

BOUSTEAD
Since 1828



ENGINEERING THE WORLD OF THE FUTURE

ENERGY-RELATED ENGINEERING • REAL ESTATE SOLUTIONS • GEOSPATIAL TECHNOLOGY • HEALTHCARE TECHNOLOGY

BOUSTEAD SINGAPORE LIMITED
AND ITS SUBSIDIARIES

SGXNET ANNOUNCEMENT
UNAUDITED RESULTS FOR 1Q FY2020
ENDED 30 JUNE 2019

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 economic growth in global markets, our strong suite of engineering services comprises Energy-Related Engineering and Real Estate Solutions, centred 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. Geospatial Technology provides professional services and exclusively distributes Esri's ArcGIS technology – the world's leading geographic information system and location analytics platform – to major markets across Australia and parts of South East Asia. The software creates digital infrastructure solutions that enable smart nations, smart cities and smart communities by solving the world's largest problems through effective and sustainable planning and management of key infrastructure and resources. Healthcare Technology provides niche innovative medical solutions that address age-related chronic diseases and mobility issues, with a focus on rehabilitative care, sleep 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 infrastructure-related projects in 87 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 half-century 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, FTSE Developed 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 2019

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 First quarter ended		
		30.6.19 \$'000	30.6.18 (Restated) \$'000	Inc/(Dcr) %
Revenue		129,166	88,805	45%
Cost of sales		(92,329)	(55,874)	65%
Gross profit		36,837	32,931	12%
Other income	1	1,905	1,605	19%
Other gains – net	2	739	7,857	-91%
Impairment loss on financial assets		-	(15)	-100%
Expenses				
- Selling and distribution		(9,305)	(8,179)	14%
- Administrative		(15,257)	(15,161)	1%
- Finance	3	(1,180)	(412)	186%
Share of (loss)/profit of associated companies and joint ventures		(1,177)	157	NM
Profit before income tax	4	12,562	18,783	-33%
Income tax expense	5	(3,154)	(4,223)	-25%
Total profit		9,408	14,560	-35%
Profit attributable to:				
Equity holders of the Company		6,678	9,115	-27%
Non-controlling interests		2,730	5,445	-50%
		9,408	14,560	-35%

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		
	30.6.19	30.6.18	Inc/(Dcr)
	\$'000	\$'000	%
Total profit	9,408	14,560	-35%
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	(3)	256	NM
- Reclassification to profit or loss on disposal	-	(114)	-100%
Cash flow hedges			
- Fair value losses	(8)	-	NM
Currency translation differences arising from consolidation	(1,893)	(812)	133%
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Remeasurement of retirement benefit obligation, net of tax	(4)	-	NM
Non-controlling interests' share of currency translation differences arising from consolidation	(352)	177	NM
Other comprehensive loss, net of tax	(2,260)	(493)	358%
Total comprehensive income	7,148	14,067	-49%
Total comprehensive income attributable to:			
Equity holders of the Company	4,774	8,445	-43%
Non-controlling interests	2,374	5,622	-58%
	7,148	14,067	-49%

