



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

82 Ubi Avenue 4
#08-01 Edward Boustead Centre
Singapore 408832

BOUSTEAD FINANCIAL RESULTS ANNOUNCEMENT FOR FY2020 ENDED 31 MARCH 2020

	2H FY2020	2H FY2019 (Restated)	Change	FY2020	FY2019 (Restated)	Change
Revenue	S\$434.5m	S\$269.3m	+61%	S\$726.6m	S\$470.6m	+54%
Gross profit	S\$97.6m	S\$73.6m	+33%	S\$172.1m	S\$141.1m	+22%
Profit before income tax ("PBT")	S\$38.2m	S\$28.1m	+36%	S\$63.0m	S\$62.4m	+1%
Total profit	S\$26.2m	S\$24.0m	+9%	S\$44.5m	S\$49.6m	-10%
Profit attributable to equity holders of the Company ("net profit")	S\$18.5m	S\$16.6m	+11%	S\$30.9m	S\$32.5m	-5%
Net profit (adjusted for comparative review)*	S\$22.7m	S\$15.4m	+48%	S\$36.6m	S\$27.2m	+34%
- Earnings per share	3.8cts	3.4cts	+12%	6.3cts	6.6cts	-5%
- Net asset value per share				70.3cts	68.2cts	+3%

Notes:

* For comparative review, the net profit is adjusted for other gains/losses net of non-controlling interests and excluding impairment losses and the gain on sale of 25 Changi North Rise registered in FY2019.

Note to Editors: The Group's revenue is largely derived from project-oriented businesses and as such, half-yearly results would not accurately reflect the full-year performance. Full-year to full-year comparisons are more appropriate for analytical purposes.

FY2020 Highlights:

- For FY2020, revenue was 54% higher year-on-year at S\$726.6 million. However, total profit and net profit were 10% and 5% lower year-on-year at S\$44.5 million and S\$30.9 million respectively, which in addition to the absence of a S\$5.9 million pre-tax gain on the sale of 25 Changi North Rise registered in the previous comparative period, was mainly as a result of gross margin pressure, other losses largely due to fair value losses on investment securities, higher administrative, finance and income tax expenses, and impairment losses related to the end of legacy projects.
- For a comparative review after adjusting for other gains/losses net of non-controlling interests and excluding the impairment losses and gain on the sale of 25 Changi North Rise, net profit for FY2020 would have been 34% higher year-on-year.
- The Group's current order book backlog stands at a healthy level of S\$775 million (unrecognised project revenue remaining at the end of FY2020 plus the total value of new orders secured since then), as compared to S\$763 million a year earlier.
- The Board has proposed a final cash dividend of 2 cents per share, taking the total dividend proposed for FY2020 to 3 cents per share. This matches the total dividend paid for FY2019.

Singapore, 7 July 2020 – Mainboard-listed Boustead Singapore Limited (“Boustead” or the “Group”), a progressive global infrastructure-related engineering and technology group today announced its unaudited financial results for the second half and full-year ended 31 March 2020 (“2H FY2020” and “FY2020” respectively).

For 2H FY2020, revenue was 61% higher year-on-year at S\$434.5 million. Total profit and net profit were 9% and 11% higher year-on-year at S\$26.2 million and S\$18.5 million respectively. Revenue growth outpaced profit growth, mainly as a result of gross margin pressure, other losses largely due to fair value losses on investment securities, higher administrative, finance and income tax expenses, and impairment losses related to the end of legacy projects.

For FY2020, revenue was 54% higher year-on-year at S\$726.6 million. However, total profit and net profit were 10% and 5% lower year-on-year at S\$44.5 million and S\$30.9 million respectively, mainly due to the same reasons mentioned earlier for 2H FY2020, in addition to the absence of a S\$5.9 million pre-tax gain on the sale of 25 Changi North Rise, which registered in the previous comparative period.

For a comparative review after adjusting for other gains/losses net of non-controlling interests and excluding the impairment losses and gain on the sale of 25 Changi North Rise, net profit for 2H FY2020 and FY2020 would have been 48% and 34% higher year-on-year respectively.

As the Group delivered steady profitability from its core businesses and maintained a strong cash position, the Board has proposed a final cash dividend of 2 cents per share, taking the total dividend proposed for FY2020 to 3 cents per share. This matches the total dividend paid for FY2019.

Mr Wong Fong Fui, Chairman and Group Chief Executive Officer of Boustead said, “We achieved a commendable set of results for FY2020 under what has been overall a very tough business environment. Our record revenue was driven by successful conversion of order backlogs at both Energy-Related Engineering and Real Estate Solutions, as well as the continued growth of Geospatial Technology and Healthcare Technology. With the exception of Real Estate Solutions, we also delivered good profit growth across our divisions, led by the recovery at Energy-Related Engineering’s downstream oil & gas business. As further indication of the great year for Energy-Related Engineering, the division secured record orders and contributed to almost three quarters of the S\$396 million in new contracts secured by the Group in FY2020.”

