

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

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

**SGXNET ANNOUNCEMENT**  
**UNAUDITED RESULTS FOR 2Q FY2017**  
**ENDED 30 SEPTEMBER 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 nine 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 Boustead Projects at [www.bousteadprojects.com](http://www.bousteadprojects.com).

**Unaudited Financial Statements and Related Announcement for the Second Quarter Ended 30 September 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 Second quarter ended			GROUP Half-year ended		
		30.9.16 \$'000	30.9.15 \$'000	Inc/(Dcr) %	30.9.16 \$'000	30.9.15 \$'000	Inc/(Dcr) %
<b>Revenue</b>		62,239	53,833	16%	123,140	110,436	12%
<b>Cost of sales</b>		(46,845)	(40,778)	15%	(94,216)	(85,059)	11%
<b>Gross profit</b>		15,394	13,055	18%	28,924	25,377	14%
Other income	1	834	863	-3%	1,588	1,864	-15%
Other (losses)/gains – net	2	(15)	576	NM	(71)	(108)	-34%
Expenses							
- Selling and distribution		(1,023)	(749)	37%	(1,958)	(1,778)	10%
- Administrative		(4,806)	(4,932)	-3%	(9,666)	(9,066)	7%
- Finance		(642)	(1,144)	-44%	(1,284)	(2,257)	-43%
Share of loss of an associated company and joint ventures		(623)	(477)	31%	(1,067)	(806)	32%
<b>Profit before income tax</b>	3	9,119	7,192	27%	16,466	13,226	24%
Income tax expense	4	(1,692)	(1,705)	-1%	(2,964)	(2,893)	2%
<b>Total profit</b>		7,427	5,487	35%	13,502	10,333	31%
Profit/(loss) attributable to:							
Equity holders of the Company		7,274	5,488	33%	13,351	10,335	29%
Non-controlling interests		153	(1)	NM	151	(2)	NM
		7,427	5,487	35%	13,502	10,333	31%

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 Second quarter ended			GROUP Half-year ended		
	30.9.16 \$'000	30.9.15 \$'000	Inc/(Dcr) %	30.9.16 \$'000	30.9.15 \$'000	Inc/(Dcr) %
<b>Total profit</b>	7,427	5,487	35%	13,502	10,333	31%
<b>Other comprehensive loss:</b>						
<u>Items that may be reclassified subsequently to profit or loss</u>						
- Currency translation differences arising from consolidation	(125)	(1,803)	-93%	(439)	(1,907)	-77%
<b>Other comprehensive loss, net of tax</b>	(125)	(1,803)	-93%	(439)	(1,907)	-77%
<b>Total comprehensive income</b>	7,302	3,684	98%	13,063	8,426	55%
Total comprehensive income/(loss) attributable to:						
Equity holders of the Company	7,149	3,685	94%	12,912	8,428	53%
Non-controlling interests	153	(1)	NM	151	(2)	NM
	7,302	3,684	98%	13,063	8,426	55%