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		
	30.6.19	30.6.18	Inc/(Dcr)
	\$'000	\$'000	%
<u>Note 1: Other income</u>			
Interest income	1,616	1,310	23%
Sublease income	289	295	-2%
	1,905	1,605	19%
<u>Note 2: Other gains – net</u>			
Fair value (losses)/gains			
- Derivative financial instruments	(156)	527	NM
- Financial assets, at FVPL	(45)	(155)	-71%
Financial assets, at FVOCI			
- Reclassification from other comprehensive income on disposal	-	114	-100%
Gain on disposal of a property	-	5,890	-100%
Currency exchange gains – net	940	1,481	-37%
	739	7,857	-91%
<u>Note 3: Finance expenses</u>			
Interest expense on borrowings	(585)	(412)	42%
Interest expense on lease liabilities	(595)	-	NM
	(1,180)	(412)	186%
<u>Note 4: Profit before income tax is arrived at after (charging)/crediting the following:</u>			
Depreciation expense	(2,353)	(2,332)	1%
Depreciation charge of rights-of-use assets	(1,204)	-	NM
Gain on disposal of property, plant and equipment	31	2	1450%
Employee share-based compensation expense	(52)	(131)	-60%
Amortisation of intangible assets	(157)	(53)	196%
Allowance for impairment of receivables, net	-	(15)	-100%
<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	
		30.6.19 \$'000	31.3.19 \$'000	30.6.19 \$'000	31.3.19 \$'000
ASSETS					
Current assets					
Cash and cash equivalents		248,350	246,861	30,815	41,179
Trade receivables		119,078	96,034	-	-
Other receivables and prepayments		66,536	67,316	377	4,791
Loans to subsidiaries		-	-	42,023	29,965
Inventories		4,649	3,568	-	-
Properties held for sale		26,635	26,670	-	-
Contract assets		48,414	103,474	-	-
Investment securities		9,765	15,811	9,765	15,811
Derivative financial instruments		301	234	-	-
		523,728	559,968	82,980	91,746
Non-current assets					
Trade receivables		11,524	11,212	-	-
Other receivables and prepayments		5,545	5,759	2,944	2,915
Contract assets		-	2,657	-	-
Investment securities		47,646	44,544	10,720	8,018
Property, plant and equipment		20,072	17,221	-	-
Rights-of-use assets		44,155	-	-	-
Investment properties**		233,910	182,118	-	-
Intangible assets		2,119	2,137	30	30
Investments in associated companies		14,171	12,875	-	-
Investments in joint ventures		42,444	40,673	-	-
Investments in subsidiaries		-	-	85,603	85,595
Deferred income tax assets		5,545	5,165	-	-
		427,131	324,361	99,297	96,558
		950,859	884,329	182,277	188,304
Total assets					
		950,859	884,329	182,277	188,304
LIABILITIES					
Current liabilities					
Trade and other payables		164,736	167,791	1,339	977
Lease liabilities		4,238	-	-	-
Income tax payable		13,913	13,133	-	-
Loans from subsidiaries		-	-	57,263	60,420
Contract liabilities		74,049	58,981	-	-
Borrowings	1(b)(ii)	29,251	67,840	-	-
Derivative financial instruments		543	303	314	272
		286,730	308,048	58,916	61,669
Non-current liabilities					
Trade and other payables		6,555	6,158	-	-
Lease liabilities		89,463	-	-	-
Contract liabilities		1,263	1,134	-	-
Borrowings	1(b)(ii)	79,028	79,757	-	-
Pension liability		2,604	2,831	-	-
Deferred income tax liabilities		4,454	4,051	-	-
		183,367	93,931	-	-
Total liabilities		470,097	401,979	58,916	61,669
NET ASSETS		480,762	482,350	123,361	126,635
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		70,758	70,758	70,758	70,758
Treasury shares		(4,033)	(1,488)	(4,033)	(1,488)
Other reserves		(8,829)	(6,955)	2,139	2,142
Retained profits		277,143	273,828	54,497	55,223
		335,039	336,143	123,361	126,635
Non-controlling interests		145,723	146,207	-	-
Total equity	1(d)(i)	480,762	482,350	123,361	126,635

** Includes rights-of-use assets of \$49.1 million in respect of land lease assets of the investment properties with the adoption of SFRS (I) 16 Leases from 1 April 2019 as set out under Note 5.

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

Amount repayable within one year or less, or on demand

As at 30.6.19 \$'000		As at 31.3.19 \$'000	
Secured	Unsecured	Secured	Unsecured
29,251	-	67,840	-

Amount repayable after one year

As at 30.6.19 \$'000		As at 31.3.19 \$'000	
Secured	Unsecured	Secured	Unsecured
79,028	-	79,757	-

Total borrowings of \$108,279,000 (31.3.19: \$147,597,000) are secured either by corporate guarantee, 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 quarter ended 30.6.19 \$'000	30.6.18 \$'000
Cash flows from operating activities		
Profit before income tax	12,562	18,783
Adjustments for:		
- Share of loss/(profit) of associated companies and joint ventures	1,177	(157)
- Elimination of share of unrealised construction and project management margins	1,328	1,754
- Depreciation expense	2,353	2,332
- Depreciation charge of rights-to-use assets	1,204	-
- Amortisation expense	157	53
- Gain on disposal of property, plant and equipment	(31)	(2)
- Employee share-based compensation expense	52	131
- Gain on disposal of investment securities	-	(114)
- Fair value losses on financial assets, at FVPL	45	155
- Allowance for impairment of receivables, net	-	15
- Gain on disposal of a property	-	(5,890)
- Finance expenses	1,180	412
- Interest income	(1,616)	(1,310)
- Unrealised currency exchange gains	10	103
	18,421	16,265
Change in working capital:		
- Trade receivables, other receivables and prepayments	(28,339)	(15,110)
- Inventories and contracts assets/liabilities	72,423	2,280
- Trade and other payables	(1,471)	19,742
- Derivative financial instruments	156	(527)
Cash provided by operations	61,190	22,650
Interest received	1,616	1,310
Interest paid	(585)	(412)
Income tax paid	(2,376)	(1,562)
Net cash provided by operating activities	59,845	21,986

