



**BOUSTEAD SINGAPORE LIMITED
AND ITS SUBSIDIARIES**

**SGXNET ANNOUNCEMENT
UNAUDITED RESULTS FOR HALF-YEAR
FY2006 ENDED 30 SEPTEMBER 2005**



BOUSTEAD SINGAPORE LIMITED
(Company Registration No. 197501036K)

Unaudited Half-Year Financial Statement And Dividend Announcement for the Financial Period Ended 30 September 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		Inc/(Dcr) %
		30.9.05 \$'000	30.9.04 \$'000	
Revenue		157,624	107,860	46.1
Cost of sales		(92,723)	(65,963)	40.6
Gross profit		64,901	41,897	54.9
Other operating income	1	2,630	897	193.2
Selling and distribution expenses		(12,746)	(8,725)	46.1
Administrative expenses		(13,360)	(13,884)	(3.8)
Other operating expenses		(5,151)	(5,869)	(12.2)
Finance costs		(828)	(663)	24.9
Share of profit from associates		914	302	202.6
Profit before income tax	2	36,360	13,955	160.6
Income tax	3	(10,021)	(3,804)	163.4
Profit after income tax		26,339	10,151	159.5
Attributable to:				
Equity holders of the Company		15,941	7,382	
Minority interests		10,398	2,769	
		26,339	10,151	

	GROUP	
	30.9.05	30.9.04
	\$'000	\$'000
<u>Note 1: Other operating income</u>		
Interest income	1,025	511
Rental income	1,022	386
Foreign currency exchange adjustment gain	583	-
	2,630	897
<u>Note 2 : Included in profit before income tax are the following (charges)/credits:</u>		
Depreciation of property, plant and equipment	(2,367)	(2,623)
Amortisation of:		
Goodwill	-	(2)
Other intangible assets	(38)	(36)
Foreign currency exchange adjustment loss	-	(188)
Gain on disposal of property, plant and equipment	143	-
Allowance for doubtful trade debts	(1,969)	(161)
Release of negative goodwill arising from acquisition of a subsidiary	-	270
<u>Note 3: Income tax</u>		
Under provision in prior years	134	118

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	
		30.9.05 \$'000	31.3.05 \$'000	30.9.05 \$'000	31.3.05 \$'000
Non-current assets:					
Property, plant and equipment		54,825	55,576	-	-
Investments in associates		34,925	33,716	25,225	25,143
Investments in subsidiaries		-	-	42,492	32,486
Other investments		3,719	731	18	30
Goodwill		1,035	976	-	-
Negative goodwill		-	(2,332)	-	-
Other intangible assets		566	600	-	-
Long term receivables		3,708	3,938	10,454	10,454
Deferred tax assets		2,777	2,806	-	-
Total non-current assets		101,555	96,011	78,189	68,113
Current assets:					
Inventories		8,752	8,381	-	-
Costs of uncompleted contracts in excess of billings		1,476	6,692	-	-
Properties held for sale (at cost)		4,263	4,021	-	-
Trade receivables		59,848	75,996	-	-
Other receivables and prepayments		28,722	34,153	5,776	13,373
Loans to subsidiaries		-	-	34,730	33,601
Cash and bank balances		106,780	52,927	553	1,571
Total current assets		209,841	182,170	41,059	48,545
Total assets		311,396	278,181	119,248	116,658
Current liabilities:					
Bank loans and overdrafts	1(b)(ii)	26,644	20,670	20,255	11,570
Provisions		1,466	2,555	-	-
Trade payables and accruals		71,629	68,752	1,766	296
Billings on uncompleted contracts in excess of costs		21,374	8,515	-	-
Other payables		18,771	36,141	19	125
Loans from subsidiaries		-	-	26,793	33,237
Income tax payable		14,765	10,532	41	41
Total current liabilities		154,649	147,165	48,874	45,269
Non-current liabilities:					
Long term bank loans	1(b)(ii)	5,083	11,118	-	-
Deferred tax liabilities		325	226	-	-
Total non-current liabilities		5,408	11,344	-	-
Equity attributable to equity holders of the Company					
Share capital	1(d)(i)	62,866	62,346	62,866	62,346
Other reserves	1(d)(i)	45,519	29,707	5,492	4,907
Dividend reserve	1(d)(i)	2,016	4,136	2,016	4,136
		110,401	96,189	70,374	71,389
Minority interests	1(d)(i)	40,938	23,483	-	-
Total equity		151,339	119,672	70,374	71,389
Total equity and liabilities		311,396	278,181	119,248	116,658

