

**BOUSTEAD PROJECTS LIMITED**  
**AND ITS SUBSIDIARIES**

**SINGAPORE'S LEADING INNOVATOR IN  
INDUSTRIAL REAL ESTATE SOLUTIONS**

**SGXNET ANNOUNCEMENT**  
**UNAUDITED RESULTS FOR 3Q FY2017**  
**ENDED 31 DECEMBER 2016**



## Corporate Profile

Established in 1996, Boustead Projects Limited is a leading industrial real estate solutions provider in Singapore, with core engineering expertise in the design-and-build, and development of industrial facilities for multinational corporations and local enterprises. To date, we have constructed and developed more than 3,000,000 square metres of industrial real estate regionally in Singapore, China, Malaysia and Vietnam. We are approved by the Building & Construction Authority (“BCA”) of Singapore for Grade CW01-A1 and General Builder Class One License to execute building construction contracts of unlimited value.

Our in-depth experience in designing and constructing custom-built facilities covers the aerospace, commercial, electronics, food processing, healthcare, high-tech manufacturing, lifestyle, logistics, oil & gas, petrochemical, precision engineering, R&D, resource recovery, technology and transportation industries. We are also a leader in pioneering advanced eco-sustainable facilities under the BCA’s Green Mark Programme and the U.S. Green Building Council’s Leadership in Energy & Environmental Design Program. In Singapore, we are one of only eight bizSAFE Mentors and also a bizSAFE Star, the highest qualification that can be attained in recognition of a company’s health, safety and environmental management programmes.

Boustead Projects is a 51%-owned subsidiary of Boustead Singapore Limited, a progressive global Infrastructure-Related Engineering Services and Geo-Spatial Technology Group which is separately listed on the SGX Mainboard.

On 30 April 2015, Boustead Projects listed on the SGX Mainboard. Consistent with the combined financial statements for the financial years ended 31 March 2014, 31 March 2013 and 31 March 2012 issued as part of Boustead Projects’ Introductory Document dated 31 March 2015, the acquisitions of Wuxi Boustead Industrial Development Co., Ltd, Boustead Real Estate Fund, Boustead Funds Management Pte. Ltd., Boustead Trustees Pte. Ltd. and Boustead Property Services Pte. Ltd. by the Group have been accounted for as a business combination involving entities under common control, as the Company and Wuxi Boustead Industrial Development Co., Ltd, Boustead Real Estate Fund, Boustead Funds Management Pte. Ltd., Boustead Trustees Pte. Ltd. and Boustead Property Services Pte. Ltd. are under the common control of Boustead Singapore Limited before and after the acquisitions. Please refer to Boustead Projects’ Introductory Document for further details on the restructuring exercise.

Visit the Boustead Projects Group website at [www.bousteadprojects.com](http://www.bousteadprojects.com).

**Unaudited Financial Statements and Related Announcement for the Third Quarter Ended 31 December 2016**

**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 Third quarter ended			GROUP 9-month period ended		
		31.12.16 \$'000	31.12.15 \$'000	Inc/(Dcr) %	31.12.16 \$'000	31.12.15 \$'000	Inc/(Dcr) %
<b>Revenue</b>		66,648	85,610	-22%	189,788	196,046	-3%
<b>Cost of sales</b>		(49,517)	(66,212)	-25%	(143,733)	(151,271)	-5%
<b>Gross profit</b>		17,131	19,398	-12%	46,055	44,775	3%
Other income	1	941	904	4%	2,529	2,768	-9%
Other gains/(losses) – net	2	130	15	767%	59	(93)	NM
Expenses							
- Selling and distribution		(969)	(1,108)	-13%	(2,927)	(2,886)	1%
- Administrative		(5,383)	(7,071)	-24%	(15,049)	(16,137)	-7%
- Finance		(524)	(1,060)	-51%	(1,808)	(3,317)	-45%
Share of loss of an associated company and joint ventures		(1,104)	(1,012)	9%	(2,171)	(1,818)	19%
<b>Profit before income tax</b>	3	10,222	10,066	2%	26,688	23,292	15%
Income tax expense		(1,743)	(2,917)	-40%	(4,707)	(5,810)	-19%
<b>Total profit</b>		8,479	7,149	19%	21,981	17,482	26%
Profit/(loss) attributable to:							
Equity holders of the Company		8,479	7,150	19%	21,830	17,485	25%
Non-controlling interests		-	(1)	-100%	151	(3)	NM
		8,479	7,149	19%	21,981	17,482	26%

