

**BOUSTEAD SINGAPORE LIMITED**  
**AND ITS SUBSIDIARIES**



**ENGINEERING THE WORLD OF THE FUTURE**

ENERGY-RELATED ENGINEERING • REAL ESTATE SOLUTIONS • GEO-SPATIAL TECHNOLOGY

**SGXNET ANNOUNCEMENT**  
**UNAUDITED RESULTS FOR 1Q FY2019**  
**ENDED 30 JUNE 2018**



## Corporate Profile

Established in 1828, Boustead Singapore Limited (SGX:F9D) is a progressive global Infrastructure-Related Engineering Services, Geo-Spatial Technology and Healthcare Group listed on the SGX Mainboard. Focusing on the engineering and development of key infrastructure to support economic growth in global markets, our strong suite of engineering services comprises Energy-Related Engineering and Real Estate Solutions.

Under Geo-Spatial Technology, we provide professional services and exclusively distribute Esri geo-spatial technology – the world’s leading geographic information system – to major markets across Australia and parts of South East Asia. Our intelligent mapping platform and digital infrastructure are essential to create smart nations, smart cities and smart communities by solving the world’s largest problems through effective and sustainable planning, deployment and management of key infrastructure and resources.

In Healthcare, we provide niche innovative assistive technologies and transformational medical solutions that improve the daily lives of chronic disease patients in Asia, with a focus on rehabilitative care, sleep care and sports science.

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 infrastructure-related projects in 86 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 2015, we were also the winner of the Singapore Golden Jubilee Business Award, in recognition of the best 50 Singapore corporations who have achieved and contributed to Singapore’s progress and success over the past 50 years since independence. In 2017, we were ranked by FinanceAsia as Singapore’s Best Small-Cap in the annual Asia’s Best Companies Poll. We are also listed on the MSCI World Micro Cap Index, FTSE Global Small Cap Index and FTSE ST Small Cap Index.

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**Unaudited Financial Statements and Related Announcement for the First Quarter Ended 30 June 2018**

**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		
		30.6.18 \$'000	30.6.17 \$'000	Inc/(Dcr) %
<b>Revenue</b>		106,996	90,335	18%
<b>Cost of sales</b>		(65,507)	(57,384)	14%
<b>Gross profit</b>		41,489	32,951	26%
Other income	1	1,605	982	63%
Other gains/(losses) – net	2	7,857	(1,642)	NM
Expenses				
- Selling and distribution		(8,405)	(7,443)	13%
- Administrative		(16,604)	(14,930)	11%
- Finance		(412)	(483)	-15%
Share of loss of an associated company and joint ventures		(1,597)	(979)	63%
<b>Profit before income tax</b>	3	23,933	8,456	183%
Income tax expense	4	(5,866)	(2,427)	142%
<b>Total profit</b>		18,067	6,029	200%
Profit attributable to:				
Equity holders of the Company		12,208	2,945	315%
Non-controlling interests		5,859	3,084	90%
		18,067	6,029	200%

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		
	First quarter ended		
	30.6.18	30.6.17	Inc/(Dcr)
	\$'000	\$'000	%
<b>Total profit</b>	18,067	6,029	200%
<b>Other comprehensive income/(loss):</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Investment securities/Available-for-sale financial assets			
- Fair value gains	373	707	-47%
- Reclassification to profit or loss on disposal	(231)	1	NM
Currency translation differences arising from consolidation	(635)	644	NM
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Remeasurement of retirement benefit obligation, net of tax	-	14	-100%
<b>Other comprehensive (loss)/income, net of tax</b>	(493)	1,366	NM
<b>Total comprehensive income</b>	<b>17,574</b>	<b>7,395</b>	<b>138%</b>
Total comprehensive income attributable to:			
Equity holders of the Company	11,538	4,234	173%
Non-controlling interests	6,036	3,161	91%
	17,574	7,395	138%

