



Boustead Projects Limited
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BOUSTEAD PROJECTS FINANCIAL RESULTS ANNOUNCEMENT FOR 1Q FY2020 ENDED 30 JUNE 2019

	1Q FY2020	1Q FY2019	Change
Revenue	S\$62.4m	*S\$39.2m	+59%
Gross profit	S\$11.6m	*S\$12.3m	-5%
Profit before income tax ("PBT")	S\$5.8m	S\$12.4m	-53%
Total profit / Profit attributable to equity holders of Company ("net profit")	S\$4.7m	S\$10.0m	-53%
Total profit / Net profit (adjusted for comparative review)	S\$4.7m	**S\$5.1m	-8%
- Earnings per share	1.5cts	3.2cts	-53%
- Net asset value per share	91.8cts	85.8cts	+7%

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 1Q 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.

1Q FY2020 Highlights:

- Total revenue was 59% higher year-on-year at S\$62.4 million, with higher revenue contributions from both the design-and-build and real estate businesses. However, total profit was 53% lower year-on-year at S\$4.7 million, mainly due to the absence of one-off gains associated with the sale of 25 Changi North Rise in FY2019. Profit was also affected by lower margins from current projects and a lower quantum of cost savings from previously completed projects.
- For comparative review, after adjusting for the after-tax gain and expenses associated with the sale of 25 Changi North Rise, total profit for 1Q FY2020 would be 8% lower year-on-year.
- The BP Group's current order book backlog (unrecognised project revenue remaining at the end of 1Q FY2020 plus the total value of new orders secured since then) stands at a healthy level of approximately S\$621 million.

Singapore, 7 August 2019 – Mainboard-listed Boustead Projects Limited (“Boustead Projects” or the “BP Group”), Singapore’s leading real estate solutions provider for smart eco-sustainable business park and industrial developments today announced its unaudited financial results for the first quarter ended 30 June 2019 (“1Q FY2020”).

For 1Q FY2020, total revenue was 59% higher year-on-year at S\$62.4 million, with higher revenue contributions from both the design-and-build and real estate businesses. Design-and-build revenue was 71% higher year-on-year at S\$54.4 million, supported by the healthy order book backlog carried forward at the end of FY2019. Real estate revenue was 10% higher year-on-year at S\$8.0 million, mainly due to increased management fees from the Boustead Development Partnership.

For 1Q FY2020, total profit was 53% lower year-on-year at S\$4.7 million, mainly due to the absence of one-off gains associated with the sale of 25 Changi North Rise in FY2019. Profit was also affected by lower margins from current projects and a lower quantum of cost savings from previously completed projects. For comparative review, after adjusting for the after-tax gain and expenses associated with the sale of 25 Changi North Rise, total profit for 1Q FY2020 would be 8% lower year-on-year.

The BP Group’s overall gross profit for 1Q FY2020 decreased 5% year-on-year to S\$11.6 million, as a result of the decline in overall gross margin to 19% in 1Q FY2020 as compared to 31% in 1Q FY2019. The decrease in overall gross margin is mainly attributable to lower margins on current projects and lower quantum of cost savings from previously completed projects.

Mr Thomas Chu, Managing Director of Boustead Projects said, “Our revenue growth was supported by our strong order book backlog carried forward at the end of FY2019, which includes several large projects. However, our overall gross margin dipped mainly because of lower margins on current projects and a lower quantum of cost savings from previously completed projects. Net profit was affected by the lumpy nature of our earnings on a quarterly basis, plus the fact that quantum of cost savings from previously completed projects can vary greatly from year-to-year. Competition remains intense and margins are expected to be under pressure.”

Mr Chu added, “During 1Q FY2020, we commenced marketing activities for Subang Aerotech Park and also completed our strategic investment in a 25% shareholding of DSCO, a consultancy that holds a reputable position in the high-value data centre industry. Most recently, we secured an established strategic capital partner for our upcoming Braddell Road smart development in Singapore, de-risking the project as planned while commencing marketing and construction activities.”

Mr Chu concluded, “As one of the leading companies in the implementation of transformative technologies in the industrial real estate sector, we continue to invest in leading technology and productivity solutions to augment our activities. We also continue to explore various opportunities to form new strategic platforms that can widen our competitive offerings and enable long-term quality and sustainable business growth. Backed by our strong order book backlog and healthy financial position, we have formed a stable position from which we can pursue opportunities in M&A and growth initiatives across the region.”

At the end of 1Q FY2020, the BP Group’s financial position remained healthy with cash and cash equivalents of S\$115.8 million and total equity of S\$285.2 million. Net asset value per share climbed to 91.8 cents from 90.7 cents at the end of FY2019, while the BP Group returned to a net cash position (cash and cash equivalents less total borrowings) of S\$7.9 million following the collection and loan repayment of a sizeable project under a deferred payment arrangement.

The BP Group's current order book backlog (unrecognised project revenue remaining at the end of 1Q FY2020 plus the total value of new orders secured since then) stands at a healthy level of approximately S\$621 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 seven 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 SHARP Awards 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.

Financial Results Archive

To access the archive of financial results since the listing of Boustead Projects on the SGX, please go to: www.bousteadprojects.com/investor-centre/investor-centre-quarterly-results/.

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