

BOUSTEAD SINGAPORE LIMITED
AND ITS SUBSIDIARIES

BOUSTEAD
180
ANNIVERSARY



ENGINEERING THE WORLD OF THE FUTURE

ENERGY-RELATED ENGINEERING • WATER & WASTEWATER ENGINEERING • REAL ESTATE SOLUTIONS • GEO-SPATIAL TECHNOLOGY

SGXNET ANNOUNCEMENT
UNAUDITED RESULTS FOR 1Q FY2009
ENDED 30 JUNE 2008



Corporate Profile

Established in 1828, the Group is a progressive global service provider of infrastructure-related engineering services and geo-spatial solutions. Focusing on the engineering and development of key infrastructure to support economic growth in the public and private sectors of developing nations, the Group's strong suite of Engineering Services comprises:

- Energy-Related Engineering;
- Water & Wastewater Engineering; and
- Real Estate Solutions.

Under the Group's Geo-Spatial Technology arm, it provides professional services and exclusively distributes ESRI geo-spatial technology – the world's leading geographic information systems and location intelligence solutions – to major markets across Australia and South East Asia. These solutions are essential to the effective planning, deployment and management of key infrastructure and resources in countries.

To date, the Group has undertaken infrastructure-related projects in 75 countries globally.

BOUSTEAD SINGAPORE LIMITED
(Company Registration No. 197501036K)

Unaudited Financial Statements And Dividend Announcement for the First Quarter Ended 30 June 2008

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) %
		30.6.08 \$'000	30.6.07 \$'000	
Revenue		79,587	89,768	(11.3)
Cost of sales		(49,523)	(64,051)	(22.7)
Gross profit		30,064	25,717	16.9
Other operating income	1	1,548	7,541	(79.5)
Selling and distribution expenses		(6,661)	(6,402)	4.0
Administrative expenses		(11,468)	(10,761)	6.6
Other operating expenses		(2,508)	(2,558)	(2.0)
Finance costs		(231)	(259)	(10.8)
Share of results from associates		(56)	(86)	(34.9)
Profit before income tax	2	10,688	13,192	(19.0)
Income tax expense	3	(3,800)	(2,878)	32.0
Profit for the year		6,888	10,314	(33.2)
Attributable to:				
Shareholders of the Company		5,630	9,171	(38.6)
Minority interests		1,258	1,143	10.1
		6,888	10,314	(33.2)

	GROUP	
	30.6.08	30.6.07
	\$'000	\$'000
<u>Note 1: Other operating income</u>		
Interest income	797	863
Other rental income	616	275
Net foreign currency exchange adjustment gain	135	-
Gain on disposal of assets held for sale	-	6,403
	1,548	7,541
<u>Note 2 : The profit before income tax is arrived at after (charging)/crediting the following:</u>		
Depreciation expense	(728)	(898)
Amortisation expense	(6)	(7)
Loss on disposal of property, plant and equipment	(36)	-
Fair value adjustment on derivative financial instruments	(135)	292
Allowance for foreseeable loss	(948)	-
Allowance for inventories	-	(43)
Foreign currency exchange adjustment loss	-	(2,419)
Gain on disposal of available-for-sale investments	28	-
<u>Note 3: Income tax expense</u>		
Over/(Under) provision in prior years	216	(21)

