


BOUSTEAD SINGAPORE LIMITED
AND ITS SUBSIDIARIES



ENGINEERING THE WORLD OF THE FUTURE

ENERGY-RELATED ENGINEERING • REAL ESTATE SOLUTIONS • GEO-SPATIAL TECHNOLOGY

SGXNET ANNOUNCEMENT
UNAUDITED RESULTS FOR 1Q FY2016
ENDED 30 JUNE 2015



Corporate Profile

Established in 1828, Boustead Singapore Limited is a progressive global service provider of infrastructure-related engineering services and geo-spatial solutions. Focusing on the engineering and development of key infrastructure to support economic growth in the public and private sectors of emerging markets, the Group's strong suite of Engineering Services comprises: Energy-Related Engineering and Real Estate Solutions.

The Group's Geo-Spatial Technology arm provides professional services and exclusively distributes Esri geo-spatial technology – the world's leading geographic information systems – to major markets across Australia and South East Asia. These solutions are essential to the effective planning, deployment and management of key infrastructure and resources in countries.

To date, the Group has undertaken infrastructure-related projects in 84 countries globally.

In 2008 and 2009, the Group was 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. The Group is also listed on the MSCI World Small Cap Index for Singapore and the FTSE ST Small Cap Index.

Visit the Group website at www.boustead.sg.

BOUSTEAD SINGAPORE LIMITED
(Company Registration No. 197501036K)

Unaudited Financial Statements and Related Announcement for the First Quarter Ended 30 June 2015

PART I – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL-YEAR ANNOUNCEMENTS

1.(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note	GROUP		
		30.6.15 \$'000	30.6.14 \$'000	Inc/(Dcr) %
Revenue		116,730	126,482	-8%
Cost of sales		(79,689)	(83,205)	-4%
Gross profit		37,041	43,277	-14%
Other operating income	1	1,627	1,024	59%
Other gains and losses	2	(2,609)	3,607	NM
Expenses				
- Selling and distribution		(7,720)	(10,241)	-25%
- Administrative		(14,723)	(15,260)	-4%
- Finance		(1,146)	(252)	355%
Share of loss of associated companies and joint ventures		(329)	(169)	95%
Profit before income tax	3	12,141	21,986	-45%
Income tax expense	4	(3,248)	(4,925)	-34%
Total profit		8,893	17,061	-48%
Profit attributable to:				
Equity holders of the Company		6,320	16,140	-61%
Non-controlling interests		2,573	921	179%
		8,893	17,061	-48%

NM – not meaningful

1.(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year. (cont'd)

	GROUP		
	30.6.15 \$'000	30.6.14 \$'000	Inc/(Dcr) %
Total profit	8,893	17,061	-48%
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Available-for-sale financial assets			
- Fair value (losses)/gains	(48)	355	NM
- Reclassification to profit or loss on disposal	-	(4,897)	-100%
Currency translation differences arising from consolidation	821	1,275	-36%
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Actuarial loss	(122)	(169)	-28%
Other comprehensive income/(loss), net of tax	651	(3,436)	NM
Total comprehensive income	9,544	13,625	-30%
Total comprehensive income attributable to:			
Equity holders of the Company	6,682	12,629	-47%
Non-controlling interests	2,862	996	187%
	9,544	13,625	-30%

NM – not meaningful

1.(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year. (cont'd)

	GROUP		
	30.6.15 \$'000	30.6.14 \$'000	Inc/(Dcr) %
<u>Note 1: Other operating income</u>			
Interest income	1,327	740	79%
Sublease income	300	284	6%
	1,627	1,024	59%
<u>Note 2: Other gains and losses</u>			
Fair value (losses)/gain on foreign exchange contracts and financial assets held for trading	(211)	65	NM
Gain on disposal of available-for-sale financial assets	-	3,609	-100%
Currency exchange loss – net	(2,398)	(67)	3479%
	(2,609)	3,607	NM
<u>Note 3: The profit before income tax is arrived at after (charging)/crediting the following:</u>			
Depreciation expense	(2,699)	(2,247)	20%
(Loss)/gain on disposal of property, plant and equipment	(23)	70	NM
<u>Note 4: Income tax</u>			
Overprovision in prior years	-	(29)	-100%

The provision for income tax is made after taking into account non-deductible expenses and temporary differences and based on the statutory tax rates of the respective countries. For the current period, the Group's income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% mainly due to certain expenses which are not deductible for tax purposes and overseas subsidiaries' profits which are subject to higher tax rates.

