type: none"> <li>Selected samples of costs incurred and traced to supplier invoices and sub-contractors' billings; and</li> <li>Selected samples of projects in progress at the reporting date and tested estimation of cost-to-complete by tracing to quotations and/or contracts with sub-contractors and suppliers.</li> </ol> <p>In relation to the revenue recognised for projects in progress at the reporting date, we have:</p> <ol style="list-style-type: none"> <li>Recomputed the measurement of progress based on the proportion of contract costs incurred to-date to the estimated total contract costs; and</li> <li>Recomputed the revenue for the current financial year based on the measurement of progress and traced to the accounting records.</li> </ol> <p>Based on the audit procedures performed, we have assessed management estimation of the revenue on Engineering &amp; Construction contracts to be reasonable.</p> <p>We have assessed that the disclosures in the financial statements in relation to the sensitivity of estimations on revenue and costs on Engineering &amp; Construction contracts to be appropriate.</p>

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

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

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

# Independent Auditor's Report

## TO THE MEMBERS OF BOUSTEAD PROJECTS LIMITED

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

The engagement partner on the audit resulting in this independent auditor's report is Kok Moi Lre.

### PricewaterhouseCoopers LLP

Public Accountants and Chartered Accountants  
Singapore, 30 June 2022



**Consolidated Statement of Comprehensive Income**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	2022 \$'000	2021 \$'000
Revenue	4	339,089	301,405
Cost of sales	5	(325,216)	(283,838)
Gross profit		13,873	17,567
Interest income	7	7,203	3,348
Other gains - net	8	4,275	132,868
Impairment loss on financial asset	14	(452)	(1,527)
Expenses			
- Selling and distribution	5	(3,342)	(3,360)
- Administrative	5	(19,695)	(16,171)
- Finance	9	(1,370)	(3,221)
Share of profit of associates and joint ventures	10	13,349	11,060
Profit before income tax		13,841	140,564
Income tax expense	11	(2,510)	(8,922)
<b>Total profit</b>		<b>11,331</b>	<b>131,642</b>
<b>Other comprehensive income/(loss):</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Share of other comprehensive income of an associate	30	353	-
Currency translation differences arising from consolidation	30	262	(560)
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Financial assets, at fair value through other comprehensive income ("FVOCI")			
- Fair value gain	30	240	106
<b>Other comprehensive income/(loss), net of tax</b>		<b>855</b>	<b>(454)</b>
<b>Total comprehensive income</b>		<b>12,186</b>	<b>131,188</b>
<b>Profit attributable to:</b>			
Equity holders of the Company		11,336	131,688
Non-controlling interests		(5)	(46)
		<b>11,331</b>	<b>131,642</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company		12,191	131,234
Non-controlling interests		(5)	(46)
		<b>12,186</b>	<b>131,188</b>
<b>Earnings per share for profit attributable to equity holders of the Company</b> (cents per share)			
- Basic and Diluted	12	3.6	42.3

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

## Statements of Financial Position – Group and Company

AS AT 31 MARCH 2022

		Group		Company	
	Note	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	13	213,866	297,987	119,082	237,770
Trade receivables	14	45,924	68,544	3	610
Other receivables and prepayments	14	41,699	35,693	251,083	179,134
Investment securities	17	62,277	-	-	-
Inventories	15	-	2,565	-	-
Finance lease receivables	19	522	430	-	-
Contract assets	16	10,656	10,783	-	-
		374,944	416,002	370,168	417,514
<b>Non-current assets</b>					
Trade receivables	14	12,320	20,211	-	-
Other receivables and prepayments	14	73,544	60,374	-	-
Investment securities	17	31,661	31,421	31,661	31,421
Property, plant and equipment	18	2,211	9,271	-	-
Right-of-use assets	19	203	1,138	16	109
Finance lease receivables	19	20,362	20,794	-	-
Investment properties	20	87,172	82,588	-	-
Intangible asset		104	110	-	-
Investments in associates	21	5,659	4,671	4,376	3,752
Investments in joint ventures	22	54,866	70,123	71,334	69,428
Investments in subsidiaries	23	-	-	32,123	33,378
Deferred income tax assets	26	9,618	8,190	-	-
		297,720	308,891	139,510	138,088
<b>Total assets</b>		<b>672,664</b>	<b>724,893</b>	<b>509,678</b>	<b>555,602</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	24	120,963	132,572	104,114	287,290
Lease liabilities		871	1,379	16	87
Income tax liabilities		16,442	20,337	1,142	1,226
Contract liabilities	16	36,022	48,180	-	-
Borrowings	25	610	208	-	-
		174,908	202,676	105,272	288,603
<b>Non-current liabilities</b>					
Trade and other payables	24	51,348	50,011	-	-
Lease liabilities		42,761	43,516	-	16
Borrowings	25	9,956	2,292	-	-
Deferred income tax liabilities	26	1,319	675	703	324
		105,384	96,494	703	340
<b>Total liabilities</b>		<b>280,292</b>	<b>299,170</b>	<b>105,975</b>	<b>288,943</b>
<b>NET ASSETS</b>		<b>392,372</b>	<b>425,723</b>	<b>403,703</b>	<b>266,659</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	27	15,000	15,000	15,000	15,000
Treasury shares	27	(5,495)	(7,236)	(5,495)	(7,236)
Retained profits	29	372,245	409,200	381,855	247,805
Other reserves	30	10,760	8,892	12,343	11,090
		392,510	425,856	403,703	266,659
<b>Non-controlling interests</b>		<b>(138)</b>	<b>(133)</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>392,372</b>	<b>425,723</b>	<b>403,703</b>	<b>266,659</b>

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

# Consolidated Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	Share capital	Treasury shares	Retained profits	Other reserves	Equity attributable to equity holders of the Company	Non-controlling interests	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2022</b>								
<b>Balance as at 1 April 2021</b>		<b>15,000</b>	<b>(7,236)</b>	<b>409,200</b>	<b>8,892</b>	<b>425,856</b>	<b>(133)</b>	<b>425,723</b>
Profit for the financial year		-	-	11,336	-	11,336	(5)	11,331
Other comprehensive income for the financial year		-	-	-	855	855	-	855
<b>Total comprehensive income for the financial year</b>		<b>-</b>	<b>-</b>	<b>11,336</b>	<b>855</b>	<b>12,191</b>	<b>(5)</b>	<b>12,186</b>
Dividends	28	-	-	(48,291)	-	(48,291)	-	(48,291)
Purchase of treasury shares	27	-	(316)	-	-	(316)	-	(316)
Employee share-based compensation								
- Value of employee services	30(b)(ii)	-	-	-	1,137	1,137	-	1,137
- Treasury shares re-issued	27	-	2,057	-	(124)	1,933	-	1,933
<b>Total transactions with owners, recognised directly in equity</b>		<b>-</b>	<b>1,741</b>	<b>(48,291)</b>	<b>1,013</b>	<b>(45,537)</b>	<b>-</b>	<b>(45,537)</b>
<b>Balance as at 31 March 2022</b>		<b>15,000</b>	<b>(5,495)</b>	<b>372,245</b>	<b>10,760</b>	<b>392,510</b>	<b>(138)</b>	<b>392,372</b>
<b>2021</b>								
<b>Balance as at 1 April 2020</b>		<b>15,000</b>	<b>(7,477)</b>	<b>280,003</b>	<b>9,846</b>	<b>297,372</b>	<b>(87)</b>	<b>297,285</b>
Profit for the financial year		-	-	131,688	-	131,688	(46)	131,642
Other comprehensive loss for the financial year		-	-	-	(454)	(454)	-	(454)
<b>Total comprehensive loss for the financial year</b>		<b>-</b>	<b>-</b>	<b>131,688</b>	<b>(454)</b>	<b>131,234</b>	<b>(46)</b>	<b>131,188</b>
Dividends	28	-	-	(2,491)	-	(2,491)	-	(2,491)
Purchase of treasury shares	27	-	(292)	-	-	(292)	-	(292)
Employee share-based compensation								
- Value of employee services	30(b)(ii)	-	-	-	33	33	-	33
- Treasury shares re-issued	27	-	533	-	(533)	-	-	-
<b>Total transactions with owners, recognised directly in equity</b>		<b>-</b>	<b>241</b>	<b>(2,491)</b>	<b>(500)</b>	<b>(2,750)</b>	<b>-</b>	<b>(2,750)</b>
<b>Balance as at 31 March 2021</b>		<b>15,000</b>	<b>(7,236)</b>	<b>409,200</b>	<b>8,892</b>	<b>425,856</b>	<b>(133)</b>	<b>425,723</b>

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

# Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	2022 \$'000	2021 \$'000
<b>Cash flows from operating activities</b>		
Profit before income tax	13,841	140,564
Adjustments for:		
- Amortisation of intangible asset	6	6
- Depreciation of right-of-use assets	1,648	3,275
- Depreciation expense	2,741	5,988
- Loss on disposal of property, plant and equipment	2,956	-
- Loss on disposal of right-of-use assets	99	-
- Share of profit of associates and joint ventures	(13,349)	(11,060)
- Impairment loss on financial asset	452	1,527
- Impairment loss on property, plant and equipment	962	-
- Fair value gain on financial asset, at FVPL	(3,777)	-
- Elimination of share of unrealised construction, project management and acquisition fee margins	3,584	2,455
- Employee share-based compensation expense	1,137	33
- Interest income	(7,203)	(3,348)
- Finance expenses	1,370	3,221
- Gain on disposal/partial disposal of properties, a subsidiary and joint ventures	-	(132,499)
- Currency exchange gains - net	(498)	(369)
	3,969	9,793
Change in working capital, net of effects from disposal of a subsidiary:		
- Trade and other receivables	30,680	(12,629)
- Contract assets and liabilities - net	(12,031)	43,371
- Inventories	2,565	(2,565)
- Properties held for sale	-	(243)
- Trade and other payables	(12,894)	4,213
Cash provided by operations	12,289	41,940
Interest received	1,423	2,533
Interest paid	(95)	(927)
Income tax paid	(4,173)	(6,850)
<b>Net cash provided by operating activities</b>	<b>9,444</b>	<b>36,696</b>

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

**Consolidated Statement of Cash Flows**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	2022 \$'000	2021 \$'000
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(638)	(638)
Government grant received		24	-
Addition to investment properties		(5,814)	(8,464)
Investment in associates		(3,774)	(14,251)
Interest received on loan to non-related party		78	97
Interest received on loan to a related party		1,585	-
Interest received on notes issued by an associate		3,524	-
Proceeds from disposal of properties		-	240,800
Proceeds from disposal of property, plant and equipment		2,770	-
Proceeds from disposal of a subsidiary and joint ventures		519	25,813
Proceeds from repayment of loan by a related party		6,431	-
Notes issued by an associate		(13,750)	(59,000)
Capital contributions to joint ventures		(1,906)	(10,720)
Repayment of loans by joint ventures		15,000	79,334
Deposits paid for investment		(12,297)	(4,615)
Dividends received from associates and joint ventures		15,182	8,362
Purchase of investment securities		(58,500)	-
<b>Net cash (used in)/provided by investing activities</b>		<b>(51,566)</b>	<b>256,718</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(201)	(117,892)
Proceeds from borrowings		8,268	2,500
Principal payment of lease liability		(1,662)	(3,452)
Interest payment of lease liability		(1,920)	(2,294)
Purchase of treasury shares		(316)	(292)
Proceeds from treasury shares re-issued		1,933	-
Dividends paid to equity holders of the Company		(48,291)	(2,491)
<b>Net cash used in financing activities</b>		<b>(42,189)</b>	<b>(123,921)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(84,311)</b>	<b>169,493</b>
<b>Cash and cash equivalents</b>			
Beginning of financial year		297,987	128,447
Effect of currency translation on cash and cash equivalents		190	47
<b>End of financial year</b>	13	<b>213,866</b>	<b>297,987</b>

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

# Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## Reconciliation of liabilities arising from financing activities

	Non-cash changes								31 March 2022
	1 April 2021	Proceeds from borrowings	Principal and interest payments	Addition during the financial year	Remeasurement/Modification of lease liability	Interest capitalised	Interest expense	Foreign exchange movement	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Bank borrowings	2,500	8,268	(297)	-	-	-	95	-	10,566
Lease liabilities	44,895	-	(3,582)	-	-	645	1,275	399	43,632

	Non-cash changes								31 March 2021
	1 April 2020	Proceeds from borrowings	Principal and interest payments	Addition during the financial year	Remeasurement/Modification of lease liability	Disposal of properties and a subsidiary	Interest expense	Foreign exchange movement	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Bank borrowings	117,892	2,500	(118,819)	-	-	-	927	-	2,500
Lease liabilities	82,637	-	(5,746)	111	(45)	(33,674)	2,294	(682)	44,895

## Disposal of properties, interest in a subsidiary and joint ventures to Boustead Industrial Fund ("BIF")

On 3 March 2021, the Group disposed properties and equity interests a subsidiary and joint ventures to BIF. Please refer to Note 34(c) for details of the transaction.

The effects of the disposal of the subsidiary as part of the transaction on the cash flows of the Group are as follows:

	2021 \$'000
Carrying amounts of assets and liabilities disposed:	
Cash and cash equivalents	1,992
Trade and other receivables	2,737
Investment property	34,517
Trade and other payables	(775)
Income tax liabilities	(419)
Lease liability	(7,408)
Deferred income tax liabilities	(1,576)
Net assets disposed of	29,068
Retained interest in a joint venture	(14,825)
Gain on disposal	9,542
Sales proceeds receivable	(517)
Unrealised gain on disposal due to retained interests in BIF	3,181
Cash proceeds from disposal	26,449
Less: Cash and cash equivalents in subsidiary disposed	(1,992)
Net cash inflow on disposal	24,457

Including proceeds from disposal of joint ventures, the total cash flow from disposal of a subsidiary and joint ventures amounted to \$25,813,000.

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



# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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 of investment holding while the principal activities of the Group are to provide turnkey Engineering & Construction services, including design-and-build services, as well as development management, asset management and fund management services for real estate developments. The principal activities of associates, joint ventures and subsidiaries are set out in Notes 21, 22 and 23 of the financial statements.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

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

The preparation of financial statements in conformity with SFRS(I)s requires management to exercise its judgements 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 judgements 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 on 1 April 2021

On 1 April 2021, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) (“INT SFRS(I)”) that are mandatory for application for the financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

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

#### (i) Interest Rate Benchmark Reform – Phase 2

The Group has adopted the amendments to SFRS(I) 9, SFRS(I) 7 and SFRS(I) 16 Interest Rate Benchmark Reform – Phase 2 effective 1 January 2021. The Group applied the Phase 2 amendments retrospectively and in accordance with the exceptions permitted in the Phase 2 amendments, the Group has elected not to restate comparatives for the prior periods to reflect the application of these amendments. Since the Group had no transactions for which the benchmark rate had been replaced with an alternative benchmark rate as at 31 March 2021, there is no impact on the opening equity balances as at 1 April 2021 as a result of retrospective application.

#### Financial instruments measured at amortised cost

Phase 2 of the amendments requires that, for financial instruments measured using amortised cost measurement, changes to the basis for determining the contractual cash flows required by replacement inter-bank offered rates (“IBOR”) reform are reflected by adjusting their effective interest rate. No immediate gain or loss is recognised.

These expedients are only applicable to changes that are required by IBOR reform, which is the case if, and only if, the change is necessary as a direct consequence of IBOR reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change.

#### Effect of IBOR reform

Following the global financial crisis, the reform and replacement IBOR has become a priority for global regulators. The Group’s risk exposure that is directly affected by the IBOR reform comprises its variable rate borrowings that are linked to the United States Dollar London Inter-bank Offer Rate (“USD LIBOR”) and its variable rate loan to an associate that is linked to the Kuala Lumpur Inter-Bank Offer Rate (“KLIBOR”).

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.1 Basis of preparation (cont'd)

#### (i) Interest Rate Benchmark Reform – Phase 2 (cont'd)

##### Effect of IBOR reform (cont'd)

The USD LIBOR loses its representativeness after 30 June 2023, and it is expected to be replaced by the Secured Overnight Financing Rate ("SOFR"). The Group has variable-rate USD bank borrowings which references to the USD LIBOR and matures after 30 June 2023. The Group is currently in discussion with the bank, but specific changes required by IBOR reform have not yet been agreed. The expected transition from USD LIBOR to SOFR had no material effect on the amounts reported for the current and prior financial years.

The cessation date for the KLIBOR has not been announced but it is expected to be replaced by the Malaysia Overnight Rate ("MYOR"). The Group's communication with its associate is ongoing, but specific changes required by IBOR reform have not yet been agreed. The expected transition from KLIBOR to MYOR had no material effect on the amounts reported for the current and prior financial years.

The following table contains details of all the financial instruments that the Group holds as at 31 March 2022 which are referenced to USD LIBOR and KLIBOR, and have not yet transitioned to new benchmark rates:

USD LIBOR	
Amount	Of which: Not yet transited to an alternative benchmark rate
\$'000	\$'000

#### Group:

##### 31 March 2022

##### Liabilities

- Borrowings	7,442	7,442
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KLIBOR	
Amount	Of which: Not yet transited to an alternative benchmark rate
\$'000	\$'000

#### Group:

##### 31 March 2022

##### Assets

- Other receivables and prepayments	17,685	17,685
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#### Company:

##### 31 March 2022

##### Asset

- Loan from a subsidiary	21,638	21,638
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## Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 2.2 Revenue recognition

##### (a) *Revenue from Engineering & Construction contracts*

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

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

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

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

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

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

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

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

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.2 Revenue recognition (cont'd)

#### (b) *Sale of industrial properties*

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

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

#### (c) *Interest income*

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

#### (d) *Rental income*

Refer to Note 2.22 for the accounting policy for rental income.

#### (e) *Management fee income*

Management fee from provision of project and development services, asset, property and lease management services are recognised over time as the services are rendered, except for acquisition and performance fees which are recognised at a point in time as and when the services are rendered.

### 2.3 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised in profit or loss over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are deducted against the related expenses.

Government grants relating to assets are deducted against the carrying amount of the assets.

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.4 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.

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.4 Group accounting (cont'd)

#### (a) Subsidiaries (cont'd)

##### (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 2.5 for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

##### (iv) 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.

#### (b) Associates and joint ventures

An associate 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%.

A joint venture is an entity over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

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



# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.4 Group accounting (cont'd)

#### (b) Associates and joint ventures (cont'd)

##### (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 associates' 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 associates or joint ventures are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in associates or joint ventures equals to or exceeds its interest in the associates or joint ventures, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associate or joint venture. If the associate 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 associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The elimination of unrealised gains and losses are made through "investments in associates" and "investments in joint ventures" on the statement of financial position and a proportionate reduction in "revenue", "cost of sales" and "other gains/(losses) - net" on the consolidated statement of comprehensive income. The accounting policies of associates or joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

##### (iii) Disposals

When there are changes in the interest in an associate or a joint venture, without losing significant influence or joint control, the difference between the carrying amount of the interest disposed and proceeds is recognised in profit or loss.

Investments in associates and joint ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associate 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 2.5 for the accounting policy on investments in associates and joint ventures in the separate financial statements of the Company.

### 2.5 Investments in subsidiaries, associates and joint ventures

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

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.6 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:

	<u>Estimated useful lives</u>
Plant and machinery	5 - 15 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 balance sheet 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.

### 2.7 Intangible asset

#### *Club Membership*

Club Membership acquired is initially recognised at cost and is subsequently carried at cost less accumulated amortisation and accumulated impairment losses. The cost is amortised to profit or loss using the straight-line method over its estimated useful life of 23 years.

The amortisation period and amortisation method of the intangible asset is reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the change arise.

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.8 Investment properties

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

Investment properties are initially 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 50 years for leasehold land and buildings and 15 years for machinery and equipment. No depreciation is provided for investment properties under construction and depreciation commences when the asset is ready for its intended use. The estimated useful lives and depreciation method are reviewed at each balance sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

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

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

### 2.9 Impairment of non-financial assets

*Property, plant and equipment*

*Intangible asset*

*Investment properties*

*Right-of-use assets*

*Investments in subsidiaries, associates and joint ventures*

Property, plant and equipment, intangible asset, investment properties, investments in subsidiaries, associates and joint ventures and right-of-use assets 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.

Management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. 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 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.10 Financial assets

#### (a) *Classification and measurement*

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

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

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

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

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

#### At initial recognition

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

#### At subsequent measurement

##### (i) *Debt instruments*

Debt instruments mainly comprise of cash and bank deposits, trade and other receivables, unlisted debt securities and loans/notes to subsidiaries, associates and joint ventures.

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

- **Amortised cost:** Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".
- **FVOCI:** Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income ("OCI") and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other gains - net". Interest income from these financial asset is recognised using the effective interest rate method and presented in "interest income".
- **FVPL:** Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other gains - net".

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.10 Financial assets (cont'd)

#### (a) Classification and measurement (cont'd)

##### (ii) Equity instruments

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

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

#### (b) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 32(b) details how the Group determines whether there has been a significant increase in credit risk.

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

#### (c) Recognition and derecognition

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

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

Trade receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.11 Derivative financial instruments

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

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

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

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

### 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 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.

### 2.14 Financial guarantees

The Company issues corporate guarantees to banks for bank borrowings if required. These guarantees are financial guarantees as they require the Company to reimburse the banks if the borrower fails to make principal or interest payments when due in accordance with the terms of their borrowings. Intra-Group transactions are eliminated on consolidation.

Financial guarantee contracts are initially measured at fair value plus transaction costs and subsequently measured at the higher of:

- (a) amount initially recognised less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and
- (b) the amount of expected loss allowance computed using the impairment methodology under SFRS(I) 9.



# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.15 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of 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.

### 2.16 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 balance sheet 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.

### 2.17 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.

### 2.18 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 balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associates 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 balance sheet date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet 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.

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.19 Provisions

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

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

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

### 2.20 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 balance sheet 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.

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.21 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.

#### (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 balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from net investment in foreign operations are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

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

All 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 balance sheet 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.

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.22 Leases

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

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

#### • Right-of-use assets

The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets (except for those which meets the definition of an investment property) are presented within "Right-of-use assets".

Right-of-use asset which meets the definition of an investment property is presented within "Investment properties" and accounted for in accordance with Note 2.8.

#### • Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees
- The exercise price of a purchase option if reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For a contract that contains both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease components for property leases and account for these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There are modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.22 Leases (cont'd)

#### (a) *When the Group is the lessee: (cont'd)*

- Short term and low value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

- Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

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

The Group leases out investment properties under operating leases and sub-leases its right-of-use of a leasehold land to non-related parties.

- Lessor – Operating leases

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) 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.

Contingent rents are recognised as income in profit or loss when earned.

- Lessor – Subleases

In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognises the net investment in the sublease within "Finance lease receivables". Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. Lease liability relating to the head lease is retained in the balance sheet, which represents the lease payments owed to the head lessor.

When the sublease is assessed as an operating lease, the Group recognises lease income from sublease in profit or loss within "Other income". The right-of-use asset relating to the head lease is not derecognised.

For a contract which contains lease and non-lease components, the Group allocates the consideration based on a relative stand-alone selling price basis.

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.23 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on a weighted average cost basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

### 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.

### 2.26 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.

### 2.27 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 2022

## 3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

In preparing these financial statements and applying the Group's accounting policies as described in Note 2, management has applied judgements and made certain assumptions and estimations. Estimates, assumptions and judgements are based on historical experience and other factors and continually evaluated, including expectations of future events that are believed to be reasonable under the circumstances.

### (a) *Impact of Coronavirus Disease 2019 ("COVID-19") pandemic and volatility of the geoeconomics and geopolitical climate*

The supply chain and labour issues arising from the effects of the pandemic and the volatility of the geoeconomic and geopolitical climate had impacted selected Engineering & Construction contracts of the Group. While there had been greater construction activities in FY2022, the progress was still affected by disruptions in the supply chain, a tight labour supply and Safe Management Measures. These factors have resulted in additional costs (associated with project resumption, prolongation and acceleration) to complete the projects, and project delays beyond the contracted dates of completion, leading to the delayed recognition of construction revenue.

The Group has considered the market conditions (including the impact of COVID-19) as at 31 March 2022 in making estimates and judgements on the recoverability of assets and provision of liabilities as at that date. The significant estimates and judgements applied on revenue recognition and provision of onerous contracts relating to the Group's Engineering & Construction contracts are disclosed in Note 3(b).

As at the date these financial statements are authorised for issuance, the Group continues to face challenges arising from the effects of the pandemic and the volatility of the geoeconomic and geopolitical climate. Accordingly, the Group cannot reasonably ascertain the full extent of the probable impact arising from these challenges.

### (b) *Revenue recognition of Engineering & Construction Contracts*

#### (i) *Estimated total contract sum and project costs*

As disclosed in Note 2.2(a), revenue on Engineering & Construction contracts is recognised over time using the input method. Under the input method, Management has to estimate the total contract sum and contract costs to be incurred up to the completion date of the projects ("costs-to-complete").

Significant judgement and assumptions are applied when estimating the total contract sum and the total contract costs which affect the accuracy of revenue recognition based on the percentage-of-completion of the on-going projects at the balance sheet date.

The estimation of total contract sum includes variation orders where management had determined that there was sufficient basis to claim from customers but pending final agreement with the customers. In making this assessment, management has relied on the terms of the contracts with customers and official instructions issued by customers to carry out the variation orders.

In making estimation of the value of variation orders to be included into the total contract sum, management has applied the contracted Schedule of Rates with subcontractors or quotations from subcontractors, on the basis that it is highly probable to recover from customers the cost of performing these variation orders.

If the estimated value of the variation orders that are considered recoverable decreases by 5% from management's estimates (with the total contract cost remaining unchanged), the Group's revenue and profit before income tax will decrease by approximately \$1,140,000.

In estimating the total costs-to-complete, management has applied its past experience of completing similar projects, as well as quotations from and contracts with suppliers and sub-contractors. These estimations are also made with due consideration of the physical surveys of the construction in-progress and circumstances and relevant events that were known to management at the date of these financial statements. Construction projects are inherently complex and involve uncertainties that may not be apparent to management at the balance sheet date. Management has made provision for contingency on each project to address these inherent risks.

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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

### (b) Revenue recognition of Engineering & Construction Contracts (cont'd)

#### (i) Estimated total contract sum and project costs (cont'd)

In addition, management has taken into consideration the cost increase arising from the pandemic and the volatility of the geoeconomic and geopolitical climate.

Management has assessed for two on-going Engineering & Construction contracts where the total construction costs have exceeded the total contract sum, resulting in a provision for onerous contracts of \$11,691,000 (2021: \$7,317,000) (Note 24) as at the balance sheet date.

For on-going projects at the balance sheet date, if the estimated contract costs to be incurred from the balance sheet date to the completion date is higher/lower by 5% (2021: 5%) from management's estimates, the Group's revenue and profit before tax would have been lower/higher by \$5,104,000 (2021: \$7,832,000) and \$7,625,000 respectively (2021: \$12,033,000).

#### (ii) Estimation of customers' claim on liquidated damages for delay in completion of projects

Customers have a right to claim for liquidated damages under the contractual terms of the Engineering & Construction contracts if contractual obligations, including completion of the project by a specific date, are not fulfilled.

Management re-evaluates the probability of liquidated damages claims from customers by considering whether there are or may be significant delays in the progress of the projects and whether there are significant defects that could not be rectified by the Group. The determination of the probability of claims are based on the circumstances and relevant events that were known to management at the date of these financial statements.

In the estimation of liquidated damages payable to the Group's customers in respect of delay in completion of Engineering & Construction contracts as at the balance sheet date, the Group had taken into account delays caused by the pandemic and the volatility of the geoeconomic and geopolitical climate. In assessing the liquidated damages payable to the customers, management has also taken into consideration the contractual rights which afforded relief in force majeure events which are beyond the control of the Group and the application of COVID-19 (Temporary Measures) Act 2020 ("COTMA"), which provides temporary reliefs due to the inability to perform contractual obligations, where the inability was caused to a material extent by the COVID-19 pandemic.

#### (c) Estimation of sub-contractors' claim on variation orders

Payment claims from sub-contractors are subject to physical surveys of construction performed, verification to agreed schedule and pricing in contracts and consideration of other relevant circumstances and events by the Group before payments are made. As at 31 March 2022, the Group had payment claims from sub-contractors which were disputed by the Group and not recognised in the financial statements, taking into account relevant counter-claims to the sub-contractors (if any) and information known and available to management at the date of these financial statements.

#### (d) Valuation of investment securities

Investment securities are stated at their fair values based on valuations performed, using valuation methods that involve certain estimates. Valuation methods used are discounted cash flow approach, market approach, income capitalisation approach and asset based valuation approach. The significant inputs to the valuation methods would be credit-adjusted discount rate, latest transaction price, capitalisation rate and discount for lack of control. The key assumptions used to determine the fair value of these investment securities are provided in Note 17.

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 4. REVENUE

	Over time	At a point in time	Total
	\$'000	\$'000	\$'000
<b>Group</b>			
<b>2022</b>			
Revenue from Engineering & Construction contracts	324,509	-	324,509
Management fee income	6,092	789	6,881
	330,601	789	331,390
Property rental income			7,823
Less: Government grant expense – rent concession			(124)
			339,089
<b>2021</b>			
Revenue from Engineering & Construction contracts	264,713	-	264,713
Management fee income	3,737	2,260	5,997
	268,450	2,260	270,710
Property rental income			32,263
Less: Government grant expense – rent concession			(1,568)
			301,405

Government grant expense relates to government grant income (Note 5(a)) received from the Singapore Government that were transferred to tenants in the form of rental rebates and rental waivers during the financial year.

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 5. EXPENSES BY NATURE

	Group	
	2022	2021
	\$'000	\$'000
Sub-contractor fees and other construction costs	309,301	261,987
Directors' fees to non-executive directors	265	252
Employee compensation (Note 6)	23,735	21,624
Share-based payment to non-executive directors	189	-
Depreciation expense (Note 18, 19(a)(i) and 20)	4,389	9,263
Auditor's remuneration paid/payable to:		
- auditor of the Company	178	193
- other auditors	41	30
Other fees on non-audit services paid/payable to:		
- auditor of the Company	29	11
- other auditors	27	139
Loss on disposal of property, plant and equipment	2,956	-
Impairment loss on property, plant and equipment	962	-
Property tax (a)	370	1,474
Rental expenses/(rebate) (b)	60	(193)
Maintenance expenses	800	2,115
Utilities expenses	547	480
Amortisation of intangible asset	6	6
Marketing expenses	469	350
Legal and professional fees	1,405	3,211
Training and recruitment expenses	371	373
Travel expenses	7	69
Collaboration costs	1,616	983
Others	530	1,002
<b>Total cost of sales, selling and distribution and administrative expenses</b>	<b>348,253</b>	<b>303,369</b>

- (a) Included within property tax are grant income of \$103,000 (2021: \$1,377,000) in which the Group has passed the benefits to its tenants during the financial year (Note 4).
- (b) Included within rental (rebate)/expenses are COVID-19 related rent concessions received from lessors of \$Nil (2021: \$249,000) to which the Group recognised as negative variable lease payments (i.e., reduction on the rental expenses) during the financial year.

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 6. EMPLOYEE COMPENSATION

	Group	
	2022 \$'000	2021 \$'000
Wages and salaries	21,084	19,707
Employer's contribution to defined contribution plans including Central Provident Fund	1,703	1,884
Share-based compensation expense (Note 30(b)(ii))	948	33
	<b>23,735</b>	<b>21,624</b>

Government grants under the Job Support Scheme ("JSS") amounting to \$207,000 (2021: \$4,669,000) were recorded as a reduction to the wages and salaries during the financial year ended 31 March 2022. The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers received cash grants in relation to the gross monthly wages of eligible employees.

### Share-based compensation expense

#### (a) One-off share-based payment to directors

A one-off share-based payment to directors by way of transferring a total of 2,400,000 treasury shares at the transfer price of \$0.806 per share was approved by the members of the Company at its Extraordinary General Meeting on 28 July 2021.

The fair value of the shares transferred was \$0.474 each, determined based on the market value of the Company's share price of \$1.28 as at 28 July 2021 less off the transfer price of \$0.806 per share. Accordingly, a total share-based payment expense of \$1,137,000 was recognised in the profit or loss during the financial year ended 31 March 2022, of which \$948,000 related to directors who are also employees of the Group and \$189,000 related to non-executive directors of the Company.

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 6. EMPLOYEE COMPENSATION (cont'd)

### (b) Employee share plans – Boustead Projects Restricted Share Plan 2016 (the “2016 Share Plan”)

The Boustead Projects Restricted Share Plan 2016 (the “2016 Share Plan”) was approved by the members of 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 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 share awards granted and vested pursuant to the 2016 Share Plan during the financial year are as follows:

	2022 \$'000	2021 \$'000
<b>Number of share awards</b>		
Balance at the beginning of financial year	150,991	815,990
Vested and issued during the financial year	(150,991)	(664,999)
Balance at the end of financial year	-	150,991

There are no share awards outstanding at the end of the financial year ended 31 March 2022. Share awards outstanding at the end of the financial year ended 31 March 2021 had a weighted average remaining contractual life of less than one month.

The fair value was determined based on the market value of the Company's shares at the grant date. No share awards were granted during the financial year.

The Company re-issued its treasury shares for share awards vested during the financial year. Cost of the treasury shares re-issued was \$0.81 (2021: \$0.80) each.



# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 7. INTEREST INCOME

	Group	
	2022	2021
	\$'000	\$'000
<i>Interest income on financial assets measured at amortised cost</i>		
- Bank deposits	1,456	1,314
- Loan to joint venture	-	164
- Loan to associates	384	388
- Loan to a related party	142	338
- Notes issued by an associate	4,452	328
- Others	78	97
	6,512	2,629
Finance income on sublease	691	719
	7,203	3,348

The related party above is a subsidiary of an associate.

## 8. OTHER GAINS - NET

	Group	
	2022	2021
	\$'000	\$'000
Fair value gain on financial asset, at FVPL (Note 17(a))	3,777	-
Currency exchange gains - net	498	369
Gain on disposal/partial disposal of properties, a subsidiary and joint ventures (Note 34(c))	-	132,499
	4,275	132,868

## 9. FINANCE EXPENSES

	Group	
	2022	2021
	\$'000	\$'000
Interest expense		
- Bank borrowings	95	927
- Lease liabilities (Note 19(a)(ii))	1,275	2,294
	1,370	3,221

## 10. SHARE OF PROFIT OF ASSOCIATES AND JOINT VENTURES

	Group	
	2022	2021
	\$'000	\$'000
Share of profit/(loss) after income tax		
- Associates (Note 21)	1,089	(720)
- Joint ventures (Note 22)	12,260	11,780
	13,349	11,060

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 11. INCOME TAXES

### Income tax expense

	Group	
	2022 \$'000	2021 \$'000
Tax expense attributable to profit is made up of:		
- Profit for the financial year:		
Current income tax		
- Singapore	3,897	15,592
- Foreign	973	644
	4,870	16,236
Deferred income tax (Note 26)	(871)	(7,193)
	3,999	9,043
- (Over)/Under provision in prior financial years		
Current income tax	(1,454)	(346)
Deferred income tax (Note 26)	(35)	225
	(1,489)	(121)
	2,510	8,922

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

	Group	
	2022 \$'000	2021 \$'000
Profit before tax	13,841	140,564
Share of profit of associates and joint ventures, net of tax	(13,349)	(11,060)
Profit before tax and share of profit of associates and joint ventures	492	129,504
Tax calculated at tax rate of 17% (2021: 17%)	84	22,016
Effects of		
- tax incentives	(1,264)	(254)
- tax on share of profit of joint ventures under limited liability partnership structure	3,654	1,038
- deferred tax assets not recognised	-	46
- expenses not deductible for tax purposes	987	2,980
- income not subject to tax	(35)	(16,954)
- different tax rates in other countries	320	219
- others	253	(48)
- over provision in prior financial years	(1,489)	(121)
Tax charge	2,510	8,922

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 12. EARNINGS PER SHARE

### (a) Basic earnings per share

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

	2022	2021
Net profit attributable to equity holders of the Company (\$'000)	11,336	131,688
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	312,473	311,246
Basic earnings per share (cents per share)	3.6	42.3

### (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 arise 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.

	2022	2021
Profit attributable to equity holders of the Company (\$'000)	11,336	131,688
Weighted average number of ordinary shares outstanding for diluted earnings per share ('000)	312,473	311,397
Diluted earnings per share (cents per share)	3.6	42.3

## 13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Cash at bank and on hand	141,218	218,906	88,933	163,520
Short-term bank deposits	72,648	79,081	30,149	74,250
	213,866	297,987	119,082	237,770

Cash and cash equivalents belonging to subsidiaries of the Group amounting to \$15,012,000 (2021: \$11,648,000) held in the People's Republic of China and the Socialist Republic of Vietnam are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the countries, other than through normal dividends.

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 14. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Current</b>				
<i>Trade receivables from:</i>				
- Non-related parties	22,660	41,706	3	35
- Joint ventures	2,467	7,757	-	-
- Associate	636	2,330	-	-
- Other related party	-	607	-	-
<i>Retention sum receivables from:</i>				
- Non-related parties	15,351	13,998	-	575
- Joint ventures	3,722	2,146	-	-
- Associate	1,088	-	-	-
<b>Trade receivables</b>	<b>45,924</b>	<b>68,544</b>	<b>3</b>	<b>610</b>
<i>Other receivables and prepayments</i>				
Loans to:				
- Subsidiaries	-	-	227,356	169,684
Less: Allowance for impairment of loan to a subsidiary	-	-	(2,094)	(2,084)
	-	-	225,262	167,600
- Associate	17,685	17,840	-	-
Less: Allowance for impairment loss (Note 32(b))	(5,027)	(4,049)	-	-
	12,658	13,791	-	-
- Related party*	-	7,964	-	-
<b>Loans – net</b>	<b>12,658</b>	<b>21,755</b>	<b>225,262</b>	<b>167,600</b>
<i>Other receivables from:</i>				
- Non-related parties	1,911	2,465	138	494
- Joint ventures	2,612	53	2,612	53
- Associates	5,056	4,657	-	529
- Related party*	15	578	-	-
- Fellow subsidiaries	62	103	-	-
- Subsidiaries	-	-	22,397	7,604
	9,656	7,856	25,147	8,680
Tax recoverable	197	143	-	-
Deposits	18,333	4,972	622	2,799
Prepayments	855	967	52	55
<b>Total other receivables and prepayments</b>	<b>41,699</b>	<b>35,693</b>	<b>251,083</b>	<b>179,134</b>

\* The related party above is a subsidiary of an associate.

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Non-current</b>				
<i>Retention sum receivables from:</i>				
- Non-related parties	12,320	15,538	-	-
- Joint ventures	-	4,673	-	-
<b>Trade receivables</b>	<b>12,320</b>	<b>20,211</b>	<b>-</b>	<b>-</b>
<i>Other receivables and prepayments</i>				
Notes issued by an associate (Note 21)	72,750	59,000	-	-
Other receivables	409	584	-	-
Prepayments	385	790	-	-
<b>Total other receivables and prepayments</b>	<b>73,544</b>	<b>60,374</b>	<b>-</b>	<b>-</b>

The loans to subsidiaries are unsecured, bear interest up to 1.03% (2021: 1.70%) per annum and are repayable on demand.

Loan to an associate, THAB Development Sdn Bhd (Note 21) is denominated in Malaysian Ringgit ("MYR"), unsecured, bears interest at 0.50% (2021: 0.50%) above Kuala Lumpur Interbank Offered Rate ("KLIBOR") per annum and is repayable on demand. During the financial year, further allowance for impairment of the loan receivable was recognised as follows:

	2022 \$'000	2021 \$'000
<u>Allowance for impairment loss</u>		
Balance at beginning of financial year	4,049	1,689
Share of loss (Note 21)	526	833
Impairment loss recognised in profit and loss	452	1,527
<b>Balance at end of financial year</b>	<b>5,027</b>	<b>4,049</b>

Loan to a related party, a subsidiary of an associate, THAB PTP Sdn Bhd (Note 21) was unsecured, interest bearing at 2.00% (2021: 2.00%) above KLIBOR per annum and was repaid during the financial year.

The notes issued by an associate, Boustead Industrial Fund, are unsecured, bear fixed interest of 7.0% per annum and are repayable in March 2031, with an option to extend for another 10 years. The notes are "qualifying debt securities" for the purposes of the Singapore Income Tax Act, which entail a 10% concessionary tax rate on the net interest income earned by the Group.

Other receivables due from fellow subsidiaries, a related party, associates, joint ventures and subsidiaries unsecured, interest-free and are repayable on demand.

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 15. INVENTORIES

	Group	
	2022 \$'000	2021 \$'000
Construction materials	-	2,565

## 16. CONTRACT ASSETS AND LIABILITIES

	Group		
	31 March 2022 \$'000	31 March 2021 \$'000	1 April 2020 \$'000
Contract assets	10,656	10,783	26,712
Contract liabilities	36,022	48,180	20,741
<i>Trade receivables from contracts with customers *</i>			
Current	43,462	66,800	51,473
Non-current	12,320	20,211	19,850

\* These balances are presented within Trade receivables in Note 14.

Contract assets relate to Engineering & Construction contracts where the revenue accrued from progressive work done exceeds related billings to clients.

Contract liabilities relate to Engineering & Construction contracts where billings to clients exceed revenue accrued for progressive work done. Contract liabilities as at 31 March 2022 decreased due to less contracts in progress where the Group billed and received consideration ahead of the provision of services.

### (a) Revenue recognised in relation to contract liabilities

Revenue recognised in current financial year that was included in the contract liabilities balance at the beginning of the financial year was \$48,180,000 (2021: \$20,741,000).

### (b) Unsatisfied performance obligations

As at 31 March 2022, the aggregate amount of transaction price allocated to the remaining performance obligation was \$234,686,000 (2021: \$351,551,000) and the Group expects to recognise this revenue over the next 1 to 2 years.



# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 17. INVESTMENT SECURITIES

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Financial asset, at FVPL	62,277	-	-	-
Financial asset, at FVOCI	31,661	31,421	31,661	31,421
Total	93,938	31,421	31,661	31,421
Less: Current portion	(62,277)	-	-	-
Non-current portion	31,661	31,421	31,661	31,421

### (a) Financial asset, at FVPL

	Group	
	2022 \$'000	2021 \$'000
Beginning of financial year	-	-
Additions	58,500	-
Fair value gain (Note 8)	3,777	-
End of financial year	62,277	-

In August 2021, the Group, together with two non-related parties, acquired \$110,000,000 of notes issued by SC Aetas (Cayman) Limited ("SCA"). The Group paid \$58,500,000 comprising 50% of the principal and interest outstanding on the notes, which were already in default on the acquisition date.

The notes are secured by the assignment of SCA's bank accounts and shareholder loan receivables, a charge over the shares ("Share Charge") in SC Aetas Holdings Pte Ltd, a subsidiary of SCA, ("Singapore Subsidiary"), and a personal guarantee from a shareholder of SCA.

In September 2021, the Group commenced the process of enforcing the Share Charge. The Singapore Subsidiary, which owns a mixed development property, was placed under creditors' voluntary liquidation and the liquidators initiated the sale of the property as part of the creditors' voluntary winding up.

The fair value of the notes as at 31 March 2022 have been determined using the discounted cash flow model where the expected future payments are, discounted using a credit-adjusted discount rate. The expected future payments are projected based on the expected sale price of the mixed development property owned by the Singapore Subsidiary, less transaction costs and other costs as advised by the liquidators of the Singapore Subsidiary.

Subsequent to the end of the financial year, the Group, together with the other non-related parties, entered into an agreement to purchase the mixed development property at a consideration of \$515,000,100 (Note 37).

Details of the significant valuation techniques and key inputs used in the determination of fair value categorised under Level 3 of the fair value hierarchy are as follows:

Valuation technique	Unobservable inputs	Relationship of unobservable inputs to fair value
Discounted cash flow approach and market approach	Credit-adjusted discount rate of 10%	The higher the credit-adjusted discount rate, the lower the fair value.
	Sale price of property at \$515,000,100	The higher the sale price, the higher the fair value.

## Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 17. INVESTMENT SECURITIES (cont'd)

#### (b) Financial asset, at FVOCI

	Group and Company	
	2022 \$'000	2021 \$'000
Beginning of financial year	31,421	31,315
Fair value gain	240	106
End of financial year	31,661	31,421

The Group holds a 5.27% unquoted equity interest in Perennial Tongzhou Development Pte. Ltd. ("PTD"), which represents a 4.00% effective interest in Beijing Tongzhou Integrated Development (Phase 1), a mixed-use property project located in Tongzhou District, Beijing, The People's Republic of China.

The fair value of the investment is determined using an asset based valuation model taking into consideration the fair value of the underlying properties being developed by PTD. The fair value of the underlying properties as at 31 March 2022 is based on a valuation performed by an independent professional property valuer.

Details of the significant valuation techniques and key inputs used in the determination of fair value categorised under Level 3 of the fair value hierarchy are as follows:

Valuation technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Income capitalisation approach and asset based valuation	Capitalisation rate	4% - 5% (2021: 4% - 5%)	The higher the capitalisation rate, the lower the fair value.
	Discount for lack of control	20% (2021: 20%)	The higher the discount for lack of control, the lower the fair value.

The outbreak of COVID-19 has resulted in market uncertainty and volatility, and accordingly the valuation of underlying property held by PTD may fluctuate more rapidly and significantly subsequent to valuation date as compared to normal market conditions.

## Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 18. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery \$'000	Office computers \$'000	Office equipment, furniture and fittings \$'000	Renovations \$'000	Total \$'000
<b>Group</b>					
<b>2022</b>					
<i>Cost</i>					
Beginning of financial year	9,829	2,155	411	327	12,722
Additions	-	40	152	446	638
Disposal	(6,879)	-	(57)	(79)	(7,015)
Grant	-	(24)	-	-	(24)
End of financial year	2,950	2,171	506	694	6,321
<i>Accumulated depreciation</i>					
Beginning of financial year	1,633	1,379	225	214	3,451
Depreciation charge	571	108	214	94	987
Disposal	(1,261)	-	(5)	(24)	(1,290)
End of financial year	943	1,487	434	284	3,148
<i>Accumulated impairment</i>					
Beginning of financial year	-	-	-	-	-
Impairment loss	962	-	-	-	962
End of financial year	962	-	-	-	962
<b>Net book value</b>					
<b>End of financial year</b>	<b>1,045</b>	<b>684</b>	<b>72</b>	<b>410</b>	<b>2,211</b>
<b>2021</b>					
<i>Cost</i>					
Beginning of financial year	9,829	1,641	287	327	12,084
Additions	-	514	124	-	638
End of financial year	9,829	2,155	411	327	12,722
<i>Accumulated depreciation</i>					
Beginning of financial year	1,000	1,036	182	167	2,385
Depreciation charge	633	343	43	47	1,066
End of financial year	1,633	1,379	225	214	3,451
<b>Net book value</b>					
<b>End of financial year</b>	<b>8,196</b>	<b>776</b>	<b>186</b>	<b>113</b>	<b>9,271</b>

An impairment charge of \$962,000 (2021: \$Nil) on certain plant and machinery is included within "administrative expenses" in the statement of comprehensive income during the financial year. The impairment charge arose because the net book value of the plant and machinery exceeded the fair value less cost of disposal of the asset. The fair value of the asset was determined based on the selling price agreed with the buyer of the plant and machinery.

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 19. LEASES

### (a) The Group as a lessee

#### Nature of the Group's leasing activities

The Group leases leasehold land for use as investment properties in Singapore, the People's Republic of China and the Socialist Republic of Vietnam for remaining lease periods ranging from 3 to 35 years. The Group also leases buildings for use as warehouse and office.

For the Group's properties located in Singapore, the Group is required to pay Jurong Town Corporation ("JTC") annual land rent in respect of certain of land use as investment properties, except for the properties where upfront payments were made. The annual land rent is based on market rent in the relevant year of the current lease term and the lease provides that any increase in annual land rent from year to year shall not exceed 5.5% of the annual land rent for the immediate preceding year. The leases are non-cancellable with remaining lease terms of up to 22 years, with option to extend a further 30 years for one of the leases.

For the Group's properties located in the People's Republic of China and the Socialist Republic of Vietnam, the Group is required to pay to external land owners annual land rent in respect of certain of land use as investment properties. The annual land rent is based on contracted lease agreement, with escalation clauses.

The right-of-use of the land for investment properties is presented within investment properties (Note 20).

The right-of-use of the land for leased office space for the purpose of back-office operations and warehouse for storage are presented as right-of-use assets on the statement of financial position.

There is no externally imposed covenant on these lease arrangements.

#### (i) *Carrying amount and depreciation charge during the financial year*

	Right-of-use assets			Right-of-use assets classified within investment properties	
	Leasehold land	Office	Warehouse	Leasehold land	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>					
<b>Net book value</b>					
At 1 April 2021	131	898	109	24,520	25,658
Additions	165	31	-	-	196
Disposals	-	(260)	-	-	(260)
Depreciation charge	(296)	(482)	(93)	(777)	(1,648)
Currency translation differences	-	-	-	311	311
<b>At 31 March 2022</b>	<b>-</b>	<b>187</b>	<b>16</b>	<b>24,054</b>	<b>24,257</b>
<b>Net book value</b>					
At 1 April 2020	9,573	1,531	-	50,845	61,949
Reclassification	(633)	-	-	633	-
Additions	-	-	117	181	298
Modification of lease liability	303	-	-	-	303
Disposals	(8,047)	-	-	(17,748)	(25,795)
Disposal of a subsidiary	-	-	-	(7,264)	(7,264)
Depreciation charge	(1,077)	(633)	(8)	(1,557)	(3,275)
Currency translation differences	12	-	-	(570)	(558)
<b>At 31 March 2021</b>	<b>131</b>	<b>898</b>	<b>109</b>	<b>24,520</b>	<b>25,658</b>

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 19. LEASES (cont'd)

### (a) The Group as a lessee (cont'd)

#### (ii) Interest expense

	Group	
	2022 \$'000	2021 \$'000
Interest expense on lease liabilities charged to profit or loss	1,275	2,294
Interest expense on lease liabilities capitalised within investment properties	645	-

#### (iii) Lease expense not capitalised in lease liabilities

	Group	
	2022 \$'000	2021 \$'000
Lease expense - short-term leases	60	56

(iv) Total cash outflow for all the leases for the financial year was \$3,642,000 (2021: \$5,802,000).

#### (v) Extension options

The leases for one office contain extension periods for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension options.

### (b) The Group as a lessor

#### Nature of the Group's leasing activities – Group as a lessor

The Group has leased out investment properties to non-related parties for monthly lease payments. Where considered necessary to reduce credit risk, the Group may obtain bank guarantees for the payment of leases. These leases are classified as operating leases because the risk and rewards incidental to ownership of the assets are not substantially transferred.

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

	Group	
	2022 \$'000	2021 \$'000
Less than one year	7,107	6,047
One to two years	6,878	4,012
Two to three years	5,220	2,675
Three to four years	2,104	2,051
Four to five years	1,774	438
More than five years	9,969	-
	<b>33,052</b>	<b>15,223</b>

Lease income from investment properties are disclosed in Note 20.

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 19. LEASES (cont'd)

### (b) The Group as a lessor (cont'd)

#### Nature of the Group's leasing activities – Group as an intermediate lessor

*Subleases – classified as finance leases*

The Group's sub-lease of its right-of-use of a leasehold land is classified as a finance lease because the sub-lease is for the entire remaining lease term of the head lease. The net investment in the sub-lease is recognised under "Finance lease receivables".

Finance income recognised on the sub-lease during the financial year is \$691,000 (2021: \$719,000).

The following table shows the maturity analysis of the undiscounted lease payments to be received:

	Group	
	2022 \$'000	2021 \$'000
Less than one year	1,126	1,126
One to two years	1,126	1,126
Two to three years	1,126	1,126
Three to four years	1,126	1,126
Four to five years	1,126	1,126
More than five years	26,754	27,880
<b>Total undiscounted lease payments</b>	<b>32,384</b>	<b>33,510</b>
Less: Unearned finance income	(11,500)	(12,286)
<b>Net investment in finance lease</b>	<b>20,884</b>	<b>21,224</b>
Current	522	430
Non-current	20,362	20,794
<b>Total</b>	<b>20,884</b>	<b>21,224</b>

## Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 20. INVESTMENT PROPERTIES

	Building and other costs	Right-of-use assets	Total
	\$'000	\$'000	\$'000
<b>Group</b>			
<b>2022</b>			
<i>Cost</i>			
Beginning of financial year	71,494	28,070	99,564
Additions (Note (a))	6,459	-	6,459
Currency translation differences	352	326	678
End of financial year	78,305	28,396	106,701
<i>Accumulated depreciation</i>			
Beginning of financial year	13,426	3,550	16,976
Depreciation charge	1,754	777	2,531
Currency translation differences	7	15	22
End of financial year	15,187	4,342	19,529
<b>Net book value</b>			
<b>End of financial year</b>	<b>63,118</b>	<b>24,054</b>	<b>87,172</b>
<b>2021</b>			
<i>Cost</i>			
Beginning of financial year	169,753	54,922	224,675
Reclassification from Properties held for sale	2,078	672	2,750
Additions	8,464	181	8,645
Disposals	(71,481)	(19,311)	(90,792)
Disposal of a subsidiary	(36,975)	(7,821)	(44,796)
Currency translation differences	(345)	(573)	(918)
End of financial year	71,494	28,070	99,564
<i>Accumulated depreciation</i>			
Beginning of financial year	43,885	4,077	47,962
Reclassification from Properties held for sale	-	39	39
Depreciation charge	4,922	1,557	6,479
Disposals	(25,655)	(1,563)	(27,218)
Disposal of a subsidiary	(9,722)	(557)	(10,279)
Currency translation differences	(4)	(3)	(7)
End of financial year	13,426	3,550	16,976
<b>Net book value</b>			
<b>End of financial year</b>	<b>58,068</b>	<b>24,520</b>	<b>82,588</b>

(a) Included in additions are interest capitalised of \$645,000 (2021: \$Nil).



## Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 20. INVESTMENT PROPERTIES (cont'd)

The following amounts are recognised in profit or loss:

	Group	
	2022 \$'000	2021 \$'000
Rental income	7,823	24,350
Direct operating expenses arising from:		
- Investment properties that generate rental income	2,338	5,445

As at 31 March 2022, details of the Group's investment properties are as follows:

Location	Description	Existing use	Terms of lease
<u>Singapore</u>			
31 Tuas South Ave 10	Industrial facilities	Rental	30 years lease from 16 December 2013
36 Tuas Road	Industrial facilities	Rental	12 years lease from 1 October 2013 with an option to extend a further 30 years
<u>Socialist Republic of Vietnam</u>			
Road No. 3, Nhon Trach II Industrial Park - Nhon Phu, Phu Hoi Commune, Nhon Trach District, Dong Nai Province	Industrial facilities	Phase 1 - Rental	39 years 2 months lease from 22 December 2017
		Phase 2A – Rental	
		Phase 2B – Construction in progress	
<u>People's Republic of China</u>			
No. 3 Xin Mei Road Plot 117, Wuxi New District Wuxi Jiangsu	Industrial facilities	Rental	50 years from 15 April 2003
No. 7 Xin Mei Road Plot 117, Wuxi New District Wuxi Jiangsu	Industrial facilities	Rental	50 years from 15 April 2003
No. 18 Xin Mei Road Plot 117, Wuxi New District Wuxi Jiangsu	Industrial facilities	Rental	50 years from 15 April 2003

As at 31 March 2022, investment properties amounting to \$33,777,000 were pledged to banks for banking facilities (Note 25).

Valuations of the Group's investment properties have been performed by independent professional 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, discounted cash flow method and capitalisation approach in deriving the valuation of \$111,236,000 (2021: \$88,174,000), net of lease payments.

Key inputs used in the valuations are the estimated annual net rent, discount rate 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 2022

## 21. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Beginning of financial year	4,671	3,449	3,752	3,177
Investment in Boustead Industrial Fund	3,150	13,675	-	-
Investment in DSCO Group Holdings Pte. Ltd.	624	575	624	575
Share of profit/(loss), net of tax (Note 10)	1,089	(720)	-	-
Share of the other comprehensive income	353	-	-	-
Unrealised construction, project management and acquisition fee margins	(151)	(264)	-	-
Unrealised gain on disposal due to retained interests	(3,343)	(45,376)	-	-
Loss accounted for against loans (Note 14)	526	833	-	-
Reclassification from current liabilities (Note 24)	(1,406)	(58)	-	-
Reclassification to non-current liabilities (Note 24)	4,854	32,536	-	-
Reclassification	(3,016)	-	-	-
Currency translation differences	(342)	21	-	-
Dividend received	(1,350)	-	-	-
End of financial year	5,659	4,671	4,376	3,752

Set out below are associates of the Group as at 31 March 2022. The associates as listed below have share capital consisting of ordinary shares or units, which are held directly by the Group. The associates are funded via a combination of share capital, notes and shareholders' loans which are presented in "Other receivables".

Name of entity	Country of business/incorporation	% of ownership interest	
		2022	2021
THAB Development Sdn Bhd <sup>(1)</sup>	Malaysia	35%	35%
DSCO Group Holdings Pte. Ltd. <sup>(2)</sup>	Singapore	25%	25%
Boustead Industrial Fund <sup>(3)</sup>	Singapore	25%	25%

<sup>(1)</sup> Audited by KPMG PLT, Malaysia.

<sup>(2)</sup> Audited by RSM Chio Lim LLP, Singapore.

<sup>(3)</sup> Audited by PricewaterhouseCoopers LLP, Singapore.

