



**BOUSTEAD SINGAPORE LIMITED
AND ITS SUBSIDIARIES**

**SGXNET ANNOUNCEMENT
UNAUDITED RESULTS FOR THE FULL-YEAR
FY2005 ENDED 31 MARCH 2005**



BOUSTEAD SINGAPORE LIMITED

Full Year Financial Statement And Dividend Announcement for the Financial Year Ended 31 March 2005

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note	GROUP			COMPANY		
		31.3.05 \$'000	31.3.04 \$'000	Inc/(Dcr) %	31.3.05 \$'000	31.3.04 \$'000	Inc/(Dcr) %
Revenue	1	227,224	227,006	0.1	10,931	7,223	51.3
Cost of sales		(147,341)	(143,346)	2.8	-	-	-
Gross profit		79,883	83,660	(4.5)	10,931	7,223	51.3
Other operating income	2	23,127	3,791	510.1	1,438	790	82.0
Selling and distribution expenses		(19,962)	(17,302)	15.4	-	-	-
Administrative expenses		(27,499)	(29,404)	(6.5)	(703)	(794)	(11.5)
Other operating expenses		(11,478)	(10,878)	5.5	-	-	-
Profit from operating activities	3	44,071	29,867	47.6	11,666	7,219	61.6
Finance costs		(1,629)	(1,758)	(7.3)	(765)	(344)	122.4
Exceptional items	4	572	489	17.0	2,003	(1,473)	NM
		43,014	28,598	50.4	12,904	5,402	138.9
Share of profit/(loss) from associates		1,761	(304)	NM	-	-	-
Profit before income tax		44,775	28,294	58.2	12,904	5,402	138.9
Income tax	5	(12,650)	(8,642)	46.4	(534)	(2,082)	(74.4)
Profit after income tax		32,125	19,652	63.5	12,370	3,320	272.6
Minority interests		(11,507)	(6,336)	81.6	-	-	-
Profit attributable to members of the company		20,618	13,316	54.8	12,370	3,320	272.6

NM - Not meaningful

Note 1: The Company's revenue relates to dividend income from subsidiaries.

	GROUP		COMPANY	
	31.3.05 \$'000	31.3.04 \$'000	31.3.05 \$'000	31.3.04 \$'000
<u>Note 2: Other operating income</u>				
Gain on disposal of leasehold properties	20,891	-	-	-
Interest income	1,235	968	1,438	790
Rental income	655	815	-	-
Fuel efficiency bonus	346	150	-	-
Foreign currency exchange gain	-	1,858	-	-
	23,127	3,791	1,438	790
<u>Note 3 : Profit from operating activities</u>				
Included are the following (charges)/credits:				
Depreciation of property, plant and equipment	(5,272)	(5,090)	-	-
Amortisation of:				
Goodwill	(168)	(5)	-	-
Other intangible assets	(167)	(112)	-	-
Bad debts written off - trade	(588)	(7)	-	-
Allowance for inventories	(33)	(89)	-	-
Inventories written off	(300)	(9)	-	-
Foreign currency exchange loss	(595)	-	(29)	(238)
Loss on disposal of property, plant and equipment	(336)	(9)	-	-
Impairment loss on other investments	118	-	84	-
Write-off of other intangible assets	178	-	-	-
Write-back/ (allowance for) doubtful trade debts	287	(512)	-	-
<u>Note 4: Exceptional items</u>				
Gain on partial disposal of other investments	547	-	547	-
Loss on disposal of interests in an associate	(515)	-	-	-
Release of negative goodwill arising from acquisition of a subsidiary	540	855	-	-
Gain/(loss) on disposal of subsidiaries	-	65	-	(892)
Write-back of/(allowance for):				
Amount due from a related party	-	1,170	-	1,170
Loans to subsidiaries	-	-	(544)	(1,251)
Loans to associates	-	230	-	-
Write-back of/(allowance for) impairment loss in value of investments in:				
Subsidiaries	-	-	2,000	1,000
Associate	-	-	-	(1,500)
Other investments	-	(1,575)	-	-
Allowance for impairment loss on a property of a subsidiary	-	(256)	-	-
	572	489	2,003	(1,473)

