



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

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## BOUSTEAD PROJECTS FINANCIAL RESULTS ANNOUNCEMENT FOR 2Q FY2020 ENDED 30 SEPTEMBER 2019

|   | 2Q FY2020       | 2Q FY2019<br>(Restated) | Change | 1H FY2020        | 1H FY2019<br>(Restated) | Change |
|---|-----------------|-------------------------|--------|------------------|-------------------------|--------|
| <b>Revenue</b>  | <b>S\$94.3m</b> | *S\$55.1m               | +71%   | <b>S\$156.7m</b> | *S\$94.2m               | +66%   |
| <b>Gross profit</b>   | <b>S\$13.1m</b> | *S\$14.3m               | -8%    | <b>S\$24.8m</b>  | *S\$26.6m               | -7%    |
| <b>Profit before income tax ("PBT")</b>   | <b>S\$6.5m</b>  | S\$10.0m                | -35%   | <b>S\$12.3m</b>  | S\$22.4m                | -45%   |
| <b>Total profit / Profit attributable to equity holders of the Company ("net profit")</b> | <b>S\$4.9m</b>  | S\$8.0m                 | -39%   | <b>S\$9.6m</b>   | S\$18.1m                | -47%   |
| <b>Total profit / net profit (adjusted for comparative review)</b>                        | <b>S\$4.9m</b>  | S\$8.0m                 | -39%   | <b>S\$9.6m</b>   | **S\$13.2m              | -27%   |
| <b>- Earnings per share</b>   | <b>1.6cts</b>   | 2.6cts                  | -38%   | <b>3.1cts</b>    | 5.8cts                  | -47%   |
| <b>- Net asset value per share</b>  |                 |                         |        | <b>91.5cts</b>   | 90.7cts                 | +1%    |

**Notes:**

\* Restated following changes in the Boustead Projects Group ("BP Group")'s accounting policies, which are further explained under Note 5 of the BP Group's SGXNET Announcement for 2Q FY2020. The elimination of unrealised gains and losses on transactions between the BP Group 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. Payroll-related costs directly attributable to construction projects and land rent expenses incurred on leasehold properties are now also classified under 'cost of sales'.

\*\* Excludes S\$4.9m after-tax gain on sale of 25 Changi North Rise, net of fees.

**Note to Editors: The 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.**

**2Q/1H FY2020 Highlights:**

- For 2Q FY2020, total revenue was 71% higher year-on-year at S\$94.3 million, with higher revenue contributions from both the design-and-build and real estate businesses. However, total profit was 39% lower year-on-year at S\$4.9 million, mainly due to lower margins from current projects, lower quantum of cost savings from previously completed projects, depreciation incurred on ALICE@Mediapolis where leasing income is still under stabilisation, higher finance expenses and lower interest income.
- For 1H FY2020, total revenue was 66% higher year-on-year at S\$156.7 million, with higher revenue contributions from both the design-and-build and real estate businesses. However, total profit was 47% lower year-on-year at S\$9.6 million, mainly due to the absence of one-off gains associated with the sale of 25 Changi North Rise in FY2019. After adjusting for the after-tax gain and expenses associated with this sale, total profit would be 27% lower year-on-year, mainly due to the same reasons mentioned for 2Q FY2020.
- The BP Group's order book backlog (unrecognised project revenue remaining at the end of 2Q FY2020 plus the total value of new orders secured since then) stands at a healthy level of S\$580 million.

**Singapore, 13 November 2019** – Mainboard-listed Boustead Projects Limited (“Boustead Projects” or the “BP Group”), a leading specialist in smart eco-sustainable real estate solutions today announced its unaudited financial results for the second quarter and half-year ended 30 September 2019 (“2Q FY2020” and “1H FY2020” respectively).

For 2Q FY2020, total revenue was 71% higher year-on-year at S\$94.3 million, with higher revenue contributions from both the design-and-build and real estate businesses. Design-and-build revenue was 80% higher year-on-year at S\$86.1 million, supported by the healthy order book backlog carried forward at the end of FY2019. Real estate revenue was 12% higher year-on-year at S\$8.2 million, mainly due to the commencement of leasing revenue from 85 Tuas South Avenue 1 and increased management fees from the Boustead Development Partnership.

Total profit for 2Q FY2020 was 39% lower year-on-year at S\$4.9 million, mainly due to lower margins from current projects, lower quantum of cost savings from previously completed projects, depreciation incurred on ALICE@Mediapolis where leasing income is still under stabilisation, higher finance expenses and lower interest income. The higher finance expenses were mainly due to interest incurred on lease liabilities resulting from the adoption of SFRS(I) 16 *Leases*, while the lower interest income was due to the completion of a sizeable project under a deferred payment arrangement.