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		
	30.6.18 \$'000	30.6.17 \$'000	Inc/(Dcr) %
<u>Note 1: Other income</u>			
Interest income	1,310	669	96%
Sublease income	295	313	-6%
	1,605	982	63%
<u>Note 2: Other gains/(losses) – net</u>			
Fair value gains on derivative financial instruments/financial assets held for trading	527	76	593%
Fair value loss on investment securities	(272)	-	NM
Gain/(Loss) on disposal of investment securities/available-for-sale financial assets	231	(1)	NM
Gain on disposal of property held for sale - net	5,890	-	NM
Currency exchange gains/(losses) – net	1,481	(1,717)	NM
	7,857	(1,642)	NM
<u>Note 3: Profit before income tax is arrived at after (charging)/crediting the following:</u>			
Depreciation expense	(2,332)	(2,534)	-8%
Gain on disposal of property, plant and equipment	2	-	NM
Employee share-based compensation expense	(131)	(209)	-37%
Amortisation of intangible assets	(53)	(55)	-4%
Allowance for impairment of receivables, net	(15)	-	NM
<u>Note 4: 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 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	
		30.6.18 \$'000	31.3.18 (Restated) \$'000	1.4.17 (Restated) \$'000	30.6.18 \$'000	31.3.18 \$'000
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		280,496	265,382	276,499	47,317	58,097
Trade receivables		118,097	98,304	100,797	-	-
Other receivables and prepayments		59,675	52,035	64,565	471	529
Financial assets held for trading		-	987	994	-	987
Loans to subsidiaries		-	-	-	21,002	19,403
Inventories		4,121	1,134	4,370	-	-
Properties held for sale		26,219	30,730	30,612	-	-
Contract assets		28,511	26,909	28,198	-	-
Investment securities		18,901	-	-	18,901	-
Available-for-sale financial assets		-	20,381	250	-	20,381
Derivative financial instruments		123	-	-	-	-
		536,143	495,862	506,285	87,691	99,397
<b>Non-current assets</b>						
Trade receivables		6,083	4,619	-	-	-
Other receivables and prepayments		3,315	3,127	6,577	-	-
Investment securities		47,396	-	-	15,801	-
Available-for-sale financial assets		-	38,565	65,903	-	17,646
Property, plant and equipment		11,888	11,830	11,699	-	-
Investment properties		128,042	128,827	134,796	-	-
Intangible assets		758	737	992	30	74
Investments in associated companies		12,000	588	-	-	-
Investments in joint ventures		38,446	37,148	32,354	-	-
Investments in subsidiaries		-	-	-	91,075	72,197
Deferred income tax assets		1,476	3,277	2,968	-	-
		249,404	228,718	255,289	106,906	89,917
<b>Total assets</b>		785,547	724,580	761,574	194,597	189,314
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Trade and other payables		199,802	176,271	181,252	2,943	1,049
Income tax payable		15,733	13,526	12,946	-	-
Loans from subsidiaries		-	-	-	51,486	48,475
Contract liabilities		16,673	12,615	20,688	-	-
Borrowings	1(b)(ii)	7,889	5,095	18,295	-	-
Derivative financial instruments		354	625	653	354	280
		240,451	208,132	233,834	54,783	49,804
<b>Non-current liabilities</b>						
Trade and other payables		6,404	5,092	6,883	-	-
Borrowings	1(b)(ii)	64,135	65,409	70,059	-	-
Pension liability		2,544	2,662	2,936	-	-
Deferred income tax liabilities		4,131	3,784	3,204	-	-
		77,214	76,947	83,082	-	-
<b>Total liabilities</b>		317,665	285,079	316,916	54,783	49,804
<b>NET ASSETS</b>		467,882	439,501	444,658	139,814	139,510
<b>EQUITY</b>						
<b>Capital and reserves attributable to equity holders of the Company</b>						
Share capital		104,555	104,555	104,555	104,555	104,555
Treasury shares		(35,285)	(35,285)	(13,048)	(35,285)	(35,285)
Other reserves		(10,464)	(9,304)	(6,811)	2,315	2,727
Retained profits		271,743	253,318	237,256	68,229	67,513
		330,549	313,284	321,952	139,814	139,510
Non-controlling interests		137,333	126,217	122,706	-	-
<b>Total equity</b>	1(d)(i)	467,882	439,501	444,658	139,814	139,510

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

Amount repayable within one year or less, or on demand

<b>As at 30.6.18 \$'000</b>		<b>As at 31.3.18 \$'000</b>	
Secured	Unsecured	Secured	Unsecured
7,889	-	5,095	-

Amount repayable after one year

<b>As at 30.6.18 \$'000</b>		<b>As at 31.3.18 \$'000</b>	
Secured	Unsecured	Secured	Unsecured
64,135	-	65,409	-

Borrowings of \$69,230,000 (31.3.18: \$70,504,000) are secured over properties held for sale and investment properties of the Group.