Note 5: Income tax

GROUP		COMPANY		
31.3.05	31.3.04	31.3.05	31.3.04	
\$'000	\$'000	\$'000	\$'000	
Over/ (under) provision in prior years	192	(23)	(73)	-

The provision for income tax is made after taking into account non-deductible expenses and temporary differences and based on the statutory tax rates of the respective countries. For the current period, the Group's income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 20% mainly due to certain expenses which are not deductible for tax purposes and overseas subsidiaries' profits which are subject to higher tax rates.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Balance Sheets

	Note	Group		Company	
		31.3.05 \$'000	31.3.04 \$'000	31.3.05 \$'000	31.3.04 \$'000
<u>ASSETS</u>					
Current assets:					
Cash and bank balances		52,927	44,626	1,571	2,474
Trade receivables		75,910	67,994	-	-
Other receivables and prepayments		35,001	15,340	13,069	7,022
Loans to subsidiaries		-	-	33,601	11,923
Inventories		8,381	5,912	-	-
Costs of uncompleted contracts in excess of billings		6,692	13,262	-	-
Properties held for sale		4,021	2,109	-	-
Total current assets		182,932	149,243	48,241	21,419
Non-current assets:					
Investments in associates		33,716	32,091	25,143	23,025
Investments in subsidiaries		-	-	32,486	25,905
Other investments		731	865	30	114
Development properties		-	967	-	-
Property, plant and equipment		55,576	53,110	-	-
Goodwill		976	1,123	-	-
Negative goodwill		(2,332)	(2,872)	-	-
Other intangible assets		600	806	-	-
Long term receivable from a subsidiary		-	-	10,454	10,454
Long term receivables		3,938	1,676	-	-
Deferred tax assets		2,806	2,017	-	-
Total non-current assets		96,011	89,783	68,113	59,498
Total assets		278,943	239,026	116,354	80,917
<u>LIABILITIES AND EQUITY</u>					
Current liabilities:					
Bank loans and overdrafts	1(b)(ii)	20,670	17,538	11,570	9,930
Provisions		2,555	6,351	-	-
Trade payables and accruals		70,652	75,782	296	263
Billings on uncompleted contracts in excess of costs		7,377	9,041	-	-
Other payables		36,141	15,563	125	3,328
Loans from subsidiaries		-	-	32,933	11,084
Income tax payable		10,532	5,756	41	41
Total current liabilities		147,927	130,031	44,965	24,646
Non-current liabilities:					
Long term bank loans	1(b)(ii)	11,118	13,115	-	-
Deferred tax liabilities		226	266	-	-
Total non-current liabilities		11,344	13,381	-	-
Minority interests		23,483	22,521	-	-
Capital and reserves:					
Issued capital	1(d)(i)	62,346	53,180	62,346	53,180
Reserves	1(d)(i)	29,707	16,933	4,907	111
Dividend reserve	1(d)(i)	4,136	2,980	4,136	2,980
Total equity		96,189	73,093	71,389	56,271
Total liabilities and equity		278,943	239,026	116,354	80,917

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

	As at 31.03.05 \$'000		As at 31.3.04 \$'000	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	2,524	18,146	4,203	13,335

	As at 31.03.05 \$'000		As at 31.3.04 \$'000	
	Secured	Unsecured	Secured	Unsecured
Amount repayable after one year	11,118	-	13,115	-

An amount of \$4,248,000 (31.3.04: \$4,574,000) is secured by way of a legal mortgage on a leasehold property of a subsidiary at 63 Ubi Ave 1, 6th and 7th floor (excluding unit #07-06) of Boustead House, Singapore.

An amount of \$3,160,000 (31.3.04: \$3,620,000) is secured by way of a legal mortgage on a leasehold property of a subsidiary at 60 Alps Avenue, Singapore.

An amount of \$3,725,000 (31.3.04: \$4,250,000) is secured by way of a legal mortgage on a leasehold property of a joint venture company at 70 Alps Avenue, Singapore.

An amount of \$Nil (31.3.04: \$868,000) was secured by way of a legal mortgage on a leasehold property of a subsidiary at 61 Alps Avenue, Singapore. The loan was fully repaid during the financial year.