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 Second quarter ended			GROUP Half-year ended		
	30.9.16 \$'000	30.9.15 \$'000	Inc/(Dcr) %	30.9.16 \$'000	30.9.15 \$'000	Inc/(Dcr) %
<u>Note 1: Other income</u>						
Interest income	518	563	-8%	956	1,264	-24%
Sublease income	316	300	5%	632	600	5%
	834	863	-3%	1,588	1,864	-15%
<u>Note 2: Other (losses)/gains – net</u>						
Currency exchange (losses)/gains – net	(15)	576	NM	(71)	(108)	-34%
<u>Note 3: Profit before income tax is arrived at after charging the following:</u>						
Depreciation expense	(1,653)	(1,689)	-2%	(3,323)	(3,426)	-3%
<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	
		30.9.16 \$'000	31.3.16 \$'000	30.9.16 \$'000	31.3.16 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		133,640	90,876	117,930	71,700
Properties held for sale		30,378	30,413	-	-
Trade receivables		43,937	69,737	32,241	60,872
Other receivables and prepayments		15,568	17,398	123,036	133,778
Foreign exchange contracts		1	13	1	13
Contracts work-in-progress		12,110	6,133	7,562	3,453
		235,634	214,570	280,770	269,816
<b>Non-current assets</b>					
Other receivables and prepayments		3,315	3,395	-	-
Investment in an associated company		-	200	-	-
Investments in joint ventures		16,242	13,755	20,221	17,203
Investments in subsidiaries		-	-	28,728	29,135
Available-for-sale financial assets		38,391	38,391	38,391	38,391
Investment properties		142,864	146,182	-	-
Property, plant and equipment		714	743	631	714
		201,526	202,666	87,971	85,443
<b>Total assets</b>		437,160	417,236	368,741	355,259
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Borrowings	1(b)(ii)	5,095	5,095	-	-
Trade and other payables		104,717	102,877	157,678	158,554
Income tax payable		8,235	8,231	4,156	4,497
Foreign exchange contracts		-	306	-	306
Contracts work-in-progress		17,346	10,375	17,346	10,375
		135,393	126,884	179,180	173,732
<b>Non-current liabilities</b>					
Borrowings	1(b)(ii)	85,806	88,354	-	-
Trade payables		6,346	5,401	6,346	5,401
Deferred income tax liabilities		2,737	2,737	1	1
		94,889	96,492	6,347	5,402
<b>Total liabilities</b>		230,282	223,376	185,527	179,134
<b>NET ASSETS</b>		206,878	193,860	183,214	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		195,432	182,081	168,214	161,125
Other reserves		(3,554)	(3,115)	-	-
		206,878	193,966	183,214	176,125
Non-controlling interests		-	(106)	-	-
<b>Total equity</b>	1(d)(i)	206,878	193,860	183,214	176,125

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

Amount repayable within one year or less, or on demand

<b>As at 30.9.16 \$'000</b>		<b>As at 31.3.16 \$'000</b>	
Secured	Unsecured	Secured	Unsecured
5,095	-	5,095	-

Amount repayable after one year

<b>As at 30.9.16 \$'000</b>		<b>As at 31.3.16 \$'000</b>	
Secured	Unsecured	Secured	Unsecured
85,806	-	88,354	-

Total borrowings of \$90,901,000 (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**

	<b>GROUP</b>		<b>GROUP</b>	
	<b>Second quarter ended</b>	<b>30.9.15</b>	<b>Half-year ended</b>	<b>30.9.15</b>
	<b>30.9.16</b>	<b>\$'000</b>	<b>30.9.16</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>				
Profit before income tax	9,119	7,192	16,466	13,226
Adjustments for:				
Depreciation expense	1,653	1,689	3,323	3,426
Share of loss of an associated company and joint ventures	623	477	1,067	806
Fair value gains on foreign exchange contracts	(62)	-	(105)	-
Interest income	(518)	(563)	(956)	(1,264)
Finance expenses	642	1,144	1,284	2,257
Unrealised currency translation losses/(gains)	15	(576)	71	108
	11,472	9,363	21,150	18,559
Change in working capital:				
- Trade and other receivables	21,970	22,087	23,098	17,454
- Contracts work-in-progress	7,692	1,286	994	2,325
- Trade and other payables	(1,726)	(11,162)	2,845	(18,329)
Cash generated from operations	39,408	21,574	48,087	20,009
Interest received	518	563	956	1,264
Interest paid	(642)	(1,144)	(1,284)	(2,257)
Income tax paid	(2,851)	(3,801)	(2,960)	(4,546)
<b>Net cash provided by operating activities</b>	<b>36,433</b>	<b>17,192</b>	<b>44,799</b>	<b>14,470</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>Second quarter ended</b>		<b>GROUP</b> <b>Half-year ended</b>	
	<b>30.9.16</b>	<b>30.9.15</b>	<b>30.9.16</b>	<b>30.9.15</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	(59)	(146)	(110)	(166)
Loan to a related party	(1,460)	-	(1,460)	-
Purchase of available-for-sale financial assets	-	-	-	(20,519)
Consideration paid for acquisition of subsidiaries	-	-	-	(7,178)
Proceeds from repayment of a loan by ultimate holding company	-	-	-	130,430
Proceeds from repayment of a loan by a joint venture	2,726	50,800	5,453	50,800
Loans to joint ventures	(3,018)	(180)	(3,018)	(8,221)
<b>Net cash (used in)/provided by investing activities</b>	<b>(1,811)</b>	<b>50,474</b>	<b>865</b>	<b>145,146</b>
<b>Cash flows from financing activities</b>				
Repayment of borrowings	(1,274)	(22,850)	(2,548)	(25,114)
Repayment of a loan to ultimate holding company	-	-	-	(20,750)
Dividends paid to equity holders of the Company	-	-	-	(80,000)
Distributions paid to non-controlling interests	(45)	-	(45)	-
<b>Net cash used in financing activities</b>	<b>(1,319)</b>	<b>(22,850)</b>	<b>(2,593)</b>	<b>(125,864)</b>
<b>Net increase in cash and cash equivalents</b>	<b>33,303</b>	<b>44,816</b>	<b>43,071</b>	<b>33,752</b>
<b>Cash and cash equivalents</b>				
Beginning of financial period	100,379	102,775	90,876	114,279
Effects of currency translation on cash and cash equivalents	(42)	(807)	(307)	(1,247)
<b>End of financial period</b>	<b>133,640</b>	<b>146,784</b>	<b>133,640</b>	<b>146,784</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/(loss) for the period	-	6,077	-	-	-	6,077	(2)	6,075
Other comprehensive loss for the period	-	-	-	(314)	(314)	(314)	-	(314)
Total comprehensive income/(loss) for the period	-	6,077	-	(314)	(314)	5,763	(2)	5,761
Balance at 30 June 2016	15,000	188,158	(2,854)	(575)	(3,429)	199,729	(108)	199,621
Profit for the period	-	7,274	-	-	-	7,274	153	7,427
Other comprehensive loss for the period	-	-	-	(125)	(125)	(125)	-	(125)
Total comprehensive income/(loss) for the period	-	7,274	-	(125)	(125)	7,149	153	7,302
Distributions	-	-	-	-	-	-	(45)	(45)
Balance at 30 September 2016	15,000	195,432	(2,854)	(700)	(3,554)	206,878	-	206,878

