BOUSTEAD PROJECTS LIMITED

AND ITS SUBSIDIARIES

SGXNET ANNOUNCEMENT

UNAUDITED RESULTS FOR 3Q FY2019

ENDED 31 DECEMBER 2018

Corporate Profile

Established in 1996, Boustead Projects Limited (SGX:AVM) is a leading industrial real estate solutions provider in Singapore, with core engineering expertise in the design-and-build and development of industrial facilities for multinational corporations and local enterprises. To date, we have constructed and developed more than 3,000,000 square metres of industrial 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 License to execute building construction contracts of unlimited value.

Our in-depth experience in designing and constructing custom-built facilities covers the aerospace, business park and commercial, food, healthcare and pharmaceutical, high-tech manufacturing, info-communications, lifestyle, logistics, oil & gas, precision engineering, research & development, technology and waste management industries. We are also a leader in pioneering advanced eco-sustainable facilities under the BCA's Green Mark Programme and the US Green Building Council's Leadership in Energy & Environmental Design (LEED) Program. In Singapore, BP E&C is one of only nine 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 11 SHARP Awards 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)'s 18th Investors' Choice Awards 2017. 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 services, geo-spatial technology and healthcare 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 Third Quarter Ended 31 December 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 Third quarter ended			GROUP 9-month period ended		
		31.12.18 $'000	31.12.17 $'000	Inc/(Dcr) %	31.12.18 $'000	31.12.17 $'000	Inc/(Dcr) %
Revenue		81,275	47,927	70%	190,578	143,702	33%
Cost of sales		(62,712)	(30,529)	105%	(136,838)	(93,229)	47%
Gross profit		18,563	17,398	7%	53,740	50,473	6%
Other income	1	1,428	855	67%	3,915	2,245	74%
Other (losses)/gains – net	2	(21)	216	NM	6,061	258	NM
Expenses							
- Selling and distribution		(1,206)	(1,195)	1%	(3,795)	(3,323)	14%
- Administrative		(6,156)	(5,975)	3%	(20,095)	(17,770)	13%
- Finance		(610)	(500)	22%	(1,566)	(1,442)	9%
Share of loss of an associated company and joint ventures	3	(2,846)	(1,168)	144%	(6,728)	(1,895)	255%
Profit before income tax	4	9,152	9,631	-5%	31,532	28,546	10%
Income tax expense	5	(2,369)	(1,618)	46%	(6,674)	(5,207)	28%
Total profit		6,783	8,013	-15%	24,858	23,339	7%
Profit attributable to equity holders of the Company		6,783	8,013	-15%	24,858	23,339	7%
		6,783	8,013	-15%	24,858	23,339	7%

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 Third quarter ended			GROUP 9-month period ended		
	31.12.18 $'000	**31.12.17 $'000**	Inc/(Dcr) %	**31.12.18 $'000**	**31.12.17 $'000**	Inc/(Dcr) %
Total profit	6,783	8,013	-15%	24,858	23,339	7%
Other comprehensive (loss)/income:						
Items that may be reclassified subsequently to profit or loss						
- Currency translation differences arising from consolidation	(17)	226	NM	(563)	517	NM
Other comprehensive (loss)/income, net of tax	(17)	226	NM	(563)	517	NM
Total comprehensive income	6,766	8,239	-18%	24,295	23,856	2%
Total comprehensive income attributable to:						
Equity holders of the Company	6,766	8,239	-18%	24,295	23,856	2%
	6,766	8,239	-18%	24,295	23,856	2%

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 Third quarter ended			GROUP 9-month period ended		
	31.12.18 $'000	**31.12.17 $'000**	Inc/(Dcr) %	**31.12.18 $'000**	**31.12.17 $'000**	Inc/(Dcr) %
Note 1: Other income						
Interest income	1,144	549	108%	3,047	1,342	127%
Sublease income	284	306	-7%	868	903	-4%
	1,428	855	67%	3,915	2,245	74%
Note 2: Other (losses)/gains – net						
Currency exchange gains – net	(21)	216	NM	171	258	-34%
Gain on disposal of property	-	-		5,890	-	NM
	(21)	216	NM	6,061	258	NM
Note 3: Share of loss of an associated company and joint ventures						
Share of (loss)/profit after income tax	(1,341)	89	NM	(1,328)	1,605	NM
Elimination of share of unrealised construction and project management margins -net	(1,505)	(1,257)	20%	(5,400)	(3,500)	54%
	(2,846)	(1,168)	144%	(6,728)	(1,895)	255%
Note 4: Profit before income tax is arrived at after charging the following:						
Depreciation expense	(1,653)	(1,658)	-0%	(4,948)	(5,018)	-1%
Employee share-based payment expense	(141)	(181)	-22%	(403)	(498)	-19%

Note 5: Income tax expense

The provision for income tax is made after taking into account non-deductible expenses, non-taxable income and temporary differences, and is based on the statutory income tax rates of the respective countries that the Group operates in.

