


**BOUSTEAD SINGAPORE LIMITED
AND ITS SUBSIDIARIES**



ENGINEERING THE WORLD OF THE FUTURE

Energy-Related Engineering · **Water & Wastewater Engineering** · **Industrial Real Estate Solutions** · **Geo-Spatial Technology**

**SGXnet Announcement
Unaudited Results for Full-Year FY2007
Ended 31 March 2007**



BOUSTEAD SINGAPORE LIMITED
(Company Registration No. 197501036K)

Unaudited Full Year Financial Statement And Dividend Announcement for the Financial Year Ended 31 March 2007

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.

	GROUP			Inc/(Dcr) %
	Note	31.3.07 \$'000	31.3.06 \$'000	
Revenue		343,862	289,266	18.9
Cost of sales		(226,666)	(180,208)	25.8
Gross profit		117,196	109,058	7.5
Other operating income	1	12,799	6,219	105.8
Selling and distribution expenses		(23,433)	(21,959)	6.7
Administrative expenses		(41,418)	(28,146)	47.2
Other operating expenses		(9,754)	(10,783)	(9.5)
Finance costs		(1,448)	(2,533)	(42.8)
Share of results from associates		16	2,637	(99.4)
Profit before income tax	2	53,958	54,493	(1.0)
Income tax expense	3	(14,162)	(15,841)	(10.6)
Profit for the year		39,796	38,652	3.0

Attributable to:				
Shareholders of the Company		35,245	24,891	41.6
Minority interests		4,551	13,761	(66.9)
		39,796	38,652	3.0

	GROUP	
	31.3.07	31.3.06
	\$'000	\$'000
<u>Note 1: Other operating income</u>		
Gain on disposal of available-for-sale investments	7,596	-
Interest income	3,054	3,535
Other rental income	1,193	2,542
Foreign currency exchange adjustment gain	956	142
	12,799	6,219
<u>Note 2 : The profit before income tax is arrived at after (charging)/ crediting the following</u>		
Depreciation of property, plant and equipment	(3,769)	(4,471)
Amortisation of other intangible assets	(358)	(72)
Allowance for impairment loss on investments in associates	(146)	(575)
(Loss)/Gain on disposal of property, plant and equipment	(6)	259
Allowance for inventories	(117)	(157)
Foreign currency exchange adjustment loss	(796)	(2,863)
Allowance for doubtful receivables	(283)	(203)
Allowance for balances due from associates	(1,305)	(1,117)
Allowance for other receivables	(6,000)	-
Loss on disposal of a subsidiary and its associates	(1,273)	-
Goodwill written off	(250)	-
Loss on disposal of joint venture	-	(1,763)
Bad debts written off – trade	-	(70)
Gain on voluntary administration of a subsidiary	-	2,212
Gain on disposal of other investments	390	-
Release of negative goodwill arising from acquisition of a subsidiary	-	112
<u>Note 3: Income tax</u>		
(Under)/Over provision in prior years	(336)	149

