



Boustead Projects Limited
(Co. Reg. No. 199603900E)

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BOUSTEAD PROJECTS FINANCIAL RESULTS ANNOUNCEMENT FOR FY2018 ENDED 31 MARCH 2018

	4Q FY2018	4Q FY2017	Change	FY2018	FY2017	Change
Revenue	S\$57.6m	S\$38.5m	+50%	S\$201.3m	S\$228.3m	-12%
Gross profit	S\$14.8m	S\$12.5m	+18%	S\$65.2m	S\$58.5m	+11%
Profit before income tax ("PBT")	¹ S\$6.9m	² S\$18.2m	-62%	¹ S\$35.5m	² S\$44.9m	-21%
Total profit	S\$5.8m	S\$14.3m	-59%	S\$29.2m	S\$36.2m	-20%
Total profit (adjusted for comparative review)*	S\$5.8m	S\$3.4m	+71%	S\$29.2m	S\$25.4m	+15%
Profit attributable to equity holders of Company ("net profit")	S\$5.8m	S\$14.3m	-59%	S\$29.2m	S\$36.1m	-19%
- Earnings per share	1.8cts	4.5cts	-60%	9.1cts	11.3cts	-19%
- Net asset value per share				79.0cts	71.7cts	+10%

Notes:

1 Includes other losses of S\$0.2m in 4Q FY2018 and other gains of S\$0.1m in FY2018.

2 Includes other gains of S\$14.6m in 4Q FY2017 and S\$14.7m in FY2017.

* Total profit adjusted for other gains/losses and expenses associated with agreements for AusGroup and TripleOne Somerset for comparative review.

Note to Editors: The Boustead Projects Group ("BP Group")'s revenue is largely derived from project-oriented business 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.

FY2018 Highlights:

- Revenue was 12% lower year-on-year at S\$201.3 million, due to lower revenue contributions from both the design-and-build and leasing businesses.
- Total profit was 20% lower year-on-year at S\$29.2 million, mainly due to an absence of non-recurring other gains, which contrasted with FY2017 when other gains amounted to S\$14.7 million, primarily from compensation for AusGroup's early lease termination and the gain from the sale of the BP Group's interest in TripleOne Somerset ("TripleOne Somerset Sale").
- After adjusting for other gains/losses and expenses associated with the AusGroup and TripleOne Somerset transactions, full-year total profit would be 15% higher year-on-year, supported by higher full-year gross profit achieved through productivity improvements and the unlocking of project cost savings.
- The current order book backlog stands at about S\$218 million.
- The Board has proposed a final dividend of 1.5 cents.

Singapore, 18 May 2018 – Mainboard-listed Boustead Projects Limited (“Boustead Projects” or the “BP Group”), a leading specialist in real estate solutions today announced its unaudited financial results for the fourth quarter and full-year ended 31 March 2018 (“4Q FY2018” and “FY2018” respectively).

For 4Q FY2018, the BP Group registered quarterly revenue that was 50% higher year-on-year at S\$57.6 million, due to higher revenue contributions from the design-and-build business. Design-and-build revenue was 64% higher year-on-year at S\$49.9 million, as there was greater revenue converted from contracts secured during FY2018. Leasing revenue was 4% lower year-on-year at S\$7.8 million, mainly due to the lease expiry of 85 Tuas South Avenue 1 in January 2018 and lack of contribution from 36 Tuas Road due to AusGroup’s early lease termination in 4Q FY2017, partially offset by contributions from new leases, as well as development management fees from the Boustead Development Partnership.

Despite the higher revenue for 4Q FY2018, quarterly total profit was 59% lower year-on-year at S\$5.8 million, mainly due to an absence of non-recurring other gains of S\$14.6 million, recorded in 4Q FY2017. These other gains were from compensation for AusGroup’s early lease termination and the TripleOne Somerset Sale. After adjusting for other gains/losses and expenses associated with the AusGroup and TripleOne Somerset transactions, quarterly total profit would be 71% higher year-on-year, supported by higher quarterly gross profit.

For FY2018, the BP Group registered full-year revenue that was 12% lower year-on-year at S\$201.3 million, due to lower revenue contributions from both the design-and-build and leasing businesses. Design-and-build revenue was 13% lower year-on-year at S\$169.9 million, as there was a lower total value of contracts secured in FY2017 for revenue conversion in FY2018, in addition to a major project with significant contract value completed in FY2017 that contributed to higher design-and-build revenue recorded for that period. This was partially offset by greater revenue converted from contracts secured during FY2018. Due to the same reasons mentioned for 4Q FY2018, leasing revenue for FY2018 was 5% lower year-on-year at S\$31.5 million.