NM – not meaningful

1.(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statements of Financial Position

	Note	GROUP		COMPANY	
		30.6.15 \$'000	31.3.15 \$'000	30.6.15 \$'000	31.3.15 \$'000
ASSETS					
Current assets					
Cash and cash equivalents		238,698	260,053	50,544	53,232
Trade receivables		133,542	115,489	-	-
Other receivables and prepayments		92,515	83,607	5,982	9,595
Loans to subsidiaries		-	-	19,430	37,182
Inventories		8,978	6,122	-	-
Properties held for sale		30,418	30,437	-	-
Contracts work-in-progress		66,934	74,587	-	-
Available-for-sale financial assets		4,058	4,070	4,058	24,548
Foreign exchange contracts		2,085	1,642	8	135
		577,228	576,007	80,022	124,692
Non-current assets					
Trade receivables		7,438	7,438	-	-
Prepayments		1,183	1,241	-	-
Available-for-sale financial assets		74,699	73,387	36,307	35,037
Property, plant and equipment		16,942	16,732	-	-
Investment properties		158,192	159,857	-	-
Other intangible assets		1,397	1,452	74	74
Investments in associated companies		3,500	3,761	2,667	2,667
Investments in joint ventures		12,155	10,728	-	-
Investments in subsidiaries		-	-	83,068	116,870
Deferred income tax assets		2,203	2,333	-	-
		277,709	276,929	122,116	154,648
Total assets		854,937	852,936	202,138	279,340
LIABILITIES					
Current liabilities					
Trade and other payables		235,286	237,559	4,016	6,877
Income tax payable		18,130	17,983	180	364
Loans from subsidiaries		-	-	34,044	162,409
Contracts work-in-progress		6,925	8,406	-	-
Borrowings	1(b)(ii)	11,490	12,105	-	-
Foreign exchange contracts		890	833	543	833
		272,721	276,886	38,783	170,483
Non-current liabilities					
Trade and other payables		7,551	5,859	-	-
Borrowings	1(b)(ii)	172,725	174,374	-	-
Pension liability		3,626	3,242	-	-
Deferred income tax liabilities		2,083	2,123	-	-
		185,985	185,598	-	-
Total liabilities		458,706	462,484	38,783	170,483
NET ASSETS		396,231	390,452	163,355	108,857
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		101,324	101,324	101,324	101,324
Treasury shares		(12,468)	(10,263)	(12,468)	(10,263)
Other reserves		(20,956)	(21,264)	1,634	1,858
Retained profits		232,106	310,199	72,865	15,938
		300,006	379,996	163,355	108,857
Non-controlling interests		96,225	10,456	-	-
Total equity	1(d)(i)	396,231	390,452	163,355	108,857

1.(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable within one year or less, or on demand

As at 30.6.15 \$'000		As at 31.3.15 \$'000	
Secured	Unsecured	Secured	Unsecured
11,490	-	12,105	-

Amount repayable after one year

As at 30.6.15 \$'000		As at 31.3.15 \$'000	
Secured	Unsecured	Secured	Unsecured
172,725	-	174,374	-

Total borrowings of \$184,215,000 (31.3.15: \$186,479,000) are secured over properties held for sale and investment properties of the Group.

1.(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows

	GROUP	
	First quarter ended 30.6.15 \$'000	30.6.14 \$'000
Cash flows from operating activities		
Profit before income tax	12,141	21,986
Adjustments for:		
- Share of loss of associated companies and joint ventures	329	169
- Depreciation expense	2,699	2,247
- Loss/(Gain) on disposal of property, plant and equipment	23	(70)
- Gain on disposal of available-for-sale financial assets	-	(3,609)
- Fair value losses/(gains) on foreign exchange contracts and financial assets held for trading	211	(65)
- Finance expenses	1,146	252
- Interest income	(1,327)	(740)
- Unrealised currency translation losses	2,921	869
	18,143	21,039
Change in working capital, net of effects from acquisition and disposal of subsidiaries:		
- Receivables	(20,409)	5,554
- Inventories and contracts work-in-progress	3,316	(33,495)
- Payables	(108)	15,150
Cash generated from operations	942	8,248
Interest received	1,327	740
Interest paid	(1,146)	(252)
Income tax paid	(3,011)	(3,181)
Net cash (used in)/provided by operating activities	(1,888)	5,555
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	195	70
Proceeds from disposal of available-for-sale financial assets	-	7,066
Proceeds from disposal of financial assets held for trading	-	1,179
Purchase of property, plant and equipment	(1,445)	(327)
Purchase of available-for-sale financial assets	(1,426)	(3,291)
Additions to investment properties	-	(11,895)
Loan to joint ventures	(8,041)	(767)
Net cash used in investing activities	(10,717)	(7,965)

