

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

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

**SGXNET ANNOUNCEMENT**  
**UNAUDITED RESULTS FOR 3Q FY2016**  
**ENDED 31 DECEMBER 2015**



## 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, Boustead Projects has constructed and developed more than 3,000,000 square metres of industrial real estate regionally in Singapore, China, Malaysia and Vietnam. Boustead Projects is approved by the Building & Construction Authority of Singapore for Grade CW01-A1 and General Builder Class One License to execute building construction contracts of unlimited value.

Boustead Projects' in-depth experience in designing and constructing custom-built facilities covers the aviation, commercial, electronics, food processing, high-tech manufacturing, lifestyle, logistics, petrochemical, pharmaceutical, precision engineering and technology industries. It is also the market leader in pioneering advanced environmentally-sustainable facilities under the Building & Construction Authority's Green Mark Programme and the U.S. Green Building Council's Leadership in Energy & Environmental Design Programme. In Singapore, Boustead Projects is one of only 10 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.

On 30 April 2015, Boustead Projects listed on the Main Board of the SGX. 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.

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 Main Board of the SGX.

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

**BOUSTEAD PROJECTS LIMITED**  
(Company Registration No. 199603900E)

**Unaudited Financial Statements and Related Announcement for the Third Quarter Ended 31 December 2015**

**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		
		31.12.15 \$'000	31.12.14 \$'000	Inc/(Dcr) %	31.12.15 \$'000	31.12.14 \$'000	Inc/(Dcr) %
<b>Revenue</b>		85,610	99,274	-14%	196,046	206,564	-5%
<b>Cost of sales</b>		(66,212)	(88,660)	-25%	(151,271)	(166,662)	-9%
<b>Gross profit</b>		19,398	10,614	83%	44,775	39,902	12%
Other income	1	904	873	4%	2,768	2,145	29%
Other gains and losses - net	2	15	(358)	NM	(93)	(193)	-52%
Expenses							
- Selling and distribution		(1,108)	(969)	14%	(2,886)	(2,955)	-2%
- Administrative		(7,071)	(4,689)	51%	(16,137)	(13,401)	20%
- Finance		(1,060)	(471)	125%	(3,317)	(1,001)	231%
Share of loss of an associated company and joint ventures		(1,012)	(131)	673%	(1,818)	(931)	95%
<b>Profit before income tax</b>	3	10,066	4,869	107%	23,292	23,566	-1%
Income tax expense		(2,917)	(2,223)	31%	(5,810)	(6,777)	-14%
<b>Total profit</b>		7,149	2,646	170%	17,482	16,789	4%
Profit attributable to:							
Equity holders of the Company		7,150	2,699	165%	17,485	16,894	4%
Non-controlling interests		(1)	(53)	-98%	(3)	(105)	-97%
		7,149	2,646	170%	17,482	16,789	4%

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		
	31.12.15 \$'000	31.12.14 \$'000	Inc/(Dcr) %	31.12.15 \$'000	31.12.14 \$'000	Inc/(Dcr) %
<b>Total profit</b>	7,149	2,646	170%	17,482	16,789	4%
<b>Other comprehensive income/(loss):</b>						
<u>Items that may be reclassified subsequently to profit or loss</u>						
- Currency translation differences arising from consolidation	104	132	-21%	(1,803)	175	NM
<b>Other comprehensive income/(loss), net of tax</b>	104	132	-21%	(1,803)	175	NM
<b>Total comprehensive income</b>	7,253	2,778	161%	15,679	16,964	-8%
Total comprehensive income attributable to:						
Equity holders of the Company	7,254	2,831	156%	15,682	17,069	-8%
Non-controlling interests	(1)	(53)	-98%	(3)	(105)	-97%
	7,253	2,778	161%	15,679	16,964	-8%

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		
	31.12.15 \$'000	31.12.14 \$'000	Inc/(Dcr) %	31.12.15 \$'000	31.12.14 \$'000	Inc/(Dcr) %
<u>Note 1: Other income</u>						
Interest income	605	588	3%	1,869	1,292	45%
Sublease income	299	285	5%	899	853	5%
	904	873	4%	2,768	2,145	29%
<u>Note 2: Other gains and losses</u>						
Currency exchange gains/(losses) – net	15	(358)	NM	(93)	(193)	-52%
<u>Note 3: Profit before income tax is arrived at after charging:</u>						
Depreciation expense	(1,568)	(1,615)	-3%	(4,994)	(4,724)	6%

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.

