

**BOUSTEAD SINGAPORE LIMITED**  
**AND ITS SUBSIDIARIES**



**ENGINEERING THE WORLD OF THE FUTURE**

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

**SGXNET ANNOUNCEMENT**  
**UNAUDITED RESULTS FOR 2Q FY2011**  
**ENDED 30 SEPTEMBER 2010**



## **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 emerging markets, the Group's strong suite of Engineering Services comprises:

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

The Group's Geo-Spatial Technology arm 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 79 countries globally.

In 2008 and 2009, the Group was recognised in the prestigious Forbes Asia 200 Best Under A Billion as one of the Asia Pacific's 200 best public-listed corporations under US\$1 billion in revenue. The Group is also listed on the MSCI Global Small Cap Index for Singapore and the FTSE ST Small Cap Index.

**BOUSTEAD SINGAPORE LIMITED**  
(Company Registration No. 197501036K)

**Unaudited Financial Statements And Related Announcement for the Second Quarter Ended 30 September 2010**

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

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

	Note	GROUP Second quarter ended			GROUP Half year ended		
		30.9.10 \$'000	30.9.09 \$'000	Inc/(Dcr) %	30.9.10 \$'000	30.9.09 \$'000	Inc/(Dcr) %
<b>Revenue</b>		130,554	114,283	14%	322,745	233,203	38%
<b>Cost of sales</b>		(99,712)	(82,878)	20%	(226,530)	(169,169)	34%
<b>Gross profit</b>		30,842	31,405	-2%	96,215	64,034	50%
Other operating income	1	925	1,134	-18%	1,779	1,948	-9%
Selling and distribution expenses		(7,095)	(5,920)	20%	(14,409)	(11,785)	22%
Administrative expenses		(9,133)	(9,499)	-4%	(22,243)	(19,094)	16%
Other operating expenses		(3,150)	(2,492)	26%	(6,833)	(5,374)	27%
Finance costs		(83)	(184)	-55%	(194)	(405)	-52%
Share of results from associates		-	1,015	-100%	-	990	-100%
<b>Profit before income tax</b>	2	12,306	15,459	-20%	54,315	30,314	79%
Income tax expense	3	(3,308)	(3,595)	-8%	(10,359)	(7,670)	35%
<b>Profit for the period</b>		8,998	11,864	-24%	43,956	22,644	94%
Attributable to:							
Owners of the company		8,078	10,763	-25%	40,005	20,238	98%
Minority interests		920	1,101	-16%	3,951	2,406	64%
		8,998	11,864	-24%	43,956	22,644	94%

**1(a)(ii) A comprehensive income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Note	GROUP Second quarter ended			GROUP Half year ended		
		30.9.10 \$'000	30.9.09 \$'000	Inc/(Dcr) %	30.9.10 \$'000	30.9.09 \$'000	Inc/(Dcr) %
<b>Profit for the period</b>		8,998	11,864	-24%	43,956	22,644	94%
<b>Other comprehensive income (net of tax):</b>							
Exchange differences on translating foreign operations		1,407	(96)	NM	(493)	4,970	NM
Investments revaluation reserve		94	-	100%	94	-	100%
<b>Total comprehensive income for the period</b>		10,499	11,768	-11%	43,557	27,614	58%
Attributable to:							
Owners of the company		9,327	10,531	-11%	39,598	24,789	60%
Minority interests		1,172	1,237	-5%	3,959	2,825	40%
		10,499	11,768	-11%	43,557	27,614	58%

NM - not meaningful

	GROUP			GROUP		
	Second quarter ended			Half year ended		
	30.9.10	30.9.09	Inc/(Dcr)	30.9.10	30.9.09	Inc/(Dcr)
\$'000	\$'000	%	\$'000	\$'000	%	
<u>Note 1: Other operating income</u>						
Interest income	680	796	-15%	1,290	1,206	7%
Other rental income	245	242	1%	489	478	2%
Net foreign currency exchange adjustment gain	-	96	-100%	-	264	-100%
	925	1,134	-18%	1,779	1,948	-9%
<u>Note 2: The profit before income tax is arrived at after (charging)/ crediting the following:</u>						
Depreciation expense	(843)	(758)	11%	(1,654)	(1,478)	12%
Amortisation expense	(54)	-	100%	(130)	-	100%
Net foreign currency exchange adjustment loss	(681)	-	100%	(3,621)	-	100%
Share option expense	-	(48)	-100%	(62)	(64)	-3%
Fair value adjustment on foreign exchange contracts	915	91	905%	(9)	117	NM
Gain on disposal of property, plant and equipment	51	59	-14%	51	59	-14%
Gain on disposal of assets held for sale	-	-		618	-	100%
<u>Note 3: Income tax</u>						
Under provision in prior years	(3)	-	100%	(3)	(312)	-99%