- 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 quarter ended	30.6.18
	30.6.19	30.6.18
	\$'000	\$'000
Cash flows from investing activities		
Proceeds from disposal of investment securities	6,000	4,440
Proceeds from disposal of property, plant and equipment	100	2
Proceeds from disposal of a property - net	-	10,500
Acquisition of a subsidiary, net of cash acquired	-	(15,484)
Purchase of investment securities	(3,106)	-
Purchase of property, plant and equipment	(2,546)	(161)
Additions to investment properties	(4,310)	(792)
Additions to intangible assets	(145)	(125)
Loans to joint ventures	(3,711)	(2,461)
Loan to an associated company	-	(1,006)
Net cash used in by investing activities	(7,718)	(5,087)
Cash flows from financing activities		
Proceeds from borrowings	382	-
Purchase of treasury shares	(2,545)	-
Repayment of borrowings	(39,700)	(1,274)
Payment on lease liabilities	(1,322)	-
Acquisition of shares from non-controlling shareholder	(6,243)	-
Net cash used in financing activities	(49,428)	(1,274)
Net increase in cash and cash equivalents	2,699	15,625
Cash and cash equivalents		
Beginning of financial period	246,861	265,382
Effects of currency translation on cash and cash equivalents	(1,210)	(511)
End of financial period	248,350	280,496

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	Fair value reserve \$'000	Capital reserve \$'000	Share-based compensation reserve \$'000	Hedge 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
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	-	-	-	-	-	-	-	-	6,678	6,678	2,730	9,408
Other comprehensive loss for the period	-	-	(3)	-	-	(4)	(1,893)	(1,900)	(4)	(1,904)	(356)	(2,260)
Total other comprehensive income/(loss) for the period	-	-	(3)	-	-	(4)	(1,893)	(1,900)	6,674	4,774	2,374	7,148
Employee share-based compensation												
- Value of employee services	-	-	-	-	28	-	-	28	-	28	24	52
- Treasury shares re-issued by a subsidiary	-	-	-	418	(418)	-	-	-	-	-	-	-
Purchase of treasury shares	-	(2,545)	-	-	-	-	-	-	-	(2,545)	-	(2,545)
Acquisition of shares from non-controlling shareholder	-	-	-	-	-	-	(2)	(2)	(3,359)	(3,361)	(2,882)	(6,243)
Balance at 30 June 2019	70,758	(4,033)	5,775	(12,306)	264	(13)	(2,549)	(8,829)	277,143	335,039	145,723	480,762

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	Hedge 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
GROUP												
Balance at 1 April 2018	104,555	(35,285)	5,687	(13,065)	725	-	2,444	(4,209)	256,965	322,026	131,658	453,684
Profit for the period	-	-	-	-	-	-	-	-	9,115	9,115	5,445	14,560
Other comprehensive income/(loss) for the period	-	-	142	-	-	-	(812)	(670)	-	(670)	177	(493)
Total other comprehensive income/(loss) for the period	-	-	142	-	-	-	(812)	(670)	9,115	8,445	5,622	14,067
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 shareholder	-	-	-	(7)	-	-	2	(5)	-	(5)	5	-
Balance at 30 June 2018	104,555	(35,285)	5,829	(12,885)	607	-	1,634	(4,815)	266,080	330,535	137,347	467,882

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	Subtotal \$'000	Retained profits \$'000	
COMPANY								
Balance at 1 April 2019	70,758	(1,488)	7	2,135	-	2,142	55,223	126,635
Loss for the period	-	-	-	-	-	-	(726)	(726)
Other comprehensive loss for the period	-	-	(3)	-	-	(3)	-	(3)
Total other comprehensive loss for the period	-	-	(3)	-	-	(3)	(726)	(729)
Purchase of treasury shares	-	(2,545)	-	-	-	-	-	(2,545)
Balance at 30 June 2019	70,758	(4,033)	4	2,135	-	2,139	54,497	123,361

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	Subtotal \$'000	Retained profits \$'000	Total equity \$'000
COMPANY								
Balance at 1 April 2018	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)(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) decreased from 492,984,839 ordinary shares to 489,686,539 ordinary shares. This resulted from the repurchase of a total of 3,298,300 ordinary shares pursuant to the Share Buy-Back Mandate approved at the Extraordinary General Meeting of the Company held on 26 July 2018. As at 30 June 2019, there were a total of 5,298,300 (30.6.18: 47,446,214) 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 30.6.19	As at 31.3.19
Total number of issued shares (excluding treasury shares)	489,686,539	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 2019.