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 18% 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	
		31.3.07 \$'000	31.3.06 \$'000	31.3.07 \$'000	31.3.06 \$'000
ASSETS					
Current assets:					
Cash and bank balances		121,142	106,395	23,084	13,696
Trade receivables		83,492	54,987	-	-
Other receivables and prepayments		23,343	33,274	5,926	5,302
Loans to subsidiaries		-	-	22,932	15,992
Inventories		5,382	5,317	-	-
Properties held for sale		3,016	3,259	-	-
Costs and recognised profits on uncompleted contracts in excess of billings		4,512	5,722	-	-
Derivative financial instruments		-	76	-	-
Assets held for sale		5,963	4,254	-	-
Total current assets		246,850	213,284	51,942	34,990
Non-current assets:					
Property, plant and equipment		38,809	46,154	-	-
Goodwill		51	51	-	-
Other intangible assets		53	413	-	-
Long-term receivables		690	752	-	-
Investments in associates		15,486	15,652	15,535	15,080
Investments in subsidiaries		-	-	64,970	47,063
Available-for-sale investments		1,854	2,260	7	2,239
Other investments		164	94	30	30
Deferred tax assets		1,415	1,465	-	-
Total non-current assets		58,522	66,841	80,542	64,412
Total assets		305,372	280,125	132,484	99,402
LIABILITIES AND EQUITY					
Current liabilities:					
Bank loans and overdrafts	1(b)(ii)	3,812	3,204	-	-
Derivative financial instruments		292	-	-	-
Trade payables and accruals		96,391	68,531	350	283
Other payables		7,075	9,703	92	124
Loans from subsidiaries		-	-	49,090	27,669
Billings in excess of costs and recognised profits on uncompleted contracts		6,462	14,087	-	-
Income tax payable		19,783	15,537	-	-
Liabilities associated with assets held for sale		1,810	145	-	-
Total current liabilities		135,625	111,207	49,532	28,076
Non-current liabilities:					
Long-term bank loans	1(b)(ii)	16,628	19,985	-	-
Deferred tax liabilities		-	185	-	-
Total non-current liabilities		16,628	20,170	-	-
Equity attributable to shareholders of the Company:					
Issued capital	1(d)(i)	71,019	70,360	71,019	70,360
Capital and other reserves	1(d)(i)	63,823	36,284	11,933	966
Equity attributable to shareholders of the Company		134,842	106,644	82,952	71,326
Minority interests					
Total equity		153,119	148,748	82,952	71,326
Total liabilities and equity		305,372	280,125	132,484	99,402

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

	As at 31.03.07 \$'000		As at 31.03.06 \$'000	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	2,042	1,770	2,512	692

	As at 31.03.07 \$'000		As at 31.03.06 \$'000	
	Secured	Unsecured	Secured	Unsecured
Amount repayable after one year	16,628	-	19,985	-

An amount of \$3,538,000 (31.3.06: \$3,903,000) 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 \$4,765,000 (31.3.06: \$4,590,000) was secured by way of a legal mortgage on a leasehold property of a subsidiary at 80 Alps Avenue, Singapore.

An amount of \$5,916,000 as at 31 March 2006 was secured by way of a legal mortgage on a leasehold property of a subsidiary at 101 Alps Avenue, Singapore. The loan was repaid during the year following the disposal of the property.

An amount of \$6,875,000 (31.3.06: \$7,000,000) is secured by way of a legal mortgage on a leasehold property of a subsidiary at 12 Changi North Way, Singapore.

An amount of \$2,619,000 (31.3.06: \$Nil) is secured by way of a legal mortgage on a leasehold property of a subsidiary at 40 Changi North Crescent, Singapore.

An amount of \$873,000 (31.3.06: \$705,000) is secured by way of a legal mortgage on a leasehold 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 \$383,000 as at 31 March 2006 was secured by way of a pledge of plant and machinery of a subsidiary. During the year, the amount was transferred to liabilities associated with assets held for sale.