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	-	4,847	-	-	-	4,847	(1)	4,846
Other comprehensive loss for the period	-	-	-	(104)	(104)	(104)	-	(104)
Total comprehensive income/(loss) for the period	-	4,847	-	(104)	(104)	4,743	(1)	4,742
Dividends	-	(80,000)	-	-	-	(80,000)	-	(80,000)
Balance at 30 June 2015	15,000	164,063	(2,854)	1,285	(1,569)	177,494	(107)	177,387
Profit/(loss) for the period	-	5,488	-	-	-	5,488	(1)	5,487
Other comprehensive loss for the period	-	-	-	(1,803)	(1,803)	(1,803)	-	(1,803)
Total comprehensive income/(loss) for the period	-	5,488	-	(1,803)	(1,803)	3,685	(1)	3,684
Balance at 30 September 2015	15,000	169,551	(2,854)	(518)	(3,372)	181,179	(108)	181,071

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	-	2,813	2,813
Balance at 30 June 2016	15,000	163,938	178,938
Profit for the period, representing total comprehensive income for the period	-	4,276	4,276
Balance at 30 September 2016	15,000	168,214	183,214

	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	-	2,522	2,522
Dividends	-	(80,000)	(80,000)
Balance at 30 June 2015	15,000	122,317	137,317
Profit for the period, representing total comprehensive income for the period	-	1,537	1,537
Balance at 30 September 2015	15,000	123,854	138,854

- 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 30.9.16</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.**

	<b>GROUP</b> <b>Second quarter ended</b>		<b>GROUP</b> <b>Half-year ended</b>	
	<b>30.9.16</b>	<b>30.9.15</b>	<b>30.9.16</b>	<b>30.9.15</b>
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 (¢) (*)	48.5	36.6	89.0	68.9
(ii) Based on weighted average number of ordinary shares post-sub-division (¢) (**)	2.3	1.7	4.2	3.2
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.**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30.9.16</b>	<b>31.3.16</b>	<b>30.9.16</b>	<b>31.3.16</b>
Net asset value per ordinary share based on issued shares as at the end of the period reported on (\$)	0.646	0.606	0.573	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 2Q FY2017, the BP Group achieved revenue of \$62.2 million, 16% higher year-on-year due to stronger revenue contribution from the design-and-build business. Total profit of \$7.4 million was 35% higher year-on-year mainly due to increased revenue and gross profit from the design-and-build business.