- 1.(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows (cont'd)

	GROUP	
	First quarter ended 30.6.15 \$'000	30.6.14 \$'000
Cash flows from financing activities		
Repurchase of shares	(2,381)	-
Proceeds from long-term bank borrowings	-	8,817
Repayment of long-term bank borrowings	(2,264)	(1,358)
Dividends paid to non-controlling interests	(1,594)	-
Net cash (used in)/provided by financing activities	(6,239)	7,459
Net (decrease)/increase in cash and cash equivalents	(18,844)	5,049
Cash and cash equivalents		
Beginning of financial period	260,053	218,838
Effects of currency translation on cash and cash equivalents	(2,511)	566
End of financial period Note	238,698	224,453

	GROUP	
	First quarter ended 30.6.15 \$'000	30.6.14 \$'000
<u>Note to Consolidated Statement of Cash Flows</u>		
Cash and cash equivalents		
Cash and bank balances	238,698	224,956
Less: Bank overdrafts	-	(503)
Cash and cash equivalents per Consolidated Statement of Cash Flows	238,698	224,453

1.(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	(-----Other reserves-----)										
	Share capital \$'000	Treasury shares \$'000	Fair value reserve \$'000	Capital reserve \$'000	Share-based compensation reserve \$'000	Foreign currency translation reserve \$'000	Subtotal \$'000	Retained profits \$'000	Equity attributable to equity holders of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
GROUP											
Balance at 1 April 2015	101,324	(10,263)	493	(9,703)	358	(12,412)	(21,264)	310,199	379,996	10,456	390,452
Profit for the period	-	-	-	-	-	-	-	6,320	6,320	2,573	8,893
Other comprehensive (loss)/income for the period	-	-	(48)	-	-	532	484	(122)	362	289	651
Total comprehensive (loss)/income for the period	-	-	(48)	-	-	532	484	6,198	6,682	2,862	9,544
Employee share-based compensation											
- Treasury shares re-issued	-	176	-	182	(358)	-	(176)	-	-	-	-
Dividends											
- In cash	-	-	-	-	-	-	-	-	-	(1,384)	(1,384)
- <i>In specie</i>	-	-	-	-	-	-	-	(84,291)	(84,291)	84,291	-
Repurchase of shares	-	(2,381)	-	-	-	-	-	-	(2,381)	-	(2,381)
	-	(2,205)	-	182	(358)	-	(176)	(84,291)	(86,672)	82,907	(3,765)
Balance at 30 June 2015	101,324	(12,468)	445	(9,521)	-	(11,880)	(20,956)	232,106	300,006	96,225	396,231

1.(d)(i) Statement of Changes in Equity (cont'd)

	(-----Other reserves-----)										
	Share capital \$'000	Treasury shares \$'000	Fair value reserve \$'000	Capital reserve \$'000	Share-based compensation reserve \$'000	Foreign currency translation reserve \$'000	Subtotal \$'000	Retained profits \$'000	Equity attributable to equity holders of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
GROUP											
Balance at 1 April 2014	92,279	(10,401)	5,030	(9,654)	182	(9,816)	(14,258)	284,728	352,348	9,352	361,700
Profit for the period	-	-	-	-	-	-	-	16,140	16,140	921	17,061
Other comprehensive (loss)/income for the period	-	-	(4,542)	-	-	1,200	(3,342)	(169)	(3,511)	75	(3,436)
Total comprehensive (loss)/income for the period	-	-	(4,542)	-	-	1,200	(3,342)	15,971	12,629	996	13,625
Employee share-based compensation											
- Treasury shares re-issued	57	96	-	-	(153)	-	(153)	-	-	-	-
	57	96	-	-	(153)	-	(153)	-	-	-	-
Balance at 30 June 2014	92,336	(10,305)	488	(9,654)	29	(8,616)	(17,753)	300,699	364,977	10,348	375,325