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	
		31.3.07 \$'000	31.3.06 \$'000
Cash flows from operating activities:			
Profit before income tax		53,958	54,493
Adjustments for:			
Depreciation of property, plant and equipment		3,769	4,471
Amortisation of other intangible assets		358	72
Goodwill written off		250	-
Share option expense		113	-
Impairment loss on investments in associates		146	575
Allowance for balances due from associates		1,305	1,117
Allowance for other receivables		6,000	-
Loss/(gain) on disposal of property, plant and equipment		6	(259)
Derivative financial instruments		368	(76)
Loss on disposal of a subsidiary and its associates		1,273	-
Share of results from associates		(14)	(2,637)
Gain on disposal of investments		(7,986)	-
Loss on disposal of joint venture		-	1,763
Gain on voluntary administration of a subsidiary		-	(2,212)
Release of negative goodwill arising from acquisition of a subsidiary		-	(112)
Interest expense		1,448	2,533
Interest income		(3,054)	(3,535)
Operating income before changes in working capital		57,940	56,193
Increase in receivables		(27,544)	(9,484)
(Increase)/Decrease in inventories and contract work-in-progress		(7,198)	7,581
Decrease in properties held for sale		243	762
Increase in payables		24,320	2,729
Decrease in investment properties		7,549	13,064
Cash generated from operations		55,310	70,845
Interest income received		3,054	3,535
Interest expense paid		(1,448)	(2,533)
Income tax paid		(9,641)	(9,114)
Net cash from operating activities		47,275	62,733
Cash flows from investing activities:			
Proceeds from the disposal of property, plant and equipment		411	255
Purchase of property, plant and equipment		(7,311)	(19,708)
Acquisition of shares from minority shareholders		(25,212)	(1,753)
Purchase of investments		(1,919)	-
Proceeds from the disposal of available-for-sale investments		9,405	-
Net cash inflow on disposal of a subsidiary and its associates	Note (a)	2,233	-
Net cash (outflow)/inflow on acquisition of a subsidiary	Note (b)	(278)	55
Net cash outflow on voluntary administration of a subsidiary	Note (c)	-	(298)
Net cash inflow on disposal of joint venture	Note (d)	-	24,985
Net cash (used in)/from investing activities		(22,671)	3,536
Cash flows from financing activities:			
Net proceeds from issue of shares		659	1,510
Proceeds from /(Repayment of) short term bank loans		1,490	(17,764)
Proceeds from long-term bank loans		2,794	16,382
Repayment of long-term bank loans		(6,406)	(6,046)
Payment of dividends to minority interests		(536)	(2,380)
Decrease/(Increase) in pledged fixed deposits	Note (e)	5,183	(3,029)
Dividends paid		(6,093)	(6,038)
Net cash used in financing activities		(2,909)	(17,365)
Net effect of exchange rate changes in consolidating subsidiaries		(1,976)	1,840
Net increase in cash and cash equivalents		19,719	50,744
Cash and cash equivalents at beginning of year	Note (e)	99,651	48,907
Cash and cash equivalents at end of year	Note (e)	119,370	99,651

Notes to the consolidated cash flow statement:

(a) Disposal of a subsidiary and its associates

Assets held for sale	4,254	-
Liabilities associated with assets held for sale	(145)	-
Loss on disposal	(1,273)	-
Consideration	2,836	-
Net cash and bank balances disposed	(603)	-
Net cash inflow on disposal of a subsidiary and its associates	<u>2,233</u>	<u>-</u>

(b) Acquisition of a subsidiary

Cash and bank balances, net of overdrafts	26	55
Trade receivables	5	-
Other receivables and prepayments	57	19,783
Costs and recognised profits on uncompleted contracts in excess of billings	185	-
Trade creditors and accruals	(219)	-
Net assets acquired	<u>54</u>	<u>19,838</u>
Minority interests	-	(9,722)
Net assets acquired	<u>54</u>	<u>10,116</u>
Goodwill/(Negative goodwill)	250	(112)
Consideration	<u>304</u>	<u>10,004</u>
Satisfied by investment advances included in other receivables and prepayments	-	(10,004)
	<u>304</u>	<u>-</u>
Net cash and bank balances acquired	(26)	(55)
Net cash outflow/(inflow) on acquisition of a subsidiary	<u>278</u>	<u>(55)</u>

(c) Voluntary administration of a subsidiary

Trade receivables	-	8,723
Other receivables and prepayments	-	149
Cash and bank balances, net of overdrafts	-	298
Trade payables and accruals	-	(3,179)
Other payables	-	(8,203)
	-	(2,212)
Gain on voluntary administration of a subsidiary	-	2,212
Net cash and bank balances of subsidiary in voluntary administration	-	(298)
Net cash outflow on voluntary administration of a subsidiary	<u>-</u>	<u>(298)</u>