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.

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 31.12.18 $'000	GROUP 31.3.18 (Restated) $'000	GROUP 1.4.17 (Restated) $'000	COMPANY 31.12.18 $'000	COMPANY 31.3.18 (Restated) $'000	COMPANY 1.4.17 (Restated) $'000
ASSETS							
Current assets							
Cash and cash equivalents		89,316	111,386	113,374	36,802	52,802	100,164
Properties held for sale		26,247	30,730	30,612	-	-	-
Trade receivables		61,818	59,718	64,185	8,805	15,134	43,272
Other receivables and prepayments		31,305	29,984	41,681	190,358	140,053	143,309
Contract assets		40,794	8,700	8,436	-	-	2,468
		249,480	240,518	258,288	235,965	207,989	289,213
Non-current assets							
Trade receivables		5,554	4,619	-	-	-	-
Other receivables and prepayments		2,420	2,651	6,064	-	-	-
Investment in an associated company		-	588	-	-	-	-
Investments in joint ventures		45,681	37,148	32,354	58,050	44,240	37,263
Investments in subsidiaries		-	-	-	39,620	40,022	28,282
Intangible assets		122	-	-	-	-	-
Investment and available-for-sale financial asset		31,195	20,519	20,519	31,195	20,519	20,519
Investment properties		181,708	128,827	134,796	-	-	-
Property, plant and equipment		701	780	812	-	-	506
		267,381	195,132	194,545	128,865	104,781	86,570
Total assets		516,861	435,650	452,833	364,830	312,770	375,783
LIABILITIES							
Current liabilities							
Borrowings	1(b)(ii)	69,575	5,095	18,295	30,000	-	-
Trade and other payables		101,689	95,353	106,695	74,890	73,000	167,419
Income tax payable		9,078	10,632	10,898	2,087	2,468	4,651
Contract liabilities		3,919	7,872	9,458	-	-	-
		184,261	118,952	145,346	106,977	75,468	172,070
Non-current liabilities							
Borrowings	1(b)(ii)	46,043	65,409	70,059	-	-	-
Trade payables		7,360	3,418	4,973	-	-	3,170
Deferred income tax liabilities		4,362	3,770	3,077	-	-	77
		57,765	72,597	78,109	-	-	3,247
Total liabilities		242,026	191,549	223,455	106,977	75,468	175,317
NET ASSETS		274,835	244,101	229,378	257,853	237,302	200,466
EQUITY							
Capital and reserves attributable to equity holders of the Company							
Share capital		15,000	15,000	15,000	15,000	15,000	15,000
Treasury shares		(8,244)	(8,885)	(35)	(8,244)	(8,885)	(35)
Retained profits		268,960	238,066	216,907	249,966	229,818	185,141
Other reserves		(881)	(80)	(2,494)	1,131	1,369	360
Total equity	1(d)(i)	274,835	244,101	229,378	257,853	237,302	200,466

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

Amount repayable within one year or less, or on demand

As at 31.12.18 $'000		As at 31.3.18 $'000	
Secured	Unsecured	Secured	Unsecured
39,575	30,000	5,095	-

Amount repayable after one year

As at 31.12.18 $'000		As at 31.3.18 $'000	
Secured	Unsecured	Secured	Unsecured
46,043	-	65,409	-

