



Boustead Singapore Limited
(Co. Reg. No. 197501036K)

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BOUSTEAD FINANCIAL RESULTS ANNOUNCEMENT FOR 2Q FY2017 ENDED 30 SEPTEMBER 2016

	2Q FY2017	2Q FY2016	Change	1H FY2017	1H FY2016	Change
Revenue	S\$113.5m	S\$115.1m	-1%	S\$227.2m	S\$231.8m	-2%
Gross profit	S\$36.1m	S\$40.2m	-10%	S\$72.1m	S\$77.3m	-7%
Profit before income tax ("PBT")	S\$15.0m	S\$18.1m	-17%	S\$28.8m	S\$30.3m	-5%
Total profit	S\$11.9m	S\$13.7m	-13%	S\$22.4m	S\$22.6m	-1%
Profit attributable to equity holders of the Company ("net profit")	S\$7.6m	S\$10.3m	-26%	S\$14.6m	S\$16.6m	-12%
Net profit (adjusted for comparative review)*	S\$6.6m	S\$9.7m	-32%	S\$12.7m	S\$18.2m	-30%
- Earnings per share	1.5cts	2.0cts	-25%	2.8cts	3.2cts	-13%
- Net asset value per share				58.3cts	57.6cts	+1%

* 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.

2Q/1H FY2017 Highlights:

- 2Q FY2017 revenue of S\$113.5 million was marginally lower year-on-year, while net profit of S\$7.6 million was 26% lower year-on-year. After adjusting for other gains and losses net of non-controlling interests, 2Q FY2017 net profit would be 32% lower year-on-year.
- 1H FY2017 revenue of S\$227.2 million was marginally lower year-on-year, while net profit of S\$14.6 million was 12% lower year-on-year. After adjusting for other gains and losses net of non-controlling interests, 1H FY2017 net profit would be 30% lower year-on-year.
- Most of the Group's weaker performance in both 2Q FY2017 and 1H FY2017 is attributable to the depressed state of the global oil & gas industries, which significantly impacted the results of the Energy-Related Engineering Division.
- The Group's current order book backlog (unrecognised project revenue remaining at the end of 2Q FY2017 plus the total value of new orders secured since then) stands at S\$216 million.
- Declared interim cash dividend of 0.5 cent per share.

Singapore, 11 November 2016 – 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 second quarter and first half ended 30 September 2016 (“2Q FY2017” and “1H FY2017” respectively).

For 2Q FY2017, the Group registered revenue of S\$113.5 million, total profit of S\$11.9 million and net profit of S\$7.6 million. Quarterly revenue, total profit and net profit were 1%, 13% and 26% lower year-on-year respectively. After adjusting for other gains and losses net of non-controlling interests, quarterly net profit would be 32% lower year-on-year.

For 1H FY2017, the Group registered revenue of S\$227.2 million, total profit of S\$22.4 million and net profit of S\$14.6 million. Half-year revenue, total profit and net profit were 2%, 1% and 12% lower year-on-year respectively. After adjusting for other gains and losses net of non-controlling interests, half-year net profit would be 30% lower year-on-year.

Most of the Group’s weaker performance in both 2Q FY2017 and 1H FY2017 is attributable to the depressed state of the global oil & gas industries, which significantly impacted the results of the Energy-Related Engineering Division.

The greater percentage decrease in net profit versus total profit in both 2Q FY2017 and 1H FY2017 is due to non-controlling interests at Boustead Projects Limited, which contributed proportionally more of the Group’s total profit in 2Q FY2017 and 1H FY2017 as compared to the corresponding periods of FY2016.

Mr Wong Fong Fui, Chairman and Group Chief Executive Officer of Boustead said, “We achieved a reasonable performance in the second quarter despite the unfavourable prevailing market conditions. We were supported by the better performance of the Real Estate Solutions Division under Boustead Projects and lower administrative expenses resulting from prudent cost management measures. Although this was not enough to offset the weaker performance of our Energy-Related Engineering Division, on a positive note, all three divisions remained profitable.”

Mr Wong added, “Going forward, we will continue to prudently manage our costs in view of the muted economic prospects both globally as well as in Singapore. With our strengthening balance sheet, approximately S\$206 million of net cash and S\$500 million of available untapped MTN programme financing, we remain agile in this volatile macro economic environment, with our ability to capitalise on viable acquisition and investment opportunities while safeguarding our healthy balance sheet.”

Finally, Mr Wong noted, “The Board has declared a reduced interim cash dividend of 0.5 cent per share, in view of our 1H FY2017 profit performance and Boustead Projects not paying any dividend. We are conserving our cash resources while actively reviewing acquisition and investment opportunities, where timely deployment of our cash resources may have a transformational impact on the Group.”

In 2Q FY2017, the depressed state of the global oil & gas industries continued to significantly impact revenue at the Energy-Related Engineering Division, which saw a decline of 28% year-on-year to S\$25.4 million. Cancellations or deferrals of major oil & gas capital expenditures have been prevalent across all parts of the value chain.

Although the industrial real estate sector continues to be challenging, the Real Estate Solutions Division (under Boustead Projects) achieved revenue of S\$62.2 million in 2Q FY2017, up 16% year-on-year on the better performance of the design-and-build business.

The Geo-Spatial Technology Division faced slight currency headwinds which resulted in revenue marginally decreasing 2% to S\$25.7 million in 2Q FY2017. Demand in Australia remained firm.

Despite significant challenges, all three divisions remained profitable in 2Q FY2017. PBT at the Energy-Related Engineering Division for 2Q FY2017 was boosted by a S\$1.1 million foreign exchange gain.

The Group's current order book backlog (unrecognised project revenue remaining at the end of 2Q FY2017 plus the total value of new orders secured since then) stands at S\$216 million, of which S\$84 million is under the Energy-Related Engineering Division and S\$132 million is under the Real Estate Solutions Division.

The current macro economic environment continues to be challenging. In Singapore, the Monetary Authority of Singapore recently released statements on muted economic prospects and sentiment in Singapore for 2016 and 2017. In light of this, the Group will continue to apply prudent cost management measures.

The Group continues to search for M&A and investment opportunities across its divisions in related business fields, as well as in potential new business fields, with its net cash position of S\$205.8 million and untapped S\$500 million multi-currency medium-term note programme.

While the Group believes it will continue to be profitable in FY2017, the level of profit may not match that of FY2016 due to the current macro economic environment.

-- End of media release --

About Boustead Singapore Limited

Established in 1828, Boustead Singapore Limited 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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