THAB Development Sdn Bhd ("THAB") was set up as a property development and 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 has been recognised as and when the properties are sold. As at 31 March 2022 and 2021, there are remaining 47 ready built factory units, 4 plots of vacant land, and a sales gallery that remain unsold. Of these, 5 (2021: 3) ready built factory units were leased out to external parties as at balance sheet date.

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 ended 31 March 2022, the investment property under THAB PTP was disposed off.

As at 31 March 2022 and 2021, the carrying amount of the Group's equity investment in THAB is \$Nil as the Group's share of loss in THAB Group had exceeded its cost of equity investment.

However, the Group has continued to equity account for its share of loss in THAB in excess of the Group's equity investment amounting to \$2,131,000 as at 31 March 2022 (2021: \$1,604,000). This is applied against the Group's loan to THAB, within allowance for impairment loss, as disclosed in Note 14.

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 21. INVESTMENTS IN ASSOCIATES (cont'd)

As at 31 March 2021, THAB PTP had outstanding bank borrowings for its development which the Group granted a proportional corporate guarantee as security. Accordingly, the Group continued to equity account for its share of loss in THAB PTP in excess of the Group's equity investment amounting to \$1,406,000. These were presented within current liabilities (Note 24). The outstanding bank loan of THAB PTP amounted to \$8,490,000 as at 31 March 2021 and had been repaid in 2022 following the disposal of its investment property.

Boustead Industrial Fund ("BIF") is a private trust that invest in, administer and manage certain investments in logistics, business parks and industrial properties. In addition to equity interest amounting to \$16,825,000 (2021: \$13,675,000), the Group also held Notes issued by BIF amounting to \$72,750,000 (2021: \$59,000,000) as at 31 March 2022. Details of the Notes are disclosed in Note 14.

As at 31 March 2022, the carrying amount of the Group's equity interest in BIF (net of unrealised gain on sale of properties by the Group and its joint ventures) amounting to \$37,390,000 (2021: \$32,536,000) is presented within non-current liabilities (Note 24).

The Group's share of results of its material associates are as follows:

	Group	
	2022 \$'000	2021 \$'000
THAB and its subsidiary	1,254	(799)
Boustead Industrial Fund	(779)	(571)
Immaterial associate - DSCO Group Holdings Pte. Ltd.	614	650
	<b>1,089</b>	<b>(720)</b>

Summarised statement of financial position of material associates

	THAB and its subsidiary		Boustead Industrial Fund	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Current assets	47,714	67,476	26,719	18,694
Non-current assets	1	2	597,603	493,813
Current liabilities	(50,776)	(62,663)	(14,282)	(8,971)
Non-current liabilities	-	(8,610)	(562,674)	(451,322)
<b>Net (liabilities)/assets</b>	<b>(3,061)</b>	<b>(3,795)</b>	<b>47,366</b>	<b>52,214</b>

## Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 21. INVESTMENTS IN ASSOCIATES (cont'd)

*Summarised statement of comprehensive income of material associates*

	THAB and its subsidiary		Boustead Industrial Fund	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Revenue</b>	<b>605</b>	1,401	<b>42,053</b>	3,112
<b>Profit/(Loss) before income tax</b>	<b>915</b>	(2,193)	<b>(13,018)</b>	(2,450)
<b>Profit/(Loss) after income tax</b>	<b>734</b>	(2,356)	<b>(14,460)</b>	(2,486)
<b>Other comprehensive income</b>	-	-	<b>1,412</b>	-
<b>Share of loss, net of tax (35%, 25%)</b>	<b>257</b>	(825)	<b>(3,615)</b>	(622)
Amortisation of previously capitalised unrealised gains and losses	<b>997</b>	26	<b>2,836</b>	51
<b>Share of profit/(loss) after income tax</b>	<b>1,254</b>	(799)	<b>(779)</b>	(571)
<b>Share of other comprehensive income</b>	-	-	<b>353</b>	-
<b>Share of total comprehensive income/(loss)</b>	<b>1,254</b>	(799)	<b>(426)</b>	(571)
<b>Dividends received</b>	-	-	<b>1,100</b>	-

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

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 21. INVESTMENTS IN ASSOCIATES (cont'd)

*Reconciliation of summarised financial information of material associates*

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

	THAB and its subsidiary		Boustead Industrial Fund	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Net (liabilities)/assets</b>				
Beginning of financial year	(3,795)	(1,439)	52,214	-
Profit/(loss) for the financial year	734	(2,356)	(14,460)	(2,486)
Other comprehensive income for the financial year	-	-	1,412	-
Issuance of equity units	-	-	12,600	54,700
Dividends paid	-	-	(4,400)	-
End of financial year	(3,061)	(3,795)	47,366	52,214
Interest in associates (35%, 25%)	(1,071)	(1,328)	11,842	13,054
Unrealised construction, project management and acquisition fee margins*	(502)	(1,466)	(415)	(214)
Unrealised gain on disposal of properties due to retained interests*	-	-	(48,817)	(45,376)
Currency translation differences	(558)	(216)	-	-
	(2,131)	(3,010)	(37,390)	(32,536)
Reclassification to current liabilities (Note 24)	-	1,406	-	-
Reclassification to non-current liabilities (Note 24)	-	-	37,390	32,536
Reclassification to allowance for impairment loss	2,131	1,604	-	-
<b>Carrying value</b>	-	-	-	-

\* The unrealised profit will be recognised in the profit and loss over the useful life of the investment properties held by the associates, on disposal of the investment properties by the associates, or on disposal of the Group's interest in the associates.

As at 31 March 2022, the Group's associates do not have any contingent liabilities and capital commitment.

## Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 22. INVESTMENTS IN JOINT VENTURES

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Beginning of financial year	<b>70,123</b>	60,707	<b>69,428</b>	69,530
Capital contribution	<b>1,906</b>	10,720	<b>1,906</b>	2,483
Capital repayment	<b>(15,000)</b>	(21,334)	-	(18,571)
Partial disposal of subsidiary	-	14,825	-	16,795
Partial disposal of joint venture	-	-	-	(809)
Share of profit/(loss), net of tax (Note 10)	<b>12,260</b>	11,780	-	-
Unrealised construction and project management margins	<b>(3,433)</b>	(2,050)	-	-
Reclassification of unrealised gain on disposal of properties	<b>2,835</b>	3,730	-	-
Dividends received	<b>(13,832)</b>	(8,362)	-	-
Others	<b>7</b>	107	-	-
End of financial year	<b>54,866</b>	70,123	<b>71,334</b>	69,428

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 22. INVESTMENTS IN JOINT VENTURES (cont'd)

Set out below are the joint ventures of the Group. 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	
			2022	2021
BP-Vista LLP <sup>(1)(3)</sup>	Dormant	Singapore	30%	30%
BP-DOJO LLP <sup>(1)(4)</sup>	Holding of property for rental income	Singapore	51%	51%
BP-Ubi Development Pte. Ltd. and its subsidiary <sup>(1)(3)</sup>	Dormant	Singapore	50%	50%
BP-SF Turbo LLP <sup>(1)(4)</sup>	Holding of property for rental income	Singapore	25.5%	25.5%
BP-CA3 LLP <sup>(1)</sup>	Holding of property for rental income	Singapore	50%	50%
BP-AMC LLP <sup>(1)(4)</sup>	Holding of property for rental income	Singapore	51%	51%
BP-BBD2 Pte. Ltd. <sup>(1)(4)</sup>	Holding of property for rental income	Singapore	51%	51%
Snakepit-BP LLP <sup>(1)</sup>	Holding of property for rental income	Singapore	28%	28%
Snakepit-BP 1 Pte. Ltd. <sup>(1)(4)</sup>	Investment holding	Singapore	5%	5%
Echo Base-BP Capital Pte Ltd and its subsidiary <sup>(1)</sup>	Provide real estate consultancy and management services	Singapore	50%	50%
Boustead & KTG Industrial Management Company Limited <sup>(2)(4)</sup>	Provide real estate consultancy and management services	Socialist Republic of Vietnam	25%	25%
EFactory Vietnam Co Ltd <sup>(5)</sup>	Provide real estate consultancy and management services	Socialist Republic of Vietnam	50%	50%
BP-Braddell LLP <sup>(1)(3)</sup>	Holding of property for rental income	Singapore	50%	50%
BP-TPM LLP <sup>(1)(4)</sup>	Holding of property for rental income	Singapore	51%	51%
BP-TN Pte. Ltd. <sup>(1)(4)</sup>	Holding of property for rental income	Singapore	51%	51%

<sup>(1)</sup> Audited by PricewaterhouseCoopers LLP, Singapore.

<sup>(2)</sup> Audited by PwC (Vietnam) Limited, Socialist Republic of Vietnam.

<sup>(3)</sup> Became dormant after the transaction with BIF as disclosed in Note 34(b) and Note 34(c).

<sup>(4)</sup> As the Group has joint control as a result of contractual agreements and rights to the net assets of the entity, the entity is therefore classified as a joint venture.

<sup>(5)</sup> Voluntary liquidation completed in April 2022.



## Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 22. INVESTMENTS IN JOINT VENTURES (cont'd)

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

The Group has committed to provide funding if called, to its joint ventures amounting to \$1,282,000 as at 31 March 2022 (2021: \$3,188,000).

The carrying amounts of the Group's material joint ventures are as follows:

	Group	
	2022 \$'000	2021 \$'000
BP-DOJO LLP	10,119	13,749
BP-TPM LLP	12,610	13,365
BP-Vista LLP	*	21
BP-Braddell LLP	372	11,541
BP-TN Pte. Ltd.	13,915	14,903
BP-BBD2 Pte. Ltd.	9,979	8,332
BP-Ubi Development Pte. Ltd. and its subsidiary	*	601
Immaterial joint ventures	7,871	7,611
	<b>54,866</b>	<b>70,123</b>

The Group's share of results of its material joint ventures, after eliminating unrealised gain on disposal of properties, are as follows:

	Group	
	2022 \$'000	2021 \$'000
BP-DOJO LLP	372	(750)
BP-TPM LLP	990	(332)
BP-Vista LLP	*	8,760
BP-Braddell LLP	8,297	(103)
BP-TN Pte. Ltd.	1,298	83
BP-BBD2 Pte. Ltd.	270	*
BP-Ubi Development Pte. Ltd. and its subsidiary	*	3,610
Immaterial joint ventures	1,033	512
	<b>12,260</b>	<b>11,780</b>

\* Not material in financial year ended 31 March 2022 and/or 31 March 2021 respectively.

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 22. INVESTMENTS IN JOINT VENTURES (cont'd)

Summarised financial information for material joint ventures

Set out below are the summarised financial information for BP-DOJO LLP, BP-TPM LLP, BP-Braddell LLP, BP-TN Pte. Ltd. and BP-BBD2 Pte. Ltd..

Summarised statement of financial position

	BP-DOJO LLP		BP-TPM LLP		BP-Braddell LLP	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>As at 31 March</b>						
<b>Current assets</b>	<b>15,683</b>	14,601	<b>11,836</b>	8,252	<b>1,403</b>	9,578
Includes:						
- Cash and cash equivalents	<b>9,718</b>	8,909	<b>6,406</b>	3,721	<b>1,280</b>	7,864
<b>Non-current assets</b>	<b>164,180</b>	171,282	<b>79,182</b>	82,511	-	105,530
<b>Current liabilities</b>	<b>(7,891)</b>	(6,567)	<b>(1,756)</b>	(2,423)	<b>(659)</b>	(9,520)
Includes:						
- Other liabilities (including trade and other payables)	<b>(7,891)</b>	(6,567)	<b>(1,756)</b>	(2,423)	<b>(659)</b>	(9,520)
<b>Non-current liabilities</b>	<b>(131,636)</b>	(131,641)	<b>(62,243)</b>	(60,693)	-	(75,842)
Includes:						
- Financial liabilities (excluding trade and other payables)	<b>(131,636)</b>	(131,641)	<b>(62,243)</b>	(60,693)	-	(75,842)
<b>Net assets</b>	<b>40,336</b>	47,675	<b>27,019</b>	27,647	<b>744</b>	29,746

	BP-TN Pte. Ltd.		BP-BBD2 Pte. Ltd.		BP-Vista LLP*	BP-Ubi Development Pte. Ltd. and its subsidiary*
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2021 \$'000	2021 \$'000
<b>As at 31 March</b>						
<b>Current assets</b>	<b>3,889</b>	4,976	<b>8,453</b>	3,172	3,196	2,319
Includes:						
- Cash and cash equivalents	<b>1,344</b>	2,112	<b>3,048</b>	2,571	3,101	2,266
<b>Non-current assets</b>	<b>41,882</b>	44,031	<b>68,352</b>	66,154	-	-
<b>Current liabilities</b>	<b>(1,564)</b>	(1,393)	<b>(2,358)</b>	(2,846)	(3,126)	(1,117)
Includes:						
- Other liabilities (including trade and other payables)	<b>(1,329)</b>	(1,166)	<b>(2,130)</b>	(2,625)	(3,126)	(1,117)
- Financial liabilities (excluding trade and other payables)	<b>(235)</b>	(227)	<b>(228)</b>	(221)	-	-
<b>Non-current liabilities</b>	<b>(8,285)</b>	(8,758)	<b>(51,971)</b>	(48,159)	-	-
Includes:						
- Financial liabilities (excluding trade and other payables)	<b>(6,929)</b>	(7,165)	<b>(51,971)</b>	(45,551)	-	-
- Other liabilities (including trade and other payables)	<b>(1,356)</b>	(1,593)	-	(2,608)	-	-
<b>Net assets</b>	<b>35,922</b>	38,856	<b>22,476</b>	18,321	70	1,202

\* These joint ventures are not material to the Group and hence summarised financial information as at 31 March 2022 are not disclosed.

## Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 22. INVESTMENTS IN JOINT VENTURES (cont'd)

Summarised statement of comprehensive income

	BP-DOJO LLP		BP-TPM LLP		BP-Braddell LLP	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial year ended 31 March</b>						
Revenue	12,987	11,113	8,576	6,464	4,551	444
Interest income	12	26	-	-	5	4
Other income	1,116	972	2,081	1,753	13,166	10
Expenses	(14,354)	(14,487)	(8,885)	(8,941)	(5,452)	(683)
Includes:						
- Depreciation and amortisation	(7,199)	(7,204)	(4,521)	(4,450)	(2,397)	(315)
- Interest expense	(2,081)	(2,847)	(1,065)	(1,181)	(1,154)	(129)
- Other expenses	(5,074)	(4,436)	(3,299)	(3,310)	(1,901)	(239)
<b>(Loss)/Profit after income tax, representing total comprehensive (loss)/income</b>	<b>(239)</b>	<b>(2,376)</b>	<b>1,772</b>	<b>(724)</b>	<b>12,270</b>	<b>(225)</b>
Share of (loss)/profit, net of tax (51%; 51%; 50%)	(122)	(1,212)	904	(369)	6,135	(113)
Amortisation of previously capitalised unrealised gains and other adjustments	494	462	86	37	2,162	10
<b>Share of profit/(loss) after income tax, representing total comprehensive income/(loss)</b>	<b>372</b>	<b>(750)</b>	<b>990</b>	<b>(332)</b>	<b>8,297</b>	<b>(103)</b>
<b>Dividends received</b>	<b>3,621</b>	<b>-</b>	<b>1,224</b>	<b>-</b>	<b>5,636</b>	<b>-</b>

	BP-TN Pte. Ltd.		BP-BBD2 Pte. Ltd.		BP-Vista LLP *	BP-Ubi Development Pte. Ltd. and its subsidiary *
	2022	2021	2022	2021	2021	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial year ended 31 March</b>						
Revenue	5,995	493	4,469	-	10,285	2,220
Interest income	1	1	1	2	1	17
Other income	-	-	-	-	20,218	7,447
Expenses	(3,930)	(376)	(4,052)	(28)	(7,066)	(2,365)
Includes:						
- Depreciation and amortisation	(2,148)	(169)	(2,500)	-	(4,064)	(1,040)
- Interest expense	(242)	(21)	(769)	-	(1,387)	(339)
- Other expenses	(22)	(120)	(347)	(28)	(1,615)	(815)
- Income tax expense	(1,518)	(66)	(436)	-	-	(171)
<b>Profit/(Loss) after income tax, representing total comprehensive income/(loss)</b>	<b>2,066</b>	<b>118</b>	<b>418</b>	<b>(26)</b>	<b>23,438</b>	<b>7,319</b>
Share of profit/(loss), net of tax (51%; 51%; 30%; 50%)	1,054	60	213	(13)	7,031	3,660
Amortisation of previously capitalised unrealised gains and other adjustments	244	23	57	-	1,729	(50)
<b>Share of profit/(loss) after income tax, representing total comprehensive income/(loss)</b>	<b>1,298</b>	<b>83</b>	<b>270</b>	<b>(13)</b>	<b>8,760</b>	<b>3,610</b>
<b>Dividends received</b>	<b>2,550</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,133</b>	<b>3,279</b>

\* These joint ventures are not material to the Group and hence summarised financial information as at 31 March 2022 are not disclosed.

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 2022

## 22. 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-DOJO LLP		BP-TPM LLP		BP-Braddell LLP	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Net assets</b>						
<b>Beginning of financial year</b>	<b>47,675</b>	50,051	<b>27,647</b>	30,306	<b>29,746</b>	23,508
(Loss)/Profit for the financial year	(239)	(2,376)	1,772	(724)	12,270	(225)
Dividends paid	(7,100)	-	(2,400)	-	(11,272)	-
Capital (repayment)/contribution	-	-	-	(1,935)	(30,000)	6,463
<b>End of financial year</b>	<b>40,336</b>	47,675	<b>27,019</b>	27,647	<b>744</b>	29,746
Interests in joint ventures (51%; 51%; 50%)	<b>20,571</b>	24,314	<b>13,780</b>	14,100	<b>372</b>	14,873
Unrealised construction and project management margins *	(10,452)	(10,565)	(1,170)	(735)	-	(3,332)
<b>Carrying value</b>	<b>10,119</b>	13,749	<b>12,610</b>	13,365	<b>372</b>	11,541

	BP-TN Pte. Ltd.		BP-BBD2 Pte. Ltd.		BP-Vista LLP	BP-Ubi Development Pte. Ltd. and its subsidiary
	2022	2021	2022	2021	2021	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Net assets</b>						
<b>Beginning of financial year/period</b>	<b>38,856</b>	38,738 #	<b>18,321</b>	14,762	34,281	11,259
Profit/(Loss) for the financial year/period	2,066	118 #	418	(26)	23,438	7,319
Dividends paid	(5,000)	-	-	-	(13,778)	(6,558)
Capital contribution/(repayment)	-	-	3,737	3,585	(43,871)	(10,818)
<b>End of financial year/period</b>	<b>35,922</b>	38,856	<b>22,476</b>	18,321	70	1,202
Interests in joint ventures (51%; 51%; 30%, 50%)	<b>18,320</b>	19,817	<b>11,463</b>	9,344	21	601
Unrealised construction and project management margins *	(4,405)	(4,914)	(1,484)	(1,012)	-	-
<b>Carrying value</b>	<b>13,915</b>	14,903	<b>9,979</b>	8,332	21	601

# BP-TN Pte. Ltd. ceased to be a subsidiary and became a joint venture on 3 March 2021. The amounts represent financial information subsequent to 3 March 2021.

\* The unrealised profit will be recognised in the profit and loss over the useful life of the investment properties held by the joint ventures, on disposal of the investment properties by the joint ventures, or on disposal of the Group's interest in the joint ventures.

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 23. INVESTMENTS IN SUBSIDIARIES

	Company	
	2022 \$'000	2021 \$'000
<i>Unquoted equity shares at cost</i>		
Beginning and end of financial year	17,926	17,926
Less: Allowance for impairment losses	(233)	(233)
	17,693	17,693
Loan to a subsidiary	21,638	21,841
Less: Allowance for impairment losses	(7,208)	(6,156)
Total investments in subsidiaries	32,123	33,378

The loan to a subsidiary forms part of the Company's net investment in the subsidiary. The loan is unsecured and bears interest at 0.50% (2021: 0.50%) above KLIBOR per annum. Repayment of the loan is neither planned nor likely to occur in the foreseeable future.

The Company assessed the carrying amount of its investments in subsidiaries for indicators of impairment. Based on the assessment, the Company recognised an impairment loss of \$7,208,000 (2021: \$6,156,000) on its investment in a wholly-owned subsidiary during the financial year ended 31 March 2022. The recoverable amount of the subsidiary was estimated taking into consideration the fair values of the underlying assets and the liabilities of the subsidiary. The fair value measurement was categorised as Level 3 of the fair value hierarchy based on the inputs in the valuation techniques used.

The Group had the following significant subsidiaries:

Name of entity	Principal activities	Country of business/ incorporation	Equity holding	
			2022 %	2021 %
Boustead Projects E&C Pte. Ltd. <sup>(1)</sup>	Provide design, engineering, project management, construction management and property-related services	Singapore	100	100
BP Engineering Solutions Sdn Bhd <sup>(2)</sup>	Provide design, engineering, project management, construction management and property-related services	Malaysia	100	100
Boustead Projects (Vietnam) Co. Ltd. <sup>(3)(9)</sup>	Provide design, engineering, project management, construction management and property-related services	Socialist Republic of Vietnam	100	100
PIP Pte. Ltd. <sup>(1)</sup>	Provide project management, design, construction and property-related services	Singapore	100	100
BP-CA Pte. Ltd. <sup>(1)(8)</sup>	Dormant	Singapore	100	100
BP-SFN Pte. Ltd. <sup>(1)(8)</sup>	Dormant	Singapore	100	100
BP-Tuas 1 Pte. Ltd. <sup>(1)(8)</sup>	Dormant	Singapore	100	100
CN Logistics Pte. Ltd. <sup>(1)(8)</sup>	Dormant	Singapore	100	100
BP-BBD Pte. Ltd. <sup>(1)(8)</sup>	Dormant	Singapore	100	100
BP-JCS Pte. Ltd. <sup>(1)(8)</sup>	Dormant	Singapore	100	100
BP-EA Pte. Ltd. <sup>(1)</sup>	Holding of property for rental income	Singapore	100	100
Wuxi Boustead Industrial Development Co. Ltd. <sup>(7)</sup>	Development of industrial space for lease/sale	People's Republic of China	100	100

# Notes to the Financial Statements

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## 23. INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of entity	Principal activities	Country of business/ incorporation	Equity holding	
			2022 %	2021 %
Boustead Real Estate Fund <sup>(1)</sup>	Private business trust	Singapore	100	100
Boustead Trustees Pte. Ltd. <sup>(1)</sup>	Trustee for real estate trust	Singapore	100	100
Boustead Funds Management Pte. Ltd. <sup>(1)</sup>	Property fund management	Singapore	100	100
Boustead Property Services Pte. Ltd. <sup>(1)</sup>	Management of properties	Singapore	100	100
Boustead Industrial Funds Management Pte. Ltd. <sup>(1)</sup>	Property fund management	Singapore	100	100
BIF Property Services Pte. Ltd. <sup>(1)</sup>	Property fund management	Singapore	100	100
BP-Real Estate Investment Pte. Ltd. <sup>(1)</sup>	Investment holding	Singapore	100	100
BP-PRC Pte. Ltd. <sup>(1)</sup>	Investment holding	Singapore	100	100
BP Lands Sdn Bhd <sup>(2)</sup>	Investment holding	Malaysia	100	100
BP-Vietnam Development Pte. Ltd. <sup>(1)</sup>	Investment holding	Singapore	100	100
BP-GD1 Pte. Ltd. <sup>(1)</sup>	Investment holding	Singapore	100	100
BP-SH1 Pte. Ltd. <sup>(1)</sup>	Investment holding	Singapore	100	100
BP-TM Pte. Ltd. <sup>(6)</sup>	Dormant	Singapore	100	100
BP-IDN Pte. Ltd. <sup>(6)</sup>	Dormant	Singapore	100	100
BP-TPM1 Pte. Ltd. <sup>(1)</sup>	Investment holding	Singapore	100	100
Boustead Projects Land (Vietnam) Co. Ltd <sup>(3)(9)</sup>	Holding of property for rental income	Socialist Republic of Vietnam	100	100
PT Boustead Projects Land <sup>(6)</sup>	Dormant	Indonesia	100	100
BP-UMS Pte. Ltd. <sup>(1)(5)</sup>	Dormant	Singapore	100	100
BP Xilin Sdn. Bhd. (formerly known as: BP Batu Kawan Sdn Bhd) <sup>(4)</sup>	Investment holding	Malaysia	100	100
BP Aerotech (Subang) Sdn Bhd <sup>(4)</sup>	Investment holding	Malaysia	100	100
BP Malaysia Airports Subang Aerotech Sdn. Bhd. <sup>(2)</sup>	Investment holding	Malaysia	70	70
BPMA HS Sdn. Bhd. <sup>(2)</sup>	Development of building projects	Malaysia	70	70

<sup>(1)</sup> Audited by PricewaterhouseCoopers LLP, Singapore.

<sup>(2)</sup> Audited by KPMG PLT, Malaysia.

<sup>(3)</sup> Audited by PwC (Vietnam) Limited, Socialist Republic of Vietnam.

<sup>(4)</sup> Audited by CLW & Associates, Malaysia.

<sup>(5)</sup> In the process of voluntary liquidation/strike-off.

<sup>(6)</sup> Not required to be audited.

<sup>(7)</sup> Audited by Wuxi DaZhong Certified Public Accountants China Co., Ltd.

<sup>(8)</sup> Became dormant after the transaction with BIF as disclosed in Note 34(c).

<sup>(9)</sup> Audited by RSM Vietnam Auditing & Consulting Company, Limited Vietnam in the previous financial year.

## Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 24. TRADE AND OTHER PAYABLES

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Current</b>				
Trade payables	71,003	86,305	110	481
Other payables to:				
- Non-related parties	2,871	1,468	19	9
- Fellow subsidiary	6	12	-	-
- Subsidiaries	-	-	19,278	17,180
	2,877	1,480	19,297	17,189
Retention sum payables	21,819	15,772	395	1,144
Accruals for operating expenses	6,403	14,481	602	3,716
Advanced billings - Property rental income	520	1,091	-	-
Share of accumulated loss in excess of cost of investment in an associate (Note 21)	-	1,406	-	-
Deposits	6,650	4,720	30	30
Provision for onerous contracts	11,691	7,317	-	-
Loans from subsidiaries	-	-	83,680	264,730
	120,963	132,572	104,114	287,290
<b>Non-current</b>				
Retention sum payables	13,958	17,475	-	-
Unrealised gain on disposal due to retained interests in an associate - net (Note 21)	37,390	32,536	-	-
	51,348	50,011	-	-

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

Loans from subsidiaries are unsecured, bear interest up to 1.03% (2021: 1.70%) per annum and are repayable on demand.

## 25. BORROWINGS

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Bank borrowings				
- Current	610	208	-	-
- Non-current	9,956	2,292	-	-
Total	10,566	2,500	-	-



# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 25. BORROWINGS (cont'd)

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

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
6 months or less	8,267	-	-	-

### (a) Security granted

As at 31 March 2022, total borrowings included secured liabilities of \$8,267,000 (2021: \$Nil) for the Group. The borrowings are secured over the Group's investment properties (Note 20).

### (b) Fair value of non-current borrowings

As at 31 March 2022, carrying amount of non-current borrowings of \$1,689,000 (2021: \$2,292,000) with fixed interest rate approximated their fair values, which was computed based on the present value of the cash flows on the borrowings discounted at the rate of 2% (2021: 2%). The borrowing rate is based on an equivalent instrument that the directors expected would be available to the Group at the balance sheet date.

The remaining carrying amounts of non-current borrowings of \$8,267,000 as at 31 March 2022 (2021: \$Nil) approximated their fair value as all the amounts are at floating interest rates which are revised every three to six months.

The fair value of borrowings are within Level 2 of the fair values hierarchy.

## 26. 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 tax authority. The amounts, determined after appropriate offsetting, are shown on the statement of financial position as follows:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Deferred income tax assets	9,618	8,190	-	-
Deferred income tax liabilities	(1,319)	(675)	(703)	(324)
	8,299	7,515	(703)	(324)

Deferred income tax liabilities of \$210,000 (2021: \$235,000) have not been recognised for the withholding and other taxes that will be payable on the earnings of an overseas subsidiary when remitted to the holding company. These unremitted profits are permanently reinvested and amount to \$4,192,000 (2021: \$4,705,000) at the balance sheet date.

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 26. 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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Deferred income tax liabilities</b>				
<u>Accelerated tax depreciation</u>				
Beginning of financial year	1,281	4,471	324	438
Charged/(Credited) to profit or loss	636	(2,139)	379	(114)
Disposal of a subsidiary	-	(1,051)	-	-
Others	8	-	-	-
End of financial year	1,925	1,281	703	324
<u>Others</u>				
Beginning of financial year	436	571	-	-
(Credited)/Charged to profit or loss	-	(104)	-	-
Disposal of a subsidiary	-	(362)	-	-
Others	-	331	-	-
End of financial year	436	436	-	-
<b>Total</b>				
<b>End of financial year</b>	<b>2,361</b>	<b>1,717</b>	<b>703</b>	<b>324</b>
<b>Deferred income tax assets</b>				
<u>Unrealised construction and project management margins</u>				
Beginning of financial year	4,337	4,611	-	-
Charged to profit or loss	(844)	(437)	-	-
Disposal of a subsidiary	-	163	-	-
Others	1	-	-	-
End of financial year	3,494	4,337	-	-
<u>Tax losses</u>				
Beginning of financial year	5,162	-	-	-
Credited to profit or loss	2,065	5,162	-	-
Utilisation	(3,131)	-	-	-
End of financial year	4,096	5,162	-	-
<u>Unrealised gain on disposal due to retained interests in an associate</u>				
Beginning of financial year	-	-	-	-
Credited to profit or loss	321	-	-	-
Reclassification	3,016	-	-	-
End of financial year	3,337	-	-	-
<u>Others</u>				
Beginning and end of financial year	(267)	(267)	-	-
<b>Total</b>				
<b>End of financial year</b>	<b>10,660</b>	<b>9,232</b>	<b>-</b>	<b>-</b>

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 27. SHARE CAPITAL AND TREASURY SHARES

	No. of ordinary shares		Amount	
	Issued share capital	Treasury shares	Share capital	Treasury shares
	'000	'000	\$'000	\$'000
<b>Group and Company</b>				
<b>2022</b>				
Beginning of financial year	320,000	(8,973)	15,000	(7,236)
Purchase of treasury shares	-	(317)	-	(316)
Treasury shares re-issued	-	2,551	-	2,057
End of financial year	320,000	(6,739)	15,000	(5,495)
<b>2021</b>				
Beginning of financial year	320,000	(9,346)	15,000	(7,477)
Purchase of treasury shares	-	(292)	-	(292)
Treasury shares re-issued	-	665	-	533
End of financial year	320,000	(8,973)	15,000	(7,236)

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 re-issued 151,000 (2021: 665,000) treasury shares in the Company during the financial year pursuant to the Boustead Projects Restricted Share Plan 2016 at the buyback price of \$0.81 (2021: \$0.80) each.

In the financial year ended 31 March 2022, the Company re-issued 2,400,000 (2021: nil) treasury shares to Directors of the Company as approved at the Extraordinary General Meeting held on 28 July 2021 at the buyback price of \$0.81 (2021: Nil).

## Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 28. DIVIDENDS

	Group	
	2022 \$'000	2021 \$'000
Ordinary dividends paid		
Dividends paid in respect of the previous financial year of 0.9 cents (2021: 0.8 cents) per share	2,822	2,491
Special dividends paid		
Dividends paid in respect of the previous financial year of 14.5 cents (2021: Nil cents) per share	45,469	-
	<b>48,291</b>	<b>2,491</b>

At the forthcoming Annual General Meeting on 28 July 2022, a final ordinary dividend of 0.2 cents per share and special dividend of 0.8 cents per share amounting to a total of \$3,133,000 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 2023.

### 29. RETAINED PROFITS

- (a) Retained profits of the Group are distributable except for:
- (i) accumulated retained profits of associates and joint ventures amounting to \$3,665,000 (2021: \$3,497,000)
  - (ii) 10% of accumulated retained profits of a subsidiary in the People's Republic of China amounting to \$466,000 (2021: \$339,000).
- (b) Retained profits of the Company are distributable. Movement in retained profits for the Company is as follows:

	Company	
	2022 \$'000	2021 \$'000
Beginning of financial year	247,805	240,700
Net profit	182,341	9,596
Dividends paid (Note 28)	(48,291)	(2,491)
End of financial year	<b>381,855</b>	<b>247,805</b>

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 30. OTHER RESERVES

		Group		Company	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
(a)	<b>Composition:</b>				
	Foreign currency translation reserve	918	656	-	-
	Share-based compensation reserve	-	124	-	124
	Capital reserve	1,201	64	1,201	64
	Merger reserve	(2,854)	(2,854)	-	-
	Fair value reserve	11,142	10,902	11,142	10,902
	Hedging reserve	353	-	-	-
		10,760	8,892	12,343	11,090
(b)	<b>Movement:</b>				
(i)	<u>Foreign currency translation reserve</u>				
	Beginning of financial year	656	1,216	-	-
	Net currency translation differences arising from consolidation	262	(560)	-	-
	End of financial year	918	656	-	-
(ii)	<u>Share-based compensation reserve</u>				
	Beginning of financial year	124	635	124	635
	Employee share-based compensation				
	- Value of employee services (Note 6)	1,137	33	1,137	33
	- Treasury shares re-issued	(1,261)	(544)	(1,261)	(544)
	End of financial year	-	124	-	124
(iii)	<u>Capital reserve</u>				
	Beginning of financial year	64	53	64	53
	Treasury shares re-issued	1,137	11	1,137	11
	End of financial year	1,201	64	1,201	64
(iv)	<u>Merger reserve</u>				
	Beginning and end of financial year	(2,854)	(2,854)	-	-
(v)	<u>Fair value reserve</u>				
	Beginning of financial year	10,902	10,796	10,902	10,796
	Fair value gain/(loss)	240	106	240	106
	End of financial year	11,142	10,902	11,142	10,902
(vi)	<u>Hedging reserve</u>				
	Beginning of financial year	-	-	-	-
	Share of associate's movement in cash flow hedge	353	-	-	-
	End of financial year	353	-	-	-

Other reserves are non-distributable.

## Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 31. CONTINGENCIES

- (a) As at the balance sheet date, the Group and the Company has the following guarantees whereby the directors are of the view that it is more likely than not that no amount will be payable under these arrangements. The earliest period that the guarantees could be called is upon demand.
- (i) As at 31 March 2021, the Company and the Group gave guarantees in favour of banks in respect of loan facilities granted to its related party\*. The outstanding guarantee then amounted to \$2,972,000.
- (ii) The Company has entered into performance guarantees of \$99,293,000 (2021: \$69,774,000) issued by banks in favour of third parties in respect of performance on construction contracts, at the balance sheet date.

\* A related party refers to a subsidiary of an associate.

### 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 operation in Singapore. It also has operations in Malaysia, the Socialist Republic of Vietnam and the People's Republic of China albeit in a smaller scale.

Translation risks of overseas net investments are not hedged through hedging instruments.

Currency exposure to the net assets of the Group's foreign operations in the People's Republic of China, Malaysia and the Socialist Republic of 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 Vietnamese Dong ("VND"), except as disclosed below:

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 32. FINANCIAL RISK MANAGEMENT (cont'd)

### (a) Market risk (cont'd)

#### (i) Currency risk (cont'd)

	USD	MYR
	\$'000	\$'000
<u>At 31 March 2022</u>		
<b>Financial assets</b>		
Other receivables and prepayments	16,913	12,658
	16,913	12,658
<b>Financial liabilities</b>		
Borrowings	(7,442)	-
	(7,442)	-
<b>Currency exposure of financial assets/(liabilities)</b>	<b>9,471</b>	<b>12,658</b>
<u>At 31 March 2021</u>		
<b>Financial assets</b>		
Other receivables and prepayments	-	21,755
	-	21,755
<b>Currency exposure of financial assets/(liabilities)</b>	<b>-</b>	<b>21,755</b>

The following table details the sensitivity to a 10% (2021: 10%) increase and decrease in the relevant foreign currencies against the functional currency of each Group entity. The sensitivity analysis is performed on outstanding foreign currency denominated monetary items and reflects the impact on profit after tax when there is a 10% (2021: 10%) change in foreign currency rates. If the relevant foreign currency change against the SGD by 10% (2021: 10%) with all other variables including tax rate being held constant, the effects to the profit after tax of the Group and the Company arising from the net financial liability/asset position will be as follows:

	← Increase/(Decrease) →	
	31 March 2022 Profit after tax	31 March 2021 Profit after tax
	\$'000	\$'000
<b>Group</b>		
USD against SGD		
- Strengthened	758	-
- Weakened	(758)	-
MYR against SGD		
- Strengthened	1,089	1,871
- Weakened	(1,089)	(1,871)



# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 32. FINANCIAL RISK MANAGEMENT (cont'd)

### (a) Market risk (cont'd)

#### (ii) Price risk

The Group and the Company is exposed to equity security price risk arising from its investment securities. Please refer to Note 17 for details of the fair value measurement.

#### (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.

As at 31 March 2022, the Group's exposure to cash flow interest rate risks arises mainly from bank borrowings and loan to an associate (2021: loans to an associate, loans to a related party\*) at variable rates.

If the interest rates had been higher/lower by 1% with all other variables including tax rate being held constant, the Group's profit after tax for the financial year ended 31 March 2022 would have been higher/lower by \$17,000 (2021: higher/lower by \$182,000) as a result of higher/lower interest income from loan to an associate and higher/lower interest expense on borrowings (2021: higher/lower interest income from loans to an associate and loans to a related party\*).

As at 31 March 2022, the Company's exposure to cash flow interest rate risks arises mainly from loans to/from subsidiaries (2021: loans to/from subsidiaries) at variable rates.

If the interest rates had been higher/lower by 1% with all other variables including tax rate being held constant, the Company's profit after tax for the financial year ended 31 March 2022 would have been higher/lower by \$1,175,000 (2021: lower/higher by \$806,000), as a result of higher/lower interest income on loans to subsidiaries and higher/lower interest expense on loans from subsidiaries (2021: higher/lower interest income on loans to subsidiaries and higher/lower interest expense on loans from subsidiaries).

\* A related party refers to a subsidiary of an associate.

### (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 Group adopts the policy of dealing only with customers of appropriate credit standing and history, and obtaining appropriate and sufficient collateral such as security deposits or bankers guarantee from customers, where appropriate, to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Before accepting any new customer, the Group assesses the potential customer's credit quality and their financial ability to pay for the services engaged. Management periodically monitors and reviews the customer's long overdue payment and proactively engages with the customer to resolve the causes of the overdue payment. As at 31 March 2022, there are two (2021: four) external customers and Nil (2021: one) joint venture which individually represents more than 5% of the Group's total trade receivables. There is no (2021: one) external customer which individually represents more than 5% of the Company's total trade receivables.

As at 31 March 2022, 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. As at 31 March 2021, 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 the except for corporate guarantees provided to banks on loan facilities of a related party, as disclosed in Note 31 to the financial statements.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially assessed up to the balance sheet 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.

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 32. FINANCIAL RISK MANAGEMENT (cont'd)

### (b) Credit risk (cont'd)

#### Trade receivables and contract assets

In measuring expected credit losses ("ECL"), trade receivables and contract assets are grouped based on shared credit risk characteristics. The contract assets relate mainly to projects where the revenue has been accrued ahead of billings to customers, which have substantially the same risk characteristics as the trade receivables for the same contracts.

The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Some of the forward-looking macroeconomic factors include:

- Historical default rate of the customer
- Any publicly available information on the customer
- Any macroeconomic or geopolitical information relevant to the customer
- Any other objectively supportable information on the quality and abilities of the customer's management relevant for its performance

Trade receivables (including retention receivables) and contract assets grouped with shared risk characteristics as at 31 March 2022 and 31 March 2021 are as follows:

	Group 2022			
	Current and not due	Past due under 3 months	Past due over 3 months	Total
	\$'000	\$'000	\$'000	\$'000
- Singapore				
• Trade receivables	47,244	455	1,396	49,095
• Contract assets	3,058	-	-	3,058
- Socialist Republic of Vietnam				
• Trade receivables	2,551	-	26	2,577
• Contract assets	143	-	-	143
- Malaysia				
• Trade receivables	5,231	350	216	5,797
• Contract assets	7,455	-	-	7,455
- People's Republic of China				
• Trade receivables	775	-	-	775
	66,457	805	1,638	68,900

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 32. FINANCIAL RISK MANAGEMENT (cont'd)

### (b) Credit risk (cont'd)

#### Trade receivables and contract assets (cont'd)

	Group 2021			
	Current and not due	Past due under 3 months	Past due over 3 months	Total
	\$'000	\$'000	\$'000	\$'000
- Singapore				
• Trade receivables	64,471	2,156	163	66,790
• Contract assets	3,425	-	-	3,425
- Socialist Republic of Vietnam				
• Trade receivables	1,906	-	140	2,046
• Contract assets	212	-	-	212
- Malaysia				
• Trade receivables	17,828	221	598	18,647
• Contract assets	7,146	-	-	7,146
- People's Republic of China				
• Trade receivables	1,272	-	-	1,272
	96,260	2,377	901	99,538

The amount of trade receivables that are past due for more than 3 months are immaterial. Accordingly, the Group's trade receivables and contract assets are subject to immaterial credit loss.

#### Cash and cash equivalents

The Group and the Company held cash and cash equivalents with reputable banks which are assessed to be of lower credit risk. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

#### Finance lease receivables and other receivables

Finance lease receivables, loans to a related party, a joint venture and subsidiaries, notes issued by an associate, and other receivables are measured on 12-month expected credit losses and subject to immaterial credit loss, except for loan to an associate as disclosed in Note 14 and loan to a subsidiary as disclosed in Note 23. An allowance for credit loss, measured on 12-month expected credit loss basis amounting to \$7,208,000 (2021: \$6,156,000) has been made against the loan to a subsidiary of \$21,638,000 (2021: \$21,841,000) (Note 23).

The Group monitors the credit risk of the associate based on the past due information to assess if there is any significant increase in credit risk. An allowance for credit loss, measured on 12-month expected credit loss basis amounting to \$5,027,000 (2021: \$4,049,000) has been made against the loan to an associate of \$17,685,000 (2021: \$17,840,000) (Note 14).

#### Financial guarantee

As at 31 March 2021, the Company has issued financial guarantees to banks for borrowings of a related party. The Company has assessed that its related party have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 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 balance sheet 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 balance sheet 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 is allocated to the earliest period in which the guarantee could be called.

	Less than 1 year \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000
<b>Group</b>			
<b>At 31 March 2022</b>			
Trade and other payables	120,443	13,958	-
Borrowings	889	10,827	-
Lease liabilities	3,091	10,042	71,856
<b>At 31 March 2021</b>			
Trade and other payables	129,487	17,475	-
Borrowings	257	2,374	-
Lease liabilities	3,255	10,211	73,688
Financial guarantees	2,972	-	-
<b>Company</b>			
<b>At 31 March 2022</b>			
Trade and other payables	20,434	-	-
Loans from subsidiaries	83,680	-	-
<b>At 31 March 2021</b>			
Trade and other payables	22,560	-	-
Loans from subsidiaries	264,730	-	-
Financial guarantees	2,972	-	-

## Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 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 \$120,000,000, a maximum total liability gearing ratio of 275% and a maximum consolidated gearing of 1.5 times. The Group's strategy which was unchanged from 2021, 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 2022 and 31 March 2021.

#### (e) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed in Note 17 to the financial statements, except for the following:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Financial assets, at amortised cost	403,553	500,351	370,113	417,424
Financial liabilities, at amortised cost	188,410	193,266	104,130	287,393

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 32. FINANCIAL RISK MANAGEMENT (cont'd)

### (f) Fair value measurements

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

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
<b>Group</b>				
<b>31 March 2022</b>				
Assets				
Financial asset, at FVPL	-	-	62,277	62,277
Financial asset, at FVOCI	-	-	31,661	31,661
<b>31 March 2021</b>				
Assets				
Financial asset, at FVOCI	-	-	31,421	31,421
<b>Company</b>				
<b>31 March 2022</b>				
Assets				
Financial asset, at FVOCI	-	-	31,661	31,661
<b>31 March 2021</b>				
Assets				
Financial asset, at FVOCI	-	-	31,421	31,421

## Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 32. FINANCIAL RISK MANAGEMENT (cont'd)

#### (f) Fair value measurements (cont'd)

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of the reporting period.

There were no transfers between the levels of fair value hierarchy during the financial year.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. In infrequent circumstances, where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3.

The following table presents the changes in Level 3 instruments:

	Financial asset, at FVPL \$'000	Financial asset, at FVOCI \$'000
<b>2022</b>		
Beginning of financial year	-	31,421
Addition	58,500	-
Fair value gain recognised in		
- profit or loss within "other gains- nets"	3,777	-
- other comprehensive income within "fair value gain"	-	240
End of financial year	62,277	31,661
<b>2021</b>		
Beginning of financial year	-	31,315
Fair value loss recognised in other comprehensive income within "fair value gain"	-	106
End of financial year	-	31,421

Valuation techniques and inputs disclosed in Note 17 to the financial statements.

### 33. IMMEDIATE AND ULTIMATE HOLDING COMPANY

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



# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 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

	Group	
	2022 \$'000	2021 \$'000
Office expense to a fellow subsidiary (includes shared expenses such as IT, utilities and common area usage)	(59)	(89)
Lease payment to a joint venture	-	(631)
Lease payment to an associate	(806)	(69)
Rental rebate from a joint venture	-	249
Project and development management fees from joint ventures*	106	529
Construction contract revenue from joint ventures*	7,053	29,444
Assets, property and lease management and performance fees from joint ventures	3,638	2,527
Assets, acquisition and property management fees from an associate*	3,243	1,116
Interest income from:		
- associate	4,836	716
- related party (a subsidiary of an associate)	142	338
- joint venture	-	164

\* Transaction values disclosed are after elimination of the Group's shares in the transaction.

## Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 34. RELATED PARTY TRANSACTIONS (cont'd)

#### (b) Disposal of property by a joint venture

On 30 November 2021, BP-Braddell LLP, a 50.0% joint venture of the Group, disposed its investment property to the Group's associate, Boustead Industrial Fund ("BIF").

The Group's share of the consideration from the disposal amounted to \$20,636,000 which had been fully received.

The Group used part of the cash consideration to subscribe for notes amounting to \$13,750,000 and 25% equity units amounting to \$3,150,000 issued by BIF.

Total gains on the transaction, net of unrealised gain arising from retained interest in BIF, recognised by the Group during the financial year ended 31 March 2022 are as follows:

	Group
	2022
	\$'000
Share of gain on disposal of property by a joint venture	11,338
Less: unrealised gain due to retained interest in BIF	(2,835)
	<b>8,503</b>

After considering tax, the net gain on the transaction recognised by the Group during the financial year 31 March 2022 is \$6,875,000.

#### (c) Disposal/partial disposal of properties, a subsidiary and joint ventures to Boustead Industrial Fund ("BIF")

On 3 March 2021, the Group (including two joint ventures of the Group) disposed properties, 49.0% equity interest of its wholly-owned subsidiary, BP-TN Pte. Ltd. ("BP-TN"), 49.0% interest of its joint venture, BP-SF Turbo LLP ("Turbo") and 49.0% interest of its joint venture, BP-CA3 LLP to Boustead Industrial Fund ("BIF").

The Group's share of the consideration from the disposals amounted to \$332,874,000. As at 31 March 2021, consideration due to the Group amounting \$517,000 in relation to sale of interest in BP-TN, \$12,000 in relating to sale of interest in Turbo and \$3,800,000 in relation to sale of a property, remained outstanding, subject to the finalisation of certain conditions. During the financial year ended 31 March 2022, all amounts had been received except for the amount of \$3,800,000 relating to the sale of a property. The receipt of this amount is subject to certain conditions as agreed between BIF and the Group.

The Group used part of the cash consideration to subscribe for notes amounting to \$59,000,000 and 25% equity units amounting to \$13,675,000 issued by BIF.

After the transaction, BP-TN ceased to be a subsidiary and became a joint venture of the Group, and BIF became an associate of the Group. In addition, a wholly-owned subsidiary of the Group, Boustead Industrial Fund Management Pte. Ltd. became the Fund Manager of BIF.

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 34. RELATED PARTY TRANSACTIONS (cont'd)

### (c) Disposal/partial disposal of properties, a subsidiary and joint ventures to Boustead Industrial Fund ("BIF") (cont'd)

Total gains on the transaction, net of rental guarantee and unrealised gain arising from retained interest in BIF, recognised by the Group during the financial year ended 31 March 2021 are as follows:

	Group
	2021 \$'000
Gain on disposal of properties	162,960
Gain on partial disposal of a subsidiary	12,723
Gain on partial disposal of a joint venture	1,473
Less: unrealised gain on disposal/partial disposal of properties, a subsidiary and joint ventures	(44,657)
Gain on disposal/partial disposal of properties, a subsidiary and joint ventures	132,499
Share of gain on disposal of properties by joint ventures	14,920
Less: unrealised gain on share of gain on disposal of properties by joint ventures	(3,730)
	143,689

After considering tax, the net gains on the transaction recognised by the Group during the financial year 31 March 2021 were \$134,759,000.

As part of the disposal, the Group provided a rental guarantee to BIF of up to \$25,500,000 to cover monthly rental shortfall for a period of 12 months from the transaction completion date on 3 March 2021. The Group estimated and recognised a provision for rental guarantee payable amounting to \$2,793,000 as at 31 March 2021. \$1,759,000 were paid to BIF during the financial year ended 31 March 2022 with \$271,000 remaining as unpaid as at 31 March 2022.

BIF is committed to acquire the Group's 50% interest in BP-CA3 LLP after the expiry of assignment prohibition period imposed by JTC Corporation in 2025.

### (d) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2022 \$'000	2021 \$'000
Wages and salaries	2,296	2,591
Employer's contribution to defined contribution plans, including Central Provident Fund	87	87
Share-based compensation expense	948	14
Share-based payment to non-executive directors	189	-
Director's fees to non-executive directors	265	252
	3,785	2,944

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

## 35. SEGMENT INFORMATION

Segment information is presented in respect of the Group's reportable segment provided to the senior management which comprises the Executive Deputy Chairman, Managing Director, Chief Financial Officer and Chief Operation 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) Engineering & Construction: Provision of turnkey Engineering & Construction services.
- (ii) Real Estate: Developing, owning, managing, leasing and sale of properties, and real estate fund management.
- (iii) HQ Activities: Management of financial assets and other investments.

### (a) Segment revenue and results

The segment information for the reportable segments is as follows:

	Engineering & Construction		Real Estate		HQ Activities		Group	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Revenue</b>								
External revenue	324,509	264,713	14,580	36,692	-	-	339,089	301,405
Total revenue	324,509	264,713	14,580	36,692	-	-	339,089	301,405
<b>Results</b>								
Segment results	(6,530)	4,032	13,283	138,041	1,255	(1,636)	8,008	140,437
Includes:								
Depreciation expense	(904)	(992)	(1,800)	(4,959)	(37)	(37)	(2,741)	(5,988)
Depreciation of right-of-use assets	(589)	(1,230)	(1,011)	(1,985)	(48)	(60)	(1,648)	(3,275)
Amortisation of intangible assets	(6)	(6)	-	-	-	-	(6)	(6)
Loss on disposal of property, plant and equipment	(2,956)	-	-	-	-	-	(2,956)	-
Impairment loss on property, plant and equipment	(962)	-	-	-	-	-	(962)	-
Subcontractor fees and other construction costs	(309,301)	(261,987)	-	-	-	-	(309,301)	(261,987)
Other gains – net	13	15,826	485	117,042	3,777	-	4,275	132,868
Impairment loss on financial asset	-	-	(452)	(1,527)	-	-	(452)	(1,527)
Employee compensation	(18,104)	(16,419)	(3,741)	(4,366)	(942)	(839)	(22,787)	(21,624)
Employee (including directors) share-based compensation expense	(350)	(33)	(241)	-	(546)	-	(1,137)	(33)
Share of profit of associates and joint ventures	4,827	4,552	8,522	6,508	-	-	13,349	11,060
Marketing expenses	(23)	(4)	(444)	(346)	(2)	-	(469)	(350)
Legal and professional fees	(463)	(1,869)	(647)	(914)	(295)	(428)	(1,405)	(3,211)
Property related expenses	(60)	94	(1,308)	(3,469)	(3)	15	(1,371)	(3,360)
Interest income	92	44	5,937	2,195	1,174	1,109	7,203	3,348
Finance expenses	(74)	(68)	(1,296)	(3,153)	-	-	(1,370)	(3,221)
Profit before income tax	(6,512)	4,008	17,924	137,083	2,429	(527)	13,841	140,564
Income tax expense							(2,510)	(8,922)
Total profit							11,331	131,642

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 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 2022

## 35. SEGMENT INFORMATION (cont'd)

### (b) Segment assets and liabilities

	Engineering & Construction		Real Estate		HQ Activities		Group	
	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Segment assets</b>								
Segment assets	<b>133,806</b>	146,964	<b>166,665</b>	148,924	<b>122,704</b>	241,809	<b>423,175</b>	537,697
Investment in securities	-	-	-	-	<b>93,938</b>	31,421	<b>93,938</b>	31,421
Investments in associates	<b>5,659</b>	4,671	-	-	-	-	<b>5,659</b>	4,671
Investments in joint ventures	-	-	<b>54,866</b>	70,123	-	-	<b>54,866</b>	70,123
Loan to an associate	-	-	<b>12,658</b>	13,791	-	-	<b>12,658</b>	13,791
Notes issued by an associate	-	-	<b>72,750</b>	59,000	-	-	<b>72,750</b>	59,000
Deferred income tax assets	-	-	-	-	-	-	<b>9,618</b>	8,190
Consolidated total assets							<b>672,664</b>	724,893
Additions to:								
- property, plant and equipment	<b>638</b>	573	-	65	-	-	<b>638</b>	638
- investment properties	-	-	<b>6,459</b>	8,464	-	-	<b>6,459</b>	8,464
- investment securities	-	-	-	-	<b>58,500</b>	-	<b>58,500</b>	-
- investments in associates	<b>624</b>	576	<b>3,150</b>	13,675	-	-	<b>3,774</b>	14,251
- Notes issued by an associate	-	-	<b>13,750</b>	59,000	-	-	<b>13,750</b>	59,000
- investments in joint ventures	-	-	<b>1,906</b>	10,720	-	-	<b>1,906</b>	10,720
<b>Segment liabilities</b>								
Segment liabilities	<b>159,360</b>	176,854	<b>64,608</b>	61,878	<b>1,173</b>	5,484	<b>225,141</b>	244,216
Unrealised gain on disposal due to retained interests	-	-	<b>37,390</b>	32,536	-	-	<b>37,390</b>	32,536
Share of accumulated loss	-	-	-	1,406	-	-	-	1,406
Income tax payable	-	-	-	-	-	-	<b>16,442</b>	20,337
Deferred income tax liabilities	-	-	-	-	-	-	<b>1,319</b>	675
Consolidated total liabilities							<b>280,292</b>	299,170

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 other than deferred income tax assets.

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 2022

## 35. SEGMENT INFORMATION (cont'd)

### (c) Geographical information

The Group operates primarily in Singapore and has operations in Malaysia and the Socialist Republic of Vietnam. The Group's revenue from external customers and non-current assets (excluding financial assets and deferred income tax assets) by geographical locations are as follows:

	Revenue from external customers		Non-current assets	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Singapore	263,900	226,691	105,300	129,316
Malaysia	64,013	67,501	64	150
Socialist Republic of Vietnam	4,556	3,734	42,491	36,508
Other countries	6,620	3,479	2,744	2,717
Group	339,089	301,405	150,599	168,691

### (d) Information about major customers

For the financial year ended 31 March 2022, there are four (2021: three) customers from the Group's Engineering & Construction segment that each contributed more than 10% of the Group's revenue. The customers contributed \$33,966,000, \$42,000,000, \$64,507,000, and \$65,835,000 (2021: \$30,483,000, \$58,057,000 and \$65,120,000) respectively in revenue to the Group.

## 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 2022 and which the Group has not early adopted.

**Amendments to SFRS(I) 1-1 Presentation of Financial Statements:** Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023)

The narrow-scope amendments to SFRS(I) 1-1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

The Group does not expect any significant impact arising from applying these amendments.

**Amendments to SFRS(I) 1-16 Property, Plant and Equipment:** Proceeds before Intended Use (effective for annual periods beginning on or after 1 January 2022)

The amendment to SFRS(I) 1-16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

The Group does not expect any significant impact arising from applying these amendments.

## Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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

**Amendments to SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets:** Onerous Contracts – Cost of Fulfilling a Contract (effective for annual periods beginning on or after 1 January 2022)

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the costs of fulfilling it and any compensation or penalties arising from failure to fulfil it. The amendment to SFRS(I) 1-37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts.

The Group does not expect any significant impact arising from applying these amendments.

### 37. EVENTS OCCURRING AFTER BALANCE SHEET DATE

On 5 May 2022, the Company's wholly-owned subsidiary, BP-Vietnam Development Pte. Ltd. ("BP-VD") entered into strategic collaboration arrangements with Khai Toan Joint Stock Company ("KTG") to acquire, develop and own a portfolio of logistics and industrial properties in Vietnam. Pursuant to the collaboration, BP-VD will acquire 60.0% of the issued and paid-up share capital in KTG & Boustead Joint Stock Company ("KBJSC"), which owns a portfolio of logistics and industrial properties in Vietnam, from KTG. The consideration for 60.0% stake in KBJSC approximates \$38,070,000 and was arrived at on a willing-buyer, willing seller basis. The consideration would be settled subject to the finalisation of certain conditions.

