



BOUSTEAD[®]

Projects

Boustead Projects Limited

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

bousteadprojects.com



Corporate Profile

Established in 1996, Boustead Projects Limited (SGX:AVM) is a leading real estate solutions provider in Singapore, with core engineering expertise in the design-and-build and development of smart eco-sustainable business park and industrial developments for clients including Fortune 500, S&P 500 and Euronext 100 corporations. To date, we have constructed and developed more than 3,000,000 square metres of real estate regionally in Singapore, China, Malaysia and Vietnam. Our wholly-owned design-and-build subsidiary, Boustead Projects E&C Pte Ltd (“BP E&C”) is approved by Singapore’s Building & Construction Authority (“BCA”) for Grade CW01-A1 and General Builder Class 1 Licence to execute building construction contracts of unlimited value.

Our transformative technologies – full-fledged integrated digital delivery and Industry 4.0 transformation standards – are shaping future-ready, custom-built developments. Our in-depth experience covers the aerospace, business park, food, healthcare and pharmaceutical, high-tech manufacturing, logistics, research & development, technology and waste management industries, among others. We are also a leader in pioneering advanced eco-sustainable developments under the BCA’s Green Mark Programme and also the quality leader on the BCA’s CONQUAS all-time top 100 industrial projects list.

In Singapore, BP E&C is one of only eight bizSAFE Mentors and also a bizSAFE Star, the highest qualification that can be attained in recognition of a company’s workplace safety and health (“WSH”) management programmes. Our WSH efforts have been further recognised with five prestigious WSH Performance Silver Awards and 13 Safety & Health Award Recognition for Projects (SHARP) to date.

On 30 April 2015, Boustead Projects listed on the SGX Mainboard. We were awarded the Singapore Corporate Governance Award in the Newly Listed Category at the Securities Investors Association (Singapore) Investors’ Choice Awards 2017. We are one of only 95 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 have maintained a good compliance track record, with prioritised clearance for their corporate action submissions. We are also listed on the MSCI World Micro Cap Index and FTSE ST Fledgling Index.

Boustead Projects is a 53%-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.

BOUSTEAD PROJECTS LIMITED
(Company Registration No. 199603900E)

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

PART I – INFORMATION REQUIRED FOR 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	30.9.19 (Restated) \$'000	
Revenue		87,713	156,707	-44%
Cost of sales*		(81,365)	(134,790)	-40%
Gross profit		6,348	21,917	-71%
Other income	1	1,627	2,075	-22%
Other (losses)/gains – net	2	(7)	62	NM
Expenses				
- Selling and distribution*		(975)	(1,437)	-32%
- Administrative*		(6,763)	(6,396)	6%
- Finance	3	(1,741)	(2,158)	-19%
Share of loss of associated companies and joint ventures		(640)	(1,777)	-64%
(Loss)/Profit before income tax	4	(2,151)	12,286	NM
Income tax expense	5	(113)	(2,658)	-96%
Total (loss)/profit		(2,264)	9,628	NM
Total (loss)/profit attributable to:				
Equity holders of the Company		(2,246)	9,628	NM
Non-controlling interests		(18)	-	NM
		(2,264)	9,628	NM

NM – not meaningful

* With effect from the second half-year ended 31 March 2020, the Group changed its presentation for direct operating expenses arising from leasehold properties and additional payroll-related costs directly attributable to construction projects. These expenses, which were previously classified under “administrative expenses” and “selling and distribution expenses”, are now classified under “cost of sales” on the income statement. These changes are intended to provide a more accurate reflection of the Group’s gross margin and do not impact the total profit.

For purpose of comparison, the above changes were applied retrospectively to the half-year ended 30 September 2019 with no impact to total profit. The effects of these changes on the comparative financial statements are set out under Note 5.

