



Boustead Singapore Limited
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BOUSTEAD FINANCIAL RESULTS ANNOUNCEMENT FOR FY2017 ENDED 31 MARCH 2017

	4Q FY2017	4Q FY2016	Change	FY2017	FY2016	Change
Revenue	S\$91.0m	S\$112.5m	-19%	S\$433.8m	S\$486.7m	-11%
Gross profit	S\$33.6m	S\$31.1m	+8%	S\$143.6m	S\$150.6m	-5%
Profit before income tax ("PBT")	¹ S\$21.2m	² S\$10.6m	+100%	¹ S\$67.7m	² S\$56.5m	+20%
Total profit	S\$17.0m	S\$7.2m	+135%	S\$53.5m	S\$41.1m	+30%
Profit attributable to equity holders of Company ("net profit")	S\$9.2m	S\$4.1m	+124%	S\$33.3m	S\$28.2m	+18%
Net profit (adjusted for comparative review)*	S\$5.9m	S\$1.2m	+391%	S\$25.0m	S\$27.6m	-9%
- Earnings per share	1.8cts	0.8cts	+125%	6.4cts	5.4cts	+19%
- Net asset value per share				**61.7cts	**58.3cts	+6%

Notes:

¹ Includes other gains of S\$12.0m and S\$17.0m in 4Q FY2017 and FY2017 respectively.

² Includes other gains of S\$2.6m and S\$0.3m in 4Q FY2016 and FY2016 respectively.

* Net profit adjusted for other gains and losses net of non-controlling interests for comparative review.

Note to Editors: The Group's revenue is largely derived from project-oriented businesses and as such, quarterly results would not accurately reflect the full-year's performance. Full-year to full-year comparisons are more appropriate for analytical purposes.

FY2017 Highlights:

- Revenue of S\$433.8m was 11% lower than FY2016.
- Net profit of S\$33.3 million was 18% higher than FY2016. For comparative review, after adjusting for other gains and losses net of non-controlling interests, net profit would be 9% lower year-on-year.
- The Group's current order book backlog stands at S\$225 million.
- The Board has proposed a final ordinary dividend of 1.5 cents per share. Together with the interim ordinary dividend paid of 0.5 cent per share, the total ordinary dividend for FY2017 would be 2.0 cents per share.

Singapore, 23 May 2017 – Mainboard-listed Boustead Singapore Limited (“Boustead” or the “Group”), a progressive global infrastructure-related engineering services and geo-spatial technology group today announced its unaudited financial results for the fourth quarter and full-year ended 31 March 2017 (“4Q FY2017” and “FY2017” respectively).

For FY2017, the Group registered revenue of S\$433.8 million, total profit of S\$53.5 million and net profit of S\$33.3 million. Although full-year revenue was 11% lower year-on-year, total profit and net profit grew 30% and 18% year-on-year respectively. Net profit expanded at a slower pace than total profit due to higher contributions by Boustead Projects Limited to total profit, which resulted in the dilutive effect of the higher non-controlling interests on net profit. After adjusting for other gains and losses net of non-controlling interests, full-year net profit would be 9% lower year-on-year.

The significant positive impact from other gains and losses on both 4Q FY2017 and FY2017 is mainly attributable to Boustead Projects, primarily for the early termination of a lease agreement and the sale of an available-for-sale financial asset.

In view of the Group’s FY2017 profit performance and Boustead Projects’ proposal of an inaugural dividend of 2.5 cents per share, the Board of Directors has proposed a final ordinary dividend of 1.5 cents per share payable in cash for shareholders’ approval. Together with the interim ordinary dividend of 0.5 cent per share, the total ordinary dividend for FY2017 would be 2.0 cents per share.

Mr Wong Fong Fui, Chairman and Group Chief Executive Officer of Boustead said, “Despite another year of unfavourable market conditions, we worked hard to achieve commendable results. Even in the face of lower revenue and gross margin pressure, we maintained profitability across our three divisions. Our net profit benefitted from a boost provided by significant non-recurring gains at Boustead Projects.”

Mr Wong added, “Looking ahead, our healthy balance sheet and fundamentally-sound businesses place us in good stead to weather a prolonged challenging and competitive period. We have also restructured many of our businesses to prudently manage our internal costs and supply chain in view of the tough business environment. With S\$188 million in net cash, S\$67 million in financial assets and S\$500 million of available untapped MTN programme financing, we remain in an excellent position to take a disciplined and patient approach to seize on good acquisition and investment opportunities in a timely manner.”