On 24 June 2022, the Group's newly incorporated 50%-owned joint venture, Bideford House Pte. Ltd. entered into a sale and purchase agreement to acquire a mixed development property for a consideration of \$515,000,100. See further details in Note 17(a). The consideration will be funded by Bideford House Pte. Ltd. via external bank financing as well as shareholders' loans.

### 38. 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 30 June 2022.



## **APPENDIX IV**

### **UNAUDITED FINANCIAL INFORMATION OF THE GROUP FOR HY2023**

The HY2023 results set out below have been extracted from the announcement by the Company on 10 November 2022 and were not specifically prepared for inclusion in this Circular. The figures have not been audited.



# **BOUSTEAD**<sup>®</sup>

Projects

## **Boustead Projects Limited**

**SGX Announcement  
Unaudited Results for 1H FY2023  
Ended 30 September 2022**

**[bousteadprojects.com](http://bousteadprojects.com)**



## Corporate Profile

Established in 1996 and listed on the SGX Mainboard, Boustead Projects Limited (SGX:AVM) is a leading provider of innovative eco-sustainable real estate solutions with a regional presence across Singapore, China, Malaysia and Vietnam. Our core businesses are uniquely integrated to support the ecosystem of diversified classes of real estate, comprising:

- Turnkey engineering, full-fledged integrated digital delivery ("IDD"), and project and construction management encompassing design-and-build;
- Real estate development, asset and leasing management; and
- Real estate fund management including being the sponsor and manager of Boustead Industrial Fund, a scalable private real estate trust platform for business park, logistics and industrial properties, and joint owner of Echo Base-BP Capital Pte Ltd, an Asia-centric fund management and services platform focused on smart buildings and integrated developments.

To date, we have constructed and/or developed more than 3,000,000 square metres of real estate for clients including Fortune 500, S&P 500 and Euronext 100 corporations, across diverse sectors like aerospace, business park, food, healthcare and pharmaceutical, high-tech manufacturing, logistics, research & development, technology and waste management, among others. Under the Boustead Development Partnership with a reputable Middle East sovereign wealth fund, we have developed or redeveloped more than half a million square metres of real estate in Singapore including landmark developments like ALICE@Mediapolis and GSK Asia House.

Our in-house capabilities are backed by core engineering expertise, the progressive adoption of transformative methodologies including full-fledged IDD and Industry 4.0 technologies and augmented by strategic partnerships which enable the co-creation of smart, eco-sustainable and future-ready developments. Our wholly-owned Engineering & Construction subsidiary in Singapore, Boustead Projects E&C Pte Ltd ("BP E&C") is the eco-sustainability leader in pioneering Green Mark Platinum-rated new private sector industrial developments under the Building & Construction Authority ("BCA") Green Mark Certification Scheme and a national champion of best practices for transformation, quality, environmental, and workplace safety and health ("WSH") management. BP E&C's related achievements include being the first SkillsFuture Queen Bee for the built environment sector, quality leader on the BCA CONQUAS all-time top 100 industrial projects list and one of only eight bizSAFE Mentors, receiving numerous awards for exemplary WSH performance.

We were awarded the Corporate Excellence & Resilience Award at the Singapore Corporate Awards 2021 Special Edition, a recognition of our best practices in corporate governance and leadership, innovation and resilience during the COVID-19 pandemic. We were also awarded the Singapore Corporate Governance Award in the Newly Listed Category at the Securities Investors Association (Singapore) Investors' Choice Awards 2017 and are one of only 92 SGX-listed corporations on the SGX Fast Track Programme.

Boustead Projects is a 54%-owned subsidiary of Boustead Singapore Limited (SGX:F9D), a progressive global infrastructure-related engineering and technology group which is separately listed on the SGX Mainboard.

Visit us at [www.bousteadprojects.com](http://www.bousteadprojects.com).

**BOUSTEAD PROJECTS LIMITED**  
*(Incorporated in Singapore)*  
**AND ITS SUBSIDIARIES**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
*For the six months financial period ended 30 September 2022*

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**BOUSTEAD PROJECTS LIMITED AND ITS SUBSIDIARIES**
**A) CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT**
*For the six months financial period ended 30 September 2022*

	Note	6 months ended		Inc/(Dcr)
		30 Sep 2022	30 Sep 2021	%
		\$'000	\$'000	
<b>Revenue</b>	4.1	<b>117,729</b>	179,126	(34%)
<b>Cost of sales</b>		<b>(106,532)</b>	(167,586)	(36%)
<b>Gross profit</b>		<b>11,197</b>	11,540	(3%)
Interest income	5	<b>4,341</b>	3,659	19%
Other gains – net	6	<b>1,408</b>	2,485	(43%)
Expenses				
- Selling and distribution		<b>(1,267)</b>	(1,748)	(28%)
- Administrative		<b>(5,862)</b>	(8,053)	(27%)
- Finance	8	<b>(942)</b>	(626)	50%
Share of profit of associates and joint ventures		<b>1,720</b>	1,096	57%
<b>Profit before income tax</b>	7	<b>10,595</b>	8,353	27%
Income tax expense	9	<b>(2,931)</b>	(2,453)	19%
<b>Total profit</b>		<b>7,664</b>	5,900	30%
<b>Profit attributable to:</b>				
Equity holders of the Company		<b>7,666</b>	5,902	30%
Non-controlling interests		<b>(2)</b>	(2)	0%
		<b>7,664</b>	5,900	30%
<b>Earnings per share for profit attributable to equity holders of the Company</b> (cents per share)				
- Basic and diluted		<b>2.4</b>	1.9	26%

**BOUSTEAD PROJECTS LIMITED AND ITS SUBSIDIARIES**

**B) CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*For the six months financial period ended 30 September 2022*

	<b>6 months ended</b>		
	<b>30 Sep 2022</b>	<b>30 Sep 2021</b>	<b>Inc/(Dcr)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b>Total profit</b>	<b>7,664</b>	5,900	30%
<b>Other comprehensive (loss)/income:</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Share of other comprehensive income of an associate	<b>405</b>	(12)	NM
Currency translation differences arising from consolidation	<b>(1,240)</b>	431	NM
<b>Other comprehensive (loss)/income net of tax</b>	<b>(835)</b>	419	NM
<b>Total comprehensive income</b>	<b>6,829</b>	6,319	8%
Total comprehensive income attributable to:			
Equity holders of the Company	<b>6,831</b>	6,321	8%
Non-controlling interests	<b>(2)</b>	(2)	0%
	<b>6,829</b>	6,319	8%

NM – not meaningful



**BOUSTEAD PROJECTS LIMITED AND ITS SUBSIDIARIES**
**C) CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**
*As at 30 September 2022*

		<b>GROUP</b>		<b>COMPANY</b>	
	<b>Note</b>	<b>30 Sep 2022</b>	<b>31 Mar 2022</b>	<b>30 Sep 2022</b>	<b>31 Mar 2022</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		<b>165,410</b>	213,866	<b>79,858</b>	119,082
Trade receivables		<b>78,724</b>	45,924	-	3
Other receivables and prepayments		<b>31,459</b>	41,699	<b>283,134</b>	251,083
Investment securities	11	-	62,277	-	-
Finance lease receivables		<b>433</b>	522	-	-
Contract assets		<b>8,353</b>	10,656	-	-
		<b>284,379</b>	374,944	<b>362,992</b>	370,168
<b>Non-current assets</b>					
Trade receivables		<b>12,755</b>	12,320	-	-
Other receivables and prepayments		<b>73,325</b>	73,544	-	-
Investment securities	11	<b>31,661</b>	31,661	<b>31,661</b>	31,661
Property, plant and equipment		<b>1,119</b>	2,211	-	-
Rights-of-use assets		<b>2,091</b>	203	-	16
Finance lease receivables		<b>20,136</b>	20,362	-	-
Investment properties	10	<b>86,924</b>	87,172	-	-
Intangible assets		<b>101</b>	104	-	-
Investments in associates		<b>6,039</b>	5,659	<b>4,376</b>	4,376
Investments in joint ventures		<b>186,845</b>	54,866	<b>71,300</b>	71,334
Investments in subsidiaries		-	-	<b>32,123</b>	32,123
Deferred income tax assets		<b>9,409</b>	9,618	-	-
		<b>430,405</b>	297,720	<b>139,460</b>	139,510
<b>Total assets</b>		<b>714,784</b>	672,664	<b>502,452</b>	509,678
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		<b>116,793</b>	120,963	<b>97,294</b>	104,114
Lease liabilities		<b>1,248</b>	871	-	16
Income tax payable		<b>17,623</b>	16,442	<b>1,479</b>	1,142
Contract liabilities		<b>69,292</b>	36,022	-	-
Borrowings	12	<b>617</b>	610	-	-
		<b>205,573</b>	174,908	<b>98,773</b>	105,272
<b>Non-current liabilities</b>					
Trade and other payables		<b>56,100</b>	51,348	-	-
Lease liabilities		<b>45,352</b>	42,761	-	-
Borrowings	12	<b>10,161</b>	9,956	-	-
Deferred income tax liabilities		<b>1,530</b>	1,319	<b>826</b>	703
		<b>113,143</b>	105,384	<b>826</b>	703
<b>Total liabilities</b>		<b>318,716</b>	280,292	<b>99,599</b>	105,975
<b>NET ASSETS</b>		<b>396,068</b>	392,372	<b>402,853</b>	403,703
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	13	<b>15,000</b>	15,000	<b>15,000</b>	15,000
Treasury shares	13	<b>(5,495)</b>	(5,495)	<b>(5,495)</b>	(5,495)
Retained profits		<b>376,778</b>	372,245	<b>381,005</b>	381,855
Other reserves		<b>9,925</b>	10,760	<b>12,343</b>	12,343
		<b>396,208</b>	392,510	<b>402,853</b>	403,703
<b>Non-controlling interests</b>		<b>(140)</b>	(138)	-	-
<b>Total equity</b>		<b>396,068</b>	392,372	<b>402,853</b>	403,703



**BOUSTEAD PROJECTS LIMITED AND ITS SUBSIDIARIES**

**D) CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
*For the six months financial period ended 30 September 2022*

	(-----Other reserves-----)												
	Share capital \$'000	Treasury shares \$'000	Retained profits \$'000	Merger reserve \$'000	Capital reserve \$'000	Share-based compensation reserve \$'000	Foreign currency translation reserve \$'000	Fair value reserve \$'000	Hedging reserve \$'000	Subtotal \$'000	Equity attributable to equity holders of the Company \$'000	Non-controlling interests \$'000	Total \$'000
GROUP													
1H FY2023													
Balance at 1 April 2022	15,000	(5,495)	372,245	(2,854)	1,201	-	918	11,142	353	10,760	392,510	(138)	392,372
Profit for the period	-	-	7,666	-	-	-	-	-	-	-	7,666	(2)	7,664
Other comprehensive income/(loss) for the period	-	-	-	-	-	-	(1,240)	-	405	(835)	(835)	-	(835)
Total comprehensive income for the period	-	-	7,666	-	-	-	(1,240)	-	405	(835)	6,831	(2)	6,829
Dividends	-	-	(3,133)	-	-	-	-	-	-	-	(3,133)	-	(3,133)
Total transactions with owners, recognised directly in equity	-	-	(3,133)	-	-	-	-	-	-	-	(3,133)	-	(3,133)
Balance at 30 September 2022	15,000	(5,495)	376,778	(2,854)	1,201	-	(322)	11,142	758	9,925	396,208	(140)	396,068

**BOUSTEAD PROJECTS LIMITED AND ITS SUBSIDIARIES**

**D) CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (cont'd)**

*For the six months financial period ended 30 September 2022*

	(Other reserves)												
	Share capital \$'000	Treasury shares \$'000	Retained profits \$'000	Merger reserve \$'000	Capital reserve \$'000	Share-based compensation reserve \$'000	Foreign currency translation reserve \$'000	Fair value reserve \$'000	Hedge reserve \$'000	Subtotal \$'000	Equity attributable to equity holders of the Company \$'000	Non-controlling interests \$'000	Total \$'000
GROUP													
1H FY2022													
Balance at 1 April 2021	15,000	(7,236)	409,200	(2,854)	64	124	656	10,902	-	8,892	425,856	(133)	425,723
Profit for the period	-	-	5,902	-	-	-	-	-	-	-	5,902	(2)	5,900
Other comprehensive income for the period	-	-	-	-	-	-	431	-	(12)	419	419	-	419
Total comprehensive income for the period	-	-	5,902	-	-	-	431	-	(12)	419	6,321	(2)	6,319
Employee (including directors) share-based compensation	-	-	-	-	-	1,137	-	-	-	1,137	1,137	-	1,137
- Value of employee services	-	2,057	-	-	1,137	(1,261)	-	-	-	(124)	1,933	-	1,933
- Treasury shares re-issued	-	-	(48,291)	-	-	-	-	-	-	-	(48,291)	-	(48,291)
Dividends	-	(316)	-	-	-	-	-	-	-	-	(316)	-	(316)
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners, recognised directly in equity	-	1,741	(48,291)	-	1,137	(124)	-	-	-	1,013	(45,537)	-	(45,537)
Balance at 30 September 2021	15,000	(5,495)	366,811	(2,854)	1,201	-	1,087	10,902	(12)	10,324	386,640	(135)	386,505

**BOUSTEAD PROJECTS LIMITED AND ITS SUBSIDIARIES**

**D) CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (cont'd)**

*For the six months financial period ended 30 September 2022*

	(-----Other reserves-----)							
	Share capital \$'000	Treasury shares \$'000	Capital reserve \$'000	Share-based compensation reserve \$'000	Fair value reserve \$'000	Subtotal \$'000	Retained profits \$'000	Total \$'000
COMPANY								
1H FY2023								
Balance at 1 April 2022	15,000	(5,495)	1,201	-	11,142	12,343	381,855	403,703
Profit for the period representing total comprehensive income for the period	-	-	-	-	-	-	2,283	2,283
Dividends	-	-	-	-	-	-	(3,133)	(3,133)
Total transactions with owners, recognised directly in equity	-	-	-	-	-	-	(3,133)	(3,133)
Balance at 30 September 2022	15,000	(5,495)	1,201	-	11,142	12,343	381,005	402,853

**BOUSTEAD PROJECTS LIMITED AND ITS SUBSIDIARIES**

**D) CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (cont'd)**  
*For the six months financial period ended 30 September 2022*

	(-----Other reserves-----)							
	Share capital \$'000	Treasury shares \$'000	Capital reserve \$'000	Share-based compensation reserve \$'000	Fair value reserve \$'000	Subtotal \$'000	Retained profits \$'000	Total \$'000
COMPANY								
1H FY2022								
Balance at 1 April 2021	15,000	(7,236)	64	124	10,902	11,090	247,805	266,659
Profit for the period, representing total comprehensive income for the period	-	-	-	-	-	-	1,459	1,459
Employee (including directors) share-based compensation	-	-	-	1,137	-	1,137	-	1,137
- Value of employee services	-	2,057	1,137	(1,261)	-	(124)	-	1,933
- Treasury shares re-issued	-	-	-	-	-	-	(48,291)	(48,291)
Dividends	-	(316)	-	-	-	-	-	(316)
Purchase of treasury shares	-	-	-	-	-	-	-	-
Total transactions with owners, recognised directly in equity	-	1,741	1,137	(124)	-	1,013	(48,291)	(45,537)
Balance at 30 September 2021	15,000	(5,495)	1,201	-	10,902	12,103	200,973	222,581

**BOUSTEAD PROJECTS LIMITED AND ITS SUBSIDIARIES**
**E) CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**
*For the six months financial period ended 30 September 2022*

	Group 30 Sep 2022 \$'000	30 Sep 2021 \$'000
<b>Cash flows from operating activities</b>		
Profit before income tax	10,595	8,353
Adjustments for:		
- Amortisation of intangible asset	3	3
- Depreciation of right-of-use assets	669	876
- Depreciation expense	1,263	1,353
- Loss on disposal of property, plant and equipment	-	45
- Reversal of impairment loss on property, plant and equipment	(25)	-
- Loss on disposal of right-of-use assets	-	105
- Share of profit of associates and joint ventures	(1,720)	(1,096)
- Elimination of share of unrealised construction, project management and acquisition fee margins	200	218
- Employee (including directors) share-based compensation expense	-	1,137
- Fair value gain on financial assets, at FVPL	(1,549)	(1,588)
- Interest income	(4,341)	(3,659)
- Loss on winding up of a joint venture	21	-
- Finance expenses	942	626
- Currency exchange losses / (gains) – net	141	(897)
	<b>6,199</b>	<b>5,476</b>
Change in working capital:		
- Trade and other receivables	(30,064)	9,751
- Contract assets and liabilities – net	35,948	(7,768)
- Inventories	-	2,157
- Trade and other payables	(25,410)	(16,450)
Cash provided by operations	<b>(13,327)</b>	<b>(6,834)</b>
Interest received	1,149	1,115
Interest paid	(175)	(25)
Income tax paid	(1,306)	(2,380)
<b>Net cash used in operating activities</b>	<b>(13,659)</b>	<b>(8,124)</b>

**BOUSTEAD PROJECTS LIMITED AND ITS SUBSIDIARIES**
**E) CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)**
*For the six months financial period ended 30 September 2022*

	Group 30 Sep 2022 \$'000	30 Sep 2021 \$'000
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(39)	(5)
Government grant received	-	24
Proceeds from disposal of property, plant and equipment	900	14
Proceeds from winding up of a joint venture	15	-
Additions to investment property	(433)	(4,740)
Loan to a non-related party	(1,970)	-
Loan to a related party	(4,155)	-
Dividends received from associates and joint ventures	9,016	3,644
Deposits paid for an investment	-	(6,475)
Investments in associates	-	(576)
Investments in a joint venture	(34,374)	-
Interest received on loan to non-related party	31	42
Interest received on loan to related party	-	84
Interest received on notes issued by an associate	2,553	1,358
Purchase of investment securities, at FVPL	-	(58,500)
<b>Net cash used in investing activities</b>	<b>(28,456)</b>	<b>(65,130)</b>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(304)	-
Principal payment of lease liabilities	(421)	(722)
Interest payment of lease liabilities	(963)	(970)
Purchase of treasury shares	-	(316)
Proceeds from treasury shares re-issued	-	1,934
Dividends paid to equity holders of the Company	(3,133)	(48,291)
<b>Net cash used in financing activities</b>	<b>(4,821)</b>	<b>(48,365)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(46,936)</b>	<b>(121,619)</b>
<b>Cash and cash equivalents</b>		
Beginning of financial period	213,866	297,987
Effect of currency translation on cash and cash equivalents	(1,520)	248
<b>End of financial period</b>	<b>165,410</b>	<b>176,616</b>

## BOUSTEAD PROJECTS LIMITED AND ITS SUBSIDIARIES

### F) NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

*For the six months financial period ended 30 September 2022*

#### 1) Corporate 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. These condensed interim financial statements as at and for the six months ended 30 September 2022 are related to the Company and its subsidiaries (collectively, the “Group”), along with the Group’s investments in associates and joint ventures.

The principal activity of the Company is investment holding, while the principal activities of the Group are to provide turnkey Engineering & Construction (“E&C”) services, including design-and-build services, as well as development management, asset and leasing management, and fund management services for diversified classes of real estate.

The principal activities of the significant subsidiaries, associates and joint ventures are:

- a) Providing turnkey engineering, full-fledged integrated digital delivery (“IDD”), project management and construction management, including design-and-build and property-related services;
- b) Real estate development management, asset management and leasing management, including the holding of property for rental income; and
- c) Real estate fund management.

#### 2) Basis of preparation

The condensed interim financial statements for the six months ended 30 September 2022 have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant for an understanding of the changes in the Group’s financial position and the Group’s performance since the last audited annual financial statements for the financial year ended 31 March 2022.

The condensed interim financial statements are presented in Singapore Dollars, which is the Group’s functional currency. All financial information presented in Singapore Dollars have been rounded to the nearest thousand, unless otherwise stated.

The accounting policies and method of computations used in the condensed interim consolidated financial statements are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out as set out in Note 2.1 below.

##### 2.1) New and amended SFRS(I)s adopted by the Group

The Group has adopted the new and revised SFRS(I)s and SFRS(I) Interpretations and amendments to SFRS(I)s that are mandatory for application from 1 April 2022:

- Amendments to SFRS(I) 1-16: Property, plant and equipment – proceeds before intended use
- Amendments to SFRS(I) 1-37: Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract

The adoption of the above amendments to SFRS(I)s did not result in material changes to the Group’s accounting policies and have no material effect on the amounts reported for the current financial year.



## **2.2) Use of judgements and estimates**

In preparing the condensed interim financial statements, management has applied judgements, and made certain assumptions and estimations. Estimates, assumptions and judgements are based on historical experience and other factors and are continually evaluated, including expectations of future events that are believed to be reasonable under the circumstances.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2022:

- a) Impact of Coronavirus Disease 2019 ("COVID-19") pandemic and volatility of the geoeconomics and geopolitical climate
- b) Revenue recognition of Engineering & Construction Contracts
- c) Estimation of subcontractors' claim on variation orders
- d) Valuation of investment securities

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

## **3) Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors, notwithstanding pandemic-related impacts.

## **4) Revenue and segment information**

Segment information is presented in respect of the Group's reportable segment provided to the senior management which comprises the Executive Deputy Chairman, Managing 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:

- a) E&C : Provision of turnkey E&C services.
- b) Real Estate : Developing, owning, managing, leasing and sale of properties, and real estate fund management.
- c) HQ Activities : Management of financial assets and other investments.

#### 4.1) Segment information

##### a) Segment revenue and results

	E&C		Real Estate		HQ Activities		GROUP	
	30 Sep 2022	30 Sep 2021	30 Sep 2022	30 Sep 2021	30 Sep 2022	30 Sep 2021	30 Sep 2022	30 Sep 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>6 months ended</b>								
<b>Revenue</b>								
External sales	109,102	172,760	8,627	6,366	-	-	117,729	179,126
Total revenue	109,102	172,760	8,627	6,366	-	-	117,729	179,126
<b>Results</b>								
Segment results	2,238	2,803	4,169	2,292	789	225	7,196	5,320
Includes:								
Depreciation expense	(591)	(476)	(658)	(860)	(14)	(17)	(1,263)	(1,353)
Depreciation of right-of-use assets	(197)	(396)	(452)	(455)	(20)	(25)	(669)	(876)
Amortisation of intangible assets	(3)	(3)	-	-	-	-	(3)	(3)
Subcontractor fees and other construction costs	(97,762)	(159,569)	-	-	-	-	(97,762)	(159,569)
Other (losses) / gains– net	(35)	52	(106)	845	1,549	1,588	1,408	2,485
Employee compensation	(8,079)	(8,607)	(2,255)	(2,140)	(418)	(435)	(10,752)	(11,182)
Employee (including directors) share-based compensation expense	-	(350)	-	(241)	-	(546)	-	(1,137)
Share of profit of associates and joint ventures	327	349	1,393	747	-	-	1,720	1,096
Marketing expenses	(2)	(32)	(115)	(451)	-	(2)	(117)	(485)
Legal and professional fees	(117)	(166)	(97)	(282)	(4)	(31)	(218)	(479)
Property related expenses	(56)	(26)	(1,158)	(761)	(3)	(1)	(1,217)	(788)
Interest income	238	28	3,405	2,874	698	757	4,341	3,659
Finance expenses	(36)	(42)	(906)	(584)	-	-	(942)	(626)
Profit before income tax	2,440	2,789	6,668	4,582	1,487	982	10,595	8,353
Income tax expense							(2,931)	(2,453)
Total profit							7,664	5,900
Attributable to:								
Equity holders of the Company							7,666	5,902
Non-controlling interests							(2)	(2)
							7,664	5,900

##### b) Segment assets and liabilities

	E&C		Real Estate		HQ Activities		GROUP	
	30 Sep 2022	30 Sep 2021	30 Sep 2022	30 Sep 2021	30 Sep 2022	30 Sep 2021	30 Sep 2022	30 Sep 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Segment assets</b>								
Segment assets	155,654	123,671	164,809	156,759	80,431	125,983	400,894	406,413
Investment securities	-	-	-	-	31,661	91,509	31,661	91,509
Investments in associates	5,672	5,346	367	-	-	-	6,039	5,346
Investments in joint ventures	-	-	186,845	67,651	-	-	186,845	67,651
Loan to an associate	-	-	7,186	17,632	-	-	7,186	17,632
Notes issued by an associate	-	-	72,750	59,000	-	-	72,750	59,000
Deferred income tax assets	-	-	-	-	-	-	9,409	10,968
<b>Consolidated total assets</b>							714,784	658,519
<b>Additions to:</b>								
- Property, plant and equipment	39	5	-	-	-	-	39	5
- Investment properties	-	-	629	5,050	-	-	629	5,050
- Investment associates	-	576	-	-	-	-	-	576
- Investment securities	-	-	-	-	-	58,500	-	58,500
- Investments in joint ventures	-	-	135,909	-	-	-	135,909	-
<b>Segment liabilities</b>								
Segment liabilities	167,102	151,295	91,313	58,964	782	3,839	259,197	214,098
Unrealised gain on disposal due to retained interests	-	-	40,366	36,469	-	-	40,366	36,469
Share of accumulated loss	-	-	-	601	-	-	-	601
Income tax payable	-	-	-	-	-	-	17,623	19,975
Deferred income tax liabilities	-	-	-	-	-	-	1,530	871
<b>Consolidated total liabilities</b>							318,716	272,014

Cash from business segments are managed under HQ activities segment as per the Group's cash management policy.

#### 4.1) Segment information (cont'd)

##### c) Geographical information

	Revenue from external customers	
	6 months ended	
	30 Sep 2022 \$'000	30 Sep 2021 \$'000
Singapore	99,381	143,239
Malaysia	12,888	30,115
Socialist Republic of Vietnam	3,747	1,709
Other countries	1,713	4,063
	<b>117,729</b>	<b>179,126</b>
	Non-current assets (excluding financial assets and deferred income tax assets)	
	30 Sep 2022 \$'000	31 Mar 2022 \$'000
	30 Sep 2022 \$'000	31 Mar 2022 \$'000
Singapore	196,174	105,300
Malaysia	432	64
Socialist Republic of Vietnam	84,360	42,491
Other countries	2,534	2,744
	<b>283,500</b>	<b>150,599</b>

The Group operates primarily in Singapore and has operations in Malaysia and the Socialist Republic of Vietnam. Other than Singapore and Malaysia, no single country accounted for 10% or more of the Group's revenue for six months ended 30 September 2022.

#### 4.2) Disaggregation of revenue

	Over time \$'000	Total \$'000
	Over time \$'000	Total \$'000
<b>GROUP</b>		
<b>6 months ended 30 Sep 2022</b>		
Revenue from E&C contracts	109,102	109,102
Management fee income	3,162	3,162
	<b>112,264</b>	<b>112,264</b>
Property rental income		5,465
		<b>117,729</b>
	Over time \$'000	Total \$'000
	Over time \$'000	Total \$'000
<b>GROUP</b>		
<b>6 months ended 30 Sep 2021</b>		
Revenue from E&C contracts	172,760	172,760
Management fee income	2,932	2,932
	<b>175,692</b>	<b>175,692</b>
Property rental income		3,558
Less: Government grant expense – rent concession		(124)
		<b>179,126</b>

5) **Interest income**

	<b>GROUP</b>	
	<b>6 months ended</b>	
	<b>30 Sep 2022</b>	<b>30 Sep 2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest income on financial assets measured at amortised cost	4,001	3,312
Finance income on sublease	340	347
	<b>4,341</b>	<b>3,659</b>

6) **Other gains – net**

	<b>GROUP</b>	
	<b>6 months ended</b>	
	<b>30 Sep 2022</b>	<b>30 Sep 2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Currency exchange (losses)/gains – net	(141)	897
Fair value gain on financial assets, at FVPL	1,549	1,588
	<b>1,408</b>	<b>2,485</b>

7) **Expenses by nature**

	<b>GROUP</b>	
	<b>6 months ended</b>	
	<b>30 Sep 2022</b>	<b>30 Sep 2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<u>Profit before income tax is arrived at after charging the following:</u>		
Depreciation expense	1,263	1,353
Depreciation of right-of-use assets	669	876
Amortisation of intangible assets	3	3
Subcontractor fees and other construction costs	97,762	159,569
Employee compensation	10,752	11,182
Employee (including directors) share-based compensation expense	-	1,137
Marketing expenses	117	485
Legal and professional fees	218	479
Property related expenses	1,217	788

8) **Finance expenses**

	<b>GROUP</b>	
	<b>6 months ended</b>	
	<b>30 Sep 2022</b>	<b>30 Sep 2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest expense on borrowings	175	25
Interest expense on lease liabilities	767	601
	<b>942</b>	<b>626</b>

## 9) Income tax expense

The Group calculates the period income tax expense based on the statutory tax rates of the respective countries that the Group operates in. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	<b>GROUP</b>	
	<b>6 months ended</b>	
	<b>30 Sep 2022</b>	<b>30 Sep 2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Current income tax expense	2,147	1,914
Deferred income tax expense	451	466
	<b>2,598</b>	<b>2,380</b>
Under/(Over) provision in prior financial years		
Current income tax expense	345	108
Deferred income tax expense	(12)	(35)
	<b>2,931</b>	<b>2,453</b>

## 10) Investment properties

	<b><u>Building and other costs</u></b>	<b><u>Right-of-use assets</u></b>	<b><u>Total</u></b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>GROUP</b>			
<b>30 Sep 2022</b>			
<i>Cost</i>			
Beginning of financial period	78,305	28,396	106,701
Additions	629	-	629
Currency translation differences	287	295	582
End of financial period	<b>79,221</b>	<b>28,691</b>	<b>107,912</b>
<i>Accumulated depreciation</i>			
Beginning of financial period	15,187	4,342	19,529
Depreciation charge	1,009	418	1,427
Currency translation differences	9	23	32
End of financial period	<b>16,205</b>	<b>4,783</b>	<b>20,988</b>
<b>Net book value</b>			
<b>End of financial period</b>	<b>63,016</b>	<b>23,908</b>	<b>86,924</b>
<b>30 Sep 2021</b>			
<i>Cost</i>			
Beginning of financial period	71,494	28,070	99,564
Additions	5,050	-	5,050
Currency translation differences	510	519	1,029
End of financial period	<b>77,054</b>	<b>28,589</b>	<b>105,643</b>
<i>Accumulated depreciation</i>			
Beginning of financial period	13,426	3,550	16,976
Depreciation charge	837	332	1,169
Currency translation differences	10	29	39
End of financial period	<b>14,273</b>	<b>3,911</b>	<b>18,184</b>
<b>Net book value</b>			
<b>End of financial period</b>	<b>62,781</b>	<b>24,678</b>	<b>87,459</b>

The Group's investment properties are carried at cost less accumulated depreciation and impairment losses. The Group has considered that there are no impairment indicators on these investment properties as at 30 September 2022.

11) **Investment securities**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30 Sep 2022</b>	<b>31 Mar 2022</b>	<b>30 Sep 2022</b>	<b>31 Mar 2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Financial assets, at FVPL	-	62,277	-	-
Financial assets, at FVOCI	<b>31,661</b>	31,661	<b>31,661</b>	31,661
Total	<b>31,661</b>	93,938	<b>31,661</b>	31,661
Less: Current portion	-	(62,277)	-	-
Non-current portion	<b>31,661</b>	31,661	<b>31,661</b>	31,661

In August 2021, the Group purchased \$58.5 million non-listed mezzanine debt issued by SC Aetas (Cayman) Ltd, in which the fair value increased to \$62.3 million as at 31 March 2022. During 1H FY2023, the Group recognised fair value gains amounting to \$1,549,000 (1H FY2022: \$1,588,000). The fair value of this investment is determined using the discounted cash flow model considering the present value of the expected future payments, discounted using a credit-adjusted discount rate.

On 24 June 2022, the Group's newly incorporated 50%-owned joint venture, Bideford House Pte Ltd, entered into an agreement to purchase the mixed development property at 28 & 30 Bideford Road from SC Aetas Holdings Pte Ltd ("Vendor"), at a consideration of \$515,000,100. The consideration was funded by Bideford House Pte Ltd via external bank financing as well as shareholders' loan. As agreed with the Vendor, \$60 million of the investment in mezzanine debt was set-off against the Group's share of the consideration, with the remaining \$3,826,000 receivable from the Vendor.

The fair value of the financial assets, at FVOCI is determined using an asset-based valuation model taking into consideration the fair value of the underlying properties being developed. The fair value of the underlying property as at 31 March 2022 is based on a valuation performed by an independent professional property valuer. The Group has assessed that the valuation methods and assumptions used as at 30 September 2022 are reflective of current market situations and there is no significant change to the fair value of the financial assets, at FVOCI.

Details of the significant valuation techniques and key inputs used in the determination of fair value categorised under Level 3 of the fair value hierarchy are as follows:

<b>Description</b>	<b>Valuation technique</b>	<b>Unobservable inputs</b>	<b>Range of unobservable inputs</b>	<b>Relationship of unobservable inputs to fair value</b>
Financial assets, at FVPL	Discounted cash flow approach and market approach	Credit-adjusted discount rate	10% (2022: 10%)	The higher the credit-adjusted discount rate, the lower the fair value.
		Sale price of property	\$515,000,100	The higher the sale price, the higher the fair value.
Financial assets, at FVOCI	Income capitalisation approach and asset-based valuation	Capitalisation rate	4% - 5% (2022: 4% - 5%)	The higher the capitalisation rate, the lower the fair value.
		Discount for lack of control	20% (2022: 20%)	The higher the discount for lack of control, the lower the fair value.

## 12) Borrowings

	GROUP	
	30 Sep 2022 \$'000	31 Mar 2022 \$'000
<u>Amount repayable within one year or less, or on demand</u>		
Unsecured	617	610
<u>Amount repayable after one year</u>		
Unsecured	1,379	1,689
Secured	8,782	8,267
	<b>10,161</b>	<b>9,956</b>

As at 30 September 2022, total borrowings of \$8,782,000 (31 March 2022: \$8,267,000) are secured by investment properties of the Group.

## 13) Share capital and treasury shares

	No. of ordinary shares		Amount	
	Issued share capital '000	Treasury shares '000	Share capital \$'000	Treasury shares \$'000
<b>GROUP and COMPANY</b>				
<b>30 Sep 2022</b>				
Beginning and end of financial year	<b>320,000</b>	<b>(6,739)</b>	<b>15,000</b>	<b>(5,495)</b>
<b>31 Mar 2022</b>				
Beginning of financial year	320,000	(8,973)	15,000	(7,236)
Purchase of treasury shares	-	(317)	-	(316)
Treasury shares re-issued	-	2,551	-	2,057
End of financial year	<b>320,000</b>	<b>(6,739)</b>	<b>15,000</b>	<b>(5,495)</b>

All issued ordinary shares are fully paid-up. There is no par value for these ordinary shares. Fully paid-up ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

During the period, there was no change to the issued and paid-up capital of the Company (excluding treasury shares) of 313,260,631 (30.09.21: 313,260,631) ordinary shares. As at 30 September 2022, there were a total of 6,739,369 (30.09.21: 6,739,369) treasury shares.

## 14) Dividends

	GROUP	
	6 months ended	
	30 Sep 2022 \$'000	30 Sep 2021 \$'000
Ordinary dividends paid		
Dividends paid in respect of the previous financial year of 0.2 cents (2022: 0.9 cents) per share	627	2,822
Special dividends paid		
Dividends paid in respect of the previous financial year of 0.8 cents (2022: 14.5 cents) per share	2,506	45,469
	<b>3,133</b>	<b>48,291</b>



**15) 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.

	<b>GROUP</b> <b>6 months ended</b>	
	<b>30 Sep 2022</b>	<b>30 Sep 2021</b>
Profit attributable to equity holders of the Company (\$'000)	<u>7,666</u>	<u>5,902</u>
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	<u>313,261</u>	<u>311,797</u>
Basic earnings per share (cents per share)	<u>2.4</u>	<u>1.9</u>

**b) Diluted earnings per share**

For the purpose of calculating the 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 potential dilutive ordinary shares.

Potential dilutive ordinary shares arise 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.

	<b>GROUP</b> <b>6 months ended</b>	
	<b>30 Sep 2022</b>	<b>30 Sep 2021</b>
Profit attributable to equity holders of the Company (\$'000)	<u>7,666</u>	<u>5,902</u>
Weighted average number of ordinary shares outstanding for diluted earnings per share ('000)	<u>313,261</u>	<u>311,797</u>
Basic earnings per share (cents per share)	<u>2.4</u>	<u>1.9</u>

**16) Net Asset Value**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30 Sep 2022</b>	<b>31 Mar 2022</b>	<b>30 Sep 2022</b>	<b>31 Mar 2022</b>
Net asset value per ordinary share based on issued shares (excluding treasury shares) as at the end of the period reported on (\$)	<b>1.265</b>	1.253	<b>1.286</b>	1.289
Number of issued shares (excluding treasury shares) as at the end of the period reported on	<b>313,260,631</b>	313,260,631	<b>313,260,631</b>	313,260,631

17) **Financial risk management**

a) **Fair value measurements**

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

- i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- ii) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- iii) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	<u>Level 1</u> \$'000	<u>Level 2</u> \$'000	<u>Level 3</u> \$'000	<u>Total</u> \$'000
<b>GROUP</b>				
<b>30 Sep 2022</b>				
<i>Assets</i>				
Investment securities	-	-	31,661	31,661
<b>31 Mar 2022</b>				
<i>Assets</i>				
Investment securities	-	-	93,938	93,938
<b>COMPANY</b>				
<b>30 Sep 2022</b>				
<i>Assets</i>				
Investment securities	-	-	31,661	31,661
<b>31 Mar 2022</b>				
<i>Assets</i>				
Investment securities	-	-	31,661	31,661

Valuation techniques and inputs disclosed in Note 11.

The following table presents the changes in Level 3 instruments:

	<u>Financial assets, at FVPL</u>	<u>Financial assets, at FVOCI</u>
	\$'000	\$'000
Balance at 1 April 2022	62,277	31,661
Fair value gain recognised in profit or loss within "other gains-nets"	1,549	-
Reclassification to investments in joint ventures	(60,000)	-
Reclassification to other receivables	(3,826)	-
Balance at 30 September 2022	-	31,661
Balance at 1 April 2021	-	31,421
Addition	58,500	-
Fair value gain recognised in profit or loss within "other gains-nets"	1,588	-
Balance at 30 September 2021	60,088	31,421

## 18) Related party transactions

In addition to the information disclosed elsewhere in the interim condensed 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

	<b>GROUP</b> <b>6 months ended</b>	
	<b>30 Sep 2022</b>	<b>30 Sep 2021</b>
Office expense to a fellow subsidiary (includes shared expenses such as IT, utilities and common area usage)	<b>(23)</b>	(26)
Office expense to an associate	<b>(20)</b>	(20)
Lease payment to a joint venture	<b>(2)</b>	-
Lease payment to an associate	<b>(254)</b>	(341)
Project and development management fees from joint ventures*	-	9
Construction contract revenue from joint ventures*	<b>81</b>	5,140
Assets, property, lease management and performance fees from joint ventures	<b>1,203</b>	1,508
Assets, property management and acquisition fees from an associate	<b>1,615</b>	1,306
Interest income from:		
- Associates	<b>2,575</b>	2,264
- Related party (a subsidiary of an associate)	-	135

\* Transaction values disclosed are after elimination of the Group's shares in the transaction.

## 19) Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

## BOUSTEAD PROJECTS LIMITED AND ITS SUBSIDIARIES

### G) OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

*For the six months financial period ended 30 September 2022*

#### 1) Review

The condensed statement of financial position of Boustead Projects Limited and its subsidiaries as at 30 September 2022 and the related condensed consolidated profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 September 2022 and certain explanatory notes have not been audited or reviewed.

#### 2) A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- a) Any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- b) Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

#### Overview

The Boustead Projects Group ("BP Group")'s revenue is largely derived from project-oriented business and as such, half-year results may not accurately reflect the full-year performance. Full-year to full-year comparisons are more appropriate for analytical purposes.

For the first half ended 30 September 2022 ("1H FY2023"), overall revenue was 34% lower year-on-year at \$117.7 million, mainly attributable to lower revenue contributions from the Engineering & Construction ("E&C") Business, in line with a leaner order backlog of E&C projects carried forward at the end of FY2022. However, this was partially offset by higher revenue contributions from the Real Estate Business, arising from higher rental income from growing real estate activities in Vietnam. Total profit for 1H FY2023 was 30% higher year-on-year at \$7.7 million, mainly attributable to interest income, share of profit of associates and joint ventures, and lower overhead expenses.

#### Segment Revenue (Section A; Section F, Note 4.1a)

Segment	Revenue		Favourable/ (Unfavourable)
	6 months ended		Change
	1H FY2023	1H FY2022	
	\$'m	\$'m	%
E&C	109.1	172.8	-37
Real Estate	8.6	6.4	+36
BP Group Total	117.7	179.1	-34

Note: Any differences in summation are due to rounding differences.

E&C revenue for 1H FY2023 was 37% lower year-on-year at \$109.1 million, mainly due to reduced revenue recognition from the leaner order backlog of E&C projects, as mentioned earlier.

Real Estate revenue for 1H FY2023 was 36% higher year-on-year at \$8.6 million, mainly due to higher rental income from growing real estate activities in Vietnam, as mentioned earlier.

### Group Profitability (Section A; Section F, Note 4.1a)

A breakdown of profit before income tax ("PBT") by business segment is provided as follows.

Segment	PBT		Favourable/ (Unfavourable)
	6 months ended		
	1H FY2023	1H FY2022	Change
	\$'m	\$'m	%
E&C	2.4	2.8	-13
Real Estate	6.7	4.6	+46
Investment	1.5	1.0	+51
BP Group Total	10.6	8.4	+27

Note: Any differences in summation are due to rounding differences.

The BP Group's overall gross profit for 1H FY2023 was 3% lower year-on-year at \$11.2 million, mainly due to the significantly lower revenue from the E&C Business as mentioned earlier.

Interest income for 1H FY2023 (Section F, Note 5) was 19% higher year-on-year at \$4.3 million, mainly due to the greater interest income derived from holdings of notes issued by Boustead Industrial Fund ("BIF").

Other gains for 1H FY2023 (Section F, Note 6) were 43% lower year-on-year at \$1.4 million, mainly due to marginal foreign exchange losses registered in 1H FY2023 as compared to significant gains in 1H FY2022.

Total overhead expenses for 1H FY2023 (Section A) were 27% lower year-on-year at \$7.1 million (selling and distribution expenses of \$1.3 million and administrative expenses of \$5.9 million), mainly due to the absence of share-based compensation expense for directors and lower employee compensation.

Finance expenses for 1H FY2023 (Section F, Note 8) were 50% higher year-on-year at \$0.9 million, due to an increase in bank loans and lease liabilities, following the completion of Boustead Industrial Park Phase 2A in Vietnam.

Share of profit of associates and joint ventures for 1H FY2023 (Section A) was 57% higher year-on-year at \$1.7 million, mainly due to improvements in ongoing asset stabilisations under joint ventures, partially offset by higher share of losses under associates and for the newly acquired 28 & 30 Bideford Road.

PBT for 1H FY2023 (Section F, Note 7) was 27% higher year-on-year at \$10.6 million, mainly due to improvements in interest income, share of profit of associates and joint ventures, and lower overhead expenses, as explained earlier.

Income tax expense for 1H FY2023 (Section F, Note 9) was 19% higher year-on-year at \$2.9 million, in line with the increase in PBT.

Both total profit and profit attributable to equity holders of the Company ("net profit") for 1H FY2023 were 30% higher year-on-year at \$7.7 million, for reasons explained earlier.

## **Statement of Cash Flows (Section E)**

During 1H FY2023, cash and cash equivalents (after taking into account the effects of currency translation) decreased by \$48.5 million to \$165.4 million, due to net cash used in operating, investing and financing activities.

Net cash used in operating activities for 1H FY2023 amounted to \$13.7 million, mainly due to operating cash flow before changes in working capital of \$6.2 million being offset by a negative change in working capital of \$19.9 million.

Net cash used in investing activities for 1H FY2023 amounted to \$28.5 million, mainly due to the acquisition of 28 & 30 Bideford Road, loan extended to related and non-related parties, partially offset by dividends and interest received from BIF, and other associates and joint ventures.

Net cash used in financing activities for 1H FY2023 amounted to \$4.8 million, mainly due to dividends paid to equity holders of the Company, and principal and interest payments of lease liabilities.

## **Balance Sheets (Section C)**

At the end of 1H FY2023, the BP Group's financial position remained healthy, with cash and cash equivalents of \$165.4 million and total equity of \$396.1 million.

Under assets, cash and cash equivalents decreased to \$165.4 million as explained earlier under the commentary for Statement of Cash Flows. Total trade receivables (both current and non-current) increased to \$91.5 million, mainly due to increased progress billings made to clients. Other receivables and prepayments (both current and non-current) decreased to \$104.8 million, mainly due to reclassification of deposits paid for an investment to investment in joint venture. Current investment securities (Section F, Note 11) as at 31 March 2022 comprise the mezzanine debt issued by SC Aetas (Cayman) Ltd, and this was transferred to the cost of investment in joint venture in 1H FY2023 as partial settlement of consideration for the acquisition of 28 & 30 Bideford Road.

Under non-current assets, property, plant and equipment decreased to \$1.1 million due to disposal and depreciation expenses. Investments in joint ventures increased to \$186.8 million, mainly due to the investments in Bideford House Pte Ltd and KTG & Boustead Joint Stock Company, the holding company for KTG & Boustead Industrial Logistics Fund.

Net contract liabilities increased to \$60.9 million, mainly due to significant increased billing to clients in line with payment milestones.

The BP Group's net asset value per share (Section F, Note 16) climbed to \$1.265. The BP Group's net cash position (cash and cash equivalents less total borrowings) decreased to \$154.6 million.

### **3) Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

None.

**4) A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The BP Group's current order backlog (unrecognised project revenue remaining at the end of 1H FY2023 plus the total value of new orders secured since then) stands at a healthier level of \$452 million, having secured \$320 million in new contracts since the start of FY2023, including a previously announced record contract from a Fortune 500 corporation valued at approximately \$300 million.

During 1H FY2023, the BP Group achieved meaningful progression with its two largest projects secured pre-pandemic – JTC Kranji Green and Surbana Jurong Campus – and is expecting to complete these projects in FY2023. As the pre-pandemic projects move toward completion, the BP Group expects to free up more resources that would enable it to secure new projects such as the record contract mentioned earlier, in line with its plans to selectively rebuild its order backlog in high value-added sectors where it maintains a competitive advantage, expertise and familiarity that would mitigate longer term challenges. Notwithstanding that, there could still be margin risks associated with the complex geoeconomic and geopolitical landscape, and tighter local conditions for manpower, materials and supply chain.

Under the Real Estate Business, the BP Group continues to boost recurring income through asset stabilisations and higher occupancies, with active management and leasing efforts. During May 2022, the BP Group announced the proposed acquisition of a 60% shareholding in KTG & Boustead Joint Stock Company ("KBJSC"), the holding company for KTG & Boustead Industrial Logistics Fund, a move which will strengthen the BP Group's strategic presence in Vietnam, once the transaction is completed. Outside of industrial real estate activities, the BP Group also announced that its 50%-owned joint venture had acquired 28 & 30 Bideford Road, a brand new Grade-A 18-floor mixed development comprising hospitality, healthcare and commercial components in Singapore's prime Orchard Precinct for \$515 million. The BP Group is currently working on bringing the development into full operations.

In view of the progress made by the E&C Business, Real Estate Business and growing fund management activities, the BP Group expects improved profitability in FY2023 in comparison to FY2022, barring any unforeseen circumstances and disruptions. With a healthier order backlog and stable financial position, the BP Group remains well-positioned to pursue value-creation opportunities across the region.

**5) Dividend**

**a) Current financial period reported on**

Any dividend declared for the current financial period reported on?

No.

**b) Corresponding period of the immediately preceding financial year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

**c) Date payable**

Not applicable.

**d) Record and payment date**

Not applicable.

**6) If no dividend has been declared/(recommended), a statement to that effect.**

No dividend has been declared/recommendeded for this period, as it is not a practice for the Company to declare interim dividends.



- 7) **If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Company has not obtained a general mandate from shareholders for interested person transactions.

8) **Disclosures on acquisition and realisation of shares pursuant to Rule 706A**

Acquisition of 60% interest in KTG & Boustead Joint Stock Company in Vietnam

On 5 May 2022, BP-Vietnam Development Pte. Ltd. ("BP-VD"), a wholly-owned subsidiary of the Company had acquired 60% of the issued and paid-up share capital in KTG & Boustead Joint Stock Company ("KBJSC") ("Acquisition"). With the Acquisition, BP-VD and Khai Toan Joint Stock Company ("KTG") each owns 60% and 40% of the issued and paid-up share capital of KBJSC.

For further details on the Acquisition, please refer to announcement made by the Company on 5 May 2022.

Incorporation of joint venture company

The Company's wholly-owned subsidiary, BP-Real Estate Investment Pte. Ltd. ("BPRE") had incorporated the entity below during 1H FY2023:

Name	: Bideford House Pte. Ltd. ("Bideford House")
Country of incorporation	: Singapore
Date of incorporation	: 13 May 2022
Issued and paid-up share capital	: \$100-00 divided into 100 ordinary shares
Effective percentage interest held by the Company	: 50%
Principal activity	: Real Estate Developers

The incorporation of Bideford House is not expected to have any material impact on the Group's earnings per share or net tangible asset value per share for the financial year ending 31 March 2023.

Incorporation of overseas entity

The Company's associate company, DSCO Group Holdings Pte. Ltd. ("DSCO") had incorporated the entity below during 1H FY2023:

Name	: DSCO Taiwan Company Limited. ("DSCO Taiwan")
Country of incorporation	: Taiwan
Date of incorporation	: 1 Jun 2022
Issued and paid-up share capital	: NT500,000 divided into 50,000 ordinary shares
Effective percentage interest held by the Company	: 25%
Principal activity	: Management consultancy; Other consultancy; and Business which is not restricted or prohibited by law.

The incorporation of DSCO Taiwan is not expected to have any material impact on the Group's earnings per share or net tangible asset value per share for the financial year ending 31 March 2023.

Dissolution of joint venture company in Vietnam

The Company's joint venture company in Vietnam, EFactory Vietnam Company Limited ("EFV"), has been dissolved with effect from 4 April 2022. The dissolution of EFV is not expected to have any material impact on the Company's earnings per share or net tangible assets per share for the financial year ending 31 March 2023.

**9) Confirmation of undertakings from Directors and Executive Officers**

The Company has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

**10) Confirmation by the Board**

We, John Lim Kok Min and Wong Yu Wei, being two of the directors of Boustead Projects Limited (the “Company”), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the 1H FY2023 financial results to be false or misleading in any material aspect.

On behalf of the Board of Directors

John Lim Kok Min  
Chairman

Wong Yu Wei  
Executive Deputy Chairman

By Order of the Board

Tay Chee Wah  
*Company Secretary*  
**10 November 2022**

## APPENDIX V

### EXTRACTS FROM THE CONSTITUTION

The rights of Shareholders in respect of capital, dividends and voting as extracted and reproduced from the Constitution are set out below.

All capitalised terms used in the following extracts shall have the same meanings ascribed to them in the Constitution, a copy of which is available for inspection at the registered address of the Company at 82 Ubi Avenue 4, #07-01 Edward Boustead Centre, Singapore 408832 during normal business hours for the period during which the Offer remains open for acceptance.

#### (A) RIGHTS IN RESPECT OF CAPITAL

##### ISSUE OF SHARES

3. *Subject to the Statutes and the provisions of these presents, no shares may be issued by the Directors without the prior approval of the Company by Ordinary Resolution but subject thereto and to Article 7, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise dispose of shares to such persons on such terms and conditions and for such consideration and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges, conditions or restrictions whether as regards dividend, return of capital, participation in surplus assets and profits, voting, conversion or otherwise, as the Directors may think fit. Preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors, PROVIDED THAT:*
- (a) *(subject to any direction to the contrary that may be given by the Company in a General Meeting) any issue of shares for cash to members holding shares of any class shall be offered to such members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of Article 7(A) with such adaptations as are necessary shall apply; and*
  - (b) *the rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating the same and in the provisions of these presents.*
4. (A) *Preference shares may be issued subject to such limitation thereof as may be prescribed by any securities exchange upon which shares in the Company are listed. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending General Meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding-up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six Months in arrear.*
- (B) *The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.*

##### VARIATION OF RIGHTS

5. (A) *Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to the Statutes, be varied or abrogated either with the consent in writing of holders who represent at least three-quarters of the total voting rights of all the shares of that class or by a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting, all the provisions of these presents relating to General Meetings of the Company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the total voting rights of all the shares of that class and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by*

him, PROVIDED THAT where the necessary majority for such a Special Resolution is not obtained at such General Meeting, consent in writing if obtained from holders who represent at least three-quarters of the total voting rights of all the shares of that class concerned within two Months of such General Meeting shall be as valid and effectual as a Special Resolution passed at such General Meeting. The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.

- (B) The repayment of preference capital other than redeemable preference capital, or any alteration of preference shareholders' rights, may only be made pursuant to a Special Resolution of the preference shareholders concerned PROVIDED THAT where the necessary majority for such a Special Resolution is not obtained at the General Meeting, consent in writing if obtained from holders who represent at least three-quarters of the total voting rights of all the preference shares concerned within two Months of the General Meeting, shall be as valid and effectual as a Special Resolution carried at the General Meeting.
- (C) The special rights attached to any class of shares having preferential rights shall not, unless otherwise expressly provided by the terms of issue thereof, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects pari passu therewith but in no respect in priority thereto.

#### **ALTERATION OF SHARE CAPITAL**

- 6. The Company in General Meeting may from time to time by Ordinary Resolution increase its capital by the allotment and issue of new shares.
- 7.
  - (A) Subject to the bye-laws or listing rules of the securities exchange upon which shares in the Company are listed or to any direction to the contrary that may be given by the Company in a General Meeting, all new shares shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion, as far as the circumstances admit, to the number of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article 7(A).
  - (B) Except so far as otherwise provided by the conditions of issue or by the provisions of these presents, all new shares shall be subject to the Statutes and the provisions of these presents with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.
- 8. The Company may by Ordinary Resolution:
  - (a) consolidate and divide all or any of its shares;
  - (b) cancel any shares which, at the date of the passing of the resolution, have been forfeited and diminish the amount of its capital by the number of shares so cancelled;
  - (c) sub-divide its shares, or any of them in accordance with the Statutes and the bye-laws or listing rules of the securities exchange upon which shares in the Company are listed, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares; or
  - (d) subject to the Statutes, convert any class of paid-up shares into any other class of paid-up shares.