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	30.9.19	Inc/(Dcr)
	\$'000	\$'000	%
Total (loss)/profit	(2,264)	9,628	NM
Other comprehensive loss:			
<u>Items that may be reclassified subsequently to profit or loss</u>			
Cash flow hedges			
- Fair value losses	-	(33)	-100%
- Realised and transferred to profit or loss	-	9	-100%
Currency translation differences arising from consolidation	(345)	(176)	96%
Other comprehensive loss, net of tax	(345)	(200)	73%
Total comprehensive (loss)/income	(2,609)	9,428	NM
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company	(2,591)	9,428	NM
Non-controlling interests	(18)	-	NM
	(2,609)	9,428	NM

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	30.9.19	Inc/(Dcr)
	(Restated)		
	\$'000	\$'000	%
<u>Note 1: Other income</u>			
Interest income	1,285	1,497	-14%
Finance/Rental income from sublease	342	578	-41%
	1,627	2,075	-22%
<u>Note 2: Other (losses)/gains – net</u>			
Currency exchange (losses)/gains – net	(7)	62	NM
	(7)	62	NM
<u>Note 3: Finance</u>			
Interest expense on borrowings	(538)	(1,075)	-50%
Interest expense on lease liabilities	(1,203)	(1,083)	14%
	(1,741)	(2,158)	-19%
<u>Note 4: (Loss)/Profit before income tax is arrived at after charging the following:</u>			
Depreciation expense	(3,838)	(3,565)	8%
Depreciation of rights-of-use assets	(1,703)	(1,387)	23%
Employee share-based payment expense	(16)	(105)	-85%
<u>Note 5: Income tax expense</u>			
<p>The provision for income tax expense is made after taking into account non-deductible expenses, non-taxable income and temporary differences, and is based on the statutory tax rates of the respective countries that the Group operates in.</p> <p>The Group's income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17%, mainly due to certain expenses which are not deductible for tax purposes and overseas subsidiaries' profits which are subject to higher income tax rates.</p>			

NM – not meaningful

1.(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Balance Sheets

	Note	GROUP		COMPANY	
		30.9.20 \$'000	31.3.20 \$'000	30.9.20 \$'000	31.3.20 \$'000
ASSETS					
Current assets					
Cash and cash equivalents		115,956	128,447	79,680	80,939
Trade receivables		44,506	60,062	1,517	1,468
Other receivables and prepayments		33,598	87,980	140,234	200,979
Inventories		4,704	-	-	-
Properties held for sale		26,717	26,726	-	-
Right-of-use assets		8,807	9,096	-	-
Finance lease receivables		430	430	-	-
Contract assets		12,705	26,712	-	-
		247,423	339,453	221,431	283,386
Non-current assets					
Trade receivables		21,848	19,850	-	-
Other receivables and prepayments		1,620	1,837	-	-
Financial assets, at FVOCI		31,315	31,315	31,315	31,315
Property, plant and equipment		9,612	9,699	-	-
Rights-of-use assets		1,389	2,008	156	-
Finance lease receivables		21,529	21,765	-	-
Investment properties		172,886	176,713	-	-
Intangible assets		112	115	-	-
Investment in associated companies		4,446	3,449	3,752	3,177
Investments in joint ventures		58,799	60,707	70,176	69,530
Investments in subsidiaries		-	-	39,803	39,870
Deferred income tax assets		6,161	4,611	-	-
		329,717	332,069	145,202	143,892
Total assets		577,140	671,522	366,633	427,278
LIABILITIES					
Current liabilities					
Trade and other payables		76,670	125,211	108,366	109,187
Lease liabilities		2,697	3,008	64	-
Income tax payable		8,534	9,338	476	267
Contract liabilities		38,225	20,741	-	-
Borrowings	1(b)(ii)	33,964	91,562	-	57,679
		160,090	249,860	108,906	167,133
Non-current liabilities					
Trade payables		15,770	13,376	-	-
Lease liabilities		78,482	79,629	84	-
Borrowings	1(b)(ii)	25,665	26,330	-	-
Deferred income tax liabilities		4,932	5,042	514	438
		124,849	124,377	598	438
Total liabilities		284,939	374,237	109,504	167,571
NET ASSETS		292,201	297,285	257,129	259,707
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		15,000	15,000	15,000	15,000
Treasury shares		(6,944)	(7,477)	(6,944)	(7,477)
Retained profits		275,266	280,003	238,106	240,700
Other reserves		8,984	9,846	10,967	11,484
		292,306	297,372	257,129	259,707
Non-controlling interests		(105)	(87)	-	-
Total equity	1(d)(i)	292,201	297,285	257,129	259,707