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 17% mainly due to certain expenses which are not deductible for tax purposes and overseas subsidiaries' profits which are subject to higher tax rates.

NM - not meaningful

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

**Statements of Financial Position**

	Note	Group		Company	
		30.9.10 \$'000	31.3.10 \$'000	30.9.10 \$'000	31.3.10 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances		207,857	223,337	73,399	74,077
Trade receivables		99,117	111,479	-	-
Other receivables and prepayments		35,659	32,503	468	16,768
Foreign exchange contracts		34	43	34	43
Loans to subsidiaries		-	-	42,768	50,393
Inventories		16,821	6,018	-	-
Properties held for sale		53,608	69,499	-	-
Contracts work-in-progress		47,270	24,749	-	-
		460,366	467,628	116,669	141,281
Assets held for sale		745	5,677	1,496	2,160
Total current assets		461,111	473,305	118,165	143,441
<b>Non-current assets</b>					
Property, plant and equipment		18,095	21,891	-	-
Investment properties		6,584	6,661	-	-
Goodwill		1,608	1,613	-	-
Other intangible assets		2,003	2,143	30	30
Investments in associates		5,192	5,192	3,940	3,940
Investments in subsidiaries		-	-	81,617	81,949
Available-for-sale investments		8,216	5,550	2,666	-
Deferred tax assets		2,422	2,530	-	-
Total non-current assets		44,120	45,580	88,253	85,919
<b>Total assets</b>		505,231	518,885	206,418	229,360
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Bank loans and overdrafts	1(b)(ii)	5,452	4,006	-	-
Trade and other payables		199,344	225,453	2,306	2,779
Loans from subsidiaries		-	-	125,443	128,887
Contracts work-in-progress		4,541	7,741	-	-
Income tax payable		24,595	24,532	-	-
		233,932	261,732	127,749	131,666
Liabilities associated with assets held for sale		-	4,104	-	-
Total current liabilities		233,932	265,836	127,749	131,666
<b>Non-current liabilities</b>					
Long-term bank loans	1(b)(ii)	18,545	20,025	-	-
Pension liability		2,077	2,125	-	-
Deferred tax liabilities		154	328	-	-
Total non-current liabilities		20,776	22,478	-	-
<b>Equity attributable to owners of the company</b>					
Share capital	1(d)(i)	73,501	72,853	73,501	72,853
Treasury shares		(4,983)	(4,983)	(4,983)	(4,983)
Accumulated profits		175,221	155,474	9,685	29,514
Other reserves	1(d)(i)	(12,852)	(10,037)	466	310
Equity attributable to owners of the company		230,887	213,307	78,669	97,694
<b>Minority interests</b>					
		19,636	17,264	-	-
Total equity		250,523	230,571	78,669	97,694
<b>Total liabilities and equity</b>		505,231	518,885	206,418	229,360

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

Amount repayable in one year or less, or on demand

<b>As at 30.9.10 \$'000</b>		<b>As at 31.3.10 \$'000</b>	
Secured	Unsecured	Secured	Unsecured
5,452	-	4,006	-

Amount repayable after one year

<b>As at 30.9.10 \$'000</b>		<b>As at 31.3.10 \$'000</b>	
Secured	Unsecured	Secured	Unsecured
18,545	-	20,025	-

An amount of \$5,125,000 (31.3.10: \$5,375,000) is secured by way of a legal mortgage on a leasehold property of a subsidiary at 12 Changi North Way, Singapore.

An amount of \$4,600,000 (31.3.10: \$5,080,000) is secured by way of a legal mortgage on a leasehold property of a subsidiary at 16 Changi North Way, Singapore.

