



Boustead Singapore Limited
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BOUSTEAD FINANCIAL RESULTS ANNOUNCEMENT FOR 1Q FY2016 ENDED 30 JUNE 2015

	1Q FY2016	1Q FY2015	Change
Revenue	S\$116.7m	S\$126.5m	-8%
Gross profit	S\$37.0m	S\$43.3m	-14%
Operating profit	S\$14.8m	S\$18.4m	-20%
Profit before income tax	¹ S\$12.1m	² S\$22.0m	-45%
Total profit	¹ S\$8.9m	² S\$17.1m	-48%
Profit attributable to equity holders of Company	S\$6.3m	S\$16.1m	-61%
Profit attributable to equity holders of Company (adjusted for Boustead Projects demerger) *	S\$6.3m	S\$13.2m	-52%
- Earnings per share	1.2cts	3.1cts	-61%
- Net asset value per share	**57.8cts	70.8cts	-18%

Notes:

¹ Includes currency exchange losses of S\$2.4m and other losses of S\$0.2m

² Includes other gains of S\$3.6m

* Profit attributable to equity holders of Company of 1Q FY2015 has been adjusted to reflect 48.8% demerger of Boustead Projects Limited for comparison purposes

** Lower net asset value per share due to dividend *in specie* of Boustead Projects Limited's shares

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.

1Q FY2016 Highlights:

- Revenue of S\$116.7 million was 8% lower than 1Q FY2015.
- Operating profit of S\$14.8 million was 20% lower than 1Q FY2015.
- Total profit of S\$8.9 million was 48% lower than 1Q FY2015.
- Net profit of S\$6.3 million was 61% lower than 1Q FY2015. The greater percentage decrease in net profit versus total profit is due to the demerger of Boustead Projects Limited. 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.
- The Group's order book backlog currently stands at S\$344 million.

Singapore, 12 August 2015 – 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 first quarter ended 30 June 2015 (“1Q FY2016”).

For 1Q FY2016, the Group registered revenue of S\$116.7 million, total profit of S\$8.9 million and profit attributable to equity holders of the Company (“net profit”) of S\$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.

Mr Wong Fong Fui, Chairman and Group Chief Executive Officer of Boustead said, “We expected our business performance to be affected by the current economic environment, especially in the global oil & gas industries and the regional industrial real estate market. Nonetheless, I am confident that with our healthy balance sheet, we have flexibility to navigate this down cycle and position ourselves should there be consolidation within the industries we operate in.”

The Energy-Related Engineering Division witnessed a 17% decline in revenue to S\$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 S\$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 S\$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.

The Group’s gross profit edged down 14% to S\$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.

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.

The Group’s net cash position (i.e. net of all bank borrowings) stood at S\$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 S\$50.9 million to a joint venture in FY2015 (which was repaid after the close of 1Q FY2016). In addition, the Group maintained S\$78.8 million in available-for-sale financial assets at the end of 1Q FY2016.

Since the beginning of FY2016, the Group has secured new contracts of approximately S\$78 million. The Group’s order book backlog (as at the end of 1Q FY2016 plus new orders since) remains relatively healthy at S\$344 million, of which S\$130 million is

under the Energy-Related Engineering Division and S\$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 Company's subsidiary, 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.

-- 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 Singapore Exchange. Focusing on the engineering and development of key infrastructure supporting economic growth in the public and private sectors of emerging 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 location intelligence solutions are essential to effectively plan, deploy and manage key infrastructure and resources in countries.

With a vast global network stretching across Asia, Australia, Europe, Africa and the Americas, Boustead is ready to serve the world. To date, Boustead has undertaken infrastructure-related projects in 84 countries globally.

In 2008 and 2009, Boustead 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. Boustead is also listed on the MSCI Global 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: www.boustead.sg >> investor centre >> financial information >> quarterly results.

Contact Information

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