

BOUSTEAD PROJECTS LIMITED (SGX:AVM) UNAUDITED RESULTS FOR FINANCIAL YEAR ENDED 31 MAR 2022

	2H FY2022	2H FY2021	Change	FY2022	FY2021	Change
Revenue	S\$160.0m	S\$213.7m	-25%	S\$339.1m	S\$301.4m	+13%
Gross profit	S\$2.3m	S\$11.2m	-79%	S\$13.9m	S\$17.6m	-21%
Profit before income tax ("PBT")	S\$5.5m	*S\$142.7m	-96%	S\$13.8m	*S\$140.6m	-90%
Total profit	S\$5.4m	S\$133.9m	-96%	S\$11.3m	S\$131.6m	-91%
Total profit/(loss) (adjusted for comparative review)**	S\$5.4m	S\$(0.9)m	NM	S\$11.3m	S\$(3.2)m	NM
Profit attributable to equity holders of the Company ("net profit")	S\$5.4m	S\$133.9m	-96%	S\$11.3m	S\$131.7m	-91%
- Earnings per share	1.7cts	43.0cts	-96%	3.6cts	42.3cts	-91%
- Net asset value per share				S\$1.253	S\$1.369	-8%

NM – not meaningful

* Includes Boustead Projects' successful launch of Boustead Industrial Fund with a value-unlocking transaction one-off gain of S\$134.8m.

** For comparative review, total profit is adjusted for the BIF Value-Unlocking Gain.

Note to Editors: Boustead Projects' revenue is largely derived from project-oriented business and as such, half-year results may not accurately reflect the full-year performance. Full-year to full-year comparisons are more appropriate for analytical purposes.

FY2022 Highlights:

- For FY2022, overall revenue was 13% higher year-on-year at S\$339.1 million, mainly attributable to higher revenue recognition on Engineering & Construction ("E&C") projects, partially offset by a reduction in rental revenue from Real Estate.
- For FY2022, total profit was 91% lower year-on-year at S\$11.3 million, in the absence of the value-unlocking one-off gain of S\$134.8 million ("BIF Value-Unlocking Gain") that was registered with the successful launch of Boustead Industrial Fund ("BIF") at the end of FY2021. Adjusting for the BIF Value-Unlocking Gain, total profit for FY2022 compared favourably to the total loss for FY2021 of S\$3.2 million.
- At the end of FY2022, the Boustead Projects Group ("BP Group")'s financial position remained healthy, with cash and cash equivalents of S\$213.9 million and total equity of S\$392.4 million.
- The BP Group's current order backlog (unrecognised project revenue remaining at the end of FY2022 plus the total value of new orders secured since then) stands at a healthy level of approximately S\$235 million.
- The Board is proposing a final dividend of 0.2 cents per share and special dividend of 0.8 cents per share, subject to shareholders' approval.

SINGAPORE, 25 MAY 2022 – SGX Mainboard-listed Boustead Projects Limited (“Boustead Projects” or the “BP Group”), a leading provider of innovative eco-sustainable real estate solutions, has today announced its unaudited financial results for the second-half and full-year ended 31 March 2022 (“2H FY2022” and “FY2022” respectively).

For 2H FY2022, overall revenue was 25% lower year-on-year at S\$160.0 million, mainly attributable to lower revenue contributions from both the E&C Business and Real Estate Business. This was in line with a reduction in revenue recognition from a leaner order backlog of E&C projects and reduction in rental revenue from Real Estate, following the sale of interests in 14 properties to BIF at the end of FY2021. Total profit for 2H FY2022 was 96% lower at S\$5.4 million, as the total profit for 2H FY2021 of S\$133.9 million was significantly boosted by the successful launch of BIF, which delivered a BIF Value-Unlocking Gain of S\$134.8 million. Adjusting for the BIF Value-Unlocking Gain, total profit for 2H FY2022 compared favourably to the total loss for 2H FY2021 of S\$0.9 million.

For FY2022, overall revenue was 13% higher year-on-year at S\$339.1 million, mainly attributable to higher revenue recognition on E&C projects in 1H FY2022, whereas 1H FY2021 had been deeply impacted by the prolonged shutdown of E&C project sites due to government-imposed pandemic-related measures. Total profit for FY2022 was 91% lower at S\$11.3 million, due to the same reason mentioned above. Adjusting for the BIF Value-Unlocking Gain, total profit for FY2022 compared favourably to the total loss for FY2021 of S\$3.2 million.

Taking into consideration the lower profit and capital requirements to grow Boustead Projects’ various real estate platforms including the recently established BIF and KTG & Boustead Joint Stock Company, the Board is proposing a final dividend of 0.2 cents per share and special dividend of 0.8 cents per share, subject to shareholders’ approval.

Mr Wong Yu Wei, Executive Deputy Chairman of Boustead Projects said, “Coming off from FY2021 which saw a record profit from the BIF Value-Unlocking Gain, the focus of FY2022 was on attaining profitability. On the real estate front, our team advanced on multiple initiatives to unlock value from the leasehold portfolio which has achieved higher occupancy leading to stronger recurring income, as well as demonstrated strong execution with the sale of 351 on Braddell to BIF in Singapore and our recent investment in KTG & Boustead Industrial Logistics Fund in Vietnam. We are increasingly building up our recurring income streams with successful execution of asset ownership, asset management and fund management, and look forward to our various real estate platforms delivering growth, improving resilience and transforming our business to be less reliant on traditional E&C activities.”