Mr Wong added, “The global COVID-19 pandemic, demand deficit and the various other prevailing geo-economic and geo-political headwinds present extreme uncertainties to short-term business development prospects. Nonetheless, we will continue to fortify our stable financial position to weather the highly challenging global landscape, strengthened by our healthy balance sheet, net cash position, order backlog and wide range of available financing options. While we remain cautious and prudent in our cost management and capital allocation, we intend to continue investing in various initiatives and programmes for strategic growth. We are aiming to deliver steady results for FY2021. However, our ability to do so will largely depend on how well we are able to operate under the uncertainties and difficult conditions caused by the pandemic. This is well illustrated by the lockdowns that have occurred in all of our geographic areas of operation, which we expect will affect our financial performance in the first half of FY2021, as well as by Boustead Projects’ delayed design-and-build projects.”

Despite the downturn in global crude oil prices, the Energy-Related Engineering Division benefitted from converting its healthy order backlog to grow revenue by 41% year-on-year to S\$144.5 million. Most of the improvement came from the downstream oil & gas business.

As the largest revenue contributor to the Group, the Real Estate Solutions Division (Boustead Projects) continued executing on its impressive order backlog of design-and-build projects, raising revenue by 82% year-on-year to a new division record of S\$426.2 million.

Demonstrating continued steady long-term growth, the Geospatial Technology Division rode on steadfast demand for geospatial technology across Australia and South East Asia to expand revenue by 12% year-on-year to a new division record of S\$137.3 million, outweathering strong currency headwinds. The division also displayed strong supporting roles to key government agencies in using smart mapping capabilities to combat recent major crises including Australia's massive bushfires and the global spread of the COVID-19 pandemic.

The Healthcare Technology Division's revenue improved by 60% year-on-year to S\$18.2 million, with growth registered across various business lines in rehabilitative care, sleep care and sports science. However, it should be noted that revenue across the two financial years is not directly comparable as revenue consolidation in FY2019 only began from 2Q FY2019 onwards following the acquisition of the division.

PBT for FY2020 marginally increased 1% year-on-year to S\$63.0 million, mainly as a result of gross margin pressure, other losses largely due to fair value losses on investment securities, higher administrative and finance expenses, and impairment losses related to the end of legacy projects.

Except for the Real Estate Solutions Division, PBT for FY2020 across all of the other divisions saw good growth, led by the Energy-Related Engineering Division's recovery in performance from the downstream oil & gas business, although this was partially offset by the weak performance of the water and wastewater treatment business and impairment losses for the end of legacy projects under the mini-power plant business.

The Real Estate Solutions Division's PBT for FY2020 was mainly affected by lower gross margins from ongoing projects and quantum of cost savings from previously completed projects, along with the absence of the gain from the sale of 25 Changi North Rise.

The Group's net asset value per share rose to 70.3 cents at the end of FY2020 from 68.2 cents at the end of FY2019, factoring in the allotment of new shares pursuant to the Scrip Dividend Scheme and the purchase of treasury shares. The net cash position (i.e. net of all bank borrowings) was boosted to S\$162.7 million, translating to a net cash per share position of 33.4 cents. In addition, the Group held S\$49.5 million in investment securities, of which about 37% of the amount is highly liquid.

During FY2020, the Group was awarded approximately S\$396 million in new contracts, with the Energy-Related Engineering Division achieving record orders and contributing to three quarters of the new contracts secured for the year. A further S\$128 million in new contracts were secured in FY2021 to date, adding to the current healthy order book backlog of S\$775 million (unrecognised project revenue remaining at the end of FY2020 plus the total value of new orders secured since then) compared to S\$763 million a year earlier, of which S\$279 million is under the Energy-Related Engineering Division and S\$496 million is under the Real Estate Solutions Division.

-- End of media release --

About Boustead Singapore Limited

Established in 1828, Boustead Singapore Limited (SGX:F9D) is a progressive global Infrastructure-Related Engineering and Technology Group listed on the SGX Mainboard.

Focusing on the niche 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, centred on energy infrastructure and smart eco-sustainable business park and industrial developments.

In addition, we provide technology-driven transformative solutions to improve quality of life for all walks of life. Geospatial Technology provides professional services and exclusively distributes Esri's ArcGIS technology – the world's leading geographic information system and location analytics platform – to major markets across Australia and parts of South East Asia. The software creates digital infrastructure solutions that enable smart nations, smart cities and smart communities by solving the world's largest problems through effective and sustainable planning and management of key infrastructure and resources. Healthcare Technology provides niche innovative medical solutions that address age-related chronic diseases and mobility issues, with a focus on rehabilitative care, sleep care and sports science in the Asia Pacific.

With a vast global network stretching across Asia, Australia, Europe, Africa and the Americas, we are ready to serve the world. To date, we have undertaken infrastructure-related projects in 89 countries and territories 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 2017, we were ranked by FinanceAsia as Singapore's Best Small-Cap in the annual Asia's Best Companies Poll. In 2019, we were awarded the Most Transparent Company in the Industrials Category and Sustainability Award (Runner-Up) in the Mid Cap Category by the Securities Investors Association (Singapore). We are also listed on the MSCI World Micro Cap Index, FTSE Global Small Cap Index, FTSE Developed Small Cap Index and FTSE ST Industrials 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.

Contact Information

For media and investor enquiries related to Boustead Singapore Limited, please contact:

Mr Keith Chu
Senior Vice President
Corporate Marketing & Investor Relations

Main: +65 6747 0016
DID: +65 6709 8112
Fax: +65 6741 8689
E-mail: keith.chu@boustead.sg