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 Third quarter ended			GROUP 9-month period ended		
	31.12.16 \$'000	31.12.15 \$'000	Inc/(Dcr) %	31.12.16 \$'000	31.12.15 \$'000	Inc/(Dcr) %
<b>Total profit</b>	8,479	7,149	19%	21,981	17,482	26%
<b>Other comprehensive (loss)/income:</b>						
<u>Items that may be reclassified subsequently to profit or loss</u>						
- Currency translation differences arising from consolidation	(306)	104	NM	(745)	(1,803)	-59%
<b>Other comprehensive (loss)/income, net of tax</b>	(306)	104	NM	(745)	(1,803)	-59%
<b>Total comprehensive income</b>	8,173	7,253	13%	21,236	15,679	35%
Total comprehensive income/(loss) attributable to:						
Equity holders of the Company	8,173	7,254	13%	21,085	15,682	34%
Non-controlling interests	-	(1)	-100%	151	(3)	NM
	8,173	7,253	13%	21,236	15,679	35%

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 Third quarter ended			GROUP 9-month period ended		
	31.12.16 \$'000	31.12.15 \$'000	Inc/(Dcr) %	31.12.16 \$'000	31.12.15 \$'000	Inc/(Dcr) %
<u>Note 1: Other income</u>						
Interest income	624	605	3%	1,580	1,869	-15%
Sublease income	317	299	6%	949	899	6%
	941	904	4%	2,529	2,768	-9%
<u>Note 2: Other gains/(losses) – net</u>						
Currency exchange gains/(losses) – net	130	15	767%	59	(93)	NM
<u>Note 3: Profit before income tax is arrived at after charging the following:</u>						
Depreciation expense	(1,670)	(1,568)	7%	(4,993)	(4,994)	-0%
<u>Note 4: Income tax expense</u>  The provision for income tax is made after taking into account non-deductible expenses, non-taxable income and temporary differences and is based on the statutory tax rates of the respective countries that the Group operates in.  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.**

**Balance Sheets**

	Note	GROUP		COMPANY	
		31.12.16 \$'000	31.3.16 \$'000	31.12.16 \$'000	31.3.16 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		99,535	90,876	77,224	71,700
Properties held for sale		30,565	30,413	-	-
Trade receivables		68,383	69,737	49,754	60,872
Other receivables and prepayments		39,072	17,398	147,271	133,778
Foreign exchange contracts		-	13	-	13
Contracts work-in-progress		8,233	6,133	-	3,453
		245,788	214,570	274,249	269,816
<b>Non-current assets</b>					
Other receivables and prepayments		3,291	3,395	-	-
Investment in an associated company		-	200	-	-
Investments in joint ventures		15,414	13,755	20,221	17,203
Investments in subsidiaries		-	-	28,488	29,135
Available-for-sale financial assets		38,391	38,391	38,391	38,391
Investment properties		141,343	146,182	-	-
Property, plant and equipment		756	743	622	714
		199,195	202,666	87,722	85,443
<b>Total assets</b>		444,983	417,236	361,971	355,259
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Borrowings	1(b)(ii)	5,095	5,095	-	-
Trade and other payables		117,213	102,877	162,249	158,554
Income tax payable		7,244	8,231	3,980	4,497
Foreign exchange contracts		-	306	-	306
Contracts work-in-progress		6,409	10,375	1,025	10,375
		135,961	126,884	167,254	173,732
<b>Non-current liabilities</b>					
Borrowings	1(b)(ii)	84,878	88,354	-	-
Trade payables		6,357	5,401	6,357	5,401
Deferred income tax liabilities		2,736	2,737	1	1
		93,971	96,492	6,358	5,402
<b>Total liabilities</b>		229,932	223,376	173,612	179,134
<b>NET ASSETS</b>		215,051	193,860	188,359	176,125
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital		15,000	15,000	15,000	15,000
Retained profits		203,911	182,081	173,359	161,125
Other reserves		(3,860)	(3,115)	-	-
		215,051	193,966	188,359	176,125
Non-controlling interests		-	(106)	-	-
<b>Total equity</b>	1(d)(i)	215,051	193,860	188,359	176,125