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.

a. Accounting for Elimination of Unrealised Gains and Losses on Transactions Between the Group and its Associated Company and Joint Ventures

With effect from the financial year ended 31 March 2019, the Group's separately listed subsidiary, Boustead Projects Limited ("BP") changed its accounting policy with respect to the elimination of unrealised gains and losses on transactions between the Group and its associated company and joint ventures. The elimination of unrealised gains and losses are made through a proportionate reduction in "revenue" and "cost of sales" on the income statement, with no impact to total profit. This change provides a straightforward approach to comprehending the Group's actual share of profit/loss of associated companies and joint ventures, and is also aligned with general industry practice.

b. Presentation for payroll-related cost directly attributable to construction projects

With effect from 1 April 2019, BP changed its presentation for payroll-related cost directly attributable to construction projects. Such payroll-related costs, 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 projects gross margin and is not expected to impact the total profit.

c. Presentation for land rent expense from leasehold properties

BP changed its presentation for land rent expenses for the prior year's comparative period. Such land rent expenses, which were previously classified under "administrative expenses" and are now classified under "cost of sales" on the income statement. This change is intended to provide a better comparison against 1Q FY2020 where such land rent expenses are represented as depreciation on the rights-of-use assets as part of "cost of sales" and interest expense on lease liabilities as part of "finance expense", in line with the adoption of SFRS(I) 16 as explained below and is not expected to impact the total profit.

For purpose of comparison, the above changes were applied retrospectively to the financial period ended 30 June 2018, with their effects on the Group's financial statements set out as follows:

Income Statement

	GROUP		
	First quarter ended		Net impact of restatement
	30.6.18 (Restated) \$'000	30.6.18 \$'000	
Revenue	88,805	98,390	(9,585)
Cost of sales	(55,874)	(62,051)	6,177
Expenses			
- Selling and distribution	(8,179)	(8,390)	211
- Administrative	(15,161)	(16,604)	1,443
Share of profit/(loss) of associated companies and joint ventures	157	(1,597)	1,754
Total profit	14,560	14,560	No impact

The Group has adopted new/revised SFRS(I) that are effective for the financial periods beginning on or after 1 April 2019.

SFRS(I) 16 Leases

SFRS(I) 16 Leases introduced a single, on-balance sheet lease accounting model for lessees. A lessee recognises a rights-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The only exceptions are short-term leases and leases of low value assets. The accounting for lessors has not changed significantly.

The Group has applied the simplified transition approach and will not restate comparative amounts for the year ended 31 March 2019.

On the date of initial adoption, ROU assets are measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to leases recognised in the balance sheet as at 31 March 2019.

Lease liabilities are measured at the present value of future lease payments. The lease payments are discounted using the incremental borrowing rate.

ROU assets relating to investment properties are presented in the balance sheet as investment properties and ROU assets relating to properties held for sale and other operating leases are presented in the balance sheet as rights-of-use assets.

Subsequent to initial recognition, ROU assets are measured using the cost model and are carried at cost less accumulated depreciation and accumulated impairment loss, if any. The carrying amount for lease liabilities subsequent to initial recognition would be reduced by lease payments.

Prior to adoption for SFRS(I) 16, lease payments relating to land rent expense were presented as administrative expenses. However, with the adoption of SFRS(1) 16, such lease payments were represented on the income statement as interest expense on lease liabilities as part of "finance expense" and depreciation on the right of use assets as part of "cost of sales".

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 quarter ended	
	30.6.19	30.6.18
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 (¢)	1.4	1.8
(ii) On a fully diluted basis (¢)	1.4	1.8
Weighted average number of ordinary shares in issue:		
Basic (*)	491,885,406	492,984,839
Fully diluted basis (**)	491,885,406	492,984,839

* 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	
	30.6.19	31.3.19	30.6.19	31.3.19
Net asset value per ordinary share based on issued shares (excluding treasury shares) as at the end of the period reported on (¢)	68.4	68.2	25.2	25.7
Number of issued shares (excluding treasury shares) as at the end of the period reported on	489,686,539	492,984,839	489,686,539	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 FY2020, revenue increased 45% year-on-year to \$129.2 million. However, total profit and profit attributable to equity holders of the Company ("net profit") decreased 35% and 27% year-on-year to \$9.4 million and \$6.7 million respectively, mainly due to gross margin pressure and the absence of sizeable other gains, whereby the previous year's comparative period benefitted from the gain on sale of 25 Changi North Rise.

