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Boustead Singapore Limited

**SGX Announcement
Unaudited Financial Results for
1H FY2021 Ended 30 September 2020**

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Corporate Profile

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

Focusing on the niche engineering and development of key infrastructure to support sustainable shared socio-economic growth in global markets, our strong suite of engineering services under our Energy Engineering Division and Real Estate Division centres on energy infrastructure and smart eco-sustainable business park and industrial developments.

In addition, we provide technology-driven transformative solutions to improve quality of life for all walks of life. Our Geospatial Division provides professional services and exclusively distributes Esri ArcGIS technology – the world's leading geographic information system, smart mapping and location analytics platform – to major markets in the Asia Pacific including Australia, Singapore, Malaysia and Indonesia. The software creates digital infrastructure solutions that enable smart nations, smart cities and smart communities to solve the world's most complex problems through effective and sustainable improvement of human wellbeing and ecosystems, and planning and management of key infrastructure and resources. Our Healthcare Division provides innovative medical solutions that address niche age-related chronic diseases and mobility issues, with a focus on rehabilitative care and sports science in the Asia Pacific.

With a vast global network stretching across Asia, Australia, Europe, Africa and the Americas, we are ready to serve the world. To date, we have undertaken projects in 89 countries and territories globally.

In 2008 and 2009, we were recognised in the prestigious Forbes Asia 200 Best Under A Billion as one of the Asia Pacific's 200 best public-listed corporations under US\$1 billion in revenue. In 2017, we were ranked by FinanceAsia as Singapore's Best Small-Cap in the annual Asia's Best Companies Poll. In 2019, we were awarded the Most Transparent Company in the Industrials Category and Sustainability Award (Runner-Up) in the Mid Cap Category by the Securities Investors Association (Singapore). In 2020, we were ranked among Singapore's Best Employers, at 38th overall and 2nd under our respective category of Business Services & Supplies (including Real Estate) in an evaluation encompassing 1,800 large corporations. We are also listed on the MSCI World Micro Cap Index, FTSE Global Small Cap Index, FTSE Developed Small Cap Index and FTSE ST Industrials Index.

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BOUSTEAD SINGAPORE LIMITED
(Company Registration No. 197501036K)

Unaudited Financial Statements and Related Announcement for the First-Half Year Ended 30 September 2020

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		Inc/(Dcr) %
		Half-year ended 30.9.20 \$'000	Half-year ended 30.9.19 (Restated) \$'000	
Revenue		289,664	292,109	-1%
Cost of sales		(203,090)	(220,571)	-8%
Gross profit		86,574	71,538	21%
Other income	1	2,482	3,561	-30%
Other (losses)/gains – net	2	(5,886)	2,225	NM
Impairment loss on financial assets and contract assets		-	(1,490)	-100%
Expenses				
- Selling and distribution		(19,051)	(17,942)	6%
- Administrative		(30,180)	(29,147)	4%
- Finance	3	(2,014)	(2,449)	-18%
Share of loss of associated companies and joint ventures		(94)	(1,495)	-94%
Profit before income tax	4	31,831	24,801	28%
Income tax expense	5	(9,048)	(6,529)	39%
Total profit		22,783	18,272	25%
Profit attributable to:				
Equity holders of the Company		21,811	12,415	76%
Non-controlling interests		972	5,857	-83%
		22,783	18,272	25%

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		
	Half-year ended		
	30.9.20	30.9.19	Inc/(Dcr)
	\$'000	\$'000	%
Total profit	22,783	18,272	25%
Other comprehensive income/(loss):			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Financial assets, at FVOCI			
- Fair value gains – debt instruments	-	76	-100%
- Reclassification to profit or loss on disposal	-	(4)	-100%
Cash flow hedges			
- Fair value losses	-	(33)	-100%
- Reclassification to profit or loss on disposal	-	9	-100%
Currency translation differences arising from consolidation	3,666	(2,534)	NM
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Remeasurement of retirement benefit obligation, net of tax	-	(4)	-100%
Non-controlling interests' share of currency translation differences arising from consolidation	442	(169)	NM
Other comprehensive income/(loss), net of tax	4,108	(2,659)	NM
Total comprehensive income	26,891	15,613	72%
Total comprehensive income attributable to:			
Equity holders of the Company	25,477	9,937	156%
Non-controlling interests	1,414	5,676	-75%
	26,891	15,613	72%

