

BUILDING FORWARD

Annual Report 2023



BUILDING FORWARD

With a prudent execution strategy, adaptable and forward-thinking mindset and most importantly, tenacious spirit, Boustead Projects overcame the most difficult time in our history since our establishment in 1996.

The COVID-19 pandemic marked a tumultuous time filled with unprecedented disruptions to every facet of our everyday lives. During this time, we were put through an exceptionally trying period and endured prolonged project site closures, escalating costs and labour shortages. Our improved profitability in FY2023 can be attributed to the substantial completion of projects secured prior to the pandemic when margins were impacted by the escalated costs.

We have built an extensive track record that continues to set the benchmark for the sector. FY2023 saw the completion of JTC Kranji Green, Singapore's national landmark project for recycling waste streams and represents our contribution in advancing Singapore's Zero Waste Master Plan. We also delivered the Takeda Singapore Biologics Manufacturing Support Facility – our first ever Green Mark Platinum Positive Energy Building and also Singapore's first in the biomedical and pharmaceutical sector, capable of operating without drawing electricity from the national grid. This is a blueprint for future-ready buildings that represent a step better than net zero. In FY2023, EcoVadis recognised us in the 88th percentile for sustainability among more than 100,000 corporations rated globally.

The experience gained from COVID-19 has strengthened the foundation of our business, allowing us to build forward in a future-ready manner.



Cover-to-Cover – See the Bigger Picture

This year, Boustead Projects Limited shares about how building forward has helped us to remain future-ready in challenging times, while Boustead Singapore Limited shares about their progressive agility.



Scan or download the Annual Report at www.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.

Over the years, we have been recognised for our best practices in corporate governance, leadership and people development. We were awarded the Singapore Corporate Governance Award 2017 (Newly Listed Category), Corporate Excellence & Resilience Award at the Singapore Corporate Awards 2021 Special Edition and the SkillsFuture Employers Award (Gold) 2022. We are also one of the only 92 SGX-listed corporations on the SGX Fast Track Programme.

Boustead Projects is a 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.

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**ENGINEERING &
CONSTRUCTION**

PROGRESSIVE METHODOLOGIES

Boustead Projects has delivered progressive methodologies as Singapore's pioneer of the design-and-build and design-build-and-lease methodologies for the real estate sector, and as a transformative technologies innovator in Asia's built environment sector.





Lam Research's integrated manufacturing and office facility, Malaysia.

TRACK RECORD

Our Engineering & Construction Business has delivered:

Our full-fledged integrated digital delivery approach is guided by Industry 4.0 transformation standards and incorporates 7D building information modelling, virtual design and construction, and design for manufacturing and assembly. Our progressive adoption of transformative technologies – known as ConTech and PropTech – includes 3D scanning, artificial intelligence and machine learning, augmented reality and virtual reality, data analytics and drone technology. These market-leading capabilities are complemented by our green building credentials and supported by robust quality, environmental, health and safety management systems.



1st

Green Mark Platinum Positive Energy development in the biomedical and pharmaceutical sector.



22%

of all BCA Green Mark Platinum-rated new private sector industrial developments.



12%

of the BCA CONQUAS all-time top 100 industrial projects list.



REAL ESTATE

ENDURING VALUE

Boustead Projects has delivered enduring value, in line with the *Boustead Way* and our aim to continue creating sustainable shared socio-economic value.





View from infinity pool at 28 & 30 Bideford Road, Singapore.

TRACK RECORD

Our Real Estate Business has delivered:



\$2.0 billion
in total market valuation
of completed properties in
our portfolio.



Multiple real estate platforms including Boustead Development Partnership, Boustead Industrial Fund, Echo Base-BP Capital and KTG & Boustead Industrial Logistics Fund.

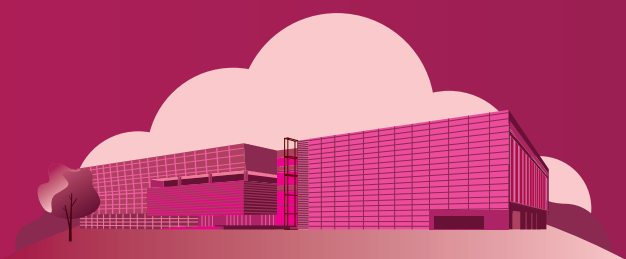
Boustead Projects' constantly evolving business model has allowed for the development of multiple long-term recurring income streams. Our market-leading capabilities have expanded to include development management, asset management and fund management.



STRATEGIC PARTNERSHIPS & INVESTMENTS

REPUTABLE PARTNERSHIPS

Boustead Projects has established reputable strategic partnerships, enhancing our resilience, competitive position and geographic expansion across Asia – along with that of our strategic partners.





Tam Phuoc B Industrial Park, Vietnam.

TRACK RECORD

Our strategic partnerships have delivered:



Enhanced capabilities

in development, real estate trust and management, and CleanTech, ConTech and PropTech.



Thousands of mentorships

through our role as a built environment sector mentor, helping small and medium-sized enterprises to transform, strengthen workplace safety, health and security standards, and improve their sustainability.

Working with like-minded, reputable and resilient strategic partners has allowed us to pool complementary capabilities and expertise to take on larger-scale projects and broaden our offerings to clients, while reducing commercial and operational risks related to a particular geographic market or sector. Activities under strategic partnerships also create value in our Engineering & Construction Business and Real Estate Business.

Mission, Vision & Business Model

The Boustead Way

The **Boustead Way** prioritises the pursuit of business with a greater purpose. It is about creating sustainable shared socio-economic value versus maximising short-term profit; promoting adaptability and resilience; and favouring longevity over sentimentality. It is a position, a value, a commercial sensibility that runs through every layer of our organisation.

Mission

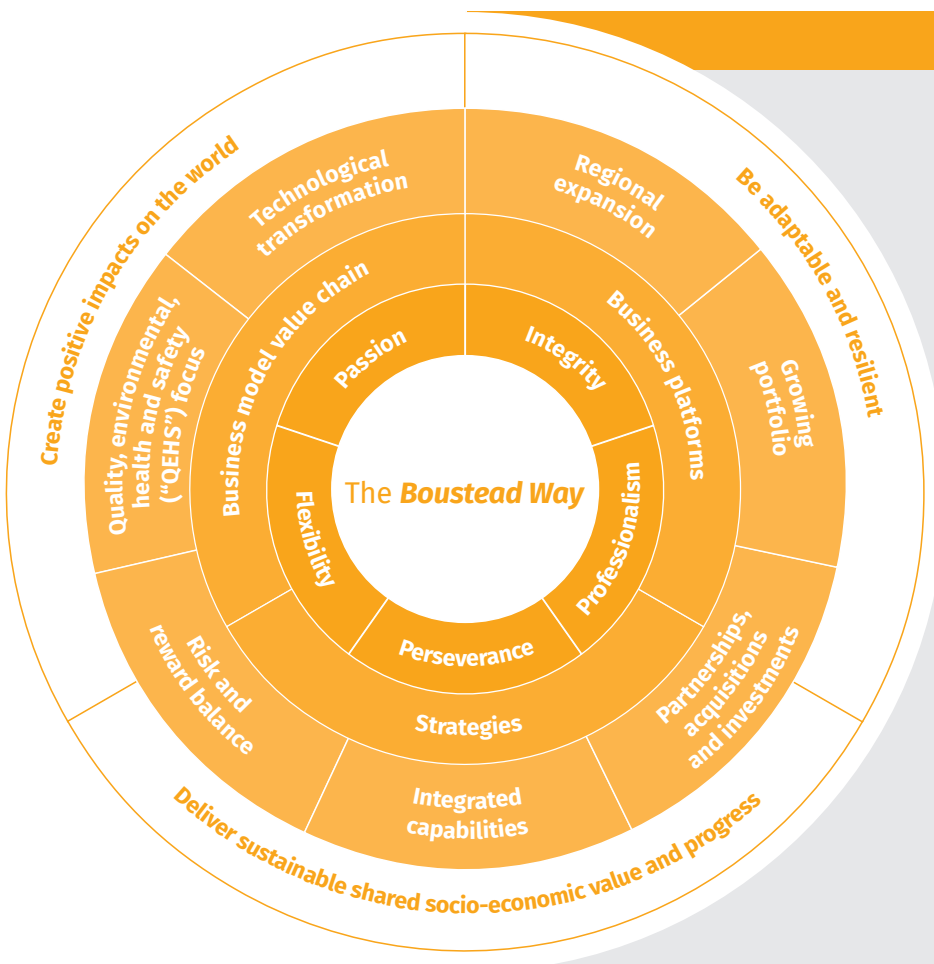
To provide technology-driven design, engineering and delivery of end-to-end smart, eco-sustainable and future-ready real estate solutions that can be deployed in any sector and market.

Vision

To be the leading provider of innovative real estate solutions in Asia, offering a full suite of smart, eco-sustainable and future-ready solutions that enhance built environments and ecosystems.

Business Model

In order to achieve our mission, vision and long-term objectives, we rely on our business drivers: business platforms, strategies and business model value chain – guided by the **Boustead Way**, along with our fundamental principles and strong human-centric corporate values. These business drivers highlight how we combine our core competencies and strategies to achieve our long-term objectives to be adaptable and resilient, deliver sustainable shared socio-economic value and progress to key stakeholders, and create positive economic, environmental and social impacts on the world.



BUSINESS PLATFORMS

Positioning and presence

- ▶ Integrated capabilities spanning engineering & construction, development management, asset management and fund management
- ▶ Successful spotting and positioning on megatrends
- ▶ Growing Asian presence with local market knowledge
- ▶ Broad coverage of sectors

Performance

- ▶ Real estate market player in Singapore with extensive track record in delivering best-in-class industrial projects
- ▶ Green Mark Platinum (“GMP”) industrial leader with firsts in heavy industry, aerospace sector and logistics sector, first GMP Super Low Energy large-scale business park and industrial development, and first GMP Positive Energy in pharmaceutical sector
- ▶ CONQUAS all-time top 100 industrial projects quality leader
- ▶ Developer, manager and owner of growing portfolio

People

- ▶ Top engineering & construction team for smart, eco-sustainable and future-ready developments
- ▶ Empowering culture
- ▶ Fair and non-discriminatory employment
- ▶ Ability to attract, develop, motivate and retain talent
- ▶ Industry technical experts
- ▶ bizSAFE Mentor
- ▶ Tripartite Alliance Award Finalist
- ▶ SkillsFuture Employer Award (Gold)

STRATEGIES

Regional expansion

Our expansion into fast-growing Asian markets rides upon in-depth domain expertise, leading market sector positions and a diversified track record in delivering over 3,000,000 square metres of real estate.

Integrated capabilities

Our integrated capabilities are aimed at helping clients achieve highly effective and cost competitive solutions that improve efficiency and multi-decade building lifecycle sustainability.

Technological transformation

Our transformation is supported by progressive adoption of digitally-enabled, productivity-enhancing approaches like integrated digital delivery, building information modelling, design for manufacturing and assembly, and smart building capabilities. We aim to be a market leader in the world of Industry 4.0.

Growing portfolio

Our growing portfolio of properties contribute under multiple real estate platforms, providing long-term recurring income streams.

Risk and reward balance

We are vigilant in ensuring that our strategies to enhance stakeholders’ shared socio-economic value are well-supported by sound risk management.

Partnerships, acquisitions and investments

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

QEHS focus

We strive to achieve the highest standards in QEHS, for the well-being and protection of every individual. We are a leader and active participant in national technology, QEHS and ISO programmes.

Business Model Value Chain

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

Design smart, eco-sustainable and future-ready developments including GMP-rated and LEED-rated developments that meet Industry 4.0 transformation standards

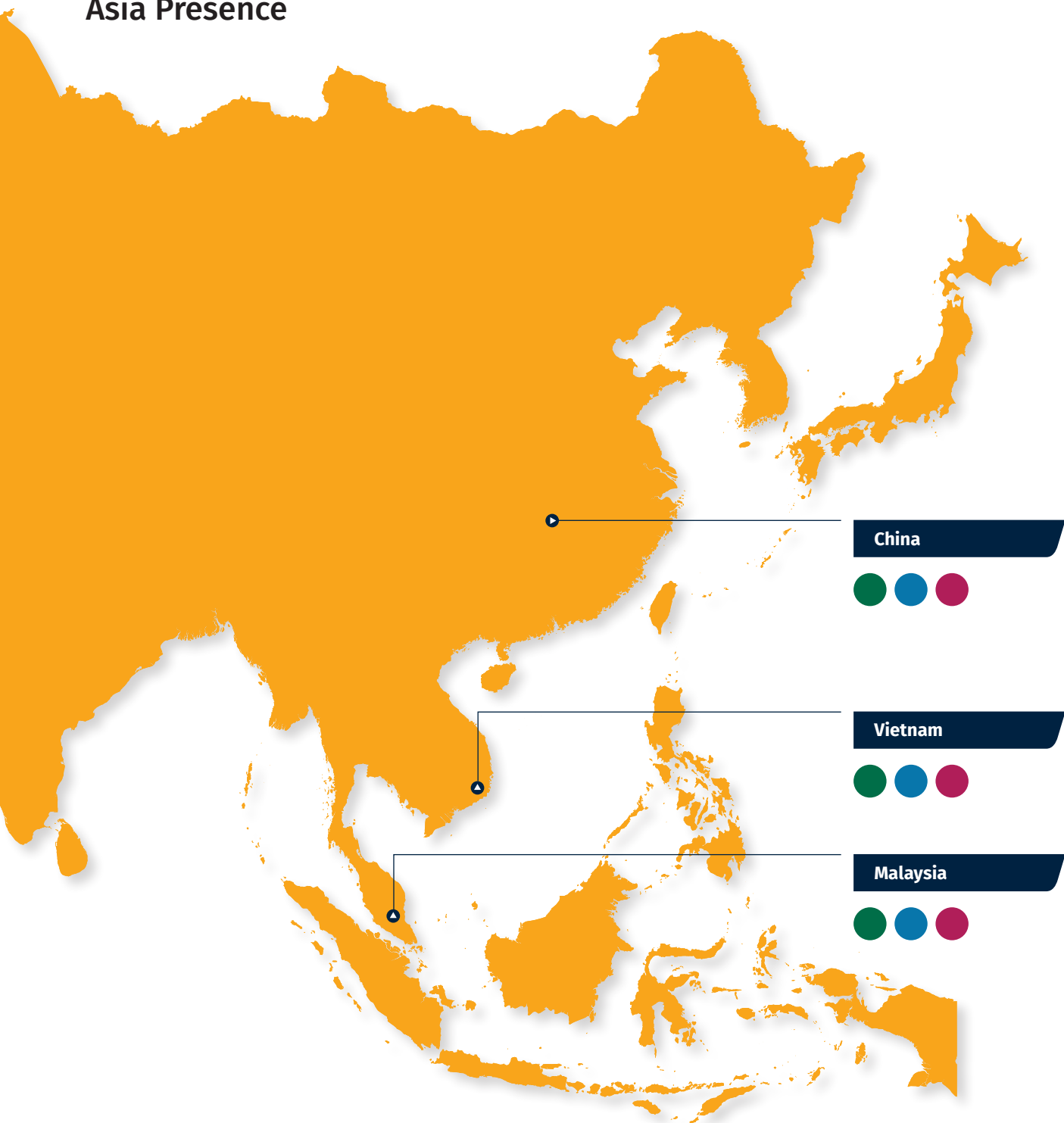
Commit to operational excellence through undertaking technology-driven design, value engineering, project management, construction management, QEHS supervision, development management, asset management and fund management

Deliver efficiency, performance and socio-economic value to clients

Generate revenue, profit and cash flow in a sustainable manner

Be adaptable and resilient, deliver sustainable shared socio-economic value and progress, and create positive impacts on the world

Asia Presence



Engineering & Construction



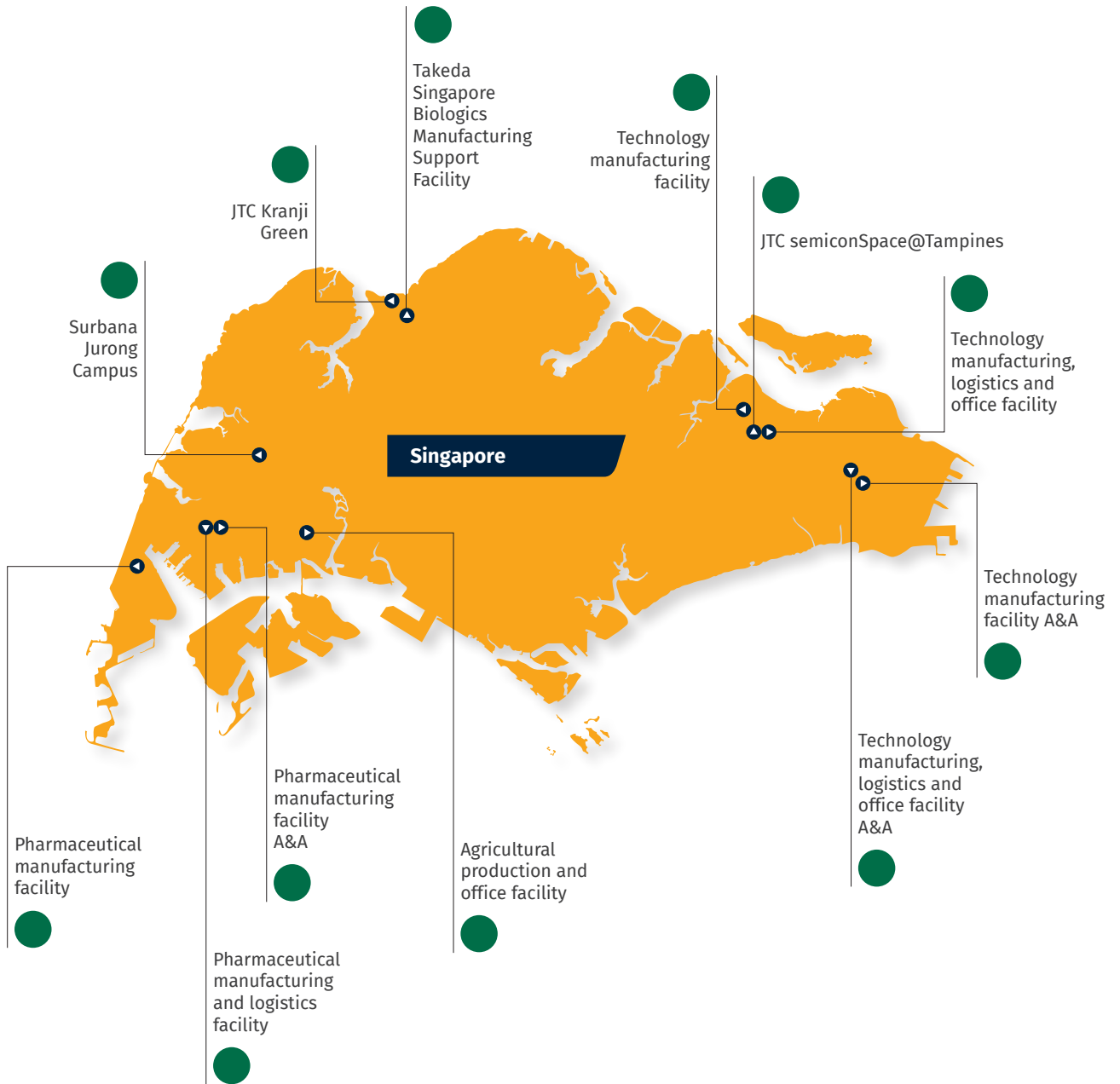
Real Estate



Strategic Partnerships & Investments



	Engineering & Construction	Real Estate
Singapore	●	●
China	●	●
Malaysia	●	●
Vietnam	●	●
Rest of Asia		



Strategic Partnerships

Development Partnerships			Real Estate Trusts and Management Partnerships			Technology Partnerships		
Boustead Development Partnership	THAB Development Sdn Bhd	Perennial Holdings Pte Ltd	Boustead Industrial Fund	Boustead & KTG Industrial Management Co Ltd	KTG & Boustead Joint Stock Company	Echo Base-BP Capital Pte Ltd	DSCO Group Holdings Pte Ltd	Getronics Solutions (S) Pte Ltd
●			●			●	●	●
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Group at a Glance

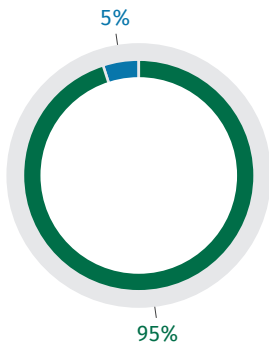
Overall Financial Performance

Group Revenue

S\$284.0 million

FY2022 S\$339.1 million

Year-on-year: ▼ 16%

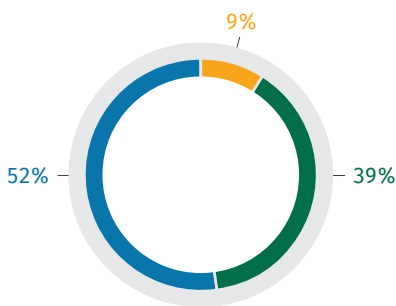


Group Profit before Income Tax

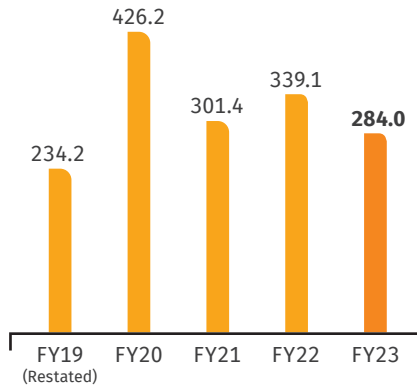
S\$26.5 million

FY2022: S\$13.8 million

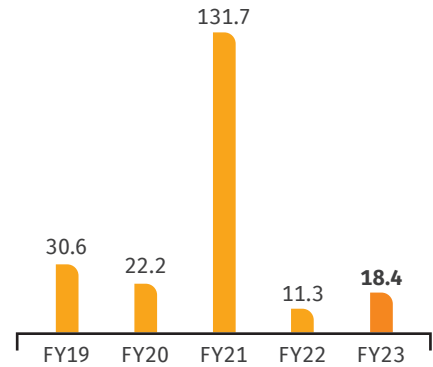
Year-on-year: ▲ 91%



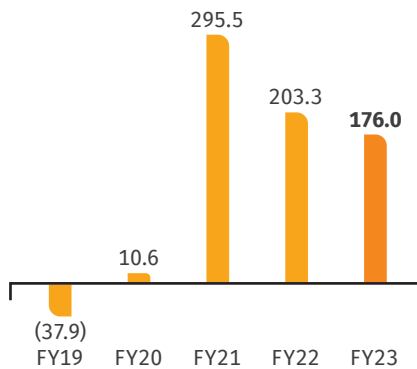
Group Revenue (S\$m)



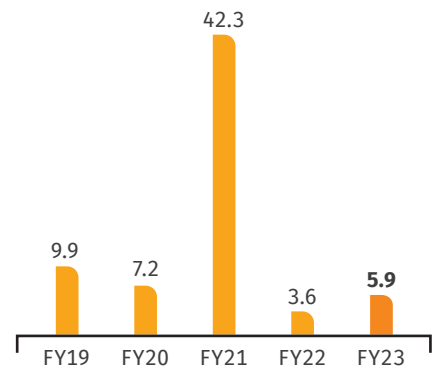
Group Net Profit (S\$m)



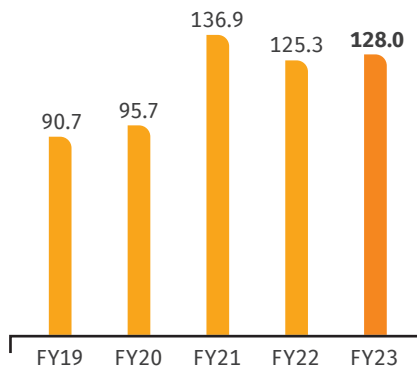
Net Cash/(Debt) Position (S\$m)



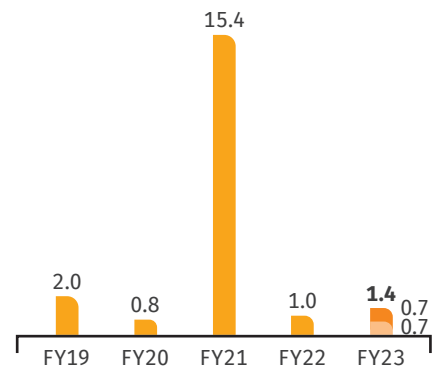
Basic Earnings per Share (¢)



Net Asset Value per Share (¢)



Gross Dividend per Share (¢)



■ FY2023 special dividend per share (proposed)
■ FY2023 final dividend per share (proposed)

	FY2019 S\$'000 (Restated)	FY2020 S\$'000	FY2021 S\$'000	FY2022 S\$'000	FY2023 S\$'000
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Revenue and Profits

Revenue	234,223	426,224	301,405	339,089	283,976
Gross profit	47,339	51,935	17,567	13,873	25,948
Profit before income tax	35,675	27,455	140,564	13,841	26,472
Total profit	30,578	22,125	131,642	11,331	18,477
Profit attributable to equity holders of the Company	30,578	22,212	131,688	11,336	18,350
Cash dividends	(6,213)	(2,491)	(48,291)	(3,133)	(4,386)

Statement of Financial Position

Equity attributable to equity holders of the Company	281,030	297,372	425,856	392,510	400,995
Non-controlling interests	-	(87)	(133)	(138)	0

Capital Employed	281,030	297,285	425,723	392,372	400,995
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Trade receivables (non-current)	10,759	19,850	20,211	12,320	26,708
Other receivables and prepayments (non-current)	2,267	1,837	60,374	73,544	85,601
Investment securities (non-current)	31,426	31,315	31,421	31,661	28,144
Property, plant and equipment	913	9,699	9,271	2,211	981
Right-of-use assets	-	2,008	1,138	203	1,852
Finance lease receivables (non-current)	-	21,765	20,794	20,362	20,485
Investment properties	182,118	176,713	82,588	87,172	48,662
Intangible asset	121	115	110	104	98
Investments in associates	-	3,449	4,671	5,659	6,235
Investments in joint ventures	40,673	60,707	70,123	54,866	199,331
Net deferred income tax (liabilities)/assets	(778)	(431)	7,515	8,299	9,852
Net current assets	97,860	89,593	213,326	200,036	60,625
Non-current liabilities (excluding deferred income tax liabilities)	(84,329)	(119,335)	(95,819)	(104,065)	(87,579)

Assets Employed	281,030	297,285	425,723	392,372	400,995
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Financial Statistics

Operating profit over turnover (%)	15.2	6.4	46.6	4.1	9.3
Return on equity (%) (Note 1)	10.9	7.5	30.9	2.9	4.6
Gross dividend per share (¢)	2.0	0.8	15.4	1.0	1.4
Dividend cover (times)	5.0	9.0	2.7	3.6	4.2
Basic earnings per share (¢) (Note 2)	9.9	7.2	42.3	3.6	5.9
Net asset value per share (¢) (Note 3)	90.7	95.7	136.9	125.3	128.0
Debt-to-equity (%) (Note 4)	52.0	39.7	0.6	2.7	0.4
Loan-to-valuation (%) (Note 5)	34.3	31.8	0.0	9.5	2.8
Interest coverage (times) (Note 6)	17.6	15.0	156.1	100.1	77.7

Notes:

1. Based on profit attributable to equity holders of the Company divided by equity attributable to equity holders of the Company.
2. Based on profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares in issue during the financial year ended 31 March.
3. Based on equity attributable to equity holders of the Company divided by the number of ordinary shares in issue at the end of the financial year ended 31 March.
4. Based on total borrowings divided by total equity.
5. Based on total borrowings divided by the combined independent professional valuations of properties held for sale and investment properties.
6. Based on profit before depreciation, amortisation, interest and income tax divided by interest expense on borrowings.

Group at a Glance

Business Financial Performance



ENGINEERING & CONSTRUCTION

The Engineering & Construction (“E&C”) Business provides turnkey engineering, project management and construction management services encompassing design-and-build methodologies for the real estate sector. We offer clients innovative real estate solutions for smart, eco-sustainable and future-ready developments.

We have constructed and developed more than 3,000,000 square metres of real estate in Singapore, China, Malaysia and Vietnam for clients including Fortune 500, S&P 500 and Euronext 100 corporations across diverse sectors.

Segment Revenue

S\$269.8 million

FY2022: S\$324.5 million
Year-on-year: ▼ 17%

Segment Profit/(Loss) before Income Tax

S\$10.3 million

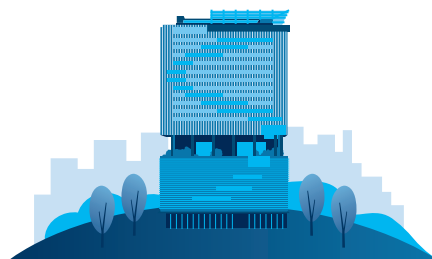
FY2022: (S\$6.5 million)

Segment Contracts Secured

S\$401 million

FY2022: S\$148 million
Year-on-year: ▲ 171%

[Read more on pages 26 to 29.](#)



REAL ESTATE

The Real Estate Business provides hybrid solutions in which we assume dual roles as the developer-owner and as E&C Partner to deliver smart, eco-sustainable and future-ready developments. Our market-leading capabilities have since expanded to include development management, asset management and fund management services, providing us with additional long-term recurring income streams.

Our growing portfolio consists of advanced developments leased to a group of reputable end-user clients in Singapore, China and Vietnam. Our platforms include Boustead Development Partnership, Boustead Industrial Fund (“BIF”), Echo Base-BP Capital and KTG & Boustead Industrial Logistics Fund.

Segment Revenue

S\$14.1 million

FY2022: S\$14.6 million
Year-on-year: ▼ 3%

Segment Profit before Income Tax

S\$13.8 million

FY2022: S\$17.9 million
Year-on-year: ▼ 23%

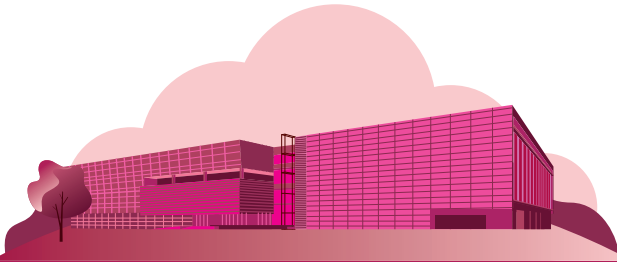
Completed Properties in Portfolio*

32

FY2022: 25

[Read more on pages 30 to 39.](#)

* Includes properties held under BIF and KTG & Boustead Joint Stock Company and excludes the acquisition of J'Forte Building, which was completed after FY2023.



STRATEGIC PARTNERSHIPS & INVESTMENTS

We have established and invested in several strategic partnerships and platforms to enhance our resilience, competitive position and geographically expand across Asia. Working with like-minded, reputable and resilient strategic partners has allowed us to pool complementary capabilities and expertise to take on larger-scale projects and broaden our offerings to clients, while reducing commercial and operational risks related to a particular geographic market or sector. Activities under strategic partnerships also create value in the E&C Business and Real Estate Business.

Development Partnerships

3

FY2022: 3

- Boustead Development Partnership
- THAB Development Sdn Bhd
- Perennial Holdings Pte Ltd

Real Estate Trusts and Management Partnerships

4

FY2022: 3

- BIF
- Echo Base-BP Capital Pte Ltd
- KTG & Boustead Joint Stock Company
- Boustead & KTG Industrial Management Co Ltd

Technology Partnerships

2

FY2022: 3

- DSCO Group Pte Ltd
- Getronics Solutions (S) Pte Ltd

[Read more on pages 40 to 43.](#)

Group at a Glance

Socio-Economic & Sustainability Performance

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

- Professor Michael Porter

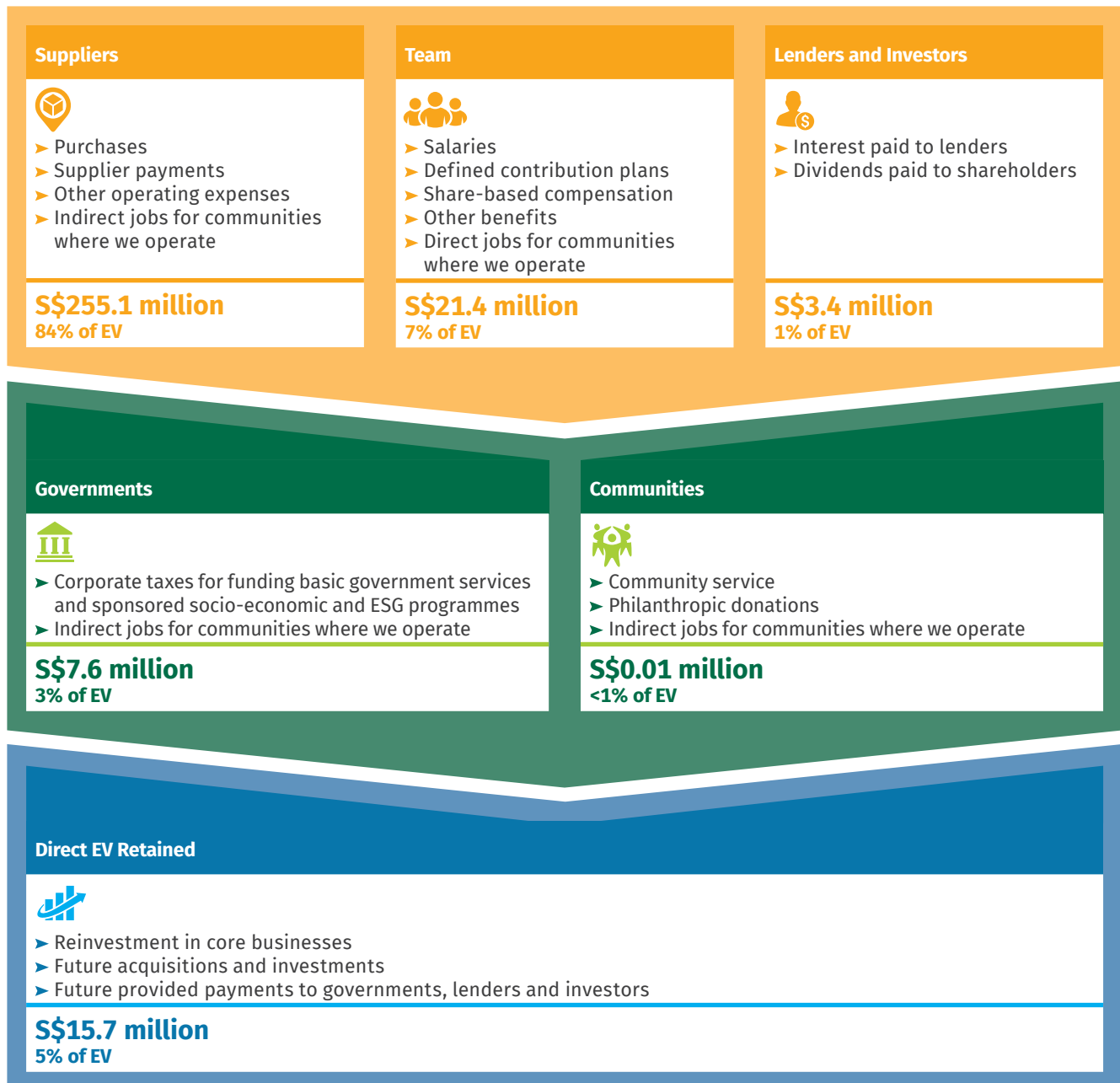
Shared Socio-Economic Value Creation and Distribution in FY2023

For over a quarter-century, Boustead Projects has been a pioneer and contributor to the transformation of Asia’s built environment sector. We have performed our role as a trustworthy corporate citizen, building businesses with a greater purpose – creating sustainable shared socio-

economic value in the process – and developing trusted relationships with key stakeholders. We have generated and distributed tremendous direct economic value (“EV”) and environmental, social and governance (“ESG”) benefits to key stakeholders including our team, clients, partners, suppliers, lenders, shareholders, the media, governments and communities.

Our continuous profitability every year has enabled us to reinvest in creating sustainable shared socio-economic value and delivering progress to key stakeholders, laying the cornerstones for our long-term success and longevity.

In FY2023, S\$303.3 million in direct EV was generated, which was shared among key stakeholders as shown here.