For a comparative review after adjusting for other gains/losses net of non-controlling interests, net profit for 1Q FY2020 would have been 25% higher year-on-year.

1Q FY2020 Division Revenue

Division	Revenue		Favourable/ (Unfavourable)
	1Q FY2020	1Q FY2019	Change
	\$'m	\$'m	%
Energy-Related Engineering	33.0	19.4	+70
Real Estate Solutions	62.4	*39.2	+59
Geospatial Technology	30.1	30.1	+0
Healthcare Technology	3.5	-	NM
	129.1	88.7	+46
HQ Activities	0.1	0.1	+0
Group Total	129.2	88.8	+45

Note: Any differences in summation are due to rounding differences.
 NM – not meaningful
 * Includes change in accounting policy with respect to the elimination of unrealised gains and losses on transactions between Boustead Projects and its associated companies and joint ventures.

Each division's revenue performance for 1Q FY2020 is summarised below.

Riding on a better business outlook for the downstream oil & gas industries, the Energy-Related Engineering Division's revenue climbed 70% year-on-year to \$33.0 million.

Supported by a healthy order book backlog, the Real Estate Solutions Division (Boustead Projects)'s revenue grew 59% year-on-year to \$62.4 million on significantly higher design-and-build revenue.

Firm demand for geospatial technology across Australia and South East Asia allowed the Geospatial Technology Division to deliver comparable revenue year-on-year at \$30.1 million, despite facing significant currency headwinds.

The Healthcare Technology Division which the Group acquired at end of 1Q FY2019, contributed revenue of \$3.5 million.

1Q FY2020 Group Profitability

The Group's overall gross profit for 1Q FY2020 increased 12% year-on-year to \$36.8 million, although the overall gross margin softened to 29% compared to 37% in 1Q FY2019. This was mainly due to gross margin pressure felt across the Group including Boustead Projects' lower quantum of cost savings from previously completed projects. It should also be noted that Boustead Projects has changed its presentation of payroll-related costs directly attributable to construction projects resulting in the classification of portions of 'selling and distribution expenses' and 'administrative expenses' to 'cost of sales'. As mentioned in Note 5, with the adoption of SFRS(I) 16 Leases, depreciation charge of the rights-of-use assets on land lease is classified as cost of sales. Prior to adoption of SFRS(I) 16, the land rent expense is presented in 'administrative expenses'.

Other income for 1Q FY2020 climbed 19% year-on-year to \$1.9 million on the back of higher interest income. Other gains for 1Q FY2020 of \$0.7 million were small relative to 1Q FY2019 when \$7.9 million were registered as a result of higher positive currency exchange movements and the gain on sale of 25 Changi North Rise.

Overhead expenses for 1Q FY2020 edged up 5% year-on-year to \$24.6 million (selling and distribution expenses of \$9.3 million and administrative expenses of \$15.3 million), in line with team expansions at Boustead Projects and the Geospatial Technology Division, on top of factoring in the Healthcare Technology Division's overhead expenses, which was not yet accounted for in 1Q FY2019.

Finance expenses for 1Q FY2020 rose 186% year-on-year to \$1.2 million, mainly due to borrowings and also the adoption of SFRS(I) 16 Leases which resulted in interest accrued on lease liabilities amounting to \$0.6 million.

Share of loss of associated companies and joint ventures for 1Q FY2020 was \$1.2 million, largely due to Boustead Projects' depreciation and interest expenses incurred on ALICE@Mediapolis where leasing income is in the process of stabilisation.

Profit before income tax ("PBT") for 1Q FY2020 decreased 33% year-on-year to \$12.6 million, mainly due to gross margin pressure and the absence of sizeable other gains, as mentioned earlier. Overall, PBT would have been comparable year-on-year excluding the gain on the sale of 25 Changi North Rise in 1Q FY2019 for comparative review. A breakdown of PBT by divisions is provided.

Division	PBT		Favourable/ (Unfavourable)
	1Q FY2020	1Q FY2019	Change
	\$'m	\$'m	%
Energy-Related Engineering	*2.7	*0.4	+575
Real Estate Solutions	5.8	**12.4	-53
Geospatial Technology	5.9	6.5	-9
Healthcare Technology	(1.5)	-	NM
	12.9	19.3	-33
HQ Activities	(0.3)	(0.6)	+50
Group Total	12.6	18.8	-33

Note: Any differences in summation are due to rounding differences.
 NM – not meaningful
 * Includes currency exchange gains totalling \$0.9m in 1Q FY2020 and \$1.4m in 1Q FY2019.
 ** Includes gain on sale of 25 Changi North Rise amounting to \$5.9m, net of fees.