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		
	30.9.20 \$'000	30.9.19 \$'000	Inc/(Dcr) %
<u>Note 1: Other income</u>			
Interest income	2,140	2,983	-28%
Finance/Rental income from sublease	342	578	-41%
	2,482	3,561	-30%
<u>Note 2: Other (losses)/gains – net</u>			
Fair value (losses)/gains			
- Derivative financial instruments	(1,429)	471	NM
- Financial assets, at FVPL	473	(29)	NM
Financial assets, at FVOCI			
- Reclassification from other comprehensive income on disposal	-	(4)	-100%
Currency exchange (losses)/gains – net	(4,930)	1,787	NM
	(5,886)	2,225	NM
<u>Note 3: Finance expenses</u>			
Bank borrowings	(598)	(1,133)	-47%
Lease liabilities	(1,416)	(1,316)	8%
	(2,014)	(2,449)	-18%
<u>Note 4: Profit before income tax is arrived at after (charging)/crediting the following:</u>			
Depreciation expense	(8,500)	(7,658)	11%
Gain/(Loss) on disposal of property, plant and equipment	5	(17)	NM
Employee share-based compensation expense	(16)	(105)	-85%
Amortisation of intangible assets	(314)	(314)	0%
<u>Note 5: Income tax expense</u>			
The provision for income tax expense is made after taking into account non-deductible expenses and temporary differences, and is based on the statutory corporate income tax rates of the respective countries which the Group operates in. For the current period, the Group's income tax expense varied from the amount of income tax expense determined by applying the Singapore corporate income tax rate of 17%, mainly due to certain expenses which are not deductible for tax purposes and overseas subsidiaries' profits which are generally subject to higher corporate income 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.

Statements of Financial Position

	Note	GROUP		COMPANY	
		30.9.20 \$'000	31.3.20 \$'000	30.9.20 \$'000	31.3.20 \$'000
ASSETS					
Current assets					
Cash and cash equivalents		294,585	281,706	65,817	48,716
Trade receivables		103,152	111,371	-	-
Other receivables and prepayments		66,399	114,276	3,406	1,920
Loans to subsidiaries		-	-	41,307	41,812
Inventories		10,329	3,572	-	-
Properties held for sale		26,717	26,726	-	-
Right-of-use assets		8,807	9,096	-	-
Finance lease receivables		430	430	-	-
Contract assets		102,383	69,520	-	-
Investment securities		7,479	6,625	2,779	1,925
Derivative financial instruments		163	-	163	-
		620,444	623,322	113,472	94,373
Non-current assets					
Trade receivables		21,848	19,850	-	-
Other receivables and prepayments		5,468	5,831	2,948	3,062
Contract assets		-	1,568	-	-
Investment securities		32,115	42,877	-	10,762
Property, plant and equipment		28,904	28,896	7	5
Right-of-use asset		13,727	14,994	-	-
Finance lease receivables		21,529	21,765	-	-
Investment properties		172,886	176,713	-	-
Intangible assets		1,986	1,894	30	30
Investments in associated companies		19,390	18,410	-	-
Investments in joint ventures		58,799	60,707	-	-
Investments in subsidiaries		-	-	80,545	81,273
Deferred income tax assets		9,770	7,934	-	-
		386,422	401,439	83,530	95,132
Total assets		1,006,866	1,024,761	197,002	189,505
LIABILITIES					
Current liabilities					
Trade and other payables		190,632	209,509	4,800	4,661
Lease liabilities		5,412	5,740	-	-
Income tax payable		19,589	15,925	1,409	1,409
Loans from subsidiaries		-	-	99,197	79,604
Contract liabilities		103,640	66,198	-	-
Borrowings	1(b)(ii)	37,222	92,663	-	-
Derivative financial instruments		1,719	103	-	9
		358,214	390,138	105,406	85,683
Non-current liabilities					
Trade and other payables		16,300	14,513	-	-
Lease liabilities		88,554	90,309	-	-
Contract liabilities		950	1,159	-	-
Borrowings	1(b)(ii)	25,665	26,330	-	-
Pension liability		29	410	-	-
Deferred income tax liabilities		4,942	5,167	-	-
		136,440	137,888	-	-
Total liabilities		494,654	528,026	105,406	85,683
NET ASSETS		512,212	496,735	91,596	103,822
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		74,443	74,443	74,443	74,443
Treasury shares		(9,816)	(9,309)	(9,816)	(9,309)
Other reserves		(6,299)	(9,973)	2,398	2,398
Retained profits		299,539	287,471	24,571	36,290
		357,867	342,632	91,596	103,822
Non-controlling interests		154,345	154,103	-	-
Total equity	1(d)(i)	512,212	496,735	91,596	103,822