9. (A) *The Company may reduce its share capital or any reserve in any manner and with and subject to any incident authorised and consent required by law.*
- (B) *Subject to the Statutes, the Company may purchase or otherwise acquire any of its issued shares on such terms and in such manner as the Company may from time to time think fit and in the manner prescribed by the Statutes. If required by the Statutes, any share which is so purchased or acquired by the Company, unless held as treasury shares in accordance with the Statutes, shall be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share (including treasury shares) which is so purchased or acquired by it in accordance with the Statutes.*
10. *Shares that the Company purchases or otherwise acquires may be held as treasury shares in accordance with the provisions of these presents and the Act.*
11. *Where the shares purchased or otherwise acquired are held as treasury shares by the Company, the Company shall be entered in the Register of Members as the member holding the treasury shares.*
12. *The Company shall not exercise any right in respect of the treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act.*

## **SHARES**

13. *Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way (except by the Statutes or the provisions of these presents) to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or any other right in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository or its nominee, as the case may be) entered in the Register of Members as the registered holder thereof or (as the case may be) a person whose name is entered in the Depository Register in respect of that share.*
14. *Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions (as regards dividend, return of capital, voting or otherwise) as the Company may from time to time by Ordinary Resolution determine (or, in the absence of any such determination, as the Directors may determine) and subject to the Statutes, the Company may issue preference shares which are, or at the option of the Company, are liable to be redeemed.*
15. *Subject to the Statutes and the provisions of these presents relating to authority, pre-emption rights and otherwise and of any resolution of the Company in a General Meeting passed pursuant thereto, all unissued shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.*
16. *The Company may exercise the powers of paying commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Such commissions or brokerage may be satisfied by the payment of cash or the allotment of fully or partly shares or partly in one way and partly in the other.*
17. *Subject to the terms and conditions of any application for shares, the Directors shall allot shares applied for within ten Market Days of the closing date (or such other period as may be approved by the securities exchange upon which shares in the Company are listed) of any such application. The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder or (as the case may be) before that share is entered against the name of a Depositor in the Depository Register, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.*



## SHARE CERTIFICATES

18. *Every share certificate shall be issued under the Seal and shall specify the number and class of shares to which it relates and the amount paid and the amount (if any) unpaid thereon. No certificate shall be issued representing shares of more than one class.*
19. (A) *The Company shall not be bound to register more than three persons as the registered joint holders of a share except in the case of executors, trustees or administrators of the estate of a deceased member.*
- (B) *In the case of a share registered jointly in the names of several persons, the Company shall not be bound to issue more than one certificate thereof and delivery of a certificate to any one of the registered joint holders shall be sufficient delivery to all.*
20. *Subject to the payment of all or any part of the stamp duty payable (if any) on each share certificate prior to the delivery thereof which the Directors in their absolute discretion may require, the Company shall despatch to every person whose name is entered as a member in the Register of Members and who is entitled to receive such certificate, one certificate for all his shares of any one class or several certificates in reasonable denominations each for a part of the shares so allotted or transferred, within ten Market Days of the closing date of any application for shares (or such other period as may be approved by the securities exchange upon which shares in the Company are listed) or within ten Market Days after the date of lodgement of a registrable transfer (or such other period as may be approved by the securities exchange upon which shares in the Company are listed). Where such a member transfers part only of the shares comprised in a certificate or where such a member requires the Company to cancel any certificate or certificates and issue new certificate or certificates for the purpose of subdividing his holding in a different manner, the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof and such member shall pay all or any part of the stamp duty payable (if any) on each share certificate prior to the delivery thereof which the Directors in their absolute discretion may require and a maximum fee of \$2 for each new certificate (or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by the securities exchange upon which shares in the Company are listed).*
21. (A) *Any two or more certificates representing shares of any one class held by any person whose name is entered in the Register of Members may at his request be cancelled and a single new certificate for such shares issued in lieu without charge.*
- (B) *If any person whose name is entered in the Register of Members shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Directors may, if they think fit, comply with such request. Such person shall (unless such fee is waived by the Directors) pay a maximum fee of \$2 for each share certificate issued in lieu of a share certificate surrendered for cancellation or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by the securities exchange upon which shares in the Company are listed.*
- (C) *In the case of shares registered jointly in the names of several persons, any such request may be made by any one of the registered joint holders.*
22. *Subject to the Statutes, if any share certificates shall be defaced, worn-out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of the securities exchange upon which shares in the Company are listed or on behalf of its or their client or clients as the Directors shall require, and (in case of defacement or wearing out) on delivery up of the old certificate and in any case on payment of such sum not exceeding \$2 as the Directors may from time to time require together with the amount of the proper duty with which such share certificate is chargeable under any law for the time being in force relating to stamps. In the case of destruction, loss or theft, a shareholder or person entitled to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss.*

## **CALLS ON SHARES**

23. *The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares but subject always to the terms of issue of such shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.*
24. *Each member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company, the amount called on his shares, at the time or times and place of payment specified by the Company. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine.*
25. *If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding ten per cent. per annum) as the Directors determine but the Directors shall be at liberty in any case or cases to waive payment of such interest wholly or in part.*
26. *Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of the provisions of these presents be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In case of non-payment, all the relevant provisions of these presents as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.*
27. *The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.*
28. *The Directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish pro tanto the liability upon the shares in respect of which it is made and upon the moneys so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate (not exceeding eight per cent. per annum) as the member paying such sum and the Directors may agree. Capital paid on shares in advance of calls shall not, while carrying interest, confer a right to participate in profits.*

## **FORFEITURE AND LIEN**

29. *If a member fails to pay in full any call or instalment of a call on the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.*
30. *The notice shall name a further day (not being less than fourteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith, the shares on which the call has been made will be liable to be forfeited.*
31. *If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.*
32. *A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit and at any time before a sale, re-allotment or disposition, the forfeiture or*



surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer or effect the transfer of a forfeited or surrendered share to any such other person as aforesaid.

33. A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares with interest thereon at eight per cent. per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or waive payment in whole or in part.
34. The Company shall have a first and paramount lien on every share (not being a fully paid share) and on the dividends declared or payable in respect thereof. Such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid and for all moneys as the Company may be called upon by law to pay in respect of the shares of the member or deceased member. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article.
35. The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.
36. The residue of the proceeds of such sale pursuant to Article 35 after the satisfaction of the unpaid calls and accrued interest and expenses of such sale shall be paid to the person entitled to the shares at the time of the sale or to his executors, administrators or assigns, or as he may direct. For the purpose of giving effect to any such sale, the Directors may authorise some person to transfer or effect the transfer of the shares sold to the purchaser.
37. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold or disposed to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together (where the same be required) with the share certificate delivered to a purchaser (or where the purchaser is a Depositor, to the Depository or its nominee, as the case may be) or allottee thereof shall (subject to the execution of a transfer if the same is required) constitute a good title to the share and the share shall be registered in the name of the person to whom the share is sold, re-allotted or disposed of or, where such person is a Depositor, the Company shall procure that his name be entered in the Depository Register in respect of the share so sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.

#### **TRANSFER OF SHARES**

38. All transfers of the legal title in shares may be effected by the registered holders thereof by transfer in writing in the form for the time being approved by the securities exchange upon which shares in the Company are listed or in any other form acceptable to the Directors. The instrument of transfer of any share shall be signed by or on behalf of both the transferor and the transferee and be witnessed, PROVIDED THAT an instrument of transfer in respect of which the transferee is the Depository or its nominee (as the case may be) shall be effective although not signed or witnessed by or on behalf of the Depository or its nominee (as the case may be). The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect thereof.

39. *The Register of Members may be closed at such times and for such period as the Directors may from time to time determine, PROVIDED THAT such Register shall not be closed for more than thirty days in any Year. The Company shall give prior notice of such closure as may be required to the securities exchange upon which shares in the Company are listed, stating the period and purpose or purposes for which the closure is made.*
40. (A) *Subject to the provisions of these presents, there shall be no restriction on the transfer of fully paid up shares (except where required by law, the Statutes or the bye-laws or listing rules of any securities exchange upon which shares in the Company are listed) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid up, may refuse to register a transfer to a transferee of whom they do not approve (except where such refusal to register contravenes the bye-laws or listing rules of the securities exchange upon which shares in the Company are listed).*
- (B) *The Directors may in their sole discretion refuse to register any instrument of transfer of shares unless:*
- (a) *all or any part of the stamp duty (if any) payable on each share certificate and such fee not exceeding \$2 as the Directors may from time to time require in accordance with the provisions of these presents, is paid to the Company in respect thereof;*
- (b) *the instrument of transfer is deposited at the registered office or at such other place (if any) as the Directors may appoint accompanied by the certificates of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do;*
- (c) *the instrument of transfer is in respect of only one class of shares; and*
- (d) *the amount of the proper duty with which each share certificate to be issued in consequence of the registration of such transfer is chargeable under any law for the time being in force relating to stamps is tendered.*
41. *If the Directors refuse to register a transfer of any shares, they shall within ten Market Days after the date on which the transfer was lodged with the Company (or such period of time as may be prescribed by the bye-laws or listing rules of the securities exchange upon which shares in the Company are listed), send to the transferor and to the transferee, written notice of the refusal stating reasons for the refusal as required by the Statutes.*
42. *All instruments of transfer which are registered may be retained by the Company.*
43. *There shall be paid to the Company in respect of the registration of any instrument of transfer or probate or letters of administration or certificate of marriage or death or stop notice or power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register of Members affecting the title to any shares such fee not exceeding \$2 as the Directors may from time to time require or prescribe.*
44. *The Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six Years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of six Years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six Years from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company, PROVIDED THAT:*
- (a) *the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;*

- (b) *nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article; and*
- (c) *references herein to the destruction of any document include references to the disposal thereof in any manner.*

### **TRANSMISSION OF SHARES**

- 45. (A) *In the case of the death of a member whose name is entered in the Register of Members, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.*
  - (B) *In the case of the death of a member who is a Depositor, the survivor or survivors where the deceased is a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder and where such executors or administrators are entered in the Depository Register in respect of any shares of the deceased member, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.*
  - (C) *Nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.*
46. *Any person becoming entitled to the legal title in a share in consequence of the death or bankruptcy of a person whose name is entered in the Register of Members may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his legal title to the share either be registered himself as holder of the share upon giving to the Company notice in writing of such desire or transfer such share to some other person. All the limitations, restrictions and provisions of these presents relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the person whose name is entered in the Register of Members had not occurred and the notice or transfer were a transfer executed by such person.*
47. *Save as otherwise provided by or in accordance with the provisions of these presents, a person becoming entitled to a share pursuant to Article 45(A) or (B) or Article 46 (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the member in respect of the share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a member in the Register of Members or his name shall have been entered in the Depository Register in respect of the share.*

### **STOCK**

48. *The Company may from time to time by Ordinary Resolution convert any paid-up shares into stock and may from time to time by like resolution reconvert any stock into paid-up shares.*
49. *The holders of stock may transfer the same or any part thereof in the same manner and subject to the same Articles and subject to which the shares from which the stock arose might previously to conversion have been transferred (or as near thereto as circumstances admit) but no stock shall be transferable except in such units as the Directors may from time to time determine.*
50. *The holders of stock shall, according to the number of stock units held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except as regards participation in the profits or assets of the Company) shall be conferred by any number of stock units which would not, if existing in shares, have conferred such privilege or advantage; and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.*

## **(B) RIGHTS IN RESPECT OF DIVIDENDS**

### **RESERVES**

123. *The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any part of any special funds into which the reserve may have been divided. The Directors may also, without placing the same to reserve, carry forward any profits. In carrying sums to reserve and in applying the same, the Directors shall comply with the Statutes.*

### **DIVIDENDS**

124. *The Company may by Ordinary Resolution declare dividends but no such dividends shall exceed the amount recommended by the Directors. No dividends may be paid, unless otherwise provided in the Statutes, to the Company in respect of treasury shares.*
125. *If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.*
126. *Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide and except as otherwise permitted under the Statutes:*
- (a) all dividends in respect of shares must be paid in proportion to the number of shares held by a member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and*
  - (b) all dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which dividend is paid.*

*For the purposes of this Article, no amount paid on a share in advance of calls shall be treated as paid on the share.*

127. *No dividend shall be paid otherwise than out of profits available for distribution under the Statutes.*
128. *No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.*
129. (A) *The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.*
- (B) *The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.*
- (C) *The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends and other moneys payable on or in respect of a share that are unclaimed after first becoming payable may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend or moneys unclaimed after a period of six Years from the date they are first payable may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the moneys so forfeited to the person entitled thereto prior to the forfeiture.*



- (D) *A payment by the Company to the Depository of any dividend or other moneys payable to a Depositor shall, to the extent of the payment made, discharge the Company from any liability in respect of that payment. If the Depository returns any such dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or moneys against the Company if a period of six Years has elapsed from the date on which such other moneys are first payable.*
130. *The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.*
131. *The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises with regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.*
132. (A) *Whenever the Directors or the Company in General Meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary share capital of the Company, the Directors may further resolve that members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:*
- (a) *the basis of any such allotment shall be determined by the Directors;*
  - (b) *the Directors shall determine the manner in which members shall be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to members, providing for forms of election for completion by members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Article;*
  - (c) *the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded PROVIDED THAT the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion; and*
  - (d) *the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on ordinary shares in respect whereof the share election has been duly exercised (the "elected ordinary shares") and in lieu and in satisfaction thereof ordinary shares shall be allotted and credited as fully paid to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid and for such purpose and notwithstanding the provisions of Article 136, the Directors shall (i) capitalise and apply the amount standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis, or (ii) apply the sum which would otherwise have been payable in cash to the holders of the elected ordinary shares towards payment of the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis.*

- (B) (a) *The ordinary shares allotted pursuant to the provisions of paragraph (A) of this Article shall rank pari passu in all respects with the ordinary shares then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.*
- (b) *The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (A) of this Article, with full power to make such provisions as they think fit in the case of shares becoming distributable in fraction (including, notwithstanding any provision to the contrary in these presents, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down or whereby the benefit of the fractional entitlements accrues to the Company rather than the members).*
- (C) *The Directors may, on any occasion when they resolve as provided in paragraph (A) of this Article, determine that rights of election under that paragraph shall not be made available to the persons who are registered as holders of ordinary shares in the Register of Members or (as the case may be) in the Depository Register, or in respect of ordinary shares the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors may think fit, and in such event the provisions of this Article shall be read and construed subject to such determination.*
- (D) *The Directors may, on any occasion when they resolve as provided in paragraph (A) of this Article, further determine that no allotment of shares or rights of election for shares under that paragraph shall be made available or made to members whose registered addresses entered in the Register or (as the case may be) the Depository Register is outside Singapore or to such other members or class of members as the Directors may in their sole discretion decide and in such event the only entitlement of the members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared.*
- (E) *Notwithstanding the foregoing provisions of this Article, if at any time after the Directors' resolution to apply the provisions of paragraph (A) of this Article in relation to any dividend but prior to the allotment of ordinary shares pursuant thereto, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement that proposal, the Directors may at their absolute discretion and without assigning any reason therefor, cancel the proposed application of paragraph (A) of this Article.*

133. *Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of a member or person entitled thereto (or, if two or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person at such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. Notwithstanding the foregoing provisions of this Article and the provisions of Article 135, the payment by the Company to the Depository of any dividend payable to a Depositor shall, to the extent of the payment made to the Depository, discharge the Company from any liability to the Depositor in respect of that payment.*

134. *If two or more persons are registered in the Register of Members or (as the case may be) the Depository Register as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.*

135. Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in a General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares.

### **CAPITALISATION OF PROFITS AND RESERVES**

136. Subject to Article 3 and Article 7, the Directors may capitalise any sum standing to the credit of any of the Company's reserve accounts (including any undistributable reserve) or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided) in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid. The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter into an agreement with the Company on behalf of all the members interested, providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.
- 136A. In addition and without prejudice to the power to capitalise profits and other moneys provided for by Article 136, the Directors shall have power to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full unissued shares on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in General Meeting in such manner and on such terms as the Directors shall think fit.

### **(C) RIGHTS IN RESPECT OF VOTING**

#### **GENERAL MEETINGS**

51. Subject to the Statutes, an Annual General Meeting shall be held in Singapore, or such other jurisdiction as permitted and/or required by Applicable Laws, once in every Year and not more than fifteen Months after the holding of the last preceding Annual General Meeting, at such time and place as may be determined by the Directors. All other General Meetings shall be Extraordinary General Meeting and shall be held in Singapore or such other jurisdiction as permitted and/or required by Applicable Laws.
52. The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed with proper expedition to convene an Extraordinary General Meeting.

#### **NOTICE OF GENERAL MEETINGS**

53. (A) Subject to the Statutes, any General Meeting at which it is proposed to pass a Special Resolution shall be called by twenty-one days' notice in writing at the least. An Annual General Meeting and any other Extraordinary General Meeting shall be called by fourteen days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in the manner hereafter mentioned to all members other than those who are not under the provisions of these presents entitled to receive such notices from the Company, PROVIDED THAT a General Meeting which has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:



- (a) *in the case of an Annual General Meeting, by all the members entitled to attend and vote thereat; and*
- (b) *in the case of an Extraordinary General Meeting, by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent. of the total voting rights of all the members having a right to vote at that meeting,*

*except that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting.*

- (B) *Where special notice is required of a resolution pursuant to the Statutes, notice of the intention to move the resolution shall be given to the Company and notice of any General Meeting shall be called in accordance with the Statutes and in particular, Section 185 of the Act.*
- (C) *Subject to the Statutes or the bye-laws or listing rules of the securities exchange on which shares in the Company are listed, for so long as the shares in the Company are listed on the Securities Exchange, notices convening any General Meeting at which it is proposed to pass a Special Resolution shall be sent to members entitled to attend and vote at the meeting at least twenty-one calendar days before the meeting (excluding the date of notice and the date of meeting). Notices convening any other General Meeting must be sent to members entitled to attend and vote at the meeting at least fourteen calendar days before the meeting (excluding the date of notice and the date of meeting). At least fourteen days' notice of any General Meeting shall be given by advertisement in the daily press and in writing to any securities exchange on which shares in the Company are listed.*

- 54. (A) *Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company.*
- (B) *In the case of an Annual General Meeting, the notice shall also specify the meeting as such.*
- (C) *In the case of any General Meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of such business; and if any resolution is to be proposed as a Special Resolution, the notice shall contain a statement to that effect.*

- 55. *Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:*

- (a) *declaring dividends;*
- (b) *receiving and adopting the accounts, the reports of the Directors and Auditors and other documents required to be attached or annexed to the accounts;*
- (c) *appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;*
- (d) *re-appointing the retiring Auditors (unless they were last appointed otherwise than by the Company in General Meeting);*
- (e) *fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed; and*
- (f) *fixing the fees of the Directors proposed to be passed under Article 81.*

- 56. *Any notice of a General Meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business.*

## PROCEEDINGS AT GENERAL MEETINGS

57. *The Chairman of the Board, failing whom the Deputy Chairman of the Board, shall preside as chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither be present and willing to act within five minutes after the time appointed for holding the meeting, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the members present shall choose one of their number) to be chairman of the meeting.*
58. *No business other than the appointment of a chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any General Meeting shall be two or more members present in person or by proxy, PROVIDED THAT where a member is represented by more than one proxy such proxies shall count as only one member for the purpose of determining the quorum.*
59. *If within thirty minutes from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, it shall stand adjourned to the same day in the next week (or if that day is a public holiday, then to the next business day following that public holiday) at the same time and place or such other day, time or place in Singapore as the Directors may by not less than ten days' notice appoint. At the adjourned meeting, any one or more members present in person or by proxy shall be a quorum.*
60. *The chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or sine die) and from place to place in Singapore, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned sine die, the time and place in Singapore for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty days or more or sine die, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.*
61. *Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.*
62. *If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.*
63. (1) *Where required by Applicable Laws, all resolutions at General Meetings shall be voted by poll (unless such requirement is waived by the SGX-ST).*
- (2) *Subject to Article 63(1), at any General Meeting, a resolution put to the vote of the meeting shall subject to the requirements of the prevailing relevant laws, regulations and guidelines, be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:*
- (a) *the chairman of the meeting;*
  - (b) *not less than five members having the right to vote at the meeting;*
  - (c) *a member having the right to vote at the meeting representing not less than ten per cent. of the total voting rights of all the members having the right to vote at the meeting; or*
  - (d) *a member having the right to vote at the meeting and holding shares on which an aggregate sum has been paid up equal to not less than ten per cent. of the total sum paid-up on all shares of the Company conferring that right (excluding treasury shares),*

*PROVIDED THAT no poll shall be demanded on the choice of a chairman or on a question of adjournment.*

- (3) *Where required by Applicable Laws, the Chairman of the meeting shall appoint at least one scrutineer for each General Meeting who shall be independent of the persons undertaking the polling process.*

64. *A demand for a poll may be withdrawn only with the approval of the meeting. Unless a poll be so demanded (and the demand be not withdrawn) or is required pursuant to Article 63(1), a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required under Article 63(1) or demanded under Article 63(2), it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was required or demanded. The chairman of the meeting may (and if required by Applicable Laws or if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time in Singapore fixed by him for the purpose of declaring the result of the poll.*
65. *In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is required under Article 63(1) or demanded under Article 63(2), as the case may be, shall be entitled to a casting vote.*
66. *A poll required under Article 63(1) or demanded under Article 63(2), as the case may be, on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.*

#### **VOTES OF MEMBERS**

67. *Each member who is a holder of ordinary shares in the capital of the Company shall be entitled to be present at any General Meeting. Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company and to Article 12, each member entitled to vote may vote in person or by proxy. On a show of hands, every member who is present in person or by proxy shall have one vote PROVIDED THAT in the case of a member who is represented by two proxies, only one of the two proxies as determined by that member or, failing such determination, by the chairman of the meeting (or by a person authorised by him) in his sole discretion, shall be entitled to vote. On a poll, every member who is present in person or by proxy shall have one vote for every share which he holds or represents. For the purpose of determining the number of votes which a member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at forty-eight hours before the time of the relevant General Meeting as certified by the Depository to the Company.*
68. *In the case of joint holders of a share, any one of such person may vote, and be reckoned in quorum at any General Meeting, either personally or by proxy or by attorney or in the case of a corporation by a representative as if he were solely entitled thereto, but if more than one of such joint holders is so present at any meeting, then the person present whose name stands first in the Register of Members or (as the case may be) the Depository Register in respect of the share shall alone be entitled to vote in respect thereof.*
69. *Where in Singapore or elsewhere, a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such member to vote in person or by proxy at any General Meeting or to exercise any other right conferred by membership in relation to meetings of the Company.*

70. Any member shall be entitled to be present and to vote either personally or by proxy, at any General Meeting of the Company, in respect of any share or shares upon which all calls due to the Company have been paid, and shall be entitled to exercise any other right conferred by membership in relation to meetings of the Company.
71. No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.
72. On a poll, votes may be given personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
73. (A) A member may appoint not more than two proxies to attend and vote at the same General Meeting, PROVIDED THAT if the member is a Depositor, the Company shall be entitled and bound:
- (a) to reject any instrument of proxy lodged if the Depositor is not shown to have any shares entered against his name in the Depository Register as at forty-eight hours before the time of the relevant General Meeting as certified by the Depository to the Company; and
  - (b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at forty-eight hours before the time of the relevant General Meeting as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.
- (B) The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.
- (C) In any case where a form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
- (D) A proxy need not be a member of the Company.
74. (A) An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and:
- (a) in the case of an individual, shall be signed by the appointor or his attorney; and
  - (b) in the case of a corporation, shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.
- (B) The signature on such instrument need not be witnessed. 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 pursuant to Article 75, failing which the instrument may be treated as invalid.
75. An instrument appointing a proxy must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the registered office of the Company) not less than forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates, PROVIDED THAT an instrument of proxy relating

*to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not be required again to be delivered for the purposes of any subsequent meeting to which it relates.*

*The deposit of an instrument appointing a proxy does not preclude the Member concerned from attending and voting in person at the meeting, as well as for any adjournment of the meeting to which it relates. In such an event, the appointment of the proxy or proxies is deemed to be revoked by the Member concerned at the point when the Member attends the meeting.*

76. *An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the meeting.*
77. *A vote cast by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made PROVIDED THAT no intimation in writing of such death, insanity or revocation shall have been received by the Company at the registered office of the Company at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.*
- 77A. *Subject to these presents and the Statutes, the Board may, at its sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow members who are unable to vote in person at any General Meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile.*

#### **CORPORATIONS ACTING BY REPRESENTATIVES**

78. *Any corporation which is a member of the Company may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall for the purposes of the provisions of these presents, be deemed to be present in person at any such meeting if a person so authorised is present thereat.*



**APPENDIX VI**  
**LIST OF SUBJECT PROPERTIES**

**Section 1 – List of Properties Owned by the Company**

<b>Address</b>	<b>Country</b>
31 Tuas South Ave 10	Singapore
36 Tuas Road	Singapore
No. 3, No. 7 and No. 8 Xin Mei Road Plot 117, Wuxi New District Wuxi Jiangsu	China

**Section 2 – List of Properties Owned by Joint Venture Companies**

<b>Address</b>	<b>Country</b>
29 Media Circle Alice @ Mediapolis	Singapore
11 Seletar Aerospace Link	Singapore
84 Boon Keng Road	Singapore
98 Tuas Bay Drive	Singapore
8 & 12 Seletar Aerospace Heights	Singapore
1 One-north Crescent	Singapore
6 Tampines Industrial Avenue 5	Singapore
10 Tukang Innovation Drive	Singapore
28 & 30 Bideford Road	Singapore
Tam Phuoc B Industrial Park	Vietnam
Nhon Trach Textile Industrial Park	Vietnam
Nhon Trach Textile 3A Industrial Park	Vietnam
Nhon Trach Textile 3B Industrial Park	Vietnam
Yen Phuong 1 Industrial Park	Vietnam
Yen Phuong 2 Industrial Park	Vietnam
Yen Phuong 2C Industrial Park	Vietnam
Road No. 3, Nhon Trach II Industrial Park - Nhon Phu, Phu Hoi Commune, Nhon Trach District, Dong Nai Province	Vietnam

**Section 3 – List of Properties Owned by the Boustead Industrial Fund**

<b>Address</b>	<b>Country</b>
10 Seletar Aerospace Heights	Singapore
12 Changi North Way	Singapore
16 Changi North Way	Singapore
10 Changi North Way	Singapore
16 Tampines Industrial Crescent	Singapore
20-23 Rochester Park	Singapore
26 Changi North Rise	Singapore
82 Ubi Avenue 4	Singapore
85 Tuas South Avenue 1	Singapore
80 Boon Keng Road – Phase 1	Singapore
80 Boon Keng Road – Phase 2	Singapore
351 on Braddell	Singapore

**Section 4 – List of Properties Owned by Other Associates and Held through Investment Securities**

<b>Address</b>	<b>Country</b>
Mukim of Pulai, District of Johor Bahru, Johor (IBP Nusajaya, Kawasan Perindustrian SILC, Iskandar Puteri, Johor)	Malaysia
Plots 13, 14-1 & 14-2 West Bank of Core Tongzhou Grand Canal Zone, Tongzhou District, Beijing	China




## APPENDIX VII

### VALUATION REPORTS

BUSINESS REG. NO. 201019970H



#### VALUATION CERTIFICATE

Our Ref	:	23/CORP/FR0320/CK/LV	
Property	:	31 Tuas South Avenue 10 Singapore 637015	
Valuation Prepared for	:	BP-EA Pte Ltd	
Purpose	:	To determine the market value of the subject property for privatisation purpose as at 28 February 2023	
Legal Description	:	MK7 – 4806V	
Tenure	:	Leasehold 30 years commencing from 16/12/2013	
Land Area	:	Approximately 15,000 sq m (161,459 sq ft), subject to survey (according to floor plans provided)	
Gross Floor Area	:	Approximately 10,530.87 sq m (113,353 sq ft), subject to survey (according to floor plans provided)	
Master Plan 2019	:	Business 2 with plot ratio of 1.4	
Brief Description	:	The subject property is a part single-storey / part 2-storey single-user JTC factory. The building is constructed of reinforced concrete frame with brick in-fill / metal cladding walls, reinforced concrete floors and metal / RC flat roofs, with appropriate water proofing and insulation.	
Age	:	Circa 2010's	
Valuation Approaches	:	Discounted Cash Flow Analysis, Capitalisation of Income Approach and Market Comparison Method	
		<ul style="list-style-type: none"> <li>Gross Rental : S\$1.50 psf/month</li> <li>Rental Escalation Rate : 2.0%</li> <li>Discount Rate : 8.0%</li> <li>Terminal Yield : 7.0%</li> </ul>	
Date of Valuation	:	28 February 2023	
Market Value	:	S\$20,200,000/- (Singapore Dollars Twenty Million and Two Hundred Thousand Only)	
Fire Insurance Value	:	S\$19,000,000/- (Singapore Dollars Nineteen Million Only)	

#### Assumptions, Disclaimers, Limitations & Qualifications

*This valuation certificate is provided subject to the assumptions, qualifications, limitations and disclaimers detailed in the full valuation report and the limiting conditions. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer is independent and has no pecuniary interest that would conflict with the proper valuation of the property.*

#### Prepared By:

  
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Senior Manager, Valuation  
B Sc (Real Estate), MSISV  
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## VALUATION CERTIFICATE

Our Ref	:	23/CORP/FR0319/CK/LV	
Property	:	36 Tuas Road Singapore 638505	
Valuation Prepared for	:	Boustead Trustees Pte Ltd	
Purpose	:	To determine the market value of the subject property for privatisation purpose as at 28 February 2023	
Legal Description	:	MK7 – 2772C	
Tenure	:	Leasehold 30 +30 years commencing from 16 May 1995	
Land Area	:	29,893.1 sq m (321,766 sq ft) (based on Title)	
Master Plan 2019	:	Business 2 with plot ratio of 2.0	
Brief Description	:	We understand the existing buildings of subject property are currently being demolished. We were instructed to value the subject property on vacant land basis.	
Valuation Approach	:	Market Comparison Method	
Date of Valuation	:	28 February 2023	
Market Value	:	S\$33,000,000/- (Singapore Dollars Thirty-Three Million Only)	

### Assumptions, Disclaimers, Limitations & Qualifications

*This valuation certificate is provided subject to the assumptions, qualifications, limitations and disclaimers detailed in the full valuation report and the limiting conditions. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer is independent and has no pecuniary interest that would conflict with the proper valuation of the property.*

### Prepared By:

  
**Richard Tay**  
Senior Director, Valuation & Consultancy  
BRE (Valuation), FSISV  
(Licence No. AD041-2009476K)

  
**Tran Le Van**  
Senior Manager, Valuation  
B Sc (Real Estate), MSISV  
(Licence No. AD041-2010023V)

# 房 产 估 价 咨 询 报 告

估价项目名称: 无锡市新吴区开发区 117 号地块无锡宝德工业开  
发有限公司所属工交仓储用途房产现值、重建成  
本价值评估

估价委托人: 无锡宝德工业开发有限公司

房地产估价机构: 江苏铭诚土地房地产评估测绘工程咨询有限公司

注册房地产估价师: 王立平 3220120036      王永宣 3220140084

估价报告出具日期: 2023 年 2 月 28 日

估价报告编号: 铭诚评报[2023](锡)(房)字第 0272 号







## 致估价委托人函

无锡宝德工业开发有限公司:

承蒙所托,本公司秉着独立、客观、公正、合法、谨慎的原则,对位于无锡市新吴区开发区 117 号地块贵公司所属总建筑面积为 13014.21m<sup>2</sup> 工交仓储用途房产进行评估,价值时点为 2023 年 2 月 28 日,估价目的为估价委托人确定房产现值、重建成本价值提供参考依据而评估房产价值。

本公司经过实地勘查和市场调查,根据估价目的,遵循估价原则,采用科学合理的估价方法,按照《房地产估价规范》及相关法律、法规和规定,结合估价师经验对影响房地产市场价值的因素进行分析和测算,①采用成本法对估价对象进行测算后确定估价对象在满足本次估价假设和限制条件下的房产市场价值为 1829.24 万元,大写人民币壹仟捌佰贰拾玖万贰仟肆佰元整;②采用收益法对估价对象进行测算后确定估价对象在满足本次估价假设和限制条件下的房产市场价值为 3039.26 万元,大写人民币叁仟零叁拾玖万贰仟陆佰元整;③采用比较法对估价对象进行测算后确定估价对象在满足本次估价假设和限制条件下的房产市场价值为 3093.67 万元,大写人民币叁仟零玖拾叁万陆仟柒佰元整;④采用成本法对估价对象进行测算后确定估价对象的重建成本价值为 2122.80 万元,大写人民币贰仟壹佰贰拾贰万捌仟元整。特别提示:欲了解本评估项目的全面情况,请详细阅读“估价结果报告”全文。

江苏铭诚土地房地产评估测绘工程咨询有限公司

法定代表人:

资质证书:苏建房估备(壹)无锡 00028

致函日期:2023 年 2 月 28 日



## 估价结果一览表

## A、成本法测算估价对象的市场价值:

序号	房屋坐落	房屋所有权证编号	总层数	建筑面积 (m <sup>2</sup> )	评估总价 (万元)
1	开发区 117 号地块	锡房权证新字第 65030525 号	3	2813.22	372.26
2			1	924.26	122.30
3	开发区 117 号地块 7 号厂房	锡房权证新字第 65010464 号	2	6038.31	917.43
4	开发区 117 号地块 18 号厂房	锡房权证新字第 65010466 号	2	3238.42	417.25
合计				13014.21	1829.24

## B、收益法测算估价对象的市场价值: 3039.26 万元

## C、比较法测算估价对象的市场价值: 3093.67 万元

## D、成本法测算估价对象的重建成本价值:

序号	房屋坐落	房屋所有权证编号	总层数	建筑面积 (m <sup>2</sup> )	评估总价 (万元)
1	开发区 117 号地块	锡房权证新字第 65030525 号	3	2813.22	432.00
2			1	924.26	141.93
3	开发区 117 号地块 7 号厂房	锡房权证新字第 65010464 号	2	6038.31	1064.66
4	开发区 117 号地块 18 号厂房	锡房权证新字第 65010466 号	2	3238.42	202484.21
合计				13014.21	2122.80





## VALUATION CERTIFICATE


Our Ref	:	23/CORP/DT0318/CK/YL	
Property	:	29 Media Circle Alice@Mediapolis Singapore 138565	
Valuation Prepared for	:	BP-DOJO LLP	
Purpose	:	To determine the market value of the subject property for privatisation purpose as at 28 February 2023	
Legal Description	:	MK3 – 5378N	
Tenure	:	Leasehold 30 years commencing from 20 January 2017	
Land Area	:	9,872.0 sq m (Approximately 106,261 sq ft)	
Gross Floor Area	:	39,500.65 sq m (Approximately 425,181 sq ft)	
Net Lettable Area	:	30,257.0 sq m (Approximately 325,683 sq ft) (including corridor space of approximately 274.6 sq m)	
Master Plan 2019	:	Business Park with plot ratio of 4.0	
Brief Description	:	The subject property is an 11-storey business park development with a mezzanine floor, ancillary facilities and 2 basement carparks.  The building is constructed of reinforced concrete frame structure, in-fill plastered walls, reinforced concrete roof, floors and staircases.	
Date of T.O.P.	:	29 October 2018	
Valuation Approaches	:	Discounted Cash Flow Analysis and Capitalisation of Income Approach Discount Rate : 6.0% Terminal Yield : 5.5%	
Date of Valuation	:	28 February 2023	
Market Value	:	S\$218,500,000/- (Singapore Dollars Two Hundred Eighteen Million And Five Hundred Thousand Only)	
Fire Insurance Value	:	S\$105,000,000/- (Singapore Dollars One Hundred And Five Million Only)	

### Assumptions, Disclaimers, Limitations & Qualifications

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### Prepared By:

  
**Richard Tay**  
Senior Director, Valuation & Consultancy  
BRE (Valuation), FSISV  
(Licence No. AD041-2009476K)

  
**Chien Yee Lian**  
Director, Valuation & Consultancy  
B Sc (Est. Mgt.), MSISV  
(Licence No. AD041-2005794A)

Your Ref : -  
Our Ref : JC:CHH:gm:222496

Perpetual (Asia) Limited  
(in its capacity as Trustee of Boustead Industrial Fund)  
16 Collyer Quay  
#07-01  
Singapore 049318

and

Boustead Industrial Fund Management Pte Ltd  
(on behalf of Boustead Industrial Fund)  
82 Ubi Avenue 4 #07-01  
Edward Boustead Centre  
Singapore 408832

Attention: Ms Lau Li Min

December 31, 2022

Dear Ms Lau,

## VALUATION OF BOUSTEAD INDUSTRIAL FUND PORTFOLIO

### Property Address

10 Seletar Aerospace Heights, Singapore
10 Tukang Innovation Drive, Singapore
11 Seletar Aerospace Link, Singapore
12 Changi North Way, Singapore
16 Changi North Way, Singapore
10 Changi North Way, Singapore
16 Tampines Industrial Crescent, Singapore
20-23 Rochester Park, Singapore
26 Changi North Rise, Singapore
82 Ubi Avenue 4, Singapore
85 Tuas South Avenue 1, Singapore
84 Boon Keng Road, Singapore
80 Boon Keng Road - Phase 1, Singapore
80 Boon Keng Road - Phase 2, Singapore
351 Braddell Road, Singapore

### (COLLECTIVELY THE "PROPERTIES")

We refer to instructions issued by Boustead Industrial Fund Management Pte Ltd to determine the market value of the Properties as at December 31, 2022 ("date of valuation") for Financial Reporting purposes.

This assessment represents an update of our previous full valuation reports undertaken as at March 31, 2022 as well as our subsequent valuation update dated June 30, 2022 and September 30, 2022. We have been requested to present our valuation assessment as part of an abbreviated valuation summary which outlines key factors which have been considered in arriving at our opinion of value. As such, this update should be read in conjunction with our full valuation report which contains pertinent physical and legal property details as well as related technical and financial information. This valuation assumes no physical change to the property since our last full valuation report.



Valuation (Land & Building)



**Perpetual (Asia) Limited (in its capacity as Trustee of Boustead Industrial Fund), and  
Boustead Industrial Fund Management Pte Ltd (on behalf of Boustead Industrial Fund)**

**- Valuation of Boustead Industrial Fund Portfolio  
(collectively known as the "Properties")**

**December 31, 2022**

Our valuation is prepared in accordance with our 'General Principles Adopted in the Preparation of Valuations and Reports', a copy of which is attached.

Our valuations is made on the basis of Market Value, defined by the International Valuation Standards (IVS) and SISV Valuation Standards and Practice Guidelines as follows:

*"Market Value is the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion."*

### **Terms of Reference**

We have relied on the information provided by Boustead Industrial Fund Management Pte Ltd on matters such as lettable/gross floor areas, tenancy details, annual value, building specifications, etc. All information provided is treated as correct and Jones Lang LaSalle accepts no responsibility for subsequent changes in information and reserve the right to change our opinion of value if any other information provided were to materially change. Market conditions can change rapidly and we are therefore unable to provide assurance that this assessment will remain valid into the future. We recommend that market value assessments be reviewed periodically if required. Searches carried out at the Registry of Titles and Deeds have not been undertaken as part of this valuation update.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our unbiased professional analyses, opinions and conclusions. The opinion of value contained in the valuation reports are not guarantees or predictions but are based on the information obtained from reliable and reputable agencies and sources, and other related parties.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property, nor for any expenses or taxation which may be incurred in effecting a sale. It is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

Our valuation is made on the assumption that the owner sells the Property in the open market without the benefit of a deferred terms contract, lease back, joint venture, management agreement or any similar agreement which could serve to affect the value of the Property.

We have no present or prospective interest in the Property and are not a related corporation of nor do we have a relationship with the advisers or other party/parties whom Boustead Industrial Fund Management Pte Ltd is contracting with. The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

Finally and in accordance with our standard practice, this valuation is for the use only of Boustead Industrial Fund Management Pte Ltd for financial reporting purposes. No responsibility is accepted to any other third party for the whole or any part of its contents. Neither the whole nor any part of this report nor any reference thereto may be included in any document, circular or statement without our written approval of the form and context in which it will appear.

This valuation report was prepared by Chia Hui Hoon, Senior Director, with oversight from James Crawford, Head of Valuation and Advisory Services, Southeast Asia.

We hereby certify that our valuers undertaking this valuation are authorised to practice as valuers and have the necessary expertise and experience in valuing similar types of properties.

Perpetual (Asia) Limited (in its capacity as Trustee of Boustead Industrial Fund), and  
Boustead Industrial Fund Management Pte Ltd (on behalf of Boustead Industrial Fund)

- Valuation of Boustead Industrial Fund Portfolio  
(collectively known as the "Properties")

December 31, 2022

### Market Commentary and Sales Comparables

Following a brief post pandemic recovery, the real estate market is now at an inflection point, exacerbated by a spike in interest rates which is being felt universally as global financial conditions have tightened this year as central banks shift to hiking interest rates.

Tighter financial conditions can have a direct impact on property prices by making it more expensive for investors to finance new deals or refinance existing loans, thereby lowering investment in the sector. In some sub-sectors this could also result in an indirect impact on the sector by slowing economic activity, reducing demand.

The slowdown in instructional investment is characteristic of the broader APAC market. In the capital markets, investor sentiment and transaction volumes have weakened as these headwinds filter through to activity. Transaction volume in the region has reportedly fallen to its lowest level in 10 years.

Within Singapore specifically, there remains no business park transactions but there are a couple of deals including 2 Jalan Kilang Barat, Pandan Logistics Hub, 1 Buroh Lane and four Cycle & Carriage Singapore properties sold to M&G in 3Q22.

It is widely expected that current conditions will persist into the first half of 2023 with some easing in interest rate pressures in the second half of the year which could stimulate investment activity. However it is not expected that interest rates will return to pandemic levels, which was characterised by a stimulatory bias.

Notwithstanding interest rate pressures and general inflationary pressure, the industrial market fundamentals in Singapore remain sound. The islandwide average rents for both business park and logistics/warehouse premises rise for the sixth consecutive quarter.

We expect the space crunch for quality logistics/warehouse space to extend into 2023 and underpin further rent growth.

Investor opportunities for re-pricing may be limited despite higher interest rates, assuming there is no material debt stress, and rent growth may mitigate any potential downside risk to capital values. This was previously evident in the last interest rate rise cycle of 2016 to 2019, when property yields continued to largely compress whilst interest rates rose.

We comment that there have been no empirical evidence of investment re-pricing and a shift in related investment parameters. Until such time that there is sufficient transactional evidence to provide clear market guidance on pricing, we have generally maintained our position on valuation parameters, and our short term outlook for the industrial investment market is cautious.

### Sales Comparables

In formulating our opinion of value, we have considered current market conditions as well as the available, albeit limited directly comparable investment sales evidence.



**Perpetual (Asia) Limited (in its capacity as Trustee of Boustead Industrial Fund), and  
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**- Valuation of Boustead Industrial Fund Portfolio  
(collectively known as the “Properties”)**

**December 31, 2022**

The sales comparables considered as part of this assessment are tabulated below.

Address	Approx. Gross Floor Area (sq.ft.)	Tenure	Transacted Price	Unit Rate (psf)	Date of Contract
12 Tai Seng Link	116,662	30 yrs wef 09/10/2012	\$35,000,000	\$300	Nov-22
2 Jalan Kilang Barat	82,656	99 yrs wef 01/07/1963	\$35,300,000	\$427	Sep-22
1 Buroh Lane	645,533	30 Years wef 21/02/2013	\$191,900,000	\$297	Sep-22
Philips APAC Centre, 622 Lorong 1 Toa Payoh	37,975	29 Years wef 01/06/2014	\$104,800,000	\$256	Aug-22
49 Pandan Road, Pandan Logistics Hub	329,117	30 Years wef 1/10/2009	\$43,500,000	\$132	Jul-22
4 Benoi Crescent, POKKA Warehouse	694,164	30+30 Years wef 1988	\$139,000,000	\$200	Apr-22
Bukit Batok Connection, 2 Bukit Batok Street 23	403,591	30 Years wef 26/11/2012	\$93,800,000	\$232	Dec-21
351 On Braddell, 351 Braddell Road	260,918	30 Years wef 26/12/2018	\$121,000,000	\$463	Oct-21
9 Changi South Street 2	123,849	30+30 Years wef 16/10/1994	\$24,500,000	\$198	Jul-21
28 Quality Road	225,175	30+30 Years wef 01/06/2007	\$49,679,987	\$221	Jun-21
46A Tanjong Penjuru	523,684	30+14 Years wef 01/05/2006	\$119,600,000	\$228	May-21
Galaxis 1 Fusionopolis Place	740,932	60 Years wef 12/07/2012	\$720,000,000	\$972	May-21
Admirax 8 Admiralty Street	581,200	60 Years wef 09/10/2000	\$142,000,000	\$244	Feb-21
Sime Darby Business Centre 315 Alexandra Road	179,189	99 Years wef 02/03/1956	\$102,000,000	\$569	Jan-21
BreadTalk IHQ Building 30 Tai Seng Street	248,902	30+30 Years wef 01/02/2010	\$118,000,000	\$474	Jan-21
Sandcrawler Building 1 Fusionopolis View	158,960	30+30 Years wef 01/09/2010	\$175,757,000	\$1,106	Dec-20
7 Bulim Street	733,990	30 Years wef 01/09/2012	\$129,600,000	\$177	Aug-20
11 Sunview Way	403,000	30 Years wef 01/06/2011	\$65,000,000	\$161	May-20
Luxasia Building 12 Tai Seng Street	211,941	30+30 Years wef 26/06/2007	\$75,000,000	\$354	May-20
48 Pandan Road	1,093,415	24 Years 4 months wef 01/07/2019	\$225,000,000	\$206	Aug-19

Source: JLL, SISV Realink and URA Realis

**Perpetual (Asia) Limited (in its capacity as Trustee of Boustead Industrial Fund), and  
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**- Valuation of Boustead Industrial Fund Portfolio  
(collectively known as the "Properties")**

**December 31, 2022**

In arriving at our opinion of market value, we have adopted the capitalisation of net income and discounted cash flow (DCF) analysis. We reconcile the values upon deriving the values based on the 2 methods. Both results have then been cross-checked using the direct comparison method.

Our valuation has been undertaken utilising the Jones Lang LaSalle proprietary valuation model.

Discounted Cash Flow

We have adopted the DCF analysis to value the Property taking into consideration the existing committed tenancies.

Under the Discounted Cash Flow Analysis, the net operating income is discounted at an appropriate discount rate to arrive at the Market Value. The net income is derived by deducting from the gross income, the operating expenses incurred in the building maintenance and management of the property and outgoings including property tax, insurance, administration overhead and other related expenses such as letting up allowances and capital expenditure for repair and replacement.

We have undertaken a Discounted Cash Flow Analysis over a 10-year period. The projected net income is discounted to arrive at the present value. The terminal value of the Property is derived by capitalising the net income at the end of the 10th year and discounting it to give the present value. The 10 years discounted cash flow and present value of the terminal value will give rise to the capital value of the Property.

Income Capitalisation Method

The Income Capitalisation Method involves the addition of all current income receivable less all property outgoings as well as an allowance for ongoing vacancy and bad debts to determine the core net income receivable for the Property. The net income receivable is assumed to be a level of annuity having regard to the remaining tenure of the land lease, and is discounted using an appropriate capitalisation rate derived, where possible, from the analysis of relevant sales evidence.

Alternatively, and based on the same approach, this method can be varied so that the market adjusted rent where applicable is capitalised having regard to the remaining tenure of the land lease, with appropriate capital adjustments for any prevailing rental shortfalls and/or overages accounting for any differences between passing and market rents until lease expiry. Our calculations have been undertaken on this basis.

**Perpetual (Asia) Limited (in its capacity as Trustee of Boustead Industrial Fund), and  
Boustead Industrial Fund Management Pte Ltd (on behalf of Boustead Industrial Fund)**

**- Valuation of Boustead Industrial Fund Portfolio  
(collectively known as the "Properties")**

**December 31, 2022**

Valuation Reconciliation

We have had regard to the respective outcomes of the adopted valuation approaches and have reconciled our adopted market value having regard to the prevailing yields, rates of return and rates per square foot of lettable area within the context of the available investment sales evidence.

Our concluded Market Values for the individual properties are summarised in the following table, and our adopted valuation parameters appear within the appended Executive Summaries.

Property Address	Adopted Value
10 Seletar Aerospace Heights, Singapore	\$24,100,000
10 Tukang Innovation Drive, Singapore	\$60,000,000
11 Seletar Aerospace Link, Singapore	\$12,000,000
12 Changi North Way, Singapore	\$47,000,000
16 Changi North Way, Singapore	\$28,200,000
10 Changi North Way, Singapore	\$34,400,000
16 Tampines Industrial Crescent, Singapore	\$44,500,000
20-23 Rochester Park, Singapore	\$144,000,000
26 Changi North Rise, Singapore	\$17,100,000
82 Ubi Avenue 4, Singapore	\$33,000,000
85 Tuas South Avenue 1, Singapore	\$23,800,000
84 Boon Keng Road, Singapore	\$30,000,000
80 Boon Keng Road - Phase 1, Singapore	\$45,500,000
80 Boon Keng Road - Phase 2, Singapore	\$22,700,000
351 Braddell Road, Singapore	\$125,000,000
<b>TOTAL</b>	<b>\$691,300,000</b>

**Market Comment**

This valuation is based on information available to us and our assessment of market conditions for properties of this nature at the date of valuation. Market conditions can change rapidly and we are therefore unable to provide assurance that this assessment will remain valid in the future. We recommend that market value assessments be reviewed periodically if required.

Yours faithfully,  
For and on behalf of  
Jones Lang Lasalle Limited



Chia Hui Hoon  
B.Sc. (Est. Mgt.) (Hons), MSISV  
Appraiser Licence No: AD041-2006555E  
Senior Director  
**JONES LANG LASALLE**



James Crawford  
B App Sc (Prop Econ), MRICS, AAPI  
Head of Valuations – Southeast Asia  
**JONES LANG LASALLE**





## EXECUTIVE SUMMARY

Date of Valuation	: December 31, 2022
Property	: 10 Seletar Aerospace Heights (also known as Bombardier) Singapore 797546 (the "Property")
Client	: Perpetual (Asia) Limited (acting in its capacity as Trustee of Boustead Industrial Fund)
Purpose of Valuation	: Market valuation for financial reporting and financing purposes only.
Legal Description	: Lot 4777C Mukim 20.
Tenure	: 30 years lease commencing from June 1, 2012.
Permitted Use	: The Property is not to use or permit or suffer or any part thereof to be strictly used for the purpose of maintenance, repair and overhaul of business aviation and commercial aviation aircrafts only and for no other purpose whatever and to ensure that the Demised Premises is only used by Aerospace Companies and/or Aerospace-supporting Companies.
Registered Lessee	: Perpetual (Asia) Limited (in trust).
Brief Description of Property	: The Property is a 3-storey industrial building with ancillary office area. It is erected on a rectangular-shaped plot of land with a splayed corner and slightly above the access road level.  Other site improvements include guardhouse, reinforced concrete driveway, substation and enclosed by metal grilles/metal grilles fencing mounted on plastered brickwalls complete with a metal sliding gate.
Site Area	: 9,264.4 sq.m. (99,721.08 sq.ft)
Gross Floor Area (GFA) (as provided and subject to survey)	: Approximately 6,290.21 sq.m. (67,707.19 sq.ft.)
Total Net Lettable Area (NLA) (as provided)	: Approximately 6,290.21 sq.m. (67,708.82 sq.ft.)
Tenancy Details	: The Property is leased to Bombardier Aerospace Services Singapore Pte Ltd (the "Lessee") for a term of 10 years with the lease commencing from July 9, 2013 with an option to extend for a further term of 19 years with rental term.

## EXECUTIVE SUMMARY (CONT'D)

Annual Value (2022) (as provided by the client)	:	S\$1,510,000/-
Capitalisation Rate	:	5.75%
Terminal Cap Rate	:	6.00%
Discount Rate	:	7.50%
Master Plan Zoning (2019 Edition)	:	Business 2 with a plot ratio of 1.0.
Methods of Valuation	:	Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Approach (Cross-check).
Market Value as at December 31,2022	:	S\$24,100,000/- (Singapore Dollars Twenty-Four Million And One Hundred Thousand)
Value psm on GFA	:	S\$3,831 psm
Value psm on NLA	:	S\$3,921 psm





## EXECUTIVE SUMMARY

Date of Valuation	: December 31, 2022
Property	: 10 Tukang Innovation Drive (also known as Tognum MTU) Singapore 618302 (the "Property")
Client	: Perpetual (Asia) Limited (acting in its capacity as Trustee of Boustead Industrial Fund)
Purpose of Valuation	: Market valuation for financial reporting and financing purposes only.
Legal Description	: Lot 4736P Mukim 6.
Tenure	: 30 years lease commencing from November 1, 2013.
Permitted Use	: The Property is not to use or permit or suffer or any part thereof to be strictly used for the purpose of MRO for diesel engines – engine servicing, maintenance and remanufacturing of diesel engines only.
Registered Lessee	: BP-TN Pte. Ltd.
Brief Description of Property	: The Property is a single-user industrial development consisting of 1 block of part 1/part 2-storey, 1 block of 3-storey and 1 block of 8-storey buildings. It is erected on a rectangular-shaped plot of land at the access road level.  Other site improvements include 2 guardhouse, reinforced concrete driveway and enclosed by metal grilles/metal grilles mounted on plastered boundary brickwalls complete with metal sliding gate.
Site Area	: 17,525.0 sq.m. (188,639.1 sq.ft)
Gross Floor Area (GFA) (as provided and subject to survey)	: Approximately 26,459.06 sq.m. (284,802.68 sq.ft.)
Total Net Lettable Area (NLA) (as provided)	: Approximately 24,800.23 sq.m. (266,947.20 sq.ft.)
Tenancy Details	: The Property is leased to Rolls-Royce Solutions Asia Pte. Ltd. for a term of 15 years with the lease commencing from July 18, 2015.

## EXECUTIVE SUMMARY (CONT'D)

Annual Posted Land Rent	:	S\$26.70 per sq.m. per annum
Annual Value (2022) (as provided by the client)	:	S\$6,856,000/-
Capitalisation Rate	:	5.00%
Terminal Cap Rate	:	5.00%
Discount Rate	:	7.00%
Master Plan Zoning (2019 Edition)	:	Business 2 with a plot ratio of 2.5.
Methods of Valuation	:	Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Approach (Cross-check).
Market Value as at December 31, 2022	:	S\$60,000,000/- (Singapore Dollars Sixty Million)
Value psm on GFA	:	S\$2,268 psm
Value psm on NLA	:	S\$2,419 psm



## EXECUTIVE SUMMARY

Date of Valuation	: December 31, 2022
Property	: 11 Seletar Aerospace Link (also known as Turbomeca) Singapore 797554 (the "Property")
Client	: Perpetual (Asia) Limited (acting in its capacity as Trustee of Boustead Industrial Fund)
Purpose of Valuation	: Market valuation for financial reporting and financing purposes only.
Legal Description	: Lot 4839P Mukim 20.
Tenure	: 30 years lease commencing from April 24, 2015.
Permitted Use	: The Property is not to use or permit or suffer or any part thereof to be strictly used for the purpose of maintenance and support for helicopter engines only and for no other purpose whatever and to ensure that the Demised Premises is only used by Aerospace Companies and/or Aerospace-supporting Companies.
Registered Lessee	: BP-SF Turbo LLP.
Brief Description of Property	: The Property is a 3-storey industrial building with ancillary office area. It is erected on a rectangular-shaped plot of land with a splayed corner and slightly above the access road level.  Other site improvements include guardhouse, reinforced concrete driveway, substation and enclosed by metal grilles/metal grilles fencing mounted on plastered brickwalls complete with a metal sliding gate.
Site Area	: 4,000.0 sq.m. (43,056 sq.ft)
Gross Floor Area (GFA) (as provided and subject to survey)	: Approximately 3,566.61 sq.m. (38,391 sq.ft.)
Total Net Lettable Area (NLA) (as provided)	: Approximately 3,566.64 sq.m. (38,391 sq.ft.)
Tenancy Details	: The Property is leased to Safran Helicopter Engines Asia Pte. Ltd. for a term of 14 years with the lease commencing from December 27, 2016.

## EXECUTIVE SUMMARY (CONT'D)

Annual Posted Land Rent	:	S\$14.46 per sq.m. per annum
Annual Value (2022) (as provided by the client)	:	S\$1,100,000/-
Capitalisation Rate	:	5.75%
Terminal Cap Rate	:	6.00%
Discount Rate	:	7.50%
Master Plan Zoning (2019 Edition)	:	Business 2 with a plot ratio of 1.0.
Methods of Valuation	:	Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Approach (Cross-check).
Market Value as at December 31, 2022	:	S\$12,000,000/- (Singapore Dollars Twelve Million)
Value psm on GFA	:	S\$3,365 psm
Value psm on NLA	:	S\$3,365psm



## EXECUTIVE SUMMARY

Date of Valuation	: December 31, 2022
Property	: 12 Changi North Way (also known as 12 CNW) Singapore 498791 (the "Property")
Client	: Perpetual (Asia) Limited (in its capacity as Trustee of Boustead Industrial Fund)
Purpose of Valuation	: Market valuation for financial reporting and financing purposes only.
Legal Description	: Lot 4300P Mukim 31.
Tenure	: 30 years lease commencing from January 16, 2005 with an option to renew for a further term of 30 years subject to no breach of any covenants and conditions stipulated by JTC in the Lease.
Permitted Use	: The Property is not to use or permit or suffer or any part thereof to be strictly used for the purpose of third party logistics services only and for no other purpose whatever.
Registered Lessee	: Perpetual (Asia) Limited.(in trust).
Brief Description of Property	: The Property is a 4-storey industrial building with ramp-up access to 3rd storey. The Property is connected to two 4-storey ramp-up industrial building at 10 Changi North Way and 16 Changi North Way, and shares a common vehicular access. It is erected on a rectangular-shaped plot of land at the access road level.  Other site improvements include guardhouse, tarmac driveway and enclosed by metal grilles/chain-link fencing complete with a metal sliding gate.
Site Area	: 16,617.70 sq.m. (178,871.26 sq.ft)
Gross Floor Area (GFA) (as provided and subject to survey)	: Approximately 23,949.36 sq.m. (257,788.52 sq.ft.)
Total Net Lettable Area (NLA) (as provided)	: Approximately 20,607.96 sq.m. (221,822.00 sq.ft.)
Tenancy Details	: The Property is about 98.03% leased to multiple tenants.



## EXECUTIVE SUMMARY (CONT'D)

Aggregate Annual Value : S\$3,488,700/-  
(2022) (as provided by the client)

Capitalisation Rate : 5.50%

Terminal Cap Rate : 5.75%

Discount Rate : 7.00%

Master Plan Zoning : Business 2 with a plot ratio of 1.6.  
(2019 Edition)

Methods of Valuation : Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Approach (Cross-check).

Market Value : S\$47,000,000/- (Singapore Dollars Forty-Seven Million)  
as at December 31, 2022

Value psm on GFA : S\$1,962 psm

Value psm on NLA : S\$2,281 psm



## EXECUTIVE SUMMARY

Date of Valuation	: December 31, 2022
Property	: 16 Changi North Way (also known as 16 CNW) Singapore 498772 (the "Property")
Client	: Perpetual (Asia) Limited (acting in its capacity as Trustee of Boustead Industrial Fund)
Purpose of Valuation	: Market valuation for financial reporting and financing purposes only.
Legal Description	: Lot 4353X Mukim 31.
Tenure	: 27 years 4 months 15 days lease commencing from September 1, 2007 with an option to renew for a further term of 30 years subject to no breach of any covenants and conditions stipulated by JTC in the Lease.
Permitted Use	: The Property is not to use or permit or suffer or any part thereof to be strictly used for the purpose of freight forwarding, packing and crating services and regional logistic hub only.
Registered Lessee	: Perpetual (Asia) Limited (In Trust).
Brief Description of Property	: The Property is a 5-storey industrial building with ramp-up access to the upper levels. The Property is connected to a 4-storey ramp-up industrial building at 12 Changi North Way.  Other site improvements include guardhouse, interlocking tiles/tarmac driveway and enclosed by metal grilles/chain-link fencing complete with a metal sliding gate and metal side gate.
Site Area	: 7,034.6 sq.m. (75,719.73 sq.ft.)
Gross Floor Area (GFA) (as provided and subject to survey)	: Approximately 11,255.48 sq.m. (121,152.86 sq.ft.)
Total Net Lettable Area (NLA) (as provided)	: Approximately 11,320.21 sq.m. (121,849.61 sq.ft.)