1.(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Consolidated Statement of Cash Flows**

	<b>GROUP</b>	
	<b>First quarter ended 30.6.18 \$'000</b>	<b>30.6.17 \$'000</b>
<b>Cash flows from operating activities</b>		
Profit before income tax	23,933	8,456
Adjustments for:		
- Share of loss of an associated company and joint ventures	1,597	979
- Depreciation expense	2,332	2,534
- Amortisation of intangible assets	53	55
- Gain on disposal of property, plant and equipment	(2)	-
- Employee share-based compensation expense	131	209
- (Gains)/Losses on disposal of investment securities/available-for-sale financial assets	(231)	1
- Fair value gains on derivative financial instruments/financial assets held for trading	(527)	(76)
- Fair value loss on investment securities	272	-
- Allowance for impairment of receivables, net	15	-
- Gain on disposal of property held for sale - net	(5,890)	-
- Finance expenses	412	483
- Interest income	(1,310)	(669)
- Unrealised currency exchange gains	103	153
	20,888	12,125
Change in working capital:		
- Trade receivables, other receivables and prepayments	(20,260)	18,097
- Inventories and contracts assets/liabilities	2,280	(17,043)
- Trade and other payables	19,742	(4,820)
- Properties held for sale	-	(44)
Cash provided by operations	22,650	8,315
Interest received	1,310	669
Interest paid	(412)	(483)
Income tax paid	(1,562)	(1,791)
<b>Net cash provided by operating activities</b>	<b>21,986</b>	<b>6,710</b>



- 1.(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Consolidated Statement of Cash Flows (cont'd)**

	<b>GROUP</b>	
	<b>First quarter ended 30.6.18 \$'000</b>	<b>30.6.17 \$'000</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of investment securities/available-for-sale financial assets	4,440	26,145
Proceeds from disposal of property, plant and equipment	2	9
Proceeds from disposal of property held for sale	10,500	-
Acquisition of a subsidiary, net of cash acquired	(15,484)	-
Purchase of available-for-sale financial assets	-	(4,373)
Purchase of property, plant and equipment	(161)	(411)
Additions to investment properties	(792)	-
Additions to intangible assets	(125)	-
Loans to joint ventures	(2,461)	(1,428)
Loan to an associated company	(1,006)	(2,247)
<b>Net cash (used in)/provided by investing activities</b>	<b>(5,087)</b>	<b>17,695</b>
<b>Cash flows from financing activities</b>		
Repurchase of treasury shares by a subsidiary	-	(222)
Repayment of borrowings	(1,274)	(1,574)
Dividends received from a joint venture	-	115
<b>Net cash used in financing activities</b>	<b>(1,274)</b>	<b>(1,681)</b>
<b>Net increase in cash and cash equivalents</b>	<b>15,625</b>	<b>22,724</b>
<b>Cash and cash equivalents</b>		
Beginning of financial period	265,382	276,499
Effects of currency translation on cash and cash equivalents	(511)	(208)
<b>End of financial period</b>	<b>280,496</b>	<b>299,015</b>