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

Amount repayable within one year or less, or on demand

As at 30.9.20 \$'000		As at 31.3.20 \$'000	
Secured	Unsecured	Secured	Unsecured
34,722	2,500	34,984	57,679

Amount repayable after one year

As at 30.9.20 \$'000		As at 31.3.20 \$'000	
Secured	Unsecured	Secured	Unsecured
25,665	-	26,330	-

Total borrowings of \$60,387,000 (31.3.20: \$61,314,000) are secured by corporate guarantee, properties held for sale or 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	
	Half-year ended	Half-year ended
	30.9.20	30.9.19
	\$'000	\$'000
Cash flows from operating activities		
Profit before income tax	31,831	24,801
Adjustments for:		
- Share of loss of associated companies and joint ventures	94	1,495
- Unrealised construction and project management margins	(95)	4,440
- Depreciation expense	8,500	7,658
- Amortisation expense	314	314
- (Gain)/Loss on disposal of property, plant and equipment	(5)	17
- Employee share-based compensation expense	16	105
- Gain on disposal of investment securities	-	4
- Fair value (gains)/losses on investment securities	(473)	29
- Finance expenses	2,014	2,449
- Interest income	(2,482)	(2,983)
- Unrealised currency exchange losses	222	171
	39,936	38,500
Change in working capital:		
- Trade receivables, other receivables and prepayments	4,873	(35,475)
- Inventories and contracts assets/liabilities	(3,051)	62,325
- Trade and other payables	(19,565)	24,540
- Derivative financial instruments	1,429	(471)
Cash provided by operations	23,622	89,419
Interest received	2,140	2,983
Interest paid	(598)	(1,133)
Income tax paid	(7,224)	(8,790)
Net cash provided by operating activities	17,940	82,479

- 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)

	GROUP	
	Half-year ended	Half-year ended
	30.9.20	30.9.19
	\$'000	\$'000
Cash flows from investing activities		
Proceeds from disposal of investment securities	10,277	9,449
Proceeds from disposal of property, plant and equipment	5	204
Proceeds from disposal of a subsidiary, net of cash disposed of	-	7,440
Repayment of loans by a joint venture	60,763	-
Dividends received from joint ventures	1,450	1,100
Purchase of investment securities	-	(3,106)
Purchase of property, plant and equipment	(890)	(7,369)
Additions to investment property	(156)	(5,663)
Additions to intangible assets	(388)	(446)
Loan to joint ventures	(3,055)	(6,096)
Loan to an associated company	(1,479)	-
Investment in an associated company	(576)	-
Deposits paid for an investment	(2,773)	-
Net cash provided by/(used in) investing activities	63,178	(4,487)
Cash flows from financing activities		
Proceeds from borrowings	4,591	733
Purchase of treasury shares	(507)	(5,230)
Repayment of borrowings	(60,697)	(41,358)
Principal payment on lease liabilities	(2,978)	(2,128)
Interest payment on lease liabilities	(1,416)	(1,316)
Payment to non-controlling shareholder for the purchase of shares in a subsidiary	-	(6,243)
Dividends paid to non-controlling interests	(1,180)	(2,936)
Dividends paid to equity holders of the Company	(9,743)	(6,075)
Net cash used in financing activities	(71,930)	(64,553)
Net increase in cash and cash equivalents	9,188	13,439
Cash and cash equivalents		
Beginning of financial period	281,706	246,861
Effects of currency translation on cash and cash equivalents	3,691	(1,725)
End of financial period	294,585	258,575