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
33,964	-	33,883	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 \$59,629,000 (31.3.20: \$60,213,000) are secured by 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	
	First half ended	
	(Restated)	
	30.9.20	30.9.19
	\$'000	\$'000
Cash flows from operating activities		
(Loss)/Profit before income tax	(2,151)	12,286
Adjustments for:		
Amortisation of intangible asset	3	3
Depreciation of rights-of-use assets	1,703	1,387
Depreciation expense	3,838	3,565
Share of loss of associated companies and joint ventures	640	1,777
Unrealised construction and project management margins	(13)	4,440
Employee share-based compensation expense	16	105
Interest income	(1,627)	(1,497)
Finance expenses	1,741	2,158
Currency exchange losses/(gains) – net	7	(62)
	4,157	24,162
Change in working capital:		
- Trade and other receivables	13,501	(38,671)
- Contract assets and liabilities – net	31,491	52,119
- Inventories	(4,704)	-
- Trade and other payables	(46,133)	28,049
Cash (used in)/generated from operations	(1,688)	65,659
Interest received	1,285	1,497
Interest paid	(538)	(1,075)
Income tax paid	(2,577)	(4,464)
Net cash (used in)/provided by operating activities	(3,518)	61,617

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	
	First half ended	
	(Restated)	
	30.9.20	30.9.19
	\$'000	\$'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(440)	(4,553)
Additions to investment property	(156)	(5,663)
Proceeds from disposal of a subsidiary	-	7,440
Loans to joint ventures	(3,055)	(6,096)
Proceeds from repayment of loans by a joint venture	60,763	-
Dividends received from joint ventures	1,450	1,100
Deposits paid for an investment	(2,773)	-
Investment in an associated company	(576)	-
Net cash provided by/(used in) investing activities	55,213	(7,772)
Cash flows from financing activities		
Repayment of borrowings	(58,263)	(39,654)
Principal payment of lease liabilities	(2,120)	(1,584)
Interest payment of lease liabilities	(1,203)	(1,083)
Dividends paid to equity holders of the Company	(2,491)	(6,213)
Net cash used in financing activities	(64,077)	(48,534)
Net (decrease)/increase in cash and cash equivalents	(12,382)	5,311
Cash and cash equivalents		
Beginning of financial period	128,447	108,328
Effect of currency translation on cash and cash equivalents	(109)	(131)
End of financial period	115,956	113,508

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	Treasury shares \$'000	Retained profits \$'000	Merger reserve \$'000	Capital reserve \$'000	Share-based compensation reserve \$'000	Foreign currency translation reserve \$'000	Fair value reserve \$'000	Subtotal \$'000	Equity attributable to equity holders of the Company \$'000	Non-controlling interests \$'000	Total \$'000
GROUP												
1H FY2021												
Balance at 1 April 2020	15,000	(7,477)	280,003	(2,854)	53	635	1,216	10,796	9,846	297,372	(87)	297,285
Loss for the period	-	-	(2,246)	-	-	-	-	-	-	(2,246)	(18)	(2,264)
Other comprehensive loss for the period	-	-	-	-	-	-	(345)	-	(345)	(345)	-	(345)
Total comprehensive loss for the period	-	-	(2,246)	-	-	-	(345)	-	(345)	(2,591)	(18)	(2,609)
Employee share-based compensation												
- Value of employee services	-	-	-	-	-	16	-	-	16	16	-	16
- Treasury shares re-issued	-	533	-	-	11	(544)	-	-	(533)	-	-	-
Dividends	-	-	(2,491)	-	-	-	-	-	-	(2,491)	-	(2,491)
Balance at 30 September 2020	15,000	(6,944)	275,266	(2,854)	64	107	871	10,796	8,984	292,306	(105)	292,201

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 (cont'd).