**EXECUTIVE SUMMARY (CONT'D)**

Tenancy Details	:	The Property is leased to DSV Air & Sea Singapore Pte Ltd (formerly known as Panalpina World Transport Singapore Pte Ltd) (the "Lessee") for a term of 5 years with the lease commencing from July 29, 2018 with an option to extend for a further term of 2 years.
Annual Value (2022) (as provided by the client)	:	S\$1,682,000/-
Capitalisation Rate	:	5.50%
Terminal Cap Rate	:	5.75%
Discount Rate	:	7.00%
Master Plan Zoning (2019 Edition)	:	Business 2 with a plot ratio of 1.6.
Methods of Valuation	:	Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Approach (Cross-check).
Market Value as at December 31, 2022	:	S\$28,200,000/- (Singapore Dollars Twenty-Eight Million And Two Hundred Thousand)
Value psm on GFA	:	S\$2,505 psm
Value psm on NLA	:	S\$2,491 psm



## EXECUTIVE SUMMARY

Date of Valuation	: December 31, 2022
Property	: 10 Changi North Way (also known as 10 CNW) Singapore 498740 (the "Property")
Client	: Perpetual (Asia) Limited (acting in its capacity as Trustee of Boustead Industrial Fund)
Purpose of Valuation	: Market valuation for financial reporting and financing purposes only.
Legal Description	: Lot 4699M Mukim 31.
Tenure	: 24 years and 4 months lease commencing from September 16, 2010 with an option to renew for a further term of 30 years subject to no breach of any covenants and conditions stipulated by JTC in the Lease.
Permitted Use	: The Property is not to use or permit or suffer or any part thereof to be strictly used for the purpose of third party logistics services only and for no other purpose whatever.
Registered Lessee	: Perpetual (Asia) Limited (In Trust).
Brief Description of Property	: The Property is a 4-storey industrial building which is connected to another 4-storey ramp-up industrial building at 12 Changi North Way and shares a common vehicular access. It is erected on an almost square- shaped plot of land at the access road level.  Other site improvements include guardhouse, tarmac/reinforced concrete driveway and enclosed by metal grilles/chain-link fencing complete with a metal sliding gate.
Site Area	: 7,511.7 sq.m. (80,855.19 sq.ft)
Gross Floor Area (GFA) (as provided and subject to survey)	: Approximately 12,019.2 sq.m. (129,373 sq.ft.)
Total Net Lettable Area (NLA) (as provided)	: Approximately 11,938.5 sq.m. (128,505 sq.ft.)

**EXECUTIVE SUMMARY (CONT'D)**

Tenancy Details	:	The Property is fully occupied as at the date of valuation and the existing leases are committed by a single tenant (Zuellig Pharma Pte Ltd.).
Annual Posted Land Rent	:	S\$22.24 per sq.m. per annum
Annual Value (2022) (as provided by the client)	:	S\$1,928,000/-
Capitalisation Rate	:	5.50%
Terminal Cap Rate	:	5.75%
Discount Rate	:	7.00%
Master Plan Zoning (2019 Edition)	:	Business 2 with a plot ratio of 1.6.
Methods of Valuation	:	Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Approach (Cross-check).
Market Value as at December 31, 2022	:	S\$34,400,000/- (Singapore Dollars Thirty-Four Million And Four Hundred Thousand)
Value psm on GFA	:	S\$2,862 psm
Value psm on NLA	:	S\$2,881 psm



## EXECUTIVE SUMMARY

Date of Valuation	: December 31, 2022
Property	: 16 Tampines Industrial Crescent (also known as Jabil) Singapore 528604 (the "Property")
Client	: Perpetual (Asia) Limited (acting in its capacity as Trustee of Boustead Industrial Fund)
Purpose of Valuation	: Market valuation for financial reporting and financing purposes only.
Legal Description	: Lot 2932K Mukim 29
Tenure	: 30 years lease commencing from June 16, 2012.
Permitted Use	: The Property is not to use or permit or suffer or any part thereof to be strictly used for the purpose of manufacturing, assembly & testing of printed circuit board, electronics appliances, instruments, computer server, data storage system, energy storage and qualification testing of electrical & electronics appliances only and for no other purpose whatever.
Registered Lessee	: Perpetual (Asia) Limited.(in trust).
Brief Description of Property	: The Property is a 3-storey industrial building. It is erected on an "L"-shaped plot of land slightly above the access road level.  Other site improvements include guardhouse, tarmac driveway and enclosed by metal grilles/plastered boundary wall complete with a metal sliding gate.
Site Area	: 14,300.0 sq.m. (153,925.20 sq.ft)
Gross Floor Area (GFA) (as provided and subject to survey)	: Approximately 20,020.00 sq.m. (215,493.28 sq.ft.)
Total Net Lettable Area (NLA) (as provided)	: Approximately 20,020.19 sq.m. (215,495.28 sq.ft.)



## EXECUTIVE SUMMARY (CONT'D)

Tenancy Details	:	The Property is leased to Jabil Circuit (Singapore) Pte Ltd (the "Lessee") for a term of 6 years with the lease commencing from April 30, 2019 with an option to extend for a further term of 6 years.
Annual Value (2022) (as provided by the client)	:	S\$3,491,000/-
Capitalisation Rate	:	5.75%
Terminal Cap Rate	:	6.00%
Discount Rate	:	7.50%
Master Plan Zoning (2019 Edition)	:	Business 2 with a plot ratio of 1.4.
Methods of Valuation	:	Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Approach (Cross-check).
Market Value as at December 31, 2022	:	S\$44,500,000/- (Singapore Dollars Forty-Four Million And Five Hundred Thousand)
Value psm on GFA	:	S\$2,223 psm
Value psm on NLA	:	S\$2,223 psm



## EXECUTIVE SUMMARY

Date of Valuation	: December 31, 2022
Property	: 20, 21, 22 and 23 Rochester Park GSK Building Singapore 139231/32/33/34 (the "Property")
Client	: Perpetual (Asia) Limited (acting in its capacity as Trustee of Boustead Industrial Fund)
Purpose of Valuation	: Market valuation for financial reporting and financing purposes only.
Legal Description	: Lot 5204W Mukim 3.
Tenure	: 30 years lease commencing from February 16, 2015.
Permitted Use	: -----
Registered Lessee	: Perpetual (Asia) Limited.(In Trust).
Brief Description of Property	: The Property is a business park development comprising 1 block of 6-storey building with one basement and 3 Black & White conservation bungalows.  Other site improvements include granite stone/tarmac driveway and basement carpark lots.
Site Area	: 12,854.6 sq.m. (138,365.63 sq.ft)
Gross Floor Area (GFA) (as provided and subject to survey)	: Approximately 14,515.81 sq.m. (156,246.73 sq.ft.)
Total Net Lettable Area (NLA) (as provided)	: Approximately 12,666.49 sq.m. (136,340.81 sq.ft.)
Tenancy Details	: The Property is leased to GlaxoSmithKline Pte Ltd for a term of 15 years with the lease commencing from June 1, 2017.

**EXECUTIVE SUMMARY (CONT'D)**

Annual Value (2022) (as provided by the client)	:	S\$8,655,000/-
Capitalisation Rate	:	4.00%
Terminal Cap Rate	:	4.25%
Discount Rate	:	6.00%
Master Plan Zoning (2019 Edition)	:	<p>The subject site is zoned for business park with a plot ratio of 1.2 with a maximum permissible white use quantum of 40%.</p> <p>The Property is partly located within conservation area.</p>
Methods of Valuation	:	Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Approach (Cross-check).
Market Value as at December 31, 2022	:	S\$144,000,000/- (Singapore Dollars One Hundred And Forty-Four Million)
Value psm on GFA	:	S\$9,920 psm
Value psm on NLA	:	S\$11,369 psm





## EXECUTIVE SUMMARY

Date of Valuation	: December 31, 2022
Property	: 26 Changi North Rise (also known as Safran) Singapore 498756 (the "Property")
Client	: Perpetual (Asia) Limited (acting in its capacity as Trustee of Boustead Industrial Fund)
Purpose of Valuation	: Market valuation for financial reporting and financing purposes only.
Legal Description	: Lot 4697L Mukim 31.
Tenure	: 30 years lease commencing from April 30, 2010, with an option to renew for a further term of 30 years subject to no breach of any covenants and conditions stipulated by JTC in the Lease.
Permitted Use	: The Property is not to use or permit or suffer or any part thereof to be strictly used for the purpose of factory, assembly and avionics maintenance, repair and overhaul only and for no other purpose whatever.
Registered Lessee	: Perpetual (Asia) Limited.(in trust).
Brief Description of Property	: The Property is a 2-storey industrial building. It is erected on a rectangular-shaped plot of land at the access road level.  Other site improvements include guardhouse, reinforced concrete driveway and enclosed by metal grilles/plastered boundary wall complete with a metal sliding gate.
Site Area	: 6,799.6 sq.m. (73,190.21 sq.ft)
Gross Floor Area (GFA) (as provided and subject to survey)	: Approximately 6,000 sq.m. (64,583 sq.ft.)
Total Net Lettable Area (NLA) (as provided)	: Approximately 6,000 sq.m. (64,583 sq.ft.)

## EXECUTIVE SUMMARY (CONT'D)

Tenancy Details	:	The Property is leased to Safran Electronics & Defense Services Asia Pte Ltd (the "Lessee") for a term of 10 years with the lease commencing from February 7, 2011 with an option to extend for a further term of 5 years.
Annual Value (2022) (as provided by the client)	:	S\$1,163,000/-
Capitalisation Rate	:	5.50%
Terminal Cap Rate	:	6.00%
Discount Rate	:	7.00%
Master Plan Zoning (2019 Edition)	:	Business 2 with a plot ratio of 1.6.
Methods of Valuation	:	Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Approach (Cross-check).
Market Value as at December 31, 2022	:	S\$17,100,000/- (Singapore Dollars Seventeen Million And One Hundred Thousand)
Value psm on GFA	:	S\$2,850 psm
Value psm on NLA	:	S\$2,850 psm



## EXECUTIVE SUMMARY

Date of Valuation	: December 31, 2022
Property	: 82 Ubi Avenue 4 Edward Boustead Centre Singapore 408832 (the "Property")
Client	: Perpetual (Asia) Limited (acting in its capacity as Trustee of Boustead Industrial Fund)
Purpose of Valuation	: Market valuation for financial reporting and financing purposes only.
Legal Description	: Lot 6645M Mukim 23.
Tenure	: 30 years lease commencing from April 5, 2013.
Permitted Use	: The Property is not to use or permit or suffer or any part thereof to be strictly used for any activities that may be permitted by the Authorities under the Planning Act (Chapter 232) under the industrial Business 1 (B1) zoning ("Authorised Use) in accordance with the Master Plan Written Statement provided always that the Development or any part thereof shall not be used in any manner inconsistent with the use stated in the head lease made between the President of the Republic of Singapore and the Lessor in respect of the Land. The Authorised Use shall be subject to the approval of the Lessor and the Authorities. No change in the Authorised Use which will result in a change of the industrial B1 zoning of the Land or any part thereof shall be allowed.  The Property shall not include dormitory housing for workers as part of the Development unless the prior written approval of the Lessor and the Authorities is obtained (such approval may be subject to the terms and conditions imposed by the Lessor and the Authorities).  The total gross plot ratio not exceeding 2.5 but not less than 2.0.
Registered Lessee	: Perpetual (Asia) Limited. (In Trust).
Brief Description of Property	: The Property is an 8-storey light industrial building with carpark located on the 2nd storey to 4th storey. It is erected on a rectangular-shaped plot of land slightly above the access road level.  Other site improvements include reinforced concrete/interlocking tiles driveway and loading/unloading bays and enclosed by plastered boundary walls and metal grilles.



## EXECUTIVE SUMMARY (CONT'D)

Site Area	:	3,503.5 sq.m. (37,711.32 sq.ft)
Gross Floor Area (GFA) (as provided and subject to survey)	:	Approximately 8,758.75 sq.m. (94,278.31 sq.ft.)
Total Net Lettable Area (NLA) (as provided)	:	Approximately 7,267.68 sq.m. (78,228.57 sq.ft.)
Tenancy Details	:	The Property is 100% leased to multiple tenants.
Aggregate Annual Value (2022) (as provided by the client)	:	S\$2,918,800/-
Capitalisation Rate	:	5.00%
Terminal Cap Rate	:	5.25%
Discount Rate	:	7.25%
Master Plan Zoning (2019 Edition)	:	Business 1 with a plot ratio of 2.5.
Methods of Valuation	:	Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Approach (Cross-check).
Market Value as at December 31, 2022	:	S\$33,000,000/- (Singapore Dollars Thirty-Three Million)
Value psm on GFA	:	S\$3,768 psm
Value psm on NLA	:	S\$4,543 psm



## EXECUTIVE SUMMARY

Date of Valuation	: December 31, 2022
Property	: 85 Tuas South Avenue 1 (also known as 85 Tuas) Singapore 637419 (the "Property")
Client	: Perpetual (Asia) Limited (acting in its capacity as Trustee of Boustead Industrial Fund)
Purpose of Valuation	: Market valuation for financial reporting and financing purposes only.
Legal Description	: Lot 3111A Mukim 7.
Tenure	: 30 years lease commencing from April 16, 2007 with an option to renew for a further term of 23 years subject to no breach of any covenants and conditions stipulated by JTC in the Lease.
Permitted Use	: The Property is not to use or permit or suffer or any part thereof to be strictly used for the purpose of manufacture of controllable pitched prollers, tunnel thrusters and steerable propellers only and for no other purpose whatever.
Registered Lessee	: Perpetual (Asia) Limited. (In Trust).
Brief Description of Property	: The Property is a 2-storey industrial building. It is erected on a regular-shaped plot of land with a splayed corner at the access road level.  Other site improvements include guardhouse, reinforced concrete driveway and enclosed by metal grilles/chain-link fencing/plastered boundary wall complete with a metal sliding gate.
Site Area	: 14,661.5 sq.m. (157,814.92 sq.ft)
Gross Floor Area (GFA) (as provided and subject to survey)	: Approximately 10,609.52 sq.m. (114,199.81 sq.ft.)
Total Net Lettable Area (NLA) (as provided)	: Approximately 10,432.91 sq.m. (112,298.82 sq.ft.)

**EXECUTIVE SUMMARY (CONT'D)**

Tenancy Details	:	The Property is leased to Cummins Sales and Service Singapore Pte Ltd (the "Lessee") for a term of 10 years with the lease commencing from June 1, 2019 with an option to extend for a further term of 5+5 years.
Annual Value (2022) (as provided by the client)	:	S\$1,904,000/-
Capitalisation Rate	:	6.00%
Terminal Cap Rate	:	6.25%
Discount Rate	:	7.50%
Master Plan Zoning (2019 Edition)	:	Business 2 with a plot ratio of 1.4.
Methods of Valuation	:	Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Approach (Cross-check).
Market Value as at December 31, 2022	:	S\$23,800,000/- (Singapore Dollars Twenty-Three Million And Eight Hundred Thousand)
Value psm on GFA	:	S\$2,243 psm
Value psm on NLA	:	S\$2,281 psm



## EXECUTIVE SUMMARY

Date of Valuation	: December 31, 2022
Property	: 84 Boon Keng Road (also known as Continental Building – Phase 3) Singapore 339781 (the “Property”)
Client	: Perpetual (Asia) Limited (acting in its capacity as Trustee of Boustead Industrial Fund)
Purpose of Valuation	: Market valuation for financial reporting and financing purposes only.
Legal Description	: Lot 3031L Town Subdivision 17.
Tenure	: 30 years lease commencing from February 1, 2017.
Permitted Use	: The Property is not to use or permit or suffer or any part thereof to be strictly used for the purpose of software engineering and development of automotive products (including hardware development, integration and testing) and office only.
Registered Lessee	: BP-CA3 LLP.
Brief Description of Property	: The Property is a 7-storey light industrial building It is erected on almost “L”-shaped plot of land and slightly above the access road level.  Other site improvements include reinforced concrete driveway and loading/unloading bays and enclosed by plastered boundary wall and metal grilles mounted on plastered boundary wall complete with a metal side gate.
Site Area	: 4,457.5 sq.m. (47,980.08 sq.ft.)
Gross Floor Area (GFA) (as provided and subject to survey)	: Approximately 11,151.25 sq.m. (120,030.94 sq.ft.)
Total Net Lettable Area (NLA) (as provided)	: Approximately 11,151.25 sq.m. (120,030.94 sq.ft.)
Tenancy Details	: The Property is leased to Continental Automotive Singapore Pte Ltd for a term of 10 years with the lease commencing from March 30, 2018.



## EXECUTIVE SUMMARY (CONT'D)

Annual Posted Land Rent	:	S\$67.50 psm per annum
Annual Value (2022) (as provided by the client)	:	S\$2,456,000/-
Capitalisation Rate	:	5.25%
Terminal Cap Rate	:	5.50%
Discount Rate	:	7.00%
Master Plan Zoning (2019 Edition)	:	Business 1 with a plot ratio of 2.5.
Methods of Valuation	:	Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Approach (Cross-check).
Market Value as at December 31, 2022	:	S\$30,000,000/- (Singapore Dollars Thirty Million)
Value psm on GFA	:	S\$2,690 psm
Value psm on NLA	:	S\$2,690 psm



## EXECUTIVE SUMMARY

Date of Valuation	: December 31, 2022
Property	: 80 Boon Keng Road (also known as Continental Building – Phase 1) Singapore 339780 (the “Property”)
Client	: Perpetual (Asia) Limited (acting in its capacity as Trustee of Boustead Industrial Fund)
Purpose of Valuation	: Market valuation for financial reporting and financing purposes only.
Legal Description	: Lot 2901N Town Subdivision 17.
Site Area	: 6,502.2 sq.m.
Tenure	: 30 years lease commencing from April 1, 2011 with an option to renew for a further term of 18 years 4 months, subject to no breach of any covenants and conditions stipulated by JTC in the Lease.
Permitted Use	: The Property is not to use or permit or suffer or any part thereof to be strictly used for the purpose of design, research and development and testing of automotive products, including car audio and navigation units, climate control units and instrumentation clusters, and related products only and for no other purpose whatever.
Registered Lessee	: Perpetual (Asia) Limited. (In Trust).
Brief Description of Property	: The Property is a 7-storey light industrial building It is erected on an almost rectangular-shaped plot of land and slight above the access road level.  Other site improvements include reinforced concrete driveway and loading/unloading bays and enclosed by plastered boundary walls.
Site Area (as provided)	: Approximately 4,501.20 sq.m. (48,450.47 sq.ft.)
Gross Floor Area (GFA) (as provided and subject to survey)	: Approximately 11,310.16 sq.m. (121,741.43 sq.ft.)*
Total Net Lettable Area (NLA) (as provided)	: Approximately 11,312.46 sq.m. (121,766.14 sq.ft.)
Tenancy Details	: The Property is leased to Continental Automotive Singapore Pte Ltd for a term of 12 years with the lease commencing from July 10, 2012.

**EXECUTIVE SUMMARY (CONT'D)**

Annual Value (2022) (as provided by the client)	:	S\$5,256,000/- Includes the Annual Value of Phase 2
Capitalisation Rate	:	5.25%
Terminal Cap Rate	:	5.50%
Discount Rate	:	7.00%
Master Plan Zoning (2019 Edition)	:	Business 1 with a plot ratio of 2.5.
Methods of Valuation	:	Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Approach (Cross-check).
Market Value as at December 31, 2022	:	S\$45,500,000/- (Singapore Dollars Forty-Five Million And Five Hundred Thousand)
Value psm on GFA	:	S\$4,023 psm
Value psm on NLA	:	S\$4,022 psm



## EXECUTIVE SUMMARY

Date of Valuation	: December 31, 2022
Property	: 80 Boon Keng Road (also known as Continental Building – Phase 2) Singapore 339780 (the “Property”)
Client	: Perpetual (Asia) Limited (acting in its capacity as Trustee of Boustead Industrial Fund)
Purpose of Valuation	: Market valuation for financial reporting and financing purposes only.
Legal Description	: Lot 2901N Town Subdivision 17.
Tenure	: 30 years lease commencing from April 1, 2011 with an option to renew for a further term of 18 years 4 months, subject to no breach of any covenants and conditions stipulated by JTC in the Lease.
Permitted Use	: The Property is not to use or permit or suffer or any part thereof to be strictly used for the purpose of design, research and development and testing of automotive products, including car audio and navigation units, climate control units and instrumentation clusters, and related products only and for no other purpose whatever.
Registered Lessee	: Perpetual (Asia) Limited. (in Trust).
Brief Description of Property	: The Property is a 6-storey light industrial building It is erected on an almost rectangular-shaped plot of land and slightly above the access road level.  Other site improvements include reinforced concrete driveway and loading/unloading bays and enclosed by plastered boundary walls.
Site Area (as provided)	: Approximately 2,001.0 sq.m. (21,538.56 sq.ft.)
Gross Floor Area (GFA) (as provided and subject to survey)	: Approximately 4,936.19 sq.m. (53,132.66 sq.ft.)*
Total Net Lettable Area (NLA) (as provided)	: Approximately 4,937.86 sq.m. (53,150.59 sq.ft.)*
Tenancy Details	: The Property is leased to Continental Automotive Singapore Pte Ltd for a term of 10 years with the lease commencing from August 26, 2014.

## EXECUTIVE SUMMARY (CONT'D)

Annual Value (2022) (as provided by the client)	:	S\$5,256,000/- Includes the Annual Value of Phase 1
Capitalisation Rate	:	5.25%
Terminal Cap Rate	:	5.50%
Discount Rate	:	7.00%
Master Plan Zoning (2019 Edition)	:	Business 1 with a plot ratio of 2.5.
Methods of Valuation	:	Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Approach (Cross-check).
Market Value as at December 31, 2022	:	S\$22,700,000/- (Singapore Dollars Twenty-Two Million And Seven Hundred Thousand)
Value psm on GFA	:	S\$4,599 psm
Value psm on NLA	:	S\$4,597 psm



## EXECUTIVE SUMMARY

Date of Valuation	: December 31, 2022
Property	: 351 On Braddell 351 Braddell Road Singapore 579713 (the "Property")
Client	: Perpetual (Asia) Limited (acting in its capacity as Trustee of Boustead Industrial Fund)
Purpose of Valuation	: Market valuation for financial reporting and financing purposes only.
Legal Description	: Lot 10824P Mukim 17.
Tenure	: 30 years lease commencing from December 26, 2018.
Permitted Use	: The Land shall be strictly use for any use(s) as permitted or may be permitted by the Authorities under the Planning Act (Cap 232) for Business 1 (B1) zoning in accordance with the Master Plan Written Statement. No change in the Authorised Use which will result in a change of the industrial B1 zoning of the Land or any part thereof shall be allowed.
Registered Lessee	: Perpetual (Asia) Limited. (In Trust).
Brief Description of Property	: The Property is a 7-storey multi-user industrial building with ancillary facilities and temporary industrial canteen. The Temporary Occupation Permit (TOP) and Certificate of Statutory Completion (CSC) were issued on March 2, 2021 and December 1, 2021 respectively.
Site Area (as provided)	: Approximately 9,716.2 sq.m. (104,584.21 sq.ft)
Gross Floor Area (GFA) (as provided and subject to survey)	: Approximately 24,213.43 sq.m. (260,630.94 sq.ft.)
Total Net Lettable Area (NLA) (as provided)	: Approximately 22,005.39 sq.m. (236,863.85 sq.ft.)
Tenancy Details	: The Property is multi-tenanted and with lease terms predominantly between 3 to 6 years.

**EXECUTIVE SUMMARY (CONT'D)**

Annual Posted Land Rent	:	Nil. A Land Premium of S\$53,588,888.88/- has been paid upfront.
Annual Value (2022) (as provided by the client)	:	S\$11,128,200.
Capitalisation Rate	:	5.00%
Terminal Cap Rate	:	5.25%
Discount Rate	:	7.25%
Master Plan Zoning (2019 Edition)	:	Business 1 with a plot ratio of 2.5.
Methods of Valuation	:	Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Approach (Cross-check).
Market Value as at December 31, 2022	:	S\$125,000,000/- (Singapore Dollars One Hundred Twenty-Five Million)
Value psm on GFA	:	S\$5,162 psm.
Value psm on NLA	:	S\$5,681 psm





## Annexure 1

General Principles of Valuation

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## GENERAL PRINCIPLES ADOPTED IN THE PREPARATION OF VALUATIONS AND REPORTS

These are the general principles upon which our Valuations and Reports are normally prepared; they apply unless we have specifically mentioned otherwise in the body of the report.

### 1) VALUATION STANDARDS

All work are carried out in accordance with the Singapore Institute of Surveyors and Valuers (SISV) Valuation Standards and Guidelines and International Valuation Standards (IVS), subject to variations to meet local laws, customs, practices and market conditions.

### 2) VALUATION BASIS

Our valuations are made on the basis of Market Value, defined by the SISV and IVSC as follows:

*"Market Value is the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."*

### 3) CONFIDENTIALITY

Our Valuations and Reports are confidential to the party to whom they are addressed or their other professional advisors for the specific purpose(s) to which they refer. No responsibility is accepted to any other parties and neither the whole, nor any part, nor reference thereto may be included in any published document, statement or circular, or published in any way, nor in any communication with third parties, without our prior written approval of the form and context in which they will appear.

### 4) SOURCE OF INFORMATION

Where it is stated in the report that information has been supplied by the sources listed, this information is believed to be reliable and we shall not be responsible for its accuracy nor make any warranty or representation of the accuracy of the information. All other information stated without being attributed directly to another party is obtained from our searches of records, examination of documents or enquiries with the relevant authorities.

### 5) DOCUMENTATION

We do not normally read leases or documents of title and, where appropriate, we recommend that lawyer's advice on these aspects should be obtained. We assume, unless informed to the contrary, that all documentation is satisfactorily drawn and that good title can be shown and there are no encumbrances, restrictions, easements or other outgoings of an onerous nature which would have an effect on the value of the interest under consideration.

### 6) TOWN PLANNING AND OTHER STATUTORY REGULATIONS

Information on Town Planning is obtained from the set of Master Plan, Development Guide Plans (DGP) and Written Statement published by the competent authority. Unless otherwise instructed, we do not normally carry out requisitions with the various public authorities to confirm that the property is not adversely affected by any public schemes such as road and drainage improvements. If reassurance is required, we recommend that verification be obtained from your lawyers.

Our valuations are prepared on the basis that the premises and any improvements thereon comply with all relevant statutory regulations. It is assumed that they have been, or will be issued with a Certificate of Statutory Completion by the competent authority.

### 7) TENANTS

Enquiries as to the financial standing of actual or prospective tenants are not normally made unless specifically requested. Where properties are valued with the benefit of lettings, it is therefore assumed that the tenants are capable of meeting their obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.

### 8) STRUCTURAL SURVEYS

We have not carried out a building survey nor any testing of services, nor have we inspected those parts of the property which are inaccessible. We cannot express an opinion about or advise upon the condition of uninspected parts and this Report should not be taken as making any implied representation or statement about such parts. Whilst any defects or items of disrepair are noted during the course of inspection, we are not able to give any assurance in respect of rot, termite or past infestation or other hidden defects.

### 9) SITE CONDITIONS

We do not normally carry out investigations on site in order to determine the suitability of the ground conditions and services for the existing or any new development, nor have we undertaken any archaeological, ecological or environmental surveys. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that, where development is proposed, no extraordinary expenses or delays will be incurred during the construction period.

### 10) OUTSTANDING DEBTS

In the case of buildings where works are in hand or have recently been completed, we do not normally make allowance for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favour of contractors, sub-contractors or any members of the professional or design team.

...../Page 2



**11) INSURANCE VALUE**

Our opinion of the insurance value is our assessment of the reinstatement cost for insurance purpose and it comprises the total cost of completely rebuilding the property to be insured, together with allowances for inflation, demolition and debris removal, professional fees, the prevailing G.S.T. (goods and services tax) and, if applicable, compliance with current regulations and by-laws.

**12) DIMENSIONS, MEASUREMENTS & AREAS**

Dimensions, measurements and areas included in the report are based on information contained in copies of documents provided to us and are therefore approximations. No on site measurements have been taken. We have no reason to doubt the truth and accuracy of the information provided. Our valuation is totally dependent on the adequacy and accuracy of the information supplied and/or the assumptions made. Should these prove to be incorrect or inadequate, the accuracy of the valuation may be affected.

**13) ACCURACY, ERRORS & OMISSIONS**

Whilst care has been taken in the preparation of the report, no representation is made or responsibility is accepted for errors, omissions and the accuracy of the whole or any part.

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Year 2019



## VALUATION CERTIFICATE

Date of Valuation	:	February 28, 2023.
Property	:	98 Tuas Bay Drive Singapore 636833 (the "Property")
Client	:	BP-AMC LLP.
Purpose of Valuation	:	Market valuation for privatization purposes only.
Legal Description	:	Lot 5119L Mukim 7.
Tenure	:	30 years lease commencing from October 1, 2018.
Permitted Use	:	The Property is to be used for the purpose of design, development and manufacturing of packaging for medical devices only and for no other purpose whatever.
Registered Lessee	:	BP-AMC LLP.
Brief Description of Property	:	<p>The Property is a part 1/part 2-storey single-user industrial development. It is erected on a rectangular-shaped plot of land slightly above the access road level.</p> <p>Other site improvements include concrete driveway and is enclosed by metal grilles / metal grilles on plastered boundary wall complete with an automatic sliding gate between the main area and warehousing area.</p>
Site Area (as provided and subject to survey upon issuance of certificate of titles)	:	Approximately 8,045.0 sq.m. (86,595.58 sq.ft)
Gross Floor Area (GFA) (as provided and subject to survey)	:	Approximately 7,538.48 sq.m. (81,143.44 sq.ft.)
Total Net Lettable Area (NLA) (as provided)	:	Approximately 6,954.60 sq.m. (74,858.67 sq.ft.)

**VALUATION CERTIFICATE (CONT'D)**

Tenancy Details	:	The Property is leased to Amcor Flexibles Singapore Pte Ltd (the "Lessee") for a term of 16 years with the lease commencing from July 22, 2019 with an option to extend for a further term of 10 years with rental term.
Annual Land Rent	:	S\$15.66 per sq.m. per annum.
Annual Value (2023) (as provided by the client)	:	S\$2,146,000/-
Capitalisation Rate	:	6.25%.
Terminal Capitalisation Rate	:	6.50%.
Discount Rate	:	7.75%.
Master Plan Zoning (2019 Edition)	:	Business 2 with a plot ratio of 1.4.
Methods of Valuation	:	Income Capitalisation Method and Discounted Cash Flow Analysis.
Market Value as at February 28, 2023	:	S\$17,400,000/- (Singapore Dollars Seventeen Million and Four Hundred Thousand)
Value psm on GFA	:	S\$2,308 psm.
Value psm on NLA	:	S\$2,502 psm.



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## VALUATION CERTIFICATE

Date of Valuation	:	February 28, 2023								
Property	:	8 & 12 Seletar Aerospace Heights Bombardier Aerospace Phase 2 Singapore 797549 & 797378 (the “Property”)								
Client	:	BP-BBD2 Pte Ltd.								
Purpose of Valuation	:	Market valuation for privatization purposes only.								
Legal Description	:	Lots 4779W and 5252T Mukim 20.								
Tenure	:	30 years lease commencing from February 7, 2019.								
Permitted Use	:	The Property must be developed in accordance with Jurong Town Corporation’s (JTC) Design Guidelines and only be used by Aerospace Companies and/or Aerospace Supporting Companies subject to compliance with the Authorities’ requirements including but not limited to construction and operating requirements within an airport environment.								
Registered Lessee	:	BP-BBD2 Pte Ltd.								
Brief Description of Property	:	The Property is a purpose-built aircraft hangar facility with ancillary office space at Seletar Aerospace Park for Bombardier Aerospace Services Singapore Pte Ltd.  The Temporary Occupation Permit (TOP) has been issued on December 17, 2020.								
Site Area	:	<table><tr><th>Town Subdivision 20</th><th>Approximate Site Area</th></tr><tr><td>ot 4779W</td><td>10,004.5 sq.m. (107,687 sq.ft.)</td></tr><tr><td>Lot 5252T</td><td>20,841.6 sq.m. (224,337 sq.ft.)</td></tr><tr><td>Total</td><td>30,846.1 sq.m. (332,024 sq.ft.)</td></tr></table>	Town Subdivision 20	Approximate Site Area	ot 4779W	10,004.5 sq.m. (107,687 sq.ft.)	Lot 5252T	20,841.6 sq.m. (224,337 sq.ft.)	Total	30,846.1 sq.m. (332,024 sq.ft.)
Town Subdivision 20	Approximate Site Area									
ot 4779W	10,004.5 sq.m. (107,687 sq.ft.)									
Lot 5252T	20,841.6 sq.m. (224,337 sq.ft.)									
Total	30,846.1 sq.m. (332,024 sq.ft.)									
Gross Floor Area (GFA) (as provided and subject to survey)	:	Approximately 20,702.53 sq.m. (222,839.96 sq.ft.)								
Total Net Lettable Area (NLA) (as provided)	:	Approximately 18,710.97 sq.m. (201,403.00 sq.ft.)								

## VALUATION CERTIFICATE (CONT'D)

Tenancy Details : The Property is leased to Bombardier Aerospace Services Singapore Pte Ltd as the Master Lessee for a term of 28 years till 2049. The Master Lessee bears property outgoing expenses including utilities, security and maintenance and repair, property tax and annual land rental whilst the Lessor bears the capital expenditure.

Annual Land Rent	Address	Land Rent Payable per month
	8 Seletar Aerospace Heights	S\$30,498.79/-
	12 Seletar Aerospace Heights	S\$14,639.92/-
	Total	S\$45,138.71/-

A Land Rent of S\$45,138.71/- per month is to be paid in advance (without demand or deduction) on the first day of each month of the Lease Term. The Land Rent will be revised on every year of the Lease Term based on the prevailing market rent for the Property. Any increase will not exceed 5.5% of the land rent for the preceding year.

Annual Value (2023)  
(as provided by the client) : S\$5,494,000.

Discount Rate : 7.50%.

Master Plan Zoning  
(2019 Edition) : Business 2 with a plot ratio of 1.0.

Method of Valuation : Discounted Cash Flow Analysis

Market Value  
as at February 28, 2023 : S\$75,000,000/- (Singapore Dollars Seventy-Five Million)

Value psm on GFA : S\$3,623 psm.

Value psm on NLA : S\$4,008 psm.



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## VALUATION CERTIFICATE

Date of Valuation	:	February 28, 2023.
Property	:	Razer SEA HQ 1 One-north Crescent Singapore 138538 (the "Property")
Client	:	Snakepit-BP LLP.
Purpose of Valuation	:	Market valuation for privatization purposes only.
Legal Description	:	Lot 5438L Mukim 3.
Tenure	:	30 years lease commencing from February 12, 2019.
Permitted Use	:	The Property is to be used for the purpose of research and development of computer peripherals, hardware, software and mobile device and ancillary office only and not for any purpose whatever.
Registered Lessee	:	Snakepit-BP LLP.
Brief Description of Property	:	The Property is a purpose-built integrated business park development with ancillary office space. It comprises a 7-storey business park building with ancillary facilities and approximately 82 car/lorry parking lots.  Temporary Occupation Permit (TOP) was issued in April 2021.
Site Area	:	6,426.2 sq.m. (69,171 sq.ft).
Gross Floor Area (GFA) (as provided and subject to survey)	:	Approximately 19,089.85 sq.m. (205,481.24 sq.ft.)
Total Net Lettable Area (NLA) (as provided)	:	Approximately 16,696.22 sq.m. (179,716.39 sq.ft.)

**VALUATION CERTIFICATE (CONT'D)**

Tenancy Details	:	The Property is multi-tenanted and leased to Razer (Asia Pacific) Pte Ltd as an anchor tenant on a lease term of 15 years till 2036.
Annual Posted Land Rent	:	Nil. A Land Premium of S\$34,700,000/- has been paid upfront.
Annual Value (2023) (as provided by the client)	:	\$10,567,300.
Capitalisation Rate	:	5.25%.
Terminal Capitalisation Rate	:	5.50%.
Discount Rate	:	7.25%.
Master Plan Zoning (2019 Edition)	:	Business Park with a plot ratio of 3.0. According to the JTC lease, the Property is zoned for Business Park White 15 with a plot ratio of 3.0.
Methods of Valuation	:	Income Capitalisation Method and Discounted Cash Flow Analysis.
Market Value as at February 28, 2023	:	S\$111,000,000/- (Singapore Dollars One Hundred And Eleven Million)
Value psm on GFA	:	S\$5,814 psm.
Value psm on NLA	:	S\$6,648 psm.



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## VALUATION CERTIFICATE

Date of Valuation	:	February 28, 2023.
Property	:	6 Tampines Industrial Avenue 5 Singapore 528760 (the "Property")
Client	:	BP-TPM LLP.
Purpose of Valuation	:	Market valuation for privatization purposes only.
Legal Description	:	Lot 2787X Mukim 29.
Tenure	:	30 + 30 years lease commencing from May 10, 2009.
Permitted Use	:	The property is to be used for the purpose of manufacturing and operations associated with manufacturing of computer hardware and peripherals and ancillary or associated equipment only and for no other purpose whatever.
Registered Lessee	:	BP-TPM LLP.
Brief Description of Property	:	<p>The Property is a 3-storey industrial building with warehouse / manufacturing areas and an ancillary office accommodation.</p> <p>We were informed that Temporary Occupation Permit and Certificate of Statutory Completion were issued on 31 Mar 2010 and 22 October 2010 respectively. Addition &amp; alteration works were carried out progressively in Year 2014 and 2020.</p>
Site Area	:	32,598.1 sq.m. (350,883 sq.ft)
Gross Floor Area (GFA) (as provided and subject to survey)	:	Approximately 40,400.84 sq.m. (434,870.60 sq.ft.)
Total Net Lettable Area (NLA) (as provided)	:	Approximately 35,582.49 sq.m. (383,006.38 sq.ft.)



## VALUATION CERTIFICATE (CONT'D)

Tenancy Details	:	The Property is currently leased to anchor tenant Amazon Asia-Pacific Resources Pte Ltd on a lease term of 10 years till 2030.
Annual Posted Land Rent	:	Nil. A Land Premium of S\$10,891,663.48/- has been paid upfront for the first 30 years.
Annual Value (2023)	:	S\$8,092,000/-.
Capitalisation Rate	:	5.50%.
Terminal Cap Rate	:	5.75%.
Discount Rate	:	7.50%.
Master Plan Zoning (2019 Edition)	:	Business 2 with a plot ratio of 1.4.
Methods of Valuation	:	Income Capitalisation Method and Discounted Cash Flow Analysis.
Market Value as at February 28, 2023	:	S\$100,000,000/- (Singapore Dollars One Hundred Million)
Value psm on GFA	:	S\$2,475 psm.
Value psm on NLA	:	S\$2,810 psm.



Yours faithfully,  
For and on behalf of  
Jones Lang LaSalle Property Consultants Pte Ltd

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# Valuation Certificate

savills

<b>Address of Property</b>	28 & 30 Bideford Road, Singapore 229924/229922															
<b>Client</b>	Bideford House Pte. Ltd.															
<b>Purpose of Valuation</b>	For corporate management															
<b>Legal Description</b>	Lot 730N, Town Subdivision 27															
<b>Tenure</b>	Estate In Fee Simple															
<b>Registered Owner</b>	Bideford House Pte. Ltd.															
<b>Brief Description</b>	<p>The property is located on the eastern flank of Bideford Road, off Orchard Road and some 4 km away from the City Centre. It lies in the heart of Singapore's retail and entertainment belt.</p> <p>The development features an 18-storey mixed development comprising a 12-storey block accommodating serviced apartments (total 168 units) above a 5-storey commercial podium with a podium roof level on the 6<sup>th</sup> storey, recreational facilities on the rooftop (19<sup>th</sup> storey) and 2 basement levels of car park.</p> <p>The Temporary Occupation Permit and Certificate of Statutory Completion were issued on 10 January 2020 and 17 May 2021 respectively.</p>															
<b>Site Area</b>	2,006.9 sm or thereabouts, subject to government's re-survey															
<b>Gross Floor Area</b>	Approximately 14,637.89 sm, as extracted from the Grant of Written Permission dated 21 October 2019 and subject to final survey															
<b>Lettable Floor Area</b>	<p>Based on the information provided, the proposed uses and approximate lettable floor areas are as follows:</p> <table><tr><th>Use/Level</th><th colspan="2">Lettable Floor Area (Approx.)</th></tr><tr><td>Restaurant/F&amp;B/Retail Space (1<sup>st</sup> Storey)</td><td>539.4 sm</td><td>5,806 sf</td></tr><tr><td>Commercial/Office Space (2<sup>nd</sup> to 4<sup>th</sup> Storeys)</td><td>3,135.5 sm</td><td>33,750 sf</td></tr><tr><td>Commercial/Medical Space (5<sup>th</sup> Storey)</td><td>1,110.7 sm</td><td>11,956 sf</td></tr><tr><td>168 Units of Serviced Apartments (7<sup>th</sup> to 18<sup>th</sup> Storeys)</td><td>5,772.1 sm</td><td>62,130 sf</td></tr></table>	Use/Level	Lettable Floor Area (Approx.)		Restaurant/F&B/Retail Space (1 <sup>st</sup> Storey)	539.4 sm	5,806 sf	Commercial/Office Space (2 <sup>nd</sup> to 4 <sup>th</sup> Storeys)	3,135.5 sm	33,750 sf	Commercial/Medical Space (5 <sup>th</sup> Storey)	1,110.7 sm	11,956 sf	168 Units of Serviced Apartments (7 <sup>th</sup> to 18 <sup>th</sup> Storeys)	5,772.1 sm	62,130 sf
Use/Level	Lettable Floor Area (Approx.)															
Restaurant/F&B/Retail Space (1 <sup>st</sup> Storey)	539.4 sm	5,806 sf														
Commercial/Office Space (2 <sup>nd</sup> to 4 <sup>th</sup> Storeys)	3,135.5 sm	33,750 sf														
Commercial/Medical Space (5 <sup>th</sup> Storey)	1,110.7 sm	11,956 sf														
168 Units of Serviced Apartments (7 <sup>th</sup> to 18 <sup>th</sup> Storeys)	5,772.1 sm	62,130 sf														
<b>Occupancy/Tenancy</b>	We understand that the property is currently vacant.															
<b>Master Plan Zoning (2019)</b>	"Commercial and Residential"															
<b>Basis of Valuation</b>	As-Is basis, with vacant possession and free from all encumbrances															
<b>Material Date of Valuation</b>	15 February 2023															
<b>Valuation Approaches</b>	Income Capitalisation Method and Direct Comparison Method															
<b>Capitalisation Rate</b>	Serviced Apartment: 3.25% 1 <sup>st</sup> Storey Retail/F&B Space: 3.50% 2 <sup>nd</sup> to 5 <sup>th</sup> Storeys Commercial Space: 3.00%															
<b>Recommended Market Value</b>	<b>\$550,000,000</b> <b>(Singapore Dollars Five Hundred And Fifty Million Only)</b>															
<b>Assumptions, Disclaimers, Limitations &amp; Qualifications</b>	This valuation is provided subject to the assumptions, disclaimers, limitations, qualifications detailed throughout the valuation report and also the limiting conditions herein.															
<b>Prepared by</b>	<div><div> <b>Cynthia Ng</b> B.Sc. (Est. Mgt.), FSISV Licensed Appraiser No. AD041-2003388A</div><div> <b>Goh Seow Leng</b> B.Sc. (Est. Mgt.), MSISV Licensed Appraiser No. AD041-2003809B</div></div> <div><b>Savills Valuation And Professional Services (S) Pte Ltd</b></div>															

This valuation is exclusive of Goods and Services Tax.

To any party relying on this valuation certificate, we advise that this certificate must be read in conjunction with the valuation report. This valuation certificate should not be relied upon in isolation for any purposes.

## LIMITING CONDITIONS



Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

<b>Valuation Standards:</b>	The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.
<b>Valuation Basis:</b>	<p>The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report.</p> <p>The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.</p>
<b>Currency of Valuation:</b>	Values are reported in local currency unless otherwise stated.
<b>Confidentiality:</b>	Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
<b>Copyright:</b>	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
<b>Limitation of Liability:</b>	<p>The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted.</p> <p>Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).</p>
<b>Validity Period:</b>	This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.
<b>Titles:</b>	A brief on-line title search on the property has been carried out for formal valuation with site inspection only, unless otherwise stated. We are not obliged to inspect and/or read the original title or lease documents, unless they are made available by the client. The valuation shall therefore assume, unless informed to the contrary, that there are no further restrictive covenants, easements or encumbrances not disclosed by this brief title search which may have an effect on the market value. We assume the title of the property is good and marketable and free from all encumbrances, restrictions and other legal impediments.
<b>Planning Information:</b>	Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme(s), this report should then be referred back to Savills for review on possible amendment.
<b>Other Statutory Regulations:</b>	Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.
<b>Site Condition:</b>	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be constructed thereon.
<b>Condition of Property:</b>	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
<b>Source of Information:</b>	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
<b>Floor Areas:</b>	We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.
<b>Plans:</b>	Plans included in the valuation report are for identification purposes only and should not be relied upon to define boundaries or treated as certified copies of areas or other particulars contained therein. All location plans are obtained from OneMap. While we have endeavoured to ensure the maps are updated, we do not vouch for the accuracy of the map and shall not be responsible if it is otherwise.
<b>Tenant:</b>	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
<b>Reinstatement Cost:</b>	Our opinion of the reinstatement cost for fire insurance purpose is provided only for guidance and must not be relied upon as the basis for insurance cover. We advise that we are not quantity surveyors and our estimate of the construction cost is based upon published sources. We recommend that verification of reinstatement cost be sought from a qualified quantity surveyor, if considered appropriate.
<b>Attendance in Court:</b>	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

VAS Valuation Co., Ltd.  
 Our Reference: VAS/HCM-CON-C050/2023,  
 VAS/HCM-CON-C051/2023,  
 VAS/HCM-CON-C052/2023,  
 VAS/HCM-CON-C053/2023,  
 VAS/HCM-CON-C055/2023,  
 VAS/HCM-CON-C056/2023.

A&B Tower, 76A Le Lai, Ben Thanh Ward,  
 District 1, Ho Chi Minh City, Vietnam  
 Tax Code : 0316113465

11 March 2023

Boustead Projects Limited  
 Address: 82 Ubi Avenue 4 #07-01 Edward Boustead Centre  
 Singapore 408832

For the attention: The Board of Directors

Dear Sir/Madam

**SUMMARY LETTER IN RELATION TO OFFEREE CIRCULAR TO THE VOLUNTARY UNCONDITIONAL CASH OFFER BY BOUSTEAD SINGAPORE LIMITED, FOR THE SHARES OF BOUSTEAD PROJECTS LIMITED**

As instructed, by Boustead Projects Land (Vietnam) Company Limited; KTG Industrial Long Thanh Company Limited; KTG Industrial Nhon Trach JSC; KTG Industrial Tam Phuoc Company Limited; KTG Bac Ninh Industrial Company Limited; KTG Yen Phong Industrial Company Limited (collectively “Boustead/KTG” or the “Instructing Party”), we VAS Valuation Co., Ltd in association with CBRE (Vietnam) (“VAS”), have issued valuations dated 11 March 2023 with material date of valuation as at 03 March 2023 (“Valuation Reports”), outlining the Market Value of the properties located in Dong Nai and Bac Ninh Province, Vietnam for the purpose of inclusion in the Offeree Circular to be issued by Boustead Projects Limited (“BPL”) in relation to the voluntary unconditional cash offer by Boustead Singapore Limited (“Offeror”) to acquire all issued and paid-up ordinary shares in the capital of BPL other than those already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees and the parties acting in concert with it.

Details of the subject properties are detailed below:

1. **Nhon Trach Textile** – Land Parcel No. 36 & 37, Map No. 70 located in Nhon Trach Textile Industrial Park, Hiep Phuoc Commune, Nhon Trach District, Dong Nai Province, Vietnam, being 54,000sqm industrial land with 34,039sqm GFA existing improvements.
2. **Nhon Trach 2** (comprising two existing phases and one proposed vacant land) – Land parcel No. 45, Map No. 44 (Phase 1); Land Parcel No. 118 & 119, Map No. 43 and Land Parcel No. 113 of Map No. 66 (Phase 2A & 3) located in Nhon Trach II Industrial Park, Phu Hoi Commune, Nhon Trach District, Dong Nai Province, Vietnam, detailed as below:
  - Phase 1: 60,000sqm industrial land incorporating with 33,976.3sqm GFA existing improvements;
  - Phase 2A: 62,939.3sqm industrial land incorporating with 39,032.4sqm GFA existing improvements;
  - Phase 3: 63,963.7sqm industrial land area (vacant land).



3. **Nhon Trach 3A** – Land Parcel No. 30, Map No. 20 located in Nhon Trach 3 Industrial Park – Phase 2, Nhon Trach District, Dong Nai Province, Vietnam; being 33,900sqm industrial land area with 21,521.6sqm GFA existing improvements.
4. **Nhon Trach 3B** – Land Parcel No. 10, Map No. 20 (Phase 1) located in Nhon Trach 3 Industrial Park – Phase 2, Long Tho Commune, Nhon Trach District, Dong Nai Province, Vietnam; being 62,429sqm industrial land area.
5. **Tam Phuoc B** - Land Parcel No. 30, Map No. 62 located in Tam Phuoc Industrial Park, Tam Phuoc Commune, Bien Hoa City, Dong Nai Province, Vietnam; being 23,521sqm industrial land area with 15,577sqm GFA existing improvements.
6. **Yen Phong 1** - Land Parcel No. 74, Map No. 14, Yen Phong Industrial Park (Expansion Area or Second Phase), Dung Liet Commune, Yen Phong District, Bac Ninh Province, Vietnam, being 36,000sqm Industrial land and 21,204sqm GFA existing improvements
7. **Yen Phong 2** - Land Parcel No. 661, Map No. 3, Yen Phong Industrial Park (Expansion Area or Second Phase), Dung Liet Commune, Yen Phong District, Bac Ninh Province, Vietnam, being 60,000sqm Industrial land and 36,979sqm GFA existing improvements
8. **Yen Phong 2C** - Land Parcel No. 576, Map No. 16, Yen Phong II-C Industrial Park, Yen Phong District, Bac Ninh Province, Vietnam, detail as below:
  - Phase 1: 82,300sqm land area with 57,248sqm GFA existing improvements
  - Phase 2: 67,700sqm land area – Vacant land

We provide this Letter which is a condensed version of our more extensive Valuation Reports, outlining key factors that have been considered in arriving at our opinions of values. This Letter should be read in conjunction with the issued Valuation Reports.

We have issued the comprehensive formal full Valuation Reports and this Letter which is vested with Boustead/KTG, in accordance with the terms of engagement entered into between VAS and the addressee, dated [14 February 2023] and Appendix No. VAS/HCM-CON-C050/2023-001, VAS-HCM-CON-C051/2023-001, VAS-HCM-CON-C052/2023-001, VAS-HCM-CON-C053/2023-001, VAS-HCM-CON-C055/2023-001, VAS-HCM-CON-C056/2023-001 dated 11 March 2023.

Basis of Valuation is Market Value.

In accordance with the Royal Institution of Chartered Surveyors (RICS) Valuations - Global Standards 2022, incorporating IVSC International Valuations Standards 2022, the definition of Market Value is as follows:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

The value conclusion reflects all information known by the valuers of VAS who worked on the valuation in respect to the Property, market conditions and available data.

#### Source of Information

VAS has relied upon property information supplied by Boustead/KTG which we assume to be true and accurate. VAS takes no responsibility for inaccurate client supplied information and subsequent conclusions related to such information.

## Reliance on this Letter

We have prepared this Letter which summarizes our Valuation Reports and outlines key factors which have been considered in arriving at our opinion of value. VAS has provided the addressee(s) with a comprehensive Valuation Report for the Property.

The valuation and market information are not guarantees or predictions and must be read in consideration of the following:

- This Letter alone does not contain all the necessary data and support information in terms of the valuation, which is included within our Valuation Report. To understand the complexity of the methodology and the many variables involved, reference must be made to the Valuation Reports, copies of which are held by Boustead/KTG.
- The conclusions within the Valuation Report as to the estimated value are based upon the factual information set forth in the Valuation Report. Whilst VAS has endeavoured to assure the accuracy of the factual information, it has not independently verified all information provided by Boustead/KTG.
- The primary methodologies used by VAS in valuing the Properties includes 1) Capitalisation Method and Discounted Cashflow Analysis for **operating assets** or 2) Direct Comparison Approach and Residual Approach for **vacant land**:
  - The Capitalisation Method and Discounted Cashflow Analysis are based upon estimates of future financial performance and are not predictions. Each methodology begins with a set of assumptions as to income and expenses of the Property and future economic conditions in the local market. The income and expense figures are mathematically extended with adjustments for estimated changes in economic conditions. The resultant value is considered the best practice estimate but is not to be construed as a prediction or guarantee and is fully dependent upon the accuracy of the assumptions as to income, expenses, and market conditions;
  - Direct Comparison Approach and Residual Approach. The Direct Comparison Approach involves a comparison of the property being valued to similar properties that have actually been sold in arms - length transactions or are offered for sale. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis; while the Residual Method is an assessment of the value by considering the value of the proposed development as completed and then deducting all known or anticipated costs of development (including an allowance for developer's profit) to arrive at the underlying land value (or residual value).
- The Valuation Report was undertaken based upon information available and provided to us on 21 February 2023 by Boustead/KTG. VAS accepts no responsibility for subsequent changes in information as to income, expenses, or market conditions, between these dates and the valuation date.
- We draw your attention to the fact that a combination of global inflationary pressures (leading to higher interest rates) and the recent geopolitical events in Ukraine, in addition to the lingering effects of the global Covid-19 pandemic, has heightened the potential for greater volatility in property markets over the short-to-medium term. Experience has shown that consumer and investor behavior can quickly change during periods of such heightened volatility. Investment decisions should reflect this heightened level of volatility. Investment caution is advised in this regard. You should note that the conclusions set out in this report are valid as at the valuation date only. Where appropriate, we recommend that the valuation is closely monitored, as we continue to track how market participants respond to current events.

No reliance may be placed upon the contents of this Letter by any party for any purpose other than in connection with the Purpose of Valuation and only with reference to the Valuation Report.

## Property Details

The following provides a brief summary of the key attributes of the subject properties:

### LAND AREA/GROSS FLOOR AREA/NET LEASING AREA

No.	Property	Land area (sqm)	GFA (sqm)	NLA (sqm)	Current status
1	Nhon Trach Textile	54,000	34,039	33,420	Operating asset
2	Nhon Trach 2 – Phase 1	60,000	33,976	33,360	Operating asset
	Nhon Trach 2 – Phase 2	62,939	39,032	38,412	Operating asset
	Nhon Trach 2 – Phase 3	63,964	-	-	Vacant land
3	Nhon Trach 3A	33,900	21,521.6	21,431	Operating asset
4	Nhon Trach 3B	62,429	-	-	Vacant land
5	Tam Phuoc B	23,521	15,577	15,309	Operating asset
6	Yen Phong 1	36,000	21,204	21,160	Operating asset
7	Yen Phong 2	60,000	36,979	40,335	Operating asset
8	Yen Phong 2C – Phase 1	82,300	57,248	52,540	Operating asset
	Yen Phong 2C – Phase 2	67,700	-	-	Vacant land

### TENURE

#### 1. Nhon Trach Textile

Leasehold (upfront payment) – expiring on 12 September 2053 with remaining land lease term – 30.5 years approx.

#### 2. Nhon Trach 2

Leasehold (annual payment for infrastructure fee and land rental) – expiring on 26 February 2057 with remaining land lease term – approx. 34 years.

#### 3. Nhon Trach 3A

Leasehold (annual payment infrastructure fee and land rental) – expiring on 05 September 2058 with remaining land lease term – 35.5 years approx.

#### 4. Nhon Trach 3B

Leasehold (annual payment for infrastructure fee and land rental) – expiring on 05 September 2058 with remaining land lease term – 35.5 years approx.

#### 5. Tam Phuoc B

Leasehold (annual land lease and infrastructure payments) – expiring on 06 October 2053 with remaining land lease term – 30.6 years approx.

#### 6. Yen Phong 1

Leasehold (upfront payment for infrastructure fee and annual payment for land rental) – expiring on 15 November 2066. Remaining land lease term – 43.7 years approx.

## 7. Yen Phong 2

Leasehold (upfront payment for infrastructure fee and annual payment for land rental )  
 – expiring on 15 November 2066. Remaining land lease term – 43.7 years approx.

## 8. Yen Phong 2C

Leasehold (upfront payment for infrastructure fee and annual payment for land rental)  
 – expiring on 11 September 2068. Remaining land lease term – 45.5 years approx.