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

	As at 30.9.05 \$'000		As at 31.3.05 \$'000	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	896	25,748	2,524	18,146

	As at 30.9.05 \$'000		As at 31.03.05 \$'000	
	Secured	Unsecured	Secured	Unsecured
Amount repayable after one year	5,083	-	11,118	-

An amount of \$4,078,000 (31.3.05: \$4,248,000) 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 \$Nil (31.3.05: \$3,160,000) was secured by way of a legal mortgage on a leasehold property of a subsidiary at 60 Alps Avenue, Singapore. The loan was repaid during the period.

An amount of \$Nil (31.3.05: \$3,725,000) is secured by way of a legal mortgage on a leasehold property of a joint venture company at 70 Alps Avenue, Singapore. The loan was repaid during the period.

An amount of \$385,000 (31.3.05: \$868,000) 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 Gombong Kec. Lemah Abang, Bekasi 17750, Indonesia.

An amount of \$1,516,000 (31.3.05: \$1,641,000) is secured against long term cash deposits and mortgage on the property, plant and equipment of a joint venture.

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	
	30.9.05 \$'000	30.9.04 \$'000
Cash flows from operating activities:		
Profit before income tax	36,360	13,955
Adjustments for:		
Amortisation of other intangible assets	38	36
Amortisation of goodwill	-	2
Depreciation of property, plant and equipment	2,367	2,623
Share of profit from associates	(914)	(302)
Gain on disposal of property, plant and equipment	(143)	-
Release of negative goodwill arising from acquisition of a subsidiary	-	(270)
Interest expense	828	663
Interest income	(1,025)	(511)
Operating income before changes in working capital	37,511	16,196
Decrease in receivables	12,529	3,977
Decrease in inventories and contract work-in-progress	18,840	6,012
Decrease in investment properties	13,111	-
Increase/(Decrease) in payables	478	(25,347)
Increase in properties held for sale	(243)	(100)
Cash generated from operations	82,226	738
Interest income received	1,025	511
Interest expense paid	(828)	(663)
Income tax paid	(5,624)	(6,209)
Net cash from/(used in) operating activities	76,799	(5,623)
Cash flows from investing activities:		
Proceeds from the disposal of property, plant and equipment	408	109
Purchase of property, plant and equipment	(14,992)	(6,631)
Acquisition of quoted equity investments	(3,000)	-
Acquisition of interests in an associate	(87)	-
Payments to minority interests for acquisition of interests in subsidiaries	-	(645)
Net cash inflow on acquisition of a subsidiary	55	-
	Note (b)	
Net cash used in investing activities	(17,616)	(7,167)

	Group	
	30.9.05 \$'000	30.9.04 \$'000
Cash flows from financing activities:		
Net proceeds from issue of shares of the company	764	7,175
Proceeds from short term bank loans	6,016	7,979
Proceeds from long term bank loans	-	3,612
Repayment of long term bank loans	(6,035)	(970)
Payment of dividends to minority interests	-	(2,496)
Increase in pledged fixed deposits (Note a)	(2,301)	(8)
Dividends paid	(4,022)	(2,965)
Net cash (used in) / from financing activities	(5,578)	12,327
Net effect of exchange rate changes in consolidating subsidiaries	(2,011)	(493)
Net increase in cash and cash equivalents	51,594	(956)
Cash and cash equivalents at beginning of period	48,907	40,507
Cash and cash equivalents at end of period	100,501	39,551