**1.(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	(-----Other reserves-----)							Retained profits \$'000	Equity attributable to equity holders of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Fair value reserve \$'000	Capital reserve \$'000	Share-based compensation reserve \$'000	Foreign currency translation reserve \$'000	Subtotal \$'000				
<b>GROUP</b>											
Balance at 31 March 2018, as previously reported	104,555	(35,285)	592	(13,065)	725	(18,515)	(30,263)	274,277	313,284	126,217	439,501
Adoption of the SFRS(I) 1	-	-	-	-	-	20,959	20,959	(20,959)	-	-	-
	104,555	(35,285)	592	(13,065)	725	2,444	(9,304)	253,318	313,284	126,217	439,501
Adoption of the SFRS(I) 9	-	-	(554)	-	-	-	(554)	6,217	5,663	5,013	10,676
Balance at 1 April 2018, as restated	104,555	(35,285)	38	(13,065)	725	2,444	(9,858)	259,535	318,947	131,230	450,177
Profit for the period	-	-	-	-	-	-	-	12,208	12,208	5,859	18,067
Other comprehensive income/(loss) for the period	-	-	142	-	-	(812)	(670)	-	(670)	177	(493)
Total other comprehensive income/(loss) for the period	-	-	142	-	-	(812)	(670)	12,208	11,538	6,036	17,574
Employee share-based compensation											
- Value of employee services	-	-	-	-	69	-	69	-	69	62	131
- Treasury shares re-issued by a subsidiary	-	-	-	187	(187)	-	-	-	-	-	-
Effect of acquisition of shares from non-controlling shareholders	-	-	-	(7)	-	2	(5)	-	(5)	5	-
Balance at 30 June 2018	104,555	(35,285)	180	(12,885)	607	1,634	(10,464)	271,743	330,549	137,333	467,882

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

	(-----Other reserves-----)										
	Share capital \$'000	Treasury shares \$'000	Fair value reserve \$'000	Capital reserve \$'000	Share-based compensation 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	Total equity \$'000
<b>GROUP</b>											
Balance at 31 March 2017, as previously reported	104,555	(13,048)	1,278	(8,781)	692	(20,959)	(27,770)	258,215	321,952	122,706	444,658
Adoption of the SFRS(I) 1	-	-	-	-	-	20,959	20,959	(20,959)	-	-	-
Balance at 1 April 2017, as restated	104,555	(13,048)	1,278	(8,781)	692	-	(6,811)	237,256	321,952	122,706	444,658
Profit for the period	-	-	-	-	-	-	-	2,945	2,945	3,084	6,029
Other comprehensive income for the period	-	-	708	-	-	567	1,275	14	1,289	-	1,289
Total other comprehensive income for the period	-	-	708	-	-	567	1,275	2,959	4,234	3,084	7,318
Employee share-based compensation											
- Treasury shares re-issued	-	126	-	206	(332)	-	(126)	-	-	-	-
- Value of employee services	-	-	-	-	209	-	209	-	209	-	209
Repurchase of shares by a subsidiary	-	-	-	-	-	-	-	-	-	(222)	(222)
Balance at 30 June 2017	104,555	(12,922)	1,986	(8,575)	569	567	(5,453)	240,215	326,395	125,568	451,963

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

	(-----Other reserves-----)							Retained profits \$'000	Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Fair value reserve \$'000	Capital reserve \$'000	Share-based compensation reserve \$'000	Subtotal \$'000			
<b>COMPANY</b>									
Balance at 31 March 2018, as previously reported	104,555	(35,285)	592	2,135	-	2,727	67,513	139,510	
Adoption of the SFRS(I) 9	-	-	(554)	-	-	(554)	554	-	
Balance at 1 April 2018, as restated	104,555	(35,285)	38	2,135	-	2,173	68,067	139,510	
Profit for the period	-	-	-	-	-	-	162	162	
Other comprehensive income for the period	-	-	142	-	-	142	-	142	
Total other comprehensive income for the period	-	-	142	-	-	142	162	304	
Balance at 30 June 2018	104,555	(35,285)	180	2,135	-	2,315	68,229	139,814	

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

	(-----Other reserves-----)							Retained profits \$'000	Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Fair value reserve \$'000	Capital reserve \$'000	Share-based compensation reserve \$'000	Subtotal \$'000			
<b>COMPANY</b>									
Balance at 1 April 2017	104,555	(13,048)	1,278	1,929	332	3,539	70,777	165,823	
Profit for the period	-	-	-	-	-	-	83	83	
Other comprehensive income for the period	-	-	708	-	-	708	-	708	
Total other comprehensive income for the period	-	-	708	-	-	708	83	791	
Employee share-based compensation - Treasury shares re-issued	-	126	-	206	(332)	(126)	-	-	
Balance at 30 June 2017	104,555	(12,922)	1,986	2,135	-	4,121	70,860	166,614	

**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 for the Company (excluding treasury shares) remained the same at 492,984,839 ordinary shares. As at 30 June 2018, there were a total of 47,446,214 (30.6.17: 18,132,614) 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.**

	<b>As at 30.6.18</b>	<b>As at 31.3.18</b>
Total number of issued shares (excluding treasury shares)	492,984,839	492,984,839

**1.(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in paragraph 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 2018.