An amount of \$Nil (31.3.04: \$109,000) is secured by way of a legal mortgage on a freehold property of a subsidiary at Dell Road, Shaw Clough, Rochdale OL 126BZ Lancashire, United Kingdom. The loan was fully repaid during the financial year.

An amount of \$868,000 (31.3.04: \$755,000) is secured by way of a legal mortgage on a freehold land and building of a subsidiary at Kompleks Kawasan, Sarana Terpadu, Jalan Raya Cikarang Desa, Pasir Gombang Kec. Lemah Abang, Bekasi 17750, Indonesia.

An amount of \$1,641,000 (31.3.04: \$1,687,000) is secured against long term cash deposits and mortgage on the property, plant and equipment of a joint venture.

An amount of \$Nil (31.3.04: \$1,455,000) is secured by way of a legal mortgage on a leasehold property of a subsidiary at No.8 Wuxi Boustead Industrial Park, Xin Mei Road, Plot 114, Wuxi New District, Wuxi, Jiangsu, China.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	31.3.05 \$'000	31.3.04 \$'000
Cash flows from operating activities:		
Profit before income tax and share of profit/(loss) from associates	43,014	28,598
Adjustments for:		
Depreciation of property, plant and equipment	5,272	5,090
Loss on disposal of interests in associate	515	-
Other intangible assets written off	178	-
Amortisation of goodwill	168	5
Amortisation of other intangible assets	167	112
Loss on disposal of property, plant and equipment	336	9
Gain on disposal of leasehold properties	(20,891)	-
Gain on partial disposal of other investments	(547)	-
Release of negative goodwill arising from acquisition of a subsidiary	(540)	(855)
Interest expense	1,629	1,758
Interest income	(1,235)	(968)
Write-back of allowance for loans to associates	-	(230)
Write-back of allowance for loan to a related party	-	(1,170)
Gain on disposal of subsidiaries	-	(65)
Goodwill written off	-	17
Allowance for Impairment loss on other investments	118	1,575
Allowance for Impairment loss on a property of a subsidiary	-	256
Operating income before changes in working capital	28,184	34,132
Increase in receivables	(31,357)	(18,567)
Decrease in inventories and contract work-in-progress	2,437	9,800
Increase in payables	10,313	16,860
Decrease/(Increase) in properties held for sale	(945)	(2,154)
Cash generated from operations	8,632	40,071
Interest income received	1,235	968
Interest paid	(1,629)	(1,758)
Income tax paid	(8,604)	(7,854)
Net cash (used in) / from operating activities	(366)	31,427
Cash flows from investing activities		
Proceeds from the disposal of property, plant and equipment	33,352	143
Purchase of property, plant and equipment	(20,628)	(18,047)
Increase in other intangible assets	(117)	(423)
(Payment to)/ Proceeds from minority interests for (acquisition)/ sale of interests in subsidiaries	(3,287)	243
Net cash outflow on disposal of subsidiaries	-	(379)
Effect of deconsolidation of a subsidiary and accounting for it on a proportionate consolidation basis due to a restructuring exercise of a subsidiary group	-	(8,020)
Payment for acquisition of interests in associates	-	(1,967)
Net cash from/(used in) investing activities	9,320	(28,450)

		Group	
		31.3.05	31.3.04
		\$'000	\$'000
Cash flows from financing activities:			
Net proceeds from issue of shares of the company		7,708	3,824
Proceeds from disposal of associates		1,594	-
Increase in short term bank loans		3,290	4,016
Proceeds from long term bank loans		-	5,582
Repayment of long term bank loans		(1,997)	(768)
Payment of dividends to minority interests		(6,097)	(2,502)
Increase in fixed deposits pledged (Note c)		(59)	(514)
Dividends paid		(4,960)	(2,297)
Net cash (used in) / from financing activities		(521)	7,341
Net effect of exchange rate changes in consolidating subsidiaries		(33)	(3,755)
Net increase in cash and cash equivalents		8,400	6,563
Cash and cash equivalents at beginning of year	Note (c)	40,507	33,944
Cash and cash equivalents at end of year	Note (c)	48,907	40,507