Note (a)

Notes to the consolidated cash flow statement:

	Group	
	30.9.05 \$'000	30.9.04 \$'000
(a) <u>Cash and cash equivalents</u>		
Cash and bank balances	37,684	24,130
Fixed deposits	69,096	19,871
Bank overdrafts	(894)	(1,417)
	105,886	42,584
Pledged fixed deposits	(5,385)	(3,033)
Cash and cash equivalents at end of period	100,501	39,551
(b) <u>Acquisition of a subsidiary</u>		
Cash and bank balances, net of overdrafts	55	-
Receivables	19,446	-
	19,501	-
Minority interests	(9,556)	-
Net assets acquired	9,945	-
Goodwill on acquisition	59	-
Purchase consideration	10,004	-
Satisfied by other receivables capitalised	(10,004)	-
	-	-
Net cash and bank balances acquired	55	-
Net cash inflow on acquisition of a subsidiary	55	-

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-----									
	Share Capital \$'000	Dividend Reserve \$'000	Share Premium \$'000	Foreign Currency Translation Reserve	Accumulated Profits \$'000	Shares To Be Issued \$'000	Sub- Total \$'000	Total \$'000	Minority Interests \$'000	Total Equity \$'000
				\$'000						
GROUP										
Balance at 1 April 2004	53,180	2,980	6,763	(1,849)	9,719	2,300	16,933	73,093	22,521	95,614
Exchange differences arising during the year	-	-	-	(251)	-	-	(251)	(251)	731	480
Change of interests in subsidiary	-	-	-	-	-	-	-	-	(1,637)	(1,637)
Net profit for the year	-	-	-	-	7,382	-	7,382	7,382	2,769	10,151
Minority share of net dividends from subsidiaries	-	-	-	-	-	-	-	-	(2,496)	(2,496)
Dividends paid	-	(2,980)	-	-	15	-	15	(2,965)	-	(2,965)
Dividends proposed	-	1,983	-	-	(1,983)	-	(1,983)	-	-	-
Issue of shares	8,797	-	678	-	-	(2,300)	(1,622)	7,175	-	7,175
Balance at 30 September 2004	61,977	1,983	7,441	(2,100)	15,133	-	20,474	84,434	21,888	106,322
Balance at 1 April 2005, as previously reported	62,346	4,136	7,605	(2,119)	24,221	-	29,707	96,189	23,483	119,672
Effect of adopting FRS 103 (see Paragraph 5)	-	-	-	-	2,332	-	2,332	2,332	-	2,332
Balance at 1 April 2005, as restated	62,346	4,136	7,605	(2,119)	26,553	-	32,039	98,521	23,483	122,004
Exchange differences arising during the year	-	-	-	(803)	-	-	(803)	(803)	(1,029)	(1,832)
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	9,557	9,557
Net profit for the year	-	-	-	-	15,941	-	15,941	15,941	10,398	26,339
Minority share of net dividends from subsidiaries	-	-	-	-	-	-	-	-	(1,471)	(1,471)
Dividends paid	-	(4,136)	-	-	114	-	114	(4,022)	-	(4,022)
Dividends proposed	-	2,016	-	-	(2,016)	-	(2,016)	-	-	-
Issue of shares	520	-	244	-	-	-	244	764	-	764
Balance at 30 September 2005	62,866	2,016	7,849	(2,922)	40,592	-	45,519	110,401	40,938	151,339