**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.**

The Group has adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) (SFRS(I)s), on 1 April 2018 and has prepared the first set of financial information under SFRS(I)s for the quarter ended 30 June 2018.

In adopting SFRS(I)s, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International). The Group's opening balance sheet under SFRS(I)s has been prepared as at 1 April 2017, which is the Group's date of transition to SFRS(I)s.

a) Application of SFRS(I) 1

The Group has elected for the optional exemption to reset its cumulative translation differences for all foreign operations to be zero at the date of transition on 1 April 2017. As a result, cumulative translation losses of \$20,959,000 were reclassified from foreign currency translation reserve to retained profits as at 1 April 2017.

After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition.

b) Adoption of SFRS(I) 9

SFRS(I) 9 is effective for financial years beginning on or after 1 April 2018. The Group has elected to apply the short-term exemption under SFRS(I) 1, which exempts the Group from applying SFRS(I) 9 to comparative information. Accordingly, requirements of FRS 39 Financial Instruments: Recognition and Measurement will continue to apply to financial instruments up to the financial year ended 31 March 2018.

(i) Classification and measurement

The Group has assessed the business models for managing the financial assets and the contractual cash flow characteristics of the financial assets to determine the appropriate classification for each financial asset under SFRS(I) 9.

Any difference between the previous carrying amount under FRS 39 and the fair value as at 1 April 2018 has been recognised in the opening retained earnings.

(ii) Impairment of financial assets

Financial assets are subject to expected credit loss impairment model under SFRS(I) 9. The group has assessed and concluded that there is no significant impact under SFRS(I) 9.

c) Adoption of SFRS(I) 15

SFRS(I) 15 is effective for financial years beginning on or after 1 January 2018. In accordance with the requirements of SFRS(I) 1, the Group will adopt SFRS(I) 15 retrospectively. The main adjustments are as follows:

(i) Accounting for contracts with multiple performance obligations

The group has assessed the accounting for contracts to identify multiple performance obligations under the requirements of SFRS(I) 15 and concluded that there is no significant impact under SFRS(I) 15 in FY2018.

(ii) Presentation of contract assets and liabilities

The Group has changed presentation of certain amounts in the statement of financial position to reflect the terminology of SFRS(I) 15:

- Amounts due from customers arising from construction contracts and construction contract work-in-progress under FRS have been reclassified to be presented as part of contract assets.
- Amounts due to customers arising from construction contracts and progress billing for development properties under completion contract method under FRS have been reclassified to be presented as part of contract liabilities.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<b>GROUP</b>	
	<b>First quarter ended 30.6.18</b>	<b>30.6.17</b>
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 (¢)	2.5	0.6
(ii) On a fully diluted basis (¢)	2.5	0.6
Weighted average number of ordinary shares in issue:		
Basic (*)	492,984,839	522,298,439
Fully diluted basis (**)	492,984,839	522,298,439

\* 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	
	30.6.18	31.3.18	30.6.18	31.3.18
Net asset value per ordinary share based on issued shares (excluding treasury shares) as at the end of the period reported on (¢)	67.1	63.5	28.4	28.3
Number of issued shares (excluding treasury shares) as at the end of the period reported on	492,984,839	492,984,839	492,984,839	492,984,839

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

For 1Q FY2019, total revenue increased 18% year-on-year to \$107.0 million. Total profit rose 200% year-on-year to \$18.1 million and profit attributable to equity holders of the Company ("net profit") climbed 315% year-on-year to \$12.2 million, mainly supported by a combination of better operating performance and sizeable other gains.

Sizeable other gains were recorded mainly due to a completed sale of 25 Changi North Rise under the Group's separately listed Real Estate Solutions Division (under Boustead Projects Limited), along with currency exchange movements.

