

BOUSTEAD PROJECTS FINANCIAL RESULTS ANNOUNCEMENT FOR FY2021 ENDED 31 MARCH 2021

| | 2H FY2021 | 2H FY2020 | Change | FY2021 | FY2020 | Change |
|---|------------|-----------|--------|------------|-----------|--------|
| Revenue | S\$213.7m | S\$269.5m | -21% | S\$301.4m | S\$426.2m | -29% |
| Gross profit | S\$11.2m | S\$30.0m | -63% | S\$17.6m | S\$51.9m | -66% |
| Profit before income tax ("PBT") | *S\$142.7m | S\$15.2m | +841% | *S\$140.6m | S\$27.5m | +412% |
| Total profit | S\$133.9m | S\$12.5m | +972% | S\$131.6m | S\$22.1m | +495% |
| Total profit/(loss) (adjusted for comparative review)** | S\$(0.9)m | S\$12.5m | NM | S\$(3.2)m | S\$22.1m | NM |
| Profit attributable to equity holders of the Company ("net profit") | S\$133.9m | S\$12.6m | +964% | S\$131.7m | S\$22.2m | +493% |
| - Earnings per share | 43.0cts | 4.1cts | +949% | 42.3cts | 7.2cts | +488% |
| - Net asset value per share | | | | S\$1.369 | S\$0.957 | +43% |

NM – not meaningful

* Includes the BP Group's successful launch of Boustead Industrial Fund ("BIF") with a value unlocking transaction one-off gain of S\$134.8m ("BIF Value Unlocking Gain").

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

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

FY2021 Highlights:

- Total revenue for FY2021 was 29% lower year-on-year at S\$301.4 million, mainly due to lower revenue from the engineering & construction ("E&C") segment (previously known as design-and-build segment), which was heavily impacted by unprecedented COVID-19 pandemic-related costs, the Singapore Government's built environment sector advisories and measures, a gradual ramp-up in construction activities, lower productivity and lower worker availability following a prolonged closure of Singapore project sites occurring in 1H FY2021.
- Total profit for FY2021 reached a record S\$131.6 million, as a result of the successful launch of BIF, with a BIF Value Unlocking Gain of S\$134.8 million recorded following the BP Group's sale of interests in 14 leasehold properties to BIF – full disposal of 11 properties and partial disposal of equity interests in a subsidiary and two joint ventures – (collectively, the "BIF Divestment"), selected from the BP Group's portfolio of 25 leasehold properties. After adjusting for the BIF Value Unlocking Gain, there would be a total loss for FY2021 of S\$3.2 million.
- Despite the pandemic, approximately S\$178 million of new contracts were secured during FY2021, bringing the BP Group's order backlog (unrecognised project revenue remaining at the end of FY2021 plus the total value of new orders secured since then) to a healthy level of S\$351 million.
- In consideration of the BP Group's successful unlocking of value and capital recycling from BIF, the Board of Directors is proposing a final ordinary dividend of 0.9 cents per share and a special dividend of 14.5 cents per share for FY2021, subject to shareholders' approval, after taking into consideration expected capital allocation plans to fund strategic growth and the foreseeable challenging construction environment.

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SINGAPORE, 25 MAY 2021 – SGX Mainboard-listed Boustead Projects Limited (“Boustead Projects” or the “BP Group”), a leading provider of innovative real estate solutions today announced its unaudited financial results for the second-half and full-year ended 31 March 2021 (“2H FY2021” and “FY2021” respectively).

For 2H FY2021, total revenue was 21% lower year-on-year at S\$213.7 million, mainly due to lower revenue from the E&C segment (previously known as design-and-build segment), partially offset by higher revenue from the real estate segment. The E&C segment was heavily impacted by unprecedented COVID-19 pandemic-related costs, the Singapore Government’s built environment sector advisories and measures, a gradual ramp-up in construction activities, lower productivity and lower worker availability following a prolonged closure of Singapore project sites occurring in the first half of FY2021 (“1H FY2021”).

Despite this, total profit for 2H FY2021 reached a record S\$133.9 million as a result of the successful launch of BIF, with a BIF Value Unlocking Gain of S\$134.8 million recorded from the BIF Divestment, in which the BP Group sold interests in 14 leasehold properties to BIF, selected from the BP Group’s portfolio of 25 leasehold properties. After adjusting for the BIF Value Unlocking Gain, there would be a total loss for 2H FY2021 of S\$0.9 million, mainly attributable to lower profit from the E&C segment which saw unprecedented cost increases relating to the pandemic, lower margins on current projects, increased project execution costs and a lower quantum of cost savings from previously completed projects.

For FY2021, total revenue was 29% lower year-on-year at S\$301.4 million, mainly due to the same reasons mentioned earlier for 2H FY2021, in addition to at least four months of closure of Singapore project sites due to the Circuit Breaker imposed by the Singapore Government during 1H FY2021, partially offset by higher revenue from the real estate segment.

Despite this, total profit for FY2021 reached a record S\$131.6 million, mainly supported by the BIF Value Unlocking Gain. After adjusting for the BIF Value Unlocking Gain, there would be a total loss for FY2021 of S\$3.2 million.

In consideration of the BP Group’s successful unlocking of value and capital recycling from BIF, the Board of Directors is proposing a final ordinary dividend of 0.9 cents per share and a special dividend of 14.5 cents per share for FY2021, subject to shareholders’ approval, after taking into consideration expected capital allocation plans to fund strategic growth and the foreseeable challenging construction environment.