## Valuation Rationale

In arriving at our opinion of value, we have considered relevant general and economic factors and in particular have investigated recent sales and leasing transactions of comparable properties that have occurred in the industrial property market. We have primarily utilised the **Capitalisation Method, Discounted Cashflow Analysis for operating assets** and **Direct Comparison Method and Residual Approach for vacant sites** in undertaking our assessment for the Property.

### OPERATING ASSETS

#### CAPITALIZATION METHOD/INCOME CAPITALIZATION APPROACH

We have utilised the income capitalisation approach in which the sustainable net income on a fully leased basis has been estimated having regard to the current passing rental income and other income. From this figure, we have deducted applicable outgoings, including operating expenses.

The resultant net income has been capitalized for the remaining tenure of the Property to produce a core capital value. The capitalisation rate adopted reflects the nature, location and tenancy profile of the Property together with current market investment criteria, as evidenced by the sales evidence considered. Thereafter, appropriate capital adjustments have been included which relate to provisions for existing vacancies, rental reversion adjustments and capital expenditure requirements.

#### DISCOUNTED CASH FLOW ANALYSIS (DCF)

We have also carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the Property is sold at the commencement of the eleventh year of the cash flow. This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of both rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including a target or pre-selected internal rate of return, rental growth, sale price of the property at the end of the investment horizon, costs associated with the initial purchase of the property and also its disposal at the end of the investment period.

We have investigated the current market requirements for an investment return over a 10-year period from industrial properties. We hold regular discussions with investors active in the market, both as purchasers and owners of industrial properties.

Our selected terminal capitalisation rate, used to estimate the terminal sale price, takes into consideration perceived market conditions in the future, estimated tenancy and cash flow profile and the overall physical condition of the building in 10 years' time. The adopted terminal capitalisation rate additionally has regard to the duration of the remaining leasehold tenure of the Property at the end of the cash flow period.

## VACANT SITES

### DIRECT COMPARISON METHOD

We have carried out a sales comparison approach. The sales utilized represent the best data available for comparison with the properties. These sales were chosen based upon their proximity, land size, land use, industrial zoning and overall characteristics which are the most representative of the subject properties as of the valuation date. Adjustment to these sales are based on certain categories, such as legal, location, land use, remaining years and land size, there are very quantifiable adjustments that can be tied to remaining years while on qualitative differences such as location, infrastructure system, No. of street frontages there is a more subjective adjustment made and garnered from experience.

### RESIDUAL APPROACH/DISCOUNTED CASH FLOW ANALYSIS (DCF)

The Residual Method is an assessment of the value of the proposed development as completed and the deduction of all known or anticipated costs of development (including an allowance for developer's profit) to arrive at the underlying land value (or residual value).

For this valuation, we have utilised a Discounted Cash Flow analysis, projecting the future cashflows of the development and discounting back to a present value. Cash flows include the future income from the anticipated sale or rental income of the completed development, offset by all the costs associated with completing the proposed development. Its application as an Investment Method of Valuation relies upon the calculation of a Net Present Value which is derived through the discounting of the cash inflows and outflows at the applied Discount Rate.

The adopted market derived Discount Rate takes into consideration the return an investor would require to invest into a development of this nature, taking into consideration the specific risks associated with the completion of the development.

In undertaking this analysis, a wide range of assumptions are made including but not limited to; the cost of construction including professional fees, allowance for contingency etc., the projected amount the proposed development will be sold or leased, costs associated with selling/leasing the development, and the time to complete the development, sales and realise any profits.

Our analysis has been based upon a fixed term investment horizon in which we have assumed that the property is sold at the commencement of the sixth year of the cash flow in regard to a five-year discounted cash flow and the eleventh year in regard to a ten-year discounted cash flow, unless sold earlier. The cash flow analysis comprises annual income streams in which we have discounted the income of each year of the cash flow on a midpoint basis, which assumes an income of six months in arrears and six months in advance.

The analysis proceeds on a before tax basis, and whilst we have not qualified any potential taxation benefits associated with the property, we are of the view that these are an issue which a prospective purchaser would reflect in its consideration.

## VALUATION APPROACH

The adopted capitalisation rate, discount rate and terminal rate are as follows:

No.	Property	Capitalisation rate (%)	Discount rate (%)	Terminal rate (%)
1	Nhon Trach Textile	8%	12%	8.25%
2	Nhon Trach 2 – P1	8%	12%	8.25%
	Nhon Trach 2 – P2	8%	12%	8.25%
	Nhon Trach 2 – P3	8%	For GDV: 12% For development site: 14.5%	8.25%
3	Nhon Trach 3A	8%	12%	8.25%
4	Tam Phuoc B	8.25%	12.25%	8.5%
5	Yen Phong 1	8%	12%	8.25%
6	Yen Phong 2	8%	12%	8.25%
7	Yen Phong 2C – P1	8%	12%	8.25%
	Yen Phong 2C – P2	8%	12%	8.25%

## Assessment of Value

We are of the opinion that the Market Value of the Subject Properties listed below, are as follows:

1	<b>Nhon Trach Textile</b>	VND323,730,000,000	US\$13,500,000
2	<b>Nhon Trach 2</b>		
	Phase 1	VND400,500,000,000	US\$16,700,000
	Phase 2A & 3	VND623,500,000,000	US\$26,000,000
3	<b>Nhon Trach 3A</b>	VND199,000,000,000	US\$8,300,000
4	<b>Nhon Trach 3B</b>	VND187,000,000,000	US\$7,800,000
5	<b>Tam Phuoc B</b>	VND141,482,000,000	US\$5,900,000
6	<b>Yen Phong 1</b>	VND273,000,000,000	US\$11,400,000
7	<b>Yen Phong 2</b>	VND542,000,000,000	US\$22,600,000
8	<b>Yen Phong 2C</b>	VND1,047,900,000,000	US\$43,700,000
	Phase 1	VND808,100,000,000	US\$33,700,000
	Phase 2	VND239,800,000,000	US\$10,000,000

The adopted FX Rate is VND23,980/US\$1 as of 17 February 2023 and instructed by the Instructing Party.

## Key Risks, Assumptions, Disclaimers, Limitations, and Qualifications

VAS have prepared this Letter and, to the extent permitted by law, specifically disclaim liability to any person in the event of any omission from or false or misleading statement included in this Circular, other than in respect of the information provided within the aforementioned Reports and this Letter. VAS does not make any warranty or representation as to the accuracy of the information in any other part of this Circular other than as expressly made or given by VAS in this Letter.

VAS has relied upon property data supplied by Boustead/KTG which we assume to be true and accurate. VAS takes no responsibility for inaccurate client supplied data and subsequent conclusions related to such data.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and is our personal, unbiased professional analyses, opinions, and conclusions. VAS and the respective appraisers

involved in each assignment have no present or prospective interest in the Property and have no personal interest or bias with respect to the party(ies) involved.

You should note that the conclusions set out in this report are valid as at the valuation date only. Where appropriate, we recommend that the valuation is closely monitored, as we continue to track how market participants respond to current events.

#### LEGAL DISCLAIMER

- VAS is not operating under any financial services license when providing the full Valuation Report or this Valuation Summary Letter (and accompany Valuation Certificates), and those documents do not constitute financial product advice. Investors should consider obtaining independent advice from their financial advisor before making any financial decision.
- The Valuation Report and this Valuation Summary Letter (and accompany Valuation Certificates) are strictly limited to the matters contained within those documents, and are not to be read as extending, by implication or otherwise, to any other matter in the Offer Document.
- Without limitation to the above, no liability is accepted for any loss, harm, cost or damage (including special, consequential or economic harm or loss) suffered as a consequence of fluctuations in the real estate market subsequent to the date of valuation.
- VAS has prepared the full Valuation Report and this Valuation Summary Letter (and accompany Valuation Certificates) relying on and referring to certain information provided by Boustead/KTG and/or third parties including financial and market information (the "Information"). VAS assumes that the Information is accurate, reliable and complete and it has not independently verified such Information, and is not aware of any circumstances or reasons which would (or is reasonably likely to) render any of the Information untrue or inaccurate.
- References to the Property's value within this Valuation Summary Letter (including the accompany Valuation Certificates) or the Offer Document have been extracted from VAS's Valuation Report. The Valuation Report draws attention to the key issues and considerations impacting value and provides a detailed assessment and analysis as well as key critical assumptions, general assumptions, disclaimers, limitations and qualifications and recommendations. As commercial investments of this nature are inherently complex and the market conditions have changed and/or have been uncertain in recent times, VAS recommends that this Valuation Summary Letter (and accompany Valuation Certificates) and any references to value within the Offer Document must be read and considered together with the Valuation Report. This Valuation Summary Letter is to be read in conjunction with our full Valuation Report and is subject to the Assumptions, Limitations, Disclaimers and Qualifications contained therein. We refer the reader to Boustead/KTG to obtain a copy of the Full Valuation Report.
- Subject to applicable laws and regulations (including the Securities and Futures Act 2001 of Singapore), no responsibility is accepted for any loss or damage incurred by other persons (save for the Reliant Parties) arising as a result of reliance upon this Valuation Summary Letter and the Full Valuation Report.
- Neither this Valuation Summary Letter (and accompany Valuation Certificates) nor the full Valuation Report may be reproduced in whole or in part without the prior written approval of VAS.
- VAS charges a professional fee for producing valuation reports.
- VAS has no present or prospective interest in the Properties and are not a related corporation of nor does it have a relationship with Boustead/KTG, or its owners, advisers etc. VAS's compensation as a valuer is not contingent upon reporting of a predetermined value or direction in value that favours Boustead/KTG nor does VAS have an economic or other interest (direct or indirect) in the success of the Offer.
- VAS has prepared this summary letter for inclusion within the Offer Document but has not been involved in the preparation of the Offer Document. VAS has not been required to approve or express any opinion about any part of the Offer Document other than this Valuation Summary Letter (and accompany Valuation Certificates). VAS disclaims any liability to any person in the event of an omission from, or false and misleading statements included



in the Offer Document, other than in respect of the information provided within the Valuation Report and Valuation Summary Letter (and accompany Valuation Certificates). VAS does not make any warranty or representation as to the accuracy of the information in any other part of the Offer Document.

- SUBJECT to applicable laws and regulations (including the Securities and Futures Act 2001 of Singapore), this document is for the sole use of persons directly provided with it by VAS. Save as provided for under applicable laws and regulations (in particular the Securities and Futures Act 2001 of Singapore), use by, or reliance upon this document by anyone other than those parties named above is not authorised by VAS and (except to the extent that statutory liability under the Securities and Futures Act 2001 of Singapore or by operation of law cannot be excluded), VAS, its directors, employees, affiliates and representatives shall not be liable for any loss arising from such unauthorised use or reliance.
- Where VAS has consented to the disclosure of this Valuation Summary Letter (and accompany Valuation Certificates) in the Offer Document, such disclosure is approved solely for the purpose of providing information to potential investors or any other interested persons.
- Neither the Valuation Report nor this Summary Letter purport to contain all the information that a potential investor or any other interested party may require. They do not consider the individual circumstances, financial situation, investment objectives or requirements. They are intended to be used as guide and for information purposes only and do not constitute advice including without any limitation, investment, tax, legal or any other type of advice. The valuations stated are only best estimates based on our professional judgment and are not to be construed as a guarantee. Potential investors must review the Valuation Report or Valuation Summary Letter (and/or accompany Valuation Certificates) carefully, in their entirety, to understand the assumptions and methodologies stated in the valuation.
- For the avoidance of doubt, all references to “Offer Document” herein shall include any prospectus, offering circular and/or any other accompanying documents in connection with the Offer and required under the Securities and Futures Act 2001 of Singapore.

This Letter and the Valuation Reports are strictly limited to the matters contained within those documents. To the extent permitted by law, VAS specifically disclaims any liability in respect of the use of or reliance on this Letter to any person in the event of any omission or false or misleading statement other than to the Addressees.

Yours sincerely



VAS Valuation Co., Ltd in association with VAS (Vietnam)

Hồ Thị Kim Oanh MRICS

Registered Valuer No. VII11.621

Ministry of Finance of Vietnam

RICS Registered Valuer No. 6138871

Director, Head of Vietnam.

Valuation & Advisory Services.

Encl.: Appendix 1 – Valuation Certificates

## APPENDIX 1 - VALUATION CERTIFICATE

<b>Subject Property 1:</b>	<b>Nhon Trach Textile - 54,000sqm industrial land and 34,039sqm GFA existing improvements</b>  Land Parcel No. 36 & 37 of Cadastral Map No. 70 located in Nhon Trach Textile Industrial Park, Hiep Phuoc Commune, Nhon Trach District, Dong Nai Province, Vietnam
<b>Instructing Party:</b>	<b>KTG Industrial Long Thanh Company Limited</b>
<b>Purpose of Valuation:</b>	For the inclusion in the Offeree Circular to be issued by Boustead Projects Limited (“BPL”) in relation to the voluntary unconditional cash offer by Boustead Singapore Limited (“Offeror”) to acquire all issued and paid-up ordinary shares in the capital of BPL other than those already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees and the parties acting in concert with it.
<b>Basis of Valuation:</b>	Market Value
<b>Interest Valued:</b>	Leasehold (upfront payment) – expiring 12 September 2053  Remaining land lease term – 30.5 years approx.
<b>Valuation Standards:</b>	The valuation is conducted in accordance with RICS Valuation - Global Standards 2022 incorporating the IVSC International Valuation Standards (IVS), issued in November 2021 and effective from 31 January 2022.
<b>Registered Beneficial Owner:</b>	KTG Industrial Long Thanh Company Limited
<b>Land Area:</b>	54,000sqm (as per the LURCs)
<b>Gross Floor Area (GFA)</b>	34,039sqm GFA (as per the LURCs)
<b>Net Leasable Area (NLA):</b>	33,420sqm ( <i>As per information provided by Instructing Party</i> )
<b>Zoning:</b>	Based on the LURCs No.CV388638 and No.CV388639 both dated 28 July 2020 issued by Dong Nai Province’s Department of Natural Resources and Environment, the Subject Property is located within a designated area for industrial land.
<b>Site Description:</b>	<p>The Subject Property (SP) is sited on two separate industrial land parcels (with two separate LURCs) within Nhon Trach Textile Industrial Park, Hiep Phuoc Commune, Nhon Trach District, Dong Nai Province, Vietnam. The site is approx. 8km from the People’s Committee (PC) of Nhon Trach District, approx. 40km from the Southeast of Dong Nai Province’s PC, approx. 43km from the East of Ho Chi Minh’s PC and approx. 50km from the East of Tan Son Nhat International Airport. The site is currently bordered by 2 internal roads to the West and the South respectively and Vo Van Tan Street to the North. It is approx. 12km to HCM - Long Thanh - Dau Giay Expressway and can be directly accessed by an internal street via Vo Van Tan Street.</p> <p>Nhon Trach Textile Industrial Park (IP) has been developed since 2003 by Vinatex – Tan Tao Investment Corporation – Joint Stock Company (JSC). The IP has total area of 184ha. Main focusing sectors in the IP include textile, electronics, electricity, construction materials, pharmaceuticals, foodstuffs, consumer goods etc.</p> <p>Surrounding developments are existing factories within Nhon Trach Textile Industrial Park, such as Jungwoo Vina Co. Ltd., Hoa Binh Textile JSC, Glassworks Co. Ltd, etc.</p> <p>The Subject Property is rectangular shaped and at generally level topography. As at the valuation date, all infrastructures to the boundary of the Subject Property were in place with completed road systems, sewerage systems and telecommunication systems.</p>
<b>Existing Improvements Description:</b>	At the inspection date, there are ten Ready-Built Factories (RBFs), and other ancillary improvements. The improvements were fully completed between 2011 and 2016 with details as follow:

No.	Component(*)	No. of storeys	Completed year	Footprint (sqm)	GFA (sqm)	NLA (sqm)
2	Factory 2	1	2016	2,664	2,795.4	2,794
3	Factory 3	1	2014	2,664	2,795.4	2,794
4	Factory 4	1	2014	2,664	2,795.4	2,794
5	Factory 5	1	2013	2,590	2,800.0	2,800
6	Factory 6 (**)	1	2011	2,590	2,800.0	2,800
7	Factory 7	1	2016	4,095	4,222.8	4,222.8
8	Factory 8	1	2015	4,095	4,222.8	4,222.8
9	Factory 9	1	2016	4,095	4,567.5	4,095
10	Factory 10	1	2016	4,095	4,244.1	4,103
<b>Total</b>					<b>34,039</b>	<b>33,420</b>

(\*) In each factory unit, there is a two-storey office space of approx. 260-420sqm NLA.

(\*\*) At the inspection date, Factory 6 is vacant, deteriorating and not leased.

**Tenancy Profile**

The total leasable area is 33,420sqm NLA. As provided by the Instructing Party, the current net passing rents are from US\$2.95 - US\$4.16/sqm NLA/month for RBF and US\$3.85 - US\$6.25/sqm NLA/month for office area. The service charge is between US\$0.10 - US\$0.12/sqm NLA/month. The average lease term is 2-6 years. The occupancy rate is 88.3%, equivalent to 29,517sqm NLA.

**Valuation Comment:**

At the inspection date, Factory 6 is vacant, in poor condition and not leased. We understand from the Instructing Party Factory 6 is to be demolished and rebuilt from May 2023, with estimated completion in November 2023. We have factored the current condition of the factory into our assessment as at the valuation date.

**Valuation Approaches:**

Capitalisation Approach;

- Capitalisation Rate: 8%

Discounted Cashflow Analysis.

- Discount Rate: 12%
- Terminal Yield: 8.25%

**Date of Inspection:**

21 February 2023

The inspection for this valuation was conducted prior to date of valuation (3 March 2023). We have assumed that no material change to the Subject Property has occurred between the dates of inspection and valuation.

**Date of Valuation:**

03 March 2023

**MARKET VALUE**

**VND323,730,000,000**

**Three Hundred Twenty-Three Billion Seven Hundred Thirty Million Vietnam Dong Only**

*This valuation is exclusive of VAT*

*The currency in which the valuation is to be expressed will be VND, then exchanging to US\$ for referring purpose.*

**Currency Equivalent Value**

**US\$13,500,000**

**Thirteen Million Five Hundred Thousand United States Dollars Only**

*Applied selling exchange rate published by Vietcombank as of 17 February 2023 and instructed by the Instructing Party. US\$ 1= VND23,980.*

**Valuation Certificate Validity:**

This Valuation Certificate is addressed to KTG Industrial Long Thanh Company Limited and is for their uses only and valid for a period of three months from the date of opinion given.

The value assessed may in the future change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property or particular

property sector). VAS Valuation Co., Ltd. (“VAS”) does not accept liability for losses arising from subsequent changes in value.

**Assumptions, Disclaimers,  
Limitations &  
Qualifications**

All data provided in this Certificate is wholly reliant on and must be read in conjunction with the information provided in the Full Valuation Report. It is a synopsis only designed to provide a brief overview and must not be acted on in isolation. This valuation is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout the Full Valuation Report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section of the Full Valuation Report. Reliance on this Summary Letter, and the Full Valuation Report and extension of our liability is conditional upon the reader’s acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.

**Prepared By:**



**VAS Valuation Co. Ltd**

**Mr. Kim Oanh MRICS**

Registered Valuer No. VII11.621  
 Vietnam Ministry of Finance  
 RICS Registered Valuer No. 6138871  
 Director  
 Valuation & Advisory Services

**VAS Valuation Co. Ltd**

**Nguyen Thi Ut Em MRICS**

Registered Valuer No. VIII13.756  
 Ministry of Finance of Vietnam  
 RICS Registered Valuer No. 6610417  
 Associate Director

**Job Number: 23-CONHCM-0035-1**

**Date of Final Report: 11 March 2023**

## VALUATION CERTIFICATE

<b>Subject Property 2:</b>	<b>Nhon Trach 2 – Phase 1, 2, 3 are detailed as below:</b> <ul style="list-style-type: none"><li>Phase 1: 60,000sqm industrial land incorporating with 33,976.3sqm GFA existing improvements</li><li>Phase 2A: 62,939.3sqm industrial land incorporating with 39,008.37sqm GFA existing improvements</li><li>Phase 3: 63,963.7sqm industrial land area (vacant land)</li></ul> Nhon Trach II Industrial Park, Phu Hoi Commune, Nhon Trach District, Dong Nai Province, Vietnam																
<b>Instructing Party:</b>	<b>Boustead Projects Land (Vietnam) Company Limited</b>																
<b>Purpose of Valuation:</b>	For inclusion in the Offeree Circular to be issued by Boustead Projects Limited (“BPL”) in relation to the voluntary unconditional cash offer by Boustead Singapore Limited (“Offeror”) to acquire all issued and paid-up ordinary shares in the capital of BPL other than those already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees and the parties acting in concert with it.																
<b>Basis of Valuation:</b>	Market Value																
<b>Valuation Standards:</b>	The valuation is conducted in accordance with RICS Valuation – Global Standards 2022, incorporating the IVSC – International Valuation Standards. These standards were issued by the Royal Institution of Chartered Surveyors (“RICS”) in November 2021 and effective from 31 January 2022.																
<b>Interest Valued:</b>	Leasehold (annual payment for infrastructure use fee and land rental) – expiring on 26 February 2057 Remaining land lease term – approx. 34 years.																
<b>Registered Beneficial Owner:</b>	Boustead Projects Land (Vietnam) Co. Ltd																
<b>Land Area, Gross Floor Area (GFA) and Net Lettable Area (NLA):</b>	Details are shown below: <table><tr><th>Property</th><th>Land Area (sqm)</th><th>Existing/proposed GFA (sqm)</th><th>Existing/proposed NLA (sqm)</th></tr><tr><td>Phase 1</td><td>60,000</td><td>33,976.3</td><td>33,360</td></tr><tr><td>Phase 2A</td><td>62,939.3</td><td>39,008.37</td><td>38,411.62</td></tr><tr><td>Phase 3 (vacant land)</td><td>63,963.7</td><td>41,740.27*</td><td>41,322.9*</td></tr></table> <p>* Proposed area as per construction permit.</p>	Property	Land Area (sqm)	Existing/proposed GFA (sqm)	Existing/proposed NLA (sqm)	Phase 1	60,000	33,976.3	33,360	Phase 2A	62,939.3	39,008.37	38,411.62	Phase 3 (vacant land)	63,963.7	41,740.27*	41,322.9*
Property	Land Area (sqm)	Existing/proposed GFA (sqm)	Existing/proposed NLA (sqm)														
Phase 1	60,000	33,976.3	33,360														
Phase 2A	62,939.3	39,008.37	38,411.62														
Phase 3 (vacant land)	63,963.7	41,740.27*	41,322.9*														
<b>Zoning and Approvals:</b>	As per two (2) Certificates of LURCs <b>No. CT933148/CT50136</b> and <b>No. DC 548973/CT68771</b> the Subject Properties are located in the area designated for industrial use.																
<b>Site Description:</b>	The Subject Properties comprise of three (3) phases named as Phase 1, 2A & 3 of 60,000sqm, 62,939.3sqm & 63,963.7sqm land area, respectively, located within Nhon Trach II Industrial Park, Phu Hoi Commune, Nhon Trach District, Dong Nai Province, Vietnam. The Subject Properties are all regular shaped sites with generally level in topography.																

The Subject Properties are located approx. 4km to the south-east of Nhon Trach District People's Committee, and distances by approx. 37km and 43km to the east of Central Business District (CBD) of Ho Chi Minh City and to the south-east of Tan Son Nhat International Airport respectively.

At the date of inspection, all infrastructures connecting to site boundaries of the Subject Properties were in place with completed road systems, sewerage systems and telecommunication systems.

Phase 1 and 3 can be accessed via Road No.5A and Road No.7C whilst Phase 2A can only be accessed by Road No.7C.

Surrounding developments generally are existing factories and companies located within Nhon Trach II Industrial Park, such as Royal Ceramic Tiles Factory, AJU Vietnam Co., Ltd, V.P.S Co., Ltd, JYS Vina Co., Ltd, Da Luen Vietnam Co., Ltd, etc.

**Existing Improvements Description:**

**Phase 1:** At the valuation date, there is 33,976.3sqm GFA & 33,630sqm NLA comprising five (5) factories, 2 guard houses, 5 power stations and underground water tanks. All these improvements of Phase 1 are finished construction and operated in 2020.

**Phase 2A:** At the valuation date, there is 39,008.37sqm GFA & 38,411.62sqm NLA comprising five (5) factories, auxiliaries such as one (1) guard house, one (1) control house and underground water tanks. All these improvements of Phase 2A are finished construction and operated in 2021.

**Phase 3:** As of the valuation date, Subject Phase is vacant land and ready for construction.

**Tenancy Profile:**

The tenant list of Phase 1 is listed as follows:

No.	Tenant	NLA (sqm)	Lease Commencement	Lease Expiry	Lease term (*) (Yr)	Remaining Lease Term (**) (Yr)	Contracted rental rate (US\$/sqm, incl. SC)
1	Tenant 1	1,100	1-Sep-19	30-June-23	3.8	0.3	\$4.90
2	Tenant 2	1,000	31-Aug-19	30-Aug-27	8.0	4.5	\$5.05
3	Tenant 3	2,000	6-Oct-19	5-Oct-25	6.0	2.6	\$5.57
4	Tenant 4	29,530	1-Oct-19	31-Oct-24	5.1	1.7	\$4.93
<b>Total</b>		<b>33,630</b>			<b>5.2</b>	<b>1.8</b>	<b>5.11</b>

The tenant list of Phase 2A is listed as follows:

No.	Tenant	NLA (sqm)	Lease Commencement	Lease Expiry	Lease term (*) (Yr)	Remaining Lease Term (**) (Yr)	Contracted rental rate (US\$/sqm, incl. SC)
1	Tenant 1	16,394	11-Feb-22	10-Feb-32	10.0	8.9	\$4.90
2	Tenant 2	2,234	11-Feb-22	10-Feb-32	10.0	8.9	\$5.70
3	Tenant 3	12,664	18-May-22	31-Oct-24	2.5	1.7	\$5.35
4	Tenant 4	1,232	18-May-22	31-Oct-24	2.5	1.7	\$5.35
5	Vacant	5,887					
<b>Total</b>		<b>38,412</b>			<b>6.8</b>	<b>5.8</b>	<b>5.15</b>

(\*) Lease term: Counting from Lease Commencement to Lease Expiry Date

(\*\*) Remaining Lease Term: Counting from the valuation date (3 March 2023) to the Lease Expiry Date

<b>Valuation Comment:</b>	<p>At the date of valuation, Phase 3 is vacant land plot and according to proposed development schedule provided by the Instructing Party, Phase 3 has approved construction permit and is scheduled to complete construction in March 2025. We have not been provided the total proposed NLA of Phase 3. We have estimated a reasonable NLA based on similar projects when assessing the potential development. We reserve the right to review our valuation should this information subsequently be proven to be incorrect in any way.</p> <p>Our valuation is our best estimate, using our professional judgment, as to the approximate value that might be attributed to a parcel of land with the assumed characteristics as at the valuation date. If any of our assumptions are found to be inaccurate our valuation is void and all reliance is revoked. We reserve the right to review and, if necessary, vary the valuation if there are changes to the assumptions made herein.</p>
<b>Valuation Approaches:</b>	<p>Phase 1 &amp; 2A:</p> <ul style="list-style-type: none"> <li>• Capitalisation Approach</li> <li>• Discounted Cashflow Analysis</li> </ul> <p>Phase 3:</p> <ul style="list-style-type: none"> <li>• Direct Comparison Approach</li> </ul> <p>Residual/Discounted Cashflow Analysis</p>
<b>Date of Inspection:</b>	<p>21 February 2023</p> <p>The inspection for this valuation was conducted prior to the date of valuation (3 March 2023). We have assumed that no material change to the Subject Property/ies has occurred between the dates of inspection and valuation.</p>
<b>Date of Valuation:</b>	03 March 2023
<b>Market Value “As Is”</b>	<p><b>Phase 1:</b>  <b>VND400,500,000,000</b>  <b>Four Hundred Billion and Five Hundred Million Viet Nam Dong</b></p> <p><b>Phase 2A &amp; 3:</b>  <b>VND623,500,000,000</b>  <b>Six Hundred Twenty-Three Billion and Five Hundred Million Viet Nam Dong</b></p> <p><i>The currency in which the valuation is expressed in VND, then exchanging to US\$ for referring purpose. This valuation is exclusive of VAT</i></p>
<b>Currency Equivalent Value:</b>	<p><b>Phase 1:</b>  <b>US\$16,700,000</b>  <b>Sixteen Million and Seven Hundred Thousand United States Dollars</b></p> <p><b>Phase 2A &amp; 3</b>  <b>US\$26,000,000</b>  <b>Twenty-Six Million United States Dollars</b></p> <p><i>Applied selling exchange rate published by Vietcombank as of 17 February 2023 and instructed by the Instructing Party. US\$ 1= VND23,980</i></p>



**Valuation Certificate  
Validity:**

This Valuation Certificate is addressed to Boustead Projects Land (Vietnam) Company Limited and is for their uses only and valid for a period of three months from the date of opinion given.

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**Assumptions,  
Disclaimers,  
Limitations &  
Qualifications**

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**Prepared By:**
**VAS Valuation Co., Ltd**


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 Director, Head of Vietnam  
 Valuation & Advisory Services

**Job Number: 23-CONHCM-0036**
**Date of Final Report: 11 March 2023**

## VALUATION CERTIFICATE

<b>Subject Property 3:</b>	<b>Nhon Trach 3A - 33,900sqm industrial land area and 21,521.6sqm GFA existing improvements</b>
	Land Parcel No. 30, Cadastral No. 20, Nhon Trach 3 Industrial Park – Phase 2, Nhon Trach District, Dong Nai Province, Vietnam.
<b>Instructing Party:</b>	<b>KTG Industrial Long Thanh Company Limited</b>
<b>Purpose of Valuation:</b>	For inclusion in the Offeree Circular to be issued by Boustead Projects Limited (“BPL”) in relation to the voluntary unconditional cash offer by Boustead Singapore Limited (“Offeror”) to acquire all issued and paid-up ordinary shares in the capital of BPL other than those already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees and the parties acting in concert with it.
<b>Basis of Valuation:</b>	Market Value
<b>Interest Valued:</b>	Leasehold (annual payment for land rental and infrastructure) – 50 years expiring on 05 September 2058 (As per LURC No. DC548823/CT68754 issued on 19 January 2022).  Remaining Land Lease Term – 35.5 years approx.
<b>Valuation Standards:</b>	The valuation is conducted in accordance with RICS Valuation - Global Standards 2022 incorporating the IVSC International Valuation Standards (IVS), issued in November 2021 and effective from 31 January 2022.
<b>Registered Beneficial Owner:</b>	KTG Industrial Long Thanh Co., Ltd
<b>Land areas:</b>	33,900sqm land area.
<b>Gross Floor Area (GFA)</b>	21,521.6sqm GFA.
<b>Net Leasable Area (NLA)</b>	21,431sqm (As per information provided by Instructing Party)
<b>Zoning and Approvals:</b>	As per LURC No. DC548823/CT68754 issued on 19 January 2022 and Sublease Agreement No.15/HDTD.TCT dated 29 April 2020, Subject Property is located in the area designated for industrial use.
<b>Site Description:</b>	<p>The Subject Property is located within Nhon Trach 3 Industrial Park, Long Thanh District, Dong Nai Province, Vietnam. Subject Property is regular shaped and general level topography. At the date of inspection, all infrastructures were in place with completed road systems, sewerage systems and telecommunication systems.</p> <p>The Subject Property is located approx.11.5km Southeast from Nhon Trach District People’s Committee, and distances by approx. 41.5km East of Central Business District (CBD) of Ho Chi Minh City and 48km Southeast of Tan Son Nhat International Airport respectively. Subject Property can be accessed via Vo Van Tan Street.</p> <p>Surrounding developments generally are existing factories located within Nhon Trach III Industrial Park, such as Mac Tich Co., Ltd, Kim Trang Anh One Member Co., Ltd, Soltec VN Co., Ltd, etc.</p>
<b>Existing Improvements Description:</b>	The Subject Property comprise of six Ready-Built Factories (RBF) with total GFA of 21,521.6sqm. The details of constructions are indicated in the table below:

No.	Component	No. of storeys	Completed year	Footprint (sqm)	GFA (sqm)	NLA (sqm)
1	Factory 01	Single storey + Mezzanine	2019	4,094.0	5,130.0	5,130
2	Factory 02	Single storey + Mezzanine	2019	4,094.0	4,259.0	4,259
3	Factory 03	Single storey + Mezzanine	2020	3,240.0	3,354.0	3,354
4	Factory 04	Single storey + Mezzanine	2020	3,009.0	3,123.0	3,123
5	Factory 05	Single storey + Mezzanine	2020	2,652.1	2,766.1	2,766

6	Factory 06	Single storey + Mezzanine	2020	2,684.5	2,798.5	2,799
7	Security House	Single storey	2020	60.0	60.0	
8	Pump Station	Single storey	2020	15.0	15.0	
9	Voltage Transformer	Single storey	2020	16.0	16.0	
10	Infrastructure		2019	33,900.0	20,859.0	
<b>Total area</b>				<b>19,864.6</b>	<b>21,521.6</b>	<b>21,431</b>

(\*) Not including infrastructure area.

Source: Provided by Instructing Party, 2023

#### Tenancy Profile

The total leasable area is 21,430.6sqm NLA. As provided by the Instructing Party, the current net passing rents are from US\$3.80 - US\$4.92/sqm NLA/month for RBF and US\$4.6 - US\$4.9/sqm NLA/month for office area as of the valuation date. The service charge ranges from US\$0.1 - US\$0.18/sqm NLA/month. The average lease term is 3-5 years. The occupancy rate is 100%, equivalent to 21,430.6sqm NLA.

#### Valuation Comment:

At the valuation date, we have not been granted the certificate construction's ownership, for the purpose of this report, our assessment of value is provided under the assumption the building's ownership can be issued without restriction. We strongly recommend a Property Lawyer or similar reviews this assumption and confirms that the property is able to be transferred on this basis.

#### Valuation Approaches:

Capitalisation Approach

- Capitalisation Rate: 8.0%

Discounted Cash Flow Analysis

- Discount Rate: 12.0%
- Terminal Yield: 8.25%

#### Date of Inspection:

21 February 2023

The inspection for this valuation was conducted prior date of valuation (3 March 2023). We have assumed that no material change to the Subject Property has occurred between the dates of inspection and valuation.

#### Date of Valuation:

03 March 2023

#### MARKET VALUE "AS IS"

**VND199,000,000,000**

**One Hundred Ninety-Nine Billion Vietnam Dong Only.**

The currency in which the valuation is to be expressed will be VND, then exchanging to US\$ for referring purpose.

This valuation is exclusive of VAT

#### Currency Equivalent Value

**US\$8,300,000**

**Eight Million Three Hundred Thousand United States Dollars Only.**

Applied selling exchange rate published by Vietcombank as of 17 February 2023 and instructed by the Instructing Party. US\$ 1= VND23,980

#### Valuation Certificate Validity:

This Valuation Certificate is addressed to KTG Industrial Long Thanh Company Limited and is for their uses only and valid for a period of three months from the date of opinion given.

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**Assumptions, Disclaimers,  
Limitations &  
Qualifications**

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**Prepared By:**

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**Phạm Kim Oanh MRICS**

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 Ministry of Finance of Vietnam  
 RICS Registered Valuer No. 6610417  
 Associate Director

**Job Number: 23-CONHCM-0035-2**
**Date of Final Report: 11 March 2023**

## VALUATION CERTIFICATE

<b>Subject Property 4:</b>	<b>Nhon Trach 3B - 64,429sqm industrial land</b>  Land Parcel No. 10, Cadastral No. 20, Nhon Trach 3 Industrial Park – Phase 2, Long Tho Commune, Nhon Trach District, Dong Nai Province, Vietnam
<b>Instructing Party:</b>	<b>KTG Industrial Nhon Trach Joint Stock Company</b>
<b>Purpose of Valuation:</b>	For inclusion in the Offeree Circular to be issued by Boustead Projects Limited (“BPL”) in relation to the voluntary unconditional cash offer by Boustead Singapore Limited (“Offeror”) to acquire all issued and paid-up ordinary shares in the capital of BPL other than those already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees and the parties acting in concert with it.
<b>Basis of Valuation:</b>	<b>Market Value</b>
<b>Interest Valued:</b>	50-year leasehold (annual payment for infrastructure use and land rental fees), expiring on 5 September 2058. Remaining land lease term – approx. 35.5 years since valuation date.  <i>(As per Land Use Right Certificate CT821996/CT53130).</i>
<b>Valuation Standards:</b>	The valuation is conducted in accordance with RICS Valuation - Global Standards 2022 incorporating the IVSC International Valuation Standards (IVS) issued in November 2021 and effective from 31 January 2022.
<b>Current Registered Beneficial Owner:</b>	<b>KTG Industrial Nhon Trach Joint Stock Company</b>
<b>Land Area:</b>	62,429sqm industrial land area;
<b>Zoning &amp; Approvals:</b>	The Subject Property is located within industrial zone known as Nhon Trach 3 (Phase 2) Industrial Park that is designated area for industrial use.
<b>Property Description:</b>	<p>The Subject Property is 62,429sqm industrial land area located within Nhon Trach 3 (Phase 2) Industrial Park, Long Tho Commune, Nhon Trach District, Dong Nai Province, Vietnam. The Subject Property is regular in shape and generally level in topography. The site owns a frontage of Street No. 2 to the West (existing street of 24 meters road width).</p> <p>The Subject Property is located approx. 38km to the North-slightly West of the People’s Committee of Dong Nai Province (positioned in Bien Hoa City), approx. 38km and 45km to the Eastern of the People’s Committee of Ho Chi Minh City and Tan Son Nhat International Airport, respectively.</p> <p>Surrounding developments generally include vacant industrial land plots and existing factories and warehouses located within Nhon Trach 3 IP.</p> <p>At the date of inspection, erected on the Subject Property is a 2-level building and a guard house in poor condition at the main entrance, remaining part is covered by weeds.</p>
<b>Valuation Approach:</b>	Direct Comparison Approach
<b>Date of Inspection:</b>	21 February 2023
<b>Date of Valuation:</b>	3 March 2023
	The inspection for this valuation was conducted prior to the valuation date. We have assumed that no material change to the Subject Property has occurred between the inspection date and valuation date.
<b>MARKET VALUE</b>	<b>VND187,000,000,000</b>  <b>One Hundred Eighty Seven Billion Vietnam Dong Only</b>  <i>The valuation currency is expressed in VND, the exchanging to US\$ is for reference purpose.</i>
<b>Currency Equivalent Value:</b>	<b>US\$7,800,000</b>  <b>Seven Million and Eight Hundred Thousand United States Dollars Only</b>

*This valuation is exclusive of VAT.*

*Applied selling exchange rate published by Vietcombank as of 17 February 2023 and instructed by the Instructing Party. US\$ 1= VND23,980*

**Valuation Certificate**  
**Validity:**

This Valuation Certificate is addressed to KTG Industrial Nhon Trach Joint Stock Company and is for their uses only and valid for a period of three months from the date of opinion given.

The value assessed may in the future change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property or particular property sector). VAS Valuation Co., Ltd. ("VAS") does not accept liability for losses arising from subsequent changes in value.

## Assumptions, Disclaimers, Limitations & Qualifications

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**Prepared By:****VAS Valuation Co., Ltd**

**Nguyen Thi Ut Em MRICS**

ASSOCIATE DIRECTOR

Registered Valuer No. VIII13.756  
Ministry of Finance of Vietnam  
RICS Registered Valuer No. 6610417  
Valuation & Advisory Services.

**Job Number: 23-CONHCM-0037**

**Date of Final Report: 11 March 2023**

~~WAS~~ Valuation Co., Ltd

DIRECTOR

Registered Valuer No. VII11.621  
Vietnam Ministry of Finance  
RICS Registered Valuer No. 6138871  
Valuation & Advisory Services

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## VALUATION CERTIFICATE

<b>Subject Property 5:</b>	<b>Tam Phuoc B - 23,521sqm industrial land area with 15,577sqm GFA existing improvements</b>  Land Parcel No. 30, Cadastral No. 62,  Tam Phuoc Industrial Park, Tam Phuoc Commune, Bien Hoa City, Dong Nai Province, Vietnam
<b>Instructing Party:</b>	<b>KTG Industrial Tam Phuoc Company Limited</b>
<b>Purpose of Valuation:</b>	For inclusion in the Offeree Circular to be issued by Boustead Projects Limited ("BPL") in relation to the voluntary unconditional cash offer by Boustead Singapore Limited ("Offeror") to acquire all issued and paid-up ordinary shares in the capital of BPL other than those already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees and the parties acting in concert with it.
<b>Interest Valued:</b>	Leasehold (annual land lease and infrastructure payments) – expiring on 06 October 2053  Remaining land lease term – 30.6 years approx..
<b>Basis of Valuation:</b>	Market Value
<b>Valuation Standards:</b>	The valuation is conducted in accordance with RICS Valuation - Global Standards 2022 incorporating the IVSC International Valuation Standards (IVS) issued in November 2021 and effective from 31 January 2022.
<b>Current Registered Beneficial Owner:</b>	<b>KTG Industrial Tam Phuoc Company Limited</b>
<b>Land Area:</b>	<b>23,521sqm</b> (based on the LURC No. DC573387/CT70664, issued by Resource and Environment Department of Dong Nai Province, dated on 05 July 2022).
<b>Gross Floor Area (GFA)</b>	<b>15,577sqm</b> (as per the LURC)
<b>Zoning &amp; Approvals:</b>	As per the LURC No. DC573387/CT70664, issued by Resource and Environment Department of Dong Nai Province, dated on 05 July 2022, the Subject Property is located in the area designated for industrial use.
<b>Property Description:</b>	<p>The Subject Property is 23,521sqm industrial land area comprising of 2 factories totaling 15,309 sqm GFA and 268sqm GFA of guardhouse and warehouse. It is located within Tam Phuoc Industrial Park, Tam Phuoc Commune, Bien Hoa City, Dong Nai Province, Vietnam. It is entirely irregular shaped and general level topography. At the date of inspection, all infrastructures were in place with completed road systems, sewerage systems and telecommunication systems.</p> <p>The Subject Property is located approx.20km to Northwest of Bien Hoa City People's Committee, and distances by approx. 17km radically to the North of Central Business District (CBD) of Bien Hoa City and 40km to the West of Tan Son Nhat International Airport respectively. The Subject Property can be accessed via Street No.3, No.4 and No.2.</p> <p>Surrounding developments generally are existing factories located within Tam Phuoc Industrial Park, such as Johnson Wood JSC, Crown Beverage Can, Jinmyung Vina, etc.</p>

**Existing Improvements**  
**Description:**

The details of constructions are indicated in the table below:

No.	Component	No. of storeys	Granted legal docs	Footprint (sqm)	GFA (sqm)	NLA (sqm)
1	Factory 01	01 storey	LURC	6,700	<b>6,700</b>	<b>6,700</b>
2	Factory 02	01 storey + 01 mezzanine floor	LURC	8,609	<b>8,609.2</b>	<b>8,609</b>
3	Guard house	01 storey	LURC	9	<b>9.0</b>	
4	Warehouse	01 storey	LURC	259	<b>259.0</b>	
5	Underground water tank	N/A	Construction Permit	230	<b>230.0</b>	
6	Infrastructure system			23,521	<b>23,521</b>	
<b>Total (*)</b>					<b>15,577.2</b>	<b>15,309</b>

(\*) Not including infrastructure area and underground water tank.



<b>Tenancy profile:</b>	The total leasable area is approx. 15,309sqm NLA. As provided by the Instructing Party, the current gross passing rents are from US\$3.47 - US\$3.9/sqm NLA/month for RBF. The service charge is US\$0.1 chargeable area. The average lease term is 3-5 years. The occupancy rate is 96.2%, equivalent to 14,731sqm NLA.
<b>Valuation Approach:</b>	<p>Capitalisation Approach;</p> <ul style="list-style-type: none"> <li>Capitalisation Rate: 8.25%</li> </ul> <p>Discounted Cashflow Analysis.</p> <ul style="list-style-type: none"> <li>Discount Rate: 12.25%</li> <li>Terminal Yield: 8.5%</li> </ul>
<b>Date of Inspection:</b>	21 February 2023
<b>Date of Valuation:</b>	<p>03 March 2023</p> <p><i>The inspection for this valuation was conduct prior to the valuation date. We have assumed that no material change to the Subject Property has occurred between the inspection date and valuation date.</i></p>
<b>Market Value “As Is”</b>	<p><b>VND141,482,000,000</b></p> <p><b>One Hundred Forty-One Billion Four Hundred Eighty-Two Million Vietnam Dong Only</b></p> <p><i>This valuation is exclusive of VAT</i></p> <p><i>The currency in which the valuation is expressed in VND, then the exchange rate to US\$ for referring purpose</i></p>
<b>Currency Equivalent Value:</b>	<p><b>US\$5,900,000</b></p> <p><b>Five Million Nine Hundred Thousand United States Dollars Only</b></p> <p><i>Applied selling exchange rate published by Vietcombank as of 17 February 2023 and instructed by the Instructing Party. US\$ 1= VND23,980</i></p>
<b>Valuation Certificate Validity:</b>	<p>This Valuation Certificate is addressed to KTG Industrial Tam Phuoc Company Limited and is for their uses only and valid for a period of three months from the date of opinion given.</p> <p>The value assessed may in the future change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property or particular property sector). VAS Valuation Co., Ltd. (“VAS”) does not accept liability for losses arising from subsequent changes in value.</p>
<b>Assumptions, Disclaimers, Limitations &amp; Qualifications</b>	<p>All data provided in this Certificate is wholly reliant on and must be read in conjunction with the information provided in the Full Valuation Report. It is a synopsis only designed to provide a brief overview and must not be acted on in isolation. This valuation is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout the Full Valuation Report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations &amp; Disclaimers section of the Full Valuation Report. Reliance on this Summary Letter, and the Full Valuation Report and extension of our liability is conditional upon the reader’s acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.</p>

**Prepared By:**

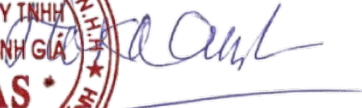
**VAS Valuation Co., Ltd**



**Nguyen Thi Ut Em MRICS**  
Associate Director  
Registered Valuer No. VIII13.756  
Ministry of Finance of Vietnam  
RICS Registered Valuer No. 6610417  
Valuation & Advisory Services.



**VAS Valuation Co., Ltd**



**Thi Kim Oanh MRICS**  
Director  
Registered Valuer No. VII11.621  
Vietnam Ministry of Finance  
RICS Registered Valuer No. 6138871  
Valuation & Advisory Services

**Job Number: 23-CONHCM-0038**  
**Date of Final Report: 11 March 2023**

## VALUATION CERTIFICATE

<b>Subject Property 6:</b>	<b>Yen Phong 1 - 36,000sqm Industrial land and 21,204sqm GFA existing improvements</b>  Land Parcel No. 74, Map No. 14, Yen Phong Industrial Park (expansion area), Dung Liet Commune, Yen Phong District, Bac Ninh Province, Vietnam
<b>Instructing Party:</b>	<b>KTG Industrial Bac Ninh Company Limited</b>
<b>Purpose of Valuation:</b>	For inclusion in the Offeree Circular to be issued by Boustead Projects Limited ("BPL") in relation to the voluntary unconditional cash offer by Boustead Singapore Limited ("Offeror") to acquire all issued and paid-up ordinary shares in the capital of BPL other than those already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees and the parties acting in concert with it.
<b>Basis of Valuation:</b>	Market Value
<b>Interest Valued:</b>	Leasehold (upfront payment infrastructure fee and annual payment for land use fee) – expiring on 15 November 2066. Remaining Land Lease Term – 43.7 years approx.
<b>Valuation Standards:</b>	The valuation is conducted in accordance with RICS Valuation – Global Standards 2022 incorporating the IVSC International Valuation Standards (IVS) issued in November 2021 and effective from 31 January 2022.
<b>Current Registered Beneficial Owner:</b>	<b>KTG Bac Ninh Industrial Development Joint Stock Company</b>
<b>Land Area:</b>	36,000sqm land area (as per Land Use Right Certificate No. CT 695998, dated 03 November 2020).
<b>Gross Floor Area (GFA)</b>	21,204sqm GFA (as per LURC provided by the Instructing Party)
<b>Zoning &amp; Approvals:</b>	As per LURC No. CT695998 dated 03 November 2020, the Subject Property is located entirely within the area approved for industrial use.
<b>Property Description:</b>	<p>The Subject Property is 36,000sqm industrial site located within Yen Phong Industrial Park (Expansion Area or Second Phase), Dung Liet Commune, Yen Phong District, Bac Ninh Province, Vietnam. The site is approx. 11km from the People's Committee (PC) of Yen Phong District, approx. 15km from the Southeast of Bac Ninh Province's PC, approx. 45km from the Northeast of Hanoi's PC and approx. 29km from the East of Noi Bai International Airport. The site is currently bordered with Road RD08 to the West, Road RD09 to the North, and industrial sites to the South &amp; the East. It is approx. 5km from National Road No. 18 and can be directly accessed by an internal street via National Road No. 18.</p> <p>Yen Phong Industrial Park (IP) has been developed since 2005 by Viglacera Corporation - JSC. The IP has total area of 658ha dividing into 2 phases: First Phase – 344ha &amp; Second Phase – 314ha. Main focusing sectors in the IP include electronics, electricity, high-techs, construction materials, pharmaceuticals, foodstuffs, consumer goods etc.</p>
<b>Tenancy Profile</b>	As per provided by the Instructing Party, the total leasable area is approx. 21,160sqm NLA. At the inspection date, the Subject Property has achieved at 57% occupancy. The average lease term is 3-5 years.
<b>Valuation Approach:</b>	Capitalisation Approach; <ul style="list-style-type: none"> <li>Capitalisation Rate: 8%</li> </ul> Discounted Cashflow Analysis. <ul style="list-style-type: none"> <li>Discount Rate: 12%</li> <li>Terminal Yield: 8.25%</li> </ul>
<b>Date of Inspection:</b>	22 February 2023
<b>Date of Valuation:</b>	03 March 2023
	The inspection for this valuation was conducted prior to the valuation date. We have assumed that no material change to the Subject Property has occurred between the inspection date and valuation date.
<b>MARKET VALUE</b>	<b>VND273,000,000,000</b> <b>Two Hundred and Seventy-Three Billion Vietnam Dong Only</b>  This valuation is exclusive of VAT The currency in which the valuation is expressed in VND, then the exchange rate to US\$ for referring purpose

**Currency Equivalent Value: US\$11,400,000**
**Eleven Million and Four Hundred Thousand United States Dollars Only**

*Applied buying exchange rate published by Vietcombank as of 17 February 2023 as instructed by The Instructing Party. US\$ 1= VND23,980*

**Valuation Certificate  
Validity:**

This Valuation Certificate is addressed to KTG Industrial Bac Ninh Company Limited and is for their uses only and valid for a period of three months from the date of opinion given.

The value assessed may in the future change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property or particular property sector). VAS Valuation Co., Ltd. ("VAS") does not accept liability for losses arising from subsequent changes in value.

**Assumptions, Disclaimers,  
Limitations & Qualifications**

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**Prepared By:**
**VAS Valuation Co., Ltd.**


**Tran Thi Thao**  
 Manager  
 Registered Valuer No. XII17.1844  
 Ministry of Finance of Vietnam  
 Valuation & Advisory Services.


**VAS Valuation Co., Ltd.**

**Hu Thi Kim Oanh MRICS**  
 Director  
 Registered Valuer No. VII11.621  
 Vietnam Ministry of Finance  
 RICS Registered Valuer No. 6138871  
 Valuation & Advisory Services

**Job Number: 23-CONHCM-0040-1**  
**Date of Final Report: 11 March 2023**

## VALUATION CERTIFICATE

<b>Subject Property 7:</b>	<b>Yen Phong 2 – 60,000sqm Industrial land and 36,979sqm GFA existing improvements</b>  Land Parcel No. 661, Map No. 3, Yen Phong Industrial Park (expansion area), Dung Liet Commune, Yen Phong District,  Bac Ninh Province, Vietnam
<b>Instructing Party:</b>	<b>KTG Industrial Bac Ninh Company Limited</b>
<b>Purpose of Valuation:</b>	For inclusion in the Offeree Circular to be issued by Boustead Projects Limited (“BPL”) in relation to the voluntary unconditional cash offer by Boustead Singapore Limited (“Offeror”) to acquire all issued and paid-up ordinary shares in the capital of BPL other than those already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees and the parties acting in concert with it..
<b>Interest Valued:</b>	Leasehold (Upfront payment infrastructure fee and Annual payment for land use fee) – expiring on 15 November 2066. Remaining Land Lease Term – 43.7 years approx.
<b>Basis of Valuation:</b>	Market Value
<b>Valuation Standards:</b>	The valuation is conducted in accordance with RICS Valuation – Global Standards 2022 incorporating the IVSC International Valuation Standards (IVS) issued in November 2021 and effective from 31 January 2022.
<b>Current Registered Beneficial Owner:</b>	<b>KTG Bac Ninh Industrial Development Joint Stock Company</b>
<b>Land Area:</b>	60,000sqm land area (as per the LURC No. CY 804980, dated 24 March 2021).
<b>Gross Floor Area (GFA)</b>	36,979sqm GFA (as per LURC provided by the Instructing Party)
<b>Zoning &amp; Approvals:</b>	As per the LURC No. CY 804980, dated 24 March 2021, the Subject Property is approved for industrial use.
<b>Property Description:</b>	<p>The Subject Property is 60,000sqm industrial site located within Yen Phong Industrial Park (Expansion Area), Yen Trung Commune, Yen Phong District, Bac Ninh Province, Vietnam. The site is approx. 11km from the People’s Committee (PC) of Yen Phong District, approx. 15km from the Southeast of Bac Ninh Province’s PC, approx. 45km from the Southwest of Hanoi’s PC and approx. 29km from Noi Bai International Airport. The site has currently been bordered with Road RD06 to the North, Road RD01 to the East, and industrial sites to the South &amp; the West. It is approx. 5km from National Road No.18 and can be directly accessed by an internal street via National Road No. 18.</p> <p>Yen Phong Industrial Park (IP) has been developed since 2005 by Viglacera Corporation – JSC. The IP has total area of 658ha dividing into 2 phases: First Phase – 344ha &amp; Second Phase – 314ha. Main focusing sectors in the IP include electronics, electricity, high-techs, construction materials, pharmaceuticals, foodstuffs, consumer goods etc.</p>
<b>Tenancy Profile</b>	The total leasable area is approx. 40,335sqm NLA (including the expansion area of 2 <sup>nd</sup> mezzanine of unit 1B). At the inspection date, the Subject Property has achieved 82% occupancy. The average lease term is 3-5 years.
<b>Valuation Approach:</b>	Capitalisation Approach; <ul style="list-style-type: none"> <li>Capitalisation Rate: 8%</li> </ul> Discounted Cashflow Analysis. <ul style="list-style-type: none"> <li>Discount Rate: 12%</li> <li>Terminal Yield: 8.25%</li> </ul>
<b>Date of Inspection:</b>	22 February 2023
<b>Date of Valuation:</b>	03 March 2023

The inspection for this valuation was conducted prior to the valuation date. We have assumed that no material change to the Subject Property has occurred between the inspection date and valuation date.

**MARKET VALUE****VND542,000,000,000****Five Hundred and Forty-Two Billion Vietnam Dong Only***This valuation is exclusive of VAT**The currency in which the valuation is expressed in VND, then the exchange rate to US\$ for referring purpose***Currency Equivalent Value:****US\$22,600,000****Twenty-Two Million and Six Hundred Thousand United States Dollars Only***Applied selling exchange rate published by Vietcombank as of 17 February 2023 and instructed by the Instructing Party. US\$ 1= VND23,980***Valuation Certificate Validity:**

This Valuation Certificate is addressed to KTG Industrial Bac Ninh Company Limited and is for their uses only and valid for a period of three months from the date of opinion given.

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**Assumptions, Disclaimers, Limitations & Qualifications**

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**Prepared By:****VAS Valuation Co., Ltd.**

**Tran Thi Thao**

Manager  
 Registered Valuer No. XII17.1844  
 Ministry of Finance of Vietnam  
 Valuation & Advisory Services.