For a comparative review after adjusting for other gains/losses net of non-controlling interests, net profit for 1Q FY2019 would have been approximately S\$3.3 million or 72% higher year-on-year than 1Q FY2018.

## 1Q FY2019 Division Revenue

Division	Revenue		Favourable/ (Unfavourable)
	1Q FY2019	1Q FY2018	Change
	\$'m	\$'m	%
Energy-Related Engineering	19.4	18.6	+4
Real Estate Solutions	48.8	45.7	+7
Geo-Spatial Technology	*38.7	25.7	+51
	106.9	90.0	+19
HQ Activities	0.1	0.4	-75
Group Total	107.0	90.3	+18

Note: Any differences in summation are due to rounding differences.  
\* Includes change in revenue recognition in adopting SFRS(I) 15.

Each division's revenue performance for 1Q FY2019 is summarised below.

With the gradual improvement in the outlook of the global oil & gas industries, the Energy-Related Engineering Division's revenue grew 4% year-on-year to \$19.4 million. Client enquiries and major oil & gas expenditures were under more active review as compared to one year earlier.

Carrying forward a healthy order book backlog at the end of FY2018, the Real Estate Solutions Division's (under Boustead Projects) revenue rose 7% year-on-year to \$48.8 million. Higher design-and-build revenue was partially offset by lower leasing revenue.

The Geo-Spatial Technology Division lifted revenue 51% higher year-on-year to \$38.7 million. Revenue was supported by steady demand across exclusive markets in Australia and parts of South East Asia, and further boosted by a change in revenue recognition in adopting SFRS(I) 15.

### 1Q FY2019 Group Profitability

The Group's overall gross profit for 1Q FY2019 increased 26% year-on-year to \$41.5 million, with the overall gross margin improving to 39% compared to 36% in 1Q FY2018. Nonetheless, gross margin pressure exists across the Group.

Other gains for 1Q FY2019 were \$7.9 million, mainly due to the \$5.9m gain on sale of 25 Changi North Rise by Boustead Projects and currency exchange gains of \$1.5 million. This sharply contrasted with other losses for 1Q FY2018 of \$1.6 million, mainly due to currency exchange losses.

Total overhead expenses for 1Q FY2019 increased 12% year-on-year to \$25.0 million (selling and distribution expenses of \$8.4 million, and administrative expenses of \$16.6 million), in line with team expansions at the Real Estate Solutions Division and Geo-Spatial Technology Division in order to execute strategic growth plans.

Finance expenses for 1Q FY2019 declined 15% year-on-year to \$0.4 million following the scheduled repayment of borrowings by Boustead Projects in relation to the leasehold portfolio.

Share of loss of an associated company and joint ventures for 1Q FY2019 was 63% higher year-on-year at \$1.6 million, largely driven by Boustead Projects eliminating construction and project management profits attributable to projects which Boustead Projects has entered into with an associated company and joint ventures.

Profit before income tax ("PBT") for 1Q FY2019 increased 183% year-on-year to \$23.9 million, mainly supported by a combination of better operating performance with improved margins and sizeable other gains. A breakdown of PBT by divisions is provided as follows.

Division	PBT		Favourable/ (Unfavourable)
	1Q FY2019	1Q FY2018	Change
	\$'m	\$'m	%
Energy-Related Engineering	*0.4	*(2.4)	NM
Real Estate Solutions	**12.4	7.1	+76
Geo-Spatial Technology	***12.1	4.6	+163
	24.9	9.3	+168
HQ Activities	(1.0)	(0.8)	-25
Group Total	23.9	8.5	+183

Note: Any differences in summation are due to rounding differences.  
 NM – not meaningful  
 \* Includes currency exchange gains totalling \$1.4m in 1Q FY2019 and currency exchange losses totalling \$1.4m in 1Q FY2018.  
 \*\* Includes gain on sale of 25 Changi North Rise amounting to \$5.9m.  
 \*\*\* Includes change in revenue recognition in adopting SFRS(l) 15.

The PBT performance of the Energy-Related Engineering Division for 1Q FY2019 benefitted from significant currency exchange gains, resulting in broad-based profitability across all three divisions in 1Q FY2019.