For 1H FY2020, total revenue was 66% higher year-on-year at S\$156.7 million, with higher revenue contributions from both the design-and-build and real estate businesses. Due to the same reasons mentioned for 2Q FY2020, design-and-build revenue for 1H FY2020 was 77% higher year-on-year at S\$140.5 million, while real estate revenue for 1H FY2020 was 11% higher year-on-year at S\$16.2 million.

Total profit for 1H FY2020 was 47% lower year-on-year at S\$9.6 million, mainly due to the absence of one-off gains associated with the sale of 25 Changi North Rise in FY2019. After adjusting for the after-tax gain and expenses associated with the sale of 25 Changi North Rise, total profit would be 27% lower year-on-year, mainly due to the same reasons mentioned for 2Q FY2020.

Mr Thomas Chu, Managing Director of Boustead Projects said, “Strong revenue growth has been achieved on the back of our healthy order book backlog carried over at the end of FY2019. However, our total profit was impacted by lower gross margins from ongoing projects which is reflective of the intense competition and prevailing margin pressures in the market, as well as a significantly lower quantum of cost savings from our previously completed projects.”

Mr Chu continued, “During the quarter, we completed additions and alterations works for our 85 Tuas South Avenue 1 wholly-owned property, as well as the construction of Amcor’s integrated production and logistics facility under the Boustead Development Partnership, both of which have started contributing rental income. We continue to make good progress in increasing the occupancy of ALICE@Mediapolis and in our overseas expansion, in particular Vietnam.”

Mr Chu concluded, “Notwithstanding the general pickup in both public and private sector construction activities in Singapore, competition remains intense and margins continue to be pressured. With our strong order book backlog and healthy financial position, however, we believe we have formed a stable position from which we can pursue opportunities in M&A and growth initiatives across the region. In addition, our recently-announced regional technology collaboration with Getronics will enable us to deliver next-generation smart building solutions, augmenting our integrated suite of innovative, transformative real estate solutions addressing the entire lifecycle of industrial buildings.”

At the end of 1H FY2020, the BP Group's financial position remained healthy with cash and cash equivalents of S\$113.5 million and total equity of S\$284.4 million. Net asset value per share climbed to 91.5 cents from 90.7 cents at the end of FY2019. The BP Group returned to a net cash position (cash and cash equivalents less total borrowings) of S\$51.1 million following the deconsolidation of a subsidiary and collection and loan repayment for the sizeable project under a deferred payment arrangement.

The BP Group's order book backlog (unrecognised project revenue remaining at the end of 2Q FY2020 plus the total value of new orders secured since then) stands at a healthy level of approximately S\$580 million.

-- End of media release --

## **About Boustead Projects Limited**

Established in 1996, Boustead Projects Limited (SGX:AVM) is a leading real estate solutions provider in Singapore, with core engineering expertise in the design-and-build and development of smart eco-sustainable business park and industrial developments for clients including Forbes Fortune 500, S&P 500 and Euronext 100 corporations. To date, we have constructed and developed more than 3,000,000 square metres of 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 Singapore's Building & Construction Authority ("BCA") for Grade CW01-A1 and General Builder Class 1 Licence to execute building construction contracts of unlimited value.

Our transformative technologies – Industry 4.0 transformation standards and full-fledged integrated digital delivery – are shaping custom-built future-ready developments. Our in-depth experience covers the aerospace, business park, food, healthcare and pharmaceutical, high-tech manufacturing, logistics, research & development, technology and waste management industries, among others. We are also a leader in pioneering advanced eco-sustainable developments 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 eight bizSAFE Mentors and also a bizSAFE Star, the highest qualification that can be attained in recognition of a company's workplace safety and health ("WSH") management programmes. Our WSH efforts have been further recognised with five prestigious WSH Performance Silver Awards and 13 Safety & Health Award Recognition for Projects (SHARP) to date.

On 30 April 2015, Boustead Projects listed on the SGX Mainboard. We were awarded the Singapore Corporate Governance Award in the Newly Listed Category at the Securities Investors Association (Singapore)'s 18th Investors' Choice Awards 2017. We are also listed on the MSCI World Micro Cap Index and FTSE ST Fledgling Index.

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

Visit us at [www.bousteadprojects.com](http://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/investor-centre-quarterly-results/>.

## **Contact Information**

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