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

Amount repayable within one year or less, or on demand

As at 31.12.16 \$'000		As at 31.3.16 \$'000	
Secured	Unsecured	Secured	Unsecured
5,095	-	5,095	-

Amount repayable after one year

As at 31.12.16 \$'000		As at 31.3.16 \$'000	
Secured	Unsecured	Secured	Unsecured
84,878	-	88,354	-

Total borrowings of \$89,973,000 (31.3.16: \$93,449,000) 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		GROUP	
	Third quarter ended 31.12.16 \$'000	31.12.15 \$'000	9-month period ended 31.12.16 \$'000	31.12.15 \$'000
<b>Cash flows from operating activities</b>				
Profit before income tax	10,222	10,066	26,688	23,292
Adjustments for:				
Depreciation expense	1,670	1,568	4,993	4,994
Share of loss of an associated company and joint ventures	1,104	1,012	2,171	1,818
Fair value losses/(gains) on foreign exchange contracts	-	74	(105)	74
Interest income	(624)	(605)	(1,580)	(1,869)
Finance expenses	524	1,060	1,808	3,317
Unrealised currency translation (gains)/losses	(130)	(15)	(59)	93
	12,766	13,160	33,916	31,719
Change in working capital:				
- Trade and other receivables	(22,276)	(37,674)	822	(20,220)
- Contracts work-in-progress	(7,059)	3,699	(6,065)	6,024
- Trade and other payables	11,746	23,027	14,591	4,698
- Properties held for sale	(164)	-	(164)	-
Cash (used in)/generated from operations	(4,987)	2,212	43,100	22,221
Interest received	624	605	1,580	1,869
Interest paid	(524)	(1,060)	(1,808)	(3,317)
Income tax paid	(2,737)	(4,244)	(5,697)	(8,790)
<b>Net cash (used in)/provided by operating activities</b>	<b>(7,624)</b>	<b>(2,487)</b>	<b>37,175</b>	<b>11,983</b>

**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)**

	<b>GROUP</b>		<b>GROUP</b>	
	<b>Third quarter ended</b>		<b>9-month period ended</b>	
	<b>31.12.16</b>	<b>31.12.15</b>	<b>31.12.16</b>	<b>31.12.15</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(133)	(12)	(243)	(178)
Purchase of available-for-sale financial assets	-	-	-	(20,519)
Instalment payment for land acquisition	(24,893)	-	(24,893)	-
Consideration paid for acquisition of subsidiaries	-	-	-	(7,178)
Proceeds from repayment of loan by ultimate holding company	-	-	-	130,430
Proceeds from repayment of a loan by a joint venture	-	1,181	5,453	51,981
Loans to joint ventures	-	(1,658)	(3,018)	(9,879)
Loan to a related party	(594)	(2,614)	(2,054)	(2,614)
<b>Net cash (used in)/provided by investing activities</b>	<b>(25,620)</b>	<b>(3,103)</b>	<b>(24,755)</b>	<b>142,043</b>
<b>Cash flows from financing activities</b>				
Repayment of borrowings	(928)	(57,143)	(3,476)	(82,257)
Repayment of loan to ultimate holding company	-	-	-	(20,750)
Proceeds from dividends paid by a joint venture	125	-	125	-
Dividends paid to equity holders of the Company	-	-	-	(80,000)
Distributions paid to non-controlling interests	-	-	(45)	-
<b>Net cash used in financing activities</b>	<b>(803)</b>	<b>(57,143)</b>	<b>(3,396)</b>	<b>(183,007)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(34,047)</b>	<b>(62,733)</b>	<b>9,024</b>	<b>(28,981)</b>
<b>Cash and cash equivalents</b>				
Beginning of financial period	133,640	146,784	90,876	114,279
Effects of currency translation on cash and cash equivalents	(58)	(87)	(365)	(1,334)
<b>End of financial period</b>	<b>99,535</b>	<b>83,964</b>	<b>99,535</b>	<b>83,964</b>