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 intercompany profits earned by the Company from its subsidiaries on design-build-and-lease projects which are held as investment properties by the Group, 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	
		31.12.15 \$'000	31.3.15 \$'000	31.12.15 \$'000	31.3.15 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		83,964	114,279	61,862	92,419
Properties held for sale		30,470	30,437	-	-
Trade receivables		85,717	63,227	77,094	50,122
Other receivables and prepayments		18,963	195,027	126,599	224,278
Foreign exchange contracts		56	-	56	-
Contracts work-in-progress		7,871	7,810	7,477	7,552
		227,041	410,780	273,088	374,371
<b>Non-current assets</b>					
Trade receivables		7,438	7,438	7,438	7,438
Investments in an associated company		483	1,094	-	-
Investments in joint ventures		12,773	10,728	15,682	12,298
Investments in subsidiaries		-	-	28,723	2,438
Available-for-sale financial assets		38,391	17,872	38,391	17,872
Investment properties		148,751	159,857	-	-
Property, plant and equipment		772	815	738	791
Deferred income tax assets		-	32	-	-
		208,608	197,836	90,972	40,837
<b>Total assets</b>		435,649	608,616	364,060	415,208
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Borrowings	1(b)(ii)	14,595	12,105	-	-
Trade and other payables		121,769	153,626	200,958	190,301
Income tax payable		8,295	11,307	3,895	7,400
Foreign exchange contracts		100	-	100	-
Contracts work-in-progress		6,472	387	6,472	387
		151,231	177,425	211,425	198,088
<b>Non-current liabilities</b>					
Borrowings	1(b)(ii)	89,628	174,374	-	-
Trade payables		4,618	2,324	4,618	2,324
Deferred income tax liabilities		1,848	1,848	1	1
		96,094	178,546	4,619	2,325
<b>Total liabilities</b>		247,325	355,971	216,044	200,413
<b>NET ASSETS</b>		188,324	252,645	148,016	214,795
<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		176,701	239,216	133,016	199,795
Other reserves		(3,268)	(1,465)	-	-
		188,433	252,751	148,016	214,795
Non-controlling interests		(109)	(106)	-	-
<b>Total equity</b>	1(d)(i)	188,324	252,645	148,016	214,795

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

Amount repayable within one year or less, or on demand

As at 31.12.15 \$'000		As at 31.3.15 \$'000	
Secured	Unsecured	Secured	Unsecured
14,595	-	12,105	-

Amount repayable after one year

As at 31.12.15 \$'000		As at 31.3.15 \$'000	
Secured	Unsecured	Secured	Unsecured
89,628	-	174,374	-