Notes to the consolidated cash flow statement:

(a) Disposal of subsidiaries

		Group	
		31.3.05	31.3.04
		\$'000	\$'000
Cash and bank balances, net of overdrafts		-	379
Trade receivables		-	503
Other receivables and prepayments		-	477
Inventories		-	183
Contract work-in-progress		-	-
Other investments		-	-
Property, plant and equipment		-	841
Trade payables and accruals		-	(975)
Other payables		-	(2,129)
Income tax payable		-	(54)
Deferred tax liabilities		-	(196)
Minority interests		-	-
		-	(971)
Goodwill written off		-	906
Gain on disposal of subsidiaries		-	65
Net cash and bank balances of subsidiaries		-	(379)
Net cash outflow on disposal of subsidiaries		-	(379)

(b) Effect of restructuring

During the financial year ended 31 March 2004, the group's subsidiary, Salcon Limited (now known as Salcon Pte. Ltd.), transferred all its direct interests in certain joint ventures to its wholly-owned subsidiary. The cash flow effects of the restructuring were as follows:

	Group	
	31.3.05 \$'000	31.3.04 \$'000
Cash and bank balances	-	8,020
Investment in associates	-	3,795
Other Intangible assets	-	47
Long term receivable	-	769
Trade receivables	-	3,363
Other receivables and prepayments	-	2,009
Inventories	-	1,297
Contract work-in-progress	-	281
Property, plant and equipment	-	7,297
Income tax payable	-	77
Deferred tax assets	-	825
Trade payables and accruals	-	(2,623)
	-	25,157
Minority Interests	-	(25,157)
	-	-
Net cash and bank balances	-	(8,020)
Net cash outflow from restructuring	-	(8,020)

(c) Cash and cash equivalents

	Group	
	31.3.05 \$'000	31.3.04 \$'000
Cash and bank balances	14,829	10,597
Fixed deposits	38,098	34,029
Bank overdrafts	(936)	(1,094)
	51,991	43,532
Pledged fixed deposits	(3,084)	(3,025)
Cash and cash equivalents at end of year	48,907	40,507

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	(-----Other reserves-----)							
	Issued capital \$'000	Dividend Reserve \$'000	Share premium \$'000	Foreign currency translation reserve \$'000	Accumulated profits/ (losses) \$'000	Shares to be Issued * \$'000	Sub-Total \$'000	Total \$'000
GROUP								
Balance at 1 April 2003	46,330	2,245	4,102	575	(565)	6,899	11,011	59,586
Exchange differences arising during the year	-	-	-	(2,424)	-	-	(2,424)	(2,424)
Share of reserves of an associate	-	-	1,088	-	-	-	1,088	1,088
Net profit for the year	-	-	-	-	13,316	-	13,316	13,316
Dividends paid	-	(2,245)	-	-	(52)	-	(52)	(2,297)
Dividends proposed	-	2,980	-	-	(2,980)	-	(2,980)	-
Issue of shares	6,850	-	1,573	-	-	(4,599)	(3,026)	3,824
Balance at 31 March 2004	53,180	2,980	6,763	(1,849)	9,719	2,300	16,933	73,093
Exchange differences arising during the year	-	-	-	(270)	-	-	(270)	(270)
Net profit for the year	-	-	-	-	20,618	-	20,618	20,618
Dividends paid	-	(4,963)	-	-	3	-	3	(4,960)
Dividends declared	-	1,983	-	-	(1,983)	-	(1,983)	-
Dividends proposed	-	4,136	-	-	(4,136)	-	(4,136)	-
Issue of shares	9,166	-	842	-	-	(2,300)	(1,458)	7,708
Balance at 31 March 2005	62,346	4,136	7,605	(2,119)	24,221	-	29,707	96,189