	(-----Reserves-----)						
	Share Capital \$'000	Dividend Reserve \$'000	Share Premium \$'000	Accumulated Losses \$'000	Shares To Be Issued \$'000	Sub- Total \$'000	Total \$'000
COMPANY							
Balance at 1 April 2004	53,180	2,980	5,662	(7,851)	2,300	111	56,271
Net profit for the year	-	-	-	4,546	-	4,546	4,546
Dividends paid	-	(2,980)	-	15	-	15	(2,965)
Dividends proposed	-	1,983	-	(1,983)	-	(1,983)	-
Issue of shares	8,797	-	678	-	(2,300)	(1,622)	7,175
Balance at 30 September 2004	61,977	1,983	6,340	(5,273)	-	1,067	65,027
Balance at 1 April 2005	62,346	4,136	6,504	(1,597)	-	4,907	71,389
Net profit for the year	-	-	-	2,243	-	2,243	2,243
Dividends paid	-	(4,136)	-	114	-	114	(4,022)
Dividends proposed	-	2,016	-	(2,016)	-	(2,016)	-
Issue of shares	520	-	244	-	-	244	764
Balance at 30 September 2005	62,866	2,016	6,748	(1,256)	-	5,492	70,374

- 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 period, the issued and paid up capital of the Company was increased from \$62,346,339 divided into 249,385,354 ordinary shares of S\$0.25 each to \$62,866,687, divided into 251,466,746 ordinary shares of S\$0.25 each. This is a result of the allotment of shares upon exercise of employees' share options.

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

The figures are unaudited and not reviewed.

- 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, except as described in paragraph 5.

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.

The Group and the Company have adopted all the new and revised Financial Reporting Standards (FRS) effective for financial period beginning 1 April 2005. The effect of adopting all the new and revised FRSs is not expected to have a significant impact on the results of the Group except as disclosed below:

FRS 103

The adoption of FRS 103 resulted in a change in the accounting treatment for goodwill and negative goodwill. FRS 103 requires goodwill acquired in a business combination to be measured at cost less any accumulated impairment losses. Goodwill shall no longer be amortised. Instead, test for impairment is performed at least once annually, or more frequently if events or changes in circumstances indicate that the goodwill might be impaired. Negative goodwill arising from a business combination is to be taken directly to the profit and loss statement.

The effect of adopting FRS 103 resulted in a transfer of the negative goodwill in the Group's balance sheet as at 31 March 2005 of \$2.3 million to the opening retained earnings as at 1 April 2005. The effect of cessation of goodwill amortisation and release of negative goodwill to the profit and loss statement is not material. No impairment losses have been made as at 30 September 2005 and the Group will continue to evaluate the need for impairment of goodwill.

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	
30.9.05	30.9.04
6.4	3.2
6.3	3.1

The basic earnings per share ("EPS") is computed based on weighted average number of ordinary shares in issue of 250,309,151 shares (30.9.04: 230,057,895 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 253,803,550 shares (30.9.04: 234,156,520 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.

Net asset value per ordinary share based on issued share capital as at the end of the year reported on (¢)

Group		Company	
30.9.05	31.3.05	30.9.05	31.3.05
44	39	28	29

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.

Overview

The Group is a premier global provider of specialised engineering services and geo-spatial technology.

In 1H FY2006, the Group has benefited from continuing efforts in building its two core businesses. This has resulted in record revenue and record net profit for the six months ended 30 September 2005.

Revenue

Segmental Revenue	1H FY2006	1H FY2005	Change
	\$m	\$m	%
Engineering Services	125.1	79.2	+58.0
Geo-Spatial Technology	30.3	26.9	+12.6
Investment Activities	2.2	1.7	+29.4
Total	157.6	107.8	+46.1

Group revenue rose 46% to \$157.6 million. Growth was buoyed by broad-based demand for core engineering services and geo-spatial technology, which contributed to record revenue in 1H FY2006.

Engineering Services

Revenue from engineering services grew 58% to \$125.1 million. Energy-related engineering services and industrial real estate solutions were the main contributors to the higher revenue.