Full-year total profit was 20% lower year-on-year at S\$29.2 million, similarly impacted by the absence of non-recurring other gains as mentioned earlier. After adjusting for other gains/losses and expenses associated with the AusGroup and TripleOne Somerset transactions, full-year total profit would be 15% higher year-on-year, supported by higher full-year gross profit achieved through productivity improvements and the unlocking of project cost savings.

Mr Thomas Chu, Managing Director of Boustead Projects said, “Excluding non-recurring other gains, we delivered another year of core profit growth in FY2018, supported by productivity improvements and the unlocking of project cost savings, despite securing a lower volume of contracts in FY2017 for revenue conversion in FY2018. It was also a good year in business development, as we captured a healthy level of S\$233 million in contracts, far exceeding the S\$140 million in FY2017. At home in Singapore, we continue to strengthen our market leadership position, while overseas, we also made inroads into the key overseas market of Vietnam with our maiden land acquisition deal there.”

Mr Chu added, “Although we have seen an improvement in the construction activities in the industrial real estate sector in Singapore, competition is expected to remain intense and margins challenging. Nonetheless, we are cautiously optimistic that our market leadership and financially-sound position, combined with our strong business development efforts, will allow us to capitalise on opportunities in our growing design-and-build and real estate development enquiry pipelines both in Singapore and overseas. We will also continue to invest in smart and eco-sustainable building capabilities, drive

cost and productivity improvements, and intensify our efforts in securing strategic partnerships and M&A targets that could support our market expansion and extend our capabilities.”

At the end of FY2018, the BP Group’s financial position remained healthy with cash and cash equivalents of S\$111.4 million, and total equity of S\$244.1 million. Net asset value per share climbed to 79.0 cents at the end of FY2018 from 71.7 cents at the end of FY2017, while the net cash position (cash and cash equivalents less total borrowings) strengthened to S\$40.9 million at the end of FY2018.

The BP Group’s current order book backlog (unrecognised project revenue remaining at the end of FY2018 plus the total value of new orders secured since then) stands at a healthy level of S\$218 million.

The BP Group is expecting to deliver a healthy level of profit in FY2019 and will continue to pursue the longer term strategy of expanding and growing its design-and-build business regionally, and increasing its portfolio of income generating properties.

-- End of media release --

About Boustead Projects Limited

Established in 1996, Boustead Projects Limited (SGX:AVM) is a leading industrial real estate solutions provider in Singapore, with core engineering expertise in the design-and-build and development of industrial facilities for multinational corporations and local enterprises. To date, we have constructed and developed more than 3,000,000 square metres of industrial real estate regionally in Singapore, China, Malaysia and Vietnam. Our wholly-owned design-and-build subsidiary, Boustead Projects E&C Pte Ltd ("BP E&C") is approved by the Building & Construction Authority ("BCA") of Singapore for Grade CW01-A1 and General Builder Class One License to execute building construction contracts of unlimited value.

Our in-depth experience in designing and constructing custom-built facilities covers the aerospace, commercial, food, healthcare and pharmaceutical, high-tech manufacturing, lifestyle, logistics, oil & gas, precision engineering, research & development, resource recovery, technology and transportation industries. We are also a leader in pioneering advanced eco-sustainable facilities under the BCA's Green Mark Programme and the US Green Building Council's Leadership in Energy & Environmental Design (LEED) Program. In Singapore, BP E&C is one of only 10 bizSAFE Mentors and also a bizSAFE Star, the highest qualification that can be attained in recognition of a company's health, safety and environmental management programmes.

On 30 April 2015, Boustead Projects listed on the SGX Mainboard.

Boustead Projects is a 53%-owned subsidiary of Boustead Singapore Limited (SGX:F9D), a progressive global infrastructure-related engineering services and geo-spatial technology group which is separately listed on the SGX Mainboard.

Visit us at www.bousteadprojects.com.

Financial Results Archive

To access the archive of financial results since the listing of Boustead Projects on the SGX, please go to: http://www.bousteadprojects.com/investor_centre/quarterly_results.asp.

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