Mr Wong ended off, “I am certain that our shareholders will be pleased to see that our proposed final ordinary dividend of 1.5 cents per share, brings the total ordinary dividend for FY2017 to 2 cents per share. Separately, Boustead Projects also yesterday proposed an inaugural dividend of 2.5 cents as a listed corporation, a move that should be welcomed by Boustead Projects’ shareholders.”

Into a third year of recession, the severely depressed global oil & gas industries continued to adversely impact revenue at the Energy-Related Engineering Division, with revenue declining 25% year-on-year to S\$96.5 million. Despite the Organization of the Petroleum Exporting Countries’ significant cuts to global supplies, decisions on major oil & gas capital expenditures continued to be deferred.

For the tenth consecutive year, the Real Estate Solutions Division (under Boustead Projects) topped the revenue contributors among the divisions. In the face of a challenging and competitive business landscape, the division registered revenue of S\$228.3 million, 11% lower year-on-year mainly due to lower revenue contributions from both the design-and-build and leasing businesses.

Riding on the back of steady demand in Australia and South East Asia, the Geo-Spatial Technology Division achieved revenue of S\$108.3 million, 5% higher year-on-year.

The Group's overall gross margin for FY2017 improved to 33% compared to 31% in FY2016. Nonetheless, gross margin pressure continues to mount.

Despite significant challenges, all three divisions remained profitable in FY2017. Overall PBT for FY2017 increased 20% year-on-year to S\$67.7 million, mainly driven by higher other gains and lower finance expenses. PBT at the Energy-Related Engineering Division for FY2017 was boosted by a S\$2.8 million foreign exchange gain, while PBT at the Real Estate Division was boosted by S\$14.7 million in other gains and losses primarily due to the non-recurring gains mentioned earlier.

Total profit for FY2017 increased 30% year-on-year to S\$53.5 million, benefitting from lower income tax expenses as a result of higher taxable profit contributed by lower tax jurisdictions. The Group's effective tax rate in FY2017 was 21% compared to 27% in FY2016.

The Group's net cash position (i.e. net of all bank borrowings) stood at an improved S\$188.1 million at the end of FY2017, translating to a net cash per share position of 36.0 cents. In addition, the Group held S\$67.1 million in available-for-sale financial assets and financial assets held for trading at the end of FY2017, of which more than half of the amount is highly liquid.

In FY2017, the Group secured new contracts of approximately S\$180 million. The Group's current order book backlog stands at about S\$225 million (unrecognised project revenue remaining at the end of FY2017 plus the total value of new orders secured since then), of which S\$79 million is under the Energy-Related Engineering Division and S\$146 million is under the Real Estate Solutions Division.

The current macro economic environment continues to be highly challenging and competitive, with a great amount of uncertainty contributed by global political events. While the Group believes it will continue to be profitable in FY2018, the level of profit may not match that of FY2017 due to the current macro economic environment and the significant non-recurring gains registered in FY2017. Nonetheless, the Group's healthy balance sheet and fundamentally-sound businesses place it in good stead to weather a prolonged challenging and competitive period.

-- End of media release --

About Boustead Singapore Limited

Established in 1828, Boustead Singapore Limited (SGX:F9D) is a progressive global Infrastructure-Related Engineering Services and Geo-Spatial Technology Group listed on the SGX. Focusing on the engineering and development of key infrastructure to support economic growth in global markets, our strong suite of engineering services comprises Energy-Related Engineering and Real Estate Solutions.

Under our Geo-Spatial Technology arm, we provide professional services and exclusively distribute Esri geo-spatial technology – the world’s leading geographic information systems – to major markets across Australia and South East Asia. Our intelligent mapping platform and digital infrastructure are essential to create smart nations and smart cities by solving the world’s largest problems through effective and sustainable planning, deployment and management of key infrastructure and resources.

With a vast global network stretching across Asia, Australia, Europe, Africa and the Americas, Boustead is ready to serve the world. To date, we have undertaken infrastructure-related projects in 85 countries globally.

In 2008 and 2009, we were 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. In 2015, we were also a winner of the Singapore Golden Jubilee Business Award, in recognition of the best 50 Singapore corporations who have achieved and contributed to Singapore’s progress and success over the past 50 years since independence. We are also listed on the MSCI World Small Cap Index for Singapore and the FTSE ST Small Cap Index.

Visit us at www.boustead.sg.

Financial Results Archive

To access the archive of financial results for the last five financial years, please go to: http://www.boustead.sg/investor_centre/quarterly_results.asp.

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