Total borrowings of \$104,223,000 (31.3.15: \$186,479,000) 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 31.12.15 \$'000	31.12.14 \$'000	9-month period ended 31.12.15 \$'000	31.12.14 \$'000
<b>Cash flows from operating activities</b>				
Profit before income tax	10,066	4,869	23,292	23,566
Adjustments for:				
Depreciation expense	1,568	1,615	4,994	4,724
Share of loss of an associated company and joint ventures	1,012	131	1,818	931
Fair value losses on foreign exchange contracts	74	-	74	-
Interest income	(605)	(588)	(1,869)	(1,292)
Finance expenses	1,060	471	3,317	1,001
Currency exchange (gains)/losses – net	(15)	358	93	193
	13,160	6,856	31,719	29,123
Change in working capital:				
- Trade and other receivables	(37,674)	9,872	(20,220)	1,584
- Contracts work-in-progress	3,699	(22,206)	6,024	(28,871)
- Trade and other payables	23,027	49,498	4,698	43,366
Cash generated from operations	2,212	44,020	22,221	45,202
Interest received	605	588	1,869	1,292
Interest paid	(1,060)	(471)	(3,317)	(1,001)
Income tax paid	(4,244)	(1,448)	(8,790)	(5,837)
<b>Net cash (used in)/provided by operating activities</b>	<b>(2,487)</b>	<b>42,689</b>	<b>11,983</b>	<b>39,656</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>31.12.15</b>	<b>31.12.14</b>	<b>31.12.15</b>	<b>31.12.14</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	(12)	(108)	(178)	(332)
Additions to investment properties	-	(33,662)	-	(59,852)
Purchase of available-for-sale financial assets	-	-	(20,519)	-
Consideration paid for acquisition of subsidiaries	-	-	(7,178)	-
Proceeds from repayment of loan by ultimate holding company	-	7,500	130,430	12,934
Proceeds from repayment of a loan by a joint venture	1,181	-	51,981	221
Loans to joint ventures	(1,658)	-	(9,879)	(767)
Loan to a related party	(2,614)	-	(2,614)	-
<b>Net cash (used in)/provided by investing activities</b>	<b>(3,103)</b>	<b>(26,270)</b>	<b>142,043</b>	<b>(47,796)</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	-	31,812	-	111,283
Repayment of borrowings	(57,143)	(1,595)	(82,257)	(4,302)
Loan from ultimate holding company	-	-	-	282
Repayment of loan to ultimate holding company	-	(5)	(20,750)	(5)
Dividends paid	-	-	(80,000)	-
<b>Net cash (used in)/provided by financing activities</b>	<b>(57,143)</b>	<b>30,212</b>	<b>(183,007)</b>	<b>107,258</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(62,733)</b>	<b>46,631</b>	<b>(28,981)</b>	<b>99,118</b>
<b>Cash and cash equivalents</b>				
Beginning of financial period	146,784	107,090	114,279	54,598
Effects of currency translation on cash and cash equivalents	(87)	63	(1,334)	68
<b>End of financial period</b>	<b>83,964</b>	<b>153,784</b>	<b>83,964</b>	<b>153,784</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 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)

			(-----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 2014	15,000	214,548	-	1,190	1,190	230,738	-	230,738
Profit/(loss) for the period	-	14,195	-	-	-	14,195	(52)	14,143
Other comprehensive income for the period	-	-	-	43	43	43	-	43
Total comprehensive income/(loss) for the period	-	14,195	-	43	43	14,238	(52)	14,186
Balance at 30 September 2014	15,000	228,743	-	1,233	1,233	244,976	(52)	244,924
Profit/(loss) for the period	-	2,699	-	-	-	2,699	(53)	2,646
Other comprehensive income for the period	-	-	-	132	132	132	-	132
Total comprehensive income/(loss) for the period	-	2,699	-	132	132	2,831	(53)	2,778
Balance at 31 December 2014	15,000	231,442	-	1,365	1,365	247,807	(105)	247,702

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 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

	Share capital \$'000	Retained profits \$'000	Total \$'000
<b>COMPANY</b>			
Balance at 1 April 2014	15,000	134,197	149,197
Profit for the period, representing total comprehensive income for the period	-	53,145	53,145
Balance at 30 September 2014	15,000	187,342	202,342
Profit for the period, representing total comprehensive income for the period	-	6,246	6,246
Balance at 31 December 2014	15,000	193,588	208,588

- 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 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 31.12.15</b>	<b>As at 31.3.15</b>
Total number of issued shares	320,000,000	15,000,000

- 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 2015, the Group adopted the amended FRS that are mandatory for application for the financial year ending 31 March 2016. 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.

**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>Third quarter ended</b>		<b>GROUP</b> <b>9-month period ended</b>	
	<b>31.12.15</b>	<b>31.12.14</b>	<b>31.12.15</b>	<b>31.12.14</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 (¢) (*)	47.7	18.0	116.6	112.6
(ii) Based on weighted average number of ordinary shares post-sub-division (¢) (**)	2.2	0.8	5.5	5.3
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	
	31.12.15	31.3.15	31.12.15	31.3.15
Net asset value per ordinary share:				
(i) Based on the number of ordinary shares in issue as at the end of the period reported on, pre-sub-division (\$) (*)	12.562	16.850	9.868	14.320
(ii) Based on the number of ordinary shares in issue as at the end of the period reported on, post-sub-division (\$) (**)	0.589	0.790	0.463	0.671
Number of ordinary shares in issue as at the end of the period reported on:				
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 net asset value per ordinary share has been computed based on the number of ordinary shares in issue at the end of the period reported on, pre-sub-division of ordinary shares on 23 April 2015.