**VAS Valuation Co., Ltd.**

**Thi Kim Oanh MRICS**

Director  
 Registered Valuer No. VII11.621  
 Vietnam Ministry of Finance  
 RICS Registered Valuer No. 6138871  
 Valuation & Advisory Services

**Job Number: 23-CONHCM-0040-2****Date of Final Report: 11 March 2023**

## VALUATION CERTIFICATE

<b>Subject Property 8:</b>	<b>Yen Phong 2C - 150,000sqm Industrial land and 57,248sqm GFA existing improvements</b> <ul style="list-style-type: none"> <li>• Phase 1: 82,300sqm land area and 57,248sqm GFA existing improvements</li> <li>• Phase 2: 67,700sqm land area (vacant land-ready for construction)</li> </ul> <p>Land Parcel No. 576, Map No. 16, Yen Phong II-C Industrial Park, Yen Phong District Bac Ninh Province, Vietnam</p>
<b>Instructing Party:</b>	<b>KTG Industrial Bac Ninh Company Limited</b>
<b>Purpose of Valuation:</b>	For inclusion in the Offeree Circular to be issued by Boustead Projects Limited ("BPL") in relation to the voluntary unconditional cash offer by Boustead Singapore Limited ("Offeror") to acquire all issued and paid-up ordinary shares in the capital of BPL other than those already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees and the parties acting in concert with it..
<b>Interest Valued:</b>	Leasehold (annual payment for land use fee and upfront payment for infrastructure fee) – expiring on 11 September 2068. Remaining Land Lease Term – 45.5 years approx.
<b>Basis of Valuation:</b>	Market Value
<b>Valuation Standards:</b>	The valuation is conducted in accordance with RICS Valuation - Global Standards 2022 incorporating the IVSC International Valuation Standards (IVS) issued in November 2021 and effective from 31 January 2022.
<b>Current Registered Beneficial Owner:</b>	<b>KTG Bac Ninh Industrial Development Joint Stock Company</b>
<b>Land Area:</b>	<p>150,000sqm land area in total, including:</p> <ul style="list-style-type: none"> <li>• Phase 1: 82,300sqm land area</li> <li>• Phase 2: 67,700sqm land area</li> </ul> <p>(As per LUR No. DC 182202 dated 07 July 2022 and information provided by the Instructing Party).</p>
<b>Gross Floor Area (GFA)</b>	57,248sqm GFA (inclusive of amenity areas - as per provided by the Instructing Party)
<b>Zoning &amp; Approvals:</b>	As per LURC No. DC 182202 dated 07 July 2022, the Subject Property is located entirely within the area approved for industrial use.
<b>Property Description:</b>	<p>The Subject Property is 150,000sqm industrial land area located within Plot CN4-1, Yen Phong II-C Industrial Park, Tam Giang Commune, Yen Phong District, Bac Ninh Province, Vietnam. The site is approx. 2.3km from the People's Committee (PC) of Yen Phong District, approx. 20km from the Southeast of Bac Ninh Province's PC, approx. 28.5km from the Northeast of Hanoi's PC and approx. 26.8km from the East of Noi Bai International Airport. The site is currently bordered with 3 internal roads. It is approx. 5km from National Road No. 18 and can be directly accessed by internal street via Provincial Road No. 295. The Subject Property includes two phases as follows:</p> <ul style="list-style-type: none"> <li>• <b>Phase 1 – Completed:</b> 82,300sqm of land area was built as Ready-Built Factory/Ready-Built Warehouse (RBF/RBW). At the site inspection date, phase 1 has been completed. This site started operating by the end of Q3/2022. The Subject Property is regular in shape and at general level topography.</li> <li>• <b>Phase 2 – Vacant Land:</b> 67,700sqm is proposed for Ready-Built Factory (RBF). At the date of valuation, most of the site is cleared, vacant and ready for development. The site is regular in shape and at general level topography.</li> </ul> <p>Yen Phong II-C Industrial Park (IP) has been developed since 2018 by Viglacera Corporation - JSC. The IP has total area of 221ha with main sectors include electronics, electronic, high-techs, foodstuffs, consumer goods etc.</p>
<b>Tenancy Profile</b>	The total leasable area of Phase 1 is 52,540sqm NLA. As provided by the Instructing Party, the current gross passing rents are from US\$5.5 - US\$6/sqm NLA/month for RBF. The average lease term is 3-5 years. The occupancy rate is 30.2%, equivalent to 15,864sqm NLA.



<b>Valuation Approach</b>	<p>Phase 1 (operating asset): Capitalisation Approach;  <ul style="list-style-type: none"> <li>Capitalisation Rate: 8%</li> </ul> Discounted Cashflow Analysis.  <ul style="list-style-type: none"> <li>Discount Rate: 12%</li> <li>Terminal Yield: 8.25%</li> </ul> Phase 2 (vacant Land) Direct Comparison Approach</p>
<b>Date of Inspection:</b>	22 February 2023
<b>Date of Valuation:</b>	03 March 2023
	The inspection for this valuation was conduct prior to the valuation date. We have assumed that no material change to the Subject Property has occurred between the inspection date and valuation date.
<b>VALUE – PHASE 1</b>	<p><b>VND808,100,000,000</b></p> <p><b>Eight Hundred and Eight Billion One Hundred Million Vietnam Dong Only</b></p> <p><i>The currency in which the valuation expressed is in VND, then exchanging to USD for referring purpose.</i></p>
<b>Currency Equivalent Value</b>	<p><b>US\$33,700,000</b></p> <p><b>Thirty-Three Million and Seven Hundred Thousand United States Dollars Only</b></p>
<b>VALUE – PHASE 2</b>	<p><b>VND239,800,000,000</b></p> <p><b>Two Hundred and Thirty-Nine Billion Eight Hundred Million Vietnam Dong Only</b></p> <p><i>The currency in which the valuation expressed is in VND, then exchanging to USD for referring purpose.</i></p>
<b>Currency Equivalent Value</b>	<p><b>US\$10,000,000</b></p> <p><b>Ten Million United States Dollars Only</b></p> <p><i>This valuation is exclusive of VAT.</i></p>
<b>MARKET VALUE</b>	<p><b>VND1,047,900,000,000</b></p> <p><b>One Trillion and Forty-Seven Billion Nine Hundred Million Vietnam Dong Only</b></p> <p><i>The currency in which the valuation expressed is in VND, then exchanging to USD for referring purpose</i></p>
<b>Currency Equivalent Value</b>	<p><b>US\$43,700,000</b></p> <p><b>Forty-Three Million and Seven Hundred Thousand United States Dollars Only</b></p> <p><i>Applied selling exchange rate published by Vietcombank as of 17 February 2023 and instructed by the Instructing Party. US\$ 1= VND23,980</i></p>
<b>Valuation Certificate Validity:</b>	<p>This Valuation Certificate is addressed to KTG Industrial Bac Ninh Company Limited Estates Limited and is for their uses only and valid for a period of three months from the date of opinion given.</p> <p>The value assessed may in the future change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property or particular property sector). VAS Valuation Co., Ltd. (“VAS”) does not accept liability for losses arising from subsequent changes in value.</p>
<b>Assumptions, Disclaimers, Limitations &amp; Qualifications</b>	<p>All data provided in this Certificate is wholly reliant on and must be read in conjunction with the information provided in the Full Valuation Report. It is a synopsis only designed to provide a brief overview and must not be acted on in isolation. This valuation is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout the Full Valuation Report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations &amp; Disclaimers section of the Full Valuation Report. Reliance on this Summary Letter, and the Full Valuation Report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of</p>

this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.

**Prepared By:**

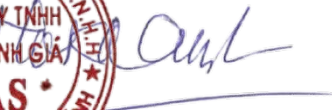
**VAS Valuation Co., Ltd.**



**Tran Thi Thao**  
Manager  
Registered Valuer No. XII17.1844  
Ministry of Finance of Vietnam  
Valuation & Advisory Services.



**VAS Valuation Co., Ltd.**



**Ho Thi Kim Oanh MRICS**  
Director  
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Vietnam Ministry of Finance  
RICS Registered Valuer No. 6138871  
Valuation & Advisory Services

**Job Number: 23-CONHCM-0041**  
**Date of Final Report: 11 March 2023**

**Report and Valuation**

Our ref : WTW/04/V/012094/23/GXZ

28 February 2023

**PRIVATE & CONFIDENTIAL****THAB DEVELOPMENT SDN BHD**82 Ubi Avenue 4  
#07-01 Edward Boustead Centre  
Singapore 408832

Dear Sirs,

**CERTIFICATE OF VALUATION**

**LOT NOS. PTD 200721, PTD 200722, PTD 200726,  
PTD 200739, PTD 200744, PTD 200750 TO PTD 200755,  
PTD 200759 TO PTD 200764, PTD 200766, PTD 200767, PTD 200771 TO PTD 200773,  
PTD 200779, PTD 200780, PTD 200784, PTD 200793, PTD 200794, PTD 200796,  
PTD 200797, PTD 200800, PTD 200801, PTD 200804 TO PTD 200807,  
PTD 200809, PTD 200811, PTD 200814 TO PTD 200816, PTD 200818,  
PTD 200822, PTD 200823, PTD 200826 TO PTD 200833  
MUKIM OF PULAI, DISTRICT OF JOHOR BAHRU, JOHOR  
(IBP NUSAJAYA, KAWASAN PERINDUSTRIAN SILC, ISKANDAR PUTERI, JOHOR)**

We thank you for your instructions to assess the net realisable value of the above captioned properties for accounting purposes.

An Update Valuation Certificate on the abovementioned properties was prepared by us under Reference No. WTW/04/V/012094/23/GXZ dated 28 February 2023. This certificate should be read in conjunction with the said Update Valuation Certificate.

Having investigated available data related and relevant to the matter, we are pleased to report that in our opinion, the net realisable value of the subject properties as at 28 February 2023 with permission to sell, lease, transfer and free from all encumbrances is **RM112,500,000/- (Ringgit Malaysia : One Hundred Twelve Million And Five Hundred Thousand Only).**

**FOR THE PURPOSE OF THIS VALUATION, WE HAVE PRESUMED THAT THE DETAILS AS STATED IN OUR UPDATE VALUATION CERTIFICATE AS REFERENCED ABOVE ARE STILL VALID.**

**THE ABOVE REPORTED VALUE IS TO BE USED SOLELY FOR ACCOUNTING PURPOSES AND IS NOT TO BE USED FOR GRANTING FRESH OR ADDITIONAL FUNDING.**

This valuation is subject to the Limiting Conditions, a copy of which is attached at the end of this certificate.

Yours faithfully  
for and on behalf of

**CBRE WTW Valuation & Advisory Sdn Bhd**

(formerly C H Williams Talhar &amp; Wong Sdn Bhd)

**Sr LO KIN WENG**B. (Hons) Estate Mgt. MRICS, MRISM, MPEPS  
Registered Valuer (V-917)

Our ref : WTW/04/V/012094/23/GXZ  
Page 2

**TERMS OF REFERENCE**

To assess the net realisable value of the above captioned properties for accounting purposes.

**DEFINITION**

Net Realisable Value

"Net Realisable Value" is the present value for which an asset can be sold, minus the estimated costs of selling or discarding the asset.

**METHOD OF VALUATION**

The subject properties are valued using the Comparison Approach. The Comparison Approach entails analysing recent transactions and asking prices of similar property in and around the locality for comparison purposes with adjustments made for differences in location, size, age and condition of unit and building, tenure, title restrictions if any and other relevant characteristics to arrive at the market value.

## Limiting Conditions

These are limiting conditions upon which our Report and Valuation are normally prepared, unless specifically mentioned otherwise in the report.

### 1. Malaysian Valuation Standards

Our Report and Valuation is carried out in accordance with the Malaysian Valuation Standards published by the Board of Valuers, Appraisers, Estate Agents and Property Managers.

### 2. Confidentiality

This Report is confidential to the Client or to whom it is addressed and for the specific purpose to which it refers. It may only be disclosed to other professional advisors assisting the Client in respect of that purpose, but the Client shall not disclose the report to any other person.

Neither the whole, nor any part of the Valuation Report or Certificate or any reference thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it may appear.

We shall bear no responsibility nor be held liable to any party in any manner whatsoever in the event of any unauthorised publication of the Valuation Report, whether in part or in whole.

### 3. Use of Report

The opinion of value expressed in this Valuation Report shall only be used by the addressee for the purpose stated or intended in this Valuation Report. We are not responsible for any consequences arising from the Valuation Report or any part thereof being relied upon by any other party whatsoever or for any information therein being quoted out of context.

### 4. Title Search

Whenever possible, a private title search is conducted at the relevant Land Registry/Office but this is done to establish title particulars relevant to valuation only. Whilst we may have inspected the title of the property as recorded in the Register Document of Title, we cannot accept any responsibility for its legal validity or as to the accuracy and timeliness of the information extracted or obtained from the relevant Land Registry/Office. Legal advice may be sought to verify the title details, if required.

### 5. Town Planning and Other Statutory Enquiries

We have obtained only verbal town planning information from the relevant authorities whilst we also relied upon published Structure and/or Local Plans, if any.

Such enquiries are conducted at the respective offices or by extracting the required information from published reports and are deemed sufficiently reliable in the profession.

### 6. Measurements

All measurements are carried out in accordance with the Uniform Method of Measurement of Buildings issued by The Royal Institution of Surveyors Malaysia, or such other building measurement standards as acceptable and agreed to by the client.

For properties situated outside Malaysia, the appropriate/applicable methods of measurement such as the International Property Measurement Standards (IPMS) are used in parallel with the Uniform Method of Measurement of Buildings (UMMB).

### 7. Site Surveys

We have not conducted any land survey to ascertain the actual site boundaries. For the purpose of this valuation, we have assumed that the dimensions correspond with those shown in the title document, certified plan or any relevant agreement.

### 8. Structural Surveys

While due care has been taken to note building defects in the course of inspection, no structural surveys nor any testing of services were made nor have we inspected any woodwork or other parts of the structure which were covered or inaccessible. We are therefore unable to express an opinion or advice on the condition of uninspected parts and this Report should not be taken as making any implied representation or statement on such parts. Whilst any defects or items of disrepair may be noted during the course of inspection, we are not able to give any assurance of the absence in respect of any rot, termite or pest infestation or other hidden defects.

### 9. Contamination

We have not carried out investigations into the past and present use of either the property or of any neighbouring land to establish whether there has been any contamination or if there is any potential for contamination to the property and are therefore, unable to account and report for such contamination in our Valuation Report.

**CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)**
**10. Deleterious or Hazardous Materials**

No investigations have been carried out to determine whether or not any deleterious or hazardous materials had been used in the construction of the property (building) or had since been incorporated and we are, therefore, unable to account or report on any such material in our Valuation Report.

**11. Soil Investigation**

No soil investigation has been carried out to determine the suitability of soil conditions and / or availability of services for the existing or any future development or planting.

No soil investigation has been carried out to determine the soil suitability for the continued use of the property in its current condition or for any redevelopment.

**12. Disease or Infestation**

Whilst due care is taken to note the presence of any disease or infestation, we have not carried out any tests to ascertain possible latent infestations or diseases affecting crops or stock. We are therefore unable to account for such in our Valuation Report.

**13. Leases and Tenancies**

Enquiries as to the financial standing of actual or prospective lessees or tenants are not normally made unless specifically requested. Where properties are valued with the benefit of lettings, it is assumed that the lessees or tenants are capable of meeting their obligations under the lease or tenancy and that there are no arrears of rent or undisclosed breaches of covenants and/or warranties.

**14. Development Agreements**

Unless otherwise stated, no considerations are made in our valuation for any joint venture agreement, development rights agreement or other similar contracts.

**15. Outstanding Debts**

In the case of buildings where works are in hand or have recently been completed, no allowances were made for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favour of contractors, sub-contractors or any members of the professional or design team.

**16. Taxation, Encumbrances, Statutory Notices and Outgoings**

Unless otherwise stated, no allowances are made in our valuation for any expense of realisation or for taxation which might arise in the event of a disposal, deemed or otherwise. We have considered the property as if free and clear of all charges, lien and all other encumbrances which may be secured thereon. We also assume the property is free of statutory notices and outgoing.

**17. Attendance**

The instruction and the valuation assignment does not automatically bind us to attendance in court or to appear in any enquiry before any government or statutory body in connection with the valuation unless agreed when the instructions were given or subsequently agreed upon.

**18. Source of information**

This Valuation Report has been prepared on the basis that full disclosure of all information and facts which may affect the Valuation have been made known to us and we cannot accept any liability or responsibility in any event, unless such full disclosure has been made to us for information or facts that have been suppressed or not disclosed to us.

Where it is stated in the Valuation Report that information has been supplied by the sources listed, this information is deemed to be reliable and no responsibility is accepted should it be proven otherwise, be it expressed or implied. All other information stated without being attributed directly to another party is deemed to be from our searches of records, examination of documents or relevant sources.

**19. Validity Period of Valuation Report**

A Valuation Report is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value.

No warranty can be given as to the maintenance of this value into the future. A periodical valuation review is recommended.

**20. Limitation of Liability**

Although every care has been taken in preparing the Valuation Report, if it is proven that there is an apparent negligence on the part of the Valuer, the liability of this valuation (whether arising from this valuation, negligence or any other cause whatsoever) is limited in respect of any event or series of events to the actual loss or damage sustained subject to a liability cap to be mutually agreed between the client and the Valuer and clearly set out in the terms of engagement.



## VALUATION

### BEIJING TONGZHOU INTEGRATED DEVELOPMENT PHASE 1, BEIJING, PRC

MARCH 2023

PREPARED FOR:

BOUSTEAD PROJECTS LIMITED

Accelerating success.



Colliers Appraisal and Advisory Services Co., Ltd.  
Suite 507, Block A Gemdale Plaza  
No. 91 Jianguo Road, Chaoyang District, Beijing

MAIN 86 21 6141 4350  
FAX 86 21 6141 3699  
EMAIL flora.he@colliers.com



Our Ref: 23-13300

6 March 2023

**Boustead Projects Limited**

Dear Sir/Madam,

**Re: Valuation of Beijing Tongzhou Integrated Development Ph 1, Plot 13, 14-1 and 14-2, West Bank of Core Tongzhou Grand Canal Zone, Tongzhou District, Beijing, the People's Republic of China (the "Property")**

In accordance with our terms of engagement dated 8 February 2023, we attach our report setting out our opinion of the value of the Property.

We confirm that we have made relevant enquiries and obtained such further information as we consider necessary as to allow us to provide you with our opinion of value, as at 15 February 2023, for Internal Reference Purposes.

Please note this report is for your sole use and for the purpose indicated only and no liability to any third party can be accepted for the whole or any part of the contents of the document. Neither the whole nor any part of this valuation report nor any reference thereto may not be included in any published documents, circular or statement, nor published in any way whatsoever except with the prior written approval of Colliers Appraisal and Advisory Services Co., Ltd. ("Colliers") as to the form and context in which it may appear.

If you have any queries concerning the report, please feel free to contact Flora, who would be most pleased to help.

Yours faithfully,

For and on behalf of

**Colliers Appraisal and Advisory Services Co., Ltd.**

A handwritten signature in black ink that reads "Zhirong He".

**Flora He 贺志蓉**

Zhirong He (Flora He)

FRICS MCOMFIN

Executive Director

Valuation and Advisory Services I China

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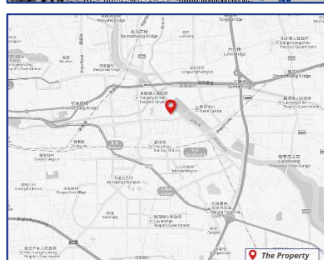
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# 1. EXECUTIVE SUMMARY

## Property Overview



The Property, known as Beijing Tongzhou Integrated Development Phase 1, is a proposed mixed-use complex, which will include three high-rise buildings for office and apartment uses with a retail podium underneath. It is located on the west bank of the Core Tongzhou Grand Canal Zone (通州运河核心区). The Property is currently under construction. As advised, the Property will be directly connected to Metro Line M6 and S6 via its basement level upon completion.

<b>Site Area:</b>	38,926.00 sq m
<b>Total Proposed GFA:</b> (incl. Car Park)	412,748.35 sq m
<b>Net Leasable Area (NLA)*</b>	96,561.34 sq m (retail)
<b>Property Address:</b>	Plots 13, 14-1 and 14-2, west bank of Core Tongzhou Grand Canal Zone, Tongzhou District, Beijing, PRC
<b>Ownership Details:</b>	Pursuant to three State-owned Land-use Rights Certificates, the land-use rights of the Property with a site area of 38,926.00 sq m have been granted to 鹏瑞利美融加一(北京)置业有限公司, 鹏瑞利美融加二(北京)置业有限公司 and 鹏瑞利美融加三(北京)置业有限公司 for commercial and composite uses for a term expiring on 4 November 2052 and 4 November 2062, respectively.
<b>Permitted Use:</b>	Commercial and Composite
<b>Town Plan Zoning:</b>	Commercial and Composite

## Valuation Details

<b>Instructing Party:</b> Boustead Projects Limited	<b>Registered Owner:</b> 鹏瑞利美融加一(北京)置业有限公司 鹏瑞利美融加二(北京)置业有限公司 鹏瑞利美融加三(北京)置业有限公司
	<b>Interest Valued:</b> 100% Leasehold Interest of the Property (As advised)
	<b>Purpose of Report:</b> Internal Reference Purposes
	<b>Valuation Approach:</b> Residual Method
	<b>Date of Valuation:</b> 15 February 2023
<b>Market Value on a "vacant land" basis as at 15 February 2023:</b>	<b>RMB6,202,000,000</b> <b>RENMINBI SIX BILLION TWO HUNDRED AND TWO MILLION ONLY</b>

\*assumed 0.75 efficiency rate for retail

## 2. INTRODUCTION

### 2.1 INSTRUCTIONS

Terms of engagement have been agreed with Boustead Projects Limited (the “Client”) to provide a market value of the Property (as defined hereinafter) on a “vacant land” basis as at the valuation date to the Client for Internal Reference Purposes only.

### 2.2 THE PROPERTY

The Property, known as Beijing Tongzhou Integrated Development Phase 1, is a proposed mixed-use complex, which will include three high-rise buildings for office and apartment uses with a retail podium underneath. It is located on the west bank of the Core Tongzhou Grand Canal Zone (通州运河核心区). The Property is currently under development. As advised, the Property will be directly connected to Metro Line M6 and S6 via its basement level upon completion.

### 2.3 VALUATION DATE

The valuation date is 15 February 2023 (the “Date of Valuation”). Due to possible changes in market forces and circumstances in relation to the Property, this report can only be regarded as representing our opinion of the value of the Property as at the valuation date. We assume that Property is in the same condition on the Date of Valuation as on the inspection date.

### 2.4 BASIS OF VALUATION

Our valuation is made on the basis of Market Value, which we would define as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

### 2.5 VALUATION STANDARDS

This valuation has been carried out in accordance with the latest edition of the Royal Institution of Chartered Surveyors (RICS) Global Valuation Professional Standards, incorporating the International Valuation Standards of the International Valuation Standards Council (IVSC).

Colliers is regulated by the RICS, which may monitor the firm under its Conduct and disciplinary regulations for compliance purposes. Colliers has a complaint handling procedure, a copy of which is available on request.

## 2.6 THE VALUER

This valuation has been prepared by Zhirong He (Flora He) (RICS Registration No.:1259301), who is a Fellow of the Royal Institution of Chartered Surveyors. Flora is head of the China Valuation Services team at Colliers. She is suitably qualified to carry out the valuation and has over 20 years' experience in the valuation of properties of this magnitude and nature in China.

Neither the valuer nor Colliers are aware of any pecuniary interest or conflict that could reasonably be regarded as being capable of affecting the ability to give an unbiased and objective, opinion of the value of the Property.

Flora has accepted instructions to value the Property for the Client only.

## 2.7 INSPECTIONS AND INVESTIGATIONS

An external and internal inspection of the Property adequate for the purpose of this valuation was carried out by Flora He and Hunt Xu on 3 March 2023.

We confirm all investigations have been conducted independently and without influence from a third party in any manner.

The information provided in this report has been obtained from the Client and their designated representatives, our internal database and other information available in the public domain. We confirm that we have made the relevant verification enquiries and obtained such information as we consider necessary to conduct the valuation.

We confirm that we have not undertaken a structural survey of the Property and are therefore unable to comment on its structural condition.

None of the services have been tested by us and we are unable therefore to report on their present condition.

## 2.8 CAVEATS AND ASSUMPTIONS

This report is subject to and includes our Standard Caveats and Assumptions as set out in the appendices at the end of this report, as well as our agreed terms of our engagement.

Please note the report is for your sole use and for the purpose indicated only and no liability to any third party can be accepted for the whole or any part of the contents of the document. Neither the whole nor any part of the valuation report nor any reference thereto may not be included in any published documents, circular or statement, nor published in any way whatsoever except with the prior written approval of Colliers as to the form and context in which it may appear.

Colliers shall at all times keep all information relating to this valuation report confidential and not release it to third parties, without the written consent of the Client.

## 2.9 HIGHEST AND BEST USE

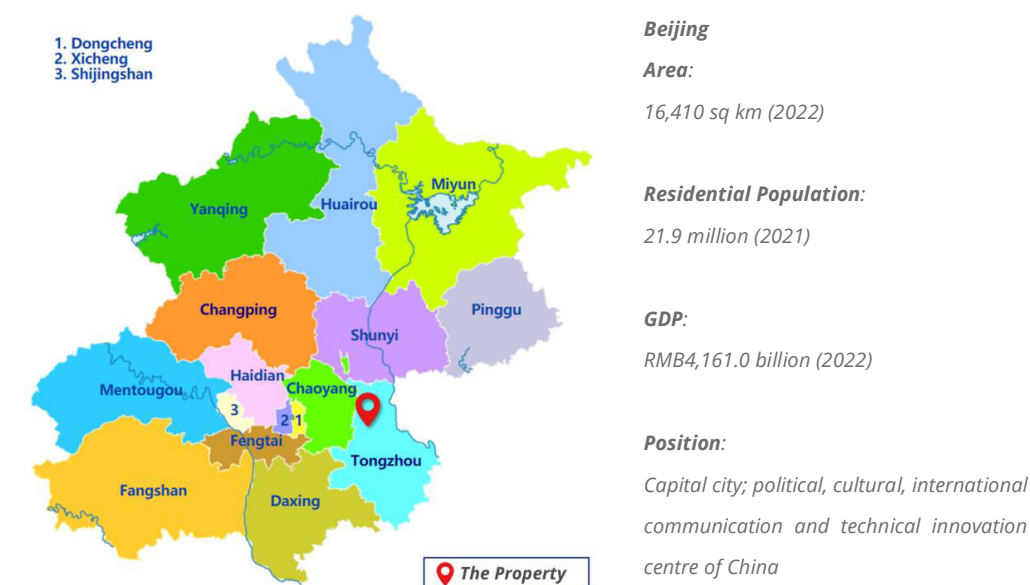
The Property is planned to be used as mixed-use development. We are of the opinion that the highest and best use of the Property is its current planned uses in accordance with the real estate ownership certificate; from a market perspective, there is a strong demand for mixed-use development in the area.



## 3. MARKET OVERVIEW

### 3.1 BEIJING OVERVIEW

#### Location Map of Beijing



Source: Colliers (for identification purposes only)

Beijing is the capital of the People's Republic of China and the nation's political, cultural, international communication and technological innovation centre. Located at the north edge of the North China Plain and the Bohai Bay Economic Area (环渤海经济圈), it shares most of its borders with Hebei Province and a small portion in the east with Tianjin city.

Beijing covers a total land area of 16,410 square kilometres (sq km), and the urban area of the municipality occupies a small but expanding portion of approximately 1,378 sq km. There are 16 districts under its jurisdiction, among which the urban areas include Dongcheng (东城), Xicheng (西城), Haidian (海淀), Chaoyang (朝阳), Shijingshan (石景山) and Fengtai (丰台), all mainly located inside the Fifth Ring Road (五环路). According to the Beijing Municipal Bureau of Statistics, by the end of 2021, the city's residential population was 21.9 million.

#### Economy

Over the past decades, Beijing's economy has showed strong growth momentum. According to the National Development and Reform Commission, in 2021, Beijing was ranked second among Chinese cities in terms of economic competitiveness factors including GDP, GDP growth, economic scale and structure, disposable income, real estate investment, total retail sales, etc. In 2022, Beijing's GDP grew merely by 0.7% year on year (YOY) to RMB4,161.0 billion, with tertiary industry accounting for the majority (83.9%) of Beijing's total GDP. Finance, Information Technology and other service

companies have been continuously growing over the past few years, and have to become the key parts drivers of the city's economy. Largely affected by the recurrence of the pandemic, citywide total retail sales of consumer goods was affected throughout the year. As of the end of 2022, total retail sales reached RMB1,379.4 billion.

#### Key Economic Factors: Beijing, 2017 – 2022

Item	Unit	2017	2018	2019	2020	2021	2022
Gross Domestic Product	RMB billion	2,988.3	3,310.6	3,544.5	3,610.3	4,027.0	4,161.0
Growth Rate of GDP	%	6.8	6.7	6.1	1.2	8.5	0.7
Fixed Asset Investment	RMB billion	894.8	806.2	786.9	804.2	843.6	874.0
Retail Sales of Consumer Goods	RMB billion	1,393.4	1,442.2	1,506.4	1,371.6	1,486.8	1,379.4
Disposable Income of Urban Residents	RMB per capita	57,230	62,361	67,756	69,434	81,518	84,023
Real Estate Investment	RMB billion	374.6	387.3	383.8	393.8	413.9	418.0

Source: Beijing Municipal Bureau of Statistics

#### Infrastructure and City Plan

Since the economic reforms and opening in the late seventies and early eighties, Beijing has achieved significant economic progression. The city's infrastructure has also seen dramatic improvements, beginning with the construction of the Second Ring Road (二环路) in 1981, to completion of the Third, Fourth, Fifth, and Sixth Ring Roads up to date. Fuelled by its economic advancement coupled with improved infrastructure, Beijing has become a major transportation hub in China as well as in eastern Asia. Over the years, Beijing has developed a rather sophisticated road network. By the end of 2021, the total mileage of roads in Beijing reached 22,290 km, of which the total mileage of highways accounted for 1,177 km while urban roads accounted for 6,167 km.

Beijing is a major railway hub in China's railway network. Currently, there are three major railway stations in the city, namely Beijing Railway Station (北京站), Beijing West Railway Station (北京西站), and Beijing South Railway Station (北京南站). Given its strategic location, Beijing boasts eight major railways that radiate to some major cities including, Guangzhou, Shanghai, Harbin, Chengde, Shenzhen and even Kowloon and Hongkong. The city also hosts a number of high-speed railway lines with the average speed of the transit being 300 km/h and topping at 486 km/h. On 30th December 2019, the opening of the high-speed railway between Beijing and Zhangjiakou greatly enhanced the accessibility between Beijing and its surrounding cities. In addition, more high-speed railway lines are still under construction, and are expected to provide convenient accessibility to Beijing and other destinations upon completion.

Presently, Beijing boasts two operational international airports, namely Beijing Capital International Airport (北京首都国际机场) and Beijing Daxing International Airport (北京大兴国际机场). Beijing Capital International Airport is located in Shunyi District, which is about 20 km northeast of downtown Beijing. In March 2008, in preparation for the Olympic Games held that summer, Beijing opened the airport's third terminal, an architectural masterpiece that covers a GFA of 986,000 sq m. Beijing Daxing International Airport was completed at the end of June 2019 and has been put into operation since October 2019. Located in Daxing District, Beijing Daxing International Airport is approximately 40 km south of downtown Beijing. In 2020, Beijing Capital International Airport and Beijing Daxing International Airport were ranked the fifth and seventeenth respectively in terms of passenger throughput nationwide.

With the opening of Subway Line 1 in 1971, Beijing became the first batch of cities with subway system in mainland China. As of 2021 year-end, Beijing has a total of 27 subway lines in operation, an increase of three subway lines compared to 2020. The operational subway lines together have a total mileage of 783 km with 7,110 subway trains in service. In 2021, Beijing Subway served about 3.1 billion people with YOY increase of 34.7% compared to the previous year.

#### Beijing Subway Network, 2022



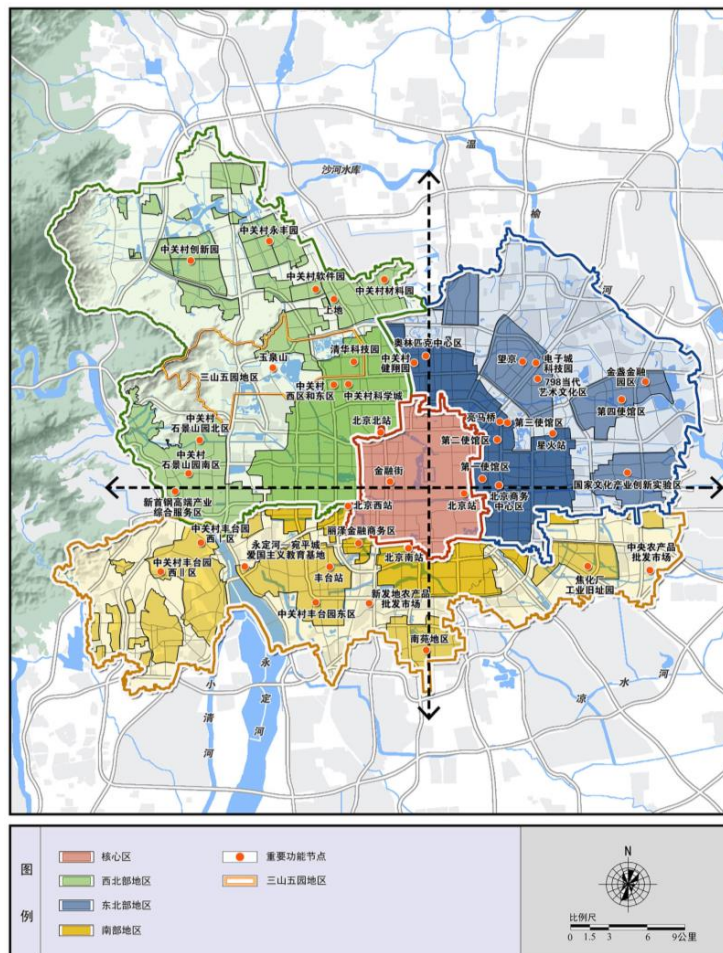
Source: Beijing Subway, Colliers (for identification purposes only)

As the country's political, cultural, educational and technical innovation centre, Beijing is home to many headquarters of large enterprises, SOEs, MNCs and government agencies. In 2008, the city hosted the Summer Olympic Games, which significantly increased both Beijing and China's global exposure and provided the city with vast improvements in its

infrastructure. The successful hosting of 2022 Winter Olympic Games had also achieved remarkable influence of the city.

According to the “Beijing City Master Plan (2016 - 2035)” (《北京城市总体规划（2016 年-2035 年）》), Beijing is also positioned as the national political centre, cultural centre, international exchange centre and technology innovation centre. In terms of industrial planning, Beijing is planned to decrease the industrial land supply and improve the usage of current industrial land. High value-added technological and innovative industries, such as new energy smart cars, integrated circuit, high-tech manufacturing systems and services, cloud computing and big data, will be offered strong support by the municipal government in the future.

### Beijing City Master Plan



Source: Beijing Urban Planning Bureau, Colliers (for identification purposes only)

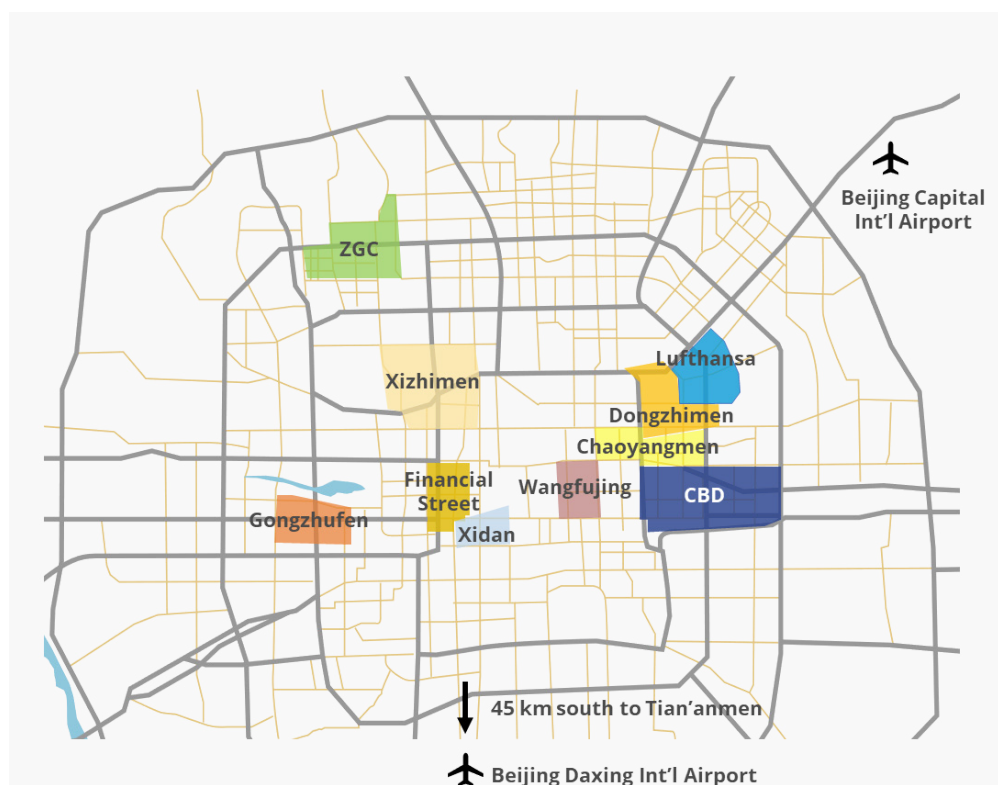
## 3.2 BEIJING RETAIL AND OFFICE MARKET OVERVIEW

### Retail Overview

As the capital of China, Beijing's economy has experienced tremendous growth in the past decades. Benefited from its stable and healthy economic fundamentals, maturing infrastructure and transport network, superior public facilities and international influence, Beijing has attracted massive capital and population inflows.

With the development of the city's economy, several city-level retail submarkets were formed in Beijing, including Wangfujing Submarket (王府井), Xidan Submarket (西单), CBD Submarket, Financial Street Submarket (金融街), Chaoyangmen Submarket (朝阳门), Lufthansa Submarket (燕莎), Dongzhimen Submarket (东直门), Xizhimen Submarket (西直门), Zhongguancun Submarket (中关村), and Gongzhufen Submarket (公主坟).

### Map of Beijing Major Retail Areas



Source: Colliers (for identification purposes only)

The hovering pandemic over the past two years have shown great impact to retail market in Beijing. Particularly, the market had also been through rounds of sluggish period when certain areas faced lock down due to high confirmed cases. However, thanks to municipal government's great effort in controlling the COVID-19, citywide activity regained vitality recently.



In the second half of 2022, the retail market recorded rebound in footfall along with new shopping malls entering the market. Four new projects were debuted in the third quarter, adding approximately 380,000 sq m of prime retail spaces. The four new projects were known as Lize Sky Mall (丽泽天地), Uni Fun Daxing (瀛海环宇坊), BIG Shopping Park (北投购物公园), and Longfor Yizhuang Paradise Walk (和龙湖北亦庄天街). In the fourth quarter, phase two of Wangjing CapitaMall (凯德 Mall·望京二期) re-entered the market after renovation and refurbishment with occupancy rate reaching 100% on grand opening date. Many of the construction-in-progress retail projects all postponed their entry schedule to 2023. As of the end of Q4 2022, citywide prime inventory reached about 11 million sq m.

F&B, fashion, and life style continue to expand their presence in the second half of 2022. Men Wah Gilt Restaurant (敏华鎏金食堂) and TimHoWan (添好运) both opened their first stores in Taikooli (太古里) and APM, respectively. Fashion brands such as Gentle Monster, Lululemon, Girard Perregaux, X-Bionic, Max Mara, Skypeople, and Supremes expanded their store locations in Taikooli, SKP, China World, and WF Central. Life style brands such as Nitori and JD Ehome opened new stores at Inzone Harmony (北京银座和谐广场) and Hopson One (北京合生汇), respectively. Affected by new completions, along with tenant mix adjustment, citywide vacancy rate edged up 1.9% YOY to around 8.0% as of the end of Q4 2022.

Looking forward, as the economy and citywide consumption slowly recover, more and more retail projects will begin entering the market. There are currently 13 projects in Beijing that are either under construction or under renovation. Together the potential new supply will add over one million sq m of new stock to the market once completed. New supply in the pipeline includes projects not only in the core submarket, but also in submarkets in decentralised areas, which will further sophisticate the retail market citywide. In the short term, suppressed consumption will likely to be released, providing new opportunity to the retail market.

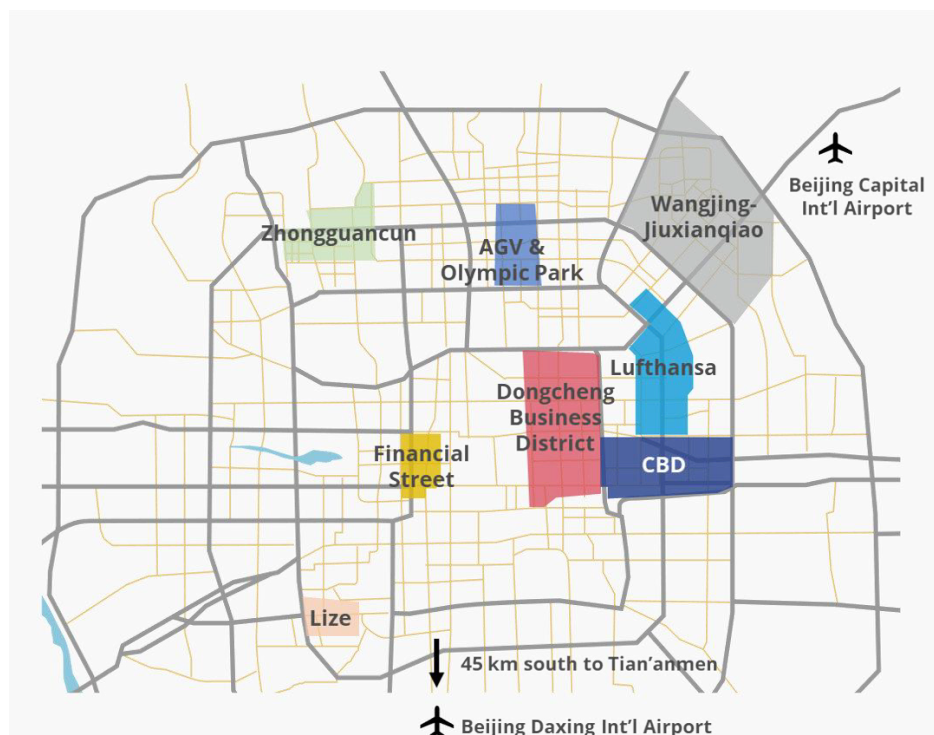
### Beijing Grade A Office Overview

Over the past decades, Beijing office market has undergone several stages of development from the preliminary stage (pre-1996) to the early development stage (1996-2004) to rapidly developing stage (2004-2010) to diversified stage (post-2010). In the preliminary stage, offices were mainly erected along the Chang'an Avenue area with foreign enterprises being the main occupiers for Grade A offices in the market. During the early development stage, the office market has undergone several rounds of fluctuations. Affected by the Asian financial crisis in 1997, demand for offices slumped, resulting dramatic rises in vacancy and decline in rental rate. However, as China joined WTO in 2001, the domestic economy began to resurge. Occupancy rate and rental rate of offices also showed signs of recovery. Between 2004 and 2010, Beijing entered a rapidly developing stage. Offices in Beijing also experienced rapid development with three major submarkets namely the CBD Submarket, Financial Street Submarket, and Zhongguancun Submarket being formed during this period, each boasted its distinct market position. From 2010 and onward, the office market in Beijing began to show signs

of diversity across the entire city with new office submarkets emerging in the market.

Currently, there are eight major Grade A office submarkets in Beijing, namely Dongcheng Business District (东城商务区), Financial Street (金融街), CBD, Lufthansa (燕莎), Zhongguancun (中关村), Wangjing-Jiuxianqiao (望京-酒仙桥), Asian Games Village & Olympic Park (亚奥), and Lize (丽泽).

#### Map of Beijing Major Office Submarkets



Source: Colliers (for identification purposes only)

In H2 2022, merely one Grade A office project - Tower 5A of Art Park 9 (新光大中心 5A 座) entered the market, adding about 77,000 sq m of new supply to the market. As of the end of Q4 2022, citywide stock of Grade A office reached approximately nine million sq m. Affected by the pandemic as well as economic slowdown, citywide leasing activity became relatively sluggish, particularly in core submarkets such as the CBD, Zhongguancun, and Lufthansa. In the fourth quarter, Lize Submarket outperformed other submarkets in Beijing, and has recorded a large majority of the citywide absorption of approximately 39,000 sq m. Slowdown in leasing activity has caused city vacancy rate of Grade A office to edge up 0.6% YOY to 16.9% as of the end of Q4 2022.

Demand from IT, finance, and professional service sectors continued to be relatively robust, accounting for 31%, 29% and 10% of the annual absorption, respectively. Lize Submarket recorded the most leasing transaction in 2022, with about 116,000 sq m of net absorption being witnessed. Dongcheng Business District and CBD also saw positive net absorption of 35,000 sq m and 27,000 sq m, respectively. Beside the above, the remainder of the submarkets in Beijing have all recorded negative net absorption.



From 2023 to 2025, the Grade A office market in Beijing is expected about 350,000 sq m per annum. Particularly, majority of supply in the pipeline will mainly cluster in Lize, Dongcheng Business District, Wangjing-Jiuxianqiao, and CBD submarkets. Considering the relatively large future supply, we expect that the market competition will be further intensified, and landlords would face more challenges. Despite the new supply, high-quality office properties that are located in mature office submarkets with stabilised occupancy rates will continue to out-perform those in the emerging areas. However, as the government stresses to promote the economy amid stability, the market should further recover in the short term. Going forward, we anticipate that citywide vacancy rate will eventually trend downward with average rent gradually picking up in the foreseeable future.

### 3.3 PROJECT FOCUS

The Property, known as Beijing Tongzhou Integrated Development Phase 1, is a proposed mixed-use, complex which will include three high-rise buildings for office and apartment uses with a retail podium underneath. It is located on the west bank of the Core Tongzhou Grand Canal Zone (通州运河核心区). The Property is currently under development. As advised, the Property will be directly connected to the Metro Line M6 and S6 via its basement level upon completion.

Tongzhou District is a district of Beijing. It is located in southeast Beijing and considered the eastern gateway to the nation's capital. Downtown Tongzhou itself lies around 20 kilometres (km) east of central Beijing, at the northern end of the Grand Canal and at the easternmost end of Chang'an Avenue. The entire district covers an area of over 900 square kilometres (sq km), which is equivalent to 6% of Beijing's total area.

Traditionally known as a commuter town, Tongzhou District has been positioned as the second administrative centre in the "Beijing City Master Plan (2016-2035)" released in late 2017 due to its prominent location and unique environmental landscape. As the government plans to shift part of the capital's administrative departments to Tongzhou District, Tongzhou are undertaking more municipal functions in the city. Additionally, as the only district in Beijing that borders both Tianjin Municipal City and Hebei Province, Tongzhou is expected to play a significant role in the Beijing-Tianjin-Hebei integration.

## Functional Areas of Tongzhou



Source: Colliers (for identification purposes only)

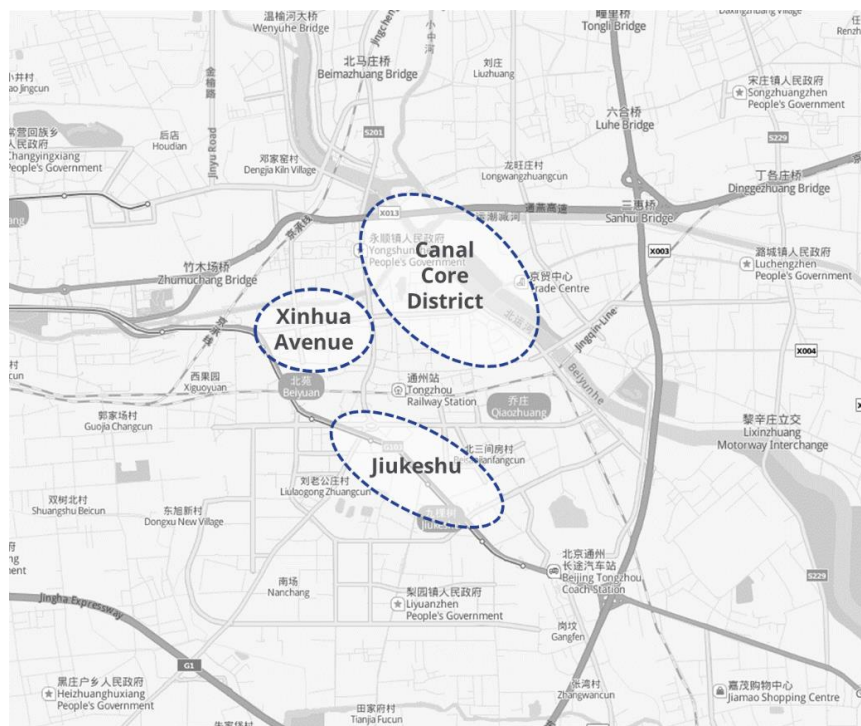
According to the Beijing City Master Plan, approximately 155 sq km of areas in central Tongzhou will be set to be the new city centre of Beijing, consisting three key functional areas, namely Municipal office area, Canal commercial area and Cultural and tourism area. Occupying an area of approximately 6 sq km, the Municipal office area mainly covers areas in the surrounding the Lucheng Subway Station, which is the eastern terminal of Subway Line 6. Many major bureaus of the Beijing's Municipal Government will be relocated to this area. The Canal commercial area covers 17.4 sq km on the intersection of five rivers, namely Tonghui River, Northern Canal, Wenyu River, Zhongxiao River and Yunchaojian River. This area targets to accommodate companies that are relocated from core areas of Beijing, and is expected to house industries of the financial, IT and high-end services sectors with all will be supported by the Beijing-Tianjin-Hebei integration initiative. Covering an area of approximately 12 sq km, the Culture and tourism area, will mainly focus on the development of culture and tourism with Beijing Universal Studios resort being its landmark projects. Key industries in the area will include cultural and creative, tourism and exhibitions.

Over the past decade, Tongzhou's economy has been growing rapidly. As of the end of 2022, Tongzhou District has achieved a total GDP of about RMB125.3 billion, growing 3.9% YOY. According to the Seventh Population Census of Tongzhou District, the population in Tongzhou District reached 1.84 million as of 2021 year end, an increase of about 300,000 people compared to the previous year. As Tongzhou continues to undertake more functions in the city, more and more people are willing to relocate to this area.

The Universal Beijing Resort (北京环球影城) made its official debut in Q3 2021, becoming one of China's most popular attractions as well as a new consumption monument, stimulating Beijing's potential purchasing power.

Since 2010, the commercial market in Tongzhou District has been developing rapidly. Up to date, Tongzhou has developed three submarkets, namely Canal Core Area Submarket (运河核心区), Xinhua Avenue Submarket (新华大街) and Jiukeshu Submarket (九棵树)

#### Map of Commercial Submarkets in Tongzhou District



Source: Colliers (for identification purposes only)

In H2 2022, Tongzhou District merely received one new completion. In the short term, Tongzhou will receive more new completions, such as Canal Fortune Centre (运河财富中心) and Tongzhou Grand Canal Place (通州乐堤港). As more high-quality projects to enter the Beijing New Urban Area, it will further shape the overall commercial ambiance in the area. Furthermore, future retail projects are set to target to mid-range to high-end markets, which will further escalate the retail ambiance and diversify the shopping experiences in the area. As a mix-use landmark project, the Property should be able to benefit from the promising outlook of Tongzhou.

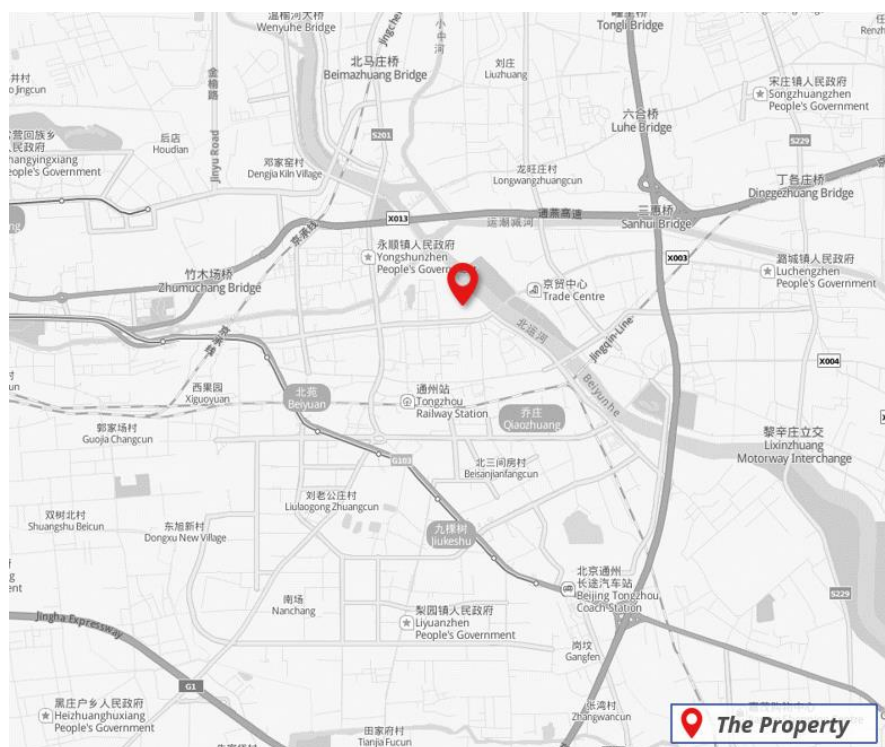
## 4. PROPERTY DETAILS

### 4.1 NEIGHBOURHOOD AND LOCATION

#### Location

The Property, Beijing Tongzhou Integrated Development Phase 1, is situated at the northeast junction of Xinhua East Street and Binhe North Road in Tongzhou District of Beijing. It is abutting the west bank of the North Canal (北运河), and is in the core area of Core Tongzhou Grand Canal Zone (通州运河核心区). The Property is approximately 3.0 kilometres (km) to the west of the East 6th Ring Road and about 11.0 km to the east of the East 5th Ring Road. Beijing CBD is approximately 15.0 km away from the Property.

#### Location Map of the Property



Source: Colliers (for identification purposes only)

#### Surroundings

The area, where the Property is located, is surrounded by a mixture of office, retail and residential developments. Mixed-use developments, such as Forte Centre (复地中心), Beijing Mix Plaza (成大广场), Grand Royal Canal (通州富力中心), Beijing One (北京 ONE), Grand Canal Centre (京杭广场), and Tongzhou Wanda Plaza (通州万达广场), are located in the vicinity of the Property. Some mid-range to high-end mixed-use projects including Greenland Central Plaza (绿地中央广场), World Chamber of Commerce Centre (世界侨商中心), Grand Royal Canal (通州富力中心) are currently under construction and are soon

to be handed over onto the market over the next two years. Majority of the new completions are located in the Core Grand Canal Zone.

Retail facilities including department stores, shopping mall and street shops are also available in the area. For instance, Guotai Department Store (国泰百货), Beijing Roosevelt Centre (京通罗斯福广场), Poly Metropolis (保利大都汇), iLife (新生活广场), and Tongzhou Wanda Plaza (通州万达广场) are some of the popular retail destinations in the area.

Residential developments in the surrounding neighbourhood include Vanke Riverside Metropolis (万科大都会滨江), Hejing Centre (合景中心), Tongzhou Wanguo City (通州万国城), Zhujiang Que (珠江阙), and Jingmao International (京贸国际城).

Public facilities including Tongzhou District Government (通州区政府), Tongzhou Furong Primary School (通州芙蓉小学), Tongzhou Library (通州图书馆), and Tongzhou Canal Park (通州运河公园) are also available in the area.

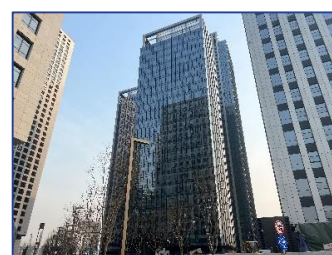
#### Photos of Selected Properties in the Vicinity



*Forte Centre*



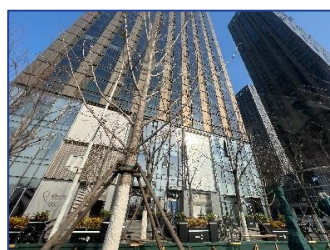
*Uptown Riverside*



*Beijing Mix Plaza*



*Grand Royal Canal*



*Art Park 9*



*Poly Metropolis*

## 4.2 ENVIRONMENTAL ISSUES

We have seen no evidence of environmental concerns such as contamination or other hazards. However, we have not carried out any inspection including investigations into this type of issue, and we are not qualified to assess such environmental concerns. Should you wish or require a thorough investigation of such issues, it is recommended to seek the advice of professionals with appropriate expertise. Should subsequent investigations show evidence of contamination or the like, then our valuation may be subject to revision.



### 4.3 ACCESS AND TRANSPORTATION

The Property is accessible via Xinhua East Street, which is a west-east six-lane dual way road running across Tongzhou District. It connects to the Sixth Ring Road to the east and the Fifth Ring Road to the west, and further connects to the Jingtong Expressway (京通快速路), which leads to the Beijing CBD area. Besides, Dongguan Avenue (东关大道), an expressway that links Xinhua East Street with Chaoyang North Road, passes by the western boundary of the Property. On the east of the Property is Binhe North Road (滨河北路). It meets with Dongguan Avenue to the south of the Property and runs south along the Tongzhou Canal (通州大运河).

According to the Beijing Metro Network Plan, there will be three metro (subway and railway) lines running across the Core Tongzhou Grand Canal Zone, namely Line M6, Line S6 and Line R1. The Metro Line M6, an eastern extension of Subway Line 6, started its operation in Q4 2014. Tongyunmen Station of M6 is currently under construction, and is expected to connect to the Property at basement level 2 upon completion. In addition, Tongyunmen Station further interchanges with the proposed Metro Line S6, that is built to connect the Beijing Capital International Airport Terminal 3 with Beijing Daxing International Airport. Railway R1 Line, an eastern extension of Subway Line 18, is also included in the planning scheme, and is expected to connect to the Tongzhou Universal Studio Station upon completion. With the completion of the new metro lines, accessibility to the Property will be further enhanced.