Total borrowings of $85,618,000 (31.3.18: $70,504,000) are secured either by banker's guarantee given in favour of the Group, or 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 Third quarter ended		GROUP 9-month period ended	
	31.12.18 $'000	**31.12.17 $'000**	**31.12.18 $'000**	**31.12.17 $'000**
Cash flows from operating activities				
Profit before income tax	9,152	9,631	31,532	28,546
Adjustments for:				
Amortisation of intangible asset	3	-	3	-
Depreciation expense	1,653	1,658	4,948	5,018
Share of loss of an associated company and joint ventures	2,846	1,168	6,728	1,895
Employee share-based compensation expense	141	181	403	498
Finance expenses	610	500	1,566	1,442
Interest income	(1,144)	(549)	(3,047)	(1,342)
Gain on disposal of a property	-	-	(5,890)	-
Currency exchange losses/(gains) – net	21	(216)	(171)	(258)
	13,282	12,373	36,072	35,799
Change in working capital:				
- Trade and other receivables	(9,898)	(15,250)	(712)	(13,323)
- Contract assets and liabilities – net	(29,897)	16,281	(36,046)	3,000
- Trade and other payables	14,319	(8,744)	9,557	(14,670)
- Properties held for sale	-	(10)	-	(55)
Cash (used in)/generated from operations	(12,194)	4,650	8,871	10,751
Interest received	1,144	549	3,047	1,342
Interest paid	(610)	(500)	(1,566)	(1,442)
Income tax paid	(2,625)	(1,856)	(7,635)	(5,004)
Net cash (used in)/provided by operating activities	(14,285)	2,843	2,717	5,647

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 Third quarter ended		GROUP 9-month period ended	
	31.12.18 $'000	31.12.17 $'000	31.12.18 $'000	31.12.17 $'000
Cash flows from investing activities				
Purchase of property, plant and equipment	(108)	(70)	(213)	(291)
Government grant received	-	-	92	-
Additions to intangible asset	-	-	(125)	-
Additions to investment property	(56,548)	-	(57,627)	-
Proceeds from disposal of a property	-	-	10,500	-
Proceeds from disposal of an available-for-sale financial asset	-	-	-	25,895
Loan to an associated company	(1,963)	(2,730)	(3,638)	(7,238)
Loans to joint ventures	(6,648)	(2,567)	(14,083)	(6,765)
Net cash (used in)/provided by investing activities	(65,267)	(5,367)	(65,094)	11,601
Cash flows from financing activities				
Repayment of borrowings	(1,962)	(1,274)	(4,266)	(3,333)
Proceeds from borrowings	38,736	-	49,380	-
Purchase of treasury shares	-	-	-	(290)
Dividends received from a joint venture	-	-	-	115
Dividends paid to equity holders of the Company	-	-	(4,640)	(7,992)
Net cash provided by/(used in) financing activities	36,774	(1,274)	40,474	(11,500)
Net (decrease)/increase in cash and cash equivalents	(42,778)	(3,798)	(21,903)	5,748
Cash and cash equivalents				
Beginning of financial period	132,087	122,939	111,386	113,374
Effects of currency translation on cash and cash equivalents	7	25	(167)	44
End of financial period	89,316	119,166	89,316	119,166

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 capitalization 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	Subtotal $'000	Total $'000
GROUP									
Balance at 31 March 2018, as previously reported under SFRS	15,000	(8,885)	239,338	(2,854)	2	1,367	133	(1,352)	244,101
Impact of adopting SFRS(I) 1	-	-	(1,272)	-	-	-	1,272	1,272	-
Impact of adopting SFRS(I) 9 on 1 April 2018	-	-	10,676	-	-	-	-	-	10,676
Balance at 1 April 2018 as restated under SFRS (I)	15,000	(8,885)	248,742	(2,854)	2	1,367	1,405	(80)	254,777
Profit for the period	-	-	18,075	-	-	-	-	-	18,075
Other comprehensive loss for the period	-	-	-	-	-	-	(546)	(546)	(546)
Total comprehensive income/(loss) for the period	-	-	18,075	-	-	-	(546)	(546)	17,529
Employee share-based compensation									
- Value of employee services	-	-	-	-	-	262	-	262	262
- Treasury shares re-issued	-	641	-	-	28	(669)	-	(641)	-
Dividends	-	-	(4,640)	-	-	-	-	-	(4,640)
Balance at 30 September 2018	15,000	(8,244)	262,177	(2,854)	30	960	859	(1,005)	267,928
Profit for the period	-	-	6,783	-	-	-	-	-	6,783
Other comprehensive loss for the period	-	-	-	-	-	-	(17)	(17)	(17)
Total comprehensive income/(loss) for the period	-	-	6,783	-	-	-	(17)	(17)	6,766
Employee share-based compensation									
- Value of employee services	-	-	-	-	-	141	-	141	141
Balance at 31 December 2018	15,000	(8,244)	268,960	(2,854)	30	1,101	842	(881)	274,835