1.(d)(i) Statement of Changes in Equity (cont'd)

	(-----Other reserves-----)						Retained profits \$'000	Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Fair value reserve \$'000	Capital reserve \$'000	Share-based compensation reserve \$'000	Subtotal \$'000		
COMPANY								
Balance at 1 April 2015	101,324	(10,263)	493	1,007	358	1,858	15,938	108,857
Profit for the period	-	-	-	-	-	-	141,218	141,218
Other comprehensive loss for the period	-	-	(48)	-	-	(48)	-	(48)
Total comprehensive (loss)/income for the period	-	-	(48)	-	-	(48)	141,218	141,170
Employee share-based compensation - Treasury shares re-issued	-	176	-	16	(192)	(176)	-	-
Dividend - <i>In specie</i>	-	-	-	-	-	-	(84,291)	(84,291)
Repurchase of shares	-	(2,381)	-	-	-	-	-	(2,381)
	-	(2,205)	-	16	(192)	(176)	(84,291)	(86,672)
Balance at 30 June 2015	101,324	(12,468)	445	1,023	166	1,634	72,865	163,355

1.(d)(i) Statement of Changes in Equity (cont'd)

	(-----Other reserves-----)						Retained profits \$'000	Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Fair value reserve \$'000	Capital reserve \$'000	Share-based compensation reserve \$'000	Subtotal \$'000		
COMPANY								
Balance at 1 April 2014	92,279	(10,401)	5,030	1,056	182	6,268	31,915	120,061
Profit for the period	-	-	-	-	-	-	3,645	3,645
Other comprehensive loss for the period	-	-	(4,542)	-	-	(4,542)	-	(4,542)
Total comprehensive (loss)/income for the period	-	-	(4,542)	-	-	(4,542)	3,645	(897)
Employee share-based compensation - Treasury shares re-issued	57	96	-	-	(153)	(153)	-	-
	57	96	-	-	(153)	(153)	-	-
Balance at 30 June 2014	92,336	(10,305)	488	1,056	29	1,573	35,560	119,164

1.(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During the period, the issued and paid-up capital of the Company (excluding treasury shares) decreased from 520,189,332 ordinary shares to 518,658,111 ordinary shares. This resulted from the repurchase of a total of 1,810,000 ordinary shares pursuant to the Share Buy-Back Mandate approved at the Extraordinary General Meeting of the Company held on 25 July 2014, partially offset by the allotment of 276,779 ordinary shares under the Boustead Restricted Share Plan 2011. As at 30 June 2015, there were a total of 17,659,323 (30.6.14: 16,192,547) treasury shares.

As at 30 June 2015, there were no unexercised options (30.6.14: 60,000) of unissued ordinary shares under the Boustead Share Option Scheme 2001.

1.(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 30.6.15	As at 31.3.15
Total number of issued shares (excluding treasury shares)	518,656,111	520,189,332

1.(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

On 1 April 2015, 276,779 treasury shares were utilised for issue of 276,779 ordinary shares under the Boustead Restricted Share Plan 2011.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The same accounting policies and methods of computation as in the most recently audited annual financial statements have been applied.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

None.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	GROUP	
	First quarter ended 30.6.15	30.6.14
Earnings per ordinary share for the period after deducting any provision for preference dividends:		
(i) Based on weighted average number of ordinary shares in issue (¢)	1.2	3.1
(ii) On a fully diluted basis (¢)	1.2	3.1
Weighted average number of ordinary shares in issue:		
Basic (*)	519,696,111	515,151,066
Fully diluted basis (**)	520,285,120	515,681,109

* The basic earnings per share is computed based on the weighted average number of ordinary shares in issue.

** The fully diluted earnings per share is computed based on the weighted average number of ordinary shares in issue adjusted for the effects of all potential dilutive ordinary shares.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the current financial period reported on and immediately preceding financial year.