\*\* For comparability, the net asset value per ordinary share has been computed based on the number of ordinary shares in issue, post-sub-division of ordinary shares on 23 April 2015.

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 FY2016, the BP Group registered revenue of \$85.6 million, which is 14% lower than 3Q FY2015. However, total profit of \$7.1 million for 3Q FY2016 grew 170% year-on-year due to an unusually low margin from a design-and-build project in the corresponding quarter last year.

For 9M FY2016, the BP Group registered revenue of \$196.0 million, which is 5% lower than 9M FY2015. However, total profit of \$17.5 million for 9M FY2016 increased 4% year-on-year.

### Segment Revenue

Segment	Revenue		Favourable/ (Unfavourable)	Revenue		Favourable/ (Unfavourable)
	3Q FY2016	3Q FY2015	Change	9M FY2016	9M FY2015	Change
	\$'m	\$'m	%	\$'m	\$'m	%
Design-and-Build	77.1	92.8	-17	171.4	187.7	-9
Leasing	8.5	6.5	+31	24.6	18.9	+30
BP Group Total	85.6	99.3	-14	196.0	206.6	-5

#### Segment Revenue for 3Q FY2016

Contributing 90% of the BP Group's total revenue for 3Q FY2016, design-and-build revenue was \$77.1 million, which is 17% lower than 3Q FY2015.

Contributing 10% of the BP Group's total revenue for 3Q FY2016, leasing revenue was \$8.5 million, representing a 31% increase from 3Q FY2015. This is attributable to the full quarterly contributions of two design-build-and-lease projects completed during FY2015.

#### Segment Revenue for 9M FY2016

Contributing 87% of the BP Group's total revenue for 9M FY2016, design-and-build revenue was \$171.4 million, a 9% decrease from 9M FY2015. A major project with significant contract value was completed in 9M FY2015, which resulted in higher revenue recorded for the design-and-build business during that period.

Contributing 13% of the BP Group's total revenue for 9M FY2016, leasing revenue was \$24.6 million, representing an increase of 30% over 9M FY2015, mainly as a result of the contributions from three design-build-and lease projects completed during FY2015.



## Group Profitability

A breakdown of PBT by business segment is provided as follows.

Segment	PBT		Favourable/ (Unfavourable) Change %	PBT		Favourable/ (Unfavourable) Change %
	3Q FY2016 \$'m	3Q FY2015 \$'m		9M FY2016 \$'m	9M FY2015 \$'m	
Design-and-Build	5.8	2.4	+142	12.1	15.7	-23
Leasing	4.3	2.5	+72	11.2	7.9	+42
BP Group Total	10.1	4.9	+107	23.3	23.6	-1

### Group Profitability for 3Q FY2016

For 3Q FY2016, the BP Group's gross profit increased 83% year-on-year to \$19.4 million, driven by an improvement in gross margins for the design-and-build business and greater gross profit contribution by the leasing business. In addition, gross profit from the previous year's corresponding quarter was adversely affected by an unusually low margin from a design-and-build project.

Other income increased 4% year-on-year to \$0.9 million for 3Q FY2016, as a result of higher interest income derived from cash balances placed in fixed deposits at better fixed deposit rates and additional shareholders' loans extended to joint ventures.

Overhead expenses (selling and distribution and administrative expenses) increased by 45% year-on-year to \$8.2 million for 3Q FY2016. As compared to 3Q FY2015, the increase in administrative expenses by 51% to \$7.1 million was mainly due to additional operating expenses incurred in managing the enlarged industrial leasehold portfolio, and higher legal and professional fees. Selling and distribution expenses of \$1.1 million remained relatively comparable to 3Q FY2015.

Finance expenses were considerably higher at \$1.1 million for 3Q FY2016, arising from the BP Group's drawdown of bank loans for activities related to the industrial leasehold portfolio.

Profit before income tax ("PBT") increased 107% year-on-year to \$10.1 million for 3Q FY2016, mainly due to an unusually low margin from a design-and-build project last year as mentioned earlier.

