

## **Boustead Projects' Q4 earnings jump 165% on one-off gains**

*by Michelle Quah*

**Revenue falls 35% to S\$38 million; inaugural final dividend of 2.5 cents per share proposed**

Singapore

REAL-ESTATE player Boustead Projects reported a 165 per cent jump in fourth-quarter earnings, thanks mainly to one-off gains for the period.

The group's net profit attributable to shareholders climbed to S\$14.3 million in the three months ended March 31, 2017, from S\$5.4 million the year before.

This was despite a 35 per cent year-on-year drop in revenue to S\$38.5 million in the fourth quarter, due to lower revenue contributions from both its design-and-build and leasing businesses.

For the full year, the group's revenue totalled S\$228.3 million – 11 per cent down from S\$255.5 million the year before, due also to lower contributions from its design-and-build and leasing businesses.

Boustead Projects' bottomline managed to grow despite the dip in revenue due mainly to other gains. The group said it gained primarily from a non-recurring compensation from an early termination of the lease of a property to AusGroup and a gain from the sale of the group's interest in TripleOne Somerset. These were partially offset by an impairment loss on an investment property.

For the full year, its net profit was S\$36.1 million, up 58 per cent from the year before,

due to the aforementioned one-off gains, as well as better operating results from its design-and-build business.

Without the one-off other gains and losses, adjusted total profit would have been S\$24.8 million or 8 per cent higher year on year, it said.

Boustead Projects' earnings per share for the fourth quarter were 4.5 cents, from 1.7 cents the year before. For the full year, they were 11.3 cents for FY2017, up from 7.1 cents in FY2016.

Thomas Chu, managing director of Boustead Projects, said: "In the coming year, we plan to remain focused on building additional strategic platforms, capturing opportunities in high-value industries, driving cost and productivity improvements, and diversifying our business outside of Singapore. These are platforms essential for further medium to long-term growth both in Singapore and overseas."

The group's board proposed an inaugural final dividend of 2.5 cents per share, comprising an ordinary dividend of 1.5 cents per share and a special dividend of one cent per share.

"However, given the capital-intensive nature of our property development platforms, we will seek to prudently manage our cash resources to maintain an optimal balance between paying sustainable dividends and investing in growth opportunities across our various geographic markets," Mr Chu added.

Boustead Projects shares closed one cent down at 87 cents on Monday.