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	
		30.6.08 \$'000	31.3.08 \$'000	30.6.08 \$'000	31.3.08 \$'000
ASSETS					
Current assets					
Cash and bank balances		141,927	165,285	36,498	31,712
Trade receivables		105,873	98,416	-	-
Other receivables and prepayments		19,784	17,515	8,100	24,032
Loans to subsidiaries		-	-	21,685	16,635
Inventories		8,458	8,826	-	-
Properties held for sale		30,190	29,006	-	-
Contract work-in-progress		12,228	13,095	-	-
Total current assets		318,460	332,143	66,283	72,379
Non-current assets					
Property, plant and equipment		25,992	25,586	-	-
Goodwill		51	51	-	-
Other intangible assets		112	118	30	30
Investments in associates		27,265	19,734	30,990	21,535
Investments in subsidiaries		-	-	67,787	67,355
Available-for-sale investments		5,216	5,223	-	7
Deferred tax assets		2,165	2,083	-	-
Total non-current assets		60,801	52,795	98,807	88,927
Total assets		379,261	384,938	165,090	161,306
LIABILITIES AND EQUITY					
Current liabilities					
Bank loans and overdrafts	1(b)(ii)	5,193	5,758	-	-
Trade and other payables		148,163	154,068	1,360	589
Derivative financial instruments		135	-	-	-
Loans from subsidiaries		-	-	70,479	67,666
Contract work-in-progress		2,561	11,475	-	-
Income tax payable		28,660	26,549	-	-
Total current liabilities		184,712	197,850	71,839	68,255
Non-current liabilities					
Long-term bank loans	1(b)(ii)	8,532	8,749	-	-
Pension liability		896	1,015	-	-
Deferred tax liabilities		202	112	-	-
Total non-current liabilities		9,630	9,876	-	-
Equity attributable to shareholders of the Company					
Share capital	1(d)(i)	72,637	72,125	72,637	72,125
Accumulated profits		105,582	99,952	20,614	20,924
Other reserves	1(d)(i)	(6,781)	(7,299)	-	2
Equity attributable to shareholders of the Company		171,438	164,778	93,251	93,051
Minority interests					
Total equity		184,919	177,212	93,251	93,051
Total liabilities and equity		379,261	384,938	165,090	161,306

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

Amount repayable in one year or less, or on demand

As at 30.6.08 \$'000		As at 31.3.08 \$'000	
Secured	Unsecured	Secured	Unsecured
3,526	1,667	3,178	2,580

Amount repayable after one year

As at 30.6.08 \$'000		As at 31.3.08 \$'000	
Secured	Unsecured	Secured	Unsecured
8,532	-	8,749	-

An amount of \$3,056,000 (31.3.08: \$3,155,000) 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 \$6,250,000 (31.3.08: \$6,375,000) is secured by way of a legal mortgage on a leasehold property of a subsidiary at 12 Changi North Way, Singapore.

An amount of \$2,752,000 (31.3.08: \$2,397,000) 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 Gombang Kec. Lemah Abang, Bekasi 17750, Indonesia.

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	
		30.6.08	30.6.07
		\$'000	\$'000
Cash flows from operating activities			
Profit before income tax		10,688	13,192
Adjustments for:			
Depreciation expense		728	898
Amortisation expense		6	7
Loss on disposal of property, plant and equipment		36	-
Share of results from associates		56	86
Fair value adjustment on derivative financial instruments		135	(292)
Allowance for foreseeable loss		948	-
Gain on disposal of available-for-sale investments		(28)	-
Gain on disposal of assets held for sale	Note (a)	-	(6,403)
Share option expense		-	38
Interest expense		231	259
Interest income		(797)	(863)
Operating cash flows before changes in working capital		12,003	6,922
Increase in receivables		(9,726)	(27,692)
(Increase)/Decrease in inventories and contract work-in-progress		(8,279)	3,084
Increase in properties held for sale		(1,184)	-
(Decrease)/Increase in payables		(4,327)	25,302
Cash (used in)/generated from operations		(11,513)	7,616
Interest income received		797	863
Interest expense paid		(231)	(259)
Income tax paid		(1,651)	(4,287)
Net cash (used in)/from operating activities		(12,598)	3,933
Cash flows from investing activities			
Acquisition of shares from minority shareholders		(420)	-
Additional investments in associated companies		(2,644)	-
Additional loan to associated company		(6,810)	-
Purchase of property, plant and equipment		(1,654)	(736)
Proceeds from the disposal of property, plant and equipment		92	-
Proceeds from the disposal of available-for-sale investments		33	-
Purchase of available-for-sale investments		-	(31)
Unrealised profit on construction of properties for associated companies		1,837	-
Net cash inflow on disposal of assets held for sale	Note (a)	-	10,171
Net cash (used in)/from investing activities		(9,566)	9,404
Cash flows from financing activities			
Net proceeds from issue of shares of the Company		512	791
Repayment of short-term bank loans		(865)	(294)
Repayment of long-term bank loans		(224)	(361)
Payment of dividends to minority interests		(1,697)	(791)
Decrease in pledged fixed deposits		-	930
Net cash (used in)/generated from financing activities		(2,274)	275
Net (decrease)/increase in cash and cash equivalents		(24,438)	13,612
Cash and cash equivalents at beginning of period		163,066	119,370
Effect of foreign exchange rate changes		774	3,829
Cash and cash equivalents at end of period	Note (b)	139,402	136,811