Income tax expense for 3Q FY2016 increased 31% year-on-year due to improved profitability.

Largely due to the reasons mentioned earlier in this section, total profit grew 170% year-on-year to \$7.1 million for 3Q FY2016.

#### Group Profitability for 9M FY2016

For 9M FY2016, the BP Group's gross profit increased 12% to \$44.8 million, mainly contributed by greater gross profit contribution from the leasing business – with three design-build-and-lease projects completed in FY2015 – and partially offset by marginally lower gross profit from the design-and-build business.

Other income increased 29% year-on-year to \$2.8 million for 9M FY2016, as a result of higher interest income derived from higher monthly average cash balances placed in fixed deposits, better fixed deposit rates and additional shareholders' loans extended to joint ventures.

Overhead expenses (selling and distribution and administrative expenses) increased by 16% year-on-year to \$19.0 million for 9M FY2016. As compared to 9M FY2015, the increase in administrative expenses by 20% to \$16.1 million was mainly due to additional operating expenses incurred in managing the enlarged industrial leasehold portfolio, and higher legal and professional fees. Selling and distribution expenses of \$2.9 million remained relatively comparable to 9M FY2015.

Finance expenses were \$3.3 million for 9M FY2016, which was considerably greater than 9M FY2015 due to the BP Group's drawdown of bank loans for activities related to the industrial leasehold portfolio.

PBT for 9M FY2016 saw a marginal year-on-year decline of 1% to \$23.3 million. PBT from the design-and-build business declined 23% year-on-year to \$12.1 million on the back of lower gross profit, higher professional and legal fees, and greater share of loss of an associated company and joint ventures. In contrast, PBT from the leasing business improved 42% year-on-year to \$11.2 million, mainly attributable to higher gross profit and partially offset by greater operating and finance expenses.

Income tax expense for 9M FY2016 decreased 14% year-on-year due to lower unrealised intercompany profits earned as compared to 9M FY2015.

Largely due to the reasons mentioned earlier in this section, total profit increased 4% year-on-year to \$17.5 million for 9M FY2016.

#### **Statement of Cash Flows**

##### Cash Flows for 3Q FY2016

During 3Q FY2016, cash and cash equivalents (after taking into account the effects of currency translation) dropped by \$62.8 million to \$84.0 million, mainly driven by repayments of bank borrowings.

Net cash used in operating activities amounted to \$2.5 million for 3Q FY2016, which was a result of operating cash flows before changes in working capital of \$13.2 million, and adjusted by change in working capital outflow of \$10.9 million, net interest payment of \$0.5 million and income tax payments of \$4.2 million. The change in working capital resulting in the outflow of \$10.9 million was attributable to an increase in trade and other receivables arising from significant billings to customers as at the end of the period which were not due for payment, an increase in trade and other payables arising from an increase in subcontractors' claims, and an increase in contracts work-in-progress under current liabilities arising from increased progress billings to customers.

Net cash used in investing activities amounted to \$3.1 million for 3Q FY2016, mainly due to the additional shareholders' loans provided to a related party (a subsidiary of an associated company) and joint ventures, net of loan repayment from a joint venture.

Net cash used in financing activities amounted to \$57.1 million for 3Q FY2016, solely due to the repayment of bank borrowings to deleverage two properties and to substantially reduce the loan for one other property.

### Cash Flows for 9M FY2016

During 9M FY2016, cash and cash equivalents (after taking into account the effects of currency translation) decreased by \$30.3 million to \$84.0 million, mainly driven by financing activities.

Net cash provided by operating activities amounted to \$12.0 million for 9M FY2016, driven mainly by better working capital management, as a result of operating cash flows before changes in working capital of \$31.7 million, adjusted by change in working capital outflow of \$9.5 million, net interest payment of \$1.4 million and income tax payment of \$8.8 million. The reasons contributing to the change in working capital resulting in the outflow of \$9.5 million are similar to those of 3Q FY2016.