An amount of \$7,350,000 (31.3.10: \$7,850,000) is secured by way of a legal mortgage on a leasehold property of a subsidiary at 85 Tuas South Avenue 1, Singapore.

An amount of \$4,430,000 (31.3.10: \$4,680,000) is secured by way of a legal mortgage on a leasehold property of a subsidiary at 25 Changi North Rise, Singapore.

An amount of \$2,492,000 (31.3.10: \$1,046,000) is secured by way of a pledge on certain plant and machinery of a joint venture in Libya.

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		Group	
	Second quarter ended 30.9.10 \$'000	30.9.09 \$'000	Half year ended 30.9.10 \$'000	30.9.09 \$'000
<b>Operating activities</b>				
Profit before income tax	12,306	15,459	54,315	30,314
Adjustments for:				
Depreciation expense	843	758	1,654	1,478
Amortisation expense	54	-	130	-
Share option expense	-	48	62	64
Gain on disposal of assets held for sale	-	-	(618)	-
Gain on disposal of property, plant and equipment	(51)	(59)	(51)	(59)
Share of results from associates	-	(1,015)	-	(990)
Fair value adjustment on foreign exchange contracts	(915)	(91)	9	(117)
Interest expense	83	184	194	405
Interest income	(680)	(796)	(1,290)	(1,206)
Operating cash flows before changes in working capital	11,640	14,488	54,405	29,889
Decrease/(Increase) in receivables	11,568	(8,316)	9,205	(15,607)
(Increase)/Decrease in inventories and contracts work-in-progress	(22,687)	2,001	(33,235)	854
Decrease/(Increase) in properties held for sale	(4,928)	(4,946)	15,891	(6,107)
Decrease in assets held for sale	492	-	492	-
(Decrease)/Increase in payables	19,557	(5,410)	(26,088)	(12,516)
Cash generated from/(used in) operations	15,642	(2,183)	20,670	(3,487)
Interest income received	680	796	1,290	1,206
Interest expense paid	(83)	(184)	(194)	(405)
Income tax paid	(6,458)	(6,790)	(10,362)	(10,005)
<b>Net cash generated from/(used in) operating activities</b>	<b>9,781</b>	<b>(8,361)</b>	<b>11,404</b>	<b>(12,691)</b>
<b>Investing activities</b>				
Proceeds from disposal of property, plant and equipment	158	146	158	173
Purchase of property, plant and equipment	(994)	(913)	(1,761)	(1,154)
Purchase of available-for-sale investments	(494)	-	(2,572)	-
Acquisition of minority interests	(448)	(80)	(3,065)	(880)
Repayment of loan by an associate	-	20,040	-	20,040
Dividends from an associate	-	20,966	-	20,966
Net cash inflow on disposal of assets held for sale	-	-	835	-
<b>Net cash (used in)/generated from investing activities</b>	<b>(1,778)</b>	<b>40,159</b>	<b>(6,405)</b>	<b>39,145</b>
<b>Financing activities</b>				
Net proceeds from issue of shares of the company	528	-	648	-
(Decrease)/Increase in short-term bank loans	(4,601)	88	-	(4)
Repurchase of shares	-	(544)	-	(3,750)
Proceeds from long-term bank loans	-	-	-	252
Repayment of long-term bank loans	(740)	(855)	(1,480)	(1,708)
Payment of dividends to minority interests	(952)	(622)	(1,013)	(753)
Dividends paid	(20,258)	(12,656)	(20,258)	(12,656)
<b>Net cash used in financing activities</b>	<b>(26,023)</b>	<b>(14,589)</b>	<b>(22,103)</b>	<b>(18,619)</b>
Net (decrease)/increase in cash and cash equivalents	(18,020)	17,209	(17,104)	7,835
Cash and cash equivalents at beginning of period	222,382	172,588	222,410	178,605
Effect of foreign exchange rate changes	1,003	206	59	3,563
Cash and cash equivalents at end of period	205,365	190,003	205,365	190,003