Transformative Technologies Deployment

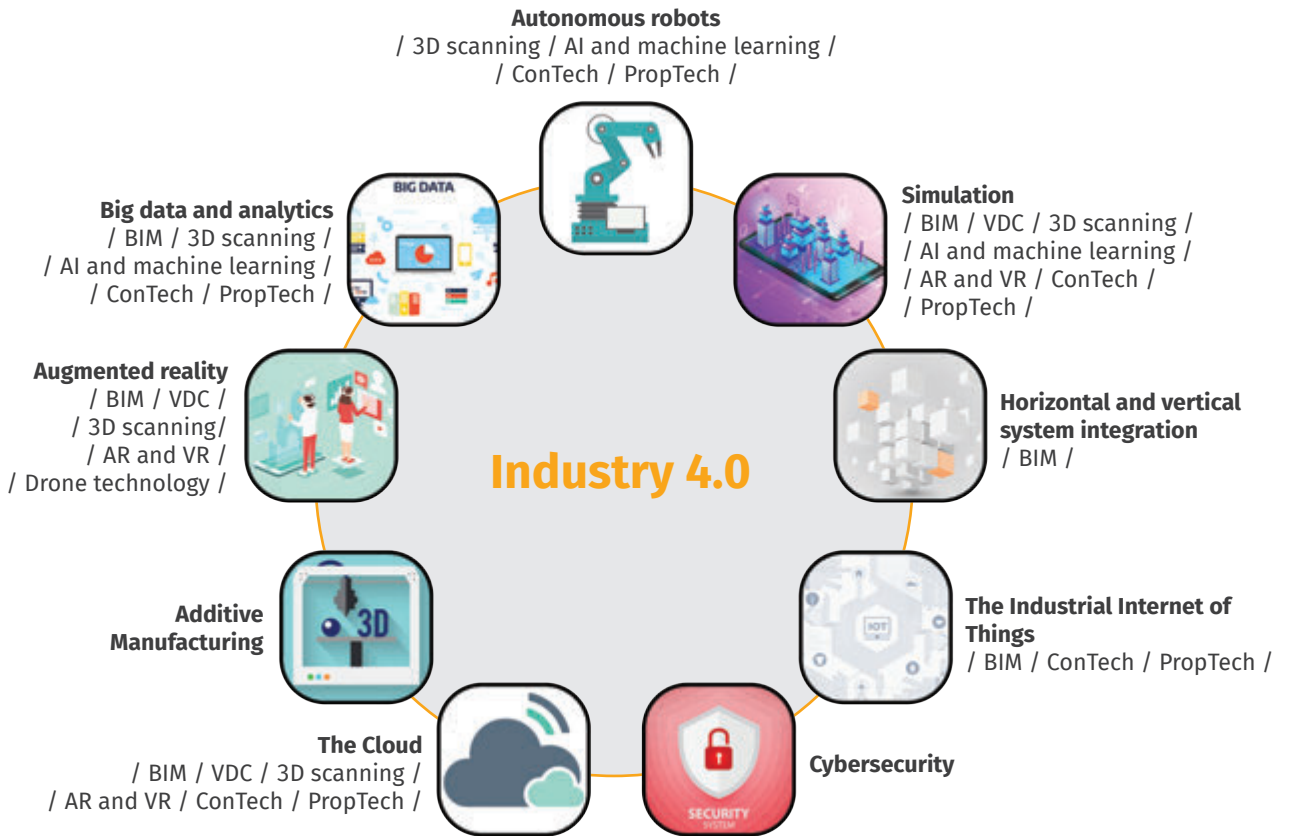
According to Boston Consulting Group (“BCG”), Industry 4.0 – the fourth industrial revolution – affects every manufacturing domain and comprises advanced manufacturing technologies that capture, manage and optimise data. In simple terms, Industry 4.0 makes manufacturing ‘smart’. Technologies such as artificial intelligence (“AI”), cyber-physical systems and industrial IoT interact seamlessly, and communicate and modify continuously. Businesses that fully understand and capture the value of these advantages are best

positioned to take on the challenges that lie ahead. BCG went on to name nine technologies that are driving Industry 4.0. We have overlaid our already implemented technologies in seven of these areas.

For over a quarter-century, we have been a pioneering force in Singapore’s industrial real estate sector, demonstrating pioneership and transformation in business model and activities including design-and-build (1996), design-build-and-lease (2003), advanced eco-sustainable buildings (2009) and integrated digital delivery (“IDD”) (2017), among others.

As the latest capability in our pioneering approach, our full-fledged IDD platform is guided by Industry 4.0 transformation standards and deploys digitalisation and Cloud-based technology platforms for 7D building information modelling (“BIM”), virtual design and construction (“VDC”), and design for manufacturing and assembly (“DfMA”). Our progressive adoption of transformative technologies – known as ConTech and PropTech – includes 3D scanning, AI and machine learning, augmented reality (“AR”) and virtual reality (“VR”), data analytics and drone technology.

Transformation Initiatives Overlay on Nine Technologies of Industry 4.0



Group at a Glance

Socio-Economic & Sustainability Performance

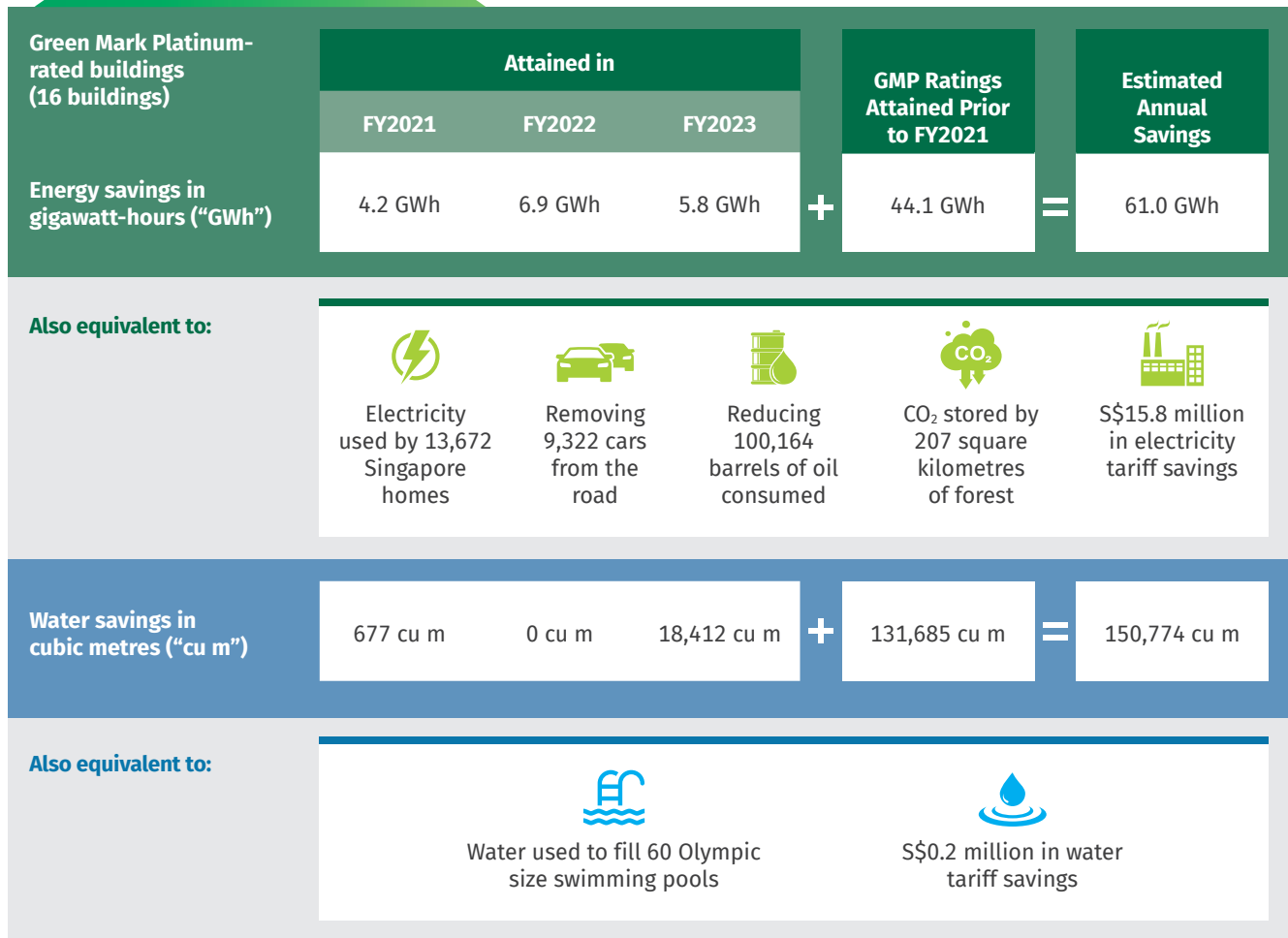
Environmental, Social and Quality Contributions

Eco-sustainable solutions in action

Under the Building & Construction Authority (“BCA”) Green Mark Certification Scheme, we have delivered numerous Green Mark

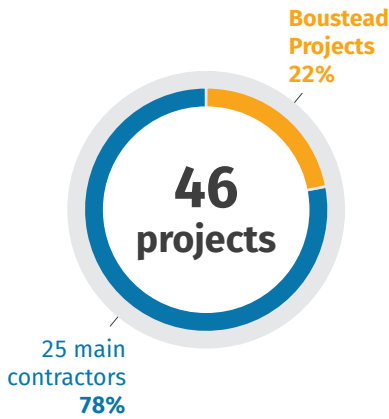
Platinum (“GMP”)–rated business park and industrial developments which continue to provide significant shared economic and ESG benefits to clients every year and contribute positively

to the environment and community ecosystems around them. In FY2023, our clients and their surrounding ecosystems enjoyed estimated benefits as shown here.



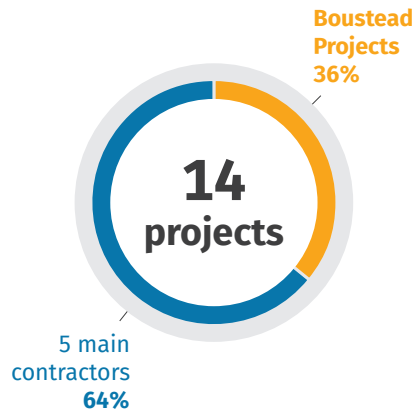
Note:
 Calculations are based on BCA Green Mark Certification Scheme assessments at the time when the GMP was awarded to a specific building, with the main conversion calculations based on the Energy Market Authority’s Singapore Energy Statistics 2022 and PUB’s Water Price Revisions 2017. Other supplementary conversion calculations are based on the US Environmental Protection Agency’s greenhouse gas equivalencies calculator.

Green Mark Platinum Market Share for New Private Sector Industrial Developments



We have built **1 out of every 5** GMP-rated new private sector industrial developments.

Green Mark Platinum Market Share for New Private Sector Logistics Developments



We have built **1 out of every 3** GMP-rated new private sector logistics developments.

Strategic Partnerships for Environmental Sustainability

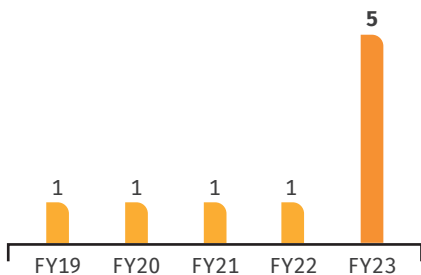
In preparation for a net zero emissions future, we strongly encourage tenants to select renewable clean energy solutions that can be installed at our properties, should they find them beneficial for their operations. Tenants do not have to fund capital and operating expenditures for these solutions such as rooftop industrial solar energy systems or electric vehicle charging stations but instead purchase the generated power at commercially

agreed tariff rates, as set by strategic partners and external service providers.

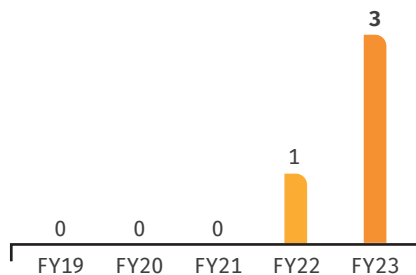
During FY2023, we continued to introduce and market renewable clean energy providers to tenants, with a number of major tenants of single-tenanted properties advancing in negotiations to install solar energy systems at our properties and commit to powering operations with renewable

clean energy. We are also partnering with electric vehicle charging solutions providers to fitout our properties. At the end of FY2023, the number of properties in Singapore with completed and operational solar energy capacity increased to five properties, while those with completed and operational electric vehicle charging stations increased to three properties, as shown on this page.

Number of Properties with Solar Energy Systems Capacity



Number of Properties with Electric Vehicle Charging Capacity



Group at a Glance Socio-Economic & Sustainability Performance

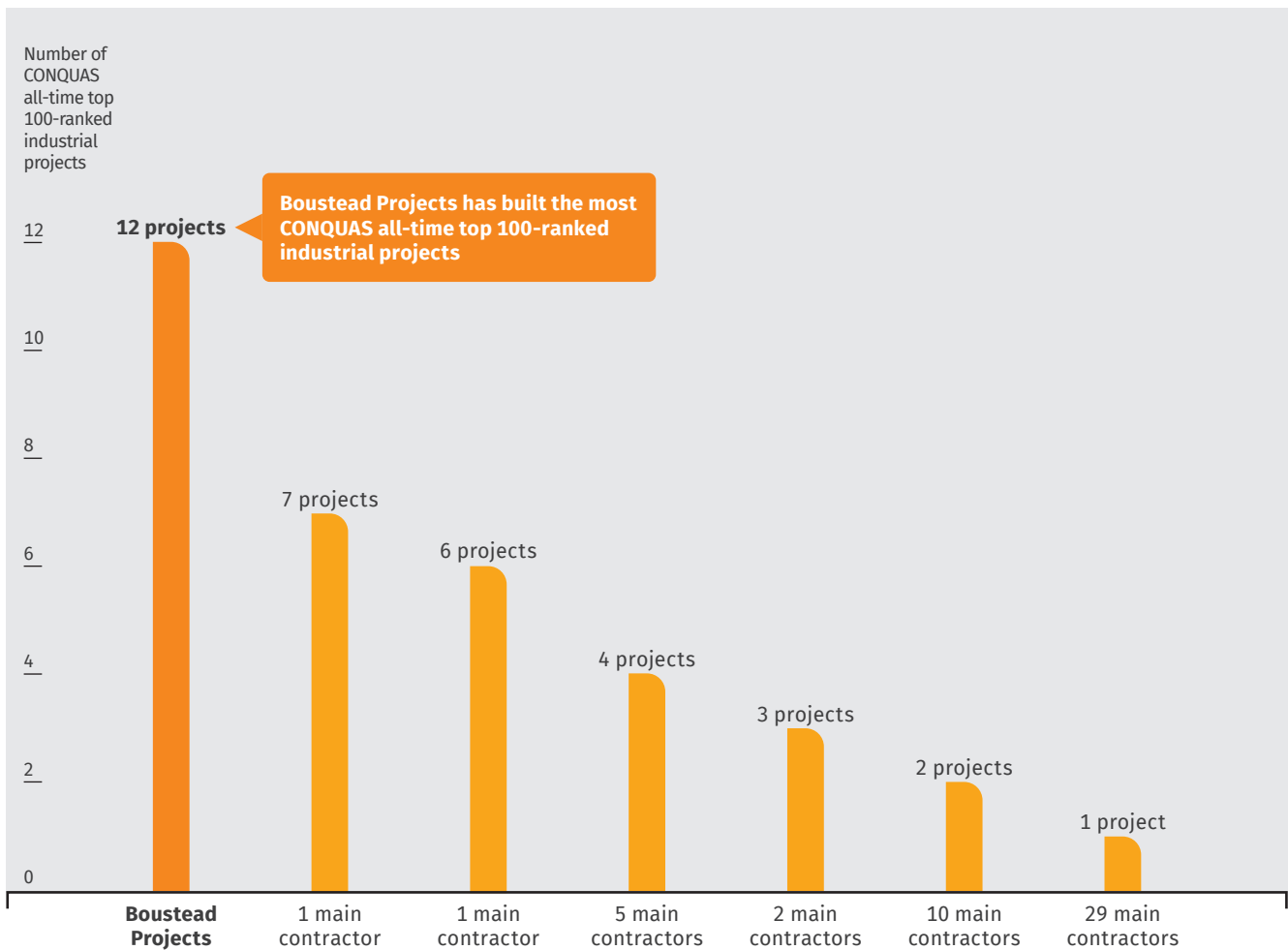
Quality

As a promoter of quality, we are a leader in the BCA Construction Quality Assessment System (“CONQUAS”), which is used to measure the quality achieved in a completed construction project in Singapore in

respect of structural, architectural, and mechanical & electrical works. BCA CONQUAS is a voluntary quality assessment in respect to most private sector industrial projects. To date, our efforts in construction quality have been recognised with 12 projects

ranked in the BCA CONQUAS all-time top 100 industrial projects list, making us the top main contractor on the list. Our track record of 15 projects on the BCA CONQUAS list is shown on the next page.

Projects on BCA CONQUAS All-Time Top 100 Industrial Projects List*



* Updated as at 31 March 2023.

Projects on BCA CONQUAS List*

Projects	CONQUAS Scores	Rank on All-Time Top 100 Industrial Projects List (March 2023)
DB Schenker Red Lion	93.9%	10th
ALICE@Mediapolis	93.8%	11th
'351 on Braddell'	93.3%	13th
ASM Front-End Manufacturing	92.8%	19th
Seagate Singapore Design Center – The Shugart	92.2%	n.a. (commercial project)
Yusen Tuas	92.0%	24th
ST Omega 2	91.5%	27th
Edward Boustead Centre	91.3%	31st
Kerry Logistics Centre – Tampines	90.7%	37th
Bolloré Green Hub	90.3%	41st
Continental Building Phase 3	89.6%	47th
ST Electronics Building	89.1%	55th
ST Engineering Hub	85.1%	91st
Rolls-Royce Test Bed Facility	82.9%	n.a. (outside top 100 projects)
Sun Venture Investments@50 Scotts Road	81.5%	n.a. (commercial project)

Letter to Shareholders


JOHN LIM KOK MIN

Chairman

WONG YU WEI

Executive Deputy Chairman

Summary of message

Boustead Projects prevailed over the challenges of the pandemic to deliver another year of profitable performance:

- ▶ Improved profitability attributed to substantial completion of projects secured prior to the pandemic, when margins were impacted by escalated costs.
- ▶ Experience gained from the pandemic has strengthened the foundation of our business for a more resilient future, allowing us to build forward in a future-ready manner.

Dear Fellow Shareholders,

We are pleased to present to you the Boustead Projects Limited FY2023 Annual Report for the financial year ended 31 March 2023.

The COVID-19 pandemic – which ran its course over the past three years – marked a tumultuous time filled with unprecedented disruptions to every facet of our everyday lives. With COVID-19 no longer a global health emergency, the world has witnessed a resurgence of economic activities as borders reopen and travel resumes. In FY2023, construction activities were largely restored and pandemic restrictions fully lifted. During the past three years, the Boustead Projects Team has been put through an exceptionally trying period and endured prolonged project site closures, escalating costs and labour shortages. Under the steadfast leadership of our senior management team and guidance of your Board, we prevailed over these challenges to deliver another year of profitable performance – an accomplishment made possible by robust business fundamentals and the unwavering dedication of the team.

Boustead Projects' business strategy of executing real estate investments and developments through joint ventures and fund structures means that most of our revenue will always be dependent on Engineering & Construction ("E&C") activities. In FY2023, total revenue was 16% lower year-on-year at S\$284.0 million, mainly due to lower revenue contribution from the E&C Business in the first half, arising from a lower order backlog carried forward from FY2022, and lower revenue contribution from the Real Estate Business. However, net profit attributable to you – our shareholders – was 62% higher year-on-year at S\$18.4 million, largely boosted by a one-off gain on disposal of a subsidiary of S\$8.3 million, more manageable and stable costs, and lower overhead expenses. Our improved profitability in FY2023 can be attributed to the substantial completion of projects secured prior to the pandemic when margins were impacted by the escalated costs, and is an encouraging sign that the worst of the pandemic is now behind us.

With a prudent execution strategy, adaptable and forward-thinking mindset and most importantly, tenacious spirit, we overcame the most difficult time in our history since our establishment in 1996.

Overcoming the Pandemic: A Journey of Tenacity and Adaptability

With a prudent execution strategy, adaptable and forward-thinking mindset and most importantly, tenacious spirit, we overcame the most difficult time in our history since our establishment in 1996. At the height of the COVID-19 crisis, the strict pandemic measures imposed left deep repercussions across the built environment (“BE”) sector and significantly affected productivity, at a time that coincided with the execution of our then two largest projects – JTC Kranji Green and Surbana Jurong Campus. On top of managing severe labour shortages, our E&C Business also endured the challenges of inflation and supply chain disruptions, all of which greatly impacted the margins of projects secured pre-pandemic. To mitigate the risks posed by the pandemic, we proactively embraced construction and real estate technology – also known as ConTech and PropTech – to bolster productivity, reduce reliance on labour and keep our team and subcontractors healthy and safe, while establishing ourselves as a leading technology-driven player within the BE sector.

The dark clouds of the pandemic have since been lifted for the BE sector and we are heartened to see that our E&C Business turned the corner in FY2023 with construction activities largely returning to normalcy. E&C revenue in 2H FY2023 grew 6% year-on-year to S\$160.7 million, a reflection of improved project management and construction management activities. However, E&C revenue for FY2023 was 17% lower year-on-year at S\$269.8 million, due to lower revenue contribution in 1H FY2023. Having substantially completed our pre-pandemic backlog following extended pandemic-related delays and with a more manageable cost base, our E&C Business also returned to profitability from a loss position in the prior year. E&C profit before income tax (“PBT”) reached S\$10.3 million in FY2023, a decent result given the circumstances although this was nowhere near the levels registered pre-pandemic.

Despite the multitude of challenges, the pandemic has imparted us with valuable lessons that have strengthened our foundation to better weather any

storms ahead. The experience gained has taught us to be more focused and pragmatic in our approach when bidding for new projects, a strategy which we believe will help to better manage resources, mitigate risks and build greater resilience for the business. In the past year, we continued to cautiously rebuild our order backlog in targeted high value-added sectors like pharmaceutical and technology, and went on to secure a total of S\$401 million in new contracts. This amount includes a record S\$300 million design-and-build contract secured from a repeat Fortune 500 technology client for an integrated manufacturing, logistics and office facility in Singapore. We also secured two contracts in the overseas market of Malaysia, riding on a more established presence there.

Our Real Estate Business advanced on multiple growth initiatives and platforms, and achieved notable progress in asset class diversification efforts, despite being weighed down by increasing interest rates and property expenses. In FY2023, Real Estate revenue was 3% lower year-on-year

Letter to Shareholders

at S\$14.1 million, mainly due to lower rental income following the sale of a subsidiary holding Boustead Industrial Park to a joint venture in Vietnam, a vacant property at 36 Tuas Road due to impending redevelopment, as well as lower non-recurring acquisition and performance fees.

Following the successful acquisition of the mixed development 28 & 30 Bideford Road, a new destination concept was unveiled through an exciting partnership with COMO Group to establish COMO Orchard at the property. Scheduled to open in successive phases, COMO Orchard will house COMO Metropolitan Singapore hotel, a multi-label fashion store, a new wellness space and gourmet concepts by Michelin-starred restaurant chefs which together, will add to the vibrancy of Orchard Road, one of the world's most recognised boulevards. We expect that the recovery of Singapore's tourism sector will benefit and be timely for the official opening of 28 & 30 Bideford Road in 2H FY2024.

In line with the strategy to scale up through third-party acquisitions, Boustead Industrial Fund ("BIF"), our Real Estate Business' inaugural full-fledged real estate fund, completed the acquisition of J'Forte Building for S\$98.8 million, shortly after the end of FY2023. As BIF's maiden acquisition in the open market, J'Forte Building – an eight-floor F&B-focused industrial property at 26 Tai Seng Street – marks a good addition to the BIF portfolio given its high specifications, prime location, long remaining leasehold land tenure of about 44 years and zoning for food processing operations, which is in limited supply in the area. The injection of J'Forte Building into BIF sets the fund on track for growth not just via the pipeline of sponsor properties but also through third-party acquisitions. Moving ahead, our Real Estate Business

will continue to build our development pipeline using a disciplined approach and diversify income streams overseas. At the end of FY2023, BIF had interests in 15 completed properties with a total market valuation of S\$690 million, comprising over 195,000 square metres ("sqm") in gross floor area ("GFA"), an overall committed occupancy rate of 98% and weighted average lease expiry ("WALE") greater than five years.

In FY2023, we continued to diversify income streams geographically, in particular via the expansion of real estate activities in Vietnam. During FY2023, through our strategic collaboration with Khai Toan Joint Stock Company ("KTG") and acquisition of KTG & Boustead Joint Stock Company, we launched the flagship KTG & Boustead Industrial Logistics Fund ("KBIL"), our full-fledged private real estate fund in Vietnam, and injected Boustead Industrial Park into KBIL. At the end of FY2023, KBIL had interests in eight completed properties with a total market valuation of S\$175 million, comprising over 260,000 sqm in GFA, an overall committed occupancy rate of 76% and WALE greater than two years.

In consideration of our improved business performance, your Board is proposing a final dividend of 0.7 cents per share and special dividend of 0.7 cents per share for your approval.

Building Forward

The experience gained from COVID-19 has strengthened the foundation of our business for a more resilient future, allowing us to build forward in a future-ready manner. Based on estimates from the Building & Construction Authority ("BCA"), private-sector construction demand is anticipated to reach S\$11 billion to S\$13 billion in 2023 with the planned development of new high-specification industrial buildings, a level which is comparable with the

previous year. Despite the favourable market conditions – including the lifting of all pandemic restrictions on construction activities – we remain mindful of the future challenges, including the shortage of skilled labour, growing risk of recession in major economies, supply chain pressures and climate change.

As a leading provider of innovative eco-sustainable real estate solutions, we have built an extensive track record in delivering best-in-class industrial developments over the years, setting the benchmark for others in the sector to follow. FY2023 saw the completion of JTC Kranji Green, Singapore's national landmark project for recycling waste streams. This achievement represents our contribution in advancing Singapore's vision of a circular economy and Zero Waste Master Plan. We also delivered the Takeda Singapore Biologics Manufacturing Support Facility – our first ever Green Mark Platinum Positive Energy ("GMP PE") Building and also Singapore's first GMP PE in the biomedical and pharmaceutical sector, capable of operating without drawing electricity from the national grid. This positive example of a green building is a blueprint for future-ready buildings that demonstrate climate action and represents a step better than net zero. With 95% of the project's construction documentation and processes digitalised, this project stands out as a hallmark of technology adoption and a rare achievement in Singapore's real estate sector.

Moving ahead, our E&C Business will continue with its current approach of targeting high value-added sectors in the bidding for new projects. Beyond having the expertise and familiarity, these high value-added sectors will offer us the opportunity to readily embrace ConTech and PropTech in project execution, allowing us to

enhance our competitive advantage in this highly competitive sector and reduce dependence on labour. We will also continue to push forward with the implementation of transformative technologies and foster a data-driven culture within the organisation, particularly in improving the quality and speed of decision making through data and data visualisation. Lastly, we will be encouraging building design, construction and operations that fuse a conducive BE for well-being together with technological advancement and clean technology – also known as CleanTech – right through the multi-decade building lifecycle.

As we continue to play our role in building a more sustainable future, we will gradually raise the sustainability standards of our portfolio, beginning with the certifications for BCA Green Mark Gold and better for properties under the BIF portfolio – with more in the pipeline. In FY2023, Boustead Projects E&C also achieved a Silver EcoVadis Medal following the rigorous EcoVadis sustainability assessment, a third-party comprehensive evaluation framework that measures and rates the sustainability performance of corporations. EcoVadis has recognised us in the 88th percentile for sustainability among more than 100,000 corporations that they have rated globally. This achievement places us in good stead in our showcase of sustainability efforts, putting us ahead and setting us apart from competition in the sector. In our commitment to address climate change, we will also continue working closely with our CleanTech partners to market the use of industrial solar energy systems and electric vehicle charging stations across our developments.

Just recently in June 2023, we also announced plans to jointly redevelop our property at 36 Tuas Road in

Singapore with two other leading real estate players. Upon redevelopment, the property is expected to be a modern five-floor multi-tenanted logistics hub that will cater to the needs of logistics players in the region and is earmarked to attain Green Mark Platinum Super Low Energy certification – one of the first developments to attain this for the logistics and manufacturing sectors under the refreshed BCA Green Mark: 2021.

At Boustead Projects, our people are the pillar behind our achievements. On this note, we are pleased to share that we have been conferred the SkillsFuture Employer Award (Gold), an honour given to exemplary employers who are strong advocates of continuous learning and supporters of national manpower objectives. We will continue to invest in training and upskilling every valuable member of the team, building a competent pool of team members that drive our long-term success.

Looking ahead, there are signs of a weakening of global demand and industrial output amid a volatile interest rate environment and capital markets. Despite a strong backlog and asset base, supported by a healthy balance sheet, we will continue to traverse the road ahead with cautious optimism and prudence, focusing on our key sectors, markets and strengths. Since our listing in 2015, much of the business landscape has evolved, with stronger competition and increasing compliance and regulatory requirements imposed not just on listed corporations but also those operating in the BE sector, leading to greater costs, effort and time being expended. Coupled with the uncertain and volatile times ahead, we recognise the importance of continuing to leverage the combined strengths and synergies of the Boustead Group to enhance our resilience. In February 2023,

our controlling shareholder, Boustead Singapore Limited (“BSL”), launched a voluntary unconditional general offer for shares that were not owned by BSL and their concert parties. Following this exercise, BSL and their concert parties further consolidated their effective interest in Boustead Projects from 73.98% at the end of FY2022 to 95.5% by the end of FY2023. Our Board understands that BSL continues to explore various options to eventually delist and privatise Boustead Projects according to their stated intentions. Notwithstanding this, Boustead Projects’ senior management team will continue to focus on executing our business strategies as previously articulated to deliver sustainable shared socio-economic value and progress to all our key stakeholders.

Words of Appreciation

We would like to thank our senior leadership and team members for their continued dedication and hard work in building the success of Boustead Projects all these years. We would also like to extend our appreciation to our clients, business partners, associates, bankers, suppliers and our shareholders – both past and present – for their support. Last but not least, we would also like to thank our fellow Board colleagues for their wisdom, advice and guidance, especially during the challenging years of the pandemic.

Thank you once again for journeying with Boustead Projects. We look forward to meeting you in person at our upcoming Annual General Meeting.

John Lim Kok Min
Chairman

Wong Yu Wei
Executive Deputy Chairman

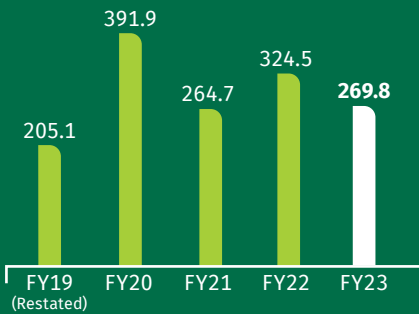
Engineering & Construction

Performance Highlights

Segment Revenue

S\$269.8 million

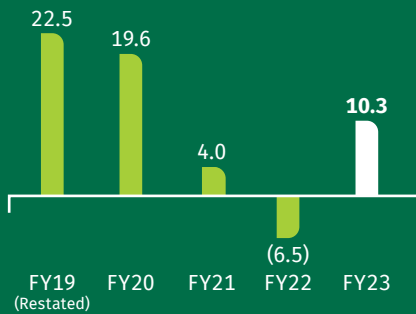
Year-on-year: ▼ 17%



► Lower revenue was due to a leaner order backlog of projects carried forward at the end of FY2022.

Segment Profit/(Loss) before Income Tax

S\$10.3 million

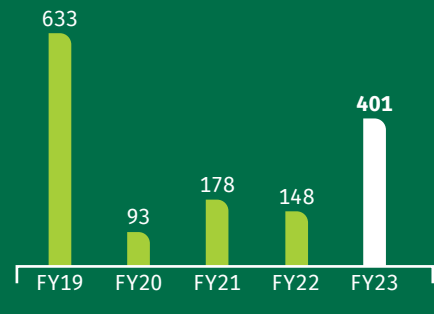


► Return to profitability was due to significant completion of pre-pandemic projects where margins were impacted by escalated costs.

Segment Contracts Secured

S\$401 million

Year-on-year: ▲ 171%



► Higher contracts secured was due to a record S\$300 million design-and-build contract in Singapore.

About

With Boustead Projects' inception in 1996, our Engineering & Construction ("E&C") Business pioneered integrated turnkey engineering, project management and construction management services encompassing design-and-build methodologies for the real estate sector in Singapore. We deliver innovative real estate solutions for smart, eco-sustainable and future-ready developments. Our full-fledged integrated digital delivery ("IDD") approach is guided by Industry 4.0 transformation standards and incorporates 7D building information modelling ("BIM"), virtual design and construction, and design for manufacturing and assembly. Our progressive adoption of transformative technologies – ConTech, PropTech and CleanTech – includes 3D scanning, artificial intelligence and machine learning, augmented reality and virtual reality, data analytics, drone technology and renewable energy. These market-leading capabilities are complemented by our green building credentials and supported by robust quality, environmental, health and safety ("QEHS") management systems.

Market Sectors

INCLUDING HIGH VALUE-ADDED SECTORS

- Aerospace and automotive
- Agribusiness
- Business park and commercial
- Energy
- Engineering
- Food & beverage
- Healthcare & pharmaceutical
- High-tech manufacturing
- Infocommunications
- Lifestyle
- Logistics
- Packaging
- Precision engineering
- Renewable energy
- Research & development
- Semiconductor
- Technology
- Urban planning
- Waste management

Geographic Markets

4 COUNTRIES

- China
- Malaysia
- Singapore
- Vietnam





JTC Kranji Green, Singapore.
Credits: architects 61 and Finbarr Fallon

Engineering & Construction



Market Review

The market was focused on:

- Clearing pre-pandemic projects and rebuilding backlog; and
- Normalisation of construction activities with the lifting of pandemic measures.

Key Highlights

The E&C Business achieved:

- Substantial completion of pre-pandemic projects and more stable and manageable costs; and
- A record S\$300 million design-and-build contract.

In FY2023, the E&C Business witnessed an improvement in project execution with construction activities largely returning to normalcy.

All of the E&C Business' activities in Singapore are undertaken by our wholly-owned E&C subsidiary and regional centre of excellence, Boustead Projects E&C.

During FY2023, construction activities were largely restored with pandemic restrictions fully lifted. However, the productivity of the built environment sector continued to be impacted by a shortage of skilled labour. E&C revenue was 17% lower year-on-year at S\$269.8 million, mainly due to lower revenue recognised in 1H FY2023, arising from a leaner order backlog of projects carried forward at the end of FY2022. However, there was a return to profitability from a loss position in the prior year, as a result of the substantial completion of projects secured before the pandemic when margins were impacted by escalated costs.

We substantially completed two key projects which were secured prior to the pandemic – JTC Kranji Green

and Surbana Jurong Campus – paving the way for the rebuilding of our order backlog with high value-added sector projects and the repositioning of organisational resources. The completion of JTC Kranji Green, Singapore's first multi-storey recycling facility to house recyclers handling waste streams like metals, paper and plastic, represents our contribution in advancing Singapore's vision of a circular economy and Zero Waste Master Plan. A significant milestone was also attained with the delivery of Takeda Singapore Biologics Manufacturing Support Facility. The facility marks our first ever Green Mark Platinum Positive Energy ("GMP PE") Building and also Singapore's first GMP PE in the biomedical and pharmaceutical sector. The facility surpassed its original zero energy target by being able to produce more renewable energy than it consumes, hence making it positive energy. This blueprint for the future will play an important role in Singapore's critical fight against climate change.

A number of other major projects were also completed during the year including several in the pharmaceutical and technology sectors, particularly for high-tech semiconductor facilities. In Malaysia, our largest project in the country was delivered for Lam Research’s integrated manufacturing and office facility in Penang. In Singapore, we completed JTC semiconSpace@Tampines, a ‘plug-and-play’ multi-tenanted development with extremely high-specification requirements for smaller semiconductor players to accelerate the set up of operations. Both of our completed projects for JTC Corporation were awarded JTC Construction Safety Award Special Mentions, an endorsement of our QEHS efforts.

In FY2023, we regained momentum in business development efforts with the securing of a record contract valued at approximately S\$300 million from a repeat Fortune 500 technology client, involving the design-and-build of an integrated manufacturing, logistics and office facility. Targeted for completion in 2024, the facility is earmarked to achieve Green Mark Platinum under the Building & Construction Authority’s revised Green Mark Certification Scheme: 2021. In line with our strategy of diversifying geographically, we also secured two contracts in the overseas market of Malaysia, one of which is a design-and-build contract for an aerospace facility

at Subang Aerotech Park and a separate design-and-build contract from a global power control solutions corporation – our third collaboration with them.