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

	Share capital $'000	Treasury shares $'000	Retained profits $'000	(-----Other reserves----- Merger reserve $'000	Capital reserve $'000	Share-based compensation reserve $'000	Foreign currency translation reserve $'000	Subtotal $'000 -----)	Total $'000
GROUP									
Balance at 31 March 2017, as previously reported under SFRS	15,000	(35)	218,179	(2,854)	-	360	(1,272)	(3,766)	229,378
Impact of adopting SFRS(I) 1	-	-	(1,272)	-	-	-	1,272	1,272	-
Balance at 1 April 2017 as restated under SFRS (I)	15,000	(35)	216,907	(2,854)	-	360	-	(2,494)	229,378
Profit for the period	-	-	15,326	-	-	-	-	-	15,326
Other comprehensive income for the period	-	-	-	-	-	-	291	291	291
Total comprehensive income for the period	-	-	15,326	-	-	-	291	291	15,617
Purchase of treasury shares	-	(290)	-	-	-	-	-	-	(290)
Employee share-based compensation									
- Value of employee services	-	-	-	-	-	317	-	317	317
Dividends	-	-	(7,992)	-	-	-	-	-	(7,992)
Balance at 30 September 2017	15,000	(325)	224,241	(2,854)	-	677	291	(1,886)	237,030
Profit for the period	-	-	8,013	-	-	-	-	-	8,013
Other comprehensive income for the period	-	-	-	-	-	-	226	226	226
Total comprehensive income for the period	-	-	8,013	-	-	-	226	226	8,239
Employee share-based compensation									
- Value of employee services	-	-	-	-	-	181	-	181	181
- Treasury shares re-issued	-	305	-	-	2	(307)	-	(305)	-
Balance at 31 December 2017	15,000	(20)	232,254	(2,854)	2	551	517	(1,784)	245,450

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

			(----------------------Other reserves	------------------------)			
	Share capital $'000	Treasury shares $'000	Capital reserve $'000	Share-based compensation reserve $'000	Subtotal $'000	Retained profits $'000	Total $'000
COMPANY							
Balance at 31 March 2018, as previously reported under SFRS	15,000	(8,885)	2	1,367	1,369	229,818	237,302
Impact of adopting SFRS(I) 9 on 1 April 2018	-	-	-	-	-	10,676	10,676
Balance at 1 April 2018 as restated under SFRS (I)	15,000	(8,885)	2	1,367	1,369	240,494	247,978
Profit for the period	-	-	-	-	-	12,201	12,201
Profit for the period, representing total comprehensive income for the period	-	-	-	-	-	12,201	12,201
Employee share-based compensation							
- Value of employee services	-	-	-	262	262	-	262
- Treasury shares re-issued	-	641	28	(669)	(641)	-	-
Dividends	-	-	-	-	-	(4,640)	(4,640)
Balance at 30 September 2018	15,000	(8,244)	30	960	990	248,055	255,801
Profit for the period	-	-	-	-	-	1,911	1,911
Profit for the period, representing total comprehensive income for the period	-	-	-	-	-	1,911	1,911
Employee share-based compensation							
- Value of employee services	-	-	-	141	141	-	141
Balance at 31 December 2018	15,000	(8,244)	30	1,101	1,131	249,966	257,853

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

		(------------------------Other reserves----------------------)					
	Share capital $'000	Treasury shares $'000	Capital reserve $'000	Share-based compensation reserve $'000	Subtotal $'000	Retained profits $'000	Total $'000
COMPANY							
Balance at 1 April 2017	15,000	(35)	-	360	360	185,141	200,466
Profit for the period	-	-	-	-	-	7,006	7,006
Profit for the period, representing total comprehensive income for the period	-	-	-	-	-	7,006	7,006
Purchase of treasury shares	-	(290)	-	-	-	-	(290)
Employee share-based compensation							
- Value of employee services	-	-	-	317	317	-	317
Dividends	-	-	-	-	-	(7,992)	(7,992)
Balance at 30 September 2017	15,000	(325)	-	677	677	184,155	199,507
Profit for the period	-	-	-	-	-	3,604	3,604
Profit for the period, representing total comprehensive income for the period	-	-	-	-	-	3,604	3,604
Employee share-based compensation							
- Value of employee services	-	-	-	181	181	-	181
- Treasury shares re-issued	-	305	2	(307)	(305)	-	-
Balance at 31 December 2017	15,000	(20)	2	551	553	187,759	203,292