Group	
31.3.07 \$'000	31.3.06 \$'000
(a) Disposal of a subsidiary and its associates	
Assets held for sale	-
Liabilities associated with assets held for sale	-
Loss on disposal	-
Consideration	-
Net cash and bank balances disposed	-
Net cash inflow on disposal of a subsidiary and its associates	<u>-</u>
(b) Acquisition of a subsidiary	
Cash and bank balances, net of overdrafts	55
Trade receivables	-
Other receivables and prepayments	19,783
Costs and recognised profits on uncompleted contracts in excess of billings	-
Trade creditors and accruals	-
Net assets acquired	<u>19,838</u>
Minority interests	(9,722)
Net assets acquired	<u>10,116</u>
Goodwill/(Negative goodwill)	(112)
Consideration	<u>10,004</u>
Satisfied by investment advances included in other receivables and prepayments	(10,004)
	<u>-</u>
Net cash and bank balances acquired	(55)
Net cash outflow/(inflow) on acquisition of a subsidiary	<u>(55)</u>
(c) Voluntary administration of a subsidiary	
Trade receivables	8,723
Other receivables and prepayments	149
Cash and bank balances, net of overdrafts	298
Trade payables and accruals	(3,179)
Other payables	(8,203)
	(2,212)
Gain on voluntary administration of a subsidiary	2,212
Net cash and bank balances of subsidiary in voluntary administration	(298)
Net cash outflow on voluntary administration of a subsidiary	<u>(298)</u>

Notes to the consolidated cash flow statement: (Cont'd)

(d) Disposal of a joint venture

Group	
31.3.07	31.3.06
\$'000	\$'000
Property, plant and equipment	11,852
Other intangible assets	117
Long-term receivables	723
Deferred tax assets	798
Investment in associates	2,920
Available-for-sale investments	16
Inventories	2,734
Costs and recognised profits on uncompleted contracts in excess of billings	425
Trade receivables	7,624
Other receivables and prepayments	6,753
Cash and bank balances, net of overdrafts	7,054
Bank loans	(1,469)
Trade payables and accruals	(935)
Other payables	(3,206)
Income tax payable	(1,190)
Minority interests	(414)
	33,802
Loss on disposal	(1,763)
Consideration	32,039
Net cash and bank balances of joint venture	(7,054)
Net cash inflow on disposal of joint venture	24,985

(e) Cash and cash equivalents

Cash and bank balances	27,503	17,239
Short-term deposits	93,639	89,156
Bank overdrafts	(607)	(1,234)
	120,535	105,161
Pledged short-term deposits	(930)	(6,113)
Net (overdrafts)/cash included in assets held for sale	(235)	603
Cash and cash equivalents at end of year	119,370	99,651

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.

	(-----Capital and Other Reserves-----)						Sub-Total	Attributable to equity holders of the company	Minority interests	Total equity
	Issued capital	Proposed dividend	Share premium	Investments revaluation reserves	Foreign currency translation reserves	Accumulated profits				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
GROUP										
Balance at 1 April 2005	62,346	4,136	7,605	-	(2,119)	20,835	30,457	92,803	23,483	116,286
Exchange differences arising during the year	-	-	-	-	1,511	-	1,511	1,511	555	2,066
Revaluation of available-for-sale investments	-	-	-	442	-	-	442	442	-	442
Disposal of joint venture	-	-	(13)	-	(72)	-	(85)	(85)	(601)	(686)
Net income/(loss) recognised directly in equity	-	-	(13)	442	1,439	-	1,868	1,868	(46)	1,822
Net profit for the year	-	-	-	-	-	24,891	24,891	24,891	13,761	38,652
Total recognised income and expense for the year	-	-	(13)	442	1,439	24,891	26,759	26,759	13,715	40,474
Subsidiaries' share buy-back	-	-	-	-	-	(503)	(503)	(503)	(1,270)	(1,773)
Acquisition of subsidiary	-	-	-	-	-	-	-	-	9,722	9,722
Minority shareholders' contributions	-	-	-	-	-	-	-	-	269	269
Minority share of net dividends from subsidiaries	-	-	-	-	-	-	-	-	(3,815)	(3,815)
Dividends	-	(4,136)	-	-	-	(1,902)	(6,038)	(6,038)	-	(6,038)
Distribution-in-specie of shares in an associate	-	-	(1,088)	-	(1,154)	(5,645)	(7,887)	(7,887)	-	(7,887)
Issue of shares	1,138	-	372	-	-	-	372	1,510	-	1,510
Transfer from share premium account to issued capital upon implementation of the Companies (Amendment) Act 2005	6,876	-	(6,876)	-	-	-	(6,876)	-	-	-
Balance at 31 March 2006	70,360	-	-	442	(1,834)	37,676	36,284	106,644	42,104	148,748