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	Retained profits \$'000	Merger reserve \$'000	Foreign currency translation reserve \$'000	Subtotal \$'000	Equity attributable to equity holders of the Company \$'000	Non- controlling interests \$'000	Total \$'000
<b>GROUP</b>								
Balance at 1 April 2016	15,000	182,081	(2,854)	(261)	(3,115)	193,966	(106)	193,860
Profit for the period	-	13,351	-	-	-	13,351	151	13,502
Other comprehensive loss for the period	-	-	-	(439)	(439)	(439)	-	(439)
Total comprehensive income/(loss) for the period	-	13,351	-	(439)	(439)	12,912	151	13,063
Distributions	-	-	-	-	-	-	(45)	(45)
Balance at 30 September 2016	15,000	195,432	(2,854)	(700)	(3,554)	206,878	-	206,878
Profit for the period	-	8,479	-	-	-	8,479	-	8,479
Other comprehensive loss for the period	-	-	-	(306)	(306)	(306)	-	(306)
Total comprehensive income/(loss) for the period	-	8,479	-	(306)	(306)	8,173	-	8,173
Balance at 31 December 2016	15,000	203,911	(2,854)	(1,006)	(3,860)	215,051	-	215,051

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

			(-----Other reserves-----)					
	Share capital \$'000	Retained profits \$'000	Merger reserve \$'000	Foreign currency translation reserve \$'000	Subtotal \$'000	Equity attributable to equity holders of the Company \$'000	Non- controlling interests \$'000	Total \$'000
<b>GROUP</b>								
Balance at 1 April 2015	15,000	239,216	(2,854)	1,389	(1,465)	252,751	(106)	252,645
Profit/(loss) for the period	-	10,335	-	-	-	10,335	(2)	10,333
Other comprehensive loss for the period	-	-	-	(1,907)	(1,907)	(1,907)	-	(1,907)
Total comprehensive income/(loss) for the period	-	10,335	-	(1,907)	(1,907)	8,428	(2)	8,426
Dividends	-	(80,000)	-	-	-	(80,000)	-	(80,000)
Balance at 30 September 2015	15,000	169,551	(2,854)	(518)	(3,372)	181,179	(108)	181,071
Profit/(loss) for the period	-	7,150	-	-	-	7,150	(1)	7,149
Other comprehensive income for the period	-	-	-	104	104	104	-	104
Total comprehensive income/(loss) for the period	-	7,150	-	104	104	7,254	(1)	7,253
Balance at 31 December 2015	15,000	176,701	(2,854)	(414)	(3,268)	188,433	(109)	188,324

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

	Share capital \$'000	Retained profits \$'000	Total \$'000
<b>COMPANY</b>			
Balance at 1 April 2016	15,000	161,125	176,125
Profit for the period, representing total comprehensive income for the period	-	7,089	7,089
Balance at 30 September 2016	15,000	168,214	183,214
Profit for the period, representing total comprehensive income for the period	-	5,145	5,145
Balance at 31 December 2016	15,000	173,359	188,359

	Share capital \$'000	Retained profits \$'000	Total \$'000
<b>COMPANY</b>			
Balance at 1 April 2015	15,000	199,795	214,795
Profit for the period, representing total comprehensive income for the period	-	4,059	4,059
Dividends	-	(80,000)	(80,000)
Balance at 30 September 2015	15,000	123,854	138,854
Profit for the period, representing total comprehensive income for the period	-	9,162	9,162
Balance at 31 December 2015	15,000	133,016	148,016

- 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 current financial period, the issued and paid-up capital of the Company remained unchanged, and the total number of issued shares remained unchanged at 320,000,000 ordinary shares.

The Company did not hold any treasury shares in the current financial period reported on, same as the previous year's corresponding period.

- 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.**

	<b>As at 31.12.16</b>	<b>As at 31.3.16</b>
Total number of issued shares	320,000,000	320,000,000

- 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.**

Not applicable.