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-----)											Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Fair value reserve \$'000	Capital reserve \$'000	Share-based compensation reserve \$'000	Hedging reserve \$'000	Foreign currency translation reserve \$'000	Subtotal \$'000	Retained profits \$'000	Equity attributable to equity holders of the Company \$'000	Non-controlling interests \$'000	
GROUP												
Balance at 1 April 2020	74,443	(9,309)	5,694	(12,050)	335	-	(3,952)	(9,973)	287,471	342,632	154,103	496,735
Profit for the period	-	-	-	-	-	-	-	-	21,811	21,811	972	22,783
Other comprehensive income for the period	-	-	-	-	-	-	3,666	3,666	-	3,666	442	4,108
Total comprehensive income for the period	-	-	-	-	-	-	3,666	3,666	21,811	25,477	1,414	26,891
Employee share-based compensation												
- Value of employee services	-	-	-	-	8	-	-	8	-	8	8	16
- Treasury shares re-issued by a subsidiary	-	-	-	287	(287)	-	-	-	-	-	-	-
Dividends												
- In cash	-	-	-	-	-	-	-	-	(9,743)	(9,743)	(1,180)	(10,923)
Purchase of treasury shares	-	(507)	-	-	-	-	-	-	-	(507)	-	(507)
Total transactions with owners, recognised directly in equity	-	(507)	-	287	(279)	-	-	8	(9,743)	(10,242)	(1,172)	(11,414)
Balance at 30 September 2020	74,443	(9,816)	5,694	(11,763)	56	-	(286)	(6,299)	299,539	357,867	154,345	512,212

1.(d)(i) Statement of Changes in Equity (cont'd)

	(-----Other reserves-----)											Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Fair value reserve \$'000	Capital reserve \$'000	Share-based compensation reserve \$'000	Hedging reserve \$'000	Foreign currency translation reserve \$'000	Subtotal \$'000	Retained profits \$'000	Equity attributable to equity holders of the Company \$'000	Non-controlling interests \$'000	
GROUP												
Balance at 1 April 2019	70,758	(1,488)	5,778	(12,724)	654	(9)	(654)	(6,955)	273,828	336,143	146,207	482,350
Profit for the period	-	-	-	-	-	-	-	-	12,415	12,415	5,857	18,272
Other comprehensive income/(loss) for the period	-	-	72	-	-	(12)	(2,534)	(2,474)	(4)	(2,478)	(181)	(2,659)
Total comprehensive income/(loss) for the period	-	-	72	-	-	(12)	(2,534)	(2,474)	12,411	9,937	5,676	15,613
Employee share-based compensation												
- Value of employee services	-	-	-	-	56	-	-	56	-	56	49	105
- Treasury shares re-issued by a subsidiary	-	-	-	418	(418)	-	-	-	-	-	-	-
Dividends												
- In cash	-	-	-	-	-	-	-	-	(6,075)	(6,075)	(2,936)	(9,011)
- In scrip	-	-	-	-	-	-	-	-	(3,948)	(3,948)	-	(3,948)
Issue of new shares pursuant to scrip dividend scheme	3,685	-	-	263	-	-	-	263	-	3,948	-	3,948
Purchase of treasury shares	-	(5,230)	-	-	-	-	-	-	-	(5,230)	-	(5,230)
Effect of acquisition of shares from non-controlling shareholder	-	-	-	-	-	-	(2)	(2)	(3,359)	(3,361)	(2,882)	(6,243)
Total transactions with owners, recognised directly in equity	3,685	(5,230)	-	681	(362)	-	(2)	317	(13,382)	(14,610)	(5,769)	(20,379)
Balance at 30 September 2019	74,443	(6,718)	5,850	(12,043)	292	(21)	(3,190)	(9,112)	272,857	331,470	146,114	477,584

1.(d)(i) Statement of Changes in Equity (cont'd)

	(-----Other reserves-----)						Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Fair value reserve \$'000	Capital reserve \$'000	Subtotal \$'000	Retained profits \$'000	
COMPANY							
Balance at 1 April 2020	74,443	(9,309)	-	2,398	2,398	36,290	103,822
Loss for the period	-	-	-	-	-	(1,976)	(1,976)
Total comprehensive loss for the period	-	-	-	-	-	(1,976)	(1,976)
Dividends							
- In cash	-	-	-	-	-	(9,743)	(9,743)
Purchase of treasury shares	-	(507)	-	-	-	-	(507)
Balance at 30 September 2020	74,443	(9,816)	-	2,398	2,398	24,571	91,596