Technology continued to play a key role in mitigating risks associated with the pandemic by increasing productivity while reducing reliance on labour, allowing for highly collaborative activities such as IDD, value engineering and physical construction activities to be conducted in a productive and safe manner. Among the more recent initiatives are the Common Data Environment (“CDE”) and Digital Operations & Maintenance Manuals (“DOMM”). CDE is a centralised digital hub where project information is shared and stored, to enhance digital collaboration. DOMM improves data governance and enhances the review process of the many project stakeholders, from construction to facilities management by embracing the digitalisation of building lifecycle activities. We aim to foster a data-driven culture within the organisation, particularly in improving the quality and speed of decision making through data and data visualisation. Our efforts in technology and upskilling – not only for our own team but also our subcontractors – has led to Boustead Projects being recognised with the SkillsFuture Employer Award (Gold), an honour given to exemplary employers who are strong advocates of continuous

learning and supporters of national manpower objectives. We will continue to invest in training and upskilling every valuable member of the team, building a competent pool of team members that drive our long-term success.

As part of our continuous approach to ESG advancement, we went through a comprehensive sustainability assessment with EcoVadis, the world’s largest and most trusted provider of business sustainability ratings with a global network of more than 100,000 corporations rated across over 200 sectors and 175 countries. EcoVadis’ flagship solution, EcoVadis Ratings is also the cornerstone of over 1,000 sustainable procurement programmes within global value chains that include numerous Fortune 500 corporations. In FY2023, Boustead Projects E&C was awarded the Silver EcoVadis Medal, which places Boustead Projects E&C at the 88th percentile in sustainability among more than 100,000 rated corporations globally.

Looking ahead, there are signs of weakening global demand and industrial output amid a volatile interest rate environment and capital markets. Despite a strong backlog and asset base, supported by a healthy balance sheet, we will continue to pursue business development opportunities with prudence, focusing on key markets, sectors and strengths.



FY2023 Business Highlights

Jul 2022	Jul 2022	Aug 2022	Oct 2022
Singapore	Malaysia	Singapore	Singapore
Awarded record design-and-build contract valued at approximately S\$300 million for a Fortune 500 technology corporation’s integrated manufacturing, logistics and office facility	Awarded design-and-build contract for global power control solutions corporation’s integrated manufacturing and office facility	Completed 1st GMP PE in pharmaceutical sector, Takeda Singapore Biologics Manufacturing Support Facility	Completed largest public sector project, JTC Kranji Green

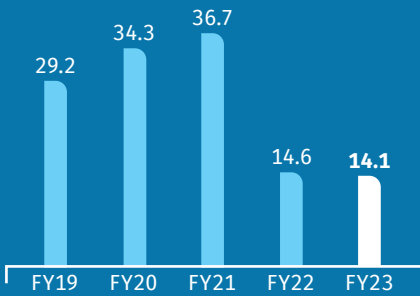
Real Estate

Performance Highlights

Segment Revenue

S\$14.1 million

Year-on-year: ↓ 3%

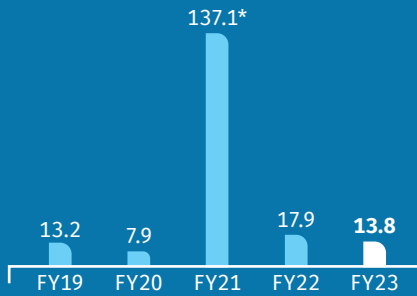


▶ Lower revenue was due to impending redevelopment of vacant property and lower non-recurring acquisition and performance fees.

Segment Profit before Income Tax ("PBT")

S\$13.8 million

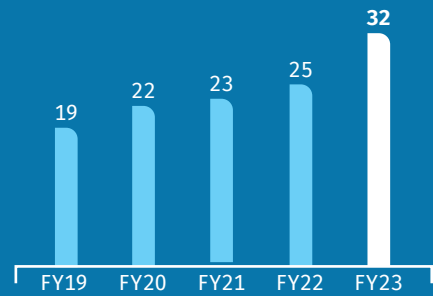
Year-on-year: ↓ 23%



▶ Lower PBT was due to lower revenue and non-recurring acquisition and performance fees, a vacant property, and higher interest rates and property expenses.

Completed Properties in Portfolio**

32 properties



* Includes Boustead Industrial Fund's one-off value-unlocking transaction gain.

** Includes properties held under various platforms.

About

In 2003, Boustead Projects pioneered the design-build-and-lease approach, also known as the integrated development approach in Singapore. We offer hybrid solutions in which we assume dual roles as the developer-owner and that of Engineering & Construction ("E&C") Partner to deliver smart, eco-sustainable and future-ready developments. This has allowed us to build a growing portfolio of quality properties. Our market-leading capabilities have since expanded to include development management, asset management and fund management services, providing us with additional long-term recurring income streams. Our platforms include Boustead Development Partnership, Boustead Industrial Fund ("BIF"), Echo Base-BP Capital and KTG & Boustead Industrial Logistics Fund.

Market Sectors

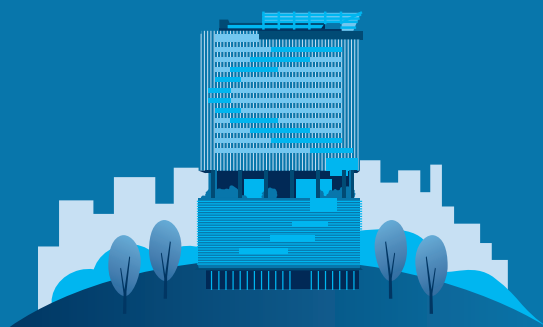
INCLUDING HIGH VALUE-ADDED SECTORS

- ▶ Aerospace and automotive
- ▶ Business park and commercial
- ▶ Energy
- ▶ Engineering
- ▶ Healthcare & pharmaceutical
- ▶ Hospitality
- ▶ Infocommunications
- ▶ Lifestyle
- ▶ Logistics
- ▶ Packaging
- ▶ Research & development
- ▶ Technology

Geographic Markets

4 COUNTRIES

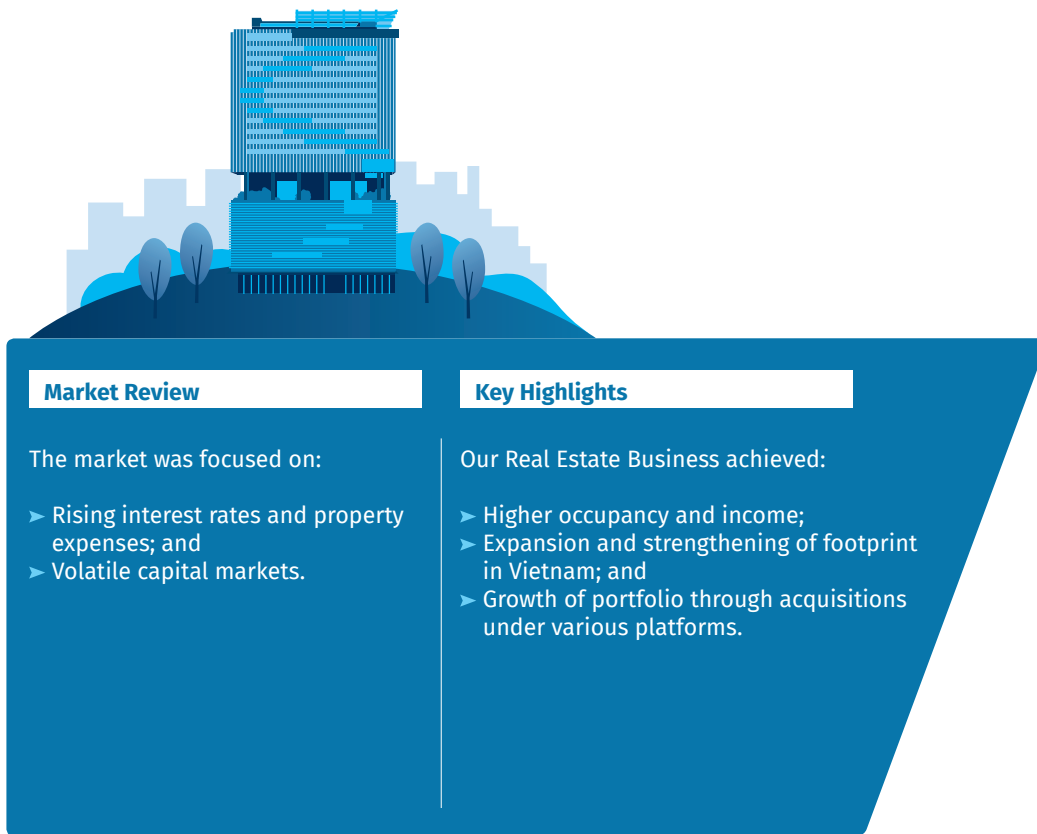
- ▶ China
- ▶ Malaysia
- ▶ Singapore
- ▶ Vietnam





28 & 30 Bideford Road, Singapore.

Real Estate



Market Review

The market was focused on:

- ▶ Rising interest rates and property expenses; and
- ▶ Volatile capital markets.

Key Highlights

Our Real Estate Business achieved:

- ▶ Higher occupancy and income;
- ▶ Expansion and strengthening of footprint in Vietnam; and
- ▶ Growth of portfolio through acquisitions under various platforms.

In FY2023, Boustead Projects' Real Estate Business advanced on multiple growth initiatives and platforms, and achieved notable progress in asset class diversification efforts, despite being weighed down by increasing interest rates and property expenses.

Real Estate revenue was 3% lower year-on-year at S\$14.1 million due to the impending redevelopment of a vacant property at 36 Tuas Road in Singapore and lower non-recurring acquisition and performance fees, partially offset by higher rental contribution in Vietnam prior to disposal of the subsidiary holding Boustead Industrial Park. In line with the lower revenue and non-recurring acquisition and performance fees during the year, Real Estate PBT was 23% lower year-on-year at S\$13.8 million.

FY2023 marked the second year of contribution of BIF, our inaugural full-fledged real estate fund. Shortly after the end of FY2023, BIF completed the acquisition of J'Forte Building for S\$98.8 million, an eight-floor F&B-focused industrial property at 26 Tai Seng Street in Singapore. J'Forte Building's high specifications, prime location, long remaining leasehold land

tenure of about 44 years and zoning for food processing operations which is limited in supply in the area, make it a valuable addition to BIF. The injection of J'Forte Building into BIF also sets the fund on track for growth not just via the pipeline of sponsor properties but also through third-party acquisitions. At the end of FY2023, BIF had interests in 15 completed properties with a total market valuation of S\$690 million*, comprising over 195,000 square metres ("sqm") in gross floor area ("GFA"), an overall committed occupancy rate of 98% and weighted average lease expiry ("WALE") greater than five years.

Our activities under the Real Estate Business were also broadened during FY2023, after the successful acquisition of the mixed development 28 & 30 Bideford Road in June 2022. For the remainder of FY2023, we focused on strategising and planning to get the property operational and with the right tenant mix to optimise its value – with



1. J'Forte Building, Singapore.

a continuation of these efforts into 1H FY2024. We have partnered COMO Group to establish COMO Orchard and introduced a new destination concept at the property. Scheduled to open in successive phases, COMO Orchard will house COMO Metropolitan Singapore hotel, a multi-label fashion store, a new wellness space and gourmet concepts by Michelin-starred restaurant chefs which together, will add to the vibrancy of Orchard Road, one of the world's most recognised boulevards. We expect that the recovery of Singapore's tourism sector will benefit and be timely for the official opening of 28 & 30 Bideford Road in 2H FY2024.

With the active management of our portfolio, leasing efforts advanced in many areas. The two multi-tenanted properties within our portfolio located at one-north, ALICE@Mediapolis ("ALICE") and Razer SEA HQ, have achieved asset stabilisation with committed occupancies of 94% and 100% respectively at the end of FY2023. Following the acquisition of 28 & 30 Bideford Road in Singapore, we achieved a committed occupancy of 76% for the retail, commercial and healthcare suite units, excluding the

hotel space that will be managed by COMO Group.

Outside of Singapore, we also grew and strengthened our footprint in Vietnam through our strategic collaboration with Khai Toan Joint Stock Company ("KTG") and the acquisition of KTG & Boustead Joint Stock Company ("KBJSC"). In FY2023, through KBJSC, we launched the flagship KTG & Boustead Industrial Logistics Fund ("KBIL"), an industrial and logistics real estate fund which will develop and own industrial and logistics parks in strategic locations in Vietnam. Since the launch of KBIL, we have injected Boustead Industrial Park into KBIL, while KTG has injected several of their properties. KBIL continues to have a ready pipeline of future property injections and potential third-party acquisition targets. At the end of FY2023, KBIL had interests in eight completed properties with a total market valuation of S\$175 million*, comprising over 260,000 sqm in GFA, an overall committed occupancy rate of 76% and WALE greater than two years.

At the end of FY2023, outside of BIF and KBIL, our completed wholly-owned properties had a total market valuation

of S\$61 million, comprising over 35,000 sqm in GFA, with an overall committed occupancy rate of 68% and WALE greater than two years. Outside of BIF and KBIL, our completed jointly-owned properties had a total market valuation of S\$1.1 billion*, comprising over 141,000 sqm in GFA, with an overall committed occupancy rate of 97% and WALE greater than nine years.

Just recently in June 2023, we also announced plans to jointly redevelop our property at 36 Tuas Road in Singapore with two other leading real estate players. Upon redevelopment, the property will be a modern five-floor multi-tenanted logistics hub that will cater to the needs of logistics players in the region and is earmarked to attain Green Mark Platinum Super Low Energy certification – one of the first developments to attain this for the logistics and manufacturing sectors under the refreshed Building & Construction Authority Green Mark: 2021.

More details on our properties including those under the management of BDP, BIF, Echo Base-BP Capital and KBIL can be found on pages 34 to 39 of this report.

* Assumes 100% interest in properties.

Real Estate Portfolio

Wholly-Owned Properties

At the end of FY2023, our wholly-owned portfolio contained three completed properties, following the divestment of a subsidiary holding Boustead Industrial Park to a joint venture, KTG & Boustead Joint Stock Company, parent company of KTG & Boustead Industrial Logistics Fund ("KBIL") in Vietnam.

Key Performance Metrics of Completed Wholly-Owned Properties

S\$61 million
market valuation



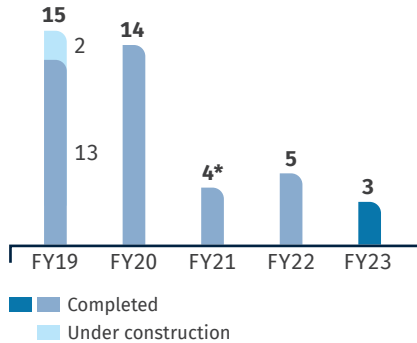
>35,000 sqm**
GFA



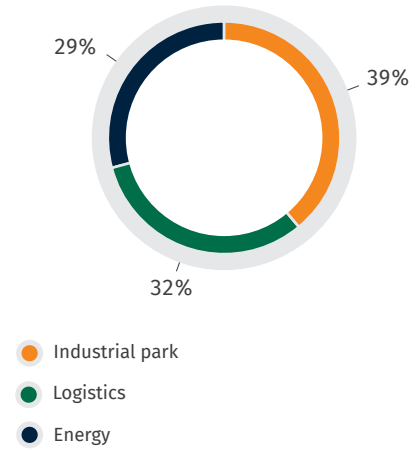
68%**
overall committed occupancy



>2 years**
WALE



Breakdown by sector (GFA)



Completed Wholly-Owned Properties

31 Tuas South Avenue 10

Year completed	2014
GFA (sqm)	10,531

36 Tuas Road**

Year acquired	2013
GFA (sqm)	11,470

Wuxi Boustead Industrial Development (China)

Year completed	2003 - 2007
GFA (sqm)	13,940

* Divested interests in properties to BIF.

** Includes 36 Tuas Road which was vacant at the end of FY2023 due to an impending redevelopment of the property.

Jointly-Owned Properties

At the end of FY2023, our jointly-owned portfolio (outside of BIF and KTG & Boustead Industrial Logistics Fund) contained six completed properties, following the acquisition of 28 & 30 Bideford Road in Singapore. The following information only takes into account jointly-owned properties in which BIF and KTG & Boustead Industrial Logistics Fund have no interests.

Key Performance Metrics of Completed Jointly-Owned Properties

S\$1.1 billion****
market valuation



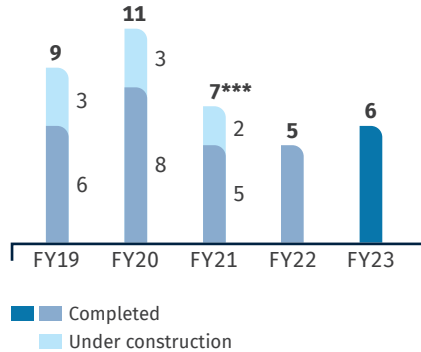
>141,000 sqm
GFA



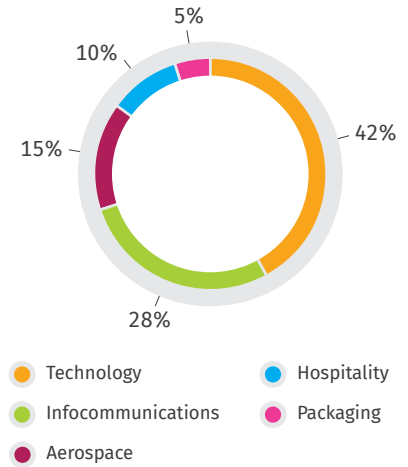
97%*****
overall committed occupancy



>9 years*****
WALE



Breakdown by sector (GFA)



Completed Jointly-Owned Properties

28 & 30 Bideford Road

Year acquired	2022
GFA (sqm)	14,638

8 & 12 Seletar Aerospace Heights (Phase 2)

Year completed	2021
GFA (sqm)	20,703

1 One-north Crescent

Year completed	2021
GFA (sqm)	19,090

6 Tampines Industrial Avenue 5

Year acquired	2019
GFA (sqm)	40,401

98 Tuas Bay Drive

Year completed	2019
GFA (sqm)	7,538

29 Media Circle

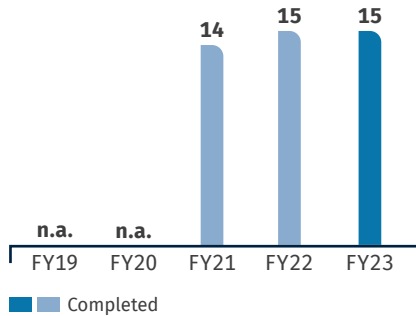
Year completed	2018
GFA (sqm)	39,501

*** Divested interests in properties to BIF.
 **** Assumes 100% interest in completed properties listed on this page.
 ***** Committed occupancy and lease expiry for 28 & 30 Bideford Road excludes the hotel component.

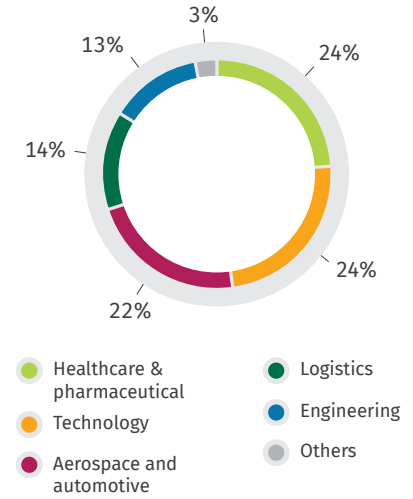
Real Estate Portfolio

Boustead Industrial Fund

BIF, our maiden full-fledged private real estate fund was successfully launched in 2021. At the end of FY2023, BIF had interests in 15 completed properties. The following information takes into account properties in which BIF has an interest.



Breakdown by sector (GFA)



Key Performance Metrics of Completed BIF Properties

\$690 million *****
market valuation



>195,000 sqm
GFA



98%
overall committed occupancy



>5 years
WALE



Completed BIF Properties



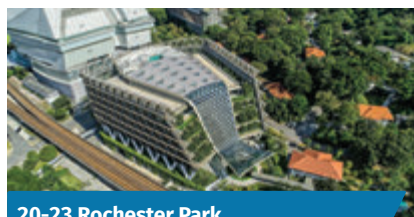
351 Braddell Road

Year completed 2021
GFA (sqm) 24,213



84 Boon Keng Road (Phase 3)

Year completed 2018
GFA (sqm) 11,151



20-23 Rochester Park

Year completed 2016
GFA (sqm) 14,516



11 Seletar Aerospace Link

Year completed 2015
GFA (sqm) 3,567

***** Assumes 100% interest in completed properties listed on this page.
^ 80 Boon Keng Road Phases 1 and 2 are reported as two separate properties.



10 Tukang Innovation Drive

Year completed	2014
GFA (sqm)	26,459



82 Ubi Avenue 4

Year completed	2014
GFA (sqm)	8,759



80 Boon Keng Road (Phases 1 and 2)^

Year completed	2012, 2014
GFA (sqm)	16,246



16 Tampines Industrial Crescent

Year completed	2013
GFA (sqm)	20,020



10 Seletar Aerospace Heights (Phase 1)

Year completed	2013
GFA (sqm)	6,290



10 Changi North Way

Year completed	2011
GFA (sqm)	12,019



26 Changi North Rise

Year completed	2011
GFA (sqm)	6,000



16 Changi North Way

Year completed	2008
GFA (sqm)	11,255



85 Tuas South Avenue 1

Year completed	2008
GFA (sqm)	10,610



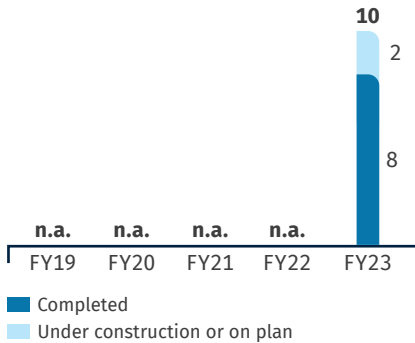
12 Changi North Way

Year completed	2005
GFA (sqm)	23,949

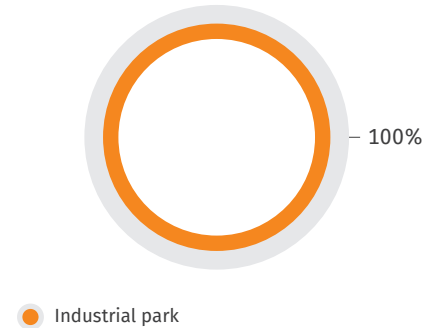
Real Estate Portfolio

KTG & Boustead Industrial Logistics Fund

KBIL, our full-fledged private real estate fund in Vietnam together with joint venture partner, KTG, was successfully launched in 2022. At the end of FY2023, KBIL had interests in 8 completed properties. The following information takes into account properties in which KBIL has an interest.



Breakdown by sector (GFA)



Key Performance Metrics of Completed KBIL Properties

\$175 million *****
market valuation



>260,000 sqm
GFA



76%
overall committed occupancy



>2 years
WALE



Completed KBIL Properties



Nhon Trach 3A Industrial Park

Year acquired 2022
GFA (sqm) 20,859



Nhon Trach Textile Industrial Park

Year acquired 2022
GFA (sqm) 34,038



Tham Phuoc B Industrial Park

Year acquired 2022
GFA (sqm) 15,288



Yen Phong 1 Industrial Park

Year acquired 2022
GFA (sqm) 21,754

***** Assumes 100% interest in completed properties listed on this page.



Yen Phong 2 Industrial Park

Year acquired	2022
GFA (sqm)	30,907



Yen Phong 2C Industrial Park

Year acquired	2022
GFA (sqm)	57,248



Nhon Trach 2 Industrial Park (Phase 2)

Year completed	2021
GFA (sqm)	39,557



Nhon Trach 2 Industrial Park (Phase 1)

Year completed	2019
GFA (sqm)	33,976

KBIL Properties Under Construction



Nhon Trach 2 Industrial Park (Phase 3)

Expected year of completion	2023
Expected GFA (sqm)	54,500



FY2023 Business Highlights

May 2022	June 2022	Dec 2022	Jan 2023
Vietnam	Singapore	Vietnam	Singapore
Announced acquisition of 60% shareholding in KBJSC	Joint venture acquired 28 & 30 Bideford Road	Injected Boustead Industrial Park into KBIL	Announced BIF's acquisition of J'Forte Building, with transaction completed in April 2023

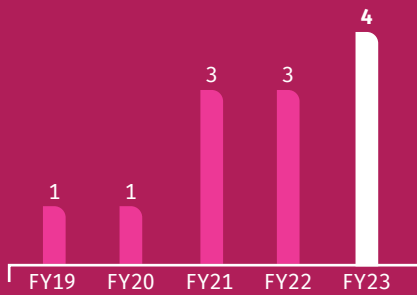
Strategic Partnerships & Investments

Performance Highlights

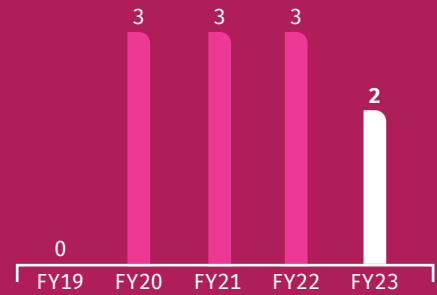
Development Partnerships



Real Estate Trusts and Management Partnerships



Technology Partnerships



About

Boustead Projects has established and invested in several strategic partnerships and platforms to enhance our resilience, competitive position and geographically expand across Asia. Working with like-minded, reputable and resilient strategic partners on several fronts has allowed us to pool complementary capabilities and expertise to take on larger-scale projects and broaden our offerings to clients, while reducing commercial and operational risks related to a particular geographic market or sector. Activities under strategic partnerships also create value in our Engineering & Construction Business and Real Estate Business.

Market Sectors

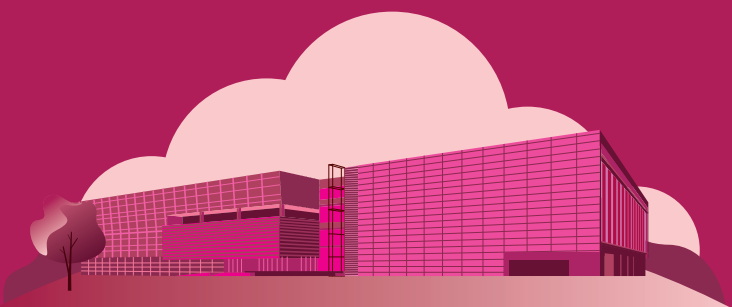
INCLUDING HIGH VALUE-ADDED SECTORS

- ▶ Aerospace and automotive
- ▶ Business park and commercial
- ▶ Data centres
- ▶ Engineering
- ▶ Healthcare & pharmaceutical
- ▶ Infocommunications
- ▶ Logistics
- ▶ Packaging
- ▶ Research & development
- ▶ Smart integrated developments
- ▶ Technology

Geographic Markets

6 COUNTRIES AND TERRITORIES

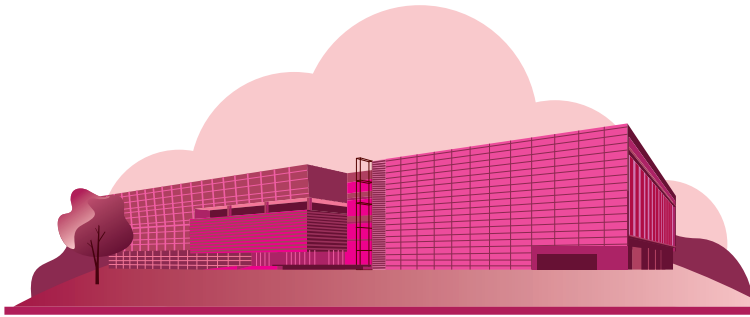
- ▶ China
- ▶ Hong Kong
- ▶ Indonesia
- ▶ Malaysia
- ▶ Singapore
- ▶ Vietnam





Interior of GSK Asia House, one-north, Singapore.

Strategic Partnerships & Investments



In FY2023, Boustead Projects continued to strengthen our presence in Vietnam through our strategic partnership with Khai Toan Joint Stock Company (“KTG”). In this section, we share more about our strategic partnerships and platforms.

DEVELOPMENT PARTNERSHIPS

Boustead Development Partnership (“BDP”)

Year established:	2014
Partnership type:	Development
Partnership focus:	Business park and industrial real estate sector
Partner:	Reputable Middle East sovereign wealth fund
Investments:	5 properties
Effective interests:	50% initial shareholding in each BDP development
Geographic coverage:	Singapore

THAB Development Sdn Bhd (“THAB”)

Year established:	2013
Partnership type:	Development
Partnership focus:	Industrial real estate sector
Partners:	AME Construction Sdn Bhd, Tat Hong Holdings Ltd and CSC Holdings Ltd
Investments:	iBP@Nusajaya
Effective interest:	35% shareholding in THAB
Geographic coverage:	Malaysia

Perennial Holdings Pte Ltd (“Perennial”)

Year established:	2012
Partnership type:	Development
Partnership focus:	Commercial real estate and integrated development sector
Partners:	Consortium led by Perennial
Investment:	Beijing Tongzhou Integrated Development Phase 1 (“Beijing Tongzhou Phase 1”)
Effective interest:	4% shareholding in Beijing Tongzhou Phase 1
Geographic coverage:	China

REAL ESTATE TRUSTS AND MANAGEMENT PARTNERSHIPS

Boustead Industrial Fund (“BIF”)

Year established:	2021
Partnership type:	Private real estate trust
Partnership focus:	Business park and industrial real estate sector
Partners:	AP SG 21 Pte Ltd (institutional real estate investors) and Metrobilt Construction Pte Ltd (a unit of SGX-listed Metro Holdings Ltd)
Investments:	12 properties and three special purpose vehicles
Effective interest:	100% shareholding in BIF manager and 25% unitholding in BIF
Geographic coverage:	Singapore

Echo Base-BP Capital Pte Ltd (“Echo Base”)

Year established:	2018
Partnership type:	Asset and fund management
Partnership focus:	Smart building and integrated development sector
Partner:	Moor House Capital Pte Ltd (majority-owned by Razer co-founder)
Investment:	Asset and fund management for Razer SEA HQ & Bideford House
Effective interest:	50% shareholding in Echo Base
Geographic coverage:	Asia Pacific

KTG & Boustead Joint Stock Company (“KBJSC”)

Year established:	2021
Partnership type:	Real estate investment and development
Partnership focus:	Industrial real estate sector
Partner:	KTG
Investments:	KTG & Boustead Industrial Logistics Fund with eight properties and two developments under construction or on plan
Effective interest:	60% shareholding in KBJSC
Geographic coverage:	Vietnam

Boustead & KTG Industrial Management Co Ltd (“BKIM”)

Year established:	2020
Partnership type:	Asset and fund management
Partnership focus:	Industrial real estate sector
Partners:	Echo Base-BP Capital (Vietnam) Pte Ltd and KTG
Effective interest:	25% shareholding in BKIM
Geographic coverage:	Vietnam

TECHNOLOGY PARTNERSHIPS

Data Centres

Year established:	2019
Partnership type:	Data centre solutions
Partnership focus:	Data centre and specialised building sector
Partner:	DSCO Group Pte Ltd (“DSCO”)
Effective interest:	25% shareholding in DSCO
Geographic coverage:	Asia Pacific

PropTech

Year established:	2019
Partnership type:	Smart building technology platform
Partnership focus:	Business park and industrial real estate sector
Partner:	Getronics Solutions (S) Pte Ltd
Geographic coverage:	Asia Pacific

Quality, Environmental, Health, Safety & Sustainability Awards over the Past Decade

Awarded by:			
BCA			
Construction Excellence, Quality & Productivity Awards		GMP & PE, ZE, SLE	GMG+ & GMG
Total since inception	9 awards	16 awards	16 awards
2022		<ul style="list-style-type: none"> Takeda Singapore Biologics Manufacturing Support Facility (GMP PE) / 1st GMP PE in pharmaceutical sector / JTC semiconSpace@Tampines (GMP) 	
2021	<ul style="list-style-type: none"> BPL: Internationalisation Partnership Award for Lam Research BP E&C: Integrated Digital Delivery – Projects (Gold) for JTC Kranji Green 	<ul style="list-style-type: none"> JTC Kranji Green (GMP) 	<ul style="list-style-type: none"> Wilmar International HQ (GMG+) Becton Dickinson (GMG)
2020		<ul style="list-style-type: none"> DB Schenker Red Lion (GMP) 	<ul style="list-style-type: none"> ASM Front-End Manufacturing (GMG+) Razer SEA HQ (GMG+) Bombardier Singapore Service Centre Phase 2 (GMG)
2019	<ul style="list-style-type: none"> BP E&C: Construction Productivity Award – Projects (Gold) for Continental Building Phase 3 	<ul style="list-style-type: none"> Surbana Jurong Campus (GMP SLE) / 1st GMP SLE in large-scale business park and industrial real estate sector / Bolloré Blue Hub (GMP) Veolia Singapore Office@Tuas View Circuit (GMP) 	
2018	<ul style="list-style-type: none"> BP E&C: Green & Gracious Builder Award (Excellent) 	<ul style="list-style-type: none"> ALICE@Mediapolis (GMP) 	
2017	<ul style="list-style-type: none"> BP E&C: BIM Gold Award – Organisation Category BPL: Construction Excellence Award for Seagate Singapore Design Center – The Shugart 		<ul style="list-style-type: none"> Markono M-Cube (GMG) XP Power (GMG Overseas) / 1st Green Mark in non-residential building sector in Vietnam /
2016		<ul style="list-style-type: none"> Kuehne+Nagel Singapore Logistics Hub (GMP) 	
2015	<ul style="list-style-type: none"> BPL: Green & Gracious Builder Award (Merit) BPL: Construction Productivity Award – Projects (Gold) for Edward Boustead Centre 	<ul style="list-style-type: none"> Edward Boustead Centre (GMP) Seagate Singapore Design Center – The Shugart (GMP) 	<ul style="list-style-type: none"> Greenpac Greenhub (GMG+)
2014	<ul style="list-style-type: none"> BPL: Construction Excellence Certificate of Merit for Bolloré Green Hub 	<ul style="list-style-type: none"> DB Schenker Shared Logistics Center 3 (Tampines LogisPark) (GMP) 	<ul style="list-style-type: none"> Greenpac Greenhub (GMG+ Office Interior) Kerry Logistics Centre – Tampines (GMG) Satair Airbus Singapore Centre (GMG)
2013			<ul style="list-style-type: none"> Greenpac Greenhub (GMG) Jabil Circuit (GMG)

Legend

Authorities & Organisations

- BCA: Building & Construction Authority
- BP E&C: Boustead Projects E&C
- BPL: Boustead Projects
- JTC: JTC Corporation
- USGBC: US Green Building Council
- WSHC: Workplace Safety & Health Council

Awards Programmes

- ASRA: Asia Sustainability Reporting Awards
- LEED: Leadership in Energy & Environmental Design
- SCA SE: Singapore Corporate Awards (Special Edition)
- SHARP: Safety & Health Award Recognition for Projects
- SIA ADA: Singapore Institute of Architects Architectural Design Awards
- SIAS ICA: Securities Investors Association (Singapore) Investors' Choice Awards
- SLAA: Singapore Landscape Architecture Awards
- TAA: Tripartite Alliance Award

Awarded by:		
USGBC	WSHC & JTC	Others
LEED Gold & Silver	bizSAFE, Safety & SHARP Awards	ESG, Investor & Quality Awards
6 awards	28 awards	9 awards
<ul style="list-style-type: none"> Bolloré Blue Hub (LEED Gold) Bombardier Singapore Service Centre Phase 2 (LEED Silver) 	<ul style="list-style-type: none"> JTC Construction Safety Award – Special Mention: JTC semiconSpace@Tampines JTC Kranji Green (Commendation) 	<ul style="list-style-type: none"> BPL: SkillsFuture Employer Award (Gold) – SkillsFuture Employer Awards Wilmar International HQ (SEMEC Silver Award Commercial Category) – SLAA Muhammad Khalil Bin Shaiful Bahari: 40 Under 40 Champions of Construction – Autodesk
	<ul style="list-style-type: none"> JTC Construction Safety Award – Special Mention: JTC Kranji Green 	<ul style="list-style-type: none"> BPL: Corporate Excellence & Resilience Award – SCA SE BPL: Tripartite Alliance Award Finalist – TAA Wilmar International HQ (Commercial Projects Merit Award) – SIA ADA Wilmar International HQ (Best Office Development Silver) – MIPIM Asia Awards
<ul style="list-style-type: none"> DB Schenker Red Lion (LEED Gold) 	<ul style="list-style-type: none"> ASM Front-End Manufacturing Wilmar International HQ 	
	<ul style="list-style-type: none"> Bolloré Blue Hub Veolia Hazardous Chemical Waste Treatment Complex 	<ul style="list-style-type: none"> BPL FY2018 Longevity Report: Asia's Best First Time Sustainability Report Finalist – ASRA
	<ul style="list-style-type: none"> BP E&C: WSH Performance (Silver) Award ALICE@Mediapolis 	
	<ul style="list-style-type: none"> GSK Asia House 	<ul style="list-style-type: none"> BPL: Singapore Corporate Governance Award, Newly Listed Category – SIAS ICA
<ul style="list-style-type: none"> Kuehne+Nagel Singapore Logistics Hub (LEED Gold) 	<ul style="list-style-type: none"> Kuehne+Nagel Singapore Logistics Hub 	
	<ul style="list-style-type: none"> MTU Asia Pacific HQ 	
	<ul style="list-style-type: none"> DB Schenker Shared Logistics Center 3 (Tampines LogisPark) (Commendation) 	
<ul style="list-style-type: none"> Kerry Logistics Centre – Tampines (LEED Gold) Bolloré Green Hub (LEED Gold) <p>/ 1st LEED Gold in logistics sector in Asia /</p>		

Green Mark: 2021 Ratings (Ordered by Rankings)

- GMP PE: Green Mark Platinum Positive Energy
- GMP ZE: Green Mark Platinum Zero Energy
- GMP SLE: Green Mark Platinum Super Low Energy
- PE: Positive Energy
- ZE: Zero Energy
- SLE: Super Low Energy
- GMP: Green Mark Platinum
- GMG+: Green Mark Gold Plus
- GMG: Green Mark Gold

Other Terms

- BIM: Building information modelling
- ESG: Environmental, social and governance
- WSH: Workplace Safety & Health

Board of Directors



John Lim Kok Min

Chairman & Independent Non-Executive Director

N AR R

- > Bachelor of Arts (Economics) (Hons), University of Malaya
- > Honorary Fellow, Singapore Institute of Directors
- > Public Service Medal, National Day Awards 2006

Age: 83
Appointed: 25 March 2015
Last re-elected: 28 July 2021

Key areas of experience:

Mr John Lim Kok Min was appointed as our Chairman & Independent Non-Executive Director in 2015. With over 50 years of extensive senior management and board experience in South East Asia, Australia and New Zealand, he is a well-known business veteran who has amassed experience across a diverse range of sectors.