- 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.**

On 1 April 2016, the Group adopted the amended FRS that are mandatory for application for the financial year ending 31 March 2017. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS. The adoption of these amended FRS did not result in substantial changes to the accounting policies of the Group and the Company, and is not expected to have a material effect on the amounts reported for the current or prior financial years.

- 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, as disclosed in Note 4 above.

**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		GROUP	
	Third quarter ended 31.12.16	31.12.15	9-month period ended 31.12.16	31.12.15
Earnings per ordinary share for the period after deducting any provision for preference dividends:-				
(i) Based on weighted average number of ordinary shares pre-sub-division (¢) (*)	56.5	47.7	145.5	116.6
(ii) Based on weighted average number of ordinary shares post-sub-division (¢) (**)	2.6	2.2	6.8	5.5
Weighted average number of ordinary shares in issue:				
Basic pre-sub-division (*)	15,000,000	15,000,000	15,000,000	15,000,000
Basic post-sub-division (**)	320,000,000	320,000,000	320,000,000	320,000,000

\* For comparability, the basic earnings per share is computed based on the weighted average number of ordinary shares in issue pre-sub-division of ordinary shares on 23 April 2015.

\*\* For comparability, the basic earnings per share is computed based on the weighted average number of ordinary shares in issue post-sub-division of ordinary shares on 23 April 2015.

The Company has no 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	
	31.12.16	31.3.16	31.12.16	31.3.16
Net asset value per ordinary share based on issued shares as at the end of the period reported on (\$)	0.672	0.606	0.589	0.550
Number of issued shares as at the end of the period reported on	320,000,000	320,000,000	320,000,000	320,000,000

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 Boustead Projects Group ("BP Group")'s revenue is largely derived from project-oriented business 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 3Q FY2017, the BP Group registered revenue of \$66.6 million, 22% lower year-on-year mainly due to lower revenue contribution from the design-and-build business, as 3Q FY2016 was a relatively higher revenue quarter due to two significant projects. However, total profit of \$8.5 million was 19% higher year-on-year due to lower selling and distribution, administrative, finance and income tax expenses, partially offset by lower gross profit.

For 9M FY2017, the BP Group registered revenue of \$189.8 million, 3% lower year-on-year mainly due to lower revenue contribution from the design-and-build business. However, total profit of \$22.0 million was 26% higher year-on-year due to lower administrative, finance and income tax expenses, combined with higher gross profit mainly due to the write back of provisions no longer required following the completion of certain projects.

### Segment Revenue

Segment	Revenue			Favourable/ (Unfavourable)		
	3Q FY2017	3Q FY2016	Change	9M FY2017	9M FY2016	Change
	\$'m	\$'m		\$'m	\$'m	%
Design-and-Build	58.4	77.1	-24	164.8	171.4	-4
Leasing	8.2	8.5	-4	25.0	24.6	+2
BP Group Total	66.6	85.6	-22	189.8	196.0	-3
Note: Any differences in summation are due to rounding differences.						

#### 3Q FY2017 Segment Revenue

Design-and-build revenue for 3Q FY2017 was \$58.4 million, 24% lower year-on-year as there were two significant projects which contributed to 3Q FY2016 but had been completed prior to 3Q FY2017.

Leasing revenue for 3Q FY2017 marginally declined to \$8.2 million mainly due to the expiry of some leases. The vacant space is being actively marketed.

#### 9M FY2017 Segment Revenue

Design-and-build revenue for 9M FY2017 was \$164.8 million, 4% lower year-on-year. The previous corresponding period registered higher revenue mainly due to greater work progress in several significant projects.

Leasing revenue for 9M FY2017 reached \$25.0 million, 2% higher year-on-year, mainly attributable to the commencement of two new leases, partially offset by the expiry of some leases.

## Group Profitability

A breakdown of profit before income tax ("PBT") by business segment is provided as follows.

Segment	PBT		Favourable/ (Unfavourable) Change	PBT		Favourable/ (Unfavourable) Change
	3Q FY2017	3Q FY2016		9M FY2017	9M FY2016	
	\$'m	\$'m	%	\$'m	\$'m	%
Design-and-Build	6.4	5.8	+10	13.9	12.1	+15
Leasing	3.8	4.3	-12	12.8	11.2	+14
BP Group Total	10.2	10.1	+2	26.7	23.3	+15
Note: Any differences in summation are due to rounding differences.						