Mr Thomas Chu, Managing Director of Boustead Projects said, “It has been the most challenging year in Boustead Projects’ history since our establishment in 1996. The COVID-19 pandemic and ensuing measures greatly hampered our engineering & construction segment, which saw an unprecedented four months of closure of our Singapore project sites, elevated pandemic-related costs and significantly lower productivity following the reopening of project sites. However, the resilience of our core businesses including the better performance of the real estate segment, along with stringent cost management measures helped us to remain at a limited loss after we exclude the BIF Value Unlocking Gain. More importantly, we put in significant efforts to look after the wellbeing, health and safety of our entire team and subcontractors’ employees at our project sites.”

Mr Chu continued, “Special mention should go to our real estate team, which delivered the successful launch of Boustead Industrial Fund, leading to record profit. The strategic value of Boustead Industrial Fund should be emphasised as a transformation of our business model that now integrates the entire industrial real estate value chain, has created a flexible and ready platform to inject our pipeline of future development projects and established our new fund management business. In addition, our shareholders will continue to benefit from our leasehold properties sold to Boustead Industrial Fund through our current unitholding of 25% in Boustead Industrial Fund.”

Mr Chu concluded, “As we push forward, we expect an eventual but slow recovery of our engineering & construction segment, welcome the addition of our new fund management business led by Boustead

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Industrial Fund and have strengthened our balance sheet to weather this storm and yet, have sufficient capabilities and funding to invest in strategic growth initiatives across the region.”

At the end of FY2021, the BP Group’s financial position remained healthy with cash and cash equivalents of S\$298.0 million and total equity of S\$425.7 million, greatly boosted by the BIF Value Unlocking Gain. The BP Group’s net asset value per share climbed to S\$1.369 at the end of FY2021 from S\$0.957 at the end of FY2020, while the net cash position (cash and cash equivalents less total borrowings) jumped to S\$295.5 million from S\$10.6 million a year earlier.

The BP Group’s current order backlog (unrecognised project revenue remaining at the end of FY2021 plus the total value of new orders secured since then) stands at a healthy level of approximately S\$351 million, the bulk of which is expected to be recognised over FY2022, barring any further disruptions from the pandemic. Despite the pandemic, approximately S\$178 million of new contracts were secured during FY2021, including a significant design-and-build contract to deliver an advanced high-tech industrial facility in Penang, Malaysia. Amid the ongoing pandemic, competition is expected to remain intense and when compounded by travel restrictions, creates challenges to conduct meaningful business development activities.

The BP Group continues to face significant margin impact on its current projects due to the pandemic, with elevated pandemic-related costs, and rising construction materials and labour costs. These costs are expected to be partially mitigated by the BP Group’s cost management measures. Recent travel restrictions imposed by the Singapore Government have also further reduced the ability to bring in foreign labour from specific key sources, while the recently announced Phase 2 (Heightened Alert) has elevated potential short-term risks. Although the BP Group expects the performance of the E&C segment to eventually recover, the recovery is expected to be slow and only take place after FY2022, as the BP Group completes projects secured from before the COVID-19 pandemic at margins that do not take into account unprecedented pandemic-related costs and builds on the growth traction achieved in regional markets.

Separately under the real estate segment, the BP Group received temporary occupation permits for two of its three Singapore developments under construction, namely 351 on Braddell and Bombardier Singapore Service Centre Phase 2 during FY2021. The remaining development, Razer SEA HQ received temporary occupation permit shortly after the end of FY2021. On the leasing front, the BP Group secured new leases totalling over 53,700 square metres of net lettable area – with the likes of Zuellig Pharma, NETS, Shopee, JustCo and a Fortune 500 technology corporation – over the course of FY2021 and achieved more than two-thirds committed occupancy for 351 on Braddell and Razer SEA HQ prior to receiving temporary occupation permits. Moving forward, the BP Group expects to progressively benefit from the ongoing asset stabilisation of its key multi-tenanted/multi-user developments including ALICE@Mediapolis, 351 on Braddell, Razer SEA HQ and 6 Tampines Industrial Avenue 5. Furthermore, the BP Group has a portfolio of leasehold properties outside of BIF – most on joint venture arrangements – that has an expected total market valuation that exceeds S\$700 million and that can potentially be injected into BIF or other future property trusts to further unlock value in future years.

In view of the strong progress of the real estate segment and new fund management business balancing off the continued challenges faced by the E&C segment, the BP Group expects to remain profitable for FY2022, barring any unforeseen circumstances and further disruptions caused by the pandemic. The BP Group’s strong balance sheet has been further boosted by the BIF Value Unlocking Gain, had a record net cash level approaching S\$300 million and together with a network of strategic platforms and partnerships, has positioned the BP Group to continue pursuing growth initiatives across regional markets, along with strategic opportunities in mergers and acquisitions.

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About Boustead Projects Limited

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

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

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

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

We were also awarded the Singapore Corporate Governance Award in the Newly Listed Category at the Securities Investors Association (Singapore) Investors’ Choice Awards 2017 and are one of only 92 SGX-listed corporations on the SGX Fast Track Programme – which aims to affirm listed issuers that have been publicly recognised for high corporate governance standards and for maintaining a good compliance track record – with prioritised clearance for their corporate action submissions. 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.

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