	(-----Other reserves-----)										
	Share capital \$'000	Treasury shares \$'000	Retained profits \$'000	Merger reserve \$'000	Capital reserve \$'000	Share-based compensation reserve \$'000	Foreign currency translation reserve \$'000	Fair value reserve \$'000	Hedge reserve \$'000	Subtotal \$'000	Total \$'000
GROUP											
1H FY2020											
Balance at 1 April 2019	15,000	(8,244)	264,004	(2,854)	30	1,236	968	10,907	(17)	10,270	281,030
Profit for the period	-	-	9,628	-	-	-	-	-	-	-	9,628
Other comprehensive loss for the period	-	-	-	-	-	-	(176)	-	(24)	(200)	(200)
Total comprehensive income/(loss) for the period	-	-	9,628	-	-	-	(176)	-	(24)	(200)	9,428
Employee share-based compensation											
- Value of employee services	-	-	-	-	-	105	-	-	-	105	105
- Treasury shares re-issued	-	767	-	-	23	(790)	-	-	-	(767)	-
Dividends	-	-	(6,213)	-	-	-	-	-	-	-	(6,213)
Balance at 30 September 2019	15,000	(7,477)	267,419	(2,854)	53	551	792	10,907	(41)	9,408	284,350

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 (cont'd).

	(-----Other reserves-----)							Retained profits \$'000	Total \$'000
	Share capital \$'000	Treasury shares \$'000	Capital Reserve \$'000	Share-based compensation reserve \$'000	Fair value reserve \$'000	Subtotal \$'000			
COMPANY									
1H FY2021									
Balance at 1 April 2020	15,000	(7,477)	53	635	10,796	11,484	240,700	259,707	
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	-	-	(103)	(103)	
Employee share-based compensation									
- Value of employee services	-	-	-	16	-	16	-	16	
- Treasury shares re-issued	-	533	11	(544)	-	(533)	-	-	
Dividends	-	-	-	-	-	-	(2,491)	(2,491)	
Balance at 30 September 2020	15,000	(6,944)	64	107	10,796	10,967	238,106	257,129	
COMPANY									
1H FY2020									
Balance at 1 April 2019	15,000	(8,244)	30	1,236	10,907	12,173	242,581	261,510	
Profit for the period, representing total comprehensive income for the period	-	-	-	-	-	-	2,203	2,203	
Employee share-based compensation									
- Value of employee services	-	-	-	105	-	105	-	105	
- Treasury shares re-issued	-	767	23	(790)	-	(767)	-	-	
Dividends	-	-	-	-	-	-	(6,213)	(6,213)	
Balance at 30 September 2019	15,000	(7,477)	53	551	10,907	11,511	238,571	257,605	

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 period, the issued and paid-up capital of the Company (excluding treasury shares) increased from 310,654,341 ordinary shares to 311,319,340 ordinary shares. This resulted from the transfer of 664,999 treasury shares pursuant to the Boustead Projects Restricted Share Plan 2016. As at 30 September 2020, there were a total of 8,680,660 (31.03.20: 9,345,659) treasury shares.

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)	311,319,340	310,654,341

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.

On 3 April 2020, 664,999 treasury shares were transferred pursuant to the Boustead Projects Restricted Share Plan 2016.

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.

