



Boustead Singapore Limited
(Co. Reg. No. 197501036K)

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BOUSTEAD FINANCIAL RESULTS ANNOUNCEMENT FOR 2Q FY2018 ENDED 30 SEPTEMBER 2017

	2Q FY2018	2Q FY2017	Change	1H FY2018	1H FY2017	Change
Revenue	S\$104.9m	S\$113.5m	-8%	S\$195.2m	S\$227.2m	-14%
Gross profit	S\$40.8m	S\$36.1m	+13%	S\$73.7m	S\$72.1m	+2%
Profit before income tax ("PBT")	¹S\$16.7m	² S\$15.0m	+11%	¹S\$25.1m	² S\$28.8m	-13%
Total profit	S\$12.4m	S\$11.9m	+4%	S\$18.4m	S\$22.4m	-18%
Profit attributable to equity holders of the Company ("net profit")	S\$7.1m	S\$7.6m	-7%	S\$10.0m	S\$14.6m	-31%
Net profit (adjusted for comparative review)*	S\$8.6m	S\$6.6m	+29%	S\$13.1m	S\$12.7m	+3%
- Earnings per share	1.4cts	1.5cts	-7%	1.9cts	2.8cts	-32%
- Net asset value per share				62.4cts	58.3cts	+7%

Notes:

¹ Includes other losses of S\$1.5m and S\$3.2m in 2Q FY2018 and 1H FY2018 respectively.

² Includes other gains of S\$1.0m and S\$1.8m in 2Q FY2017 and 1H FY2017 respectively.

* Net profit adjusted for other gains/losses net of non-controlling interests for comparative review.

Note to Editors: The Group's revenue is largely derived from project-oriented businesses and as such, quarterly results would not accurately reflect the full-year's performance. Full-year to full-year comparisons are more appropriate for analytical purposes.

2Q/1H FY2018 Highlights:

- For 2Q FY2018, the Group registered revenue of S\$104.9 million, total profit of S\$12.4 million and net profit of S\$7.1 million. Revenue was 8% lower, while total profit was 4% higher and net profit was 7% lower year-on-year respectively.
- For 1H FY2018, the Group registered revenue of S\$195.2 million, total profit of S\$18.4 million and net profit of S\$10.0 million. Revenue, total profit and net profit were 14%, 18% and 31% lower year-on-year respectively.
- The swing from other gains in 2Q/1H FY2017 to other losses in 2Q/1H FY2018 was mainly due to currency exchange effects, which significantly lowered total profit and net profit. After adjusting for other gains/losses net of non-controlling interests, net profit for 2Q FY2018 and 1H FY2018 would be 29% and 3% higher year-on-year respectively.
- The Board declared an interim cash dividend per share of 1 cent, double that declared and paid for 1H FY2017.
- The Group's current order book backlog stands at S\$276 million.

Singapore, 14 November 2017 – Mainboard-listed Boustead Singapore Limited (“Boustead” or the “Group”), a progressive global infrastructure-related engineering services and geo-spatial technology group today announced its unaudited financial results for the second quarter and first half ended 30 September 2017 (“2Q FY2018” and “1H FY2018” respectively).

For 2Q FY2018, the Group registered revenue of S\$104.9 million, total profit of S\$12.4 million and net profit of S\$7.1 million. Revenue was 8% lower, while total profit was 4% higher and net profit was 7% lower year-on-year respectively.

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Greater contributions by the Group’s separately listed Real Estate Solutions Division (i.e. Boustead Projects Limited) to total profit in both 2Q FY2018 and 1H FY2018, resulted in the greater dilutive effect of non-controlling interests on net profit.

As the Group delivered steady core profitability and maintained a healthy cash position, the Board of Directors declared an interim cash dividend per share of 1 cent, double that declared and paid for 1H FY2017.

Mr Wong Fong Fui, Chairman and Group Chief Executive Officer of Boustead said, “Our reasonable second quarter net profit performance balanced the weaker first quarter to enable us to deliver steady normalised net profit in 1H FY2018. Had it not been for currency exchange losses due to our larger exposure of USD, our Energy-Related Engineering Division would also have been profitable in 2Q FY2018.”