1.(d)(i) Statement of Changes in Equity (cont'd)

	(-----Other reserves-----)						Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Fair value reserve \$'000	Capital reserve \$'000	Subtotal \$'000	Retained profits \$'000	
COMPANY							
Balance at 1 April 2019	70,758	(1,488)	7	2,135	2,142	55,223	126,635
Profit for the period	-	-	-	-	-	59	59
Other comprehensive income for the period	-	-	72	-	72	-	72
Total comprehensive income for the period	-	-	72	-	72	59	131
Dividends							
- In cash	-	-	-	-	-	(6,075)	(6,075)
- In scrip	-	-	-	-	-	(3,948)	(3,948)
Issue of new shares pursuant to scrip dividend scheme	3,685	-	-	263	263	-	3,948
Purchase of treasury shares	-	(5,230)	-	-	-	-	(5,230)
Balance at 30 September 2019	74,443	(6,718)	79	2,398	2,477	45,259	115,461

1.(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 period, the issued and paid-up capital for the Company (excluding treasury shares) decreased from 487,174,229 ordinary shares to 486,435,429 ordinary shares. This resulted from the repurchase of a total of 738,800 ordinary shares pursuant to the existing Share Buy-Back Mandate.

As at 30 September 2020, there were a total of 13,631,800 treasury shares (30 September 2019: 8,865,700). The percentage of the number of treasury shares held against the total number of ordinary shares outstanding in the capital of the Company as at 30 September 2020 was approximately 2.7% (30 September 2019: 1.8%).

As at 30 September 2020 and 30 September 2019, the Company did not have any outstanding options or convertibles.

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.

	As at 30.9.20	As at 31.3.20
Total number of issued shares (excluding treasury shares)	486,435,429	487,174,229

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.

1.(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings 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.(a) Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

- 3.(b) Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-
- (i) Updates on the efforts taken to resolve each outstanding audit issue.
 - (ii) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

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.

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 March 2020.

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.

Presentation for direct operating expenses from leasehold properties and additional payroll-related expenses directly attributable to construction projects

With effect from second half-year ended 31 March 2020, the BP Group changed its presentation for direct operating expenses from leasehold properties and additional payroll-related costs directly attributable to construction project. Such expenses, which were previously classified under "administrative expenses" and "selling and distribution expenses" are now classified under "cost of sales" on the income statement. This change is intended to provide a more accurate reflection of the Group's gross margin and does not impact the total profit.

The above changes were applied retrospectively and their effects on the Group's income statement for the half-year ended 30 September 2019 are as follows:

Income Statement

	GROUP		Net impact of restatement
	Half-year ended	Half-year ended	
	30.9.19	30.9.19	
	(Restated)	(Restated)	
	\$'000	\$'000	
Cost of sales	(220,571)	(217,695)	(2,876)
Expenses			
- Selling and distribution	(17,942)	(18,074)	132
- Administrative	(29,147)	(31,891)	2,744
Total profit	18,272	18,272	No impact

The change in accounting policy as disclosed above has no impact to the balance sheet as at 31 March 2020.

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.

	GROUP	
	Half-year ended 30.9.20	30.9.19
Earnings per ordinary share for the period after deducting any provision for preference dividends:-		
(a) Based on weighted average number of ordinary shares in issue (¢)	4.5	2.5
(b) On a fully diluted basis (¢)	4.5	2.5
Weighted average number of ordinary shares in issue:		
Basic (*)	487,051,096	490,162,721
Fully diluted basis (**)	487,051,096	490,162,721

* The basic earnings per share is computed based on the weighted average number of ordinary shares in issue.