Mr Thomas Chu, Managing Director of Boustead Projects said, “Having worked through several large projects secured pre-pandemic with little margin for error, we are expecting to exit from the pre-pandemic backlog and be poised for a gradual recovery. Our team maintained disciplined strategies, contract bidding, project execution and investments throughout the year, allowing us to achieve a respectable level of profit despite the continuing challenges of the pandemic and elevated inflationary pressures. We refocused our business development efforts on E&C projects in high value-added sectors where we have a competitive advantage, expertise and familiarity, helping us to mitigate risks in relation to the margins of contracts secured post-pandemic. We also embraced construction and real estate technology which is more critical today than before in enhancing productivity and reducing reliance on labour.”

Mr Wong added, “In view of the progress of the E&C Business, Real Estate Business and addition of full-fledged fund management activities, we expect to remain profitable for FY2023, barring any unforeseen circumstances and further disruptions caused by the pandemic. We have built a stable foundation that offers multi-faceted resilience in Singapore and the region, and are well positioned to actively pursue multiple opportunities in the future.”

At the end of FY2022, the BP Group’s financial position remained healthy, with cash and cash equivalents of S\$213.9 million and total equity of S\$392.4 million. Net asset value per share decreased to S\$1.253 at the end of FY2022 from S\$1.369 at the end of FY2021, following the record dividend payment for FY2021, partially offset by the net profit in FY2022.

Media Release

The net cash position (cash and cash equivalents less total borrowings) declined to S\$203.3 million, after accounting for the purchased mezzanine debt and record dividend payment for FY2021.

The BP Group's current order backlog (unrecognised project revenue remaining at the end of FY2022 plus the total value of new orders secured since then) stands at a healthy level of approximately S\$235 million. The BP Group has continued to rebuild its order backlog and during FY2022, secured a pipeline of new E&C contracts valued at approximately S\$148 million, mostly in targeted high value-added sectors. Margins for future E&C projects will continue to be under pressure due to rising labour, construction material and supply chain costs, arising from the volatile global economic and political environment, inflation and the lingering effects of the pandemic.

In FY2023, the BP Group anticipates completing projects secured pre-pandemic, whose margins had been adversely impacted by inflation, labour and supply chain disruptions, and continues to secure and execute new contracts and build on the growth traction achieved in regional markets.

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Media Release

About Boustead Projects Limited

Established in 1996 and listed on the SGX Mainboard, Boustead Projects Limited (SGX:AVM) is a leading provider of innovative eco-sustainable real estate solutions with a regional presence across Singapore, China, Malaysia and Vietnam. Our core businesses are uniquely integrated to support the business park and industrial real estate ecosystem, comprising:

- Turnkey engineering, full-fledged integrated digital delivery (“IDD”), and project and construction management encompassing design-and-build;
- Real estate development, asset and leasing management; and
- Real estate fund management including being the sponsor and manager of Boustead Industrial Fund, a scalable private real estate trust platform for business park, logistics and industrial properties, and joint owner of Echo Base-BP Capital Pte Ltd, an Asia-centric fund management and services platform focused on smart buildings and integrated developments.

To date, we have constructed and/or developed more than 3,000,000 square metres of real estate for clients including Fortune 500, S&P 500 and Euronext 100 corporations, across diverse sectors like aerospace, business park, food, healthcare and pharmaceutical, high-tech manufacturing, logistics, research & development, technology and waste management, among others. Under the Boustead Development Partnership with a reputable Middle East sovereign wealth fund, we have developed or redeveloped more than half a million square metres of real estate in Singapore including landmark developments like ALICE@Mediapolis and GSK Asia House.

Our in-house capabilities are backed by core engineering expertise, the progressive adoption of transformative methodologies including full-fledged IDD and Industry 4.0 technologies and augmented by strategic partnerships which enable the co-creation of smart, eco-sustainable and future-ready developments. Our wholly-owned Engineering & Construction subsidiary in Singapore, Boustead Projects E&C Pte Ltd (“BP E&C”) is the eco-sustainability leader in pioneering Green Mark Platinum-rated new private sector industrial developments under the Building & Construction Authority (“BCA”) Green Mark Certification Scheme and a national champion of best practices for quality, environmental and workplace safety and health (“WSH”) management. BP E&C’s related achievements include being the first SkillsFuture Queen Bee for the built environment sector, quality leader on the BCA CONQUAS all-time top 100 industrial projects list, one of only eight bizSAFE Mentors and also bizSAFE Star, receiving numerous awards for exemplary WSH performance.

We were awarded the Corporate Excellence & Resilience Award at the Singapore Corporate Awards 2021 Special Edition, a recognition of our best practices in corporate governance and leadership, innovation and resilience during the COVID-19 pandemic – among only 26 SGX-listed corporations to be honoured across all market capitalisation categories and only nine in the Small Cap Category. We were also awarded the Singapore Corporate Governance Award in the Newly Listed Category at the Securities Investors Association (Singapore) Investors’ Choice Awards 2017 and are one of only 92 SGX-listed corporations on the SGX Fast Track Programme – which aims to affirm listed issuers that have been publicly recognised for high corporate governance standards and for maintaining a good compliance track record – with prioritised clearance for their corporate action submissions.

Boustead Projects is a 54%-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.

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