Except as disclosed in Note 5, 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 Group changed its presentation for direct operating expenses arising 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 its 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
	30.9.19 (Restated) \$'000	30.9.19 \$'000	
Cost of sales	(134,790)	(131,914)	(2,876)
Expenses			
- Selling and distribution	(1,437)	(1,569)	132
- Administrative	(6,396)	(9,140)	2,744
Total profit	9,628	9,628	No impact

The changes in accounting policy as disclosed above have 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	
	First half ended	
	30.9.20	30.9.19
Earnings per ordinary share for the period after deducting any provision for preference dividends:-		
(i) Based on weighted average number of ordinary shares in issue (¢)	(0.7)	3.1
(ii) On a fully diluted basis (¢)	(0.7)	3.1
Weighted average number of ordinary shares in issue:		
Basic	311,224,340	310,519,005
Fully diluted basis	311,375,341	311,495,082

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 (\$)	0.939	0.957	0.826	0.836
Number of issued shares (excluding treasury shares) as at the end of the period reported on	311,319,340	310,654,341	311,319,340	310,654,341

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, half-year results may not accurately reflect the full-year performance. Full-year to full-year comparisons are more appropriate for analytical purposes.

For 1H FY2021, total revenue was 44% lower year-on-year at \$87.7 million, mainly due to significantly delayed design-and-build revenue recognition resulting from Singapore's Circuit Breaker and the subsequent phased resumption of construction activities imposed by the authorities, partially offset by higher real estate revenue. In addition to delayed revenue recognition and COVID-19 pandemic-related costs, the design-and-build segment was further affected by lower margins on current projects and lower quantum of cost savings from previously completed projects. A total loss for 1H FY2021 of \$2.3 million was registered compared to a total profit for 1H FY2020 of \$9.6 million, with the loss in the design-and-build segment partially offset by higher profit from the real estate segment.

Segment Revenue

Segment	Revenue		Favourable/ (Unfavourable)
	Half-year ended		Change
	30.9.20	30.9.19 (Restated)	
	\$'m	\$'m	%
Design-and-Build	70.7	140.5	-50
Real Estate	17.0	16.2	+5
BP Group Total	87.7	156.7	-44

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

Design-and-build revenue for 1H FY2021 was 50% lower year-on-year at \$70.7 million, mainly due to significantly delayed revenue recognition attributable to Singapore's Circuit Breaker and the subsequent phased resumption of construction activities imposed by authorities, which resulted in at least four months of delay per Singapore project. In addition, productivity was also impacted by compliance with safe management measures and worker availability.

Real estate revenue for 1H FY2021 was 5% higher year-on-year at \$17.0 million, supported by the lease commencement of Boustead Industrial Park Phase 1 in Vietnam ("BIP Vietnam") in August 2019 and the sublease of 36 Tuas Road in February 2020.

Group Profitability

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

Segment	PBT		Favourable/ (Unfavourable)
	Half-year ended		Change
	30.9.20	30.9.19	%
	\$'m	\$'m	
Design-and-Build	(9.3)	8.1	NM
Real Estate	7.1	4.2	+69
BP Group Total	(2.2)	12.3	NM

Note: Any differences in summation are due to rounding differences.
NM – not meaningful

The BP Group’s overall gross profit for 1H FY2021 decreased 71% year-on-year to \$6.3 million, as a result of overall gross margin compression to 7% in 1H FY2021 as compared to 14% in 1H FY2020. Overall gross margin compression is mainly attributable to lower margins on current projects, delayed recognition of design-and-build revenue as mentioned earlier and unprecedented levels of associated acceleration, compliance, prolongation and resumption costs due to the pandemic. These additional costs were partially offset by grants received from the Singapore Government’s Jobs Support Scheme (“JSS”) and the co-sharing of certain costs by the Singapore Government and clients.

Total overhead expenses for 1H FY2021 fell 1% year-on-year to \$7.8 million (selling and distribution expenses of \$1.0 million, and administrative expenses of \$6.8 million), mainly due to lower remuneration costs aided by the JSS and implementation of cost management measures including a Group-wide salary freeze. Administrative expenses would have been lower by \$1.7 million if one-off legal and other professional expenses relating to a legal settlement were excluded.

Finance expenses for 1H FY2021 fell 19% year-on-year to \$1.7 million mainly due to lower interest rates, partially offset by greater interest incurred on lease liabilities.