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, there was no change to the issued and paid-up capital of the Company (excluding treasury shares) of 309,706,987 ordinary shares. As at 31 December 2018, there were a total of 10,293,013 (31.12.17: 22,755) 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 31.12.18	**As at 31.3.18**
Total number of issued shares	309,706,987	308,906,145

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 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 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 Singapore Accounting Standards Council has introduced a new financial reporting framework identical to the International Financial Reporting Standards, referred to as Singapore Financial Standards (International) ("SFRS(I)"). Singapore incorporated companies listed on the SGX are required to apply the new financial reporting framework for annual periods beginning on or after 1 January 2018.

The Group and Company have adopted and issued the first set of financial information under the SFRS(I) for the period commencing on 1 April 2018. The impact of adopting the following SFRS(I)s which are effective for the financial year beginning 1 April 2018, are as follows:

SFRS(I) 1 – First-time adoption of Singapore Financial Reporting Standards (International)

The Group elected to set the cumulative translation differences for all foreign operations to zero as at the date of transition to SFRS(I) on 1 April 2017.

As a result, other reserves and retained profits as at 1 April 2017 and 31 March 2018 will be increased/reduced by $1,272,000 respectively.

SFRS(I) 9 – Financial Instruments

The Group and the Company have an investment in an unquoted equity security, previously carried at cost. Under SFRS(I) 9, the Group and the Company are required to measure the unquoted equity security at fair value.

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. As a result, investment and available-for-sale financial asset, and retained profits as at 1 April 2018 will be increased by $10,676,000.

SFRS(I) 15 – Revenue from Contracts with Customers

The Group and Company adopted SFRS(I) 15 and elected to apply the standard retrospectively.

As a result, the Group and the Company have changed the presentation of certain amounts in the balance sheets to reflect the terminology in SFRS(I) 15:

- Gross amounts due from customers for contract work-in-progress under FRS 11 have been reclassified to be presented as part of contract assets.
- Gross amounts due to customers for contract work-in-progress under FRS 11 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.**

	GROUP Third quarter ended		**GROUP 9-month period ended**	
	31.12.18	**31.12.17**	**31.12.18**	**31.12.17**
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 (¢)	2.2	2.5	8.0	7.3
(ii) On a fully diluted basis (¢)	2.2	2.5	8.0	7.3
Weighted average number of ordinary shares in issue:				
Basic	309,706,987	319,977,245	309,489,641	319,784,326
Fully diluted basis	311,495,072	320,000,000	311,495,072	320,000,000

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**	
	31.12.18	**31.3.18**	**31.12.18**	**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 ($)	0.887	0.790	0.833	0.768
Number of issued shares (excluding treasury shares) as at the end of the period reported on	309,706,987	308,906,145	309,706,987	308,906,145

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

For 3Q FY2019, total revenue was 70% higher year-on-year at $81.3 million, due to higher design-and-build revenue, partially offset by lower real estate revenue (previously known as leasing) with the lease expiry of 85 Tuas South Avenue 1 in January 2018. However, total profit was 15% lower year-on-year at $6.8 million, mainly due to slightly lower gross margins on ongoing projects, lower cost savings from projects completed previously and increase in the elimination of BP Group's share of unrealised construction and project management profits mainly from joint venture projects. Additionally, the newly completed ALICE@Mediapolis, where leasing is still in progress, has started to incur depreciation expenses.

For 9M FY2019, total revenue was 33% higher year-on-year at $190.6 million, due to higher design-and-build revenue, partially offset by lower real estate revenue with the lease expiry of 85 Tuas South Avenue 1 in January 2018. Total profit was 7% higher year-on-year at $24.9 million, partly assisted by a gain from the sale of 25 Changi North Rise but partially offset by the increase in elimination of the BP Group's share of unrealised construction and project management profits mainly from joint venture projects. Profit was also affected by the absence of a one-off gain from the BP Group's share of results from associated company, THAB Development Sdn Bhd ("THAB"), recorded in 9M FY2018.