** The fully diluted earnings per share is computed based on the weighted average number of ordinary shares in issue adjusted for the effects of all 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	
	30.9.20	31.3.20	30.9.20	31.3.20
Net asset value per ordinary share based on issued shares (excluding treasury shares) as at the end of the period reported on (¢)	73.6	70.3	18.8	21.3
Number of issued shares (excluding treasury shares) as at the end of the period reported on	486,435,429	487,174,229	486,435,429	487,174,229

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.**

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

For 1H FY2021, revenue was stable year-on-year at \$289.7 million, with the COVID-19 pandemic appearing to have marginal impact on the Group's overall revenue performance, although there was high variability in the impact on each division's revenue performance. Total profit and profit attributable to equity holders of the Company ("net profit") were 25% and 76% higher year-on-year at \$22.8 million and \$21.8 million respectively. Profit growth on stable revenue was achieved despite significant challenges posed by the pandemic, geo-economic and geo-political headwinds, and unfavourable foreign exchange movements, mainly as a result of better gross margins (except for the Real Estate Division under Boustead Projects), effective cost management measures, the absence of impairment losses, lower finance expenses and share of losses of associated companies and joint ventures, and grants received from the Jobs Support Scheme ("JSS") of \$4.9 million.

For a comparative review after adjusting for other gains/losses net of non-controlling interests, impairment losses, a one-off legal settlement amount paid by Boustead Projects and grants received from the JSS net of non-controlling interests, net profit for 1H FY2021 would have been 114% higher year-on-year.

1H FY2021 Division Revenue

Division	Revenue		Favourable/ Unfavourable
	1H FY2021 \$'m	1H FY2020 \$'m	Change %
Energy Engineering	109.3	65.8	+66
Real Estate	87.7	156.7	-44
Geospatial	85.5	60.8	+41
Healthcare	7.0	8.6	-19
	289.5	291.9	-1
HQ Activities	0.2	0.2	-0
Group Total	289.7	292.1	-1

Note: Any differences in summation are due to rounding differences.

Each division's revenue performance for 1H FY2021 is summarised below.

Despite the renewed downturn in prospects for the global oil & gas industries, the Energy Engineering Division continued to ride on a healthy order backlog to achieve revenue that was 66% higher year-on-year at \$109.3 million.

With over four months of closure of Singapore project sites due to the Singapore Government's Circuit Breaker and phased resumption of construction activities in the built environment sector, the Real Estate Division (Boustead Projects)'s revenue was 44% lower year-on-year at \$87.7 million. The impact was highly visible on Singapore's design-and-build revenue, partially mitigated by better real estate revenue.

New enterprise agreements and firm demand for geospatial technology underpinned the Geospatial Division's strong revenue performance across Australia and South East Asia, allowing the division to deliver yet another credible revenue performance, which was 41% higher year-on-year at \$85.5 million.

Partially impacted by the pandemic, the Healthcare Division's revenue was 19% lower year-on-year at \$7.0 million, with the division's clients' main attention placed on addressing the pandemic, resulting in a delay in orders.

1H FY2021 Group Profitability

The Group's overall gross profit for 1H FY2021 increased 21% year-on-year to \$86.6 million, with the overall gross margin strengthening to 30% compared to 24% in 1H FY2020. Nonetheless, Boustead Projects faced unprecedented gross margin pressure due to the pandemic, with at least four months of delay per Singapore project, compounded by accompanying acceleration, compliance, prolongation and resumption costs, and a lower quantum of cost savings from previously completed projects.

Other income for 1H FY2021 fell 30% year-on-year to \$2.5 million, mainly due to lower interest income. Other losses for 1H FY2021 of \$5.9 million were mainly due to unfavourable foreign exchange movements, a sharp reversal from other gains of \$2.2 million registered in the previous years' comparative period.

Overhead expenses for 1H FY2021 edged up 5% year-on-year to \$49.2 million (selling and distribution expenses of \$19.1 million and administrative expenses of \$30.2 million), largely due to team expansions at the Energy Engineering and Geospatial Divisions, in line with greater business activities.

Finance expenses for 1H FY2021 declined 18% year-on-year to \$2.0 million, mainly due to significantly lower bank borrowings.

Share of loss of associated companies and joint ventures for 1H FY2021 was negligible at \$0.1 million compared to \$1.5 million in the previous year's comparative period, largely due to Boustead Projects' improvement in the ongoing asset stabilisation of ALICE@Mediapolis, partially offset by the commencement of asset stabilisation of 6 Tampines Industrial Avenue 5.