For 1H FY2017, the BP Group achieved revenue of \$123.1 million, 12% higher year-on-year due to stronger revenue contributions from both the design-and-build and leasing businesses. Total profit of \$13.5 million was 31% higher year-on-year mainly due to increased revenue and gross profit from both the design-and-build and leasing businesses.

### Segment Revenue

Segment	Revenue		Favourable/ (Unfavourable) Change	Revenue		Favourable/ (Unfavourable) Change
	2Q FY2017	2Q FY2016		1H FY2017	1H FY2016	
	\$'m	\$'m	%	\$'m	\$'m	%
Design-and-Build	53.9	45.2	+19	106.3	94.3	+13
Leasing	8.3	8.6	-3	16.8	16.1	+4
BP Group Total	62.2	53.8	+16	123.1	110.4	+12

#### 2Q FY2017 Segment Revenue

Design-and-build revenue for 2Q FY2017 reached \$53.9 million, 19% higher year-on-year due to revenue contributions from a greater number of ongoing design-and-build projects.

Leasing revenue for 2Q FY2017 marginally declined to \$8.3 million due to the expiry of some leases. The vacant space is being actively marketed.

#### 1H FY2017 Segment Revenue

Design-and-build revenue for 1H FY2017 reached \$106.3 million, 13% higher year-on-year due to revenue contributions from a greater number of ongoing design-and-build projects.

Leasing revenue for 1H FY2017 reached \$16.8 million, 4% higher year-on-year, mainly attributable to the commencement of two leases at the end of 1Q FY2016, and partially offset by lower leasing revenue from the expiry of some leases.

## Group Profitability

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

Segment	PBT			PBT		
			Favourable/ (Unfavourable)			Favourable/ (Unfavourable)
	2Q FY2017	2Q FY2016	Change	1H FY2017	1H FY2016	Change
	\$'m	\$'m	%	\$'m	\$'m	%
Design-and-Build	4.6	3.1	+48	7.5	6.3	+19
Leasing	4.5	4.1	+10	9.0	6.9	+30
BP Group Total	9.1	7.2	+27	16.5	13.2	+24

### 2Q FY2017 Group Profitability

The BP Group's gross profit for 2Q FY2017 increased 18% year-on-year to \$15.4 million, mainly boosted by higher gross profit from the design-and-build business. Overall gross margin for 2Q FY2017 marginally edged up to 25% from 24% in 2Q FY2016.

Other losses for 2Q FY2017 were negligible, whereas there were other gains in 2Q FY2016 amounting to \$0.6 million in currency adjustments made in relation to capital funding of a subsidiary in Malaysia.

Total overhead expenses for 2Q FY2017 (selling and distribution expenses of \$1.0 million and administrative expenses of \$4.8 million) were \$5.8 million, marginally increasing 3% year-on-year. Higher selling and distribution expenses were mainly due to higher payroll expenses.

Finance expenses for 2Q FY2017 decreased 44% year-on-year to \$0.6 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 2Q FY2017, this increased marginally to \$0.6 million.

PBT for 2Q FY2017 increased 27% year-on-year to \$9.1 million, mainly supported by higher gross profit and lower finance expenses, and partially offset by other losses and higher selling and distribution expenses.

Despite higher PBT, income tax expense for 2Q FY2017 remained comparable to 2Q FY2016, mainly due to lower taxes incurred as a result of lower intercompany profits earned during 2Q FY2017.

Total profit for 2Q FY2017 grew 35% year-on-year to \$7.4 million due to reasons mentioned earlier.



## 1H FY2017 Group Profitability

The BP Group's gross profit for 1H FY2017 increased 14% year-on-year to \$28.9 million, mainly boosted by higher gross profit for the design-and-build business and further aided by higher gross profit from the leasing business on the back of an enlarged industrial leasehold portfolio.

Other income decreased 15% year-on-year to \$1.6 million as a result of lower interest income.