	(-----Capital and Other Reserves-----)										
	Issued capital \$'000	Proposed dividend \$'000	Share premium \$'000	Investment revaluation reserves \$'000	Foreign currency translation reserves \$'000	Accumulated profits \$'000	Share option reserves \$'000	Sub-Total \$'000	Attributable to equity holders of the company \$'000	Minority interests \$'000	Total equity \$'000
GROUP (Cont'd)											
Balance at 1 April 2006	70,360	-	-	442	(1,834)	37,676	-	36,284	106,644	42,104	148,748
Exchange differences arising during the year	-	-	-	-	(1,448)	-	-	(1,448)	(1,448)	(586)	(2,034)
Revaluation of available-for-sale investments	-	-	-	146	-	-	-	146	146	-	146
Share option expense	-	-	-	-	-	-	113	113	113	-	113
Net income/(loss) recognised directly in equity	-	-	-	146	(1,448)	-	113	(1,189)	(1,189)	(586)	(1,775)
Net profit for the year	-	-	-	-	-	35,245	-	35,245	35,245	4,551	39,796
Total recognised income and expense for the year	-	-	-	146	(1,448)	35,245	113	34,056	34,056	3,965	38,021
Disposal of available-for-sale investment	-	-	-	(440)	-	-	-	(440)	(440)	-	(440)
Minority shareholders' contributions	-	-	-	-	-	16	-	16	16	(25,427)	(25,411)
Minority share of net dividends from subsidiaries	-	-	-	-	-	-	-	-	-	(2,365)	(2,365)
Dividends	-	-	-	-	-	(6,093)	-	(6,093)	(6,093)	-	(6,093)
Issue of shares	659	-	-	-	-	-	-	-	659	-	659
Balance at 31 March 2007	71,019	-	-	148	(3,282)	66,844	113	63,823	134,842	18,277	153,119

	-----Reserves-----							Total \$'000
	Issued capital \$'000	Proposed dividend \$'000	Share premium \$'000	Investments revaluation reserve \$'000	Accumulated profits/(losses) \$'000	Share option reserves \$'000	Sub- Total \$'000	
COMPANY								
Balance at 1 April 2005	62,346	4,136	6,504	-	(1,597)	-	9,043	71,389
Revaluation of available-for-sale investments	-	-	-	442	-	-	442	442
Net profit for the year	-	-	-	-	11,742	-	11,742	11,742
Dividends	-	(4,136)	-	-	(1,902)	-	(6,038)	(6,038)
Distribution-in-specie of shares in an associate	-	-	-	-	(7,719)	-	(7,719)	(7,719)
Issue of shares	1,138	-	372	-	-	-	372	1,510
Transfer from share premium account to issued capital upon implementation of the Companies (Amendment) Act 2005	6,876	-	(6,876)	-	-	-	(6,876)	-
Balance at 31 March 2006	70,360	-	-	442	524	-	966	71,326
Disposal of available-for-sale investments	-	-	-	(440)	-	-	(440)	(440)
Share option expense	-	-	-	-	-	113	113	113
Net profit for the year	-	-	-	-	17,387	-	17,387	17,387
Dividends	-	-	-	-	(6,093)	-	(6,093)	(6,093)
Issue of shares	659	-	-	-	-	-	-	659
Balance at 31 March 2007	71,019	-	-	2	11,818	113	11,933	82,952

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 \$70,359,911 divided into 253,240,910 ordinary shares to \$71,018,603 divided into 254,836,866 ordinary shares. This is a result of the allotment of shares upon exercise of employees' share options.

During the year, 600,000 options were granted under the Boustead Share Option Scheme 2001 (the "Scheme").

As at 31 March 2007, there were unexercised options of 4,036,188 (31 March 2006 : 5,032,144) of unissued ordinary shares under the Scheme.

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

The figures have not been audited or reviewed.

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

The figures have not been audited or reviewed.

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 2006. The effect of adopting all the new and revised FRSs does not have a significant impact on the results of the Group and balance sheet of the Group and the Company as of 31 March 2007.