Segment Revenue

Segment	Revenue Third quarter ended 31.12.18 $'m	Revenue Third quarter ended 31.12.17 $'m	Favourable/ (Unfavourable) Change %	Revenue 9-month period ended 31.12.18 $'m	Revenue 9-month period ended 31.12.17 $'m	Favourable/ (Unfavourable) Change %
Design-and-Build	73.8	40.0	+85	168.2	120.0	+40
Real Estate*	7.5	7.9	-6	22.4	23.7	-5
BP Group Total	81.3	47.9	+70	190.6	143.7	+33

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

* Segment previously known as 'Leasing'

3Q FY2019 Segment Revenue

Design-and-build revenue for 3Q FY2019 was 85% higher year-on-year at $73.8 million, with the healthy order book backlog carried forward at the end of FY2018 contributing to stronger revenue conversion during 3Q FY2019. In particular, there were two sizeable projects that provided significant revenue for 3Q FY2019.

Real estate revenue for 3Q FY2019 was 6% lower year-on-year at $7.5 million, mainly impacted by the lease expiry of 85 Tuas South Avenue 1 in January 2018, partially offset by development management fees from the Boustead Development Partnership.

9M FY2019 Segment Revenue

Due to the same reasons mentioned for 3Q FY2019, design-and-build revenue for 9M FY2019 was 40% higher year-on-year at $168.2 million, while real estate revenue for 9M FY2019 was 5% lower year-on-year at $22.4 million.

Group Profitability

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

	PBT Third quarter ended		Favourable/ (Unfavourable)	PBT 9-month period ended		Favourable/ (Unfavourable)
Segment	**31.12.18**	**31.12.17**	**Change**	**31.12.18**	**31.12.17**	**Change**
	$'m	**$'m**	**%**	**$'m**	**$'m**	**%**
Design-and-Build	7.7	6.0	+28	19.1	17.7	+8
Real Estate*	**1.4	3.6	-61	**6.5	10.8	-40
Sale of Building	-	-	NM	***5.9	-	NM
BP Group Total	9.2	9.6	-5	31.5	28.5	+10

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

NM – not meaningful

* Segment previously known as 'Leasing'

** Mainly affected by lease expiry of 85 Tuas South Avenue 1 and significant depreciation incurred on newly completed ALICE@Mediapolis, where leasing is in progress

*** Gain attributable to sale of 25 Changi North Rise, net of fees

3Q FY2019 Group Profitability

The BP Group's overall gross profit for 3Q FY2019 increased 7% year-on-year to $18.6 million, riding on higher design-and-build revenue. However, overall gross margin for 3Q FY2019 decreased to 23% from 36% in 3Q FY2018, due to slightly lower gross margins on ongoing projects, lower cost savings from projects completed previously and the lease expiry of 85 Tuas South Avenue 1 in January 2018. Although a new lease agreement for 85 Tuas South Avenue 1 has been signed, the property is currently undergoing additions & alterations, with rental revenue commencing at the beginning of FY2020.

Other income for 3Q FY2019 grew 67% year-on-year to $1.4 million on the back of higher interest income.

Total overhead expenses for 3Q FY2019 remained comparable at $7.4 million (selling and distribution expenses of $1.2 million and administrative expenses of $6.2 million).

Finance expenses for 3Q FY2019 increased 22% year-on-year to $0.6 million in line with the increase in borrowings during the period.

Share of loss of an associated company and joint ventures for 3Q FY2019 jumped 144% to $2.8 million and mainly represents an increase in the elimination of the BP Group's share of unrealised construction and project management profits, coupled with the depreciation incurred on the newly completed ALICE@Mediapolis where leasing is still in progress.

Total PBT for 3Q FY2019 decreased 5% year-on-year to $9.2 million, mainly due to reasons mentioned earlier.

Income tax expense for 3Q FY2019 increased 46% year-on-year to $2.4 million, on higher PBT (before accounting for share of loss of an associated company and joint ventures).

Both total profit and profit attributable to equity holders of the Company ("net profit") for 3Q FY2019 were 15% lower year-on-year at $6.8 million.

9M FY2019 Group Profitability

The BP Group's overall gross profit for 9M FY2019 increased 6% to $53.7 million. However, gross margin for 9M FY2019 decreased to 28% from 35% in 9M FY2018, mainly due to lower cost savings from projects previously completed and the lease expiry of 85 Tuas Avenue 1 in January 2018.

Other income for 9M FY2019 grew 74% year-on-year to $3.9 million on the back of higher interest income.