Share of loss of associated companies and joint ventures for 1H FY2021 dropped 64% year-on-year to \$0.6 million, largely due to an improvement in the ongoing asset stabilisation of ALICE@Mediapolis, partially offset by the commencement of asset stabilisation of 6 Tampines Industrial Avenue 5.

A loss before income tax for 1H FY2021 of \$2.2 million was registered, compared to a profit before tax of \$12.3 million for 1H FY2020 due to reasons mentioned earlier.

Income tax expense for 1H FY2021 declined 96% year-on-year to \$0.1 million, in line with the loss before income tax.

A total loss for 1H FY2021 of \$2.3 million and a loss attributable to equity holders of the Company (“net loss”) for 1H FY2021 of \$2.2 million were registered, compared to a total profit and profit attributable to equity holders of the Company for 1H FY2020 of \$9.6 million.

Statement of Cash Flows

During 1H FY2021, cash and cash equivalents (after taking into account the effects of currency translation) decreased by \$12.5 million to \$116.0 million, due to net cash used in operating and financing activities partially offset by net cash provided by investing activities.

Net cash used in operating activities for 1H FY2021 amounted to \$3.5 million, with operating cash flows before changes in working capital of \$4.2 million and a negative change in working capital of \$5.8 million.

Net cash provided by investing activities for 1H FY2021 amounted to \$55.2 million, mainly due to the repayment of a bridging loan extended to a joint venture of the Boustead Development Partnership, for the purchase of 6 Tampines Industrial Avenue 5.

Net cash used in financing activities for 1H FY2021 amounted to \$64.1 million, mainly due to the repayment of borrowings, principal and interest payments on lease liabilities and dividends paid to equity holders of the Company. Most of the repaid borrowings are in relation to the bridging loan extended to a joint venture as mentioned earlier.

Balance Sheets

At the end of 1H FY2021, the BP Group's financial position remained healthy with cash and cash equivalents of \$116.0 million and total equity of \$292.2 million.

Under assets, the BP Group's cash and cash equivalents decreased to \$116.0 million as described earlier under the explanation for Statement of Cash Flows. Total trade receivables (both current and non-current) decreased to \$66.4 million, mainly due to decreased progress billings made to clients and collection of prior year outstanding trade receivables. Total other receivables and prepayments (both current and non-current) decreased to \$35.2 million, mainly due to the repayment of the bridging loan from a joint venture as mentioned earlier under the Statement of Cash Flows. Inventories of \$4.7 million were recorded for the purchase of construction materials. Net contract liabilities of \$25.5 million were registered at the end of 1H FY2021 as compared to net contract assets of \$6.0 million at the end of FY2020, which was a result of significantly increased billing to a client in line with payment milestones.

Under non-current assets, investment properties decreased to \$172.9 million on depreciation incurred. Investments in associated companies increased to \$4.4 million, mainly due to the BP Group's share of profit from DSCO and investment in DSCO. Investments in joint ventures decreased to \$58.8 million, following the distribution of dividends and the BP Group's share of losses from properties where there is ongoing asset stabilisation.

Under liabilities, trade and other payables (both current and non-current) decreased to \$92.4 million mainly as a result of the decreased volume of work performed, resulting in lower levels of progress billings by suppliers and subcontractors. Borrowings (both current and non-current) significantly declined to \$59.6 million, following the repayment of borrowings as mentioned earlier under the Statement of Cash Flows.

The BP Group's net asset value per share decreased to 93.9 cents at the end of 1H FY2021 from 95.7 cents at the end of FY2020, with lower retained profits following the payment of FY2020 final dividends to equity holders of the Company and the net loss for 1H FY2021. The BP Group's net cash position (cash and cash equivalents less total borrowings) further strengthened to \$56.3 million, with the repayment of borrowings as explained earlier under the Statement of Cash Flows.