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.

	Group	
	31.3.07	31.3.06
(i) Based on weighted average number of ordinary shares on issue (¢)	13.9	9.9
(ii) On a fully diluted basis (¢) (detailing any adjustments made to the earnings)	13.7	9.8

The basic earnings per share ("EPS") is computed based on weighted average number of ordinary shares in issue of 253,931,897 shares (31.3.06: 251,285,295 shares). The fully diluted EPS is computed based on weighted average number of ordinary shares in issue of 256,926,835 shares (31.3.06: 254,529,549 shares) adjusted for the effects of all potential dilutive ordinary 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	
	31.3.07	31.3.06	31.3.07	31.3.06
Net asset value per ordinary share based on issued share capital as at the end of the year reported on (¢)	53	42	33	28

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 progressive global service provider of specialised engineering services and geo-spatial solutions. Its strong suite of engineering services is geared to fulfill the stringent demands of specialised engineering fields such as:

- » Energy-related engineering;
- » Water & wastewater engineering; and
- » Industrial real estate solutions.

Under the Group's Geo-Spatial Technology arm, it provides consulting, training, implementation and exclusive distribution services for ESRI geo-spatial technology – the world's leading geographic information systems and geo-spatial solutions – to major markets across Australia and South East Asia.

For FY2007 ended 31 March 2007, the Group surpassed its previous record achievements attained in FY2006, reaching new heights of \$343.9 million in revenue and \$35.2 million in net profit attributable to shareholders, an increase of 18.9% and 41.6% respectively. The latest record achievements mark the Group's fifth consecutive year of revenue and net profit growth.

Segment Revenue

Segment	FY2007	FY2006	Change
	\$m	\$m	%
Engineering Services	279.2	226.0	23.5
Geo-Spatial Technology	62.4	59.0	5.7
Investment Activities	2.3	4.3	-46.5
Group Total	343.9	289.3	18.9

In FY2007, revenue increased by 18.9% to \$343.9 million, led by the strong performance of Engineering Services. Geo-Spatial Technology sustained a steady growth rate of 5.7%, similar to the previous corresponding period. Revenue remained geographically well-diversified.

Engineering Services Revenue

Engineering Services Division	FY2007	FY2006	Change
	\$m	\$m	%
Energy-Related Engineering	130.6	* 84.8	54.0
Water & Wastewater Engineering	23.8	27.4	-13.1
Industrial Real Estate Solutions	124.8	113.8	9.7
Engineering Services Total	279.2	226.0	23.5

* Includes revenue contribution of \$15.9 million from Power Generation business sold in 4Q FY2006

In FY2007, the Energy-Related Engineering Division topped the revenue contributors under Engineering Services. Growing 54.0% to \$130.6 million, the Division registered its best revenue performance to date as it enjoyed the full positive impact of favourable global oil prices on its Oil & Gas / Petrochemical and Solid Waste Energy Recovery businesses. Throughout FY2007, the downstream Oil & Gas / Petrochemical business (i.e. Boustead International Heaters) secured significantly larger contracts which greatly contributed to the record achievement of the Division. The upstream Oil & Gas business (i.e. Controls & Electrics) and Solid Waste Energy Recovery business (i.e. Boustead Maxitherm Industries) also displayed robust revenue growth of above 50.0%. Adjusting for the disposal of the Power Generation business which contributed \$15.9 million to FY2006 revenue, the Division would have registered an impressive revenue growth rate of 89.6% from the existing businesses.

The Water & Wastewater Engineering Division (i.e. Salcon) delivered a much improved 2H FY2007 revenue contribution that was more than double its effort in 1H FY2007. Nonetheless, the Division's revenue decreased 13.1% year-on-year. During FY2007, the Division rebuilt a sustainable order book with important sizeable contracts including the Asian Development Bank-financed septage treatment plant in the Philippines and Phase II of the Bedok NEWater Factory in Singapore, much of which will be recognised in FY2008 and beyond.