Current external appointments:

Mr Lim is currently Independent Non-Executive Chairman of IREIT Global Group Pte Ltd and an independent non-executive director of several private corporations.

Previous appointments:

Mr Lim relinquished his role as Independent Non-Executive Director of Boustead Singapore Limited in 2015 following his appointment to our Board. He was previously Independent Non-Executive Director of Silverlake Axis Ltd and held several senior management positions including Deputy Group Executive Chairman & President of LMA International NV, Group Chief Executive Officer of Cold Storage Holdings Ltd, and Group Managing Director of JC-MPH Ltd and Pan-United Corporation Ltd. He served as Chairman of the Building & Construction Authority, Gas Supply Pte Ltd, OECD-Asia Network on Corporate Governance of State-Owned Enterprises, Senoko Power Pte Ltd and Singapore Institute of Directors; Deputy Chairman of NTUC FairPrice Co-operative Ltd; and Vice-Chairman of the Agri-Food & Veterinary Authority, Singapore Institute of Management and Temasek Polytechnic.



Wong Yu Wei

Executive Deputy Chairman

N

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

Age: 46
Appointed: 1 December 2008
Last re-elected: 25 August 2020

Key areas of experience:

Mr Wong Yu Wei joined Boustead Projects in 2009 and was appointed as our Deputy Chairman & Executive Director in 2015 and Executive Deputy Chairman in 2021. He began his role here as Deputy Managing Director and was subsequently promoted to Senior Deputy Managing Director before assuming his current position. With over 10 years of real estate development experience, he assumes overall responsibility for both our Engineering & Construction Business and Real Estate Business. He has been instrumental in growing our Real Estate Business including developments, investments, asset management and fund management, as well as overseeing legal matters, overseas business expansion and execution of strategic partnerships and joint ventures. Prior to joining Boustead Projects, Mr Wong held positions within the Boustead Group for seven years.

Previous appointments:

Prior to joining Boustead Projects, Mr Wong held positions within the Boustead Group as General Manager of Strategic Operations at Boustead Singapore Limited, and Business Development Support Consultant and Business Development Coordinator at the Geospatial Division.



Thomas Chu Kok Hong

Managing Director

N

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

Age: 52
Appointed: 5 January 2009
Last re-elected: 25 August 2020

Key areas of experience:

Mr Thomas Chu Kok Hong joined Boustead Projects in 1997 and was appointed as our Managing Director in 2009. He began his role here as Project Engineer and was subsequently promoted several times, penultimately to Business Development Director before assuming his current position. With over 25 years of extensive real estate and built environment sector experience, he assumes overall responsibility for the Engineering & Construction Business including strategic execution, business development and project management.

Previous appointments:

Mr Chu sat as a member of the Subcommittee on Future City under the Singapore Government's Committee on Future Economy. This subcommittee, comprising members from the private and public sectors, studied how Singapore can continue to develop its infrastructure to support future growth in an inclusive and sustainable manner and to enhance connectivity with the region.

Committee membership

AR Audit & Risk Committee **N** Nominating Committee **R** Remuneration Committee **●** Denotes Chairman of Committee



Tam Chee Chong

Independent Non-Executive Director

AR N

- > Fellow Chartered Accountant of England & Wales
- > Fellow Chartered Accountant of Singapore

Age: 60
Appointed: 1 May 2019
Last re-elected: 28 July 2022

Key areas of experience:

Mr Tam Chee Chong was appointed as our Independent Non-Executive Director in 2019. With over 35 years of extensive corporate and financial advisory experience, he is well-versed in mergers & acquisitions, dispute resolutions, litigation support, corporate restructuring, business turnarounds and major forensic investigations.

Current external appointments:

Mr Tam is currently Independent Non-Executive Director of Great Eastern Holdings Ltd and IFS Capital Ltd and serves on the board of NTUC Education & Training Fund.

Previous appointments:

Mr Tam has experience with various 'Big 4' accounting firms (Deloitte, KPMG, PwC and Andersen) in Singapore, London and Hong Kong. He was previously Group Chief Financial Officer of Fullerton Healthcare Corporation Ltd and prior to that, also held numerous senior management positions within Deloitte including Deputy Managing Partner – Markets in Singapore and Regional Managing Partner – Financial Advisory Services for Deloitte Southeast Asia Ltd, where he also served on their Board and on their Southeast Asia and Singapore Executive Committees. His public accounting experience includes being the audit partner of SGX-listed corporations such as Singapore Technologies Engineering Ltd, Neptune Orient Lines Ltd, WBL Corporation Ltd, Sembcorp Marine Ltd, Yeo Hiap Seng Ltd, Labroy Marine Ltd and Singapore Petroleum Company Ltd.



Chong Lit Cheong

Independent Non-Executive Director

R AR N

- > Mombusho (Colombo Plan) Scholar
- > Bachelor of Engineering (Electronics), University of Tokyo
- > Advanced Management Programme, INSEAD Paris
- > Tsinghua Executive Programme, Tsinghua University Shanghai
- > Public Administration Medal (Gold), National Day Awards 2003

Age: 67
Appointed: 15 May 2015
Last re-elected: 28 July 2021

Key areas of experience:

Mr Chong Lit Cheong was appointed as our Independent Non-Executive Director in 2015. With over 35 years of extensive senior management experience, he has a long, proven track record in leadership positions in the private and public sectors, both in Singapore and overseas.

Previous appointments:

Mr Chong was previously Group Chief Corporate Officer of Surbana Jurong Pte Ltd and also held senior management positions in the CapitaLand Group as Chief Executive Officer ("CEO") of CapitaLand Commercial Ltd, CEO of Regional Investments, Deputy Group Chief Corporate Officer and Senior Advisor, Strategic Projects. He also held senior management positions including CEO of International Enterprise Singapore and JTC Corporation, and Managing Director of the National Science & Technology Board, and in the Economic Development Board of Singapore where he was posted to Suzhou, China, to lead the development of the China-Singapore Suzhou Industrial Park.



Professor Yong Kwet Yew

Independent Non-Executive Director

AR N R

- > Bachelor of Engineering (Civil) (1st Class Hons), University of Sheffield
- > Doctor of Philosophy, University of Sheffield (Grouped Engineering Scholarship)
- > Honorary Life Member & Fellow, Institution of Engineers, Singapore
- > Public Administration Medal (Silver), National Day Awards ("NDA") 2000
- > Public Service Medal, NDA 2004
- > Public Service Star, NDA 2008

Age: 69
Appointed: 1 May 2019
Last re-elected: 28 July 2022

Key areas of experience:

Professor Yong Kwet Yew was appointed as our Independent Non-Executive Director in 2019. With over 40 years of extensive civil engineering experience, he is one of Singapore's leading experts on civil engineering, geotechnical engineering and infrastructure development.

Current external appointments:

Professor Yong is currently Professor of Civil & Environmental Engineering and formerly Senior Vice President (Campus Infrastructure) at the National University of Singapore ("NUS"), where he has served for over 40 years and overseen the development of a smart, safe and sustainable campus including the completed S\$1 billion University Town and Yale-NUS College. His research is a microcosm of infrastructure development in Singapore, with the publishing of more than 200 technical publications and delivery of over 30 keynote and guest lectures at international conferences. He is also currently Independent Non-Executive Chairman of BBR Holdings (S) Ltd and Tritech Group Ltd.

Previous appointments:

Professor Yong has chaired and served on the boards and national committees at several of the Singapore Government's ministries and statutory boards including the Building & Construction Authority, Land Transport Authority, Ministry of Defence, Ministry of Finance, Ministry of Manpower, Ministry of National Development and Ministry of Sustainability & the Environment. He also served as an advisor and consultant to government agencies and organisations on over 100 major infrastructure projects in the Asia Pacific.

Key Management Team

Wong Yu Wei

Executive Deputy Chairman

> Profiled under Board of Directors, page 46

Thomas Chu Kok Hong

Managing Director

> Profiled under Board of Directors, page 46

Lee Keen Meng

Chief Financial Officer

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

Key areas of experience:

Mr Lee Keen Meng joined Boustead Projects in 2009. He began his role here as Finance Director and was subsequently promoted to Senior Finance Director before assuming his current position upon the listing of Boustead Projects in 2015. With over 25 years of extensive accounting and finance experience, he is responsible for finance teams and oversees financial and management reporting, treasury and taxation matters.

Previous appointments:

Prior to joining Boustead Projects, Mr Lee held positions at the Auditor-General's Office of Singapore, Honeywell Pte Ltd, Oversea-Chinese Banking Corporation Ltd, PSA Corporation Ltd and Sembcorp Engineers & Constructors Pte Ltd.

Steven Koh

Senior Director (Engineering)

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

Key areas of experience:

Mr Steven Koh joined Boustead Projects in 1999. He began his role here as Project Manager and was subsequently promoted several times before assuming his current position in 2021. With over 25 years of extensive industry experience, he is responsible for integrated digital delivery and engineering teams, and advises on process and system improvements, productivity and value engineering initiatives. He also spearheads ongoing innovation and integrated digital delivery technology transformations.

Liew Kau Keen

Director (Business Development)

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

Key areas of experience:

Mr Liew Kau Keen joined Boustead Projects in 2001. He began his role here as Site Engineer and was subsequently promoted several times, penultimately to Deputy Director (Business Development) before assuming his current position in 2015. With over 20 years of extensive industry experience, he is responsible for business development, architecture, quantity surveying and mechanical & electrical engineering teams and oversees business development activities related to the Engineering & Construction Business in South East Asia and China.

Nicholas Heng

Director (Projects)

> Bachelor of Applied Science (Construction Management),
Royal Melbourne Institute of Technology

Key areas of experience:

Mr Nicholas Heng joined Boustead Projects in 2007. He began his role here as Project Manager and was subsequently promoted several times, penultimately to Deputy Director (Projects) before assuming his current position in 2015. With over 20 years of extensive industry experience, he is responsible for project management teams and ensures that projects are delivered on schedule according to clients' specifications, and meet all budget, legal and statutory requirements. He also spearheads ongoing integrated digital delivery technology transformations.

Previous appointments:

Prior to joining Boustead Projects, Mr Heng held positions at Jurong Primewide Pte Ltd, Shimizu Corporation and Toa Corporation.

Howard How**Director (Environmental, Health & Safety)**

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

Key areas of experience:

Mr Howard How joined Boustead Projects in 2007. He began his role here as Senior Corporate Safety Manager and was subsequently promoted to Deputy Director (Environmental, Health & Safety) before assuming his current position in 2015. With over 20 years of extensive safety experience, he is responsible for environmental, health and safety teams and ensures compliance with internal, legal and statutory requirements and adherence to best codes of practice. For his excellent contributions to uplifting industry safety standards and improving Boustead Projects' strong safety record, he received the WSH Officer Award at the WSH Awards 2010.

Current external appointments:

Mr How serves as a member on SCAL's WSH Subcommittee.

Desmond Sim**Director (Malaysia Operations)**

- > Bachelor of Civil Engineering (Hons), National University of Singapore

Key areas of experience:

Mr Desmond Sim joined Boustead Projects in 2011. He began his role here as Business Development Manager and was subsequently promoted to Deputy Director of Business Development (Singapore) before assuming his current position in 2022. With over 15 years of extensive industry experience, he is responsible for business development, project management and operations teams to ensure projects are delivered according to clients' requirements, meeting their budget and in compliance with all regulatory requirements. His current focus is in overseeing the Malaysia operations for Boustead Projects.

Previous appointments:

Prior to joining Boustead Projects, Mr Sim held positions at JTC Corporation, Meinhardt Infrastructure Pte Ltd and Parsons Brinckerhoff Pte Ltd.

Samuel Lim**Head (Real Estate)**

- > Bachelor of Science (Real Estate) (Hons), National University of Singapore

Key areas of experience:

Mr Samuel Lim joined Boustead Projects in 2019. With over 15 years of extensive real estate experience in Singapore and Asia across acquisitions, investments, leasing, developments, portfolio management and REIT management, he is responsible for the Real Estate Business.

Previous appointments:

Prior to joining Boustead Projects, Mr Lim held positions at AEP Investment Management Pte Ltd, Jones Lang LaSalle Property Consultants Pte Ltd and Logos SE Asia Pte Ltd, and also held a position at Boustead Singapore Limited as Senior Investment Manager for Real Estate for nearly five years.

Ho Tai Wing**Director (Business Development & Investment)**

- > Bachelor of Science (Real Estate) (Hons), National University of Singapore
- > Chartered Financial Analyst

Key areas of experience:

Mr Ho Tai Wing joined Boustead Projects in 2018. With over 15 years of extensive real estate experience in Singapore and Asia across business development, investment management and fund management, he is responsible for the business development and investment team of Boustead Industrial Fund Management, manager of Boustead Industrial Fund.

Previous appointments:

Prior to joining Boustead Projects, Mr Ho held positions at Mapletree Investments Pte Ltd, Phillip Capital Management (S) Ltd and Savills Investment Management Pte Ltd (formerly SEB Asset Management AG).

**Group Headquarters****Engineering & Construction****Real Estate**

Stakeholder Relations

Summary of FY2023 Investor Relations Activities

15

**face-to-face/
teleconference/virtual
investor meetings hosted**

(FY2022: 18)

23

investors met

(FY2022: 79)

0

**investor conferences/
events attended**

(FY2022: 2)

2

**research firms and/or
networks providing
coverage:**

- CGS-CIMB Securities
- Smartkarma

Stakeholder Communications

Prior to Boustead Projects being listed on the SGX Mainboard on 30 April 2015, investor relations (“IR”) had already been a key facet of Boustead’s holistic communications with stakeholders. Our IR Team has proactively communicated with analysts, investors, the media and global financial community in an accurate, consistent, sincere, timely and transparent manner, helping to build strong and lasting relationships with these stakeholders.

In FY2023, we shared on our business strategies and financial performance through various platforms such as face-to-face and virtual investor meetings, as well as our Annual General Meeting.

During the year, CGS-CIMB Securities continued comprehensive rated research coverage on Boustead Projects. Various analysts from the Smartkarma independent investment research network also provided ad-hoc research coverage.

The launch of our inaugural Longevity Report in 2018 added yet another avenue of stakeholder communications, as we continue to share about our contributions towards environmental, social and governance (“ESG”) goals. Released in August 2022, our Boustead Projects Limited FY2022 Longevity Report presented an in-depth understanding of how we ensure the longevity of our business and the wider ecosystem that we are interconnected with. We also shared how this translates to delivering sustainable shared socio-economic value and progress to our key stakeholders, along with the communities that we reside in and our collective home – Planet Earth.

All of our annual reports, longevity reports, company announcements and financial results announcements issued in at least the past five years, as well as substantial information that would be of interest to investors are available at www.bousteadprojects.com/investor-centre/.

Our Boustead Projects Annual Reports have been award-winning publications for six successive years, with reports being either Platinum or Gold Winners at the world-renowned Hermes Creative Awards since 2017. Our Boustead Projects Longevity Reports have also been recognised by leading sustainability experts.

In addition, we continue to be recognised by other stakeholder groups for our corporate excellence, and strong ESG and financial performance.

We were awarded the Silver EcoVadis Medal, recognised in the 88th percentile for sustainability among more than 100,000 corporations rated by EcoVadis globally.

On the talent management front, we were named among Tripartite Alliance Award Finalists – 29 in total across Singapore – at the Tripartite Alliance Award 2021. The award recognises exemplary organisations that have effectively implemented fair, responsible and progressive employment practices. We were also awarded the SkillsFuture Employer Award (Gold), an honour given to exemplary employers who are strong advocates of continuous learning and supporters of national manpower objectives.

If you have any stakeholder queries, please email us at ir.team@boustead.sg.



1. Boustead Projects Managing Director, Mr Thomas Chu, receiving the SkillsFuture Employer Award (Gold) from President Halimah Yacob, accompanied by Minister for Education, Mr Chan Chun Sing. Credits: SkillsFuture Singapore

Delivering Value to Shareholders

1.4¢*

dividends per share for
FY2023

26.4¢**

total shareholder return per
share since listing in FY2016

S\$299.2m

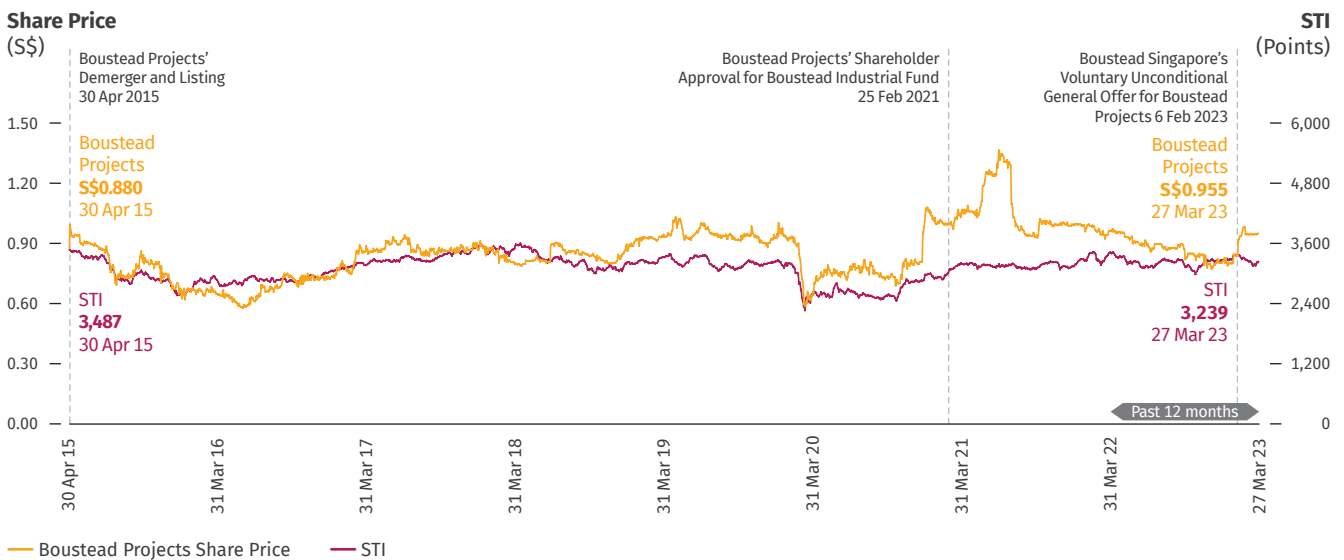
market capitalisation at end
of FY2023***

S\$5.5m

worth of net share buybacks
conducted since listing in
FY2016

Share Performance and STI Commentary

Opening FY2023 at S\$0.970, Boustead Projects' share price decreased by approximately 2% over FY2023, touching a high of S\$1.000 on 17 Feb 2023 and low of S\$0.750 on 23 Nov 2022, and closing at S\$0.955 on 27 Mar 2023. Prior to the launch of Boustead's voluntary general offer, Boustead Projects' shares had traded below the offer price of S\$0.950 for over nine months and at a discount to offer price of 21% on the low of S\$0.750 registered during FY2023.



FY2023 Calendar

Date	Activity/Event
Jul 2022	<ul style="list-style-type: none"> FY2022 Annual Report Annual General Meeting
Aug 2022	<ul style="list-style-type: none"> FY2022 final dividend of 0.2 cents per share and special dividend of 0.8 cents per share FY2022 Longevity Report
Nov 2022	<ul style="list-style-type: none"> 1H FY2023 financial results announcement
May 2023	<ul style="list-style-type: none"> FY2023 financial results announcement

FY2024 Calendar****

Date	Activity/Event
Jul 2023	<ul style="list-style-type: none"> FY2023 Annual Report FY2023 Longevity Report Annual General Meeting
Aug 2023	<ul style="list-style-type: none"> FY2023 final dividend of 0.7 cents per share and special dividend of 0.7 cents per share (proposed)
Nov 2023	<ul style="list-style-type: none"> 1H FY2024 financial results announcement
May 2024	<ul style="list-style-type: none"> FY2024 financial results announcement

* Includes proposed final dividend of 0.7 cents per share and special dividend of 0.7 cents per share for FY2023.

** Includes dividends and net share buybacks but excludes capital gains since listing, for comparative review.

*** Boustead Projects' shares have been suspended from trading from 28 March 2023, following the close of Boustead Singapore's voluntary general offer and consolidation of shareholding in Boustead Projects which reduced the public free float to below 10%.

**** Subject to change. Please check www.bousteadprojects.com/investor-centre for the latest updates.

Corporate Information

Directors

John Lim Kok Min

Chairman &
Independent Non-Executive Director

Wong Yu Wei

Executive Deputy Chairman

Thomas Chu 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

Audit & Risk Committee

Tam Chee Chong

Chairman

John Lim Kok Min**Chong Lit Cheong****Professor Yong Kwet Yew**

Nominating Committee

John Lim Kok Min

Chairman

Chong Lit Cheong**Professor Yong Kwet Yew****Tam Chee Chong****Wong Yu Wei****Thomas Chu Kok Hong**

Remuneration Committee

Chong Lit Cheong

Chairman

John Lim Kok Min**Professor Yong Kwet Yew**

Share Registrar

**Boardroom Corporate &
Advisory Services Pte Ltd**

1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

Auditors

PricewaterhouseCoopers LLP

7 Straits View
Marina One, East Tower
Level 12
Singapore 018936

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

Principal Bankers

United Overseas Bank Ltd**DBS Bank Ltd****Malayan Banking Bhd****The Hongkong and Shanghai Banking
Corporation Ltd**

Place of Incorporation

Singapore

Date of Incorporation

29 May 1996

Company Secretary

Tay Chee Wah

Company Registration

199603900E

Registered Office

Boustead Projects Limited

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

Stock Exchange Listing

Singapore Exchange Securities
Trading Ltd

Financial Statements

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Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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 2023 and the statement of financial position of the Company as at 31 March 2023.

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 93 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 2023 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

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

John Lim Kok Min
Wong Yu Wei (Huang Youwei)
Chu Kok Hong @ Choo Kok Hong
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" in this statement.

Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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 21.04.2023	At 31.03.2023	At 01.04.2022	At 21.04.2023	At 31.03.2023	At 01.04.2022
Boustead Projects Limited						
<i>(No. of ordinary shares)</i>						
John Lim Kok Min	50,000	50,000	269,296	-	-	-
Wong Yu Wei (Huang Youwei)	18,671	18,671	18,671	1,833,843	1,833,843	1,833,843
Chu Kok Hong @ Choo Kok Hong	500,000	500,000	1,995,490	-	-	1,578
Chong Lit Cheong	50,000	50,000	100,000	-	-	-
Professor Yong Kwet Yew	50,000	50,000	100,000	-	-	-
Tam Chee Chong	50,000	50,000	100,000	-	-	-
Ultimate holding company						
- Boustead Singapore Limited						
<i>(No. of ordinary shares)</i>						
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
Related corporation						
- Geologic Private Limited						
<i>(No. of ordinary shares)</i>						
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 2023

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) There were no share awards granted or vested pursuant to the 2016 Share Plan during the financial year.
- (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 2023

AUDIT & RISK COMMITTEE

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

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

The Audit & Risk Committee met 4 times during the financial 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 plans 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;
- g) the performance, independence, objectivity and appointment/re-appointment of the external auditors of the Company; and
- (h) the adequacy and effectiveness of the Company's internal controls and risk management systems.

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

28 June 2023

Corporate Governance

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

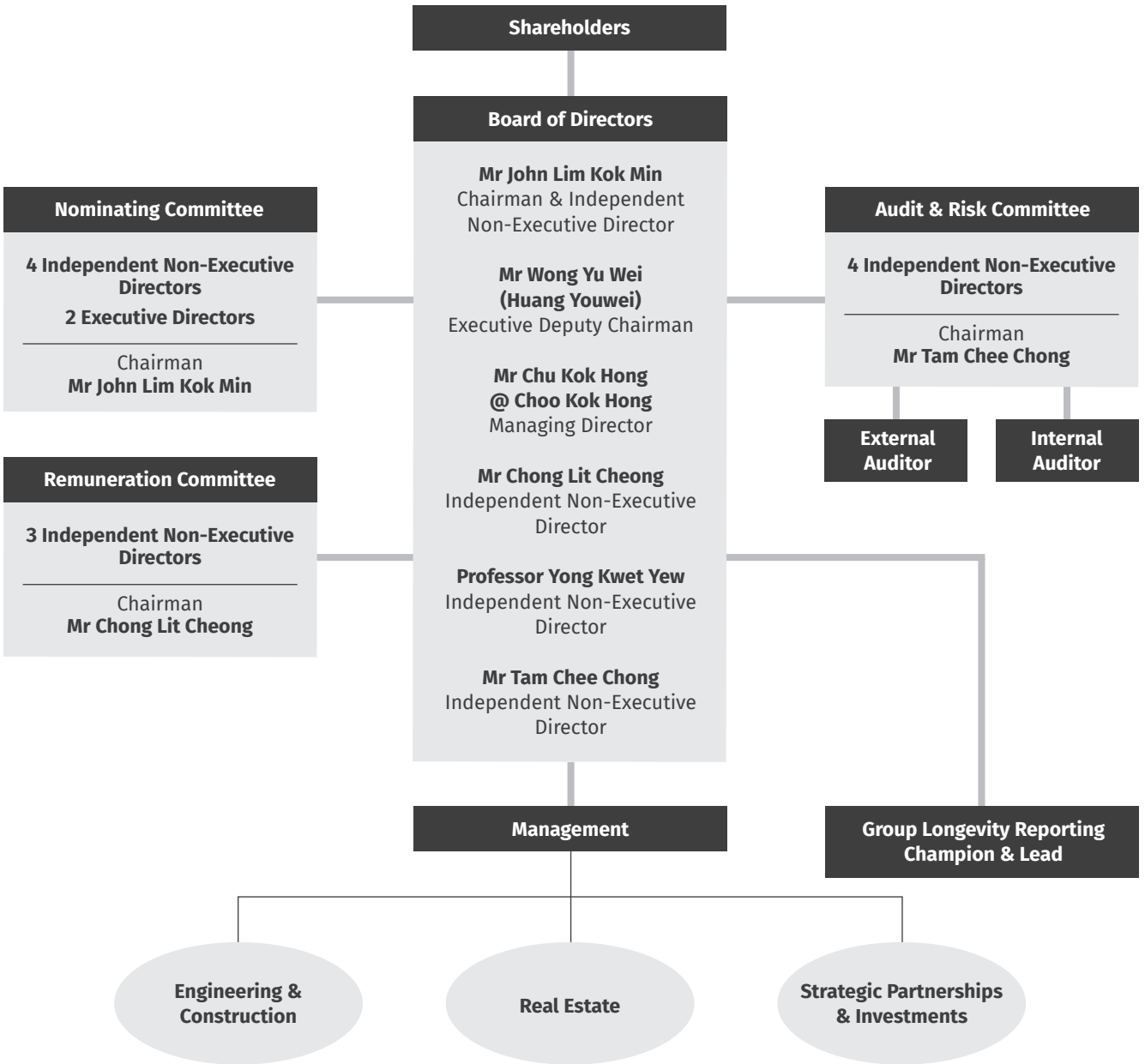
The Board is pleased to present this Corporate Governance Report (“**Report**”) which outlines the Company’s corporate governance practices for the financial year ended 31 March 2023 (“**FY2023**”) with specific reference made to the principles and provisions of the Code and accompanying Practice Guidance issued on 6 August 2018 and updated as of 11 January 2023 (“**Practice Guidance**”), which forms part of the Company’s continuing obligations under the Listing Manual of the Mainboard (“**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). This Report should be read as a whole as other sections of this Report may also have an impact on the specific disclosures made in this Report.

For FY2023, the Company has complied with the principles of the Code in all material respects and, where there are any variations from the provisions of the Code, appropriate explanation for such variation is provided together with details on how the practices which the Company has adopted are nevertheless consistent with the intent of the relevant principle of the Code.

Corporate Governance

GOVERNANCE FRAMEWORK

The Company's governance structure is as follows:



Corporate Governance

BOARD MATTERS

The Board's Conduct of Affairs

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

Board Duties and Responsibilities

The Board has the primary responsibility for the overall leadership, control, management and long-term success of the Company. The Board provides guidance to and works with the management (“**Management**”) to achieve the Company’s objectives. The Board monitors Management’s performance and Management is accountable to the Board for its performance.

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

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

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

Under the Company’s Code of Conduct, all directors are required to avoid any conflict of interest, conflict of duty or taking improper advantage of their position. Any conflict of interest or potential conflict of interest involving director(s) of the Company are dealt with by the Audit & Risk Committee, which comprises independent directors only. Independent directors of the Board also deal with any conflict of interest involving substantial shareholder(s) as well as such matters which require the decision and/or determination of the independent directors pursuant to the provisions of the Listing Manual of the SGX-ST or applicable laws and regulations.

Conflict of Interests

As fiduciaries of the Company, all directors of the Company are obliged to act objectively in the best interests of the Company at all times. Accordingly, the Board exercises independent judgment and due diligence when making decisions for the benefit of the Company. Where a director has a conflict of interest in a particular matter, he/she will be required to declare his/her interest to the Board as soon as is practicable after the relevant facts have come to his/her knowledge, recuse himself/herself from the deliberations and abstain from voting on the matter.

Corporate Governance

Understanding of Directors' Role

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

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

Management provides the Board with ongoing updates on material developments in the Group's business and operations as well as the industry and legal and regulatory environment in which the Group operates. All non-executive directors may request for additional explanations, briefings and informal discussions on any aspect of the Group's business or operations issues at all times. The directors are invited to visit the Group's project sites in order to gain a better understanding of the Group's business and operations.

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

The Company maintains a corporate membership with the SID, which provides training and resources useful for the Company in keeping up to date with best practices in corporate governance. All directors had undergone the training on sustainability matters as prescribed by the SGX-ST except for Professor Yong Kwet Yew. The Nominating Committee is of the view that training is not required for Professor Yong Kwet Yew as he has the expertise in sustainability matters arising from sustainability activities that he had participated at professional, organisational, national and international levels.

Specifically, Professor Yong is the Professor of Civil & Environmental Engineering and formerly Senior Vice President (Campus Infrastructure) at the National University of Singapore, where he has served for over 40 years and overseen the development of a smart, safe and sustainable campus. In addition, Professor Yong has chaired and served on the boards and national committees at several of the Singapore Government's ministries and statutory boards, including but not limited to, Ministry of Sustainability & the Environment.

A majority of the directors on the Board have had many years of board experience and are therefore familiar with the duties and responsibilities of a director of a listed issuer. During FY2023, all directors have attended at least one training course as part of the Board's continuing professional development. As at the date of this Report, all the non-executive directors on the Board have been directors of the Company for at least four years and are therefore familiar with the Group's business and operations.

Delegation of Authority

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

Matters which are specifically reserved for the Board's decision include those involving corporate plans and budgets, material acquisitions and disposals of assets, corporate strategy, financial restructuring, share issuances, dividends and other returns to shareholders, major financial decisions such as investment and divestment proposals, incurrence of debt, expenditure beyond a prescribed amount as well as interested party transactions and any other matters as prescribed under the relevant legislations and regulations and the provisions of the Company's Constitution. A resolution passed by a majority of the directors of the Board is required in order to approve such matters.

Corporate Governance

Board Committees

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

A description of, among others, the composition and the terms of reference, and a summary of the activities of the respective Board Committees during FY2023 are set out in the following sections:

- (a) in respect of the Nominating Committee – sections on Principle 4 under “Board Membership” and Principle 5 under “Board Performance”;
- (b) in respect of the Remuneration Committee – sections on Principle 6 under “Procedures for Developing Remuneration Policies” and Principle 7 under “Level and Mix of Remuneration”; and
- (c) in respect of the Audit & Risk Committee – sections on Principle 9 under “Risk Management and Internal Controls” and Principle 10 under “Audit & Risk Committee”.

Board Meetings

The Board meets at least once every quarter. The schedule for the forthcoming financial year is normally determined before the fourth quarter of each calendar year to allow the directors to plan for their attendance at these meetings. Where necessary, additional Board meetings will be held to address any significant transactions or issues that arise.

Board papers and related materials are sent to Board or Board Committee members in advance prior to each meeting to allow the Board or Board Committee members sufficient time to familiarise themselves with the matters prior to the meetings. Management and senior executives who can provide additional insights into the matters to be discussed are also invited to attend the meetings so as to be at hand to address any questions that the Board or Board Committee members may have.

During the scheduled quarterly meetings, Management will provide the Board with an update on the Group’s business and operations for the relevant quarter and the financial performance for that quarter, and any other significant matters or issues that may have arisen. This promotes active engagement with Management and allows the Board to have oversight and better understanding of the progress of the Group’s business and operations as well as any issues and/or challenges encountered by the Group.

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

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

The Board requires each director to be able to commit sufficient time and attention to the affairs of the Company. A discussion of the procedure for assessing the directors’ commitment to the Company is set out in the section “Assessment of Directors’ Commitment” of Principle 4 under “Board Membership”.

During FY2023, a total of four scheduled Board meetings, four scheduled Audit & Risk Committee meetings, one scheduled Nominating Committee meeting and one scheduled Remuneration Committee meeting were held. There were also four additional Board meetings, including verification meetings, held during FY2023. The Board and Audit & Risk Committee members also had several informal discussions on various issues relating to corporate strategy, risk management and specific significant matters during FY2023.

Corporate Governance

The number of Board and Board Committee meetings held during FY2023 as well as the attendance of each director at these meetings are set out in the table below:

Name of Director	Board		Audit & Risk Committee		Nominating Committee		Remuneration Committee	
	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended
John Lim Kok Min	8	8	4	4	1	1	1	1
Wong Yu Wei (Huang Youwei)	8	8	-	-	1	1	-	-
Chu Kok Hong @ Choo Kok Hong	8	7	-	-	1	-	-	-
Chong Lit Cheong	8	8	4	4	1	1	1	1
Professor Yong Kwet Yew	8	8	4	3*	1	1	1	1
Tam Chee Chong	8	8	4	4	1	1	-	-

* Professor Yong Kwet Yew was appointed as a member of the Audit & Risk Committee on 1 July 2022 and had attended all meetings of the Audit & Risk Committee held after the date of his appointment.

Access to Information

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

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

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

Where the directors require independent professional advice to facilitate the discharge of their duties and responsibilities, Management will facilitate the appointment of such professional advisor to render advice to the Board. The cost of obtaining such professional advice will be borne by the Company.

Role of Company Secretary

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

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

Corporate Governance

Commitment to Sustainability

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

The Company releases an annual standalone Sustainability Report. The FY2023 report will be available on the Company's corporate website at least two weeks prior to the forthcoming Annual General Meeting ("AGM"). The Sustainability Report is prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option and contains the components set out in Rule 711B of the Listing Manual of the SGX-ST that are applicable to the Company in respect of FY2023.