#### Immediate Accesses



*Xinhua East Street*



*Binhe North Road*



*Tongsheng South Road*

Distances from areas of interest are listed in the table below:

#### Distances to Major Areas of Interest

Main Area	Approx. Direct Distance (km)
Yanjiao Railway Station	13.0
Beijing Capital International Airport	20.0
Beijing East Railway Station	21.0

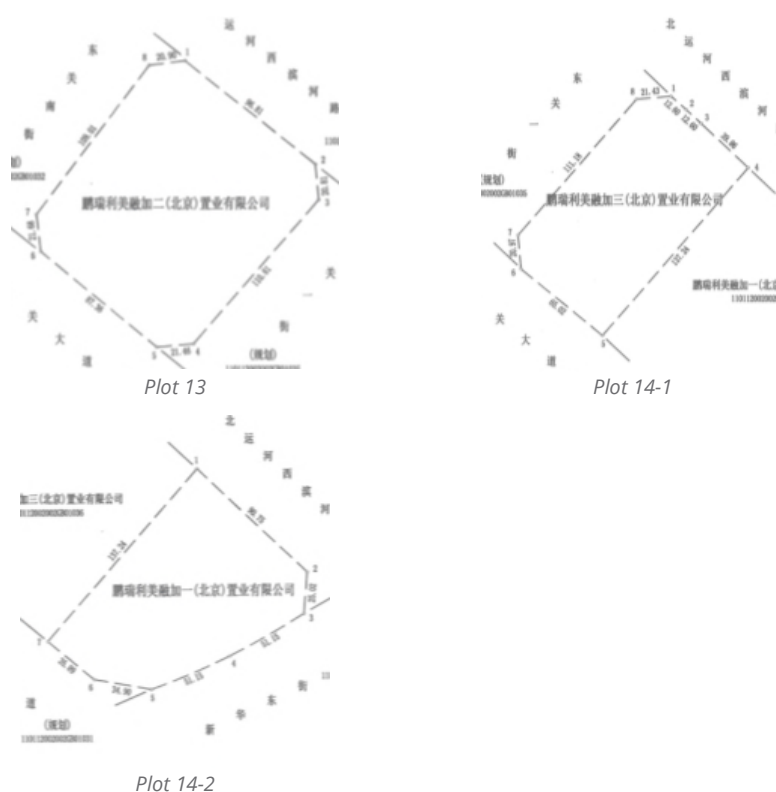
Source: Colliers

#### 4.4 DETAILS OF SITE MEASUREMENT / AREAS

The Property comprises two parcels of rectangular-shaped land plots and one trapezoid-shaped land plot, 'Plot 13', 'Plot 14-1' and 'Plot 14-2' in the Core Tongzhou Grand Canal Zone, Tongzhou District, Beijing (the "Site").

The topography of the Site is generally flat.

##### Site Plan



Source: State-owned Land-use Rights Certificates

According to the State-owned Land-use Rights Certificate Jing Tong Guo Yong (2015 Chu) Nos. 00057, 00058 and 00056, the Site has a total site area of approximately 38,926.00 sq m for commercial and composite purposes.

Certificate Number	Plot No	Site Area (sq m)
Jing Tong Guo Yong (2015 Chu) No. 00057	Plot 13	16,621.00
Jing Tong Guo Yong (2015 Chu) No. 00058	Plot 14-1	10,956.00
Jing Tong Guo Yong (2015 Chu) No. 00056	Plot 14-2	11,349.00
<b>Total</b>		<b>38,926.00</b>

The Site has its eastern boundary abutting Binhe North Road, the western boundary abutting Dongguan Avenue, the northern boundary abutting Beijing Tongzhou Integrated Development Phase 2 and the southern boundary abutting Xinhua East Street.



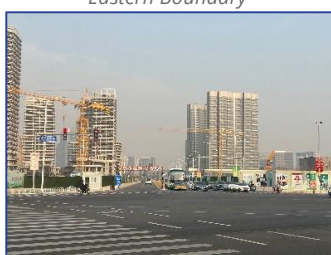
## Photos of Property Boundaries



Eastern Boundary



Southern Boundary



Western Boundary



Northern Boundary

## 4.5 GENERAL OVERVIEW

As advised by the Client, the Property will comprise a 49-storey office tower, a 43-storey apartment tower, a 25-storey building for office and apartment uses, a 6-storey retail podium and a 4-storey basement for retail and car park uses. The Property is expected to be completed in Q3 2023. As advised by the Client, the Property will have a total gross floor area of 412,748.35 sq m.

Detailed GFA information of the Property is listed below:

Component	GFA (sq m)
<b>Aboveground</b>	<b>278,000.00</b>
Retail	107,087.58
Office	119,072.43
Apartment	50,449.86
Others (ramp, exits)	1,390.13
<b>Underground</b>	<b>134,748.35</b>
Retail	21,660.87
Car Spaces	89,397.56
Office & ancillary facilities	4,576.75
Others (facilities rooms, bicycle parking)	19,113.17
<b>Total</b>	<b>412,748.35</b>

Source: the Client

Note: the above GFA table is based on the latest available plans as at the valuation date, and is subject to change if any.

## Photos of the Property



## 4.6 TENURE AND ENCUMBRANCES

### Title Documents

#### State-owned Land-use Rights Certificate (国有土地使用权证)

Pursuant to the State-owned Land-use Rights Certificate, the land-use rights of a parcel of land located at Plot VIII-13, Core Tongzhou Grand Canal Zone, Tongzhou District, Beijing (Plot 13) with a total site area of 16,621.00 sq m has been granted to 鹏瑞利美融加二(北京)置业有限公司. The details are listed below:

Certificate Number	Site Area (sq m)	Land Use	Expiry Date
Jing Tong Guo Yong (2015 Chu) No. 00057	16,621.00	Commercial and Composite	4 November 2052 4 November 2062

Pursuant to the State-owned Land-use Rights Certificate, the land-use rights of a parcel of land located at Plot VIII-14-1, Core Tongzhou Grand Canal Zone, Tongzhou District, Beijing (Plot 14-1) with a total site area of 10,956.00 sq m has been granted to 鹏瑞利美融加三(北京)置业有限公司. The details are listed below:

Certificate Number	Site Area (sq m)	Land Use	Expiry Date
Jing Tong Guo Yong (2015 Chu) No. 00058	10,956.00	Commercial and Composite	4 November 2052 4 November 2062

Pursuant to the State-owned Land-use Rights Certificate, the land-use rights of a parcel of land located at Plot VIII-14-2, Core Tongzhou Grand Canal Zone, Tongzhou District, Beijing (Plot 14-2) with a total site area of 11,349.00 sq m has been granted to 鹏瑞利美融加一(北京)置业有限公司. The details are listed below:

Certificate Number	Site Area (sq m)	Land Use	Expiry Date
Jing Tong Guo Yong (2015 Chu) No. 00056	11,349.00	Commercial and Composite	4 November 2052 4 November 2062

#### Construction Work Planning Permit (建设工程规划许可证)

Pursuant to the Construction Work Planning Permit, the planning of the construction work of the Property with a total construction scale of 156,272.40 sq m, has been approved to 鹏瑞利美融加二(北京)置业有限公司. The details are listed below:

Certificate Number	Project Name	Construction Scale (sq m)	Issue Date
Jian Zi Di 110112201700084	VIII-13 Plot Aboveground Portion (Service Apartment, Retail and	156,272.40	21 September 2017

Certificate Number	Project Name	Construction Scale (sq m)	Issue Date
Hao 2017 Gui (Tong) Jian Zi 0035 Hao	Auxiliary Room) and other two projects (Core Tongzhou Grand Canal Zone VIII-13 Plot Project)		

Pursuant to the Construction Work Planning Permit, the planning of the construction work of the Property with a total construction scale of 68,008.67 sq m, has been approved to 鹏瑞利美融加三（北京）置业有限公司. The details are listed below:

Certificate Number	Project Name	Construction Scale (sq m)	Issue Date
Jian Zi Di 110112201900237 Hao 2019 Gui Zi (Tong) Jian Zi 0120 Hao	Tongzhou District Core Grand Canal Zone VIII-14-1 Plot Project (#14-1 Plot Aboveground Portion)	68,008.67	18 November 2019

Pursuant to the Construction Work Planning Permit, the planning of the construction work of the Property with a total construction scale of 40,575.33 sq m, has been approved to 鹏瑞利美融加三（北京）置业有限公司. The details are listed below:

Certificate Number	Project Name	Construction Scale (sq m)	Issue Date
Jian Zi Di 110112201800080 Hao 2018 Gui Tu (Tong) Jian Zi 0013 Hao	Tongzhou District Core Grand Canal Zone VIII-14-1 Plot Project (#14-1 Plot Underground Portion)	40,575.33	07 June 2018

Pursuant to the Construction Work Planning Permit, the planning of the construction work of the Property with a total construction scale of 110,391.33 sq m, has been approved to 鹏瑞利美融加一（北京）置业有限公司. The details are listed below:

Certificate Number	Project Name	Construction Scale (sq m)	Issue Date
Jian Zi Di 110112201900238 Hao 2019 Gui Zi (Tong) Jian Zi 0121 Hao	Tongzhou District Core Grand Canal Zone VIII-14-2 Plot Project (#14-2 Plot Aboveground Portion)	110,391.33	18 November 2019

Pursuant to the Construction Work Planning Permit, the planning of the construction work of the Property with a total construction scale of 37,500.62 sq m, has been approved to 鹏瑞利美融加一（北京）置业有限公司. The details are listed below:

Certificate Number	Project Name	Construction Scale (sq m)	Issue Date
Jian Zi Di 110112201800081 Hao 2018 Gui Tu (Tong)	Tongzhou District Core Grand Canal Zone VIII-14-2 Plot Project (#14-2 Plot Underground Portion)	37,500.62	07 June 2018

Certificate Number	Project Name	Construction Scale (sq m)	Issue Date
Jian Zi 0014 Hao			

#### Construction Work Commencement Permit (建筑工程施工许可证)

Pursuant to the Construction Work Commencement Permits, the construction work of the Property has been approved to commence by 鹏瑞利美融加二（北京）置业有限公司. The details are listed below:

Certificate Number	Project Name	Construction Scale (sq m)	Issue Date
110112201709300101 [2017] Shi [Tong] Jian Zi 0049 Hao	VIII-13 Plot Aboveground Portion (Service Apartment, Retail and Auxiliary Room) and other two projects (Tongzhou District Core Grand Canal Zone VIII-13 Plot Project)	156,272.40	30 September 2017

Pursuant to the Construction Work Commencement Permits, the construction work of the Property has been approved to commence by 鹏瑞利美融加三（北京）置业有限公司. The details are listed below:

Certificate Number	Project Name	Construction Scale (sq m)	Issue Date
110112201912260101 [2019] Shi [Tong] Jian Zi 0169 Hao	Tongzhou District Core Grand Canal Zone VIII-14-1 Plot Project (#14-1 Plot Aboveground Portion)	68,008.67	26 December 2019

Pursuant to the Construction Work Commencement Permits, the construction work of the Property has been approved to commence by 鹏瑞利美融加三（北京）置业有限公司. The details are listed below:

Certificate Number	Project Name	Construction Scale (sq m)	Issue Date
110112201807270201 [2018] Shi [Tong] Jian Zi 0067 Hao	Tongzhou District Core Grand Canal Zone VIII-14-1 Plot Project (#14-1 Plot Underground Portion)	40,575.33	27 July 2018

Pursuant to the Construction Work Commencement Permits, the construction work of the Property has been approved to commence by 鹏瑞利美融加一（北京）置业有限公司. The details are listed below:

Certificate Number	Project Name	Construction Scale (sq m)	Issue Date
110112201912260301 [2019] Shi [Tong] Jian Zi 0171 Hao	Tongzhou District Core Grand Canal Zone VIII-14-2 Plot Project (#14-2 Plot Aboveground Portion)	110,391.33	26 December 2019

Pursuant to the Construction Work Commencement Permits, the construction work of

the Property has been approved to commence by 鹏瑞利美融加一（北京）置业有限公司. The details are listed below:

Certificate Number	Project Name	Construction Scale (sq m)	Issue Date
110112201807270101 [2018] Shi [Tong] Jian Zi 0066 Hao	Tongzhou District Core Grand Canal Zone VIII-14-2 Plot Project (#14-2 Plot Underground Portion)	37,500.62	27 July 2018

#### Title Investigation

We have been provided by the Client with copies of the title documents relating to the Property. Due to the land registration system in the PRC, we have not searched the original documents from the relevant government authorities to verify the existing title to the Property or any material encumbrances that might be attached to the Property or any lease amendments, which may not appear on the copies handed to us.

We advise that PRC legal opinion should be obtained in order to verify the title ownership of the Property.

#### Mortgage and Encumbrances

We have not been provided with any relevant information about mortgage and encumbrances of the Property. We are therefore unable to comment on any related matters and advise that a legal opinion should be sought regarding the legality, transferability of title and the existence of any current or potential encumbrances attached to the Property.

### 4.7 THIRD PARTY USABILITY

Upon the information provided, we have not found any encumbrances to the third party usability. We advise that PRC legal opinion should be obtained in order to verify the third party usability of the Property.

### 4.8 PLANNING AND DEVELOPMENT

#### Zoning and Planning

According to the Stated-owned Land-use Rights Certificates provided, the site is permitted for commercial and composite uses. From the information provided, and based on our analysis, the Property has complied with the current permitted usage.

#### Height Restrictions

According to the State-owned Land-use Rights Grant Contract, the height limit of Plot 13, Plot 14-1 and Plot 14-2 is approximately 150 m, 150 m and 300 m, respectively. In our valuation, we have assumed that the Property is within the maximum height limit and comply with other restrictions.

## 5. MARKET EVIDENCE / COMPARABLES

### 5.1 RENT

During the course of our valuation, we have made reference to market rent comparables for retail and office in the nearby area. In forming our opinion of market rent, we have had further discussions with active agents in the market.

#### Retail

##### Leasing Comparables for Retail

Items	Comparable 1	Comparable 2	Comparable 3
Property (Eng.)	Link Plaza - Jingtong	Tongzhou Wanda Plaza	Aegean Place
Property (Chi.)	领展购物中心	通州万达广场	北京北投爱琴海购物公园
City	Beijing	Beijing	Beijing
Submarket	Tongzhou	Tongzhou	Tongzhou
Detail Address	No.21 Cuijing Beili	South of Xinhua West Street	Northeast of Intersection of Xinhua North Road and Xinhua East Road
Completion	2014	2014	2021
Asking Level	L1	L1	L1
Asking NLA (sq m)	Average	Average	Average
Price Nature	Asking	Asking	Asking
Date of Asking	Q4 2022	Q4 2022	Q4 2022
Monthly Rent on NLA (RMB psm)	517	640	548

#### Office

##### Leasing Comparables for Office

Items	Comparable 1	Comparable 2	Comparable 3
Property (Eng.)	Greenland Harbour Centre	Poly Metropolis	Art Park 9
Property (Chi.)	绿地海岸中心	保利大都汇	新光大中心
City	Beijing	Beijing	Beijing
Submarket	Tongzhou	Tongzhou	Tongzhou
Detail Address	West of Xinhua North Road	West of Xinhua North Road	Binhui North Road

Items	Comparable 1	Comparable 2	Comparable 3
Completion	2018	2016	2017
Asking Level	Mid Zone	High Zone	High Zone
Asking GFA (sq m)	Average	Average	Average
Price Nature	Asking	Asking	Asking
Date of Asking	Q4 2022	Q4 2022	Q4 2022
Monthly Rent on GFA (RMB psm)	238	243	213

## 5.2 SALES

During the course of our valuation, we have made reference to sales comparables for apartment, retail and office property in the nearby area. In forming our opinion of market price, we have had further discussions with active agents in the market.

### Apartment

#### Sales Comparables for Apartment

Items	Comparable 1	Comparable 2	Comparable 3
Name (ENG)	Megahall MOMA	Jingmao International City	Eastern City Manssion
Name (CHN)	通州万国城	京贸国际城	京澜誉府
City	Beijing	Beijing	Beijing
District	Tongzhou District	Tongzhou District	Tongzhou District
Detailed Address	No.26 Yuqiao West Road	No.1 Furong Road	No.72 Yudaihe Avenue
Transacted GFA (sq m)	142	97	111
Completion	2021	2014	2022
Price Nature	Transaction	Transaction	Transaction
Date of Transaction	Q2252022	Q3252022	Q3252022
Approx. Unit Price (RMB psm)	55,000	59,000	56,000

### Office

#### Sales Comparables for Office

Items	Comparable 1	Comparable 2	Comparable 3
Name (ENG)	IIM5	Poly Metropolis	Beijing Huitong Centre
Name (CHN)	M5 运河 1 号	保利大都汇	北京惠通中心
City	Beijing	Beijing	Beijing
District	Tongzhou District	Tongzhou District	Tongzhou District



Items	Comparable 1	Comparable 2	Comparable 3
Detailed Address	No.9 Yunheyuan Road	East of Xinhua North Road	West of Tonghui North Road
Transacted/Asking GFA (sq m)	74	52	130
Completion	2018	2016	2021
Price Nature	Transaction	Asking	Asking
Date of Transaction/Asking	Q2 2022	Q4262022	Q4262022
Approx. Unit Price (RMB psm)	43,000	40,000	45,100

### Retail

#### Sales Comparables for Retail

Items	Comparable 1	Comparable 2	Comparable 3
Name (ENG)	Tongzhou R&F Centre	IIM5	CRCC Tongrui Jiayuan
Name (CHN)	通州富力中心	运河上筑中心	中国铁建通瑞嘉苑
City	Beijing	Beijing	Beijing
District	Tongzhou District	Tongzhou District	Tongzhou District
Detailed Address	No.261 Yudaihe East Street	Yunheyuan Road	West of Binhe Mid Road
Transacted GFA (sq m)	153	94	98
Completion	2018	2018	2016
Price Nature	Transaction	Transaction	Transaction
Date of Transaction	Q3262022	Q2262022	Q2262022
Approx. Unit Price on Retail GFA (RMB psm)	77,600	67,000	49,000

## 6. VALUATION ASSUMPTIONS AND SPECIAL ASSUMPTIONS

This valuation has been undertaken assuming the following:

- (a) We have assumed that the property is free from and clear of any and all charges, liens and encumbrances of an onerous nature likely to affect value, whether existing or otherwise, unless otherwise stated.
- (b) It is assumed that any land premium or other relevant fees payable for the acquisition, transfer, sale, letting or mortgage of the property have been fully paid and settled.
- (c) We are not aware of any easements or rights-of-way affecting the property and our valuation assumes that none exists.
- (d) We have assumed that, for any use of the Property upon which this valuation report is based, any and all required licences, permits, certificates, and authorisations have been obtained, and are capable of renewal without difficulty, except only where otherwise stated.
- (e) We have assumed the Property can be freely transferred, mortgaged and let in the market without any additional fee.
- (f) We have assumed that the Information, estimates and opinions furnished to us and contained in this report have been obtained from sources considered reliable and believed to be true and correct, but we can assume no responsibility for their accuracy.
- (g) We have assumed that the property is free from any environmental problem or hazard.
- (h) We have assumed the sites are free of contamination and any other environmental problem and can be developed in accordance to the plans, scale, and construction quality as stated in the supplied information.
- (i) We have assessed the value of the property on the basis the current planned and approved development scheme will be completed on schedule based on the current statutory approvals received and expected, and that there will be no other major adverse factors affecting the construction programme.
- (j) We have valued the property assuming that the current approved development scheme has been completed and fit for use with all statutory approvals given at the valuation date.
- (k) Without access to appropriate information, we have valued the property on the assumption that there are no abnormal site conditions that would result in an abnormal increase in development costs.

- (l) Although property consists of a number of separate parts, we have valued it assuming it can be developed as one whole, in accordance with current planned and approved development plans without undue difficulty, and in a timely manner.
- (m) In the absence of readily available and verifiable information from other sources for valuation purposes, and as agreed, we have relied on the information solely provided by you for the purposes of valuation. We have assumed all such information provided by you to be true and accurate for the purposes of this valuation.
- (n) We have considered the effects of the current coronavirus outbreak with reference to information and evidence available to us when this valuation report was prepared. Although we take the view that the impact of the coronavirus outbreak onto the property market would be transitory, we would recommend you seek for our opinion of values as and when you need to make a decision relating to the Property.
- (o) We noted that the Client is the minority shareholders of the Property which holds only 5% of the overall development. In the valuation, we have considered the effects of the minority share impact in arriving at the market value of the Property.
- (p) We have further assumed that all uses to which the property is put to are legal and in compliance with the law.

## 7. VALUATION APPROACHES

### 7.1 VALUATION DEFINITION

We have valued the Property on a “vacant land” basis using the Residual Method. In the course of arriving at the Gross Development Value (GDV) of the Property, we have adopted the Income Approach and the Market Approach to value the Property on an “as if complete” basis.

The definitions of these approaches are below:

**Residual Method** is a means of valuing assets, land, or properties by reference to their development potential. The value is the residue of the Gross Development Value of the proposed development scheme upon completion, deferred by the development period up to the time when all the asset or property has been disposed of in the open market, after deducting the development costs including demolition costs, construction costs, professional fees and allowance for risk and profit.

**Market Approach** provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available. By analysing such sales, which qualify as ‘arms-length’ transactions, between willing buyers and sellers, adjustments are made for size, location, time, amenities and other relevant factors when comparing such sales prices to assess the value of the subject asset. This approach is commonly used to value assets where reliable sales evidence of assets of a similar nature is available.

**Income Approach - Income Capitalisation Method** estimates the value of the property on an open-market basis by capitalising net rental income having regard to the potential income at the market level. In calculating the net rental income, no deduction has been made from the net passing rental income, which is exclusive of property management fee.

## 7.2 RESIDUAL METHOD

### Gross Development Value

In the course of arriving at the Gross Development Value (GDV) of the Property in the Residual Method, we have adopted the Market Approach for the apartments, offices, retail and car park, and the Income Capitalisation Method for retail, offices and car park. Details are as below:

#### Market Approach

In assessing the unit rates for the Property, we have made reference to the sales of similar properties in the vicinity. Detail analysis is listed in Section 5.2. After analysis, the adopted unit rates of the Property are listed below:

Portion	Unit Price (RMB psm / lot)
Apartment	50,000
Office	50,000
Retail	Retail Basement: 43,000 Retail Podium: 72,000
Titled Car Park (per lot) (For sale)	240,000

#### Income Capitalisation Method

In assessing the market rents for the Property, we have made referenced to the rental levels for similar properties in the vicinity. Detail analysis is listed in Section 5.1. After analysis, the adopted unit rates of the Property are listed below:

Portion	Capitalisation Rate Utilised	Market Rent (RMB psm per month / RMB per lot per month)
Retail	5.0%	Average: 345
Office	4.0%	250
Car Park	7.0%	600

After using the Market Approach and the Income Capitalisation Method, our opinion of the GDV of the Property, as if completed at the valuation date, using the above methods is RMB14,943,000,000.

The breakdown of GDV by plots is listed below:

Portion	Gross Development Value
Plot 13	RMB5,859,000,000
Plot 14-1	RMB3,552,000,000
Plot 14-2	RMB5,532,000,000
<b>Total</b>	<b>RMB14,943,000,000</b>

### Project Costs

For the proposed development scheme, we will make reference to the construction costs provided by the Client and information published by other global Quantity Surveyors' firms. The estimated total project cost provided by the Client is approximately RMB3,527,000,000, exclusive of VAT.

### Other Assumptions

To estimate the total development costs, we have also made the following assumptions:

Items	Content
Value-added Tax	5.0% on GDV
VAT Surcharge	0.6% on GDV
Marketing Fees and Letting Fees	4.8% on GDV
Professional Fees	2.5% on total construction cost
Contingency	10.0% on total construction cost
Interest Rate on holding costs	5.11%
Developer's Profit	10.0% on GDV
Other Soft Costs (incl. project management & disposal fees)	4.5% on total construction cost

### Output Summary

Per the Client's instruction, we are of the opinion that the market value of the Property on a "vacant land" basis, exclusive of stamp duty and deed tax, as at the date of valuation, using the above method is:

**RMB6,202,000,000**

**RENMINBI SIX BILLION TWO HUNDRED AND TWO MILLION ONLY**

### 7.3 FINAL VALUE CONCLUSION

We have valued the market value of the Property on an “as if completed” basis by using 80%/20% of the Income Capitalisation Method and the Market Approach, and the market value of the Property on “vacant land” basis using the Residual Method

In view of the nature of the Property and market information available, we are comfortable using these approaches in this particular case.

We summarise the valuation result as follows:

No.	Approach	Gross Development Value (RMB)	Market Value “vacant land” (RMB)
1	Residual Method	14,943,000,000	6,202,437,235
<b>TOTAL</b>			<b>6,202,000,000</b>

We are of the opinion that the Market Value of the Property on a “vacant land” basis, subject to the assumptions, comments, terms and conditions contained within and annexed to our report, assuming that the Property is free of all encumbrances, as of 15 February 2023, is in the sum of:

**RMB6,202,000,000**

**RENMINBI SIX BILLION TWO HUNDRED AND TWO MILLION ONLY**

For and on behalf of

**Colliers Appraisal and Advisory Services Co., Ltd.**



**Flora He 贺志蓉**

Zhirong He (Flora He)

FRICS MCOMFIN

Executive Director

Valuation and Advisory Services | China



## 8. APPENDICES

### APPENDIX 1: CAVEATS AND ASSUMPTIONS

#### 1. DEFINITIONS

In these Caveats and Assumptions the following words or phrases shall have the meaning or meanings set out below:

**‘Confidential Information’** means information that:

- (a) Is by its nature confidential.
- (b) Is designated by Us as confidential.
- (c) You know or ought to know is confidential.
- (d) Includes, without limitation: information comprised in or relating to any of Our intellectual property in the Services or any reports or certificates provided as part of the Services.
- (e) You or Your affiliates provide to Us for the purposes of the Services.

**‘Currency Date’** means, in relation to any valuation report, the date as at which our professional opinion is stated to be current.

**‘Fee’** means the amount agreed to be paid for the Services as set out in the Quotation.

**‘Parties’** means You or Us as the context dictates.

**‘Quotation’** means the written quote provided by Us in relation to the Services.

**‘Services’** means the valuation services provided pursuant to these terms and conditions and the Quotation, and includes any documents, reports or certificates provided by Us in connection with the Services.

**‘The Property’** means the assets which are subject of our appointment as your advisor. This may include land, buildings, plant & equipment and other assets as described in the appointment agreement.

**‘We’, ‘Us’, ‘Our’, ‘Colliers’** means Colliers.

**‘You’, ‘Your’, ‘Client’** means the person, company, firm or other legal entity by or on whose behalf instructions are given, and any person, firm, company or legal entity who actually gave the instructions to us even though such instructions were given as agent for another.

**‘Professional Property Practice Standards’** refers to RICS Valuation - Professional Standards, or appropriate standards.

#### 2. PERFORMANCE OF SERVICES

2.1 We have provided the Services in accordance with:

- (a) The terms and conditions contained herein; or
- (b) As specifically instructed by You for the purpose of the Services; and
- (c) Within the current provisions set by the prevailing Professional Property Practice Standards.

#### 3. CONDITION OF THE PROPERTY

- 3.1 No allowance has been made in our report for any charges, mortgages or amounts owing on any of the properties valued nor for any expenses or taxation which may be incurred in effecting a sale. We have assumed that the Property is free from and clear of any and all charges, liens and encumbrances of an onerous nature likely to affect value, whether existing or otherwise, unless otherwise stated. We assume no responsibility for matters legal in nature nor do we render any opinion as to the title which is assumed to be good and marketable. We are not aware of any easements or rights of way affecting the property and our valuation assumes that none exists.
- 3.2 We have assumed that the Property has been constructed, occupied and used in full compliance with, and without contravention of, all ordinances, except only where otherwise stated. We have further assumed that, for any use of the Property upon which this report is based, any and all required licences, permits, certificates, and authorisations have been obtained, except only where otherwise stated.

- 3.3 We have assumed that any development sites are in a condition suitable for development; this has not been checked by us.
- 3.4 We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the properties but have assumed that the site areas shown on the documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.
- 3.5 We have assumed that there is no timber infestation, asbestos or any other defect (unless advised otherwise) and that the property is compliant with all relevant environmental laws. It is Your responsibility to provide reports to Us that are relevant to these issues.
- 3.6 An internal inspection has been made, unless otherwise stated, no detailed on-site measurements have been taken.
- 3.7 While due care is exercised in the course of our inspection to note any serious defects, no structural survey of the Property will or has been undertaken, and We will not (and are not qualified to) carry out a structural, geotechnical or environmental survey. We will not inspect those parts of the property that are unexposed or inaccessible.
- 3.8 None of the services have been tested by Us and we are unable therefore to report on their present condition, but will presume them to be in good working order.
- 3.9 We recommend that You engage appropriately qualified persons to undertake investigations excluded from our Services.
- 3.10 No responsibility will be accepted either to You or to any third party for loss or damage that may result directly or indirectly from the condition of the property.

#### **4. ENVIRONMENT AND PLANNING**

- 4.1 We have obtained only verbal town planning information. It is your responsibility to check the accuracy of this information by obtaining a certificate under the appropriate legislation.
- 4.2 We do not hold ourselves to be experts in environmental contamination. Unless otherwise stated, our inspection of the site did not reveal any contamination or pollution affectation, and our valuation has been prepared on the assumption that that the land is not contaminated and has not been affected by pollutants of any kind. We would recommend that this matter be checked by a suitably qualified environmental consultant. Should subsequent investigation show the site is contaminated, our valuation may require revision.

#### **5. BUILDING AREAS**

- 5.1 Where a survey is provided to Us for consideration, We will assume that information contained in the survey is accurate and has been prepared in accordance with the prevailing Professional Property Practice Standards.
- 5.2 If you do not provide Us with a survey, We will estimate building areas based only upon available secondary information (including but not limited to building plans, deposited plans, and our own measurements). Such estimates do not provide the same degree of accuracy or certainty as would be provided by a survey prepared by an appropriately qualified professional in accordance with the prevailing Professional Property Practice Standards.
- 5.3 Where such a survey is subsequently produced which differs from the areas estimated then You will refer the valuation back to Us for comment or, where appropriate, amendment.

#### **6. OTHER ASSUMPTIONS**

- 6.1 Unless otherwise notified by You, We will assume:
  - (a) There are no easements, mortgages, leases, encumbrances, covenants, caveats, rights of way or encroachments except those shown on the title.
  - (b) All licences and permits can be renewed and We have not made any enquiries

in this regard.

- 6.2 Where third party expert or specialist information or reports are provided to Us or obtained by Us in connection with Services (including but not limited to surveys, quantity surveyors reports, environmental audits, structural / dilapidation reports), we will rely upon the apparent expertise of such experts / specialists. We will not verify the accuracy of this information or reports, and assume no responsibility for their accuracy.
- 6.3 Our services are provided on the basis that the Client has provided us, to the best of its knowledge, with a full and frank disclosure of all information and other facts which may affect the service, including all secrecy clauses and side agreements. We accept no responsibility or liability whatsoever for the valuation unless such a full disclosure has been made.
- 6.4 Any plans, sketches or maps included in this report are for identification purposes only and should not be treated as certified copies of areas or other particulars contained therein.
- 6.5 The study of possible alternative development options and the related economics are not within the scope of this report, unless otherwise stated.
- 6.6 Our opinion about the market value of the property is free from any influence and/or point of views of any other parties.

## **7. ESTIMATED SELLING PRICE**

- 7.1 Where you instruct Us to provide an estimated selling price, You agree that the Services:
  - (a) Are limited to the provision of an opinion based on Our knowledge of the market and informal enquiries.
  - (b) We are not required to carry out a full inspection of the property; any inspection of comparable properties; a search of title(s) or other enquiries as to encumbrances, restrictions or impediments on title(s); or other investigations which would be required for a formal valuation.
  - (c) Provide an indicative figure only which is not suitable for use for any purpose other than as general information or guide as to sale expectations. It is not suitable to be relied upon for the purpose of entry into any transaction.
- 7.2 No responsibility will be accepted either to You or to any third party for loss or damage that may result from the issue of such an estimated selling price.

## **8. CURRENCY OF VALUATION**

- 8.1 Due to possible changes in market forces and circumstances in relation to the property the Services can only be regarded as relevant as at the Currency Date.
- 8.2 Where You rely upon Our valuation report after the Currency Date, You accept the risks associated with market movements between the Currency Date and the date of such reliance.
- 8.3 Without limiting the generality of 8.2, You should not rely upon Our valuation:
  - (a) After the expiry of 3 months from the Currency Date;
  - (b) Where circumstances have occurred during that period which may have a material effect on the value of the property or the assumptions or methodology used in the valuation report.

## **9. MARKET PROJECTIONS**

- 9.1 Any market projections incorporated within our Services including, but not limited to, income, expenditure, associated growth rates, interest rates, incentives, yields and costs are projections only and may prove to be inaccurate. Accordingly, such market projections should be interpreted as an indicative assessment of potentialities only, as opposed to certainties.
- 9.2 Where Our Services include market projections such projections require the dependence upon a host of variables that are highly sensitive to varying conditions. Accordingly, variation in any of these conditions may significantly affect these market

- projections.
- 9.3 Where market projections form part of Our Services, We draw your attention to the fact that there will be a number of variables within acceptable market parameters that could be pertinent to Our Services and the projections adopted are representative of only one of these acceptable parameters.
  - 9.4 All statements of fact in the valuation report which are used as the basis of our analyses, opinions, and conclusions will be true and correct to the best of our knowledge and belief. We do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to us by you.

## 10. YOUR OBLIGATIONS

- 10.1 You warrant that the instructions and subsequent information supplied by You, to the best of your knowledge, contain a full and frank disclosure of all information that is relevant to Our provision of the Services.
- 10.2 You warrant that all third party expert or specialist reports provided to Us by You for the purpose of Us providing the Services are provided with the authority of the authors of those reports.
- 10.3 You authorise and license Us to incorporate Your intellectual property within Our report(s).
- 10.4 You will not release any part of Our valuation report or its substance to any third party without Our written consent. When we consent for You to release Our report or any part of Our report to any third party, we do so on the basis that these terms and conditions will apply to the new addressee(s) as if it / they had been a party to the original letter of instruction between us. Where we consent to such reliance, You agree to furnish the addressee with a copy of any reliance letter issued by Us and/or a copy of these terms and conditions.
- 10.5 We reserve the right to reconsider or amend the valuation advice, or the Fee set out in Our Quotation to You, if;
  - (a) Certificates, surveys, leases, side agreements or related documentation that were not provided to Us prior to the provision of the Services are subsequently provided, and contain matters that may affect the value of the advice; or
  - (b) Where subsequent site inspections made in relation to any of the matters raised in Clause 3 materially affect or may alter the value of the property, the subject of the Services.
  - (c) The information provided to Us by You prior to the provision of services is in any way incomplete, misleading or wrong.
- 10.6 If You release any part of the valuation advice or its substance without written consent, You agree to defend and indemnify Us against claims by a third party who has reviewed the report if We have not, at or subsequent to the time of engagement, provided our specific written consent to such party reviewing and relying on the report. We have no responsibility to any other person even if that person suffers damage as a result of You providing this valuation without Our prior consent.
- 10.7 You agree that the only remedy for losses or damages relating to the breach of this Agreement shall be limited to three times Our contracted fee for the assignment and no claim shall be made for any consequential or punitive damages.
- 10.8 You agree not to bring any claim for any losses against any director, consultant or any employee of Ours. You hereby agree that Our director, consultant or any employee does not have a personal duty of care to You and any claim for losses must be brought against Colliers.
- 10.9 Where any loss is suffered by You for which We and any other person are jointly and severally liable to You the loss recoverable by You from Us shall be limited so as to be in proportion to our relative contribution to the overall fault.

## **11. CONFIDENTIALITY**

- 11.1 This report and each part of it is prepared and intended for the exclusive use of the Client for the sole purpose outlined in Our agreement for internal reference purposes, and/or the purposes as specified in the agreement, and in accepting this report, the Client expressly agrees not to use or rely upon this report or any part of it for any other purpose. No person other than the Client shall use or rely upon this report or any part of it for any purpose unless we have given Our express written consent. Similarly neither the whole nor any part of this report nor any reference thereto may be included in any document, circular or statement nor published in any way without our written approval of the form and context in which it may appear.
- 11.2 If consent to disclose the Confidential Information is provided by Us, You agree to abide by any additional terms and conditions that We may apply to that disclosure.
- 11.3 You agree that You will indemnify, hold harmless and defend Us from and against any and all loss, liability, costs or expenses (including but not limited to professional or executive time) We may suffer or reasonably incur, directly or indirectly, as a result of a breach of this clause.
- 11.4 Unless otherwise directed in writing by Client, Colliers retains the right to include references to the Services in its promotional material. Such references shall not contain confidential material.

## **12. PRIVACY**

- 12.1 We may obtain personal information about You in the course of performing Our Services. We respect your privacy and advise You that we will only obtain information that is necessary to assist us in the course of performing Our Services. If it is necessary for Us to engage third parties, we will inform these parties that they are not to disclose any personal information about You to any person or organisation other than Us.

## **13. SUBCONTRACTING**

- 13.1 We may sub-contract or otherwise arrange for another person to perform any part of the Services or to discharge any of Our obligations under any part of these terms and conditions, with Your consent.

## **14. LIMITATION OF COLLIERS LIABILITY**

- 14.1 To the extent permissible under applicable laws, in no event shall Colliers be liable to Client or anyone claiming by, through or under Client, including insurers, for any lost, delayed, or diminished profits, revenues, production, business, use or opportunities, or any incidental, special, indirect, or economic losses, wasted costs, diminution of value or consequential damages, of any kind or nature whatsoever, however caused.
- 14.2 We shall be released from Our obligations to the extent that performance thereof is delayed, hindered or prevented by any circumstances beyond Our reasonable control (examples being a strike, act of God or act of terrorism). All the costs and benefits forecasted will, ultimately, be determined by future market conditions. Forecasts of these elements are based on assumptions of certain variable factors, which, in turn, are extremely sensitive to changes in the market and economic contexts. For this reason, the figures mentioned in this report were not computed under any known or guaranteed conditions. Rather, these are forecasts drawn from reliable sources of data and information and made in the best judgment and professional integrity of Colliers. Notwithstanding this, Colliers reiterates that it will not accept any responsibilities in the face of damage claims that might result from any error, omission or recommendations, viewpoints, judgments and information provided in this report.
- 14.3 Neither Colliers nor any employee of Ours shall be required to give testimony or to appear in court or any other tribunal or at any government agency by reason of this valuation report or with reference to the property in question, except by court

- summons / judicial notification, and unless prior arrangements have been made and we are properly reimbursed for reasonable time and expenses incurred. The hourly billings pertain to court preparation, waiting and travel time, document review and preparation (excludes valuation report) and all meetings related to court testimony.
- 14.4 We are free from any possible legal and/ or non-legal issue which may attach to the Property's title documents.
  - 14.5 All statements of fact in the valuation report which are used as the basis of our analyses, opinions, and conclusions will be true and correct to the best of our knowledge and belief. We do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to Us by You.
  - 14.6 Our liability for loss and damage attributable to Our negligence, breach of contract, misrepresentation or otherwise (but not in respect of fraud, fraudulent misrepresentation, death or personal injury) shall be limited to a maximum of three times Our contracted fee for the assignment per property for any single case. A single case of damages is defined as the total sum of all damage claims of all persons entitled to claim, which arise from one and the same professional error / offence. In the case of damages suffered from several offences brought about by the same technical error within the scope of several coherent services of a similar nature, we are only to be held liable for an amount of three times Our contracted fee for the assignment per property.
  - 14.7 Where the agreement is addressed to more than one Client, the above limit of liability applies to the aggregate of all claims by all such Clients and not separately to each Client.
  - 14.8 No third party will be entitled to rely on any part of Our valuation report or its substance or advice except with our written consent. Should any third party rely on Our report without obtaining Our written consent, We are not bound by any liability which arises from the use of or reliance upon Our valuation report by such unauthorised party.
  - 14.9 We will not be liable for any services outside the scope of the services agreed to be performed by Us, and in respect of any consequential losses or loss of profits.
  - 14.10 Responsibility for Our valuation extends only to the party(ies) to whom it is addressed. However in the event of Us being asked by You to re-address Our report to another party or other parties or permit reliance upon it by another party or other parties, We will give consideration to doing so, to named parties, and We reserve the right to charge additional fee for doing so although We will agree such fee with You before commencing the work.

## **15. ENTIRE AGREEMENT**

- 15.1 No further agreement, amendment or modification of these terms and conditions shall be valid or binding unless made in writing and executed on behalf of the Parties by their duly authorised officers.
- 15.2 If there is inconsistency between these terms and conditions and the Quotation, any letter of instruction from You, or other specific request or information shall prevail to the extent of the inconsistency.
- 15.3 Copyright in any reports, documents or other material provided to You by Us shall remain Our property at all times unless otherwise stated.

## **16. ANTI BRIBERY AND CORRUPTION MEASURES**

- 16.1 We represent, in connection with any services to be provided to You, that neither We nor Our contractors, employees or agents (collectively, "Consultant") has made or will make, either directly or indirectly, any payments (i) to or for the use or benefit of any Government Official (ii) to any other person either for an advance or reimbursement, if Consultant knows or has reason to know that any part of such payment has been or will be given to any Government official or (iii) to any person or entity, the payment of which would violate laws and regulations in Australia, the

United States, the United Kingdom or any other government entity having jurisdiction over the activities carried out by Consultant. The term "Government Official" in this paragraph means any officer or employee of a government or any governmental department or agency, or any person acting in an official capacity for or on behalf of any such government or governmental department or agency, including employees of state-owned or controlled entities and candidates for political office.

- 16.2 We represent that, in connection with any services to be provided to You, We will conduct operations at all times in compliance with applicable financial recordkeeping and reporting requirements, including all applicable money laundering-related laws of any jurisdictions where We conduct business or own assets.



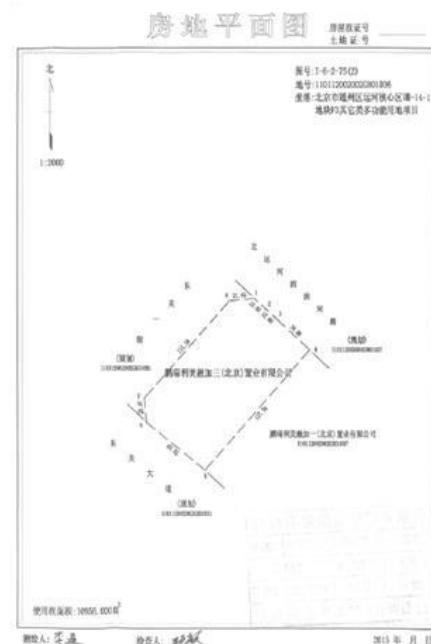
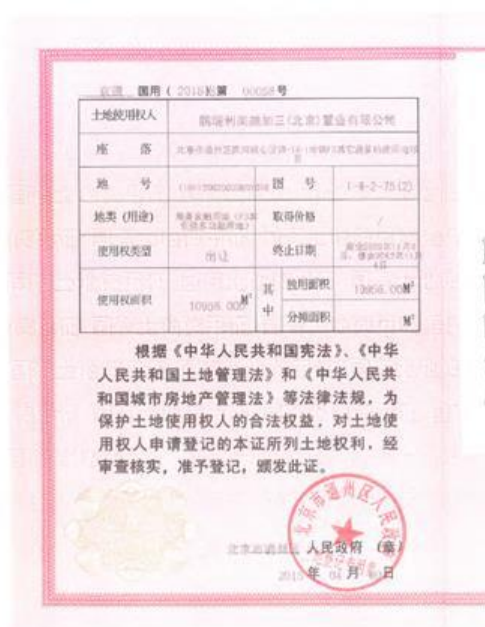
## APPENDIX 2: TITLE COPIES

### State-owned Land-use Rights Certificate

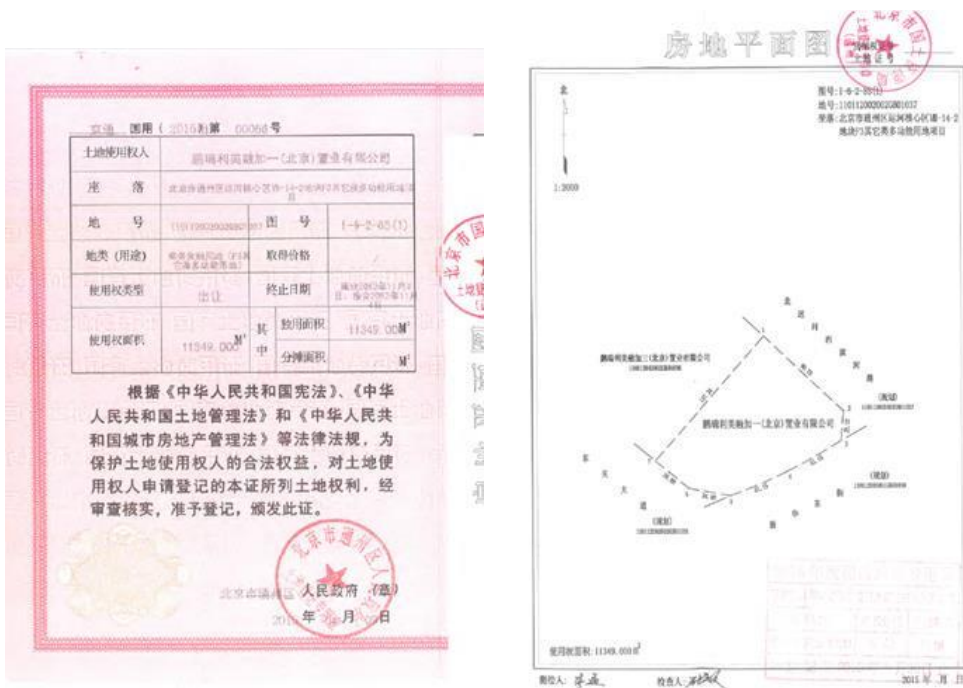
#### Plot 13



#### Plot 14-1



### Plot 14-2



## Construction Work Planning Permit

### Plot 13

No. 0002026

中华人民共和国

**建设工程规划许可证**

建字第 110112201700084 号  
2017规(通)建字0035号

根据《中华人民共和国城乡规划法》第四十条规定,经审核,本建设工程符合城乡规划要求,颁发此证。

北京市规划和国土资源管理委员会  
日期 2017年09月21日

建设单位(个人)	鹏瑞利美融加三(北京)置业有限公司
建设项目名称	VIII-13地块地上部分(商务型公寓、商业及附属用房)等2项(通州区运河核心区VIII-13地块项目)
建设位置	通州区运河核心区
建设规模	156272.4平方米
附图及附件名称	
本工程建设工程规划许可证附件及设计总平面图两份。	

**遵守事项**

一、本证是经城乡规划主管部门依法审核,建设工程符合城乡规划要求的法律凭证。  
二、未取得本证或不按本证规定进行建设的,均属违法建设。  
三、未经发证机关许可,本证的各项规定不得随意变更。  
四、城乡规划主管部门依法有权查验本证,建设单位(个人)有责任提交查验。  
五、本证所需附图与附件由发证机关依法确定,与本证具有同等法律效力。

### Plot 14-1

No. 0003019

中华人民共和国

**建设工程规划许可证**

建字第 0112201900237 号  
2019规自(通)建字0120号

根据《中华人民共和国城乡规划法》第四十条规定,经审核,本建设工程符合城乡规划要求,颁发此证。

北京市规划和自然资源委员会  
日期 2019年11月18日

建设单位(个人)	鹏瑞利美融加三(北京)置业有限公司
建设项目名称	通州区运河核心区VIII-14-1地块项目(14-1地块地上部分)
建设位置	通州区运河核心区
建设规模	68008.67平方米
附图及附件名称	
本工程建设工程规划许可证附件及设计总平面图两份。	

**遵守事项**

一、本证是经城乡规划主管部门依法审核,建设工程符合城乡规划要求的法律凭证。  
二、未取得本证或不按本证规定进行建设的,均属违法建设。  
三、未经发证机关许可,本证的各项规定不得随意变更。  
四、城乡规划主管部门依法有权查验本证,建设单位(个人)有责任提交查验。  
五、本证所需附图与附件由发证机关依法确定,与本证具有同等法律效力。

No.0002173

<p>中华人民共和国</p> <p><b>建设工程规划许可证</b></p> <p>建字第 110112201800080 号 2018规土（通）建字第0013号</p> <p>根据《中华人民共和国城乡规划法》第四十条规定，经审核，本建设工程符合城乡规划要求，颁发此证。</p> <p>发证机关 北京市规划和自然资源委员会 日期 2018年06月07日</p>		<p>建设单位（个人） 鹏瑞利美加三（北京）置业有限公司</p> <p>建设项目名称 通州区运河核心区VIII-14-1地块项目（VIII-14-1地块地下部分）</p> <p>建设位置 通州区运河核心区</p> <p>建设规模 40575.33平方米</p> <p>附图及附件名称 本工程建设工程规划许可证附件及设计总平面图两份。</p>
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**遵守事项**

- 一、本证是经城乡规划主管部门依法审核，建设工程符合城乡规划要求的法律凭证。
- 二、未取得本证或不按本证规定进行建设的，均属违法建设。
- 三、未经发证机关许可，本证的各项规定不得随意变更。
- 四、城乡规划主管部门依法有权查验本证，建设单位（个人）有责任提交查验。
- 五、本证所需附图与附件由发证机关依法确定，与本证具有同等法律效力。

Plot 14-2

No. 0003020

<p>中华人民共和国</p> <p><b>建设工程规划许可证</b></p> <p>建字第 10112201900238 号 2019规自（通）建字第0121号</p> <p>根据《中华人民共和国城乡规划法》第四十条规定，经审核，本建设工程符合城乡规划要求，颁发此证。</p> <p>发证机关 北京市规划和自然资源委员会 日期 2019年11月18日</p>		<p>建设单位（个人） 鹏瑞利美加三（北京）置业有限公司</p> <p>建设项目名称 通州区运河核心区VIII-14-2地块项目（14-2地块地上部分）</p> <p>建设位置 通州区运河核心区</p> <p>建设规模 110391.33平方米</p> <p>附图及附件名称 本工程建设工程规划许可证附件及设计总平面图两份。</p>
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**遵守事项**

- 一、本证是经城乡规划主管部门依法审核，建设工程符合城乡规划要求的法律凭证。
- 二、未取得本证或不按本证规定进行建设的，均属违法建设。
- 三、未经发证机关许可，本证的各项规定不得随意变更。
- 四、城乡规划主管部门依法有权查验本证，建设单位（个人）有责任提交查验。
- 五、本证所需附图与附件由发证机关依法确定，与本证具有同等法律效力。

No.0002174

中华人民共和国

**建设工程规划许可证**

建字第 110112201800081 号  
2018规上(通)建字0014号

根据《中华人民共和国城乡规划法》第四十条规定,经审核,本建设工程符合城乡规划要求,颁发此证。

发证机关  北京市规划和自然资源委员会  
日期 2018年06月07日



建设单位(个人)	鹏瑞利美融加一(北京)置业有限公司
建设项目名称	通州区运河核心区VIII-14-2地块项目(VIII-14-2地块地下部分)
建设位置	通州区运河核心区
建设规模	37500.62平方米
附图及附件名称	
本工程建设工程规划许可证附件及设计总平面图两份。	

**遵守事项**

- 一、本证是经城乡规划主管部门依法审核,建设工程符合城乡规划要求的法律凭证。
- 二、未取得本证或不按本证规定进行建设的,均属违法建设。
- 三、未经发证机关许可,本证的各项规定不得随意变更。
- 四、城乡规划主管部门依法有权查验本证,建设单位(个人)有责任提交查验。
- 五、本证所需附图与附件由发证机关依法确定,与本证具有同等法律效力。



## Construction Work Commencement Permit

Plot 13

印刷编号: 07198

### 中华人民共和国 建筑工程施工许可证

编号 110112201709300101  
[2017]施[通]建字0049号

根据《中华人民共和国建筑法》第八条规定,经审查,本  
建筑工程符合施工条件,准予施工。

特发此证

发证机关

通州区住房和城乡建设委员会

发证日期

2017-09-30

建设单位	鹏瑞利美融加二(北京)置业有限公司		
工程名称	V8-13地块地上部分(商务型公寓、商业及附属用房)等2项(通州区运河核心区V8-13地块项目)		
建设地址	通州区运河核心区		
建设规模	156272.40平方米	合同价格	74738.6210万元
勘察单位	中铁第五勘察设计院集团有限公司		
设计单位	中国建筑设计院有限公司		
施工单位	江苏中南建筑产业集团有限责任公司		
监理单位	北京国金管理咨询有限公司		
勘察单位项目负责人	焦洪杰	设计单位项目负责人	章英姿
施工单位项目负责人	姜吉龙	总监理工程师	张大吉
合同工期	1296 天		
备注 此证含附件:			

**注意事项:**

- 一、本证放置施工现场,作为准予施工的凭证。
- 二、未经发证机关许可,本证的各项内容不得变更。
- 三、住房城乡建设行政主管部门可以对本证进行查验。
- 四、本证自发证之日起三个月内应予施工。逾期应办理延期手续,不办理延期或延期次数、时间超过法定时间的,本证自行废止。
- 五、在建的建筑工程因故中止施工的,建设单位应当自中止施工之日起一个月内向发证机关报告,并按照规定做好建筑工程的维护管理工作。
- 六、建筑工程恢复施工时,应当向发证机关报告;中止施工满一年的工程恢复施工前,建设单位应当报发证机关核验施工许可证。
- 七、凡未取得本证擅自施工的属违法建设,将按《中华人民共和国建筑法》的规定予以处罚。


Plot 14-1



<p align="center"><b>中华人民共和国</b></p> <p align="center"><b>建筑工程施工许可证</b></p> <p align="center">[2019]施[通]建字 0169 号</p> <p align="center">编号 110112201912260101</p> <p>根据《中华人民共和国建筑法》第八条规定，经审查，本建筑工程符合施工条件，准予施工。</p> <p align="center">特发此证</p> <div>  <p>发证机关 通州区住房和城乡建设委员会</p> <p>发证日期 2019-12-26</p> </div>		<table border="1"> <tr><td>建设单位</td><td colspan="3">鹏瑞利美融加三（北京）置业有限公司</td></tr> <tr><td>工程名称</td><td colspan="3">通州区运河核心区V14-1地块项目（14-1#地块地上部分）</td></tr> <tr><td>建设地址</td><td colspan="3">通州区运河核心区</td></tr> <tr><td>建设规模</td><td>68008.67 平方米</td><td>合同价格</td><td>29581.135903 万元</td></tr> <tr><td>勘察单位</td><td colspan="3">中铁第五勘察设计院集团有限公司</td></tr> <tr><td>设计单位</td><td colspan="3">中国建筑研究院有限公司</td></tr> <tr><td>施工单位</td><td colspan="3">江苏中南建筑产业集团有限责任公司</td></tr> <tr><td>监理单位</td><td colspan="3">北京五环国际工程管理有限公司</td></tr> <tr><td>勘察单位项目负责人</td><td>焦清杰</td><td>设计单位项目负责人</td><td>柴培根</td></tr> <tr><td>施工单位项目负责人</td><td>吕东京</td><td>总监理工程师</td><td>刘兴亚</td></tr> <tr><td>合同工期</td><td colspan="3">785 天</td></tr> <tr><td>备注</td><td colspan="3">此证含附件:</td></tr> </table> <p><b>注意事项:</b></p> <p>一、本证放置施工现场，作为准予施工的凭证。</p> <p>二、未经发证机关的许可，本证的各项内容不得变更。</p> <p>三、住房城乡建设行政主管部门可以对本证进行查验。</p> <p>四、本证自发证之日起三个月内应予以施工，逾期应办理延期手续，不办理延期或延期次数、时间超过规定时间的，本证自行废止。</p> <p>五、在建的建筑工程因故中止施工的，建设单位应当自中止施工之日起一个月内向发证机关报告，并按照规定做好建筑工程的维护管理工作。</p> <p>六、建筑工程恢复施工时，应当向发证机关报告；中止施工满一年的工程恢复施工前，建设单位应当报发证机关核验施工许可证。</p> <p>七、凡未取得本证擅自施工的属违法建设，将按《中华人民共和国建筑法》的规定予以处罚。</p>	建设单位	鹏瑞利美融加三（北京）置业有限公司			工程名称	通州区运河核心区V14-1地块项目（14-1#地块地上部分）			建设地址	通州区运河核心区			建设规模	68008.67 平方米	合同价格	29581.135903 万元	勘察单位	中铁第五勘察设计院集团有限公司			设计单位	中国建筑研究院有限公司			施工单位	江苏中南建筑产业集团有限责任公司			监理单位	北京五环国际工程管理有限公司			勘察单位项目负责人	焦清杰	设计单位项目负责人	柴培根	施工单位项目负责人	吕东京	总监理工程师	刘兴亚	合同工期	785 天			备注	此证含附件:		
建设单位	鹏瑞利美融加三（北京）置业有限公司																																																	
工程名称	通州区运河核心区V14-1地块项目（14-1#地块地上部分）																																																	
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Plot 14-2

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Our expert advice to property occupiers, owners and investors leads the industry into the future. We invest in relationships to create enduring value. What sets us apart is not what we do, but how we do it. Our people are passionate, take personal responsibility and always do what's right for our clients, people and communities. We attract and develop industry leaders, empowering them to think and act differently to drive exceptional results. What's more, our global reach maximizes the potential of property, wherever our clients do business.



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