The Industrial Real Estate Solutions Division (i.e. mainly Boustead Projects) continued to be a key revenue contributor under Engineering Services with a 9.7% year-on-year rise in revenue to \$124.8 million. In 2H FY2007, the Division completed the \$27.5 million sale of an industrial leasehold property as indicated by the management during the interim results. Core turnkey design and build activities grew 27.3% year-on-year and helped the Division to post its best revenue performance to date.

Geo-Spatial Technology

Geo-Spatial Technology continued to experience steady demand for its ESRI geographic information systems and geo-spatial solutions in Australia and South East Asia. Revenue grew by 5.7% to \$62.4 million in FY2007.

Profitability

In FY2007, "Gross profit" increased by 7.5% to \$117.2 million. Gross profit margin weakened from 37.7% in FY2006 to 34.1% in FY2007, largely due to: 1) the unforeseen sand export ban implemented by Indonesia in early 2007 which impacted the price of concrete for certain major projects undertaken by Boustead Projects in Singapore; and 2) high global commodity prices which significantly raised the costs of fabricating process equipment.

"Other operating income" increased by 105.8% due mainly to the \$7.6 million gain on the sale of the Group's remaining 9.1% shareholding in EasyCall International Limited ("EasyCall" which is now known as China Education Limited).

Total operating expenses increased 22.5% year-on-year in view of the revenue growth. The significant increase noted for "Administrative expenses" was due to: 1) a \$6.0 million allowance made for other receivables; and 2) a loss on disposal of a subsidiary and its associates of \$1.3 million.

The "Share of results from associates" in FY2006 included the share of EasyCall results up to February 2006 when the Company distributed a significant part of its shareholdings in EasyCall to its shareholders by way of a distribution in specie. Following the distribution, EasyCall ceased to be an associate of the Company.

"Profit before income tax" ("PBT") dipped marginally by 1.0% to \$53.9 million after taking into account the impact of the \$6.0 million allowance made for other receivables and \$3.4 million in additional costs for Boustead Projects after concrete prices in Singapore went up by more than 100% due to the sand export ban implemented by Indonesia.

"Minority interests" declined substantially with the Group's acquisition of additional shares from Minority Interests in key subsidiaries including Boustead Projects, Controls & Electrics, ESRI Australia and ESRI South Asia during FY2007.

The Group achieved record net profit attributable to shareholders of \$35.2 million, up 41.6% over the previous corresponding period.

Based on the financial performance achieved in FY2007, the Directors have proposed a final gross cash dividend of 4.5 cents per ordinary share less tax. Including the 2.0 cents interim gross cash dividend paid, the total gross cash dividend declared and paid for FY2007 would be 6.5 cents per ordinary share less tax, a significant increase over the total gross dividend paid for the previous corresponding period. With the payment of the final gross cash dividend, the remaining Section 44 Tax Credits will be almost fully utilised save for a nominal balance.

Cash Flow & Balance Sheets

The Group generated healthy cash flows from operating activities. The major increase in 'Cash and cash equivalents at the end of year' from \$99.7 million in FY2006 to \$119.4 million in FY2007 was due to: 1) the \$27.5 million sale of an industrial leasehold property; 2) the \$9.4 million sale of the Group's remaining 9.1% shareholding in EasyCall; and 3) strong cash flows from operating activities. Despite spending \$25.2 million to acquire shares from Minority Interests in key subsidiaries, the Group's net cash position improved from \$83.2 million to \$100.7 million, year-on-year.

On the Balance Sheets, the 14% rise in "Current assets" was due to the \$14.7 million increase in "Cash and bank balances" and \$28.0 million increase in "Trade receivables". "Current liabilities" increased \$23.9 million, due mainly to the \$32.9 million increase in "Trade payables and accruals". Both "Trade receivables" and "Trade payables and accruals" rose significantly as a result of the higher revenue generated by increased turnkey project activities across the Group.

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.

Global demand for the Group's core engineering services and geo-spatial technology is expected to remain strong in FY2008.

Prospects for the Energy-Related Engineering Division continue to remain positive. The Group is confident of securing more medium to large contracts for the year.