Notes to the consolidated cash flow statement:**(a) Disposal of assets held for sale**

Assets held for sale	-	5,963
Liabilities associated with assets held for sale	-	(1,810)
	-	4,153
Release of investments revaluation reserve	-	(146)
Minority interests	-	(474)
Gain on disposal	-	6,403
Consideration	-	9,936
Net bank overdrafts disposed	-	235
Net cash inflow on disposal of assets held for sale	-	10,171

(b) Cash and cash equivalents

Cash at bank	46,685	28,467
Short-term deposits	95,242	109,499
Bank overdrafts	(2,525)	(1,155)
Cash and cash equivalents at end of period	139,402	136,811

GROUP	
30.6.08	30.6.07
\$'000	\$'000
-	5,963
-	(1,810)
-	4,153
-	(146)
-	(474)
-	6,403
-	9,936
-	235
-	10,171
46,685	28,467
95,242	109,499
(2,525)	(1,155)
139,402	136,811

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-----						Equity attributable to shareholders of the Company \$'000	Minority interests \$'000	Total \$'000
	Share capital \$'000	Accumulated profits \$'000	Investments revaluation reserve \$'000	Capital reserve \$'000	Foreign currency translation reserve \$'000	Subtotal \$'000			
GROUP - 2008									
Balance at 1 April 2008	72,125	99,952	2	(1,862)	(5,439)	(7,299)	164,778	12,434	177,212
Exchange differences arising during the period	-	-	-	-	639	639	639	90	729
Net income recognised directly in equity	-	-	-	-	639	639	639	90	729
Net profit for the period	-	5,630	-	-	-	-	5,630	1,258	6,888
Total recognised income for the period	-	5,630	-	-	639	639	6,269	1,348	7,617
Acquisition of minority interests	-	-	-	(119)	-	(119)	(119)	(301)	(420)
Disposal of available-for-sale investments	-	-	(2)	-	-	(2)	(2)	-	(2)
Issue of shares	512	-	-	-	-	-	512	-	512
Balance at 30 June 2008	72,637	105,582	-	(1,981)	(4,800)	(6,781)	171,438	13,481	184,919

	(-----Other reserves-----)					Subtotal \$'000	Equity attributable to shareholders of the Company \$'000	Minority interests \$'000	Total \$'000
	Share capital \$'000	Accumulated profits \$'000	Investments revaluation reserve \$'000	Share option reserve \$'000	Foreign currency translation reserve \$'000				
GROUP – 2007									
Balance at 1 April 2007	71,019	66,844	148	113	(3,282)	(3,021)	134,842	18,277	153,119
Exchange differences arising during the period	-	-	-	-	3,843	3,843	3,843	347	4,190
Net income recognised directly in equity	-	-	-	-	3,843	3,843	3,843	347	4,190
Net profit for the period	-	9,171	-	-	-	-	9,171	1,143	10,314
Total recognised income for the period	-	9,171	-	-	3,843	3,843	13,014	1,490	14,504
Acquisition of minority interests	-	-	-	-	-	-	-	(125)	(125)
Disposal of assets held for sale	-	-	(146)	-	-	(146)	(146)	(474)	(620)
Share option expense	-	-	-	38	-	38	38	-	38
Issue of shares	791	-	-	-	-	-	791	-	791
Balance at 30 June 2007	71,810	76,015	2	151	561	714	148,539	19,168	167,707

	Share capital \$'000	Accumulated profits \$'000	(-----Other reserves-----) Investments revaluation reserve \$'000	Subtotal \$'000	Total \$'000
COMPANY - 2008					
Balance at 1 April 2008	72,125	20,924	2	2	93,051
Net profit for the period	-	(310)	-	-	(310)
Total recognised expense for the period	-	(310)	-	-	(310)
Disposal of available-for-sale investments	-	-	(2)	(2)	(2)
Issue of shares	512	-	-	-	512
Balance at 30 June 2008	72,637	20,614	-	-	93,251