Board Composition and Guidance

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

Board Composition

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

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

Board Independence

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

The Nominating Committee assesses the independence of each director annually in accordance with the guidance in the Code, the Practice Guidance and the Listing Manual of the SGX-ST. Based on the Code, an "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Company. The Nominating Committee also considers the existence of any relationships or circumstances, including those identified by the Practice Guidance and the Listing Manual of the SGX-ST, when assessing the independence of a director. Such relationships or circumstances include (i) the employment of a director by the Company or any of its related corporations during the financial year in question or in any of the previous three financial years, (ii) a director being on the Board for an aggregate period of more than nine years, (iii) a director (or his/her immediate family member) having provided to or received from the Company or any of its subsidiaries any significant payments or material services, other than compensation for board service, (iv) a director (or his/her immediate family member) being or was a substantial shareholder or partner in, or an executive officer of, or a director of, any organisation which provided to or received from the Company or any of its subsidiaries any significant payments or material services; or (v) a director who is or has been directly associated with a substantial shareholder of the Company in the current or the immediate past financial year.

Corporate Governance

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

The Nominating Committee has reviewed the independence of each of the directors taking into account the guidance in the Code, the Practice Guidance and the Listing Manual of the SGX-ST, and is satisfied that apart from Mr Wong Yu Wei (Huang Youwei) and Mr Chu Kok Hong @ Choo Kok Hong, both of whom are the only non-independent directors of the Company, all other members of the Board do not have any relationship and are not affected by any of the circumstances identified in the Code, the Practice Guidance and the Listing Manual of the SGX-ST or any other relationships which may affect their independent judgment and are therefore considered to be independent.

As at the date of this Report, none of the independent directors has served on the Board for more than nine years.

Board Diversity

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

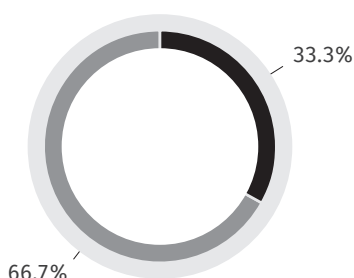
In FY2023, the Company adopted a Board Diversity Policy which provides, among others:

- (a) The Company recognises that a Board comprised of appropriately qualified members with a broad range of relevant skills, knowledge and experience, and other aspects of diversity such as gender, age, independence and tenure of service will bring diversity of thought and different perspectives to Board discussions, avoid groupthink and enhance the decision-making process of the Board. The Company believes that a diverse Board is useful to the effective governance of its business, anticipating and navigating changes in the external operating environment, and ensuring long-term sustainable growth. Accordingly, the Company is committed to promoting diversity on its Board.
- (b) The Nominating Committee is responsible for reviewing and assessing the composition of the Board and will consider all relevant aspects of diversity, including educational background, skills, industry and business experiences, gender, age, ethnicity and culture, geographical background and nationalities, tenure of service, and other distinguishing qualities of the members of the Board.
- (c) The Board Diversity Policy identifies, and elaborates on, the aspects of diversity (namely, diversity of skills, experience, independence, gender, age and tenure) that the Board will take into consideration. However, the Board will put emphasis on the directors possessing a range of functional skills that will enable the Board to maintain effective oversight of the Company and the consideration and selection of candidates will be based on merit, with the objective of achieving collectively the appropriate mix and balance of skills, experience and diversity of perspectives on the Board that will meet the requirements of the Company from time to time.
- (d) In the implementation of the Board Diversity Policy, the Nominating Committee will consider and, if appropriate, set qualitative and quantitative objectives for promoting and achieving diversity on the Board, taking into account the directors' mix of background, skills, experiences and qualities that the Board requires to function competently and efficiently in the context of the scope and nature of the Company's business and operations and corporate strategy.

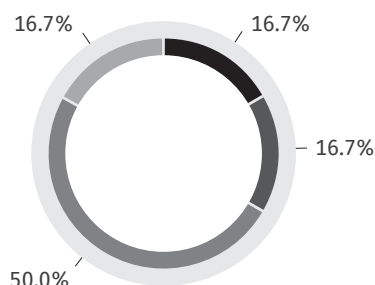
Corporate Governance

As at the date of this Report, the Board consists of directors who have skills and experience in finance, construction technology, large scale project management, fund management and corporate governance, which the Board considers as sufficiently diverse to enable the Board to function competently and efficiently taking into account the scope and nature of the Company's business and operations and corporate strategy. The Board comprises a majority of independent directors, with four directors (including the Chairman of the Board) out of a total of six directors being independent directors. Accordingly, there is a strong element of independence in all Board deliberations and decisions. The Board comprises directors with a diverse range of ages across several different age groups, ranging from 40 to 49, 50 to 59, 60 to 69 and above 80, which helps to introduce perspectives and ensure that the Company's strategy continues to be relevant to the market. The directors also have different tenures of service, ranging from 1 to 5 years (two independent directors), 6 to 9 years (two independent directors) and more than 10 years (two executive directors), which allows the Board to benefit from the knowledge of and continuity brought about by the long-serving directors and the fresh perspectives of new directors.

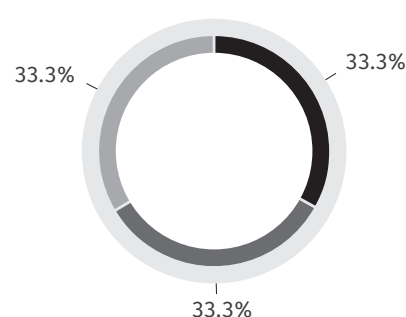
Independence



Age



Tenure



● Executive Directors

● Independent Directors

● 40 to 49

● 50 to 59

● 60 to 69

● > 80

● 1 to 5 years

● 6 to 9 years

● > 10 years

Taking into account the foregoing and considering the nature and scale of the Group's business as well as the constantly evolving nature of business and industry conditions, the Board is satisfied that the size and composition of the Board and its Board Committees are appropriate at present, and that there is currently an appropriate mix and balance of skills, experience and diversity of perspectives on the Board that meets the requirements of the Company.

Though the Board consists of members with diverse and relevant attributes, the Board does not currently have a female member. Gender diversity is one of the criteria included in the Board Diversity Policy. The Board will endeavour to (i) ensure that female candidates are included for consideration by the Nominating Committee whenever it seeks to identify a new director for appointment to the Board; and (ii) ensure that if external search consultants are engaged to identify candidates for appointment to the Board, the consultants will be asked to present female candidates for consideration.

The Board will review its composition from time to time and will seek to maintain a diversity of skills, knowledge, experience, gender, age, ethnicity and other attributes of the directors.

Non-Executive Directors

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

To facilitate a more effective check on Management, non-executive directors meet at least once a year without the presence of Management. When necessary, the non-executive directors also meet separately prior to Board meetings. The chairman of such meetings provides feedback to the Board and/or the Chairman of the Board, as appropriate. During FY2023, the non-executive directors met at least once without the presence of Management.

Corporate Governance

Chairman and Chief Executive Officer

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

There is a clear division of responsibilities between the leadership of the Board and Management, with the roles of the Chairman and the Executive Deputy Chairman/Chief Executive Officer being held by separate persons. This provides an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making. As at the date of this Report, Mr John Lim Kok Min, an independent non-executive director, is the Chairman of the Board, and Mr Wong Yu Wei (Huang Youwei) is the Executive Deputy Chairman of the Company. The Chairman of the Board does not have an executive position in the Company and is not part of Management.

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

Mr Wong Yu Wei (Huang Youwei), Executive Deputy Chairman, has overall responsibility for both the Real Estate, Strategic Partnerships & Investments and Engineering & Construction business segments and full executive responsibility over the management of the Company. He is responsible for the execution of strategic plans approved by the Board and ensures that the directors are kept updated and informed of the Group's business and operations. In view of the major challenges facing the built environment, Mr Chu Kok Hong @ Choo Kok Hong, the Managing Director, has assumed responsibility for and focuses on the Company's Engineering & Construction business segment.

Taking into account that the roles of the Chairman and the Executive Deputy Chairman are held by separate persons who each carries out separate responsibilities as set out above, the Board is of the view that the practices adopted by the Company in relation to the division of responsibilities between the leadership of the Board and Management are consistent with the intent of Principle 3 of the Code.

The Board is not required to have, and does not have, a lead independent director as the Chairman is an independent director.

Board Membership

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

Nominating Committee

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

Mr John Lim Kok Min	Chairman
Mr Chong Lit Cheong	Member
Professor Yong Kwet Yew	Member
Mr Tam Chee Chong	Member
Mr Wong Yu Wei (Huang Youwei)	Member
Mr Chu Kok Hong @ Choo Kok Hong	Member

Corporate Governance

Terms of Reference

The objectives of the Nominating Committee are to provide a formal, transparent and objective procedure for the appointment of Board members and to recommend for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each Board Committee separately, as well as the contribution by the Chairman and each individual director to the Board.

According to the written terms of reference of the Nominating Committee, read together with the Code, the principal functions of the Nominating Committee include:

- (a) review and recommend candidates for appointments to the Board and Board Committees, as well as candidates for senior management staff;
- (b) review of board succession plans for the directors, in particular, the Chairman and the chief executive officer;
- (c) develop a process for the evaluation of the performance of the Board, the Board Committees and the directors;
- (d) review of training and professional development programmes for the Board;
- (e) review and recommend directors for re-appointment or re-election;
- (f) review and recommend candidates to be nominees on the boards and board committees of the companies and entities within the Group;
- (g) determine the independence of the directors;
- (h) review the participation (whether by way of obtaining an interest in or taking a board seat or otherwise) by each independent director in any competing business and taking into account such matters in the re-appointment or re-election or renewal of appointment of such independent director; and
- (i) undertake generally such other functions and duties as may be required by law or the Listing Manual of the SGX-ST from time to time.

During FY2023, the Nominating Committee has, among others:

- (a) reviewed and made recommendation for re-appointment or re-election or renewal of appointment of directors;
- (b) reviewed and made recommendation for the appointment of Professor Yong Kwet Yew as a member of the Audit & Risk Committee; and
- (c) determined the independence of the directors.

Selection of New Directors

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

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

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

Corporate Governance

Re-Nomination of Directors

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

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

Pursuant to Article 94 of the Company's Constitution, Mr Chu Kok Hong @ Choo Kok Hong and Mr Wong Yu Wei (Huang Youwei) shall be retiring at the upcoming AGM to be held on 28 July 2023.

The Nominating Committee has considered the contribution of Mr Chu Kok Hong @ Choo Kok Hong and Mr Wong Yu Wei (Huang Youwei) and recommended to the Board their re-election as directors at the upcoming AGM. The Board has concurred with the Nominating Committee's recommendation for their re-election as directors at the upcoming AGM. If re-elected, Mr Chu Kok Hong @ Choo Kok Hong will remain as Managing Director and a member of the Nominating Committee, and Mr Wong Yu Wei (Huang Youwei) will remain as Executive Deputy Chairman and a member of the Nominating Committee.

Please see the relevant details of Mr Chu Kok Hong @ Choo Kok Hong and Mr Wong Yu Wei (Huang Youwei), each of whom is standing for re-election as a director at the forthcoming AGM, as required to be disclosed pursuant to Rule 720(6) of the Listing Manual of the SGX-ST in the section "Additional Information on Directors Seeking Re-election Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST".

Assessment of Independence

As set out under the section on Principle 2 under "Board Independence", the Nominating Committee assesses a director's independence in accordance with the guidance in the Code, the Practice Guidance and the Listing Manual of the SGX-ST on an annual basis.

To facilitate this process, each director is required to complete a Director's Independence Confirmation based on the guidance in the Code, the Practice Guidance and the Listing Manual of the SGX-ST and to disclose, among others, his/her relationship(s) with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Company. An independent director shall notify the Nominating Committee immediately, if as a result of a change in circumstances, he/she no longer meets the criteria for independence. The Nominating Committee shall review the change in circumstances and make its recommendations to the Board.

Each independent director has completed the Director's Independence Confirmation for FY2023. The Nominating Committee has reviewed the independence of each independent director in accordance with the guidance in the Code, the Practice Guidance and the Listing Manual of the SGX-ST and is satisfied that apart from Mr Wong Yu Wei (Huang Youwei) and Mr Chu Kok Hong @ Choo Kok Hong, both of whom are the only non-independent directors of the Company, all other members of the Board, i.e. Mr John Lim Kok Min, Mr Chong Lit Cheong, Professor Yong Kwet Yew and Mr Tam Chee Chong, do not have any relationship and are not affected by any of the circumstances identified in the Code, the Practice Guidance and the Listing Manual of the SGX-ST or any other relationships which may affect their independent judgment and are therefore considered to be independent. Independent directors comprise a majority of the Board.

Corporate Governance

Assessment of Directors' Commitment

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

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

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

Consistent with the principle that each director is expected to be able to, and to adequately, carry out his/her duties as a director, the Board does not encourage the appointment of alternate directors. No alternate director was appointed to the Board during FY2023.

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

Name	Position	Date of Initial Appointment	Date of Last Re-election	Current Directorships in Listed Companies	Past Directorships in Listed Companies (in last three years)
John Lim Kok Min	Chairman & Independent Non-Executive Director	25 March 2015	28 July 2021	IREIT Global Group Pte. Ltd. As Manager For IREIT Global	Silverlake Axis Ltd.
Wong Yu Wei (Huang Youwei)	Executive Deputy Chairman	1 December 2008	25 August 2020	-	-
Chu Kok Hong @ Choo Kok Hong	Managing Director	5 January 2009	25 August 2020	-	-
Chong Lit Cheong	Independent Non-Executive Director	15 May 2015	28 July 2021	-	-
Professor Yong Kwet Yew	Independent Non-Executive Director	1 May 2019	28 July 2022	BBR Holdings (S) Ltd Tritech Group Limited	-
Tam Chee Chong	Independent Non-Executive Director	1 May 2019	28 July 2022	IFS Capital Limited Great Eastern Holdings Limited*	GSH Corporation Limited

* Appointed as director on 1 May 2023.

Please also refer to the section "Board of Directors" on pages 46 to 47, and the section "Additional Information on Directors Seeking Re-election Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST" on pages 85 to 88, of the Annual Report for information on other principal commitments of the directors.

The Nominating Committee is of the view that, during FY2023, each director has devoted sufficient time and attention to the affairs of the Company and was able to discharge their respective duties and responsibilities as director effectively. The Nominating Committee has also reviewed and is satisfied that none of the directors held such a significant number of listed company directorships and/or other principal commitments which may affect his/her ability to serve on the Board effectively. In particular, those directors who hold multiple listed company directorships and other principal commitments have devoted sufficient time and attention to the affairs of the Company and have adequately discharged their duties and responsibilities as directors of the Company during FY2023.

Corporate Governance

Board Performance

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

Assessment of Composition and Skill Set of the Board

As part of the formal annual assessment of the effectiveness of the Board as a whole and its Board Committees, and individual directors (including the Chairman) as described in the section “Evaluation Process and Criteria” below, the Nominating Committee reviews on an annual basis the composition and skill sets of the Board to determine whether they are adequate and appropriate having regard to the nature and scope of the Company’s operations.

The annual evaluation of the Board is conducted by the Nominating Committee to assess whether each director continues to contribute effectively and demonstrate commitment to the role. This exercise also provides a platform for the Board members to exchange feedback on the Board’s strengths and shortcomings with a view to strengthening the effectiveness of the Board. It also helps the Nominating Committee in determining whether (i) to re-nominate directors who are due for retirement at the next AGM, (ii) any replacement of existing directors or appointment of new directors is required, and (iii) directors with multiple board representations are able to discharge, and have adequately discharged, their duties as directors of the Company.

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

Evaluation Process and Criteria

The Board, based on the recommendation of the Nominating Committee, adopts a formal process with objective performance criteria for the annual evaluation of the effectiveness and performance of the Board as a whole, each Board Committee as well as each individual director (including the Chairman).

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

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

In relation to the evaluation of each individual director (including the Chairman), the assessment takes into account numerous factors, including the director’s attendance, participation and contribution at the Board and various Board Committee meetings.

The evaluation process of the Board and the Board Committees entails the directors completing the relevant evaluation forms which are designed to incorporate the assessment parameters referred to above. The company secretary will summarise the results of all the evaluations of the Board and the Board Committees and present them to the Nominating Committee for review. The evaluation process of individual director will be undertaken by way of the Chairman of the Nominating Committee interviewing each individual director separately on how each individual director would evaluate themselves and their peers. The Chairman of the Nominating Committee will present the feedback received from each director along with his own feedback (if any) during the Nominating Committee meeting. Areas where the Board’s performance and effectiveness could be enhanced and recommendations for improvement will be discussed by the Board and, where appropriate, implemented.

The Nominating Committee (which comprises all the members of the Board as at the date of this Report) has conducted an evaluation of the Board, the Board Committees and individual directors (including the Chairman) in respect of FY2023. No external facilitator was engaged for the purpose of these evaluations as the Nominating Committee and the Board are of the view that the current evaluation process is adequate. Moving forward, the Board will consider such engagement where appropriate.

Based on the evaluation for FY2023, the Nominating Committee and the Board are satisfied with the performance and effectiveness of the Board as a whole, each Board Committee as well as the individual directors (including the Chairman).

Corporate Governance

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

Level and Mix of Remuneration

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

Disclosure on Remuneration

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

Remuneration Committee

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

Mr Chong Lit Cheong	Chairman
Mr John Lim Kok Min	Member
Professor Yong Kwet Yew	Member

Terms of Reference

According to the written terms of reference of the Remuneration Committee, read together with the Code, the Remuneration Committee has, among others, a formal, transparent and objective procedure for developing policies on director and executive remuneration, as well as for fixing the remuneration packages of individual directors and key management personnel. The Remuneration Committee also implements and administers the Boustead Projects Restricted Share Plan 2016 ("**2016 Share Plan**") (on which further information is set out in the section "Boustead Projects Restricted Share Plan 2016").

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

The Remuneration Committee, with recommendation from Management, will put forward the list of employees and the amount of share awards to be granted under the 2016 Share Plan to the Board for endorsement.

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

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

In carrying out its terms of reference, the Remuneration Committee has direct access to the Boustead Group's Senior Vice President, Group Human Resources and the Company's Deputy Director, Human Resources, both of whom will address any queries from the Remuneration Committee on human resources matters. The Company's Deputy Director, Human Resources also acts as the secretary for the Remuneration Committee. The Remuneration Committee may also obtain independent external legal and other professional advice as it deems necessary. The expenses for such advice will be borne by the Company. The Remuneration Committee did not appoint any remuneration consultants in FY2023.

During FY2023, the Remuneration Committee has, among others, made recommendations to the Board on the framework of remuneration for the Board and key management personnel and the specific remuneration packages for each director as well as for the key management personnel.

Corporate Governance

Remuneration Policy and Framework

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

Remuneration of Non-Executive Directors

The remuneration of the non-executive directors is in the form of fixed fees. The directors' fees payable to the non-executive directors are based on a basic fee for serving as director and additional fees for serving on Board Committees. When reviewing the structure and level of directors' fees for the non-executive directors, the Remuneration Committee takes into consideration the respective roles and responsibilities undertaken on the Board and its Board Committees and the frequency of Board and Board Committee meetings. The Chairman of each Board Committee is paid a higher fee compared with the member of the respective committees in view of the greater responsibility and commitment required by that office. The payment of fees to non-executive directors is subject to the approval of the shareholders of the Company at each AGM.

Apart from the fixed fees described above, the independent non-executive directors are also eligible to participate in the 2016 Share Plan. The Board believes that allowing independent non-executive directors to participate in the 2016 Share Plan will give them a stake in the Company while providing the Company with additional flexibility in compensating them for their services, and enabling the Company to attract and retain experienced and qualified individuals from a wide range of professional backgrounds to join the Board. As at the date of this Report, none of the independent non-executive directors has accepted any share awards under this 2016 Share Plan. A description of the 2016 Share Plan is set out in the section "Boustead Projects Restricted Share Plan 2016".

In FY2023, the framework for the remuneration of independent non-executive directors is as follows:

Board Member	S\$30,000
Group Chairman	S\$20,000
Audit & Risk Committee	
Chairman	S\$30,000
Member	S\$15,000
Nominating Committee	
Chairman	S\$10,000
Member	S\$5,000
Remuneration Committee	
Chairman	S\$10,000
Member	S\$5,000
Attendance Fee per meeting (capped at S\$10,000 per year)	S\$2,000

Information on the directors' fees of independent non-executive directors for FY2023 is set out in the section "Remuneration of Independent Non-Executive Directors for FY2023".

Corporate Governance

Remuneration of Executive Directors and Management

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

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

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

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

Complementing the fixed and variable components of the remuneration package described above is the long-term incentive in the form of share awards that can be granted under the 2016 Share Plan. This long-term incentive is applicable only to selected employees whose role and services have been identified to be of significant importance to the performance and growth of the Company. Such long-term incentives would give recognition to these selected employees and promote commitment, dedication and loyalty to the Group. There was no grant of share awards to eligible employees for FY2023. A description of the 2016 Share Plan is set out in the section "Boustead Projects Restricted Share Plan 2016".

Information on the remuneration paid to the executive directors and certain other key management personnel for FY2023 is set out in the section "Remuneration of Executive Directors, Key Management Personnel and Key Executives for FY2023".

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

Remuneration of Independent Non-Executive Directors for FY2023

The aggregate directors' fees paid/payable to the independent non-executive directors for FY2023 amounted to S\$300,000, details of which are set out below:

Name of Director	Directors' Fee Paid/Payable for FY2023 S\$
John Lim Kok Min	90,000
Chong Lit Cheong*	70,000
Professor Yong Kwet Yew	65,000
Tam Chee Chong	75,000

* Mr Chong Lit Cheong retired from Surbana Jurong Private Limited ("SJPL") with effect from 31 October 2022. Prior to Mr Chong's retirement from SJPL, his director's fees were paid to SJPL. Thereafter, such director's fees were paid to Mr Chong directly.

The directors' fees of S\$300,000 for FY2023 is equivalent to the directors' fees approved by shareholders as a lumpsum (being S\$300,000) at the AGM held on 28 July 2022.

Corporate Governance

Remuneration of Executive Directors, Key Management Personnel and Key Executives for FY2023

The remuneration of the key management personnel (including the executive directors) and certain key executives for FY2023 in bands of S\$250,000 are set out below:

Name	Salary	Bonus	Fees	Other Benefits	Total
<u>Executive Directors</u>					
S\$500,000 to S\$749,999					
Wong Yu Wei (Huang Youwei)	71%	24%	-	5%	100%
Chu Kok Hong @ Choo Kok Hong	71%	24%	-	5%	100%
<u>Key Management Personnel</u>					
S\$250,000 to S\$499,999					
Lee Keen Meng	67%	25%	-	8%	100%
Samuel Lim Swee Hong	68%	25%	-	7%	100%
<u>Key Executives</u>					
S\$250,000 to S\$499,999					
Steven Koh Boon Teik	70%	22%	-	8%	100%
Heng Eng Kiat	67%	23%	-	10%	100%
Liew Kau Keen	68%	21%	-	11%	100%
Ho Tai Wing	68%	21%	-	11%	100%
Below S\$250,000					
How Tan Hong	69%	21%	-	10%	100%

The total remuneration paid to the above key management personnel and key executives, other than the executive directors, for FY2023 was S\$3,819,721.00.

Instead of disclosing the exact remuneration of its Executive Deputy Chairman, Mr Wong Yu Wei (Huang Youwei) and its Managing Director, Mr Chu Kok Hong @ Choo Kok Hong, the Company has decided to continue with the disclosure of their respective remuneration in bands of S\$250,000 but with a percentage breakdown of the components of such remuneration. This is a variation from Provision 8.1(a) of the Code which provides, among others, that the amounts of remuneration of each individual director and the chief executive officer are disclosed in the annual report.

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

There is no termination, retirement and post-employment benefits granted to directors, Managing Director or the key management personnel.

Save for Mr Wong Yu Wei (Huang Youwei), who is the son of the Company's substantial shareholder, Mr Wong Fong Fui, there is no employee who is a substantial shareholder of the Company, or is an immediate family member of any of the directors, chief executive officer or a substantial shareholder of the Company, and whose remuneration exceeds S\$100,000 during FY2023. Mr Wong Yu Wei's remuneration for FY2023 is disclosed in bands of S\$250,000 with a breakdown on the level and mix of remuneration in the table under the section "Remuneration of Executive Directors, Key Management Personnel and Key Executives for FY2023". This is a variation from Provision 8.2 of the Code which provides, among others, that the remuneration of such employees be disclosed in bands no wider than S\$100,000. The reasons for disclosing the remuneration of Mr Wong Yu Wei (Huang Youwei) in bands of S\$250,000 with a breakdown on the level and mix of remuneration are set out above, and such disclosure is consistent with the intent of Principle 8 for the same reasons as set out above.

Corporate Governance

Boustead Projects Restricted Share Plan 2016

The 2016 Share Plan was approved by the shareholders of the Company at its Extraordinary General Meeting (“EGM”) held 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 eligible participants in the 2016 Share Plan shall be determined at the absolute discretion of the committee appointed by the Board to administer the 2016 Share Plan. The participation of associates of controlling shareholders shall be approved by independent members of the Company. Further information on the 2016 Share Plan can be found on page 56 of the Annual Report.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

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

The Board has overall responsibility for risk governance and determines the Company’s risk tolerance level and risk policies, and the extent of risks which the Company is able to take in order to achieve its strategic objectives and value creation. The Company maintains a sound system of risk management and internal controls to safeguard shareholders’ interests and the Group’s assets, and to manage risks. The system provides reasonable but not absolute assurance against material misstatements or loss, and to safeguard assets and ensure maintenance of proper accounting records, reliability of financial information, compliance with relevant legislation, regulations and best practices, and the identification and containment of business risks. The Audit & Risk Committee assists the Board in monitoring the effectiveness of the risk management and internal control systems and procedures of the Company. The Board, through the Audit & Risk Committee, reviews the effectiveness of the risk management and internal control systems and procedures of the Company at least once annually.

The Board, aided by the Audit & Risk Committee, regularly reviews and improves its business and operational activities to identify areas of significant business risks as well as taking appropriate measures to control and mitigate such risks. The Management reviews all significant control policies and procedures and all significant matters will be highlighted to the Audit & Risk Committee and the Board. The financial risk management objectives and policies are outlined in the financial statements.

An Enterprise Risk Management (“ERM”) framework established and maintained by the Company sets out the Group’s internal processes to enable significant strategic, financial, operational, compliance and IT risks within the relevant Group companies to be identified, assessed, monitored, managed and evaluated. The Management reviews the risk register on a regular basis with the objective of assigning clear accountability and ownership of risks at the operating level to manage risks, and any emerging or material risks will be highlighted to the Board in a timely manner. Strong emphasis is placed on creating risk awareness, promoting accountability and setting the appropriate tone at the top.

Reviews of the Group’s risk exposure are conducted every quarter during the Audit & Risk Committee meetings, to be followed by an overall assessment at the end of each financial year.

Based on the internal controls policy and procedures established and maintained by the Group, the work performed by the internal and external auditors, reviews conducted by Management and various Board Committees (including the Audit & Risk Committee), and the assurance from the Executive Deputy Chairman and the relevant key management personnel, the Board, with the concurrence of the Audit & Risk Committee, is of the opinion that the Group’s internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective to address financial, operational, compliance and information technology risks as at 31 March 2023.

Corporate Governance

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

- (a) the Executive Deputy Chairman and the Chief Financial Officer that, as of 31 March 2023, the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- (b) the Executive Deputy Chairman and the relevant key management personnel that, as of 31 March 2023, the Group's risk management and internal control systems to address the key financial, operational, compliance and information technology risks affecting the operations are adequate and effective to meet the needs of the Group in its current business environment.

The Board notes that the system of risk management and internal controls established provide reasonable but not absolute assurance that the Group will not be significantly affected by any event that can be reasonably foreseen or anticipated as it strives to achieve its business objectives.

Audit & Risk Committee

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

Audit & Risk Committee

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

Mr Tam Chee Chong	Chairman
Mr John Lim Kok Min	Member
Mr Chong Lit Cheong	Member
Professor Yong Kwet Yew	Member

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

None of the members of the Audit & Risk Committee are former partners or directors of the Company's existing auditing firm within the previous two-year period nor does any of the Audit & Risk Committee members has any financial interest in the Company's existing auditing firm.

Terms of Reference

The Audit & Risk Committee is governed by the written terms of reference of the Audit & Risk Committee and the principal functions of the Audit & Risk Committee include:

- (a) overseeing the adequacy of the controls established by Management to identify and manage areas of potential risk and to safeguard the assets of the Company;
- (b) evaluating the processes in place to ensure that accounting records are properly maintained in accordance with statutory requirements and financial information provided to shareholders and the directors is accurate and reliable;
- (c) reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
- (d) reviewing with external and internal auditors and reporting to the Board at least annually the adequacy and effectiveness of the Company's risk management system and internal controls system, including financial, operational, compliance and information technology controls (such review can be carried out internally or with the assistance of any competent third parties);
- (e) reviewing with internal auditors, the program, scope and results of the internal audit and Management's response to their findings to ensure that appropriate follow-up measures are taken;

Corporate Governance

- (f) reviewing the adequacy, effectiveness and independence of the internal audit function;
- (g) reviewing the scope and results of the external audit, and the adequacy, independence and objectivity of the external auditors;
- (h) reviewing with external auditors the impact of any new or proposed changes in accounting principles or regulatory requirements on the financial information;
- (i) making recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
- (j) reviewing interested person transactions (including interested person transactions disclosed in the Company's Introductory Document dated 31 March 2015) or transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the regulations of the SGX-ST, and are reasonable and in the best interests of the Company;
- (k) reviewing the assurance from the Executive Deputy Chairman and the Chief Financial Officer on the financial records and financial statements and the assurance from the relevant key management personnel regarding the adequacy and effectiveness of the risk management and internal control systems;
- (l) monitoring the investments in customers, suppliers and competitors made by the directors, controlling shareholders and their respective associates who are involved in the management of or have shareholding interests in similar or related business of the Company and making assessments on whether there are any potential conflicts of interests;
- (m) reviewing filings with the SGX-ST or other regulatory bodies which contain the Company's financial information and ensure proper disclosure;
- (n) commissioning and reviewing the findings of internal investigations into matters where there is any suspected fraud or irregularity or failure of internal controls or infringement of any law, rule and regulation which has or is likely to have a material impact on the Company's operating results and/or financial position;
- (o) reviewing policy and arrangements by which staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensuring that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken;
- (p) reviewing the risk management structure (including all hedging policies) and any oversight of the risk management processes and activities to mitigate and manage risk at acceptable levels determined by the directors;
- (q) reporting to the Board the work performed by the Audit & Risk Committee in carrying out its functions;
- (r) reviewing the co-operation given by officers to the external auditors; and
- (s) performing any other act as delegated by the Board and approved by the Audit & Risk Committee.

The Audit & Risk Committee is authorised to investigate any matter within its written terms of reference. The Audit & Risk Committee has full access to and the co-operation of Management and is given access to such resources as may be 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 of the Company have unrestricted access to the Audit & Risk Committee.

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

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

Corporate Governance

During FY2023, the Audit & Risk Committee has, among others, reviewed:

- (a) the audit plans 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;
- (g) the performance, independence, objectivity and appointment/re-appointment of the external auditors of the Company; and
- (h) the adequacy and effectiveness of the Company's internal controls and risk management systems.

External Auditor

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

The Audit & Risk Committee has undertaken a review of the nature and value of all non-audit services provided to the Group by the current external auditors during FY2023 and is satisfied that the independence of the external auditors has not been affected by the provision of these services. The audit fees and non-audit fees paid or payable to the external auditors for FY2023 are set out below:

	S\$'000	Total Fees Paid (%)
Audit fees	192	79
Non-audit fees	51	21
Total fees	243	100

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

The Audit & Risk Committee has also reviewed the Group's audited consolidated financial statements for FY2023 and discussed with Management and the external auditor the following significant matters which involved management judgment:

Significant matters	How the Audit & Risk Committee reviewed these matters and what decisions were made
Accounting for Engineering & Construction Contracts	<p>The Audit & Risk Committee reviewed the methodology used in the recognition of contract revenue and contract costs over time and had considered Management's assumptions, and estimates used in the determination of the total construction cost, variations or claims that will affect the measure of progress, revenue and profit margins recognised and found them to be reasonable.</p> <p>The accounting for construction contract was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for the financial year ended 31 March 2023. Refer to page 90 of this Annual Report.</p>

Corporate Governance

Internal Audit

The Audit & Risk Committee oversees the implementation of an effective system of internal controls as well as putting in place a risk management framework to continually identify, evaluate and manage significant business risks of the Group. To support the Audit & Risk Committee in their role, the Audit & Risk Committee decides on the appointment, selection, termination and remuneration of the internal auditor appointed to carry out the internal audit function for the Group. The primary reporting line of the internal audit function is to the Chairman of the Audit & Risk Committee. Annually, the Audit & Risk Committee will review and approve audit plans and the resource requirement prepared by the internal auditor and shall ensure that the internal auditor is able to effectively and adequately discharge its duties. The Company's internal audit function is performed by the Internal Audit Department of its holding company, Boustead Singapore Limited.

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

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

The Company may engage external service provider to perform internal audit service as and where required.

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

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

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

Whistleblowing Policy

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

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

The policy framework ensures independent investigation of issues or concerns raised and implementation of appropriate follow-up action, and provides assurance that employees will be protected from reprisal within the limits of the law. Depending on the nature of the concern raised or information provided, the investigation may be conducted involving one or more of the following independent function(s): (a) the Audit & Risk Committee; (b) external or internal auditors; (c) forensic professional(s); or (d) the police or Commercial Affairs Department. The Group is committed to ensure the protection of whistleblowers and will not disclose the identity of a whistleblower and/or concerns raised by such whistleblower except when, among others, (a) the Group is legally obliged to disclose such information; or (b) information is disclosed on a confidential basis to obtain professional advice. Where an employee raises a genuine concern in good faith, the Company shall ensure that such employee shall not be at risk for losing his/her employment or suffer any retribution or harassment. Measures for the protection of the identity of a whistleblower as well as protection of a whistleblower against detrimental or unfair treatment are provided in the Whistleblowing Policy. The Whistleblowing Policy and the avenues for reporting are made available to employees of the Group and third parties, and are also available on the Company's corporate website.

The Whistleblowing Committee reports to the Audit & Risk Committee every quarter on whether it has received any whistleblower report in that quarter. The Whistleblowing Committee did not receive reports on any incidents pertaining to whistleblowing during FY2023.

Corporate Governance

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

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

Shareholder Rights

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

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

Conduct of General Meetings

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

The Company's Constitution currently permits shareholders who are unable to attend general meetings in person to vote by way of proxy. Specifically, each shareholder is allowed to appoint up to two proxies to attend and vote at general meetings on his/her behalf, unless the shareholder is a relevant intermediary (as defined in Section 181 of the Companies Act 1967). A shareholder which is a relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder. A "relevant intermediary" includes corporations holding licences in providing nominee and custodial services and the Central Provident Fund Board ("CPF") where it purchases shares on behalf of the CPF investors.

Article 77A of the Company's Constitution also allows the Board to approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow shareholders 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. The Company has not implemented voting in absentia by mail, electronic mail or facsimile due to concerns relating to the authentication of shareholder identity and other related security and integrity issues.

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

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

Shareholders are given the opportunity to raise questions and clarify any issues that they may have relating to the resolutions to be passed. The Board and senior management are present at each general meeting to respond to any questions from shareholders. The Group's external auditors are also present to address queries regarding the conduct of the audit and the preparation and content of the auditors' report. During FY2023, the AGM of the Company was held virtually on 28 July 2022, and all the directors of the Company attended the AGM.

Corporate Governance

Minutes of general meetings, which incorporate substantial and relevant comments or queries from shareholders relating to the agenda of the meetings, and responses from the Board and Management, will be prepared by the company secretary and published on SGXNET and the Company's corporate website within one month after its general meetings. This is consistent with Provision 11.5 of the Code and the requirement of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("**Order**").

The Order will be revoked with effect from 1 July 2023. Although fully virtual or hybrid company meetings are permitted on and after 1 July 2023 pursuant to amendments to the Companies Act 1967 by the Companies, Business Trusts and Other Bodies (Miscellaneous Amendments) Act 2023 which has been passed by Parliament, as from 1 July 2023, companies listed on the SGX-ST are required to hold physical meetings, or physical meetings and using technology that allows a person to participate in a meeting without being physically present at the place of meeting, pursuant to amendments made to Practice Note 7.5 on General Meetings. Consequently, general meetings of all listed issuers held on or after 1 July 2023 will have to be conducted in physical mode. Thus, the Company's AGM for FY2023 would be conducted physically on 28 July 2023.

Dividend Policy

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on, among others, the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and such other factors as the directors may deem appropriate. However, subject to the above, it is the Company's aim to declare and pay a sustainable dividend annually. The Company has been declaring dividends annually since financial year ended 31 March 2017.

