Chairman's Message

WONG FONG FUI
Chairman & Group Chief Executive Officer

Dear Fellow Shareholders,
I am pleased to present to you the ***Boustead Singapore Limited FY2026 Annual Report: Strengthening Value*** for the financial year ended 31 March 2026.

Amid heightened geopolitical tensions and a tough business environment, the Group has remained resolute in strengthening value and delivering a respectable set of results for FY2026. Overall revenue was 18% higher year-on-year at S$624.4 million and net profit attributable to you, our fellow shareholders, was 145% higher year-on-year at S$232.6 million boosted largely by the gains recognised from the sale of the Group's 21 Singapore properties to UI Boustead REIT. For a comparative review, after adjusting for other gains/losses and impairments, all net of non-controlling interests, net profit for FY2026 would have been 35% lower year-on-year.

The Group secured S$360 million in new engineering contracts and variation orders in FY2026. More encouragingly, in the first two months of FY2027, the Group has already secured S$461 million of new engineering contracts and variation orders, including the Group's largest record contracts to date, well surpassing last year's figure. In addition, the Geospatial Division has also secured the renewal of its largest Enterprise Agreement contract to date in June 2026, worth around S$60 million.

With a strong profitability and as a show of appreciation for shareholders' unwavering support, your Board has proposed a final ordinary dividend of 4.0 cents per share, as well as a special dividend of 4.5 cents per share, with the option for the dividends to be taken in cash and/or scrip, for shareholders' approval. This takes the total dividend proposed and paid for FY2026 to 10.0 cents per share, which is higher than the 7.5 cents paid for FY2025.

FY2026 – Strengthening Value

The Group has chosen 'Strengthening Value' as the theme this year as a timely reminder to set our focus beyond financial results. Sustainable practices, constant innovation and reinforcing stakeholders' trust ensure that Boustead continues to build enduring value while remaining relevant in the specialised sectors it serves.

The successful listing of UI Boustead REIT on the SGX Mainboard on 12 March 2026, and the completion of divestments of the Group's interests in 21 Singapore properties to UI Boustead REIT, marks a key milestone for the Group in unlocking and fully realising the portfolio's market value.

As a significant shareholder of the UI Boustead REIT, the Group will receive a stable flow of recurring income through dividend distributions, and continues to have a strategic platform for potential co-investments or for the Group to divest further industrial real estate assets that fall within UI Boustead REIT's mandate and can create value for UI Boustead REIT.

Four Divisions; One Boustead Group

Our diversity is our strength, and the four varied business pillars will continue to provide us the growth engines and the flexibility and agility to mitigate risks and weather the storms that come from industry-specific downturns.

The Real Estate Solutions Division (Boustead Projects) was the largest contributor to the Group's revenue in FY2026 at S$228.2 million, which was 70% higher year-on-year, due to revenue recognition on a healthy order backlog carried forward into FY2026. Operating profit for the division recorded a 6% increase year-on-year at S$9.3 million. Singapore's industrial sector saw a healthy recovery, with a notable pick up of projects and business development activities. In view of rising energy prices, the Group continues to manage costs diligently.

The Geospatial Division's revenue was 4% lower year-on-year at S$212.3 million and operating profit was 19% lower at S$42.1 million, mainly due to the revision in accounting estimates on the Division's revenue recognition as well as a reduction in the pass-through distributions from the Division's share of global enterprise agreements from Esri Inc. In addition, operating profit was also lower due to an increase in operating costs. The demand for Geospatial technology and smart mapping capabilities in the region has continued to be robust as the use of this technology becomes increasingly mainstream.

The Energy Engineering Division's revenue was 8% higher year-on-year at S$171.8 million due to higher revenue contributions from project sales and faster progress on various projects. Operating profit was 21% lower at S$21.3 million, mainly due to compressed margins on secured contracts in a challenging and competitive business environment. With ongoing geopolitical tensions, the Division's clients have slowed down business development activities, resulting in lesser overall orders for this division during FY2026. Moving ahead, the division will direct its focus on improving strategy execution and replenishing its order backlog.

The Healthcare Division's revenue was 4% lower year-on-year at S$11.7 million. BMEC, which operates in Singapore, Malaysia and Thailand, recorded an improvement in operating profit and encouraging growth in most business lines and has seen more enquiries as well as new orders come in from more clients for the equipment distribution business. The division's overall loss is due to an increase in the share of loss from its 50%-owned China associate, Beijing Pukang, with the Chinese government's continued restriction on the import of foreign medical devices and equipment used in public hospitals. Excluding the share of results of its 50%-owned China associate, the Healthcare Division would have been profitable.

The Healthcare Division's business in China is undergoing a transformation to overcome these regulatory hurdles, through investment and transforming its business model from an importer and distributor of foreign medical equipment to a manufacturing company with its own product line. We ask for shareholder's patience and understanding as the transformation is expected to take some time before this segment of the business is able to scale.

Charting Our Sustainability Journey

In FY2026, we conducted a thorough review of our current sustainability disclosures against climate-related requirements under the IFRS S2 Climate-Related Disclosures issued by the International Sustainability Standards Board and are implementing a roadmap to align with SGX's regulatory requirements. The roadmap, which would include quantitative climate scenario analysis to quantify climate risks and impact to our portfolio of assets, will chart the way forward for the Group for sustainability disclosures. In addition, to assist with the compilation of sustainability data across the Group, we have initiated a digital collection platform in the year under review, which would better prepare us for external assurance of our Scope 1 and Scope 2 data.

In two years, we will be commemorating Boustead's 200th year. As Singapore's longest continuous business, ***the Boustead Way*** is at the core of our culture of excellence, and I am pleased to witness it during my day-to-day interactions with our staff. Their passion and dedication are inspiring and together, we will achieve more successes in the years to come.

A Word of Appreciation

On behalf of the Board, I would like to convey my gratitude to our management and employees across the Group for their unwavering commitment, dedication and invaluable contributions throughout the year. Their professionalism, resilience and collective efforts have been instrumental in furthering Boustead's vision and mission. I would also like to express my appreciation to our Board of Directors for their invaluable counsel, stewardship and support in seeing through this milestone year for the Group and enabling Boustead to continue to grow in strength.

I am equally grateful to our clients, business partners, associates, bankers, suppliers, regulators and to you, our valued shareholders for your support and for the confidence placed in us. I look forward to seeing many of you at our upcoming Annual General Meeting.

As we move forward into the new financial year, I wish you and your loved ones good health and peace. Thank you for your continued partnership and trust in Boustead and in our pursuit of business with a greater purpose.

Wong Fong Fui
Chairman &
Group Chief Executive Officer