**Notes to the consolidated cash flow statement:**

	<b>Group</b>		<b>Group</b>	
	<b>Second quarter ended</b>	<b>30.9.09</b>	<b>Half year ended</b>	<b>30.9.09</b>
	<b>30.9.10</b>	<b>30.9.09</b>	<b>30.9.10</b>	<b>30.9.09</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>(a) Disposal of assets held for sale</b>				
Assets held for sale	-	-	4,440	-
Liabilities associated with assets held for sale	-	-	(4,104)	-
	-	-	336	-
Gain on disposal	-	-	618	-
Consideration	-	-	954	-
Cash and bank balances disposed	-	-	(119)	-
Net cash inflow on disposal of assets held for sale	-	-	835	-
<b>(b) Cash and cash equivalents</b>				
Cash at bank	125,939	53,748	125,939	53,748
Short-term deposits	81,918	137,076	81,918	137,076
	207,857	190,824	207,857	190,824
Bank overdrafts	(2,492)	(821)	(2,492)	(821)
Cash and cash equivalents at end of period	205,365	190,003	205,365	190,003

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	Treasury shares \$'000	Accumulated profits \$'000	Investments revaluation reserve \$'000	Capital reserve \$'000	Share option reserve \$'000	Foreign currency translation reserve \$'000	Subtotal \$'000	Equity attributable to shareholders of the company \$'000	Minority interests \$'000	Total \$'000
<b>GROUP</b>											
Balance at 1 April 2010	72,853	(4,983)	155,474	-	(5,986)	310	(4,361)	(10,037)	213,307	17,264	230,571
Total comprehensive income for the period	-	-	31,927	-	-	-	(1,656)	(1,656)	30,271	2,787	33,058
Acquisition of minority interests	-	-	-	-	(2,308)	-	-	(2,308)	(2,308)	(309)	(2,617)
Share option expense	-	-	-	-	-	62	-	62	62	-	62
Issue of shares	120	-	-	-	-	-	-	-	120	-	120
Balance at 30 June 2010	72,973	(4,983)	187,401	-	(8,294)	372	(6,017)	(13,939)	241,452	19,742	261,194
Total comprehensive income for the period	-	-	8,078	94	-	-	1,155	1,249	9,327	1,172	10,499
Acquisition of minority interests	-	-	-	-	(162)	-	-	(162)	(162)	(286)	(448)
Minority share of net dividends from subsidiaries	-	-	-	-	-	-	-	-	-	(992)	(992)
Dividends	-	-	(20,258)	-	-	-	-	-	(20,258)	-	(20,258)
Issue of shares	528	-	-	-	-	-	-	-	528	-	528
Balance at 30 September 2010	73,501	(4,983)	175,221	94	(8,456)	372	(4,862)	(12,852)	230,887	19,636	250,523

1(d)(i) Statement of changes in equity (cont'd)

	(----- Other reserves -----)							Equity attributable to shareholders of the company	Minority interests	Total
	Share capital \$'000	Treasury shares \$'000	Accumulated profits \$'000	Capital reserve \$'000	Share option reserve \$'000	Foreign currency translation reserve \$'000	Subtotal \$'000			
<b>GROUP</b>										
Balance at 1 April 2009	72,791	(1,012)	134,529	(3,581)	-	(8,398)	(11,979)	194,329	14,441	208,770
Total comprehensive income for the period	-	-	9,475	-	-	4,783	4,783	14,258	1,588	15,846
Acquisition of minority interests	-	-	185	(2,675)	-	-	(2,675)	(2,490)	(302)	(2,792)
Share option expense	-	-	-	-	16	-	16	16	-	16
Repurchase of shares	-	(3,206)	-	-	-	-	-	(3,206)	-	(3,206)
Balance at 30 June 2009	72,791	(4,218)	144,189	(6,256)	16	(3,615)	(9,855)	202,907	15,727	218,634
Total comprehensive income for the period	-	-	10,763	-	-	(232)	(232)	10,531	1,237	11,768
Dividends	-	-	(12,656)	-	-	-	-	(12,656)	-	(12,656)
Share option expense	-	-	-	-	48	-	48	48	-	48
Repurchase of shares	-	(544)	-	-	-	-	-	(544)	-	(544)
Balance at 30 September 2009	72,791	(4,762)	142,296	(6,256)	64	(3,847)	(10,039)	200,286	16,964	217,250

1(d)(i) Statement of changes in equity (cont'd)