In view of the Company's improved business performance for FY2023, the Board has recommended a final and special tax exempt one-tier dividend of 0.7 Singapore cents per ordinary share and 0.7 Singapore cents per ordinary share for FY2023 respectively. The Company will be seeking the approval of shareholders at the forthcoming AGM to be held for the declaration of the said proposed final dividend and special tax exempt one-tier dividend.

Engagement with Shareholders

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

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

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

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

The Company has put in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with all shareholders. For details on the Group's IR activities in FY2023, please refer to the Stakeholder Relations section on pages 50 to 51 of this Annual Report.

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

Corporate Governance

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

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

Managing Stakeholders' Relationships

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

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

The Company has identified the material ESG topics of relevance to its key stakeholders (i.e. the Company's business model, strategies and outlook; corporate governance; smart eco-sustainable and future-ready solutions; quality and transformation; economic performance; business ethics; data and information security; talent acquisition, development, management and retention; succession planning; health and safety; COVID-19 and infectious disease outbreaks; environment and climate change; legal and regulatory compliance) taking into account stakeholders' views, needs and interests, and periodically reviews these on an ongoing basis. The Board oversees the management and monitoring of these matters as part of the Company's sustainability practices.

As a commitment to its stakeholders, the Company will disclose its strategy, practices and performance on these material ESG matters in the FY2023 Longevity Report (Sustainability Report), which will be available on the Company's corporate website at least two weeks prior to the forthcoming AGM.

Corporate Website

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

Measures Implemented to Protect Stakeholders from COVID-19

During the initial stages of the global COVID-19 pandemic, the Company moved quickly to safeguard the wellbeing of its stakeholders including its employees, subcontractors and their employees, clients and surrounding communities by implementing preventive and control measures such as strict health checks, social distancing measures, split team and telecommuting arrangements. The Company has implemented a large number of safe management measures – in line with or exceeding Singapore Government-advised levels – which have been detailed in the past FY2021 and FY2022 Longevity Reports (Sustainability Report).

While most of these safe management measures have been relaxed after COVID-19 reached the endemic phase, the Company continues to monitor the COVID-19 situation and the Company's Human Resources department will update employees and implement such safe management measures as may be issued by the government from time to time.

Recognition

Since November 2019, the Company continues to be in the SGX Fast Track Programme, which recognises the Company for its high corporate governance standards and good compliance track record, with prioritised clearance for the Company's corporate action submissions.

Corporate Governance

DEALINGS IN SECURITIES

The Company, its directors and officers, including employees who have access to price-sensitive information, are not to deal in the Company's securities on short-term considerations and, during the period commencing one month before the announcement of the Company's half year and full year financial statements, and ending on the date of announcement of the relevant results. The Company, its directors and officers, including employees who have access to price-sensitive information, are expected to comply with the Securities and Futures Act 2001 of Singapore, and observe laws against insider trading at all times.

MATERIAL CONTRACTS

Since the end of the previous financial year, no material contracts involving the interest of the Managing Director/chief executive officer, each director or controlling shareholder of the Company have been entered into by the Company or any of its subsidiaries, and no such contract subsisted as at 31 March 2023.

INTERESTED PERSON TRANSACTIONS

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

For FY2023, the following transactions that the Group entered into would be regarded as interested person transactions pursuant to the Listing Manual of the SGX-ST:

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000)	
	Full-year ended	Full-year ended
	31.3.23 S\$'000	31.3.22 S\$'000
Boustead Singapore Limited & its subsidiaries (" BSL Group ")		
Expenses for office premises from the BSL Group ⁽¹⁾ (includes shared expenses such as IT, utilities and common area usage)	43	59

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

Corporate Governance

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION PURSUANT TO RULE 720(6) OF THE LISTING MANUAL OF THE SGX-ST

Mr Chu Kok Hong @ Choo Kok Hong and Mr Wong Yu Wei (Huang Youwei) are the directors seeking re-election at the forthcoming AGM to be held on 28 July 2023 (collectively, the “Retiring Directors”).

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

Name of Director	Mr Chu Kok Hong @ Choo Kok Hong	Mr Wong Yu Wei (Huang Youwei)
Date of Appointment	05/01/2009	01/12/2008
Date of last re-appointment (if applicable)	25/08/2020	25/08/2020
Age	52	46
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the work experience and suitability of Mr Chu Kok Hong @ Choo Kok Hong for re-appointment as the Managing Director of the Company. The Board has concluded that Mr Chu Kok Hong @ Choo Kok Hong possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the work experience and suitability of Mr Wong Yu Wei (Huang Youwei) for re-appointment as the Executive Deputy Chairman of the Company. The Board has concluded that Mr Wong Yu Wei (Huang Youwei) possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive	Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Managing Director and member of the Nominating Committee.	Executive Deputy Chairman and member of the Nominating Committee
Professional qualifications	Bachelor of Engineering (Civil) (Hons), University of Melbourne	Bachelor of Civil Engineering (Hons), University of New South Wales
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	The son of the Company's substantial shareholder, Mr Wong Fong Fui.

Corporate Governance

Name of Director	Mr Chu Kok Hong @ Choo Kok Hong	Mr Wong Yu Wei (Huang Youwei)
Conflict of interest (including any competing business)	Nil	Nil
Working experience and occupation(s) during the past 10 years	2009 to present Managing Director of the Company	October 2021 to present Executive Deputy Chairman of the Company 2015 to September 2021 Deputy Chairman and Executive Director of the Company 2007 - 2015 Senior Deputy Managing Director of the Company
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries	Yes	Yes
Shareholding Details	<u>The Company</u> Direct interest of 500,000 ordinary shares <u>Boustead Singapore Limited</u> Direct interest of 243,432 ordinary shares Indirect interest of 5,478 ordinary shares	<u>The Company</u> Direct interest of 18,671 ordinary shares Indirect interest of 1,833,843 ordinary shares <u>Boustead Singapore Limited</u> Direct interest of 125,765 ordinary shares
Other Principal Commitments (as defined in the Code) including directorships – Past (for the last 5 years)	Nil	Nil
Other Principal Commitments (as defined in the Code) including directorships – Present	Nil	Nil

Corporate Governance

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

Corporate Governance

Name of Director	Mr Chu Kok Hong @ Choo Kok Hong	Mr Wong Yu Wei (Huang Youwei)
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:- (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only.		
Any prior experience as a director of an issuer listed on the Exchange?	N.A.	N.A.
If yes, please provide details of prior experience.	N.A.	N.A.
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	N.A.	N.A.
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable)	N.A.	N.A.

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 2023 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 2023;
- the statements of financial position of the Group and the Company as at 31 March 2023;
- 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 judgement, were of most significance in our audit of the financial statements for the financial year ended 31 March 2023. 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>Revenue recognition of Engineering & Construction contracts</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 2023, revenue from Engineering & Construction contracts amounted to \$269,846,000, which represented 95% of the Group's total revenue.</p> <p>Revenue on Engineering & Construction contracts is recognised over time by reference to the progress towards satisfaction of performance obligations under the contracts. Measurement of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs.</p> <p>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.</p> <p>We focus on this area because of the significant management's judgements that are required to estimate:</p> <ul style="list-style-type: none"> - the amount of variation orders that are highly likely to be approved by the customers, and included in the total contract sum; - 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 - provision for liquidated damage from these contracts. 	<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 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"> a. Traced the total contract sums to contracts and agreed variation orders; b. 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 c. Assessed the progress of construction against contractual timeline for delays and the adequacy of provision for liquidated damages. <p>In relation to total contract costs, our audit procedures include the following:</p> <ol style="list-style-type: none"> a. Selected samples of costs incurred and traced to supplier invoices and sub-contractors' billings; and b. Selected samples of projects in progress at the reporting date and tested estimation of cost-to-complete by tracing to quotations and/or contracts with sub-contractors and suppliers. <p>In relation to the revenue recognised for projects in progress at the reporting date, we have:</p> <ol style="list-style-type: none"> a. Recomputed the measurement of progress based on the proportion of contract costs incurred to-date to the estimated total contract costs; and b. Recomputed the revenue for the current financial year based on the measurement of progress and traced to the accounting records. <p>Based on the audit procedures performed, we have assessed management's estimation of the revenue on Engineering & 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 & 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Independent Auditor's Report

TO THE MEMBERS OF BOUSTEAD PROJECTS LIMITED

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

PricewaterhouseCoopers LLP

Public Accountants and Chartered Accountants
Singapore, 28 June 2023

Consolidated Statement of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Note	2023 \$'000	2022 \$'000
Revenue	4	283,976	339,089
Cost of sales	5	(258,028)	(325,216)
Gross profit		25,948	13,873
Interest income	7	9,813	7,203
Other gains - net	8	9,778	4,275
Impairment loss on financial assets	14	-	(452)
Expenses			
- Selling and distribution	5	(2,692)	(3,342)
- Administrative	5	(13,150)	(19,695)
- Finance	9	(2,400)	(1,370)
Share of (losses)/profits of associates and joint ventures	10	(825)	13,349
Profit before income tax		26,472	13,841
Income tax expense	11	(7,995)	(2,510)
Total profit		18,477	11,331
Other comprehensive (loss)/income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Share of other comprehensive (loss)/income of an associate and joint ventures	29	(365)	353
Currency translation differences arising from consolidation			
- (Losses)/gains	29	(3,623)	262
- Reclassification	29	773	-
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Financial asset, at fair value through other comprehensive income ("FVOCI")			
- Fair value (loss)/gain	29	(3,517)	240
Other comprehensive (loss)/income, net of tax		(6,732)	855
Total comprehensive income		11,745	12,186
Profit attributable to:			
Equity holders of the Company		18,350	11,336
Non-controlling interests		127	(5)
		18,477	11,331
Total comprehensive income attributable to:			
Equity holders of the Company		11,618	12,191
Non-controlling interests		127	(5)
		11,745	12,186
Earnings per share for profit attributable to equity holders of the Company (cents per share)			
- Basic and diluted	12	5.9	3.6

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

Statements of Financial Position – Group and Company

AS AT 31 MARCH 2023

	Note	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	13	177,705	213,866	74,265	119,082
Trade receivables	14	102,204	45,924	11	3
Other receivables and prepayments	14	62,358	41,699	302,263	251,083
Investment securities	16	-	62,277	-	-
Finance lease receivables	18	476	522	-	-
Contract assets	15	16,302	10,656	-	-
		359,045	374,944	376,539	370,168
Non-current assets					
Trade receivables	14	26,708	12,320	-	-
Other receivables and prepayments	14	85,601	73,544	-	-
Investment securities	16	28,144	31,661	28,144	31,661
Property, plant and equipment	17	981	2,211	-	-
Right-of-use assets	18	1,852	203	-	16
Finance lease receivables	18	20,485	20,362	-	-
Investment properties	19	48,662	87,172	-	-
Intangible asset		98	104	-	-
Investments in associates	20	6,235	5,659	4,376	4,376
Investments in joint ventures	21	199,331	54,866	71,300	71,334
Investments in subsidiaries	22	-	-	26,919	32,123
Deferred income tax assets	25	11,960	9,618	-	-
		430,057	297,720	130,739	139,510
Total assets		789,102	672,664	507,278	509,678
LIABILITIES					
Current liabilities					
Trade and other payables	23	148,054	120,963	99,435	104,114
Lease liabilities		1,049	871	-	16
Income tax liabilities		18,237	16,442	1,541	1,142
Contract liabilities	15	130,457	36,022	-	-
Borrowings	24	623	610	-	-
		298,420	174,908	100,976	105,272
Non-current liabilities					
Trade and other payables	23	53,817	51,348	-	-
Lease liabilities		32,696	42,761	-	-
Borrowings	24	1,066	9,956	-	-
Deferred income tax liabilities	25	2,108	1,319	1,241	703
		89,687	105,384	1,241	703
Total liabilities		388,107	280,292	102,217	105,975
NET ASSETS		400,995	392,372	405,061	403,703
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	26	15,000	15,000	15,000	15,000
Treasury shares	26	(5,495)	(5,495)	(5,495)	(5,495)
Retained profits	28	387,462	372,245	386,730	381,855
Other reserves	29	4,028	10,760	8,826	12,343
		400,995	392,510	405,061	403,703
Non-controlling interests		-	(138)	-	-
Total equity		400,995	392,372	405,061	403,703

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

Consolidated Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	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
2023								
Balance as at 1 April 2022		15,000	(5,495)	372,245	10,760	392,510	(138)	392,372
Profit for the financial year		-	-	18,350	-	18,350	127	18,477
Other comprehensive income for the financial year		-	-	-	(6,732)	(6,732)	-	(6,732)
Total comprehensive income for the financial year		-	-	18,350	(6,732)	11,618	127	11,745
Disposal of a subsidiary		-	-	-	-	-	11	11
Dividends	27	-	-	(3,133)	-	(3,133)	-	(3,133)
Total transactions with owners, recognised directly in equity		-	-	(3,133)	-	(3,133)	11	(3,122)
Balance as at 31 March 2023		15,000	(5,495)	387,462	4,028	400,995	-	400,995
2022								
Balance as at 1 April 2021		15,000	(7,236)	409,200	8,892	425,856	(133)	425,723
Profit for the financial year		-	-	11,336	-	11,336	(5)	11,331
Other comprehensive income for the financial year		-	-	-	855	855	-	855
Total comprehensive income for the financial year		-	-	11,336	855	12,191	(5)	12,186
Dividends	27	-	-	(48,291)	-	(48,291)	-	(48,291)
Purchase of treasury shares	26	-	(316)	-	-	(316)	-	(316)
Employee share-based compensation								
- Value of employee services	29(b)(ii)	-	-	-	1,137	1,137	-	1,137
- Treasury shares re-issued	26	-	2,057	-	(124)	1,933	-	1,933
Total transactions with owners, recognised directly in equity		-	1,741	(48,291)	1,013	(45,537)	-	(45,537)
Balance as at 31 March 2022		15,000	(5,495)	372,245	10,760	392,510	(138)	392,372

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

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	2023 \$'000	2022 \$'000
Cash flows from operating activities		
Profit before income tax	26,472	13,841
Adjustments for:		
- Amortisation of intangible asset	6	6
- Depreciation of right-of-use assets	1,677	1,648
- Depreciation expense	2,132	2,741
- Loss on disposal of property, plant and equipment	-	2,956
- Loss on disposal of right-of-use assets	-	99
- Share of loss/(profit) of associates and joint ventures	825	(13,349)
- Impairment loss on financial asset	-	452
- (Reversal of impairment loss)/Impairment loss on property, plant and equipment	(25)	962
- Write off of investment property	557	-
- Fair value gain on financial asset, at FVPL	(2,004)	(3,777)
- Elimination of share of unrealised construction, project management and acquisition fee margins	221	3,584
- Employee (including directors) share-based compensation expense	-	1,137
- Interest income	(9,813)	(7,203)
- Finance expenses	2,400	1,370
- Gain on disposal of a subsidiary	(8,288)	-
- Currency exchange losses/(gains) - net	514	(498)
	14,674	3,969
Change in working capital, net of effects from disposal of a subsidiary:		
- Trade and other receivables	(65,879)	30,680
- Contract assets and liabilities – net	88,072	(12,031)
- Inventories	-	2,565
- Trade and other payables	(14,452)	(12,894)
Cash provided by operations	22,415	12,289
Interest received	2,743	1,423
Interest paid	(274)	(95)
Income tax paid	(7,637)	(4,173)
Net cash provided by operating activities	17,247	9,444

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

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Note	2023 \$'000	2022 \$'000
Cash flows from investing activities			
Purchase of property, plant and equipment		(135)	(638)
Government grant received		-	24
Addition to investment properties		(652)	(5,814)
Investment in associates		(2,720)	(3,774)
Interest received on loan to non-related party		57	78
Interest received on loan to a related party		-	1,585
Interest received on notes issued by an associate		5,093	3,524
Cash and cash equivalents in subsidiary disposed		(4,147)	-
Proceeds from disposal of property, plant and equipment		900	2,770
Proceeds from disposal of a subsidiary and joint ventures		-	519
Proceeds from repayment of loan by a related party		-	6,431
Proceeds from repayment of loan by a non-related party		1,970	-
Notes issued by an associate		(12,500)	(13,750)
Loan to a joint venture		(4,155)	-
Loan to a non-related party		(1,970)	-
Capital contributions to joint ventures		(59,766)	(1,906)
Repayment of loans by joint ventures		-	15,000
Deposits paid for investment		-	(12,297)
Dividends received from associates and joint ventures		14,431	15,182
Refund of deposits paid for an investment		17,125	-
Purchase of investment securities		-	(58,500)
Disposal of investment securities		2,138	-
Net cash used in investing activities		(44,331)	(51,566)
Cash flows from financing activities			
Repayment of borrowings		(611)	(201)
Proceeds from borrowings		-	8,268
Principal payment of lease liability		(953)	(1,662)
Interest payment of lease liability		(1,306)	(1,920)
Purchase of treasury shares		-	(316)
Proceeds from treasury shares re-issued		-	1,933
Dividends paid to equity holders of the Company		(3,133)	(48,291)
Net cash used in financing activities		(6,003)	(42,189)
Net decrease in cash and cash equivalents		(33,087)	(84,311)
Cash and cash equivalents			
Beginning of financial year		213,866	297,987
Effect of currency translation on cash and cash equivalents		(3,074)	190
End of financial year	13	177,705	213,866

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

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

Reconciliation of liabilities arising from financing activities

				Non-cash changes						31 March 2023
	1 April 2022	Proceeds from borrowings	Principal and interest payments	Addition during the financial year	Remeasurement/Modification of lease liability	Interest capitalised	Interest expense	Foreign exchange movement	Disposal movement	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Bank borrowings	10,566	-	(885)	-	-	-	274	38	(8,304)	1,689
Lease liabilities	43,632	-	(2,259)	8,750	703	59	2,126	438	(19,704)	33,745

				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

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

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

Disposal of a subsidiary

Please refer to Note 33(b) for the details of the transaction.

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

	2023 \$'000
Carrying amounts of assets and liabilities disposed:	
Cash and cash equivalents	4,147
Trade receivables	2,724
Other receivables and prepayments	1,197
Investment properties	39,593
Total assets	47,661
Trade and other payables	(5,504)
Borrowings	(8,304)
Lease liabilities	(19,704)
Deferred income tax liabilities	(116)
Total liabilities	(33,628)
Net assets disposed of	14,033
Gain on disposal (Note 8)	8,288
Gain deferred due to retained interest in a joint venture	13,590
Reclassification of foreign currency translation reserve	773
Sales proceeds	36,684
Less: Amount receivable as at 31 March 2023 (Note 14)	(36,684)
Sale proceeds received	-
Less: Cash and cash equivalents in a subsidiary disposed of	(4,147)
Net decrease in cash and cash equivalents	(4,147)

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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 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 associates, joint ventures and subsidiaries are set out in Notes 20, 21 and 22 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 2022

On 1 April 2022, 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.

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 progress towards satisfaction of performance obligations under contracts. 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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Revenue recognition (cont'd)

(a) Revenue from Engineering & Construction contracts (cont'd)

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.

(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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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 2023

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 SFRS(I).

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.

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 2023

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

Unrealised gains on transactions between the Group and its 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 - 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 2023

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 2023

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 2023

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.10 Financial assets (cont'd)

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

At subsequent measurement (cont'd)

(ii) *Equity instruments*

The Group subsequently measures all its equity instruments at their fair values. Equity instruments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other 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 31(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 2023

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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 2023

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 2023

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 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 2023

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 recognises 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 2023

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.22 Leases

(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 "Interest 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 2023

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.23 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.

2.24 Dividends to the Company's shareholders

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

2.25 Cash and cash equivalents

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

2.26 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 2023

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) ***Volatility of the geoeconomics and geopolitical climate resulting in higher inflation risks and supply chain disruptions***

The volatility of the geoeconomic and geopolitical climate resulted in inflationary pressures and supply chain disruptions. While there had been greater construction activities in the financial year ended 31 March 2023, the progress of the Engineering & Construction contracts of the Group was affected by disruptions in the supply chain and a tight labour supply. These factors, and coupled with rising material costs, 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 as at 31 March 2023 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 \$395,000.

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 2023

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 geo-economic and geopolitical climate.

Management has assessed for one (2022: 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 \$3,348,000 (2022: \$11,691,000) (Note 23) 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% (2022: 5%) from management's estimates, the Group's revenue and profit before tax would have been lower/higher by \$4,360,000 (2022: \$5,104,000) and \$4,641,000 respectively (2022: \$7,625,000).

(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 direct and indirect delays caused by the COVID-19 pandemic, assessment of delays that may be attributable to the Group, changing instructions including variation orders from the customers and evidence of ongoing negotiations and physical occupancy by the customers. The 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 2023, 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 16.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

4. REVENUE

	Over time	At a point in time	Total
	\$'000	\$'000	\$'000
Group			
2023			
Revenue from Engineering & Construction contracts	269,846	-	269,846
Management fee income	6,134	-	6,134
	275,980	-	275,980
Property rental income			7,996
			283,976
2022			
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

Government grant expense for the previous financial year 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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

5. EXPENSES BY NATURE

	Group	
	2023 \$'000	2022 \$'000
Sub-contractor fees and other construction costs	241,313	309,301
Directors' fees to non-executive directors	300	265
Employee compensation (Note 6)	21,387	23,735
Share-based payment to non-executive directors	-	189
Depreciation expense	3,809	4,389
Auditor's remuneration paid/payable to:		
- auditor of the Company	192	178
- other auditors*	36	41
Other fees on non-audit services paid/payable to:		
- auditor of the Company	51	29
- other auditors*	-	27
Loss on disposal of property, plant and equipment (Reversal of impairment loss)/Impairment loss on property, plant and equipment (Note 17)	(25)	962
Property tax (a)	484	370
Rental expenses	49	60
Maintenance expenses	1,583	1,224
Utilities expenses	442	547
Amortisation of intangible asset	6	6
Marketing expenses	310	469
Legal and professional fees	990	1,405
Training and recruitment expenses	265	371
Travel expenses	60	7
Collaboration costs	1,253	1,616
Write off of investment property (Note 19)	557	-
Others	808	106
Total cost of sales, selling and distribution and administrative expenses	273,870	348,253

(a) Included within property tax for the previous financial year was grant income of \$103,000 in which the Group had passed the benefits to its tenants (Note 4).

* Includes the network of members firms of PricewaterhouseCoopers International Limited (PwCIL).

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

6. EMPLOYEE COMPENSATION

	Group	
	2023 \$'000	2022 \$'000
Wages and salaries	19,787	21,084
Employer's contribution to defined contribution plans including Central Provident Fund	1,600	1,703
Share-based compensation expense	-	948
	21,387	23,735

In the previous financial year, government grants under the Job Support Scheme ("JSS") amounting to \$207,000 were recorded as a reduction to the wages and salaries. 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

In the previous financial year, 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 for 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 2023

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:

	2023 \$'000	2022 \$'000
Number of share awards		
Balance at the beginning of financial year	-	150,991
Vested and issued during the financial year	-	(150,991)
Balance at the end of financial year	-	-

There are no share awards outstanding at the end of the financial years ended 31 March 2023 and 31 March 2022.

No share awards were granted during the financial year.

In the previous financial year, the Company re-issued its treasury shares for share awards vested during the financial year. The cost of the treasury shares re-issued was \$0.81 each.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

7. INTEREST INCOME

	Group	
	2023	2022
	\$'000	\$'000
Interest income on financial assets measured at amortised cost		
- Bank deposits	3,037	1,456
- Loan to associates	488	384
- Loan to joint venture	360	-
- Loan to a related party	-	142
- Notes issued by an associate	5,095	4,452
- Others	150	78
	9,130	6,512
Finance income on sublease	683	691
	9,813	7,203

The related party above is a subsidiary of an associate.

8. OTHER GAINS - NET

	Group	
	2023	2022
	\$'000	\$'000
Fair value gain on financial asset, at FVPL (Note 16(a))	2,004	3,777
Currency exchange (losses)/gains – net	(514)	498
Gain on disposal of a subsidiary (Note 33(b))	8,288	-
	9,778	4,275

9. FINANCE EXPENSES

	Group	
	2023	2022
	\$'000	\$'000
Interest expense		
- Bank borrowings	274	95
- Lease liabilities (Note 18(a)(ii))	2,126	1,275
	2,400	1,370

10. SHARE OF (LOSSES)/PROFITS OF ASSOCIATES AND JOINT VENTURES

	Group	
	2023	2022
	\$'000	\$'000
Share of (losses)/profits after income tax		
- Associates (Note 20)	(2,570)	1,089
- Joint ventures (Note 21)	1,745	12,260
	(825)	13,349

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

11. INCOME TAXES

Income tax expense

	Group	
	2023 \$'000	2022 \$'000
Tax expense attributable to profit is made up of:		
- Profit for the financial year:		
Current income tax		
- Singapore	1,932	3,897
- Foreign	6,701	973
	8,633	4,870
Deferred income tax (Note 25)	(1,405)	(871)
	7,228	3,999
- Under/(Over) provision in prior financial years		
Current income tax	289	(1,454)
Deferred income tax (Note 25)	478	(35)
	767	(1,489)
	7,995	2,510

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	
	2023 \$'000	2022 \$'000
Profit before tax	26,472	13,841
Share of losses/(profits) of associates and joint ventures, net of tax	825	(13,349)
Profit before tax and share of losses/(profits) of associates and joint ventures	27,297	492
Tax calculated at tax rate of 17% (2022: 17%)	4,640	84
Effects of		
- tax incentives	(444)	(1,264)
- tax on share of profit of joint ventures under limited liability partnership structure	995	3,654
- expenses not deductible for tax purposes	1,340	987
- income not subject to tax	(85)	(35)
- different tax rates in other countries	745	320
- others	37	253
- under/(over) provision in prior financial years	767	(1,489)
Tax charge	7,995	2,510

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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.

	2023	2022
Net profit attributable to equity holders of the Company (\$'000)	18,350	11,336
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	313,261	312,473
Basic earnings per share (cents per share)	5.9	3.6

(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.

There are no dilutive potential ordinary shares outstanding as at the reporting dates. Accordingly, diluted earnings per share is the same as basic earnings per share.

13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash at bank and on hand	68,100	141,218	7,919	88,933
Short-term bank deposits	109,605	72,648	66,346	30,149
	177,705	213,866	74,265	119,082

Cash and cash equivalents belonging to subsidiaries of the Group amounting to \$9,999,000 (2022: \$15,012,000) 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 2023

14. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current				
<i>Trade receivables from:</i>				
- Non-related parties	90,077	22,660	11	3
- Joint ventures	1,916	2,467	-	-
- Associate	759	636	-	-
<i>Retention sum receivables from:</i>				
- Non-related parties	7,891	15,351	-	-
- Joint ventures	1,561	3,722	-	-
- Associate	-	1,088	-	-
Trade receivables	102,204	45,924	11	3
<i>Other receivables and prepayments</i>				
Loans to:				
- Subsidiaries	-	-	281,393	227,356
Less: Allowance for impairment of loan to a subsidiary	-	-	(2,056)	(2,094)
	-	-	279,337	225,262
- Associate	17,104	17,685	-	-
Less: Allowance for impairment loss (Note 31(b))	(5,440)	(5,027)	-	-
	11,664	12,658	-	-
- Joint venture	3,987	-	-	-
Loans – net	15,651	12,658	279,337	225,262
<i>Other receivables from:</i>				
- Non-related parties	3,105	1,911	490	138
- Joint ventures	528	2,612	181	2,612
- Associates	5,058	5,056	-	-
- Related party*	-	15	-	-
- Fellow subsidiaries	74	62	-	-
- Subsidiaries	-	-	22,199	22,397
	8,765	9,656	22,870	25,147
Sales proceeds receivable from a joint venture (Note 33(b))	36,684	-	-	-
Tax recoverable	1	197	-	-
Deposits	806	18,333	13	622
Prepayments	451	855	43	52
Total other receivables and prepayments	62,358	41,699	302,263	251,083

* The related party above is a subsidiary of an associate.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Non-current				
<i>Retention sum receivables from:</i>				
- Non-related parties	26,708	12,320	-	-
Trade receivables	26,708	12,320	-	-
<i>Other receivables and prepayments</i>				
Notes issued by an associate (Note 20)	85,250	72,750	-	-
Other receivables	186	409	-	-
Prepayments	165	385	-	-
Total other receivables and prepayments	85,601	73,544	-	-

The loans to subsidiaries are unsecured, bear interest up to 3.77% (2022: 1.03%) per annum and are repayable on demand.

Loan to an associate, THAB Development Sdn Bhd (Note 20) is denominated in Malaysian Ringgit ("MYR"), unsecured, bears interest at 0.50% (2022: 0.50%) above the Kuala Lumpur Interbank Offered Rate ("KLIBOR") per annum and is repayable on demand. The movement in allowance for impairment of the loan receivable as follows:

	2023 \$'000	2022 \$'000
Allowance for impairment loss		
Balance at beginning of financial year	5,027	4,049
Share of loss (Note 20)	413	526
Impairment loss recognised in profit and loss	-	452
Balance at end of financial year	5,440	5,027

Current loan to a joint venture by the Group is denominated in United States Dollar ("USD"), unsecured, bears interest of 10% per annum and is repayable within the next 12 months.

The notes issued by an associate, Boustead Industrial Fund ("BIF"), are unsecured, bear fixed interest of 7.0% (2022: 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. During the financial year ended 31 March 2023, the Group subscribed to new Notes amounting to \$12,500,000 (2022: \$13,750,000) issued by BIF.

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 2023

15. CONTRACT ASSETS AND LIABILITIES

	Group		
	31 March 2023 \$'000	31 March 2022 \$'000	1 April 2021 \$'000
Contract assets	16,302	10,656	10,783
Contract liabilities	130,457	36,022	48,180
<i>Trade receivables from contracts with customers*</i>			
Current	101,796	43,462	66,800
Non-current	26,708	12,320	20,211

* 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 assets as at 31 March 2023 increased due to more contracts in progress where the Group provided services ahead of consideration billed and received.

Contract liabilities relate to Engineering & Construction contracts where billings to clients exceed revenue accrued for progressive work done. Contract liabilities as at 31 March 2023 increased due to more 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 \$36,022,000 (2022: \$48,180,000).

(b) Unsatisfied performance obligations

As at 31 March 2023, the aggregate amount of transaction price allocated to the remaining performance obligation was \$401,826,000 (2022: \$234,686,000) and the Group expects to recognise this revenue over the next 1 to 2 years.

16. INVESTMENT SECURITIES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Financial asset, at FVPL	-	62,277	-	-
Financial asset, at FVOCI	28,144	31,661	28,144	31,661
Total	28,144	93,938	28,144	31,661
Less: Current portion	-	(62,277)	-	-
Non-current portion	28,144	31,661	28,144	31,661

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

16. INVESTMENT SECURITIES (cont'd)

(a) Financial asset, at FVPL

	Group	
	2023 \$'000	2022 \$'000
Beginning of financial year	62,277	-
Additions	-	58,500
Fair value gain (Note 8)	2,004	3,777
Disposals	(64,281)	-
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.

On 24 June 2022, the Group's 50%-owned joint venture, Bideford House Pte Ltd, entered into an agreement to purchase the property from the Singapore Subsidiary 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 Singapore Subsidiary, \$60,000,000 of the notes held by the Group was set-off against the Group's share of the consideration, with the remaining \$4,281,000 receivable from SCA in cash. As at 31 March 2023, \$2,138,000 had been received and the remaining receivable amount is \$2,143,000.

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 were 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.

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	2022: Credit-adjusted discount rate of 10%	The higher the credit-adjusted discount rate, the lower the fair value.
	2022: 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 2023

16. INVESTMENT SECURITIES (cont'd)

(b) Financial asset, at FVOCI

	Group and Company	
	2023 \$'000	2022 \$'000
Beginning of financial year	31,661	31,421
Fair value (loss)/gain	(3,517)	240
End of financial year	28,144	31,661

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 2023 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% - 7% (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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

17. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery	Office computers	Office equipment, furniture and fittings	Renovations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
2023					
<i>Cost</i>					
Beginning of financial year	2,950	2,171	506	694	6,321
Additions	-	74	23	38	135
Disposals	(2,280)	-	(4)	-	(2,284)
Currency translation differences	-	-	(14)	-	(14)
End of financial year	670	2,245	511	732	4,158
<i>Accumulated depreciation</i>					
Beginning of financial year	943	1,487	434	284	3,148
Depreciation charge	25	284	39	133	481
Disposals	(443)	-	(4)	-	(447)
Currency translation differences	-	-	(5)	-	(5)
End of financial year	525	1,771	464	417	3,177
<i>Accumulated impairment</i>					
Beginning of financial year	962	-	-	-	962
Reversal of impairment loss	(25)	-	-	-	(25)
Disposals	(937)	-	-	-	(937)
End of financial year	-	-	-	-	-
Net book value					
End of financial year	145	474	47	315	981
2022					
<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
Net book value					
End of financial year	1,045	684	72	410	2,211

In the previous financial year, an impairment charge of \$962,000 on certain plant and machinery was included within "administrative expenses" in the statement of comprehensive income. 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. During the current financial year, the impairment charge was partially reversed amounting to \$25,000 on disposal of the plant and machinery.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

18. 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 and the People's Republic of China (2022: Singapore, the People's Republic of China and the Socialist Republic of Vietnam). The Group also leases buildings for use as storage 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 land used 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 2 to 21 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 (2022: the People's Republic of China and the Socialist Republic of Vietnam), the Group is required to pay to land owners annual land rent in respect of land used as investment properties. The annual land rent is based on the contracted rate that is subject to escalation clauses. The lease is non-cancellable with remaining lease term of 30 years.

The right-of-use of land used for investment properties is presented within investment properties (Note 19).

The right-of-use of land for leased office space and 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	Storage	Leasehold land	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
Net book value					
At 1 April 2022	-	187	16	24,054	24,257
Additions	144	1,991	55	6,560	8,750
Remeasurement	-	-	-	86	86
Reclassification	-	-	-	2,393	2,393
Disposal of a subsidiary (Note 33(b))	-	-	-	(16,814)	(16,814)
Depreciation charge	(84)	(429)	(28)	(1,335)	(1,876)
Currency translation differences	-	-	-	(1,306)	(1,306)
At 31 March 2023	60	1,749	43	13,638	15,490
Net book value					
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
At 31 March 2022	-	187	16	24,054	24,257

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

18. LEASES (cont'd)

(a) The Group as a lessee (cont'd)

(ii) Interest expense

	Group	
	2023 \$'000	2022 \$'000
Interest expense on lease liabilities charged to profit or loss	2,126	1,275
Interest expense on lease liabilities capitalised within investment properties	59	645

(iii) Lease expense not capitalised in lease liabilities

	Group	
	2023 \$'000	2022 \$'000
Lease expense - short-term leases	49	60

(iv) Total cash outflow for all the leases for the financial year was \$2,308,000 (2022: \$3,642,000).

(v) Extension options

Lease liabilities as at 31 March 2023 included lease payments within the lease extension period of the land associated with an investment property amounting to \$6,560,000 (2022: \$Nil), as the Group is reasonably certain to exercise the extension option.

The leases for an 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 or cash deposits 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	
	2023 \$'000	2022 \$'000
Less than one year	2,505	7,107
One to two years	2,155	6,878
Two to three years	625	5,220
Three to four years	235	2,104
Four to five years	235	1,774
More than five years	78	9,969
	5,833	33,052

Lease income from investment properties are disclosed in Note 19.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

18. 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 \$683,000 (2022: \$691,000).

The following table shows the maturity analysis of the undiscounted lease payments to be received:

	Group	
	2023 \$'000	2022 \$'000
Less than one year	1,160	1,126
One to two years	1,160	1,126
Two to three years	1,160	1,126
Three to four years	1,160	1,126
Four to five years	1,160	1,126
More than five years	26,401	26,754
Total undiscounted lease payments	32,201	32,384
Less: Unearned finance income	(11,240)	(11,500)
Net investment in finance lease	20,961	20,884
Current	476	522
Non-current	20,485	20,362
Total	20,961	20,884

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

19. INVESTMENT PROPERTIES

	Building and other costs	Right-of-use assets	Total
	\$'000	\$'000	\$'000
Group			
2023			
<i>Cost</i>			
Beginning of financial year	78,305	28,396	106,701
Additions (Note (a))	1,107	6,560	7,667
Remeasurement	-	86	86
Disposal	(7,223)	-	(7,223)
Disposal of a subsidiary (Note 33(b))	(23,952)	(18,614)	(42,566)
Currency translation differences	(1,917)	(1,446)	(3,363)
End of financial year	46,320	14,982	61,302
<i>Accumulated depreciation</i>			
Beginning of financial year	15,187	4,342	19,529
Depreciation charge	1,650	1,335	2,985
Reclassification	2,393	(2,393)	-
Write-off	557	-	557
Disposal	(7,223)	-	(7,223)
Disposal of a subsidiary (Note 33(b))	(1,173)	(1,800)	(2,973)
Currency translation differences	(95)	(140)	(235)
End of financial year	11,296	1,344	12,640
Net book value			
End of financial year	35,024	13,638	48,662
2022			
<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
Net book value			
End of financial year	63,118	24,054	87,172

(a) Included in additions are interest capitalised of \$59,000 (2022: \$645,000).

