



Boustead Singapore Limited
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BOUSTEAD FINANCIAL RESULTS ANNOUNCEMENT FOR 1Q FY2020 ENDED 30 JUNE 2019

	1Q FY2020	1Q FY2019*	Change
Revenue	S\$129.2m	S\$88.8m	+45%
Gross profit	S\$36.8m	S\$32.9m	+12%
Profit before income tax ("PBT")	S\$12.6m	S\$18.8m	-33%
Total profit	S\$9.4m	S\$14.6m	-35%
Profit attributable to equity holders of Company ("net profit")	S\$6.7m	S\$9.1m	-27%
Net profit (adjusted for comparative review)**	S\$5.9m	S\$4.8m	+25%
- Earnings per share	1.4cts	1.8cts	-22%
- Net asset value per share	68.4cts	67.1cts	+2%

Notes:

* Restated following changes in the Group's separately listed subsidiary, Boustead Projects Limited's accounting policies, which are further explained under Note 5 of the Group's SGXNET Announcement for 1Q FY2020. The elimination of unrealised gains and losses on transactions between Boustead Projects and its associated companies and joint ventures are now made through a proportionate reduction in 'revenue' and 'cost of sales' on the income statement, with no impact to total profit.

** Net profit adjusted for other gains 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 performance. Full-year to full-year comparisons are more appropriate for analytical purposes.

1Q FY2020 Highlights:

- Revenue increased 45% year-on-year to S\$129.2 million. However, total profit and net profit decreased 35% and 27% year-on-year to S\$9.4 million and S\$6.7 million respectively, mainly due to gross margin pressure and the absence of sizeable other gains, whereby the previous year's comparative period benefitted from the gain on sale of 25 Changi North Rise.
- For a comparative review after adjusting for other gains net of non-controlling interests, net profit for 1Q FY2020 would have been 25% higher year-on-year.
- The Group's current order book backlog stands at a healthy level of S\$725 million (unrecognised project revenue remaining at the end of 1Q FY2020 plus the total value of new orders secured since then).

Singapore, 13 August 2019 – Mainboard-listed Boustead Singapore Limited (“Boustead” or the “Group”), a progressive global infrastructure-related engineering and technology group today announced its unaudited financial results for the first quarter ended 30 June 2019 (“1Q FY2020”).

For 1Q FY2020, revenue increased 45% year-on-year to S\$129.2 million. However, total profit and net profit decreased 35% and 27% year-on-year to S\$9.4 million and S\$6.7 million respectively, mainly due to gross margin pressure and the absence of sizeable other gains, whereby the previous year’s comparative period benefitted from the gain on sale of 25 Changi North Rise.

For a comparative review after adjusting for other gains net of non-controlling interests, net profit for 1Q FY2020 would have been 25% higher year-on-year.

Mr Wong Fong Fui, Chairman and Group Chief Executive Officer of Boustead said, “With the recovery in our Energy-Related Engineering Division and the healthy order book backlog of the Real Estate Solutions Division, we achieved strong topline growth in the first quarter of FY2020. In a comparative review excluding other gains net of non-controlling interests, our adjusted net profit would have been 25% higher.”

Mr Wong added, “We continue to be cautiously optimistic on our business prospects and are working extremely hard in a very tough global business environment. At the moment, we do not see the strong global geo-economic and geo-political headwinds letting up due to the trade war and multiple threats to globalisation. Nonetheless, we are building on our healthy balance sheet, net cash position, wide range of financing options and large order book backlog level, which will allow us to ride through stormy weather. As we shared in our recently released Boustead FY2019 Annual Report, we are actively working on capital deployment for various proposed strategic growth programmes under our Real Estate Solutions, Geospatial Technology and Healthcare Technology Divisions.”

Riding on a better business outlook for the downstream oil & gas industries, the Energy-Related Engineering Division’s revenue climbed 70% year-on-year to S\$33.0 million.

Supported by a healthy order book backlog, the Real Estate Solutions Division (Boustead Projects)’s revenue grew 59% year-on-year to S\$62.4 million on significantly higher design-and-build revenue.

Firm demand for geospatial technology across Australia and South East Asia allowed the Geospatial Technology Division to deliver comparable revenue year-on-year at S\$30.1 million, despite facing significant currency headwinds.

The Healthcare Technology Division which the Group acquired at the end of 1Q FY2019, contributed revenue of S\$3.5 million.

PBT for 1Q FY2020 decreased 33% year-on-year to S\$12.6 million, mainly due to gross margin pressure and the absence of sizeable other gains, as mentioned earlier. Overall, PBT would have been comparable year-on-year excluding the gain on the sale of 25 Changi North Rise in 1Q FY2019 for comparative review.

1Q FY2020 saw the Energy-Related Engineering Division’s PBT make a strong recovery, while Healthcare Technology registered a loss before income tax due to orders on hand not delivered by 1Q FY2020 and a slower conversion of pipeline enquiries into firm contracts.

The Group’s net asset value per share strengthened to 68.4 cents at the end of 1Q FY2020 from 68.2 cents at the end of FY2019, while the net cash position (i.e. net of all bank borrowings) was significantly boosted to S\$140.1 million at the end of 1Q FY2020,

translating to a net cash per share position of 28.6 cents. In addition, the Group held S\$57.4 million in investment securities at the end of 1Q FY2020, of which about half of the amount is highly liquid.

Since the start of FY2020, the Group has been awarded S\$84 million in new contracts, adding to the current healthy order book backlog of S\$725 million (unrecognised project revenue remaining at the end of 1Q FY2020 plus the total value of new orders secured since then), of which S\$105 million is under the Energy-Related Engineering Division and S\$621 million is under the Real Estate Solutions Division.

Barring unforeseen circumstances, the Group believes that it can continue to deliver steady results in FY2020.

-- End of media release --

About Boustead Singapore Limited

Established in 1828, Boustead Singapore Limited (SGX:F9D) is a progressive global Infrastructure-Related Engineering and Technology Group listed on the SGX Mainboard.

Focusing on the niche 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, centred on energy infrastructure and smart eco-sustainable business park and industrial developments.

In addition, we provide technology-driven transformative solutions to improve quality of life for all walks of life. Geospatial Technology provides professional services and exclusively distributes Esri's ArcGIS technology – the world's leading geographic information system and location analytics platform – to major markets across Australia and parts of South East Asia. The software creates digital infrastructure solutions that enable smart nations, smart cities and smart communities by solving the world's largest problems through effective and sustainable planning and management of key infrastructure and resources. Healthcare Technology provides niche innovative medical solutions that address age-related chronic diseases and mobility issues, with a focus on rehabilitative care, sleep care and sports science in the Asia Pacific.

With a vast global network stretching across Asia, Australia, Europe, Africa and the Americas, we are ready to serve the world. To date, we have undertaken infrastructure-related projects in 87 countries and territories 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 the 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 half-century since independence. In 2017, we were ranked by FinanceAsia as Singapore's Best Small-Cap in the annual Asia's Best Companies Poll. We are also listed on the MSCI World Micro Cap Index, FTSE Global Small Cap Index, FTSE Developed Small Cap Index and 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: www.boustead.sg/investor_centre/quarterly_results.asp.

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