



Boustead Singapore Limited
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BOUSTEAD FINANCIAL RESULTS ANNOUNCEMENT FOR FY2018 ENDED 31 MARCH 2018

	4Q FY2018	4Q FY2017	Change	FY2018	FY2017	Change
Revenue	S\$116.7m	S\$91.0m	+28%	S\$414.1m	S\$433.8m	-5%
Gross profit	S\$39.1m	S\$33.6m	+16%	S\$151.8m	S\$143.6m	+6%
Profit before income tax ("PBT")	¹ S\$13.4m	² S\$21.2m	-37%	¹ S\$54.0m	² S\$67.7m	-20%
Total profit	S\$10.5m	S\$17.0m	-38%	S\$41.1m	S\$53.5m	-23%
Profit attributable to equity holders of Company ("net profit")	S\$7.5m	S\$9.2m	-18%	S\$25.4m	S\$33.3m	-24%
Net profit (adjusted for comparative review)*	S\$7.2m	S\$5.9m	+23%	S\$29.5m	S\$25.0m	+18%
- Earnings per share	1.5cts	1.8cts	-17%	4.9cts	6.4cts	-23%
- Net asset value per share				62.7cts	61.7cts	+2%

Notes:

¹ Includes other gains of S\$0.2m in 4Q FY2018 and other losses of S\$4.3m in FY2018.

² Includes other gains of S\$12.0m and S\$17.0m in 4Q FY2017 and 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 performance. Full-year to full-year comparisons are more appropriate for analytical purposes.

FY2018 Highlights:

- Revenue was 5% lower year-on-year at S\$414.1 million. Total profit and net profit were 23% and 24% lower year-on-year at S\$41.1 million and S\$25.4 million respectively, due to other losses in FY2018 in contrast to sizeable other gains in FY2017.
- In FY2017, sizeable other gains were recorded mainly due to a tenant's early lease termination compensation, a gain on disposal of an available-for-sale financial asset and related financial effects that benefitted the Group's separately listed Real Estate Solutions Division (under Boustead Projects Limited).
- For a comparative review of net profit after adjusting for other gains/losses net of non-controlling interests ("core net profit"), core net profit for FY2018 would have been approximately S\$4.4 million or 18% higher year-on-year than FY2017.
- The Group's current order book backlog stands at S\$307 million.
- The Board has proposed a final ordinary dividend of 2 cents per share. Together with the interim ordinary dividend paid of 1 cent per share, the total ordinary dividend for FY2018 would be 3 cents per share.

Singapore, 23 May 2018 – 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 fourth quarter and full-year ended 31 March 2018 (“4Q FY2018” and “FY2018” respectively).

For FY2018, the Group registered revenue that was 5% lower year-on-year at S\$414.1 million. Total profit and net profit were 23% and 24% lower year-on-year at S\$41.1 million and S\$25.4 million respectively, due to other losses in FY2018 in contrast to sizeable other gains in FY2017.

In FY2017, sizeable other gains were recorded mainly due to a tenant’s early lease termination compensation, a gain on disposal of an available-for-sale financial asset and related financial effects that benefitted the Group’s separately listed Real Estate Solutions Division (under Boustead Projects Limited).

For a comparative review of net profit after adjusting for other gains/losses net of non-controlling interests (“core net profit”), core net profit for FY2018 would have been approximately S\$4.4 million or 18% higher year-on-year than FY2017.

In view of the Group’s better core net profit performance for FY2018 and Boustead Projects’ proposal of a final ordinary dividend of 1.5 cents per share, the Board has proposed a final ordinary dividend of 2 cents per share payable in cash for shareholders’ approval. Together with the interim ordinary dividend of 1 cent per share, the total ordinary dividend for FY2018 would be 3 cents per share, a 50% increase over that paid out for FY2017.

Mr Wong Fong Fui, Chairman and Group Chief Executive Officer of Boustead said, “We achieved healthy core profit growth in FY2018 despite lower revenue, gross margin pressure and the persistence of headwinds across two of our three divisions. On a like-for-like comparative review, core net profit would have come in approximately S\$4.4 million or 18% higher year-on-year. Our Real Estate Solutions Division and Geo-Spatial Technology Division continued to deliver good profit performances, while our Energy-Related Engineering Division would have been profitable had it not been for currency exchange losses and an allowance for impairment of inventories at one of our oil & gas business units.”

Mr Wong added, “Although uncertainty remains in the macro economic environment as a result of global political events, we are cautiously optimistic about our business prospects, given our healthier order book backlog and a general improvement in the outlook across the sectors that we operate in. We will continue to boost business development efforts and prudently manage costs. We also expect that our healthy balance sheet and strong net cash position will position us to capitalise on any good M&A and investment opportunities that may arise, both in traditional sectors as well as on potentially new fronts.”

Mr Wong ended off, “Shareholders should also be pleased with the proposed final ordinary dividend of 2 cents, which together with the interim ordinary dividend of 1 cent already paid, brings our total ordinary dividend for FY2018 to 3 cents, a 50% increase over what we paid out last year.”

The global oil & gas recession continued for a third consecutive year, weighing down on the Energy-Related Engineering Division’s revenue, which was a marginal 2% lower year-on-year at S\$94.9 million. The decline in the oil & gas business units’ revenue due to delays in major oil & gas expenditures by clients was mostly offset by the water & wastewater engineering business unit’s significant jump in revenue.

The Real Estate Solutions Division (under Boustead Projects) topped revenue contributors for the eleventh consecutive year, registering revenue that was 12% lower year-on-year at S\$201.3 million, on lower revenue contributions from both the design-and-build and leasing businesses amid the challenges of the industrial real estate sector.

Marking a new division record, the Geo-Spatial Technology Division lifted revenue 8% higher year-on-year to S\$116.6 million. This was achieved on steady demand across exclusive markets in Australia and South East Asia.

PBT for FY2018 fell 20% year-on-year to S\$54.0 million, mainly due to the shift from other gains to other losses over the two comparative periods as explained earlier, and partially offset by higher gross profit.

The PBT performance of the Energy-Related Engineering Division was affected by currency exchange losses, along with an allowance for impairment of inventories at an oil & gas business unit as a result of inventory obsolescence. Excluding these effects, the Energy-Related Engineering Division would have been profitable, along with the Real Estate Solutions Division and Geo-Spatial Technology Division.

The Group's net asset value per share strengthened to 62.7 cents at the end of FY2018 from 61.7 cents at the end of FY2017, while the net cash position (i.e. net of all bank borrowings) strengthened to S\$194.9 million at the end of FY2018, translating to a net cash per share position of 39.5 cents. In addition, the Group held S\$59.9 million in available-for-sale financial assets and financial assets held for trading at the end of FY2018, of which about two-thirds of the amount is highly liquid.

The Group captured S\$313 million in contracts in FY2018 as compared to S\$180 million in FY2017. The Group's current order book backlog stands at about S\$307 million (unrecognised project revenue remaining at the end of FY2018 plus the total value of new orders secured since then), of which S\$89 million is under the Energy-Related Engineering Division and S\$218 million is under the Real Estate Solutions Division.

The Group is cautiously optimistic about business prospects. Global events in recent months indicate a slight improvement in the outlook for the Energy-Related Engineering Division. Meanwhile, stable business prospects are expected for the Real Estate Solutions Division and Geo-Spatial Technology Division.

The Group expects to continue to improve its performance in FY2019.

-- 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 Mainboard. 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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