	Share capital \$'000	Treasury shares \$'000	Accumulated profits \$'000	(----- Other reserves -----) Investments revaluation reserve \$'000	Share option reserve \$'000	Subtotal \$'000	Total \$'000
<b>COMPANY</b>							
Balance at 1 April 2010	72,853	(4,983)	29,514	-	310	310	97,694
Total comprehensive income for the period	-	-	(418)	-	-	-	(418)
Share option expense	-	-	-	-	62	62	62
Issue of shares	120	-	-	-	-	-	120
Balance at 30 June 2010	72,973	(4,983)	29,096	-	372	372	97,458
Total comprehensive income	-	-	847	94	-	94	941
Dividends	-	-	(20,258)	-	-	-	(20,258)
Issue of shares	528	-	-	-	-	-	528
Balance at 30 September 2010	73,501	(4,983)	9,685	94	372	466	78,669

1(d)(i) Statement of changes in equity (cont'd)

	Share capital \$'000	Treasury shares \$'000	Accumulated profits \$'000	(---- Other reserves ----) Share option reserve \$'000	Subtotal \$'000	Total \$'000
<b>COMPANY</b>						
Balance at 1 April 2009	72,791	(1,012)	17,637	-	-	89,416
Total comprehensive income for the period	-	-	6,204	-	-	6,204
Share option expense	-	-	-	16	16	16
Repurchase of shares	-	(3,206)	-	-	-	(3,206)
Balance at 30 June 2009	72,791	(4,218)	23,841	16	16	92,430
Total comprehensive income	-	-	15,010	-	-	15,010
Dividends	-	-	(12,656)	-	-	(12,656)
Share option expense	-	-	-	48	48	48
Repurchase of shares	-	(544)	-	-	-	(544)
Balance at 30 September 2009	72,791	(4,762)	26,195	64	64	94,288

**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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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 (excluding treasury shares) increased from 505,606,524 ordinary shares to 506,446,524 ordinary shares. This resulted from the allotment of 840,000 ordinary shares upon exercise of employees' share options. As at 30 September 2010, there were a total of 10,539,000 treasury shares.

As at 30 September 2010, there were unexercised options of 1,490,000 (30.09.09: 3,400,584) of unissued ordinary shares under the Boustead Share Option Scheme 2001.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	<b>As at 30.9.10</b>	<b>As at 31.3.10</b>
Total number of issued shares (excluding treasury shares)	506,446,524	505,406,524

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

**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 Second quarter ended		GROUP Half year ended	
	30.9.10	30.9.09	30.9.10	30.9.09
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 (¢)	1.6	2.1	7.9	4.0
(ii) On a fully diluted basis (¢)	1.6	2.1	7.9	4.0
Weighted average number of ordinary shares in issue:				
Basic (*)	506,326,524	506,000,857	505,899,857	506,123,191
Fully diluted basis (**)	507,743,342	507,835,052	507,316,676	507,957,385

\* The basic earnings per share is computed based on the weighted average number of ordinary shares in issue.

\*\* The fully diluted earnings per share is computed based on weighted average number of ordinary shares in issue adjusted for the effects of all potential dilutive ordinary shares.

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

	Group		Company	
	30.9.10	31.3.10	30.9.10	31.3.10
Net asset value per ordinary share based on issued shares (excluding treasury shares) as at the end of the period reported on (¢)	45.6	42.2	15.5	19.3
Number of issued shares (excluding treasury shares) as at the end of the period reported on	506,446,524	505,406,524	506,446,524	505,406,524

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

As previously highlighted, the Group's revenue is derived largely from project oriented businesses and quarterly results would not accurately reflect the full year's performance. Full-year to full-year comparisons are more appropriate for analytical purposes.

For 2Q FY2011 ended 30 September 2010, the Group achieved revenue of \$130.6 million and net profit attributable to owners of the company of \$8.1 million, an increase of 14% and decrease of 25% respectively.

The 2Q FY2011 financial results lifted revenue to \$322.7 million and net profit attributable to owners of the company to \$40.0 million for 1H FY2011, an increase of 38% and 98% respectively over 1H FY2010.

The 1H FY2011 revenue of \$322.7 million reflects a reversal of revenue of \$46 million which had been incorrectly taken up in 1Q FY2011 upon the completion of the sale of IBM Singapore Technology Park. This revision has no impact on the profit before income tax and net profit attributable to owners of the company, since there is a compensating entry in the cost of sales.