### 3Q FY2017 Group Profitability

The BP Group's gross profit for 3Q FY2017 decreased 12% year-on-year to \$17.1 million, as a result of lower revenue from both the design-and-build and leasing businesses. Overall gross margin for 3Q FY2017 increased to 26% from 23% in 3Q FY2016.

Total overhead expenses for 3Q FY2017 were \$6.4 million (selling and distribution expenses of \$1.0 million and administrative expenses of \$5.4 million), decreasing 22% year-on-year. The higher administrative expenses in the previous corresponding period relate to non-recurring legal and professional fees. Selling and distribution expenses remained comparable across both periods.

Finance expenses for 3Q FY2017 dropped 51% year-on-year to \$0.5 million following significant repayment of borrowings in FY2016 to substantially deleverage the industrial leasehold portfolio.

Share of loss of an associated company and joint ventures mainly represents the elimination of construction and project management profits attributable to projects in which the BP Group has entered into with an associated company and joint ventures. For 3Q FY2017, this share of loss increased marginally to \$1.1 million.

PBT for 3Q FY2017 marginally increased 2% year-on-year to \$10.2 million, mainly supported by lower selling and distribution, administrative and finance expenses, partially offset by lower gross profit.

Despite higher PBT, income tax expense for 3Q FY2017 decreased 40% year-on-year to \$1.7 million, mainly due to lower taxes incurred as a result of lower intercompany profits earned during 3Q FY2017 as well as the reversal of prior year over-accrued tax provisions.

As a result, total profit for 3Q FY2017 grew 19% year-on-year to \$8.5 million.

### 9M FY2017 Group Profitability

The BP Group's gross profit for 9M FY2017 marginally increased 3% to \$46.1 million, mainly due to the write back of provisions no longer required following the completion of certain projects.

Other income for 9M FY2017 decreased 9% year-on-year to \$2.5 million as a result of lower interest income.

Total overhead expenses for 9M FY2017 were \$18.0 million (selling and distribution expenses of \$2.9 million and administrative expenses of \$15.0 million), decreasing 6% year-on-year. The lower administrative expenses were mainly due to lower legal and professional fees incurred during 9M FY2017, partially offset by additional operating expenses incurred in managing the enlarged industrial leasehold portfolio and higher payroll expenses. Selling and distribution expenses remained comparable across both periods.

Finance expenses for 9M FY2017 dropped 45% year-on-year to \$1.8 million following significant repayment of borrowings throughout FY2016 to substantially deleverage the industrial leasehold portfolio.

Share of loss of an associated company and joint ventures mainly represents the elimination of construction and project management profits attributable to projects in which the BP Group has entered into with an associated company and joint ventures. For 9M FY2017, this share of loss increased to \$2.2 million.

PBT for 9M FY2017 increased 15% year-on-year to \$26.7 million, mainly supported by higher gross profit, coupled with lower administrative and finance expenses.

Despite higher PBT, income tax expense for 9M FY2017 decreased 19% year-on-year to \$4.7 million, mainly due to lower taxes incurred as a result of lower intercompany profits earned during 9M FY2017 as well as the reversal of prior year over-accrued tax provisions.

Total profit for 9M FY2017 grew 26% year-on-year to \$22.0 million due to the aforementioned reasons.

### **Statement of Cash Flows**

#### 3Q FY2017 Cash Flows

During 3Q FY2017, cash and cash equivalents (after taking into account the effects of currency translation) decreased by \$34.0 million to \$99.5 million, mainly as a result of a \$24.9 million instalment payment made for land acquisition relating to the Mediapolis development under investing activities.

Net cash used in operating activities amounted to \$7.6 million, mainly driven by a negative change in working capital of \$17.8 million, due to increases in trade receivables and net contracts work-in-progress under current assets, partially offset by an increase in trade and other payables.

Net cash used in investing activities amounted to \$25.6 million, almost entirely due to the \$24.9 million instalment payment made for land acquisition relating to the Mediapolis development.