	GROUP		COMPANY	
	30.6.15	31.3.15	30.6.15	31.3.15
Net asset value per ordinary share based on issued shares (excluding treasury shares) as at the end of the period reported on (¢)	57.8	73.0	31.5	20.9
Number of issued shares (excluding treasury shares) as at the end of the period reported on	518,656,111	520,189,332	518,656,111	520,189,332

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Overview

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.

For 1Q FY2016 ended 30 June 2015, the Group registered revenue of \$116.7 million, total profit of \$8.9 million and profit attributable to equity holders of the Company ("net profit") of \$6.3 million. These were 8%, 48% and 61% lower respectively than 1Q FY2015. After adjusting for non-operating items, operating profit for 1Q FY2016 was 20% lower than 1Q FY2015.

The greater percentage decrease in net profit versus total profit is due to the demerger of Boustead Projects Limited, in which approximately 48.8% of Boustead Projects Limited's shares were distributed as a dividend *in specie* on 30 April 2015, resulting in a significant rise in profit attributable to non-controlling interests. For comparison, if the net profit for 1Q FY2015 had been adjusted to take into account the demerger and other gains and losses, then 1Q FY2016 net profit would be 11% lower than 1Q FY2015.

Segment/Division Revenue

Segment/Division	Revenue		Favourable/ (Unfavourable)
	1Q FY2016 \$'m	1Q FY2015 \$'m	Change %
Engineering Services			
- Energy-Related Engineering	34.5	41.5	-17
- Real Estate Solutions	56.6	56.4	+0
	91.1	97.9	-7
Geo-Spatial Technology	25.5	28.6	-11
HQ Activities	0.1	0.0	NM
Group Total	116.7	126.5	-8

NM – not meaningful

The Energy-Related Engineering Division witnessed a 17% decline in revenue to \$34.5 million, amidst the weak business environment that continues to persist in the global oil & gas industries.

The Real Estate Solutions Division (i.e. Boustead Projects Limited) delivered revenue of \$56.6 million, comparable to 1Q FY2015. A marginal decline in the division's design-and-build revenue was offset by a rise in leasing revenue from the industrial leasehold portfolio.

The Geo-Spatial Technology Division saw revenue decrease by 11% to \$25.5 million, largely impacted by currency headwinds, especially the weaker AUD versus SGD and USD. Slightly weaker demand for software in Australia was partially offset by stronger demand in South East Asia.

Group Profitability

The Group's gross profit edged down 14% to \$37.0 million, while the gross profit margin dipped to 32% in 1Q FY2016 from 34% in 1Q FY2015. This was primarily due to pressure on gross margins caused by the challenging global business environment.

Other losses of \$2.6 million in 1Q FY2016 were mainly currency-related. In contrast, there were other gains of \$3.6 million in 1Q FY2015, mostly from a gain on disposal of available-for-sale financial assets.

Overhead expenses (selling and distribution expenses of \$7.7 million and administrative expenses of \$14.7 million) dropped 12% to \$22.4 million on the Group's cost cutting measures to address the challenging global business environment.

Finance expenses increased considerably to \$1.1 million following the Real Estate Solutions Division's drawdown of bank loans for activities related to the industrial leasehold portfolio.

Profit before income tax decreased by 45% to \$12.1 million, mainly due to lower revenue and gross profit, other losses and higher finance expenses. A breakdown of the profit before income tax by operating divisions is provided.

Segment/Division	PBT		Favourable/ (Unfavourable)
	1Q FY2016 \$'m	1Q FY2015 \$'m	Change %
Engineering Services			
- Energy-Related Engineering	1.9	5.0	-62
- Real Estate Solutions	6.0	7.7	-22
	7.9	12.7	-38
Geo-Spatial Technology	4.6	6.9	-33
HQ Activities	(0.4)	*2.4	NM
Group Total	12.1	22.0	-45

* Includes \$3.6m gain on disposal of available-for-sale financial assets

NM – not meaningful

Despite the significant challenges posed by the global business environment, all three operating divisions remained profitable in 1Q FY2016.

Total profit declined 48% for reasons mentioned earlier and also due to greater contribution of profits from operations in jurisdictions with higher tax rates. The effective tax rate was 27% in 1Q FY2016 versus 22% in 1Q FY2015.