	(-----Reserves-----)						
	Issued capital \$'000	Dividend Reserve \$'000	Share premium \$'000	Accumulated profits/ (losses) \$'000	Shares to be issued * \$'000	Sub-Total \$'000	Total \$'000
COMPANY							
Balance at 1 April 2003	46,330	2,245	4,089	(8,139)	6,899	2,849	51,424
Net profit for the year	-	-	-	3,320	-	3,320	3,320
Dividends paid	-	(2,245)	-	(52)	-	(52)	(2,297)
Dividends proposed	-	2,980	-	(2,980)	-	(2,980)	-
Issue of shares	6,850	-	1,573	-	(4,599)	(3,026)	3,824
Balance at 31 March 2004	53,180	2,980	5,662	(7,851)	2,300	111	56,271
Net profit for the year	-	-	-	12,370	-	12,370	12,370
Dividends paid	-	(4,963)	-	3	-	3	(4,960)
Dividends declared	-	1,983	-	(1,983)	-	(1,983)	-
Dividends proposed	-	4,136	-	(4,136)	-	(4,136)	-
Issue of shares	9,166	-	842	-	(2,300)	(1,458)	7,708
Balance at 31 March 2005	62,346	4,136	6,504	(1,597)	-	4,907	71,389

* Refer to para 1 (d)(ii)

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

During the year, the issued and paid up capital of the Company was increased from \$53,180,458 divided into 212,721,832 ordinary shares of S\$0.25 each to \$62,346,339, divided into 249,385,354 ordinary shares of S\$0.25 each. This is a result of the allotment of shares upon exercise of employees' share options and warrants and the issue of the final tranche of 6,551,466 ordinary shares of S\$0.25 each in the Company as consideration for the acquisition of 24.13% of the issued share capital of Salcon Pte. Ltd. (formerly known as Salcon Limited) as announced by the Company on 18 October 2002.

During the year, 28,432,088 warrants were exercised and 360,900 warrants were lapsed.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures are unaudited.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The same accounting policies and methods of computation as in the most recently audited annual financial statements have been applied.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

- 6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Earnings per ordinary share for the period after deducting any provision for preference dividends:-

- (i) Based on weighted average number of ordinary shares in issue (¢)
(ii) On a fully diluted basis (¢)
(detailing any adjustments made to the earnings)

	Group	
	31.3.05	31.3.04
(i) Based on weighted average number of ordinary shares in issue (¢)	8.6	6.3
(ii) On a fully diluted basis (¢) (detailing any adjustments made to the earnings)	8.5	5.8

The basic earnings per share ("EPS") is computed based on weighted average number of ordinary shares in issue of 239,541,922 shares (31.3.04: 210,968,011 shares). The weighted average number of ordinary shares used in computing the fully diluted EPS is adjusted for the number of outstanding share options. The adjusted weighted average number of ordinary shares used in computing the fully diluted EPS is 243,464,355 shares (31.3.04: 231,334,610 shares).

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the current financial period reported on and immediately preceding financial year.**

	Group		Company	
	31.3.05	31.3.04	31.3.05	31.3.04
Net asset value per ordinary share based on issued share capital as at the end of the year reported on (¢)	39	33	29	26

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Revenue

Segmental Revenue	FY2005	FY2004	Change
	\$m	\$m	%
Engineering	167.5	176.2	-4.9%
Geo-Spatial Technology (formerly Information Technology)	55.6	44.4	+25.3%
Investment activities	4.1	6.4	-35.8%
Total	227.2	227.0	+0.1%

While market conditions remained competitive in FY2005, the Group benefited from its competitive edge established in prior years in its core activities of engineering services and geo-spatial technology.

Within Engineering, the Salcon Group experienced a marginal drop in its revenue as a result of the ongoing restructuring which was substantially completed in FY2005. As a result, revenue from Engineering slipped 4.9% to \$167.5 million during the financial year. Demand for Geo-Spatial Technology remained strong and revenue grew by 25.3% to \$55.6 million in FY2005.

Engineering

The Group's core engineering services provide industrial real estate solutions and operate in the energy (including oil & gas, petrochemicals, power generation and solid waste energy recovery) and water and wastewater treatment sectors.

Divisional Revenue (*)	FY2005	FY2004	Change %
	Total \$m	Total \$m	
Industrial Real Estate Solutions	50.6	50.3	+0.6%
Oil & Gas / Petrochemicals	42.0	50.2	-16.4%
Power Generation	15.9	18.9	-15.9%
Solid Waste Energy Recovery	12.1	11.9	+1.7%
Water & Wastewater treatment	45.9	43.7	+5.1%
Others	1.0	1.2	-16.7%
Total	167.5	176.2	-4.9%

* New classification of activities has been used in the current financial year and has also been applied retrospectively to FY2004.