	Share capital \$'000	Accumulated profits \$'000	(-----Other reserves-----) Investments revaluation reserve \$'000	Share option reserves \$'000	Subtotal \$'000	Total \$'000
COMPANY - 2007						
Balance at 1 April 2007	71,019	11,818	2	113	115	82,952
Net profit for the period	-	(209)	-	-	-	(209)
Total recognised expense for the period	-	(209)	-	-	-	(209)
Share option expense	-	-	-	38	38	38
Issue of shares	791	-	-	-	-	791
Balance at 30 June 2007	71,810	11,609	2	151	153	83,572

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 \$72,125,270 divided into 255,977,762 ordinary shares to \$72,636,520 divided into 257,477,762 ordinary shares. This is a result of the allotment of shares upon exercise of employees' share options.

As at 30 June 2008, there were unexercised options of 1,395,292 (30.6.07: 3,080,292) of unissued ordinary shares under the Boustead Share Option Scheme 2001.

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).

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.

None.

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	
	30.6.08	30.6.07
(i) Based on weighted average number of ordinary shares in issue (¢)	2.2	3.6
(ii) On a fully diluted basis (¢) (detailing any adjustments made to the earnings)	2.2	3.6

The basic earnings per share ("EPS") is computed based on weighted average number of ordinary shares in issue of 256,977,762 shares (30.6.07: 255,285,498 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 258,152,346 shares (30.6.07: 257,792,838 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**

	GROUP		COMPANY	
	30.6.08	31.3.08	30.6.08	31.3.08
Net asset value per ordinary share based on issued share capital as at the end of the year reported on (¢)	67	64	36	36

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

This is the first time that the Group is announcing quarterly financial results. Reporting financial results on a quarterly basis may not correctly reflect the performance of the Group's project oriented businesses whose revenue and profit are recorded according to stages of project completion. Year-to-year comparisons are more accurate for analytical purposes.

For 1Q FY2009 ended 30 June 2008, the Group achieved revenue of \$79.6 million and net profit attributable to shareholders of \$5.6 million, a decrease of 11.3% and 38.6% respectively from 1Q FY2008.

Segment Revenue

Segment	1Q FY2009	1Q FY2008	Change
	\$m	\$m	%
Engineering Services	56.9	72.3	-21.3
Geo-Spatial Technology	21.6	16.4	+31.7
Investment Activities	1.1	1.1	0.0
Group Total	79.6	89.8	-11.3

The Group's overall revenue for 1Q FY2009 was adversely affected primarily by the deferred timing of revenue recognition for numerous contracts undertaken by Engineering Services, which saw revenue decline by 21.3% to \$56.9 million. Conversely, revenue from Geo-Spatial Technology rose by 31.7% to \$21.6 million.

Engineering Services Revenue

Engineering Services	1Q FY2009	1Q FY2008	Change
	\$m	\$m	%
Energy-Related Engineering	30.8	29.3	+5.1
Water & Wastewater Engineering	5.3	6.7	-20.9
Real Estate Solutions	20.8	36.3	-42.7
Engineering Services Total	56.9	72.3	-21.3

A review of the revenue performance for each division of Engineering Services is provided below.

In 1Q FY2009, the Energy-Related Engineering Division improved its revenue contribution by 5.1% to \$30.8 million. The downstream and upstream oil & gas business units (i.e. Boustead International Heaters and Boustead Controls & Electrics) continued to perform well under the favourable conditions presented by the buoyant oil & gas environment. In addition, the solid waste energy recovery business unit managed to significantly improve its revenue contribution in 1Q FY2009. The division also secured several small to medium value contracts across four continents.

The Water & Wastewater Engineering Division (i.e. Salcon) experienced a dip in revenue to \$5.3 million, down by 20.9%. This was due to revenue recognition of major projects in the previous corresponding quarter which had little or no contribution in 1Q FY2009. In June 2008, Salcon secured its largest contract to date, a \$175 million joint venture EPC turnkey contract to undertake the design, construction and upgrading of a major water infrastructure system in Libya, together with a local state-owned utilities company. Salcon's share of this contract is 65%.