1Q FY2020 saw the Energy-Related Engineering Division's PBT make a strong recovery, while Healthcare Technology registered a loss before income tax due to orders on hand not delivered by 1Q FY2020 and a slower conversion of pipeline enquiries into firm contracts.

Total profit for 1Q FY2020 decreased 35% year-on-year to \$9.4 million due to reasons mentioned earlier. The Group's effective tax rate for 1Q FY2020 was 25% compared with 22% in 1Q FY2019, as a result of a greater proportion of total profit generated in higher corporate tax jurisdictions.

Net profit for 1Q FY2020 decreased 27% year-on-year to \$6.7 million.

1Q FY2020 Statement of Cash Flows

During 1Q FY2020, cash and cash equivalents (after taking into account the effects of currency translation) rose \$1.5 million to \$248.4 million, driven by net cash inflows from operating activities and mostly offset by net cash outflows from investing and financing activities.

Net cash inflows from operating activities amounted to \$59.8 million, after accounting for a positive change in working capital of \$42.8 million, mainly supported by Boustead Projects' completion of a sizeable project under a deferred payment arrangement.

Net cash outflows from investing activities amounted to \$7.7 million, mainly for the purchase of property, plant and equipment, additions to investment properties and loans to joint ventures.

Net cash outflows from financing activities amounted to \$49.4 million, primarily for Boustead Projects' repayment of borrowings and the Group's acquisition of non-controlling interest in upstream oil & gas subsidiary, Controls & Electrics.

Statement of Financial Position

At the end of 1Q FY2020, the Group's financial position remained healthy.

Under assets, the improvement in cash and cash equivalents was explained earlier under the explanation for 1Q FY2020 Statement of Cash Flows. Trade receivables (both current and non-current) significantly rose due to greater client progress billings in line with increased revenue. The swing from net contract assets (both current and non-current) at the end of FY2019 to net contract liabilities at the end of 1Q FY2020 was largely due to Boustead Projects' billing and completion of the sizeable project under the deferred payment arrangement.

Under non-current assets, investment properties significantly climbed, while rights-of-use assets were placed on the balance sheet after the Group adopted SFRS(I) 16 *Leases* as explained earlier in Note 5.

Under liabilities, lease liabilities (both current and non-current) were placed on the balance sheet after the Group adopted SFRS(I) 16 *Leases* as explained earlier in Note 5. Total borrowings (both current and non-current) significantly fell with Boustead Projects' repayment of borrowings in relation to the sizeable project under the deferred payment arrangement.

Under equity, treasury shares exponentially increased after the Company conducted greater share buybacks during 1Q FY2020.

The Group's net asset value per share strengthened to 68.4 cents at the end of 1Q FY2020 from 68.2 cents at the end of FY2019, while the net cash position (i.e. net of all bank borrowings) was significantly boosted to \$140.1 million at the end of 1Q FY2020, translating to a net cash per share position of 28.6 cents. In addition, the Group held \$57.4 million in investment securities at the end of 1Q FY2020, 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.

Since the start of FY2020, the Group has been awarded \$84 million in new contracts, adding to the current healthy order book backlog of \$725 million (unrecognised project revenue remaining at the end of 1Q FY2020 plus the total value of new orders secured since then), of which \$105 million is under the Energy-Related Engineering Division and \$621 million is under the Real Estate Solutions Division.

The Group continues to see a gradual improvement in the business outlook across the sectors in which the Group operates in but is cautiously optimistic on prospects in light of the current uncertainty posed by strong global geo-economic and geo-political headwinds including the trade war and multiple threats to globalisation.

Strengthened by a healthy balance sheet, net cash position, wide range of financing options and large order book backlog level, the Group maintains an excellent position to weather the highly challenging global business environment. As shared in the recently released Boustead FY2019 Annual Report, the Group is also actively working on capital deployment for the Real Estate Solutions, Geospatial Technology and Healthcare Technology Divisions' various proposed programmes for strategic growth.

Barring unforeseen circumstances, the Group believes that it can continue to deliver steady results in FY2020.

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 as it is not the Company's practice to pay quarterly 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. 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 FY2020 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 2019