Industrial real estate solutions generated a steady stream of industrial and warehouse projects in FY2005. Two industrial properties which were on long term leases were sold by subsidiaries of Boustead Projects during the year.

Water and wastewater treatment recorded higher activities due to the growth in order book. This improvement helped to cushion the decline of \$20.8 million in revenue from Salcon's UK operations which is in the process of being wound down.

Due to the strategic focus on larger projects that require longer duration for negotiation, revenue from petrochemicals, oil & gas engineering declined during this transition period. With the oil, gas and petrochemical industries remaining buoyant, larger projects will provide Boustead International Heaters with better operating efficiencies.

The power and solid waste energy recovery businesses registered a marginal decline during the year due to a temporary shutdown of one of its five power generating plants in the Philippines.

Geo-Spatial Technology

The Group's Geo-Spatial business provides geographic information systems based on the world's leading ESRI and LEICA/ERDAS mapping technologies to the public sector and private enterprises across the Asia Pacific. During FY2005, demand for the Group's IT solutions continued to grow in Australia and Asia as governments and organizations continue to harness the benefits of geo-spatial technology in land and infrastructure planning.

Profitability

Gross profit for the Group declined 4.5% to \$79.9 million in FY2005 due to slightly lower margin as a result of a change in the revenue mix.

During the year, Boustead Projects completed the sale of two leasehold industrial properties which resulted in a gain of \$20.9 million and this help boost "other operating income" by 510%.

"Selling & distribution expenses" increased over the same period last year in tandem with higher revenue from Geo-Spatial Technology. The sale of non-core businesses and a reduction in professional fees lowered "administrative expenses". With higher operating income and effective cost control, operating profit increased by 47.6% to \$44.1 million.

Resounding success in the maiden enrolment at Tianjin University of Commerce Boustead College which is owned by associate EasyCall International Limited contributed \$1.6 million to the “share of profits from associates”.

Profit before tax grew by 58.2% to \$44.8 million while profit after tax grew by 63.5% to \$32.1 million in FY2005. Higher minority interests were recorded due to the profitability of Boustead Projects during the year.

The Directors have proposed a final dividend of 1.0 cent per ordinary share less tax and a special dividend of 1.0 cent per ordinary share less tax.

Cash Flow & Balance Sheet

Cash flow was boosted by proceeds from the sale of industrial properties. Due to the higher level of profits, a net increase in cash of \$8.4 million was achieved in FY2005.

The positive cash flow resulted in an increase in cash and bank balances as at 31 March 2005. Other receivables, prepayments and payables rose in relation to the BOT project in Indonesia. With higher taxes, income tax provisions rose to \$10.5 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

None

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Prospects

The Group’s business prospects for FY2006 remain bright as demand from the oil, gas, petrochemical and water industries continue to remain robust.

Boustead Projects’ specialisation in providing customers with one-stop turnkey solutions integrating the design and building of customised industrial facilities has enabled it to offer such facilities on long-term leases to multinational corporations. With strong market demand for high yielding industrial properties, the Group has been able to realise the value of its property investments. This trend is likely to continue into the current financial year.

Salcon, a leading specialist in water & wastewater engineering will continue to benefit from the growing need for quality drinking water and the treatment of wastewater in the Middle East, Africa, China, South East Asia and South America. The global scale of operations will contribute to a strong order book for Salcon in FY2006.

Boustead International Heaters (BIH) is a leading global specialist in the design, supply and installation of direct-fired process heaters, waste heat recovery units and related equipment to the oil, gas and petrochemical industries. With buoyant demand from these industries, BIH’s focus on larger projects will add to the success of this division in FY2006.

With the benefit of restructuring and buoyant business conditions in FY2006 and an order book in excess of \$200 million, continued improvement in the performance of core businesses is expected. Barring unforeseen circumstances, the Group expects net profit in the current financial year to be higher than FY2005.

