



**Boustead Singapore Limited**  
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## **BOUSTEAD FINANCIAL RESULTS ANNOUNCEMENT FOR HALF-YEAR FY2004**

**Singapore, 12 November 2003** - Mainboard listed Boustead Singapore Limited, a leading engineering services and information technology group, today announced a strong set of results for the six months ended 30 September 2003.

The Group was able to sustain strong turnover and profit growth in 1H FY2004 despite challenging market conditions. Group turnover grew 56% to S\$116 million and net profit jumped 65% to S\$6.3 million in 1H FY2004, fuelled by strong expansion of core businesses. Net profit margin rose from 5.1% in the previous corresponding period to 5.4% in 1H FY2004.

Turnover growth was broad based across all core engineering and IT businesses. Engineering services, the largest contributor to group turnover, grew 77% to S\$85.8 million in 1H FY2004. All engineering divisions recorded higher turnover: (1) water & environmental engineering; (2) power generation; (3) agro-industrial engineering; (4) heat transfer engineering; (5) process controls & instrumentation; and (6) project management & turnkey design of technical facilities. Higher demand generated by the buoyant oil, gas and petrochemical industries as well as strong contribution from recently acquired Salcon Limited boosted turnover from engineering businesses. Strong demand for the Group's IT services from the public sector in Australia and Asia resulted in the 26% increase in IT turnover to S\$25.6m in 1H FY2004.

Mr Wong Fong Fui, the Chairman & Group CEO said, "We are very pleased with our ability to achieve strong top and bottom line growth, as well as margin expansion, under challenging market conditions. This clearly demonstrates our strong business fundamentals and growth strategy. The acquisition of Salcon Limited in October 2002 has significantly enhanced our engineering capabilities and Salcon will add to group performance with a full-year contribution in FY2004. Heat transfer engineering and process controls & instrumentation will continue to benefit from an expanding customer base and higher demand on renewed activities in the oil, gas and petrochemical industries. In IT, we are well positioned to capitalise on our expertise through increased product offerings to existing customers."

Mr Wong added, "Market conditions are expected to remain challenging for the rest of FY2004. To sustain prospects over the long-term, we will continue to strengthen and broaden our revenue base through global expansion of core engineering & IT businesses by organic growth, acquisitions or joint ventures. We will also generate additional business from existing customers by cross-selling our services within our extensive global customer network."

While the Group is cautiously optimistic of its business prospects in 2H FY2004, the cyclical nature of its IT business (weaker second-half) and a higher comparative base in 2H FY2003 due to Salcon's maiden contribution will moderate group performance in 2H

FY2004. Notwithstanding this and barring unforeseen circumstances, the Group expects turnover and net profit for the full-year of FY2004 to exceed those achieved in FY2003.

	<b>1H FY2004</b>	<b>1H FY2003</b>	<b>% Change</b>
<i>Turnover</i>	\$116.0m	\$74.4m	+56
<i>Gross Profit</i>	\$43.4m	\$27.9m	+55
<i>Operating Profit</i>	\$16.8m	\$7.1m	+136
<i>Pre-Tax Profit</i>	\$15.4m	\$7.7m	+100
<i>Net Profit</i>	\$6.3m	\$3.8m	+65
<i>- Net Margin</i>	5.4%	5.1%	
<i>- Earnings Per Share</i>	2.70 cents	1.96 cents	+38
<i>- Net Asset Value Per Share</i>	32.00 cents	26.00 cents	+23

#### **About Boustead Singapore Limited**

Boustead Singapore Limited is a leading engineering services and information technology group with operations in many parts of the world. The engineering services group, comprising predominantly Boustead International Heaters, Boustead Projects, Salcon and Controls & Electrics, brings global engineering expertise to international customers around the world. The Group's IT is focused on delivering spatial technologies to customers in South East Asia and Australia.