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

None.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The BP Group's current order backlog (unrecognised project revenue remaining at the end of 1H FY2021 plus the total value of new orders secured since then) stands at a healthy level of approximately \$447 million, the bulk of which is expected to be recognised over FY2021 and FY2022. Despite the COVID-19 pandemic, approximately \$97 million of new contracts have been secured since the start of FY2021, including a significant design-and-build contract to deliver an advanced high-tech industrial facility in Penang, Malaysia. Competition is expected to remain intense with fewer new business opportunities, compounded by travel restrictions which make it difficult to conduct meaningful business development activities.

Despite the challenges, the BP Group has achieved strong progress on its real estate business in recent months, having secured a string of new key leases totalling 39,600 square metres of net lettable area for its leasehold properties in Singapore. These new leases comprise:

- Network for Electronic Transfers (NETS) as an anchor tenant for 351 on Braddell;
- JustCo, the largest Asia-based coworking space company as a key tenant for the Razer Southeast Asia Headquarters ("Razer SEA HQ");
- Zuellig Pharma as the future sole anchor tenant for 10 Changi North Way;
- Shopee Express as a key tenant for 12 Changi North Way; and
- The further lease-up of 6 Tampines Industrial Avenue 5 by the development's existing tenant.

Collectively, these new leases are expected to have a positive material impact on the profitability of the BP Group for FY2021. Notwithstanding delays largely caused by the pandemic, construction of 351 on Braddell, Razer SEA HQ and Bombardier Singapore Service Centre Phase 2 are still expected to reach completion before the end of FY2021. In addition, the BP Group continues to advance efforts on multiple fronts to unlock value from its leasehold portfolio.

The BP Group 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, suppliers and subcontractors. As such, the BP Group is still assessing the full quantum of costs associated with these project delays, as well as potential partial mitigation by government support and relief measures. Barring any further major disruptions caused by the pandemic, the BP Group expects the performance of its design-and-build segment to gradually recover as it ramps up its Singapore project site activities.

The financial impact on the BP Group from the pandemic is currently cushioned by ongoing efforts to diversify its overseas business, cost management measures including a Group-wide salary freeze and senior management pay cuts, government support and relief measures, and co-sharing of certain costs by the government and clients.

In view of the progressive ramp-up of its Singapore projects and strong progress of its real estate business, the BP Group expects to be profitable for FY2021, barring unforeseen circumstances and any further disruptions caused by the pandemic. With its growing leasehold portfolio, healthy order backlog and strong balance sheet, and supported by various strategic platforms and partnerships, the BP Group remains well positioned to continue pursuing growth initiatives across regional markets.

11. Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding period of the immediately preceding financial year

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

No.

(c) Date payable

Not applicable.

(d) Books closure

Not applicable.

12. If no dividend has been declared/(recommended), a statement to that effect.

No dividend has been declared/recommendeded for this period as it is not a practice for the Company to declare interim dividends.

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. Disclosures on Acquisition and Realisation of Shares pursuant to Rule 706A

The Company's joint venture company, Echo Base-BP Capital Pte. Ltd. ("Echo Base") had incorporated the entity below during 1H FY2021:

Name	: Echo Base-BP Capital (Vietnam) Pte. Ltd. ("Echo Base Vietnam")
Country of incorporation	: Singapore
Date of incorporation	: 21 July 2020
Issued and paid-up share capital	: \$2-00 divided into 2 ordinary shares
Effective percentage interest held by the Company	: 50%
Principal activity	: Investment holding company

The incorporation of Echo Base Vietnam is not expected to have any material impact on the Group's earnings per share or net tangible asset value per share for the financial year ending 31 March 2021.

15. 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 1H FY2021 financial results to be false or misleading in any material aspect.

16. Confirmation of undertakings from Directors and Executive Officers

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

On behalf of the Board of Directors

John Lim Kok Min
Chairman

Wong Yu Wei
Deputy Chairman & Executive Director

BY ORDER OF THE BOARD

Tay Chee Wah
Company Secretary
12 November 2020