Net cash provided by investing activities amounted to \$142.0 million for 9M FY2016, mainly due to the repayment of loans by joint ventures and also Boustead Singapore Limited, partially reduced by payments for the acquisitions of subsidiaries and an available-for-sale financial asset from Boustead Singapore Limited and additional shareholders' loans provided to a related party (a subsidiary of an associated company) and joint ventures.

Net cash used in financing activities amounted to \$183.0 million for 9M FY2016 as a result of repayment of bank loans, and repayment of a shareholder's loan and dividend payment to Boustead Singapore Limited. The repayment of bank loans was undertaken to totally deleverage five properties and substantially reduce the loan on one other property within the BP Group's industrial leasehold portfolio.

### **Balance Sheets**

At the end of 9M FY2016, the BP Group's financial position remained healthy with cash and cash equivalents of \$84.0 million and total equity of \$188.3 million.

Under current assets, the BP Group's cash and cash equivalents decreased to \$84.0 million for reasons mentioned under the earlier section on Statement of Cash Flows.

Trade receivables (both current and non-current) increased to \$93.2 million due to increased progress billings made as at the end of the period. Other receivables and prepayments dropped substantially as a result of a \$130.4 million loan repayment by Boustead Singapore Limited and \$45.5 million of net loan repayments by joint ventures.

Under non-current assets, available-for-sale financial assets doubled to \$38.4 million due to the BP Group's acquisition of an investment in China from Boustead Singapore Limited. Investments in joint ventures increased to \$12.8 million mainly as a result of providing shareholders' loans to two joint ventures for the development of industrial properties for lease. Investment in an associated company declined to \$0.5 million arising from adjustments of unrealised profits.

Under liabilities (both current and non-current), trade and other payables fell significantly by 19% to \$126.4 million, mainly as result of \$27.9 million in payments to Boustead Singapore Limited for loan repayment and for the acquisition of subsidiaries. Contracts work-in-progress increased significantly to \$6.5 million over 9M FY2015, arising from increased progress billings to customers.

Borrowings (both current and non-current) declined by \$82.3 million to \$104.2 million, mainly due to the repayment of bank loans to totally deleverage five properties and substantially reduce the loan on one other property within the industrial leasehold portfolio.

Retained profits were reduced by 26% to \$176.7 million, primarily due to the \$80.0 million dividend paid to Boustead Singapore Limited subsequent to the demerger, partially offset by total profit of \$17.5 million. Consequently, the BP Group's net asset value per share declined to 58.9 cents at the end of 9M FY2016, from 79.0 cents at the end of FY2015.

Following the \$52.0 million repayment of a loan by a joint venture and the \$82.3 million repayment of bank loans, the BP Group's net borrowings (total borrowings less cash and cash equivalents) stood at \$20.3 million at the end of 9M FY2016.

**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.**

Prices and rentals of industrial space in Singapore continued to fall in tandem with occupancy rates during the fourth quarter of 2015, according to JTC's latest quarterly market report. Occupancy rates are expected to face further downward pressure, as the amount of industrial space estimated to come onstream in 2016 and 2017 is significantly higher than the average annual demand and supply during the past three years. Demand for industrial land under Singapore's Industrial Government Land Sales ("IGLS") Programme has also weakened, as reflected in falling tender prices of IGLS sites. However, for the next 12 months, the BP Group does not anticipate the downward pressure to have significant adverse impact to the profitability of its leasing business.

Despite the highly challenging and competitive industrial real estate market, the BP Group's order book backlog stood at a healthy \$179 million as at the end of 3Q FY2016. Several of the projects secured recently in Singapore and Malaysia as announced earlier, reflect the progressive implementation of the BP Group's growth strategies to diversify its revenue outside of Singapore and to gain a foothold in new sectors.

Following the BP Group's successful demerger from Boustead Singapore Limited and separate listing on the Main Board of the SGX, the BP Group has embarked on growth plans for its different business segments. The BP Group will also continue to seek out strategic investment opportunities – whether on its own or with strategic partners – to develop niche capabilities in new sectors and geographical markets and facilitate the BP Group's growth in both its design-and-build and leasing businesses.

The BP Group believes that notwithstanding the challenging business environment, it can continue to deliver a reasonable level of profit in FY2016.

**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 FY2016 financial results to be false or misleading in any material aspect.

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 February 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.*