### Segment Revenue

Segment	Revenue			Revenue		
	2Q FY2011	2Q FY2010	Change	1H FY2011	1H FY2010	Change
	\$m	\$m	%	\$m	\$m	%
Engineering Services	109.6	95.9	+14	276.2	195.1	+42
Geo-Spatial Technology	20.8	17.6	+18	46.2	36.6	+26
Investment Activities	0.2	0.8	-75	0.3	1.5	-80
Group Total	130.6	114.3	+14	322.7	233.2	+38

The Group's revenue growth in 2Q FY2011 was supported by revenue growth registered across the Group's two core segments, Engineering Services and Geo-Spatial Technology, which rose by 14% and 18% respectively.



## Engineering Services Revenue

Division	Revenue			Revenue		
	2Q FY2011	2Q FY2010	Change	1H FY2011	1H FY2010	Change
	\$m	\$m	%	\$m	\$m	%
Energy-Related Engineering	38.0	28.4	+34	75.3	54.3	+39
Water & Wastewater Engineering	5.8	5.7	+2	13.1	7.9	+66
Real Estate Solutions	65.8	61.8	+6	187.8	132.9	+41
Engineering Total	109.6	95.9	+14	276.2	195.1	+42

The Energy-Related Engineering Division achieved revenue of \$38.0 million, growing 34% in 2Q FY2011. Revenue growth was driven primarily by the strong performance of the downstream oil & gas business (i.e. Boustead International Heaters), which continued to progress with momentum on its major projects globally. The upstream oil & gas business (i.e. Controls & Electrics) and solid waste energy recovery business (i.e. Boustead Maxitherm) experienced a relatively slow quarter.

The Water & Wastewater Engineering Division (i.e. Boustead Salcon Water Solutions) registered revenue of \$5.8 million, up 2%. The division is in the process of completing installation and commissioning operations at its largest industrial seawater desalination plant for Toshiba Corporation at the Tanjung Jati B Power Plant in Indonesia.

Revenue of the Real Estate Solutions Division was \$65.8 million, increasing 6%. Revenue growth came mainly from the industrial real estate solutions business (i.e. Boustead Projects), especially from the contributions of two major projects located at the Seletar Aerospace Park.

In Libya, the new township project (i.e. Boustead Infrastructures) continues to meet challenges which affected progress in 2Q FY2011. The Group's management is negotiating new terms for the joint venture which are aimed at speeding up the completion of the project and mitigating the Group's risks.

## Geo-Spatial Technology Revenue

Geo-Spatial Technology achieved revenue of \$20.8 million in 2Q FY2011, rising 18%. Demand was driven mainly by software sales and after-sales maintenance services to government agencies in Australia and South East Asia.

## Group Profitability

For 2Q FY2011, the Group's gross profit decreased marginally by 2% to \$30.8 million due to lower gross margins on one sizeable project secured amidst a highly competitive environment in calendar year 2009. The gross profit margin was 24% in 2Q FY2011, compared to 27% in 2Q FY2010.

Overhead expenses rose 8% to \$19.4 million as a result of the expansion of two new overseas offices.

Profit before income tax fell to \$12.3 million, down 20% as the gross profit declined while overhead expenses increased. A breakdown of the profit before income tax by core operating divisions is provided.

Segment/ Division	PBT			PBT		
	2Q FY2011 \$m	2Q FY2010 \$m	Change %	1H FY2011 \$m	1H FY2010 \$m	Change %
Engineering Services						
- Energy-Related Engineering	3.0	5.4	-44	8.8	8.3	+6
- Water & Wastewater Engineering	0.5	(0.8)	NM	0.7	(1.6)	NM
- Real Estate Solutions	4.5	6.8	-34	35.2	15.0	+135
	8.0	11.4	-30	44.7	21.7	+106
Geo-Spatial Technology	4.3	3.9	+10	11.1	9.1	+22
Investment Activities	-	0.1	-100	(1.5)	(0.5)	+200
Group Total	12.3	15.4	-20	54.3	30.3	+79

NM – not meaningful

All four core operating divisions continued to register a profit before income tax. However, the profitability of the Energy-Related Engineering Division and the Real Estate Solutions Division was affected by the restructuring of the Boustead Maxitherm business in Australia and lower project margins respectively.