Profit before income tax ("PBT") for 1H FY2021 climbed 28% year-on-year to \$31.8 million, mainly attributable to better gross margins – with the exception of Boustead Projects, effective cost management measures, the absence of impairment losses, lower finance expenses and share of losses of associated companies and joint ventures, and grants received from the JSS, as mentioned earlier. A breakdown of PBT by divisions is provided below.

Division	PBT		Favourable/ Unfavourable
	1H FY2021	1H FY2020	Change
	\$'m	\$'m	%
Energy Engineering	*16.4	*3.3	+397
Real Estate	-2.2	12.3	NM
Geospatial	**20.7	**11.7	+77
Healthcare	-0.1	-0.5	+80
	34.9	26.9	+29
HQ Activities	-3.0	-2.1	-43
Group Total	31.8	24.8	+28

Note: Any differences in summation are due to rounding differences.
 NM – not meaningful
 * Includes 1H FY2021 foreign exchange loss of \$1.6m and 1H FY2020 foreign exchange gain of \$1.5m respectively.
 ** Includes 1H FY2021 foreign exchange loss of \$0.6m and 1H FY2020 foreign exchange gain of \$0.1m respectively.

Except for Boustead Projects, PBT for 1H FY2021 across all of the other divisions saw improvements, led by the Energy Engineering and Geospatial Divisions' stronger performances.

As mentioned previously, Boustead Projects was affected by at least four months of delay per Singapore project, compounded by accompanying acceleration, compliance, prolongation and resumption costs.

The effective income tax expense rate for 1H FY2021 was 28% compared to 26% in 1H FY2020, in line with greater proportional contributions of profit from subsidiaries in higher tax jurisdictions.

Total profit for 1H FY2021 increased 25% year-on-year to \$22.8 million due to reasons mentioned earlier.

Net profit for 1H FY2021 increased 76% year-on-year to \$21.8 million, as all of the total profit was generated by subsidiaries with lower non-controlling interests.

FY2021 Statement of Cash Flows

During 1H FY2021, cash and cash equivalents (after taking into account the effects of currency translation) rose by \$12.9 million to \$294.6 million, driven by net cash inflows from operating and investing activities, which were partially offset by net cash outflows to financing activities.

Net cash inflows from operating activities amounted to \$17.9 million, after accounting for a negative change in working capital of \$16.3 million.

Net cash inflows from investing activities amounted to \$63.2 million, mainly due to the repayment of a sizeable bridging loan extended to a joint venture totalling \$60.8 million, proceeds from disposal of investment securities and dividends received from joint ventures. This was partially offset by loans to an associated company and joint ventures, and a deposit paid for an investment.

Net cash outflows to financing activities amounted to \$71.9 million, mainly due to the repayment of bank borrowings (related to the repayment of the sizeable bridging loan mentioned earlier), dividends paid to shareholders and non-controlling interests, and principal and interest payments on lease liabilities. This was partially offset by new bank borrowings.

Dividends

As the Group delivered improved profitability from its core businesses and maintained a strong cash position, the Board of Directors has declared an interim dividend of 1 cent per share, matching the interim dividend declared and paid for the previous year's comparative period.

Statement of Financial Position

At the end of 1H FY2021, the Group's financial position and shareholders' equity remained healthy.

Under assets, the improvement in cash and cash equivalents is explained earlier under the explanation for 1H FY2021 Statement of Cash Flows. Total trade receivables (both current and non-current) declined with payments received from clients. Total other receivables and prepayments (both current and non-current) fell after the repayment of Boustead Projects' sizeable bridging loan extended to a joint venture. Inventories rose mainly due to bulk material purchases made by Boustead Projects and the delayed restart of Singapore projects. The small net contract assets position at the end of FY2020 reversed into a small net contract liabilities position at the end of 1H FY2021.

Under liabilities, total trade and other payables (both current and non-current) declined with payments to subcontractors and suppliers. Total borrowings (both current and non-current) declined following Boustead Projects' repayment of bank borrowings in relation to receipt of repayment of the sizeable bridging loan extended to a joint venture.

Under equity, treasury shares increased after the Company conducted share buybacks during 1H FY2021.