A write-off of \$557,000 (2022: \$Nil) in relation to an investment property was included within "administrative expenses" in the statement of comprehensive income during the financial year. The write-off arose because the Group has made redevelopment plans for the investment property and the building is no longer in use.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

19. INVESTMENT PROPERTIES (cont'd)

The following amounts are recognised in profit or loss:

	Group	
	2023 \$'000	2022 \$'000
Rental income	7,996	7,823
Direct operating expenses arising from:		
- Investment properties that generate rental income	3,966	2,338

As at 31 March 2023, 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>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 2023, investment properties amounting to \$Nil (2022: \$33,777,000) were pledged to banks for banking facilities (Note 24).

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 \$60,711,000 (2022: \$111,236,000), 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 2023

20. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Beginning of financial year	5,659	4,671	4,376	3,752
Investment in Boustead Industrial Fund	2,720	3,150	-	-
Investment in DSCO Group Holdings Pte. Ltd.	-	624	-	624
Share of (loss)/profit net of tax (Note 10)	(2,570)	1,089	-	-
Share of other comprehensive income	49	353	-	-
Unrealised construction, project management and acquisition fee margins	-	(151)	-	-
Unrealised gain on disposal due to retained interests	-	(3,343)	-	-
Loss accounted for against loans (Note 14)	413	526	-	-
Reclassification from current liabilities (Note 23)	-	(1,406)	-	-
Reclassification to non-current liabilities (Note 23)	3,169	4,854	-	-
Reclassification to deferred income tax assets (Note 25)	-	(3,016)	-	-
Currency translation differences	433	(342)	-	-
Dividend received	(3,638)	(1,350)	-	-
End of financial year	6,235	5,659	4,376	4,376

Set out below are associates of the Group as at 31 March 2023. 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	Principal activities	Country of business/incorporation	% of ownership interest	
			2023	2022
THAB Development Sdn Bhd ("THAB") ⁽¹⁾	Property development and investment holding	Malaysia	35%	35%
DSCO Group Holdings Pte. Ltd. ("DSCO") ⁽²⁾	Provide consultancy and management services	Singapore	25%	25%
Boustead Industrial Fund ("BIF") ⁽³⁾	Holding of property for rental income	Singapore	25%	25%

⁽¹⁾ Audited by KPMG PLT, Malaysia.

⁽²⁾ Audited by RSM Chio Lim LLP, Singapore.

⁽³⁾ Audited by PricewaterhouseCoopers LLP, Singapore.

During the financial year ended 31 March 2023, the Group subscribed to new Units amounting to \$2,720,000 (2022: \$3,150,000) issued by BIF. As at 31 March 2023, the Group holds Units amounting to \$19,545,000 (2022: \$16,825,000) in BIF.

The carrying amounts of the Group's material associates are as follows:

	Group	
	2023 \$'000	2022 \$'000
THAB and its subsidiary	-	-
BIF	-	-
Immaterial associate - DSCO	6,235	5,659
	6,235	5,659

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

20. INVESTMENTS IN ASSOCIATES (cont'd)

The Group's share of results of its material associates are as follows:

	Group	
	2023 \$'000	2022 \$'000
THAB and its subsidiary	(521)	1,254
BIF	(2,586)	(779)
Immaterial associate - DSCO	537	614
	(2,570)	1,089

Summarised statement of financial position of material associates

	THAB and its subsidiary		Boustead Industrial Fund	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current assets	44,314	47,714	82,224	26,719
Non-current assets	-	1	573,064	597,603
Current liabilities	(48,864)	(50,776)	(88,910)	(14,282)
Non-current liabilities	-	-	(542,267)	(562,674)
Net (liabilities)/assets	(4,550)	(3,061)	24,111	47,366

Summarised statement of comprehensive income of material associates

	THAB and its subsidiary		Boustead Industrial Fund	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Revenue	969	605	49,241	42,053
(Loss)/Profit before income tax	(1,483)	915	(20,451)	(13,018)
(Loss)/Profit after income tax	(1,489)	734	(21,032)	(14,460)
Other comprehensive income	-	-	197	1,412
Total comprehensive (loss)/income	(1,489)	734	(20,835)	(13,048)
Share of (loss)/profit, net of tax (35%, 25%)	(521)	257	(5,258)	(3,615)
Amortisation of previously capitalised unrealised gains and losses	-	997	2,672	2,836
Share of (loss)/profit after income tax	(521)	1,254	(2,586)	(779)
Share of other comprehensive income	-	-	49	353
Share of total comprehensive (loss)/income	(521)	1,254	(2,537)	(426)
Dividends received	-	-	3,325	1,100

The information above reflects the amounts presented in the financial statements of the associates (and not 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 2023

20. 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 ⁽¹⁾		Boustead Industrial Fund ⁽²⁾	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Net (liabilities)/assets				
Beginning of financial year	(3,061)	(3,795)	47,366	52,214
(Loss)/profit for the financial year	(1,489)	734	(21,032)	(14,460)
Other comprehensive income for the financial year	-	-	197	1,412
Issuance of equity units	-	-	10,880	12,600
Dividends paid	-	-	(13,300)	(4,400)
End of financial year	(4,550)	(3,061)	24,111	47,366
Net (liabilities)/assets	(4,550)	(3,061)	24,111	47,366
Group's equity interest		35%		25%
Group's share of net (liabilities)/assets	(1,593)	(1,071)	6,028	11,842
Unrealised construction, project management and acquisition fee margins ⁽³⁾	(502)	(502)	(415)	(415)
Unrealised gain on disposal of properties due to retained interests ⁽³⁾	-	-	(46,172)	(48,817)
Currency translation differences	(449)	(558)	-	-
	(2,544)	(2,131)	(40,559)	(37,390)
Reclassification to non-current liabilities (Note 23)	-	-	40,559	37,390
Reclassification to allowance for impairment loss (Note 14)	2,544	2,131	-	-
Carrying value	-	-	-	-

⁽¹⁾ The Group has continued to equity account for its share of loss in THAB in excess of the Group's equity investment as it had given a loan to THAB. An amount of \$2,544,000 has been applied against the loan within allowance for impairment loss (Note 14) as at 31 March 2023 (2022: \$2,131,000).

⁽²⁾ As at 31 March 2023, the carrying amount of the Group's equity interest in BIF (net of unrealised gain) amounting to \$40,559,000 (2022: \$37,390,000) is presented within non-current trade and other payables (Note 23).

⁽³⁾ 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/development properties by the associates, or on disposal of the Group's interest in the associates.

As at 31 March 2023, the Group's associates do not have any contingent liabilities.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

21. INVESTMENTS IN JOINT VENTURES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Beginning of financial year	54,866	70,123	71,334	69,428
Capital contribution	167,747	1,906	-	1,906
Capital repayment	-	(15,000)	-	-
Liquidation of a joint venture	(34)	-	(34)	-
Share of profit, net of tax (Note 10)	1,745	12,260	-	-
Share of other comprehensive loss	(414)	-	-	-
Unrealised construction and project management margins	(221)	(3,433)	-	-
Reclassification of unrealised gain on disposal of properties	-	2,835	-	-
Unrealised gain on disposal of a subsidiary (Note 33(b))	(13,590)	-	-	-
Dividends received	(10,793)	(13,832)	-	-
Others	25	7	-	-
End of financial year	199,331	54,866	71,300	71,334

Notes to the Financial Statements

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21. 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	
			2023	2022
BP-Vista LLP ^{(1) (4)}	Dormant	Singapore	30%	30%
BP-DOJO LLP ^{(1) (4)}	Holding of property for rental income	Singapore	51%	51%
BP-Ubi Development Pte. Ltd. and its subsidiary ⁽¹⁾	Dormant	Singapore	50%	50%
BP-SF Turbo LLP ^{(1) (4)}	Holding of property for rental income	Singapore	25.5%	25.5%
BP-CA3 LLP ⁽¹⁾	Holding of property for rental income	Singapore	50%	50%
BP-AMC LLP ^{(1) (4)}	Holding of property for rental income	Singapore	51%	51%
BP-BBD2 Pte. Ltd. ^{(1) (4)}	Holding of property for rental income	Singapore	51%	51%
Snakepit-BP LLP ^{(1) (4)}	Holding of property for rental income	Singapore	28%	28%
Snakepit-BP 1 Pte. Ltd. ^{(1) (4)}	Investment holding	Singapore	5%	5%
Echo Base-BP Capital Pte Ltd and its subsidiary ⁽¹⁾	Provide real estate consultancy and management services	Singapore	50%	50%
Boustead & KTG Industrial Management Company Limited ^{(2) (4)}	Provide real estate consultancy and management services	Socialist Republic of Vietnam	25%	25%
Efactory Vietnam Co Ltd ⁽⁵⁾	Provide real estate consultancy and management services	Socialist Republic of Vietnam	-	50%
BP-Braddell LLP ^{(1) (3)}	Dormant	Singapore	50%	50%
BP-TPM LLP ^{(1) (4)}	Holding of property for rental income	Singapore	51%	51%
BP-TN Pte. Ltd. ^{(1) (4)}	Holding of property for rental income	Singapore	51%	51%
Bideford House Pte. Ltd. ⁽¹⁾	Holding of property for rental income	Singapore	50%	-
KTG & Boustead Joint Stock Company and its subsidiaries ^{(2) (4)}	Holding of property for rental income	Socialist Republic of Vietnam	60%	-

(1) Audited by PricewaterhouseCoopers LLP, Singapore.

(2) Audited by PwC (Vietnam) Limited, Socialist Republic of Vietnam.

(3) Became dormant after the transaction with BIF as disclosed in Note 33(c).

(4) 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.

(5) Voluntary liquidation completed in April 2022.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

21. INVESTMENTS IN JOINT VENTURES (cont'd)

The carrying amounts of the Group's material joint ventures are as follows:

	Group	
	2023 \$'000	2022 \$'000
Echo Base-BP Capital Pte Ltd	160	*
BP-DOJO LLP	6,787	10,119
BP-TPM LLP	8,884	12,610
BP-Braddell LLP	*	372
BP-TN Pte. Ltd.	14,933	13,915
BP-BBD2 Pte. Ltd.	9,065	9,979
Bideford House Pte. Ltd.	100,521	-
KTG & Boustead Joint Stock Company and its subsidiaries ("KBJSC")	51,860	-
Immaterial joint ventures	7,121	7,871
	199,331	54,866

The Group's share of results of its material joint ventures, after eliminating unrealised gain on disposal of properties, are as follows:

	Group	
	2023 \$'000	2022 \$'000
Echo Base-BP Capital Pte Ltd	693	*
BP-DOJO LLP	204	372
BP-TPM LLP	742	990
BP-Braddell LLP	*	8,297
BP-TN Pte. Ltd.	680	1,298
BP-BBD2 Pte. Ltd.	147	270
Bideford House Pte. Ltd.	(1,301)	-
KBJSC	78	-
Immaterial joint ventures	502	1,033
	1,745	12,260

* Not material in financial year ended 31 March 2023 and/or 31 March 2022 respectively.

During the financial year ended 31 March 2023, the Group:

- Subscribed to new ordinary shares issued by Bideford House Pte. Ltd. which is settled via settlement of \$60,000,000 of Notes issued by SCA (Note 16) and cash payment of \$41,875,000. The Group had paid a deposit of \$500,000 to SCA in the previous financial year; and
- Acquired from Khai Toan Joint Stock Company ("KTG") 60% ordinary shares in KBJSC. Cash consideration of \$17,891,000 has been paid, and the remaining payable of \$44,496,000 is presented within trade and other payables as at 31 March 2023 (Note 23).

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21. INVESTMENTS IN JOINT VENTURES (cont'd)

Summarised financial information for material joint ventures

Set out below are the summarised financial information for Echo Base-BP Capital Pte Ltd, BP-DOJO LLP, BP-TPM LLP and BP-TN Pte. Ltd..

Summarised statement of financial position

	Echo Base-BP Capital Pte Ltd		BP-DOJO LLP		BP-TPM LLP		BP-TN Pte. Ltd.	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
As at 31 March								
Current assets	1,774	269	18,725	15,683	10,400	11,836	7,638	3,889
Includes:								
- Cash and cash equivalents	878	196	11,808	9,718	5,114	6,406	5,083	1,344
Non-current assets	330	71	156,856	164,180	74,705	79,182	38,174	41,882
Current liabilities	(1,784)	(1,405)	(11,111)	(7,891)	(2,887)	(1,756)	(1,897)	(1,564)
Includes:								
- Financial liabilities (including trade and other payables)	-	-	-	-	(69)	-	(463)	(235)
- Other liabilities (including trade and other payables)	(1,784)	(1,405)	(11,111)	(7,891)	(2,818)	(1,756)	(1,434)	(1,329)
Non-current liabilities	-	-	(131,640)	(131,636)	(62,242)	(62,243)	(7,107)	(8,285)
Includes:								
- Financial liabilities (excluding trade and other payables)	-	-	(131,640)	(131,636)	(62,242)	(62,243)	(6,681)	(6,929)
- Other liabilities (including trade and other payables)	-	-	-	-	-	-	(426)	(1,356)
Net assets/(liabilities)	320	(1,065)	32,830	40,336	19,976	27,019	36,808	35,922

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

21. INVESTMENTS IN JOINT VENTURES (cont'd)

Summarised financial information for material joint ventures (cont'd)

Set out below are the summarised financial information for BP-BBD2 Pte. Ltd., Bideford House Pte. Ltd., KTG & Boustead Joint Stock Company ("KBJSC") and BP-Braddell LLP.

Summarised statement of financial position (cont'd)

	BP-BBD2 Pte. Ltd.		Bideford House Pte. Ltd.	KBJSC	BP-Braddell LLP*
	2023 \$'000	2022 \$'000	2023 \$'000	2023 \$'000	2022 \$'000
As at 31 March					
Current assets	10,214	8,453	27,131	13,766	1,403
Includes:					
- Cash and cash equivalents	1,663	3,048	26,732	9,252	1,280
Non-current assets	65,497	68,352	551,126	162,489	-
Current liabilities	(45,735)	(2,358)	(3,866)	(65,949)	(659)
Includes:					
- Other liabilities (including trade and other payables)	(2,773)	(2,130)	(757)	(18,856)	-
- Financial liabilities (excluding trade and other payables)	(42,962)	(228)	(3,109)	(47,093)	(659)
Non-current liabilities	(9,356)	(51,971)	(373,000)	(45,632)	-
Includes:					
- Financial liabilities (excluding trade and other payables)	(9,356)	(51,971)	(373,000)	(345)	-
- Other liabilities (including trade and other payables)	-	-	-	(45,287)	-
Net assets	20,620	22,476	201,391	64,674	744

* These joint ventures are not material to the Group and hence summarised financial information as at 31 March 2023 are not disclosed.

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21. INVESTMENTS IN JOINT VENTURES (cont'd)

Summarised statement of comprehensive income

	Echo Base-BP Capital Pte Ltd		BP-DOJO LLP		BP-TPM LLP		BP-TN Pte. Ltd.	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Financial year ended 31 March								
Revenue	3,211	64	16,277	12,987	8,874	8,576	6,008	5,995
Interest income	-	-	63	12	-	-	-	1
Other income	-	-	1,184	1,116	2,868	2,081	-	-
Expenses	(1,826)	(760)	(18,030)	(14,354)	(10,416)	(8,885)	(5,122)	(3,930)
Includes:								
- Depreciation and amortisation	-	-	(7,205)	(7,199)	(4,522)	(4,521)	(2,982)	(2,148)
- Interest expense	-	-	(4,704)	(2,081)	(2,163)	(1,065)	(242)	(242)
- Other expenses	(1,825)	(760)	(6,121)	(5,074)	(3,731)	(3,299)	(1,211)	(22)
- Income tax expense	(1)	-	-	-	-	-	(687)	(1,518)
Profit/(Loss) after income tax	1,385	(696)	(506)	(239)	1,326	1,772	886	2,066
Other comprehensive loss	-	-	-	-	(69)	-	-	-
Total comprehensive income/(loss)	1,385	(696)	(506)	(239)	1,257	1,772	886	2,066
Share of profit/(loss), net of tax (50%; 51%; 51%; 51%)	693	(348)	(258)	(122)	676	904	452	1,054
Amortisation of previously capitalised unrealised gains and other adjustments	-	-	462	494	66	86	228	244
Share of profit/(loss) after income tax	693	(348)	204	372	742	990	680	1,298
Share of other comprehensive income	-	-	-	-	(35)	-	-	-
Share of total comprehensive income/(loss)	693	(348)	204	372	707	990	680	1,298
Dividends received	-	-	3,570	3,621	4,233	1,224	-	2,550

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21. INVESTMENTS IN JOINT VENTURES (cont'd)

Summarised statement of comprehensive income (cont'd)

	BP-BBD2 Pte. Ltd.		Bideford House	KBJSC [#]	BP-Braddell
	2023	2022	Pte. Ltd. [^]	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial year ended 31 March					
Revenue	7,359	4,469	-	6,750	4,551
Interest income	3	1	112	121	5
Other income	-	-	-	747	13,166
Expenses	(7,218)	(4,052)	(2,714)	(6,630)	(5,452)
Includes:					
- Depreciation and amortisation	(3,228)	(2,500)	-	(1,385)	(2,397)
- Interest expense	(1,892)	(769)	-	(2,431)	(1,154)
- Other expenses	(1,366)	(347)	(3,069)	(2,095)	(1,901)
- Income tax expense	(732)	(436)	355	(719)	-
Profit/(Loss) after income tax	144	418	(2,602)	988	12,270
Other comprehensive income	-	-	(757)	-	-
Total comprehensive income/(loss)	144	418	(3,359)	988	12,270
Share of profit/(loss), net of tax					
(51%; 50%; 60%; 50%)	73	213	(1,301)	593	6,135
Amortisation of previously capitalised unrealised gains and other adjustments	74	57	-	(515)	2,162
Share of profit/(loss) after income tax	147	270	(1,301)	78	8,297
Share of other comprehensive income	-	-	(379)	-	-
Share of total comprehensive income/(loss)	147	270	(1,680)	78	8,297
Dividends received	1,020	-	-	-	5,636

[^] For the financial period from 13 May 2022 (date of incorporation) to 31 March 2023.[#] For the financial period from 1 September 2022 (date of acquisition) to 31 March 2023.^{*} This joint venture is not material to the Group and hence summarised financial information as at 31 March 2023 are not disclosed.

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

Notes to the Financial Statements

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21. 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:

	Echo Base-BP Capital Pte Ltd		BP-DOJO LLP		BP-TPM LLP		BP-TN Pte. Ltd.	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Net assets								
Beginning of financial year	(1,065)	(369)	40,336	47,675	27,019	27,647	35,922	38,856
Profit/(loss) for the financial year	1,385	(696)	(506)	(239)	1,326	1,772	886	2,066
Other comprehensive income for the financial year	-	-	-	-	(69)	-	-	-
Dividends paid	-	-	(7,000)	(7,100)	(8,300)	(2,400)	-	(5,000)
End of financial year	320	(1,065)	32,830	40,336	19,976	27,019	36,808	35,922
Net assets/(liabilities)	320	(1,065)	32,830	40,336	19,976	27,019	36,808	35,922
Group's equity interest		50%		51%		51%		51%
Group' share of net assets/(liabilities)	160	(533)	16,743	20,571	10,188	13,780	18,772	18,320
Unrealised construction and project management margins*	-	-	(9,956)	(10,452)	(1,304)	(1,170)	(3,839)	(4,405)
Carrying value	160	(533)	6,787	10,119	8,884	12,610	14,933	13,915

* 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.

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21. 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-BBD2 Pte. Ltd.		Bideford House Pte. Ltd. [^]	KBJSC [#]	BP-Braddell LLP [*]
	2023 \$'000	2022 \$'000	2023 \$'000	2023 \$'000	2022 \$'000
Net assets					
Beginning of financial year/period	22,476	18,321	-	62,512	29,746
Profit/(Loss) for the financial year/period	144	418	(2,602)	988	12,270
Share of other comprehensive income	-	-	(757)	-	-
Dividends paid	(2,000)	-	-	-	-
Capital contribution/(repayment)	-	3,737	204,750	1,174	(30,000)
End of financial year/period	20,620	22,476	201,391	64,674	744
Net assets	20,620	22,476	201,391	64,674	744
Group's equity interest		51%	50%	60%	50%
Group's share of net assets	10,516	11,463	100,696	38,804	372
Fair value adjustments at acquisition, net of depreciation	-	-	-	26,646	-
Unrealised construction and project management margins [*]	(1,451)	(1,484)	(175)	-	-
Unrealised gain on disposal of subsidiary due to retained interests [*]	-	-	-	(13,590)	-
Carrying value	9,065	9,979	100,521	51,860	372

^{*} 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.

[^] For the financial period from 13 May 2022 (date of incorporation) to 31 March 2023.

[#] For the financial period from 1 September 2022 (date of acquisition) to 31 March 2023.

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 \$Nil as at 31 March 2023 (2022: \$1,282,000).

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

22. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023 \$'000	2022 \$'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	16,434	21,638
Less: Allowance for impairment losses	(7,208)	(7,208)
Total investments in subsidiaries	26,919	32,123

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% (2022: 0.50%) above KLIBOR per annum. Full 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 (2022: \$7,208,000) on its investment in a wholly-owned subsidiary as at 31 March 2023. 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	
			2023 %	2022 %
Boustead Projects E&C Pte. Ltd. ⁽¹⁾	Provide design, engineering, project management, construction management and property-related services	Singapore	100	100
BP Engineering Solutions Sdn Bhd ⁽²⁾	Provide design, engineering, project management, construction management and property-related services	Malaysia	100	100
Boustead Projects (Vietnam) Co. Ltd ⁽³⁾	Provide design, engineering, project management, construction management and property-related services	Socialist Republic of Vietnam	100	100
PIP Pte. Ltd. ⁽¹⁾	Rental and leasing out of land for rental income	Singapore	100	100
BP-CA Pte. Ltd. ⁽¹⁾	Dormant	Singapore	100	100
BP-SFN Pte. Ltd. ⁽¹⁾	Dormant	Singapore	100	100
BP-Tuas 1 Pte. Ltd. ⁽¹⁾	Dormant	Singapore	100	100
CN Logistics Pte. Ltd. ⁽¹⁾	Dormant	Singapore	100	100
BP-BBD Pte. Ltd. ⁽¹⁾	Dormant	Singapore	100	100
BP-JCS Pte. Ltd. ⁽¹⁾	Dormant	Singapore	100	100
BP-EA Pte. Ltd. ⁽¹⁾	Holding of property for rental income	Singapore	100	100
Wuxi Boustead Industrial Development Co. Ltd ⁽⁷⁾	Development of industrial space for lease/sale	People's Republic of China	100	100

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22. INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of entity	Principal activities	Country of business/ incorporation	Equity holding	
			2023 %	2022 %
Boustead Real Estate Fund ⁽¹⁾	Private business trust	Singapore	100	100
Boustead Trustees Pte. Ltd. ⁽¹⁾	Trustee for real estate trust	Singapore	100	100
Boustead Funds Management Pte. Ltd. ⁽¹⁾	Property fund management	Singapore	100	100
Boustead Property Services Pte. Ltd. ⁽¹⁾	Management of properties	Singapore	100	100
Boustead Industrial Fund Management Pte. Ltd. ⁽¹⁾	Property fund management	Singapore	100	100
BIF Property Services Pte. Ltd. ⁽¹⁾	Management of properties	Singapore	100	100
BP-Real Estate Investment Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100	100
BP-PRC Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100	100
BP Lands Sdn Bhd ⁽²⁾	Investment holding	Malaysia	100	100
BP-Vietnam Development Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100	100
BP-GD1 Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100	100
BP-SH1 Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100	100
BP-TM Pte. Ltd. ⁽⁶⁾	Dormant	Singapore	100	100
BP-IDN Pte. Ltd. ⁽⁶⁾	Dormant	Singapore	100	100
BP-TPM1 Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100	100
Boustead Projects Land (Vietnam) Co. Ltd ⁽³⁾⁽⁹⁾	Holding of property for rental income	Socialist Republic of Vietnam	-	100
PT Boustead Projects Land ⁽⁶⁾⁽⁸⁾	Dormant	Indonesia	-	100
BP-UMS Pte. Ltd. ⁽¹⁾⁽⁵⁾	Dormant	Singapore	100	100
BP Xilin Sdn. Bhd. ⁽⁴⁾	Investment holding	Malaysia	100	100
BP Aerotech (Subang) Sdn Bhd ⁽⁴⁾	Investment holding	Malaysia	100	100
BP Malaysia Airports Subang Aerotech Sdn. Bhd. ⁽²⁾	Investment holding	Malaysia	-	70
BPMA HS Sdn. Bhd. ⁽²⁾	Development of building projects	Malaysia	-	70

⁽¹⁾ Audited by PricewaterhouseCoopers LLP, Singapore.⁽²⁾ Audited by KPMG PLT, Malaysia.⁽³⁾ Audited by PwC (Vietnam) Limited, Socialist Republic of Vietnam.⁽⁴⁾ Audited by CLW & Associates, Malaysia.⁽⁵⁾ In the process of voluntary liquidation/strike-off.⁽⁶⁾ Not required to be audited.⁽⁷⁾ Audited by Wuxi DaZhong Certified Public Accountants China Co., Ltd.⁽⁸⁾ Liquidated/struck-off completed in November 2022.⁽⁹⁾ On 20 December 2022, the Group disposed 100% of equity interest in the investee (Note 33(b)) and it became an investment in joint venture of the Group.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

23. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current				
Trade payables	21,920	20,409	126	110
Other payables to:				
- Non-related parties	3,832	2,871	-	19
- Fellow subsidiary	2	6	-	-
- Subsidiaries	-	-	23,476	19,278
- Joint ventures	157	-	157	-
	3,991	2,877	23,633	19,297
Consideration payable to acquire a joint venture (Note 21)	44,496	-	-	-
Retention sum payables	21,208	21,819	138	395
Accruals for contract costs	45,191	50,594	-	-
Accruals for operating expenses	5,435	6,403	458	602
Advanced billings - Property rental income	364	520	-	-
Deposits	2,101	6,650	30	30
Provision for onerous contracts	3,348	11,691	-	-
Loans from subsidiaries	-	-	75,050	83,680
	148,054	120,963	99,435	104,114
Non-current				
Retention sum payables	13,258	13,958	-	-
Carrying amount of equity interest in BIF (net of unrealised gain) (Note 20)	40,559	37,390	-	-
	53,817	51,348	-	-

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

Loans from subsidiaries are unsecured, bear interest up to 3.77% (2022: 1.03%) per annum and are repayable on demand.

24. BORROWINGS

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Bank borrowings				
- Current	623	610	-	-
- Non-current	1,066	9,956	-	-
Total	1,689	10,566	-	-

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

24. BORROWINGS (cont'd)

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

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
6 months or less	-	8,267	-	-

(a) Security granted

As at 31 March 2022, total borrowings included secured liabilities of \$8,267,000 for the Group. The borrowings were secured over the Group's investment properties (Note 19).

During the financial year ended 31 March 2023, the Group disposed a subsidiary which obtained the above-mentioned borrowings (Note 33). There are no borrowings that are secured as at 31 March 2023.

(b) Fair value of non-current borrowings

As at 31 March 2023, carrying amount of non-current borrowings of \$1,066,000 (2022: \$1,689,000) 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 2.0% (2022: 2.0%). The borrowing rate is based on an equivalent instrument that the management expect to be available to the Group at the balance sheet date.

As at 31 March 2022, non-current borrowings of \$8,267,000 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.

25. DEFERRED INCOME TAXES

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

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Deferred income tax assets	11,960	9,618	-	-
Deferred income tax liabilities	(2,108)	(1,319)	(1,241)	(703)
	9,852	8,299	(1,241)	(703)

Deferred income tax liabilities of \$273,000 (2022: \$210,000) have not been recognised by the Group 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 \$5,457,000 (2022: \$4,192,000) at the balance sheet date.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

25. DEFERRED INCOME TAXES (cont'd)

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

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Deferred income tax liabilities				
<u>Accelerated tax depreciation</u>				
Beginning of financial year	1,925	1,281	703	324
Charged to profit or loss	250	636	276	379
Others	(27)	8	-	-
End of financial year	2,148	1,925	979	703
<u>Others</u>				
Beginning of financial year	436	436	-	-
Charged to profit or loss	710	-	262	-
Disposal of a subsidiary	(134)	-	-	-
Others	(10)	-	-	-
End of financial year	1,002	436	262	-
Total				
End of financial year	3,150	2,361	1,241	703
Deferred income tax assets				
<u>Unrealised construction and project management margins</u>				
Beginning of financial year	3,494	4,337	-	-
Charged to profit or loss	(217)	(844)	-	-
Disposal of a subsidiary	(18)	-	-	-
Others	(3)	1	-	-
End of financial year	3,256	3,494	-	-
<u>Tax losses</u>				
Beginning of financial year	4,096	5,162	-	-
(Charged)/Credited to profit or loss	(982)	2,065	-	-
Reversal of utilisation/(Utilisation) for group relief	476	(3,131)	-	-
End of financial year	3,590	4,096	-	-
<u>Unrealised gain on disposal due to retained interests in a subsidiary and an associate</u>				
Beginning of financial year	3,337	-	-	-
Credited to profit or loss	3,086	321	-	-
Reclassification from investments in associates (Note 20)	-	3,016	-	-
End of financial year	6,423	3,337	-	-
<u>Others</u>				
Beginning and end of financial year	(267)	(267)	-	-
Total				
End of financial year	13,002	10,660	-	-

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

26. SHARE CAPITAL AND TREASURY SHARES

	No. of ordinary shares		Amount	
	Issued share capital	Treasury shares	Share capital	Treasury shares
	'000	'000	\$'000	\$'000
Group and Company				
2023				
Beginning and end of financial year	320,000	(6,739)	15,000	(5,495)
2022				
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)

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.

In the previous financial year, the Company re-issued 151,000 treasury shares in the Company pursuant to the Boustead Projects Restricted Share Plan 2016 at a buyback price of \$0.81 per share.

In the previous financial year, the Company re-issued 2,400,000 treasury shares to Directors of the Company as approved at the Extraordinary General Meeting held on 28 July 2021 at a buyback price of \$0.81 per share.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

27. DIVIDENDS

	Group	
	2023 \$'000	2022 \$'000
Ordinary 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 in respect of the previous financial year of 0.8 cents (2022: 14.5 cents) per share	2,506	45,469
	3,133	48,291

At the forthcoming Annual General Meeting on 28 July 2023, a final ordinary dividend of 0.7 cents per share and special dividend of 0.7 cents per share amounting to a total of \$4,386,000 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 2024.

28. RETAINED PROFITS

- (a) Retained profits of the Group are distributable except for:
- (i) accumulated retained profits of associates and joint ventures amounting to \$6,658,000 (2022: \$6,960,000)
 - (ii) 10% of accumulated retained profits of a subsidiary in the People's Republic of China amounting to \$606,000 (2022: \$466,000).
- (b) Retained profits of the Company are distributable. Movement in retained profits for the Company is as follows:

	Company	
	2023 \$'000	2022 \$'000
Beginning of financial year	381,855	247,805
Net profit	8,008	182,341
Dividends paid (Note 27)	(3,133)	(48,291)
End of financial year	386,730	381,855

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

29. OTHER RESERVES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
(a) Composition:				
Foreign currency translation reserve	(1,932)	918	-	-
Capital reserve	1,201	1,201	1,201	1,201
Merger reserve	(2,854)	(2,854)	-	-
Fair value reserve	7,625	11,142	7,625	11,142
Hedging reserve	(12)	353	-	-
	4,028	10,760	8,826	12,343
(b) Movement:				
(i) Foreign currency translation reserve				
Beginning of financial year	918	656	-	-
Net currency translation differences arising from consolidation	(3,623)	262	-	-
Reclassification on disposal of a subsidiary	773	-	-	-
End of financial year	(1,932)	918	-	-
(ii) Share-based compensation reserve				
Beginning of financial year	-	124	-	124
Employee share-based compensation				
- Value of employee services (Note 6)	-	1,137	-	1,137
- Treasury shares re-issued	-	(1,261)	-	(1,261)
End of financial year	-	-	-	-
(iii) Capital reserve				
Beginning of financial year	1,201	64	1,201	64
Treasury shares re-issued	-	1,137	-	1,137
End of financial year	1,201	1,201	1,201	1,201
(iv) Merger reserve				
Beginning and end of financial year	(2,854)	(2,854)	-	-
(v) Fair value reserve				
Beginning of financial year	11,142	10,902	11,142	10,902
Fair value (loss)/gain	(3,517)	240	(3,517)	240
End of financial year	7,625	11,142	7,625	11,142
(vi) Hedging reserve				
Beginning of financial year	353	-	-	-
Share of joint ventures and an associate's movement in cash flow hedge	(365)	353	-	-
End of financial year	(12)	353	-	-

Other reserves are non-distributable.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

30. CONTINGENCIES AND COMMITMENTS

Contingencies

As at the balance sheet date, the Group and the Company has the following guarantee whereby management 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.

The Company has outstanding performance guarantees of \$112,460,000 (2022: \$99,293,000) issued by banks in favour of non-related parties in respect of the Group's performance on construction contracts.

Commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	Group	
	2023 \$'000	2022 \$'000
Investment properties	115,870	-

31. 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:

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

31. FINANCIAL RISK MANAGEMENT (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

	USD	MYR
	\$'000	\$'000
<u>At 31 March 2023</u>		
Financial assets		
Other receivables and prepayments	40,588	12,052
	40,588	12,052
Financial liabilities		
Trade and other payables	44,496	-
	44,496	-
Currency exposure of financial (liabilities)/assets	(3,908)	12,052
<u>At 31 March 2022</u>		
Financial assets		
Other receivables and prepayments	16,913	12,658
	16,913	12,658
Financial liabilities		
Borrowings	(7,442)	-
	(7,442)	-
Currency exposure of financial assets	9,471	12,658

The following table details the sensitivity to a 10% (2022: 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% (2022: 10%) change in foreign currency rates. If the relevant foreign currency change against the SGD by 10% (2022: 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 2023 Profit after tax	31 March 2022 Profit after tax
	\$'000	\$'000
Group		
USD against SGD		
- Strengthened	(324)	758
- Weakened	324	(758)
MYR against SGD		
- Strengthened	1,000	1,089
- Weakened	(1,000)	(1,089)

Notes to the Financial Statements

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31. 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 16 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 2023, the Group's exposure to cash flow interest rate risks arises mainly from a loan to an associate (2022: bank borrowings and loan to an associate) at variable rates.

If the interest rates had been higher/lower by 2% (2022: 1%) with all other variables including tax rate being held constant, the Group's profit after tax for the financial year ended 31 March 2023 would have been higher/lower by \$200,000 (2022: \$17,000) as a result of higher/lower interest income from loan to an associate (2022: higher/lower interest income from loan to an associate and higher/lower interest expense on borrowings).

As at 31 March 2023, the Company's exposure to cash flow interest rate risks arises mainly from loans to/from subsidiaries (2022: loans to/from subsidiaries) at variable rates.

If the interest rates had been higher/lower by 2% (2022: 1%) with all other variables including tax rate being held constant, the Company's profit after tax for the financial year ended 31 March 2023 would have been higher/lower by \$3,391,000 (2022: \$1,175,000), as a result of higher/lower interest income on loans to subsidiaries and higher/lower interest expense on loans from subsidiaries.

(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 2023, there are three (2022: five) external customers which individually represents more than 5% of the Group's total trade receivables. There is no (2022: no) external customer which individually represents more than 5% of the Company's total trade receivables.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the statement of financial position.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially assessed up to the 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.

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31. 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 2023 and 31 March 2022 are as follows:

	Group 2023			
	Current and not due \$'000	Past due under 3 months \$'000	Past due over 3 months \$'000	Total \$'000
- Singapore				
• Trade receivables	112,462	573	1,099	114,134
• Contract assets	15,954	-	-	15,954
- Socialist Republic of Vietnam				
• Trade receivables	726	-	137	863
• Contract assets	165	-	-	165
- Malaysia				
• Trade receivables	9,202	2	4,428	13,632
• Contract assets	183	-	-	183
- People's Republic of China				
• Trade receivables	283	-	-	283
	138,975	575	5,664	145,214

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

31. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

	Group 2022			Total \$'000
	Current and not due \$'000	Past due under 3 months \$'000	Past due over 3 months \$'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

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 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 22.