For 2Q FY2011, the Group achieved net profit attributable to owners of the company of \$8.1 million, a decrease of 25%.

The Board has declared an interim cash dividend of 2.0 cents per ordinary share for 2Q FY2011. This is 33% higher than the interim cash dividend of 1.5 cents per ordinary share declared and paid for 2Q FY2010.

## Cash Flow Statement

During 2Q FY2011, cash and cash equivalents (after taking into account the effect of foreign exchange rate changes) decreased to \$205.4 million. Net cash inflow from operating activities of \$9.8 million was offset by net cash outflows from investing activities of \$1.8 million and financing activities of \$26.0 million, due largely to the repayment of short-term bank loans and the payment of dividends.

## Statement of Financial Position

For 2Q FY2011, the Group's financial position remained healthy. Cash and bank balances fell to \$207.9 million.

Trade receivables, properties held for sale, and trade and other payables declined mainly as a result of the completion of the sale of IBM Singapore Technology Park.

Inventories and contracts work-in-progress (under current assets) increased due to materials and progress work related to major projects under the Real Estate Solutions Division.

The Group's net asset value per share was \$0.456 as at the end of 2Q FY2011, up from \$0.396 a year earlier.

The Group's net cash position (i.e. net of all bank borrowings) was \$183.9 million as at the end of 2Q FY2011, translating to a net cash per share position of \$0.363.

**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.**

With continued uncertainty surrounding the economies of the United States and the European Union, the Group remains cautiously optimistic on its prospects in FY2011.

The Group's financial position remains healthy with a net cash position of \$183.9 million and an improving net asset value position. The Group is currently in the process of conducting due diligence for some major acquisition opportunities which were previously announced.

Although contract negotiations and awards have been relatively protracted, the Group's enquiry pipeline is healthy.

Global crude oil prices have stabilised above US\$80 per barrel, which will facilitate negotiations by the Energy-Related Engineering Division for small to medium-sized contracts. The division was recently awarded \$9 million in contracts for waste heat recovery units – a green technology that enhances the energy efficiency of new and existing oil & gas processes – in Brazil and Chile.

Having successfully turned around, the Water & Wastewater Engineering Division has been actively rebuilding its order book. The division was recently awarded a multi-million dollar water treatment and return condensate treatment plant at the Tuas Power Tembusu Multi-Utilities Complex in Singapore, strengthening its track record in the power industry.

The Real Estate Solutions Division expects continued challenges. The average enquiry value for the design-and-build of industrial facilities has declined although the number of enquiries has risen. The division continues to focus its business development efforts on securing design-and-build and design-build-and-lease contracts in the face of an anticipated slowdown in this sector, with special emphasis being placed on opportunities in niche growth industries and for expanding the Group's recurring income base.

As indicated earlier, the Group is currently re-negotiating its new township joint venture in Libya. This is expected to be completed in 3Q FY2011.

Geo-Spatial Technology expects sustained demand from government agencies in Australia and South East Asia, although growth for the remainder of FY2011 is expected to slow.

The Group's main businesses are currently operating in the faster growing Asia Pacific markets and these businesses are expected to continue to perform well in 2H FY2011.

## 11. Dividend

### (a) Current Financial Period Reported On

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

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount (per ordinary share)	2.0 cents
Tax Rate	Tax Exempt (1-tier)

### (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
Dividend Type	Cash
Dividend Amount (per ordinary share)	1.5 cents
Tax Rate	Tax Exempt (1-tier)

### (c) Date payable

16 December 2010.

### (d) Books closure date

Notice is hereby given that the Transfer Books and Register of Members of the Company will be closed on 2 December 2010 for the purpose of determining shareholders' entitlements to the interim dividend to be paid on 16 December 2010.

Duly completed transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 1 December 2010 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.

**13. Confirmation by the Board**

We, Wong Fong Fui and Loh Kai Keong, being two of the directors of Boustead Singapore Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the 2Q FY2011 financial results to be false or misleading.

On behalf of the board of directors

WONG FONG FUI  
Chairman

LOH KAI KEONG  
Director

**BY ORDER OF THE BOARD**

*Alvin Kok*  
*Company Secretary*  
9 November 2010