Mr Wong added, “Even as strong headwinds persist across two of our three divisions, we continue to boost business development efforts and apply our already prudent cost management measures. Recently, we were awarded several sizeable contracts at the Energy-Related Engineering Division which helped us to replenish our division’s order book backlog.”

The prolonged global oil & gas recession continued to weigh on revenue at the Energy-Related Engineering Division, which was 11% lower year-on-year at S\$22.7 million. Final investment decisions on major oil & gas capital expenditures continued to be deferred.

Faced with a challenging industrial real estate sector in Singapore, the Real Estate Solutions Division (under Boustead Projects) registered revenue that was 19% lower year-on-year at S\$50.1 million, with lower revenue contributions from both the design-and-build and leasing businesses.

Stronger demand for products and services at the Geo-Spatial Technology Division lifted revenue 23% higher year-on-year to S\$31.7 million.

The Group’s gross profit for 2Q FY2018 improved 13% year-on-year to S\$40.8 million, with the overall gross margin raised to 39% compared to 32% in 2Q FY2017, largely due to the better gross margin achieved by Boustead Projects. Nonetheless, gross margin pressure remains present.

PBT for 2Q FY2018 rose 11% year-on-year to S\$16.7 million, mainly driven by higher gross profit and share of profit of an associated company and joint ventures, partially offset by other losses and higher overhead expenses.

The Group's net asset value per share strengthened to 62.4 cents at the end of 1H FY2018 from 61.7 cents at the end of FY2017, while the net cash position (i.e. net of all bank borrowings) was S\$200.8 million at the end of 1H FY2018, translating to a net cash per share position of 38.4 cents. In addition, the Group held S\$71.3 million in available-for-sale financial assets and financial assets held for trading at the end of 1H FY2018, of which almost three quarters of the amount is highly liquid.

The Group's current order book backlog stands at about S\$276 million (unrecognised project revenue remaining at the end of 2Q FY2018 plus the total value of new orders secured since then), of which S\$101 million is under the Energy-Related Engineering Division (compared to S\$72 million in the last quarter) and S\$175 million is under the Real Estate Solutions Division.

Given the Group's healthy net cash position of S\$200.8 million and available-for-sale financial assets and financial assets held for trading of S\$71.3 million, and wide range of financing options, the Group continues to uphold an excellent position to capitalise on any good acquisition and investment opportunities that may arise.

The Group believes it will continue to be profitable in FY2018.

-- End of media release --

About Boustead Singapore Limited

Established in 1828, Boustead Singapore Limited (SGX:F9D) is a progressive global Infrastructure-Related Engineering Services and Geo-Spatial Technology Group listed on the SGX. Focusing on the engineering and development of key infrastructure to support economic growth in global markets, our strong suite of engineering services comprises Energy-Related Engineering and Real Estate Solutions.

Under our Geo-Spatial Technology arm, we provide professional services and exclusively distribute Esri geo-spatial technology – the world’s leading geographic information system – to major markets across Australia and parts of South East Asia. Our intelligent mapping platform and digital infrastructure are essential to create smart nations, smart cities and smart communities by solving the world’s largest problems through effective and sustainable planning, deployment and management of key infrastructure and resources.

With a vast global network stretching across Asia, Australia, Europe, Africa and the Americas, Boustead is ready to serve the world. To date, we have undertaken infrastructure-related projects in 85 countries and territories globally.

In 2008 and 2009, we were recognised in the prestigious Forbes Asia 200 Best Under A Billion as one of the Asia Pacific’s 200 best public-listed corporations under US\$1 billion in revenue. In 2015, we were also the winner of the Singapore Golden Jubilee Business Award, in recognition of the best 50 Singapore corporations who have achieved and contributed to Singapore’s progress and success over the past 50 years since independence. In 2017, we were ranked by FinanceAsia as Singapore’s Best Small-Cap in the annual Asia’s Best Companies Poll. We are also listed on the MSCI World Small Cap Index for Singapore and the FTSE ST Small Cap Index.

Visit us at www.boustead.sg.

Financial Results Archive

To access the archive of financial results for the last five financial years, please go to: http://www.boustead.sg/investor_centre/quarterly_results.asp.

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