Total overhead expenses for 1H FY2017 (selling and distribution expenses of \$2.0 million and administrative expenses of \$9.7 million) increased 7% year-on-year to \$11.6 million. Higher administrative expenses were mainly due to additional operating expenses incurred in managing the enlarged industrial leasehold portfolio and higher payroll expenses. Higher selling and distribution expenses were mainly due to higher payroll expenses.

Finance expenses for 1H FY2017 decreased 43% year-on-year to \$1.3 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 1H FY2017, this increased to \$1.1 million.

PBT for 1H FY2017 increased 24% year-on-year to \$16.5 million, mainly supported by higher gross profit and lower finance expenses, and partially offset by lower interest income and higher overhead expenses.

Despite higher PBT, income tax expense for 1H FY2017 remained comparable to 1H FY2016, mainly due to lower taxes incurred as a result of lower intercompany profits earned during 1H FY2017.

Total profit for 1H FY2017 grew 31% year-on-year to \$13.5 million due to reasons mentioned earlier.

## **Statement of Cash Flows**

### 2Q FY2017 Cash Flows

During 2Q FY2017, cash and cash equivalents (after taking into account the effects of currency translation) increased by \$33.3 million to \$133.6 million, uplifted by strong cash flow provided by operating activities.

Net cash provided by operating activities amounted to \$36.4 million, driven by good management of collections and payments from both the design-and-build and leasing businesses and positive changes in working capital.

Net cash used in investing activities amounted to \$1.8 million, mainly due to loans extended to a related party and a joint venture.

Net cash used in financing activities amounted to \$1.3 million, mainly for the scheduled repayment of borrowings.

## 1H FY2017 Cash Flows

During 1H FY2017, cash and cash equivalents (after taking into account the effects of currency translation) increased by \$42.8 million to \$133.6 million, uplifted by strong cash flow provided by operating activities.

Net cash provided by operating activities amounted to \$44.8 million, driven by good management of collections and payments from both the design-and-build and leasing businesses and positive changes in working capital.

Net cash provided by investing activities amounted to \$0.9 million, mainly due to the net repayment of a loan by a joint venture, and partially reduced by a loan extended to a related party.

Net cash used in financing activities amounted to \$2.6 million, mainly for the scheduled repayment of borrowings.

## **Balance Sheets**

At the end of 1H FY2017, the BP Group's financial position remained healthy with significantly higher amounts of cash and cash equivalents of \$133.6 million and total equity of \$206.9 million.

Under current assets, cash and cash equivalents increased to \$133.6 million as described earlier under the explanation for Statement of Cash Flows. Trade receivables dropped to \$43.9 million due to collection from clients. Other receivables and prepayments fell to \$15.6 million mainly due to a \$5.5 million repayment of loan by a joint venture and another \$1.0 million of interest collected, and partially offset by a \$1.5 million loan extended to a related party and a \$3.0 million tender deposit placed at the end of the period.

Under non-current assets, investments in joint ventures increased to \$16.2 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 \$142.9 million mainly as a result of depreciation.

Under current liabilities, net contracts work-in-progress rose to \$5.2 million due to increased progress billings to clients.

Total borrowings declined to \$90.9 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 64.6 cents at the end of 1H FY2017 from 60.6 cents at the end of FY2016. The net cash position (cash and cash equivalents less total borrowings) further improved to \$42.7 million at the end of 1H 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, four contracts have been captured to date in FY2017, contributing to the BP Group's order book backlog of approximately \$132 million.

The BP Group has progressively implemented its strategies including overseas expansion, targeting higher value industries and growing the industrial leasehold portfolio.

In September 2016, the BP Group achieved headway in China with the signing of a strategic framework agreement with a business unit of Guangdong Co-Op Society to develop agricultural and commodities logistics networks in Guangdong Province, China. This adds to the BP Group's regional strategic platforms which currently also comprise:

- Boustead Development Partnership for industrial development projects in Singapore;
- THAB, a joint venture formed with AME Construction Sdn Bhd, SGX-listed Tat Hong Holdings Ltd and SGX-listed CSC Holdings Ltd, which currently has two development projects in Malaysia; and
- Consortia led by SGX-listed Perennial Real Estate Holdings Ltd for two mixed-use developments in Singapore and China.

The BP Group will continue to review opportunities to evolve its strategic platforms across real estate sectors and 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 2Q 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**  
10 November 2016

*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.*