An allowance for credit loss, measured on 12-month expected credit loss basis amounting to \$7,208,000 (2022: \$7,208,000) has been made against the loan to a subsidiary of \$16,434,000 (2022: \$21,638,000) (Note 22). 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 \$5,440,000 (2022: \$5,027,000) has been made against the loan to an associate of \$17,104,000 (2022: \$17,685,000) (Note 14).

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

31. 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
Group			
At 31 March 2023			
Trade and other payables	147,690	13,258	-
Borrowings	650	1,084	-
Lease liabilities	1,930	15,138	30,216
At 31 March 2022			
Trade and other payables	120,443	13,958	-
Borrowings	889	10,827	-
Lease liabilities	3,091	10,042	71,856
Company			
At 31 March 2023			
Trade and other payables	24,385	-	-
Loans from subsidiaries	75,050	-	-
At 31 March 2022			
Trade and other payables	20,434	-	-
Loans from subsidiaries	83,680	-	-

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

31. 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 2022, 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 2023 and 31 March 2022.

(e) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed in Note 16 to the financial statements, except for the following:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Financial assets, at amortised cost	474,180	403,553	376,485	370,113
Financial liabilities, at amortised cost	191,849	188,410	99,435	104,130

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

31. 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
Group				
31 March 2023				
<i>Assets</i>				
Financial asset, at FVPL	-	-	-	-
Financial asset, at FVOCI	-	-	28,144	28,144
31 March 2022				
<i>Assets</i>				
Financial asset, at FVPL	-	-	62,277	62,277
Financial asset, at FVOCI	-	-	31,661	31,661
Company				
31 March 2023				
<i>Assets</i>				
Financial asset, at FVOCI	-	-	28,144	28,144
31 March 2022				
<i>Assets</i>				
Financial asset, at FVOCI	-	-	31,661	31,661

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

31. 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	Financial asset, at FVOCI
	\$'000	\$'000
2023		
Beginning of financial year	62,277	31,661
Addition		
Fair value gain recognised in		
- profit or loss within "other gains- nets"	2,004	-
- other comprehensive income within "fair value gain"	-	(3,517)
Disposals	(64,281)	-
End of financial year	-	28,144
2022		
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

Valuation techniques and inputs disclosed in Note 16 to the financial statements.

32. 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 2023

33. 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	
	2023 \$'000	2022 \$'000
Office expense to a fellow subsidiary (includes shared expenses such as IT, utilities and common area usage)	(43)	(59)
Office expense to an associate ¹	(43)	-
Lease payment to a joint venture ¹	(4)	-
Lease payment to an associate ¹	(383)	(806)
Project and development management fees from joint ventures* ¹	-	106
Construction contract revenue from joint ventures* ¹	571	7,053
Assets, property and lease management and performance fees from joint ventures ¹	2,480	3,638
Assets, acquisition and property management fees from an associate* ¹	3,222	3,243
Interest income from:		
- associates ¹	5,583	4,836
- related party (a subsidiary of an associate) ¹	-	142

* Transaction values disclosed are after elimination of the Group's shares in the transaction.

¹ These related party transactions are not interested party transactions in accordance with SGX Listing Rules because the parties do not fall within the definition of interested persons as they are not (i) a controlling shareholder of the Company; or (ii) an associate of any of the Company's directors, chief executive officer or controlling shareholder.

(b) Disposal of a subsidiary to KTG & Boustead Joint Stock Company Group ("KBJSC")

On 20 December 2022, the Group disposed its equity interest in its wholly-owned subsidiary, Boustead Projects Land (Vietnam) Co. Ltd to KTG & Boustead Industrial Logistics Joint Stock Company ("KBIL"), a wholly-owned subsidiary of the Group's 60% joint venture, KTG & Boustead Joint Stock Company ("KBJSC").

Consideration for sale amounting to \$36,684,000 has been presented within "Trade and other receivables" (Note 14) and will be received subject to finalisation of certain conditions.

Gain on disposal of the subsidiary, net of unrealised gain arising from the Group's retained interest in KBJSC and reclassification of foreign currency loss from the currency translation reserve, amounted to \$8,288,000.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

33. RELATED PARTY TRANSACTIONS (cont'd)

(c) 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") for a consideration of \$121,000,000.

Total pre-tax and post-tax 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 amounted to \$8,503,000 and \$6,875,000 respectively.

(d) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2023 \$'000	2022 \$'000
Wages and salaries	2,205	2,296
Employer's contribution to defined contribution plans, including Central Provident Fund	69	87
Share-based compensation expense	-	948
Share-based payment to non-executive directors	-	189
Director's fees to non-executive directors	300	265
	2,574	3,785

34. 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:

- (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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

34. SEGMENT INFORMATION (cont'd)

(a) Segment revenue and results

The segment information for the reportable segments is as follows:

	Engineering & Construction		Real Estate		HQ Activities		Group	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Revenue								
External revenue	269,846	324,509	14,130	14,580	-	-	283,976	339,089
Total revenue	269,846	324,509	14,130	14,580	-	-	283,976	339,089
Results								
Segment results	9,843	(6,530)	9,117	13,283	99	1,255	19,059	8,008
Includes:								
Depreciation expense	(268)	(904)	(1,828)	(1,800)	(36)	(37)	(2,132)	(2,741)
Depreciation of right-of-use assets	(318)	(589)	(1,321)	(1,011)	(38)	(48)	(1,677)	(1,648)
Amortisation of intangible assets	(6)	(6)	-	-	-	-	(6)	(6)
Loss on disposal of property, plant and equipment	-	(2,956)	-	-	-	-	-	(2,956)
Reversal of impairment loss/(Impairment loss) on property, plant and equipment	25	(962)	-	-	-	-	25	(962)
Write off of investment property	-	-	(557)	-	-	-	(557)	-
Subcontractor fees and other construction costs	(241,313)	(309,301)	-	-	-	-	(241,313)	(309,301)
Other gains – net	(162)	13	7,936	485	2,004	3,777	9,778	4,275
Impairment loss on financial asset	-	-	-	(452)	-	-	-	(452)
Employee compensation	(16,087)	(18,104)	(4,477)	(3,741)	(823)	(942)	(21,387)	(22,787)
Employee (including directors) share-based compensation expense	-	(350)	-	(241)	-	(546)	-	(1,137)
Share of profit of associates and joint ventures	537	4,827	(1,362)	8,522	-	-	(825)	13,349
Marketing expenses	(2)	(23)	(197)	(444)	(111)	(2)	(310)	(469)
Legal and professional fees	(156)	(463)	(588)	(647)	(246)	(295)	(990)	(1,405)
Property related expenses	(85)	(60)	(2,050)	(1,733)	(6)	(3)	(2,141)	(1,796)
Other income	518	92	7,000	5,937	2,295	1,174	9,813	7,203
Finance expenses	(88)	(74)	(2,312)	(1,296)	-	-	(2,400)	(1,370)
Profit before income tax	10,273	(6,512)	13,805	17,924	2,394	2,429	26,472	13,841
Income tax expense							(7,995)	(2,510)
Total profit							18,477	11,331

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 2023

34. SEGMENT INFORMATION (cont'd)

(b) Segment assets and liabilities

	Engineering & Construction		Real Estate		HQ Activities		Inter-segment Elimination		Group	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Segment assets										
Segment assets	272,640	184,057	171,794	200,364	353,743	274,612	(351,659)	(235,858)	446,518	423,175
Investment in securities	-	-	-	-	28,144	93,938	-	-	28,144	93,938
Investments in associates	5,883	5,659	352	-	-	-	-	-	6,235	5,659
Investments in joint ventures	-	-	199,331	54,866	-	-	-	-	199,331	54,866
Loan to an associate	-	-	11,664	12,658	-	-	-	-	11,664	12,658
Notes issued by an associate	-	-	85,250	72,750	-	-	-	-	85,250	72,750
Deferred income tax assets	-	-	-	-	-	-	-	-	11,960	9,618
Consolidated total assets									789,102	672,664
Additions to:										
- property, plant and equipment	135	638	-	-	-	-	-	-	135	638
- right-of-use assets	2,190	196	-	-	-	-	-	-	2,190	196
- investment properties	-	-	7,753	6,459	-	-	-	-	7,753	6,459
- investment securities	-	-	-	-	-	58,500	-	-	-	58,500
- investments in associates	-	624	2,720	3,150	-	-	-	-	2,720	3,774
- Notes issued by an associate	-	-	12,500	13,750	-	-	-	-	12,500	13,750
- investments in joint ventures	-	-	167,747	1,906	-	-	-	-	167,747	1,906
Segment liabilities										
Segment liabilities	246,295	161,453	356,608	214,422	75,959	85,124	(351,659)	(235,858)	327,203	225,141
Unrealised gain on disposal due to retained interests	-	-	40,559	37,390	-	-	-	-	40,559	37,390
Income tax payable									18,237	16,442
Deferred income tax liabilities									2,108	1,319
Consolidated total liabilities									388,107	280,292

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 2023

34. 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 (excluding financial assets and deferred income tax assets)	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Singapore	239,004	263,900	202,415	105,300
Malaysia	36,243	64,013	404	64
Socialist Republic of Vietnam	5,299	4,556	52,079	42,491
Other countries	3,430	6,620	2,426	2,744
Group	283,976	339,089	257,324	150,599

(d) Information about major customers

For the financial year ended 31 March 2023, there are three (2022: four) customers from the Group's Engineering & Construction segment that each contributed more than 10% of the Group's revenue. The customers contributed \$50,846,000, \$54,258,000 and \$75,110,000 (2022: \$42,000,000, \$60,573,000, \$64,507,000 and \$65,835,000) respectively in revenue to the Group.

35. 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 2023 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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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

Amendments to SFRS(I) 1-12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual periods beginning on or after 1 January 2023)

The amendments to SFRS(I) 1-12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations, and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate.

SFRS(1) 1-12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

The Group does not expect any significant impact arising from applying these amendments.

36. EVENTS OCCURRING AFTER BALANCE SHEET DATE

On 16 June 2023, the Group was served with a notice of arbitration by the liquidator of Technics Steel Pte. Ltd. (in liquidation) ("Technics"). Technics is claiming for (i) payment of \$830,000 for work done under the sub-contract; and (ii) damages of \$680,000 in the form of prolongation costs incurred by Technics due to alleged breaches of the sub-contract by the Group that prevented Technics from carrying out its works in accordance with the sub-contract. The Group had appointed Technics as a subcontractor to provide structure steelworks and staircase works for one of its projects. The sub-contract was terminated by the Group on the 14 April 2021 due to breaches of the sub-contract by Technics, including but not limited to the winding up of Technics and their failure to complete the works. At this preliminary juncture, the eventual financial impact, if any, arising from the claim cannot yet be determined.

On 23 June 2023, the Company entered into the following transactions:

- (a) Sale of 49% interest in its wholly-owned subsidiary, Boustead Real Estate Fund ("BREF"), to two investors. BREF owns the investment property at 36 Tuas Road, Singapore and plans to redevelop it into a joint logistics and manufacturing facility. The consideration for the 49% interest is \$8,900,000 and was arrived at on a willing-buyer, willing-seller basis. The consideration is settled subject to the finalisation of certain conditions, which include but not limited to, obtaining the consent of JTC Corporation, being the head lessor of the land.
- (b) Commitment to subscribe for its proportionate share of new unit to be issued by BREF amount to a maximum of \$33,150,000.

37. 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 28 June 2023.

Management & Principal Activities

BOUSTEAD PROJECTS GROUP HEADQUARTERS

Boustead Projects Limited

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

Main: +65 6748 3945
Fax: +65 6748 9250
Web: www.bousteadprojects.com

Executive Deputy Chairman: Wong Yu Wei
Managing Director: Thomas Chu

Boustead Projects E&C Pte Ltd

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

Main: +65 6748 3945

Managing Director: Thomas Chu

Boustead Projects E&C provides technical consulting services and turnkey engineering & construction (“E&C”) expertise for smart, eco-sustainable and future-ready business park and industrial developments in Singapore.

Boustead Funds Management Pte Ltd

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

Main: +65 6748 3945

Director: Bryan Lim

Boustead Funds Management provides real estate development management, asset management and fund management services.

Boustead Industrial Fund Management Pte Ltd

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

Main: +65 6748 3945

Director: Samuel Lim

As the manager of Boustead Industrial Fund, Boustead Industrial Fund Management provides real estate development management, asset management and fund management services.

Boustead Property Services Pte Ltd

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

Main: +65 6748 3945

Director: Wong Yu Wei

Boustead Property Services provides leasing and property management services.

Management & Principal Activities

BP Engineering Solutions Sdn Bhd

BP Lands Sdn Bhd

No 127-02, Jalan Mutiara Emas 2A
Taman Mount Austin
81100 Johor Bahru
Johor
Malaysia

Main: +60 7 287 2022

Director: Wong Yu Wei

BP Engineering Solutions provides technical consulting services and E&C expertise for smart, eco-sustainable and future-ready business park and industrial developments in Malaysia.

BP Lands is an investment holding company in Malaysia.

Boustead Projects (Vietnam) Co Ltd

6th Floor, Song Da Tower
14B Ky Dong Street
Ward 9, District 3
Ho Chi Minh City
Vietnam

Main: +84 09 0317 9529

General Director: Liew Kau Keen

Boustead Projects (Vietnam) provides technical consulting services and E&C expertise for smart, eco-sustainable and future-ready business park and industrial developments in Vietnam.

KTG & Boustead Joint Stock Company

6th Floor, Song Da Tower
14B Ky Dong Street
Ward 9, District 3
Ho Chi Minh City
Vietnam

Main: +84 09 0317 9529

Strategic Director: Wong Yu Wei

KTG & Boustead Joint Stock Company provides real estate consulting and management services in Vietnam, and is the parent company for KTG & Boustead Industrial Logistics Joint Stock Company.

Boustead & KTG Industrial Management Company Limited

6th Floor, Song Da Tower
14B Ky Dong Street
Ward 9, District 3
Ho Chi Minh City
Vietnam

Main: +84 09 0317 9529

Legal Representative: Dang Trong Duc

Boustead & KTG Industrial Management provides management consultancy and real estate consultancy and management services in Vietnam.

Wuxi Boustead Industrial Development Co Ltd

55 Xin Mei Road
Wuxi New District, Wuxi
214028 Jiangsu Province
China

Main: +86 510 8522 7491

Legal Representative: Thomas Chu

Wuxi Boustead Industrial Development provides technical consulting services and E&C expertise for smart, eco-sustainable and future-ready business park and industrial developments in Wuxi, China. In addition, Wuxi Boustead Industrial Development is an investment holding company in Wuxi, China.

Statistics of Shareholdings

AS AT 16 JUNE 2023

SHARE CAPITAL

Number of ordinary shares	:	313,260,631*
Number/Percentage of treasury shares	:	6,739,369 (2.15%)
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share. The Company cannot exercise any voting rights in respect of shares held by it as treasury shares.

* Excludes treasury shares

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	127	9.42	4,091	0.00
100 - 1,000	348	25.82	187,870	0.06
1,001 - 10,000	687	50.96	2,631,303	0.84
10,001 - 1,000,000	183	13.58	9,831,140	3.14
1,000,001 and above	3	0.22	300,606,227	95.96
TOTAL	1,348	100.00	313,260,631	100.00

LOCATION OF SHAREHOLDERS

Country	No. of Shareholders	%	No. of Shares	%
SINGAPORE	1,289	95.62	313,052,791	99.93
MALAYSIA	40	2.97	165,087	0.05
OTHERS	19	1.41	42,753	0.01
TOTAL	1,348	100.00	313,260,631	99.99

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	BOUSTEAD SINGAPORE LIMITED	236,526,412	75.50
2	HSBC (SINGAPORE) NOMINEES PTE LTD	54,637,162	17.44
3	DBS NOMINEES (PRIVATE) LIMITED	9,442,653	3.01
4	CHU KOK HONG (CHOO KOK HONG)	500,000	0.16
5	RAFFLES NOMINEES (PTE.) LIMITED	470,508	0.15
6	WONG KAR KING	461,100	0.15
7	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	446,337	0.14
8	CITIBANK NOMINEES SINGAPORE PTE LTD	420,569	0.13
9	PHILLIP SECURITIES PTE LTD	335,065	0.11
10	UOB KAY HIAN PRIVATE LIMITED	311,971	0.10
11	HUANG HUIMING PATRICIA	307,000	0.10
12	ABN AMRO CLEARING BANK N.V.	265,649	0.08
13	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	261,479	0.08
14	CHONG CHEE KEONG	250,800	0.08
15	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	202,594	0.06
16	MAYBANK SECURITIES PTE. LTD.	186,988	0.06
17	LIM KIM HOCK	180,667	0.06
18	IFAST FINANCIAL PTE. LTD.	165,070	0.05
19	ANG JWEE PHOR	162,700	0.05
20	TIGER BROKERS (SINGAPORE) PTE. LTD.	145,100	0.05
	Total	305,679,824	97.56

Explanatory Note:

All percentage (%) of issued ordinary shares set out above are calculated based on total number of issued ordinary shares, excluding treasury shares of the Company.

Statistics of Shareholdings

AS AT 16 JUNE 2023

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	%	Deemed Interest	%
Wong Fong Fui	-	-	296,938,506	94.79
Boustead Singapore Limited	236,526,412	75.50	-	-

Note:

Mr Wong Fong Fui is deemed interested in 52,720,834 shares, representing approximately 16.83% of the total issued share capital of the Company, held through nominees. In addition, Mr Wong, through his interest in not less than 20% of the issued share capital of the following entities, is also deemed interested in:-

- (i) 236,526,412 shares (representing approximately 75.50%) held by Boustead Singapore Limited; and
- (ii) 7,691,260 shares (representing approximately 2.46%) held by Bright Assets Enterprises Limited.

SHAREHOLDINGS IN THE HANDS OF THE PUBLIC

On 6 February 2023, Boustead Singapore Limited (“**Offeror**”) announced its intention to make a voluntary unconditional cash offer (“**Offer**”) for all the issued and paid-up ordinary shares in the capital of the Company (“**Shares**”), other than treasury shares and 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 Singapore Code on Take-overs and Mergers. As at the close of the Offer at 5.30 p.m. (Singapore time) on 27 March 2023, the total number of Shares which are held in public hands was 13,769,611 Shares, representing approximately 4.40% of the issued Shares (excluding treasury shares).

As the Company had ceased to meet the public float requirements under Rule 723 of the Listing Manual of the Mainboard of Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Company requested the SGX-ST to suspend the trading of its Shares with effect from 9.00 a.m. on 28 March 2023.

The Offeror informed the Company that the Offeror was exploring various options, and accordingly, at the request of the Offeror, the Company had, on 4 April 2023, made an application to the Singapore Exchange Regulation Pte. Ltd. (“**SGX Regco**”) for a three-month period commencing on 27 March 2023 (being the date of the close of the Offer) and ending on 26 June 2023, to comply with Rule 724 of the Listing Manual (“**Extension**”). On 10 April 2023, the Company announced that SGX Regco had no objection to the grant of the Extension.

Following the Extension, the Offeror has informed the Company that the Offeror is continuing to explore various options. At the request of the Offeror, the Company made an application to SGX Regco on 23 June 2023 for a further three-month extension commencing from 27 June 2023 (being the date following the last day of the Extension) and ending on 26 September 2023, to comply with Rule 724 of the Listing Manual (“**Further Extension**”). On 26 June 2023, the Company announced that SGX Regco had no objection to the grant of the Further Extension.

Explanatory Note:

All percentage (%) of issued ordinary shares set out above are calculated based on total number of issued ordinary shares, excluding treasury shares of the Company.

Notice of Annual General Meeting

BOUSTEAD PROJECTS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199603900E)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Boustead Projects Limited (the “Company”) will be held at Nicoll 1 (Level 3), Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Singapore 039593 on Friday, 28 July 2023 at 11.00 a.m. to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and Audited Financial Statements for the year ended 31 March 2023 and the Independent Auditors’ Report thereon. **Resolution 1**
2. To approve a final tax-exempt (one-tier) dividend of 0.7 cents per ordinary share for the year ended 31 March 2023. **Resolution 2**
3. To approve a special tax-exempt (one-tier) dividend of 0.7 cents per ordinary share for the year ended 31 March 2023. **Resolution 3**
4. To re-elect the following directors retiring under Article 94 of the Company’s Constitution.
 - (i) Mr Chu Kok Hong @ Choo Kok Hong **Resolution 4**
 - (ii) Mr Wong Yu Wei (Huang Youwei) **Resolution 5**
5. To approve directors’ fees of up to \$300,000 for the financial year ending 31 March 2024, payable quarterly in arrears (2023: \$300,000).
[See Explanatory Note 1] **Resolution 6**
6. To re-appoint Messrs PricewaterhouseCoopers LLP as auditors of the Company to hold office until the next Annual General Meeting and to authorise the directors to fix their remuneration. **Resolution 7**

AS SPECIAL BUSINESS

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

7. **Authority to allot and issue shares pursuant to Section 161 of the Companies Act 1967 of Singapore (“Companies Act”)**
That authority be and is hereby given to the directors of the Company (“Directors”) to:
 - (i) (a) issue shares in the capital of the Company (“shares”) whether by way of rights, bonus or otherwise; and/or
 - (b) make or grant offers, agreements or options (collectively, “instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

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

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

Notice of Annual General Meeting

BOUSTEAD PROJECTS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199603900E)

provided that:

- (i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of instruments made or granted pursuant to this resolution) does not exceed fifty per cent (50%) of the total number of issued shares (excluding any treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company (including shares to be issued in pursuance of instruments made or granted pursuant to this resolution) does not exceed twenty per cent (20%) of the total number of issued shares (excluding any treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below);
- (ii) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the percentage of issued shares shall be based on the total number of issued shares (excluding any treasury shares and subsidiary holdings) in the capital of the Company at the time this resolution is passed, after adjusting for:
 - (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this resolution is passed; and
 - (b) any subsequent bonus issue or consolidation or subdivision of shares;
- (iii) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (iv) (unless revoked or varied by the Company in general meeting) the authority conferred by this resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

[See Explanatory Note 2]

Resolution 8

8. The proposed renewal of the Share Buy-Back Mandate

All capitalised terms used in this resolution which are not defined herein shall have the same meaning ascribed to them in the Addendum to the Notice of Annual General Meeting in relation to the Proposed Renewal of the Share Buy-Back Mandate dated 5 July 2023 ("Addendum to Shareholders").

No printed copies of the Addendum to Shareholders will be despatched to shareholders. Instead, it will be despatched to shareholders electronically and can be accessed on SGXNet and the Company's website at <https://www.bousteadprojects.com>.

That:

- (i) for the purposes of the Companies Act and such other laws and regulations as may for the time being be applicable, approval be and is hereby given for the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the share capital of the Company ("Shares") not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (a) on-market share purchases ("On-Market Share Purchase"), transacted on the SGX-ST; and/or
 - (b) off-market share purchases ("Off-Market Share Purchase") (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,
 and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable ("Share Buy-Back Mandate");
- (ii) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buy-Back Mandate shall, at the discretion of the Directors, either be cancelled or held as treasury shares and dealt with in accordance with the Companies Act;

Notice of Annual General Meeting

BOUSTEAD PROJECTS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199603900E)

- (iii) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Ordinary Resolution and expiring on the earlier of:
- (a) the date on which the next Annual General Meeting of the Company is held or required by law to be held;
 - (b) the date on which the purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated; or
 - (c) the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked;

- (iv) for the purposes of this Ordinary Resolution:

“Prescribed Limit” means ten per cent (10%) of the total issued ordinary shares in the capital of the Company (excluding any treasury shares and subsidiary holdings) as at the date of passing of this Ordinary Resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of Shares of the Company shall be taken to be the total number of issued Shares of the Company as altered after such capital reduction (excluding any treasury shares and subsidiary holdings);

“Relevant Period” means the period commencing from the date on which the last Annual General Meeting of the Company was held and expiring on the date of the next Annual General Meeting of the Company is held or is required by law to be held, or the date on which the purchases of the Shares are carried out to the full extent mandated, whichever is earlier, unless prior to that, it is varied or revoked by resolution of the shareholders of the Company in general meeting;

“Maximum Price” in relation to a Share to be purchased, means an amount (excluding brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses) not exceeding:

- (a) in the case of an On-Market Share Purchase, 105% of the Average Closing Price; and
- (b) in the case of an Off-Market Share Purchase, 120% of the Average Closing Price,

where:

“Average Closing Price” means the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, immediately preceding the date of making the On-Market Share Purchase or, as the case may be, the day of the making of the offer pursuant to the Off-Market Share Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5) Market Day period and the day on which the purchases are made;

“day of the making of the offer” means the day on which the Company announces its intention to make an offer for the purchase of Shares from the shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Share Purchase; and

“Market Day” means a day on which the SGX-ST is open for trading in securities;

- (v) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including, without limitation, executing such documents as may be required) as they and/or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Ordinary Resolution.

[See Explanatory Note 3]

Resolution 9

Notice of Annual General Meeting

BOUSTEAD PROJECTS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199603900E)

9. **Authority to grant awards and issue shares pursuant to the Boustead Projects Restricted Share Plan 2016**

That authority be and is hereby given to the Directors to grant awards in accordance with the provisions of the Boustead Projects Restricted Share Plan 2016 and to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the grant of awards under the Boustead Projects Restricted Share Plan 2016, provided that the aggregate number of new shares to be issued pursuant to the Boustead Projects Restricted Share Plan 2016 shall not exceed fifteen per cent (15%) of the issued ordinary share capital of the Company (excluding any treasury shares and subsidiary holdings) from time to time.

[See Explanatory Note 4]

Resolution 10

10. **Authority to allot and issue shares pursuant to the Boustead Projects Limited Scrip Dividend Scheme**

That authority be and is hereby given to the Directors to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the application of the Boustead Projects Limited Scrip Dividend Scheme.

[See Explanatory Note 5]

Resolution 11

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

NOTICE OF RECORD AND PAYMENT DATE FOR FINAL AND SPECIAL DIVIDENDS

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed from 5.00 p.m. on 4 August 2023 for the purpose of determining shareholders' entitlements to the final and special dividends to be paid on 18 August 2023, subject to and contingent upon shareholders' approval for the proposed dividends being obtained at the forthcoming Annual General Meeting of the Company.

Duly completed transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 up to 5.00 p.m. on 4 August 2023 will be registered before entitlements to the dividends are determined.

By Order of the Board

Tay Chee Wah
Company Secretary
5 July 2023

Notice of Annual General Meeting

BOUSTEAD PROJECTS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199603900E)

Explanatory Notes on Ordinary and Special Business to be transacted

1. The proposed Ordinary Resolution 6 is to allow the Company to pay directors' fees to all non-executive directors in arrears on a quarterly basis.
2. The proposed Ordinary Resolution 8 is to enable the Directors to issue shares in the Company up to fifty percent (50%) of the total number of issued shares excluding any treasury shares and subsidiary holdings in the capital of the Company (in the case of issuance other than on a pro-rata basis to existing shareholders, such aggregate number of shares not to exceed twenty per cent (20%) of the total number of issued shares excluding any treasury shares and subsidiary holdings in the capital of the Company) for such purposes as they consider to be in the interests of the Company.
3. The proposed Ordinary Resolution 9 is to empower the Directors from the date of the Annual General Meeting until the date of the next Annual General Meeting is to be held or is required by law to be held, whichever is the earlier, to make purchases (whether by way of On-Market Share Purchases or Off-Market Share Purchases on an equal access scheme) from time to time of up to ten per cent (10%) of the total number of Shares (excluding treasury shares and subsidiary holdings) at prices up to but not exceeding the Maximum Price. The rationale for, the authority and limitation on, the source of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate are set out in greater detail in the Addendum to Shareholders.
4. The proposed Ordinary Resolution 10 is to allow the Directors to grant awards and issue shares pursuant to the Boustead Projects Restricted Share Plan 2016.
5. The proposed Ordinary Resolution 11 is to allow the Directors to issue shares pursuant to the Boustead Projects Limited Scrip Dividend Scheme.

Notes:

- (1) The Annual General Meeting of the Company ("AGM") will be held in a wholly physical format. There will be no option for members to participate virtually. This Notice of AGM, together with the Addendum to Shareholders, may be accessed at SGX website at <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://www.bousteadprojects.com>. No printed copy of the Addendum to Shareholders will be posted to the members of the Company.
- (2) Members (including investors who holds shares under the Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("SRS", and such investors, "CPF/SRS Investors")) may participate in the AGM by:
 - (a) Attending the AGM in person;
 - (b) Asking questions at the AGM or submitting questions in advance of the AGM; and/or
 - (c) Voting at the AGM (i) personally; or (ii) through duly appointed proxy(ies).
- (3) **Submission of Questions**

Substantial and relevant questions relating to the agenda of AGM may be submitted in advance of the AGM by 5.00 p.m. on 13 July 2023 ("Cut-Off Time") in the following manner:

 - (a) by email to bousteadprojects.agm2023@boustead.sg; or
 - (b) by post to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632.

Notice of Annual General Meeting

BOUSTEAD PROJECTS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199603900E)

When submitting the questions, please provide the Company with the following details, for verification purpose:

- (i) full name (for individuals)/company name (for corporates);
- (ii) NRIC/passport/company registration number;
- (iii) mailing address;
- (iv) contact number; and
- (v) shareholding type (e.g. via CDP, CPF or SRS) and number of shares held.

The Company will endeavour to address the substantial and relevant questions from members prior to the AGM and in any case, not later than forty-eight (48) hours before the closing date and time for the lodgement of Proxy Forms. The responses to questions from members will be posted on the SGXNet and the Company's website. Any questions received after the Cut-Off Time or clarification sought will be address at the AGM. Where substantially similar questions are received, such questions will be consolidated and, accordingly, not all questions will be addressed individually. The minutes of the AGM will be published on the SGXNet and the Company's website within one (1) month after the date of the AGM.

(4) Submission of Proxy Form

A member (other than a Relevant Intermediary*) entitled to attend and vote at the AGM is entitled to appoint not more than two (2) proxies to attend, speak and vote in his stead. A proxy need not be a member of the Company.

Where a member (other than a Relevant Intermediary*) appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.

A member who is a Relevant Intermediary* may appoint more than two (2) proxies but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where more than one (1) proxy is appointed, the number of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

A CPF/SRS Investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator at least seven (7) working days before the date of the AGM to submit his/her voting instructions. CPF/SRS Investors should contact their respective SRS Operators/CPF Agent Banks for any queries they may have with regard to the appointment of proxy for the AGM.

If a proxy is to be appointed, the instrument appointing a proxy must be submitted to the Company in the following manner:

- (a) if submitted by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
- (b) if submitted electronically, be submitted via email to agm.teame@boardroomlimited.com,

in either case, by 11.00 a.m. on 26 July 2023, being forty-eight (48) hours before the time appointed for holding this AGM.

A member who wishes to submit the proxy form must complete and sign the proxy form attached with this booklet or download it from the Company's website or the SGXNet, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.

A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

The instrument appointing a proxy must be signed by the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised. 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 appointing a proxy, or if the instrument appointing a proxy is submitted electronically via email, be emailed with the instrument appointing a proxy, failing which, the instrument may be treated as invalid.

The Company shall be entitled to reject the instrument appointing a proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy (including any related attachment).

Notice of Annual General Meeting

BOUSTEAD PROJECTS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199603900E)

In the case of members of the Company whose shares are entered against his/her/its names in the Depository Register, the Company may reject any proxy form submitted if such members are not shown to have such shares entered against his/her/its names in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), as at seventy-two (72) hours before the time appointed for holding this AGM as certified by The Central Depository (Pte) Limited to the Company.

The proxy must bring along his/her NRIC/passport so as to enable the Company to verify his/her identity.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

(5) **Annual Report and other documents:**

The Annual Report for the financial year ended 31 March 2023 ("Annual Report 2023") which was issued and released on 5 July 2023 can be accessed at SGXNet and at the Company's website at <https://www.bousteadprojects.com>. If members still wish to receive a printed copy, please complete and return the accompanying request form to the printed copy of Notice of AGM to Boardroom Corporate & Advisory Services Pte Ltd by no later than 17 July 2023.

PERSONAL DATA PRIVACY

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

Proxy Form

BOUSTEAD PROJECTS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199603900E)

**Annual General Meeting to be held on
28 July 2023 at 11.00 a.m.**

(Before completing this form, please see notes overleaf)

IMPORTANT:

1. The Annual General Meeting of the Company ("AGM") will be held in a wholly physical format. There will be no option for members to participate virtually. Printed copy of the Notice of AGM dated 5 July 2023 and this Proxy Form will be despatched to the members. In addition, the documents may be accessed at SGX website at <https://www.sgx.com/securities/company-announcements> and Company's website at <https://www.bousteadprojects.com/>.
2. Arrangements relating to attending the AGM, submission of questions, addressing of substantial and relevant questions and appointment of proxy are set out in the Notice of AGM.
3. For CPF/SRS Investors who have used their CPF/SRS monies to buy Boustead Projects Limited shares, this Proxy Form is not valid for use by CPF/SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS Investors who wish to vote should approach his/her CPF Agent Bank or SRS Operator at least seven (7) working days before the date of the AGM to submit his/her voting instructions.

I/We _____ (Name) _____ (NRIC/Passport/Co. Reg. No.)

of _____

being a member/members of the above-named Company, hereby appoint Mr/Mrs/Ms

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

or failing him/her/them, the Chairman of the AGM as my/our proxy/proxies to vote for me/us on my/our behalf at the AGM to be held on Friday, 28 July 2023 at 11.00 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Resolutions proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her discretion.

	Ordinary Resolutions:	For	Against	Abstain
Resolution 1	To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 31 March 2023 and the Independent Auditors' Report thereon.			
Resolution 2	To approve a final tax-exempt (one-tier) dividend of 0.7 cents per ordinary share for the year ended 31 March 2023.			
Resolution 3	To approve a special tax-exempt (one-tier) dividend of 0.7 cents per ordinary share for the year ended 31 March 2023.			
Resolution 4	To re-elect Mr Chu Kok Hong @ Choo Kok Hong as a director of the Company.			
Resolution 5	To re-elect Mr Wong Yu Wei (Huang Youwei) as a director of the Company.			
Resolution 6	To approve directors' fees of up to \$300,000 for the financial year ending 31 March 2024, payable quarterly in arrears.			
Resolution 7	To re-appoint Messrs PricewaterhouseCoopers LLP as auditors of the Company and to authorise the directors to fix their remuneration.			
Resolution 8	To authorise the directors to allot and issue shares pursuant to Section 161 of the Companies Act 1967 of Singapore.			
Resolution 9	To approve the proposed renewal of the Share Buy-Back Mandate.			
Resolution 10	To authorise the directors to grant awards and issue shares pursuant to the Boustead Projects Restricted Share Plan 2016.			
Resolution 11	To authorise the directors to allot and issue shares pursuant to the Boustead Projects Limited Scrip Dividend Scheme.			

(You may tick (✓) within the relevant box to vote for or against, or abstain from voting, in respect of all your Shares for each resolution. Alternatively, you may indicate the number of Shares that you wish to vote for or against, and/or abstain from voting, for each resolution in the relevant box. If you indicate "✓" in the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution.)

Signed this _____ day of _____ 2023

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

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



Proxy Form

BOUSTEAD PROJECTS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199603900E)

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you only have shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. A member (other than a Relevant Intermediary*) entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint not more than two (2) proxies to attend, speak and vote in his stead. A proxy need not be a member of the Company.
3. Where a member (other than a Relevant Intermediary*) appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. A member who is a Relevant Intermediary* may appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified). Where such member appoints more than two (2) proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies.
5. The instrument appointing a proxy must be submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - (b) if submitted electronically, be submitted via email to agm.teame@boardroomlimited.com,

in either case, by 11.00 a.m. on 26 July 2023, being forty-eight (48) hours before the time appointed for holding this AGM.

A member who wishes to submit the proxy form must complete and sign the proxy form attached with this booklet or download it from the Company's website or the SGXNet, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.

A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

The proxy must bring along his/her NRIC/passport so as to enable the Company to verify his/her identity.

6. The instrument appointing a proxy or proxies must be signed by the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.
 7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), be lodged with the instrument appointing a proxy, or if the instrument appointing a proxy is submitted electronically via email, be emailed with the instrument appointing a proxy, failing which the instrument may be treated as invalid.
 8. A corporation that is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act 1967.
 9. A CPF/SRS Investor who wishes to vote should approach their respective CPF/SRS Operators to submit their votes at least seven (7) working days before the AGM. CPF/SRS Investors should contact their respective CPF Agent Banks/ SRS Operators for any queries they may have with regard to the appointment of proxy for the AGM.
- * "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

GENERAL:

The Company shall be entitled to reject the instrument appointing a proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy (including any related attachment). In addition, in the case of members whose shares are entered against his/her/its name in the Depository Register, the Company may reject any proxy form submitted if such members are not shown to have such shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 5 July 2023.

BOUSTEAD PROJECTS LIMITED

Company Registration Number: 199603900E

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