The Company has a Section 44 Tax Credit balance of about \$6.0 million (after taking into consideration amounts utilised by the proposed final and special dividend for FY2005) which will expire by 31 December 2007. In the interest of the shareholders, the Company has been exploring various options to best utilize this balance and a decision will be made in the new financial year.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes.

Name of Dividend	<u>Interim declared</u>	<u>Final proposed</u>	<u>Special proposed</u>
Dividend Type	Cash	Cash	Cash
Dividend Rate	1.0 cent	1.0 cent	1.0 cent
Par value of shares	\$0.25	\$0.25	\$0.25
Tax Rate	20%	20%	20%

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes.

Name of Dividend	<u>Final proposed</u>
Dividend Type	Cash
Dividend Rate	1.5 cents
Par value of shares	\$0.25
Tax Rate	20%

(c) Date payable

22 August 2005

(d) Books closure date

Notice is hereby given that the Transfer Books and Register of Members of the Company will be closed on 8 August 2005 for the purpose of determining shareholders' entitlements to the final dividend to be paid on 22 August 2005.

Duly completed transfers received by the Company's Register, Lim Associates (Pte) Ltd at 10, Collyer Quay #19-08 Ocean Building, Singapore up to 5.00 p.m. on 5 August 2005 will be registered before entitlements to the dividend are determined.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Segment information is presented in respect of the group's business and geographical segments. The primary segment is analysed based on its business activities which comprises of its two core businesses, engineering and geo-spatial technology, and its investment activities. The secondary segment is analysed based on the geographical location of its assets.

BY BUSINESS SEGMENTS

2005					
	Engineering	Geo-Spatial technology (formerly Information Technology)	Investment activities	Adjustment/ elimination	Consolidated
Primary segments	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
External sales	167,536	55,605	4,083	-	227,224
Inter-segment sales	4,661	-	324	(4,985)	-
Total revenue	172,197	55,605	4,407	(4,985)	227,224
Segment result	33,031	11,081	1,720	-	45,832
Exceptional items					572
Finance costs					(1,629)
Profit before income tax					44,775
Income tax					(12,650)
Minority interests					(11,507)
Net profit					20,618

2004					
	Engineering	Geo-Spatial technology (formerly Information Technology)	Investment activities	Adjustment/ elimination	Consolidated
Primary segments	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
External sales	176,241	44,410	6,355	-	227,006
Inter-segment sales	3,915	-	361	(4,276)	-
Total revenue	180,156	44,410	6,716	(4,276)	227,006
Segment result	19,171	10,147	245	-	29,563
Exceptional items					489
Finance costs					(1,758)
Profit before income tax					28,294
Income tax					(8,642)
Minority interests					(6,336)
Net profit					13,316

BY GEOGRAPHICAL SEGMENT

Segment revenue	Singapore/ Malaysia \$'000	Australia \$'000	United Kingdom \$'000	Philippines \$'000	Indonesia \$'000	India/ China \$'000	Consolidated \$'000
External sales							
31.3.05	115,603	40,694	34,587	15,909	12,221	8,210	227,224
31.3.04	95,101	30,722	63,498	19,125	11,943	6,617	227,006

14. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

As detailed in Note 8

15. **A breakdown of sales.**

	GROUP			Company		
	31.3.05 \$'000	31.3.04 \$'000	Increase/ (Decrease) %	31.3.05 \$'000	31.3.04 \$'000	Increase/ (Decrease) %
Sales reported for first half year	107,860	116,044	(7.1)	5,421	3,911	38.6
Operating profit after tax before minority interest reported for first half year	10,151	10,058	0.9	4,546	1,888	140.8
Sales reported for second half year	119,364	110,962	7.6	5,510	3,312	66.4
Operating profit after tax before minority interest reported for second half year	21,974	9,594	129.0	7,824	1,432	446.4

16. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

	Latest Full Year \$'000	Previous Full Year \$'000
Ordinary	6,119	2,980
Preference	-	-
Total:	6,119	2,980

17. Interested person transactions

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual) \$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than \$100,000) \$'000
	Nil	Nil

BY ORDER OF THE BOARD

Alvin Kok
Company Secretary
25 May 2005