The Group's net asset value per share rose to 73.6 cents at the end of 1H FY2021 from 70.3 cents at

the end of FY2020, even after factoring in FY2020 final dividends to shareholders and non-controlling interests, which were paid during 1H FY2021. The net cash position (i.e. net of all bank borrowings) was boosted to \$231.7 million at the end of 1H FY2021, translating to a net cash per share position of 47.6 cents. In addition, the Group held \$39.6 million in investment securities at the end of 1H FY2021, of which about 20% of the amount is highly liquid.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

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.

As anticipated, the COVID-19 pandemic, geo-economic and geo-political headwinds continue to create an overall global business environment that remains turbulent and in an elevated high-risk state, causing extreme uncertainties about the short-term future.

To date in FY2021, the Group has been awarded approximately \$146 million in new contracts, with the extremely challenging conditions and global travel restrictions, making it difficult to conduct meaningful business development activities. The current order backlog of \$650 million (unrecognised project revenue remaining at the end of 1H FY2021 plus the total value of new orders secured since then) – of which \$203 million is under the Energy Engineering Division and \$447 million is under the Real Estate Division – remains healthy although lower compared to \$789 million a year earlier. Furthermore, the Geospatial Division had \$100 million in deferred services backlog remaining at the end of 1H FY2021.

Boustead Projects continues to face significant margin impact on current projects due to the pandemic, with increased costs due to acceleration, compliance, prolongation and resumption costs, part of which are still under negotiation with clients and subcontractors. In view of the progressive pick-up in Boustead Projects' Singapore projects and the strong progress of its real estate business – with the leasing up of over 39,600 square metres of net lettable area across five properties – it still expects to be profitable for the full-year of FY2021, notwithstanding any further potential disruption relating to the pandemic and barring unforeseen circumstances.

The Group has been strengthened by a healthy balance sheet, net cash position, order backlog and wide range of available financing options, maintaining a stable position to weather the highly challenging global landscape. The Group continues to review and apply strict cost management measures and a cautious, prudent and risk-managed approach to capital allocation decisions.

Barring unforeseen circumstances, the Group expects to deliver steady results for FY2021.

11. Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on?

Yes.

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount (per ordinary share)	1.0 cent
Tax Rate	Tax exempt (1-tier)

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

Name of Dividend	Interim declared
Dividend Type	Cash
Dividend Amount (per ordinary share)	1.0 cent
Tax Rate	Tax exempt (1-tier)

(c) Date payable

2 December 2020

(d) Books closure date

Notice is hereby given that the Transfer Books and Register of Members of the Company will be closed from 5.00pm on 23 November 2020 for the purpose of determining shareholders' entitlements to the interim dividend to be paid on 2 December 2020.

Duly completed transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to 5.00pm on 23 November 2020 will be registered before entitlements to the dividend are determined.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

Not applicable.

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. Confirmation of undertakings from Directors and Executive Officers

The Company has procured undertakings from all of its directors and executive officers under Rule 720(1) of the Listing Manual.

15. Disclosures on acquisition and realisation of shares pursuant to Rule 706A

Incorporation of a new subsidiary

On 23 July 2020, the Company's wholly owned subsidiary, Boustead Salcon Water Solutions Pte. Ltd. ("BSWS") incorporated a wholly-owned subsidiary known as H+E Technologies Pte. Ltd. ("HET") with an initial paid-up capital of \$2. HET is a joint venture company with Hager + Elsaesser Asia ("HEA") established to engage in the manufacture of water and water treatment equipment. On 6 October 2020, the paid-up capital of HET was increased to \$500,000 with the additional allotment of 274,998 ordinary shares of S\$1/- each and 225,000 ordinary shares of S\$1/- respectively to BSWS and HEA. Following this, BSWS holds a 55% shareholding interest in HET.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the transaction.

16. Negative confirmation by the Board pursuant to Rule 705(5)

We, Wong Fong Fui and Wong Yu Loon, being two of the directors of Boustead Singapore 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 1H FY2021 financial results to be false or misleading.

On behalf of the Board of Directors

Wong Fong Fui
Chairman

Wong Yu Loon
Director

Singapore
13 November 2020