The Water & Wastewater Engineering Division continues to explore opportunities in the Middle East, North Africa and South East Asia. The Division will develop markets on its own or through joint efforts such as the Singapore Water Solutions Alliance. Additional resources will be dedicated to study R&D initiatives and new technologies to improve current processes. FY2008 is expected to be a better year for this Division.

The Industrial Real Estate Solutions Division is anticipated to be a major contributor to revenue and net profit in FY2008. With the upturn in the Singapore construction industry and a major surge in the number of listed real estate investment trusts ("REITs"), the Division is positioned to take advantage of the buoyant conditions of the industry and undertake quality projects which are in great demand by REITs.

Demand for Geo-Spatial Technology should remain firm in Australia and South East Asia, with government agencies comprising more than 80% of the clients. More resources will be dedicated to growing value-added consulting, training and implementation services across the region in order to improve margins.

Overall, the Group is well positioned in several buoyant industries globally. With sustained favourable conditions and a positive business climate, the Group expects to increase its current order book of \$350 million. The Group expects to continue its profit growth in FY2008.

11. Dividend

(a) Current Financial Period Reported On

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

Name of Dividend	Interim declared and paid	Final proposed
Dividend Type	Cash	Cash
Dividend Rate	2.0 cents	4.5 cents
Tax Rate	20%	18%

(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 declared and paid	Interim declared and distributed	Final proposed
Dividend Type	Cash	Shares in specie	Cash
Dividend Rate	1.0 cent	3.875 cents	1.0 cent
Tax Rate	20%	20%	20%

(c) Date payable

20 August 2007

(d) Books closure date

Notice is hereby given that the Transfer Books and Register of Members of the Company will be closed on 7 August 2007 for the purpose of determining shareholders' entitlements to the final dividend to be paid on 20 August 2007.

Duly completed transfers received by the Company's Registrar, Lim Associates (Pte) Ltd at 3 Church Street, #08-01 Samsung Hub, Singapore 049483 up to 5.00 p.m. on 6 August 2007 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

2007					
Primary segments	Engineering \$'000	Geo-spatial technology \$'000	Investment activities \$'000	Adjustment/ elimination \$'000	Group \$'000
Revenue					
External sales	279,143	62,438	2,281	-	343,862
Inter-segment sales	-	-	314	(314)	-
Total revenue	279,143	62,438	2,595	(314)	343,862
Segment result	39,476	13,689	2,241	-	55,406
Finance costs					(1,448)
Profit before income tax					53,958
Income tax					(14,162)
Profit for the year					39,796
Attributable to:					
Shareholders of the Company					35,245
Minority interests					4,551
					39,796
2006					
Primary segments	Engineering \$'000	Geo-spatial technology \$'000	Investment activities \$'000	Adjustment/ elimination \$'000	Group \$'000
Revenue					
External sales	225,950	59,047	4,269	-	289,266
Inter-segment sales	-	-	8,719	(8,719)	-
Total revenue	225,950	59,047	12,988	(8,719)	289,266
Segment result	43,612	12,314	1,100	-	57,026
Finance costs					(2,533)
Profit before income tax					54,493
Income tax					(15,841)
Profit for the year					38,652
Attributable to:					
Shareholders of the Company					24,891
Minority interests					13,761
					38,652

BY GEOGRAPHICAL SEGMENT

Segment revenue	Singapore/ Malaysia \$'000	Australia \$'000	United Kingdom \$'000	Philippines \$'000	Indonesia \$'000	China \$'000	Others \$'000	Group \$'000
External sales								
31.3.07	175,528	48,796	93,201	409	14,060	5,600	6,268	343,862
31.3.06	164,560	43,566	42,740	16,383	11,687	6,306	4,024	289,266

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		Increase/ (Decrease) %
	31.3.07 \$'000	31.3.06 \$'000	
Sales reported for first half year	139,717	157,624	(11.4)
Operating profit after income tax reported for first half year	9,606	26,339	(63.5)
Sales reported for second half year	204,145	131,642	55.1
Operating profit after income tax reported for second half year	30,190	12,313	145.2

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	15,503	11,801
Preference	-	-
Total	15,503	11,801

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	Not applicable

BY ORDER OF THE BOARD

Alvin Kok
Company Secretary
23 May 2007