Net profit fell to \$6.3 million for reasons mentioned earlier.

Statement of Cash Flows

During 1Q FY2016, cash and cash equivalents (after taking into account the effects of currency translation) decreased to \$238.7 million. Net cash used in operating activities amounted to \$1.9 million and included amounts for annual performance bonuses paid to employees. Net cash used in investing activities amounted to \$10.7 million, with major uses being an \$8.0 million loan to joint ventures (under the Real Estate Solutions Division) and \$2.9 million for purchases of property, plant and equipment, and available-for-sale financial assets. Net cash used in financing activities amounted to \$6.2 million for the repurchase of shares, repayment of bank loans and payment of dividends to non-controlling interests.

Statement of Financial Position

At the end of 1Q FY2016, the Group's financial position remained healthy.

Under current assets, cash and cash equivalents reduced to \$238.7 million for reasons explained earlier. Trade receivables, other receivables and prepayments rose mainly due to invoices to clients which were not yet paid at the end of 1Q FY2016 and loans to joint ventures.

Under non-current assets, investments in joint ventures increased as the Real Estate Solutions Division made additional shareholders' loans to its joint ventures for the development of industrial properties for lease.

Current and non-current borrowings declined by \$2.3 million with the scheduled repayment of bank loans for the industrial leasehold portfolio under the Real Estate Solutions Division.

Treasury shares climbed to \$12.5 million, following the repurchase of shares under the Share Buyback Scheme. Retained profits were reduced by 25% to \$232.1 million following the demerger of Boustead Projects Limited and dividend *in specie*. Consequently, the Group's net asset value per share declined to 57.8 cents as at the end of 1Q FY2016, from 73.0 cents as at the end of FY2015. The demerger also resulted in the exponential rise in non-controlling interests to \$96.2 million.

The Group's net cash position (i.e. net of all bank borrowings) stood at \$54.5 million at the end of 1Q FY2016, translating to a net cash per share position of 10.5 cents. It should be noted that the Real Estate Solutions Division had extended a short-term bridging loan of \$50.9 million to a joint venture in FY2015 (which was repaid after the close of 1Q FY2016). In addition, the Group maintained \$78.8 million in available-for-sale financial assets at the end of 1Q FY2016.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

None.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Since the beginning of FY2016, the Group has secured new contracts of approximately \$78 million. The Group's order book backlog (as at the end of 1Q FY2016 plus new orders since) remains relatively healthy at \$344 million, of which \$130 million is under the Energy-Related Engineering Division and \$214 million is under the Real Estate Solutions Division.

The Group continues to stay cautious on its business prospects given the current global economic climate which faces strong headwinds, especially in China and Europe. These will have an adverse effect on the industries that the Group serves. The Group also expects continued delays in the award of sizeable contracts from the global oil & gas industries in FY2016, given the instability in crude prices. In addition, future gross margins are likely to be affected although the Group has put in place cost management measures to partially mitigate this.

The Real Estate Solutions Division (i.e. Boustead Projects Limited) was successfully demerged with approximately 48.8% of Boustead Projects Limited's shares distributed as a dividend *in specie*. Boustead Projects Limited was listed on the Main Board of the Singapore Exchange on 30 April 2015. The Company continues to hold approximately 51.2% of Boustead Projects Limited.

Since the Group's last update in respect of receiving a positive judgment on its legal case related to Libya and the subsequent appeal filed by Arab Banking Corporation (B.S.C.) and the Group's filing of Respondent's Case on 29 July 2015, the Group's legal advisors have continued to confirm the strength of the Group's case. Further announcements will be made by the Group as and when there are any additional material developments.

While the Group believes it will continue to be profitable in FY2016, the level of profit will be considerably lower than that of FY2015 due to the depressed market and challenging business environment, especially in the oil & gas industries.

11. Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/(recommended), a statement to that effect.

No dividend has been declared/recommendeded for this period.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company has not obtained a general mandate from shareholders for interested person transactions.

14. Negative confirmation by the Board pursuant to Rule 705(5).

We, Wong Fong Fui and Loh Kai Keong, being two of the directors of Boustead Singapore Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the 1Q FY2016 financial results to be false or misleading.

BY ORDER OF THE BOARD

Alvin Kok
Company Secretary
12 August 2015