The Real Estate Solutions Division commenced many new projects (mainly under Boustead Projects) in the latter part of 1Q FY2009 and due to the slow progress of work done during the initial stages, revenue achieved was only \$20.8 million, a decrease of 42.7% from 1Q FY2008. The new township business unit (i.e. Boustead InfraStructures) in Libya had minimal revenue contribution in 1Q FY2009 but this is expected to progressively increase as FY2009 progresses. In June 2008, the division also secured a prestigious \$60 million turnkey contract for The Singapore FreePort, a special state-of-the-art ultra-high security facility for the storage of the world's finest collections and valuables.

Geo-Spatial Technology Revenue

Geo-Spatial Technology garnered strong sales in 1Q FY2009 with revenue reaching \$21.6 million, up 31.7%. There was rising demand for professional services and location intelligence solutions in Australia, especially with the close of the financial year for the Australian government in June 2008.

Profitability

In 1Q FY2009, "Gross profit" improved to \$30.1 million, an increase of 16.9%. Gross profit margin jumped to 37.8% in 1Q FY2009 from 28.6% in 1Q FY2008, due largely to the better performance of Geo-Spatial Technology which commands higher gross margins across its suite of services and solutions.

"Other operating income" decreased by \$6.0 million because of the one-off \$6.3 million sale of a property in the UK in 1Q FY2008. Overhead expenses increased by 4.6% as the Group significantly expanded its core engineering teams to handle the order book which has increased rapidly over the last four months.

The Group achieved net profit attributable to shareholders of \$5.6 million in 1Q FY2009. Excluding the one-off sale of the property in the UK in the previous corresponding quarter, net profit attributable to shareholders would have increased by 96.1%.

Cash Flow & Balance Sheets

In 1Q FY2009, there was a net decrease in cash and cash equivalents of \$24.4 million. This reduction in cash liquidity is attributable mainly to the higher working capital requirements arising from higher levels of operation and also cash used in the acquisition of an additional 10% shareholding in associate, GBI Realty.

On the Balance Sheets, "Current assets" decreased to \$318.5 million, due largely to a fall in "Cash and bank balances". The decrease in "Current assets" was evenly matched by a similar decrease in "Current liabilities".

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.

Going forward in FY2009, global demand for the Group's infrastructure-related engineering services and geo-spatial technology remains fundamentally strong.

In the first four months of FY2009, the Group has secured approximately \$350 million in new orders. With a current order book approaching \$800 million, the Group is well positioned to improve on its record financial performance achieved in FY2008.

Furthermore, the net cash position is expected to increase in the future with healthy operational cash flows and the completion of the \$200 million sale of a property by associate, GBI Realty in the latter part of FY2009.

The Energy-Related Engineering Division is expected to further strengthen its order book with new contracts for key process technologies for the downstream and upstream oil & gas industries, both in the areas of conventional process technologies as well as technologies focused on cleaner fuels and energy efficiency.

With the latest \$175 million joint venture contract secured in Libya, the Water & Wastewater Engineering Division is expected to improve its financial operating position in FY2009.

The Real Estate Solutions Division recently secured a string of high-profile contracts including the \$60 million Singapore FreePort project, the \$37 million maintenance, repair and overhaul facility for Singapore Aero Engine Services and the \$67 million semiconductor equipment manufacturing facility for a Fortune 500 corporation.

Geo-Spatial Technology is expected to continue its marketing efforts in professional services and distribution services. It is on track for another year of steady growth.

Having recently celebrated its 180th Anniversary in July 2008, the Group will continue to build on its achievements and contributions over 180 years to further strengthen its global reputation.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared/recommendeded for this period.

13. Confirmation by the Board

We, Wong Fong Fui and Loh Kai Keong, being two directors of Boustead Singapore Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the 1Q FY2009 financial results to be false or misleading.

On behalf of the board of directors

WONG FONG FUI
Chairman

LOH KAI KEONG
Director

12 August 2008