Net cash used in financing activities amounted to \$0.8 million, largely due to the scheduled repayment of borrowings.

## 9M FY2017 Cash Flows

During 9M FY2017, cash and cash equivalents (after taking into account the effects of currency translation) increased by \$8.7 million to \$99.5 million, uplifted by strong cash flow provided by operating activities.

Net cash provided by operating activities amounted to \$37.2 million, mainly driven by a positive change in working capital of \$9.2 million arising from a decrease in trade and other receivables and an increase in trade and other payables, partially offset by an increase in net contracts work-in-progress under current assets.

Net cash used in investing activities amounted to \$24.8 million, mainly due to the instalment payment made for land acquisition relating to the Mediapolis development and a loan extended to a related party, partially offset by the net repayment of loan by a joint venture.

Net cash used in financing activities amounted to \$3.4 million, largely due to the scheduled repayment of borrowings.

## **Balance Sheets**

At the end of 9M FY2017, the BP Group's financial position remained healthy with cash and cash equivalents of \$99.5 million and total equity of \$215.1 million.

Under current assets, cash and cash equivalents increased to \$99.5 million as described earlier under the explanation for Statement of Cash Flows. Other receivables and prepayments significantly increased to \$39.1 million due to the \$24.9 million instalment payment for land acquisition relating to the Mediapolis development and a \$2.1 million loan extended to a related party, partially offset by a \$5.5 million repayment of loan by a joint venture. Net contracts work-in-progress under current assets increased by \$6.1 million due to revenue recognition for ongoing projects exceeding progress billings.

Under non-current assets, investments in joint ventures rose to \$15.4 million mainly as a result of the extension of shareholders' loans to a joint venture for the development of an industrial property for lease. Investment properties declined to \$141.3 million mainly as a result of depreciation.

Under current liabilities, trade and other payables increased to \$117.2 million mainly as a result of an increase in progress claims from subcontractors.

Total borrowings declined to \$90.0 million, due to the scheduled repayment of borrowings in relation to the industrial leasehold portfolio.

The BP Group's net asset value per share climbed to 67.2 cents at the end of 9M FY2017 from 60.6 cents at the end of FY2016, while the net cash position (cash and cash equivalents less total borrowings) stood at \$9.6 million at the end of 9M FY2017.

**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.**

The industrial real estate sector in Singapore continues to remain highly challenging and competitive. Nevertheless, the BP Group has captured six design-and-build contracts in Singapore since the start of FY2017, contributing to an order book backlog of about \$170 million (unrecognised project revenue remaining at the end of 3Q FY2017 plus the total value of new orders secured since then).

In recent months, the BP Group has also achieved progress on several fronts. The BP Group's industrial leasehold portfolio (comprising both wholly-owned and jointly-owned properties) is set to grow further, with the latest awarding of development contracts for the Mediapolis development and Continental Building Phase 3, which are being undertaken by the Boustead Development Partnership. These new developments are set to contribute design-and-build income (during the construction phase) and share of recurring rental income (during the leasing phase) to the BP Group.

As announced in January 2017, the Ausgroup lease was surrendered to the BP Group with an expected PBT gain of approximately \$5.9 million. In addition, the BP Group has agreed to sell its total interest in TripleOne Somerset for an expected PBT gain of approximately \$8.9 million, which is expected to be completed in the next few months.

The BP Group will continue to prudently deploy its cash resources in pursuit of investment and growth opportunities across its various geographic markets.

**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**

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, John Lim Kok Min and Wong Yu Wei, being two of the directors of Boustead Projects 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 3Q FY2017 financial results to be false or misleading in any material aspect.

- 15. Confirmation of Undertakings from Directors and Executive Officer**

The Company has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

On behalf of the board of directors

John Lim Kok Min  
Chairman

Wong Yu Wei  
Deputy Chairman & Executive Director

**BY ORDER OF THE BOARD**

*Tay Chee Wah*  
**Company Secretary**  
9 February 2017

*Boustead Projects Limited's admission to and listing on the Singapore Exchange Securities Trading Limited was sponsored by CIMB Bank Berhad, Singapore Branch. CIMB Bank Berhad, Singapore Branch assumes no responsibility for the contents of this announcement.*