Total profit for 1Q FY2019 rose 200% year-on-year to \$18.1 million due to reasons mentioned earlier. The Group's effective tax rate was 25% compared to 29% in 1Q FY2018.

Net profit for 1Q FY2019 climbed 315% year-on-year to \$12.2 million due to reasons mentioned earlier.

### 1Q FY2019 Statement of Cash Flows

During 1Q FY2019, cash and cash equivalents (after taking into account the effects of currency translation) increased by \$15.1 million to \$280.5 million, largely driven by net cash inflows for operating activities, and partially offset by net cash outflows for investing and financing activities.

Net cash inflows for operating activities amounted to \$22.0 million, after accounting for a positive change in working capital of \$1.8 million.

Net cash outflows for investing activities amounted to \$5.1 million, mainly due to \$15.5 million paid to acquire the new Healthcare Division (under WhiteRock Incorporation Pte Ltd) net of cash acquired, and partially offset by \$10.5 million in proceeds from the sale of 25 Changi North Rise by Boustead Projects.

Net cash outflows for financing activities amounted to \$1.3 million, solely for the scheduled repayment of borrowings by Boustead Projects in relation to the leasehold portfolio.

### Statement of Financial Position

At the end of 1Q FY2019, the Group's financial position remained healthy and also included the consolidated balance sheet of the new Healthcare Division.

Under assets, cash and cash equivalents increased to \$280.5 million as explained under the earlier section on 1Q FY2019 Statement of Cash Flows. Total trade receivables, other receivables and prepayments were significantly higher due to greater invoicing to clients, prepayments and the inclusion of the Healthcare Division. Similarly, the exponential rise in inventories was largely due to the Healthcare Division. Properties held for sale dropped to \$26.2 million with the sale of 25 Changi

North Rise by Boustead Projects. The exponential rise in investments in associated companies was largely due to the Healthcare Division.

Reclassifications of financial assets held for trading and available-for-sale financial assets to investment securities were due to the adoption of SFRS(I) 9 as explained earlier in Note 5.

Under liabilities, total trade and other payables were significantly higher mainly due to greater invoicing by subcontractors and suppliers, deferred revenue and the inclusion of the Healthcare Division. Total borrowings edged up with the inclusion of the Healthcare Division, partially offset by the scheduled repayment of borrowings by Boustead Projects in relation to the leasehold portfolio.

Under equity, adjustments to other reserves and retained profits were due to the adoption of SFRS(I) 1 and SFRS(I) 9 as explained earlier in Note 5.

The Group's net asset value per share strengthened to 67.1 cents at the end of 1Q FY2019 from 63.5 cents at the end of FY2018, while the net cash position (i.e. net of all bank borrowings) strengthened to \$208.5 million at the end of 1Q FY2019, translating to a net cash per share position of 42.3 cents. In addition, the Group held \$66.3 million in investment securities at the end of 1Q FY2019, of which about half 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.**

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 Group won \$69 million in contracts since the start of FY2019. The current order book backlog stands at a healthy \$304 million (unrecognised project revenue remaining at the end of 1Q FY2019 plus the total value of new orders secured since then), of which \$102 million is under the Energy-Related Engineering Division and \$202 million is under the Real Estate Solutions Division.

As mentioned in the Group's FY2018 Annual Report released in July 2018, the Group continues to see a gradual improvement in the outlook across the sectors in which the Group operates in, although the business environment still remains challenging. In addition, the newly acquired Healthcare Division, which joined the Group at the end of 1Q FY2019, will make maiden contributions in the remaining quarters of FY2019.

With a healthy balance sheet and net cash position, and wide range of financing options, the Group continues to be in an excellent position to capitalise on any good acquisition and investment opportunities that may arise.

Barring unforeseen circumstances and shifts in the global economic outlook, the Group believes that it can continue to deliver steady results in FY2019.

**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 date**

Not applicable.

**12. If no dividend has been declared/recommendeded, a statement to that effect.**

No dividend has been declared/recommendeded for this period.

**13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Company has not obtained a general mandate from shareholders for interested person transactions.

**14. 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. 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 1Q FY2019 financial results to be false or misleading.

On behalf of the Board of Directors

Wong Fong Fui  
Chairman

Wong Yu Loon  
Director

Singapore  
13 August 2018