Divisional Revenue	1H FY2006	1H FY2005	Change
	\$m	\$m	%
Energy-Related Engineering			
- Oil & gas / petrochemicals	25.0	18.5	+ 35.1
- Power generation	8.7	8.3	+ 4.8
- Solid waste energy recovery	3.9	5.4	- 27.8
Water & Wastewater Engineering	17.5	22.2	- 21.2
Industrial Real Estate Solutions	69.3	23.7	+192.4
Others	0.7	1.1	- 36.0
Total	125.1	79.2	+ 58.0

The oil & gas / petrochemical industries remained buoyant in 1H FY2006 as additional investments were committed to expand and upgrade downstream refining capacities to meet rising global demand. With a growing order book, the division's revenue rose 35% to \$25 million.

The power generation business recorded a positive recovery in 1H FY2006, rebounding from the brief power plant shutdown that affected 1H FY2005 performance. Revenue from the solid waste energy recovery business declined due largely to a weaker Indonesian Rupiah.

Revenue from water and wastewater engineering was adversely affected by the winding down of operations at Salcon's UK unit.

The industrial real estate solutions division had a strong 1H FY2006, boosted by the sale of two leasehold industrial properties.

Geo-Spatial Technology

The Group's geo-spatial business experienced robust demand in Australia and South East Asia which contributed to a 12.6% growth in revenue in 1H FY2006.

Profitability

The Group's gross profit rose 54.9% to \$64.9 million in 1H FY2006. This was due largely to the significant contribution from the industrial real estate solutions division.

Other operating income increased to \$2.6 million as a result of higher rental income, interest income and a gain from foreign exchange.

Selling & distribution expenses increased by 46.1% in 1H FY2006 due to expanded business activities within geo-spatial technology and provision for doubtful trade debts at Salcon's UK unit. Share of profit from associates increased threefold to \$914,000 as a result of improved performance from associate Easy Call.

On an overall basis, group net profit rose 116% to \$15.9 million.

Cash Flow & Balance Sheet

Strong operating cash flow was boosted by a reduction in receivables and inventories. Proceeds from the sale of industrial properties contributed to the strong net cash inflow from operations. This resulted in the sharp rise in cash and bank balances to \$106.8 million as at 30 September 2005.

With the progressive completion of current projects, receivables decreased and billings on uncompleted contracts in excess of costs rose. Other payables decreased in relation to the BOT contract in Indonesia. With higher taxes, income tax provisions rose to \$14.8 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

Demand for the Group's core engineering services and geo-spatial technology remains strong. Notwithstanding a competitive business environment, the Group is optimistic on its business prospects for the second half of FY2006 with continued strong contribution from all major divisions.

The Group's order book is currently in excess of \$300 million. Improving prospects for engineering services and geo-spatial technology are likely to add to this order book. The Group expects revenue and net profit for FY2006 to exceed those achieved in FY2005.

The Company has a Section 44 Tax Credit balance of about \$6.09 million which will expire on 31 December 2007. In the interest of the shareholders, during the past months, the Management has actively explored the various approaches of utilising the tax credit with the Company's tax consultant, as well as Listing Advisor. Further announcements will be made by the Company as and when appropriate, with the first in relation to a proposed distribution in specie to follow immediately after this announcement.

11. Dividend

(a) Current Financial Period Reported On

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

Name of Dividend	Interim proposed
Dividend Type	Cash
Dividend amount per share (in cents)	1.0 cent per ordinary share less tax
Par value of shares	S\$0.25
Tax rate	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	Interim proposed
Dividend Type	Cash
Dividend amount per share (in cents)	1.0 cent per ordinary share less tax
Par value of shares	S\$0.25
Tax rate	20%

(c) Date payable

20 December 2005.

(d) Books closure date

Notice is hereby given that the Transfer Books and Register of Members of the Company will be closed on 5 December 2005 for the purpose of determining shareholders' entitlements to the final dividend to be paid on 20 December 2005.

Duly completed transfers received by the Company's Registrar, Lim Associates (Pte) Ltd at 10, Collyer Quay #19-08 Ocean Building, Singapore up to 5.00 p.m. on 2 December 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.

BY ORDER OF THE BOARD

Alvin Kok
Company Secretary
14 November 2005