Other gains for 9M FY2019 climbed exponentially to $6.1 million, boosted by the sale of 25 Changi North Rise.

Total overhead expenses for 9M FY2019 rose 13% year-on-year to $23.9 million (selling and distribution expenses of $3.8 million and administrative expenses of $20.1 million), in line with investments in new capabilities under the BP Group's regional growth strategies, along with professional engineering fees.

Finance expenses for 9M FY2019 increased 9% year-on-year to $1.6 million following the increase in borrowings during the period.

Share of loss of an associated company and joint ventures for 9M FY2019 increased 255% year-on-year to $6.7 million, mainly driven by the same reasons as mentioned for 3Q FY2019, in addition to the absence of a one-off gain from the BP Group's share of results from associated company, THAB Development Sdn Bhd ("THAB"), recorded in 9M FY2018.

Total PBT for 9M FY2019 increased 10% year-on-year to $31.5 million, mainly due to reasons mentioned earlier.

Income tax expense for 9M FY2019 was 28% higher year-on-year at $6.7 million, on higher total PBT (before accounting for share of loss of an associated company and joint ventures).

Total profit and net profit for 9M FY2019 grew 7% year-on-year to $24.9 million.

Statement of Cash Flows

3Q FY2019 Cash Flows

During 3Q FY2019, cash and cash equivalents (after taking into account the effects of currency translation) decreased by $42.8 million to $89.3 million, mainly due to net cash used in operating and investing activities, offset by net cash provided by financing activities.

Net cash used in operating activities amounted to $14.3 million, with $13.3 million generated from operating cash flows before changes in working capital and a $25.5 million negative change in working capital. This negative net cash used in operating activities arose mainly from payments made to subcontractors and suppliers for a sizeable project in which the client is under a deferred payment scheme.

Net cash used in investing activities amounted to $65.3 million, mainly due to a $56.5 million payment made to the Singapore Land Authority for the land premium for the Braddell Road land purchase and additional shareholders' loans extended to joint ventures.

Net cash generated from financing activities amounted to $36.8 million, mainly due to proceeds from additional borrowings during the period to finance the Braddell Road land purchase and working capital for a project under a deferred payment scheme.

9M FY2019 Cash Flows

During 9M FY2019, cash and cash equivalents (after taking into account the effects of currency translation) decreased by $22.1 million to $89.3 million, mainly due to net cash used in investing activities partially offset by net cash provided by operating and financing activities.

Net cash provided by operating activities amounted to $2.7 million, with $36.1 million in operating cash flows before changes in working capital, partially offset by a $27.2 million negative change in working capital. This positive net cash from operating activities arose from higher cash collected from clients against payments made to subcontractors and suppliers.

Net cash used in investing activities amounted to $65.1 million due to the same reasons mentioned for 3Q FY2019, although this was partially offset by the $10.5 million in proceeds from the sale of 25 Changi North Rise.

Net cash provided by financing activities amounted to $40.5 million, mainly due to proceeds from additional borrowings during the period to finance the Braddell Road land purchase and working capital for a project under a deferred payment scheme, partially offset by the repayment of borrowings and payment of dividends to shareholders.

Balance Sheets

At the end of 9M FY2019, the BP Group's financial position remained healthy with cash and cash equivalents of $89.3 million and total equity of $274.8 million.

Under current assets, the BP Group's cash and cash equivalents decreased to $89.3 million as described earlier under the explanation for Statement of Cash Flows. Properties held for sale declined to $26.2 million with the sale of 25 Changi North Rise. Trade receivables (both current and non-current) climbed to $67.4 million due to increased progress billings made as at the end of 9M FY2019. Net contracts assets exponentially rose to $36.9 million, mainly as a result of increased work in a sizeable project under deferred payment scheme.

Under non-current assets, investments in joint ventures increased to $45.7 million with the extension of shareholders' loans to joint ventures for the development of industrial properties for lease, partially offset by the elimination of construction and project management profits attributable to projects in which the BP Group has entered into with joint ventures. Investment and available-for-sale financial asset significantly increased due to the adoption of SFRS(I) 9 as explained earlier in Note 5. Investment properties increased significantly to $181.7 million, mainly as a result of the Braddell Road land purchase.

Under liabilities, total borrowings climbed to $115.6 million, mainly as a result of additional borrowings for a project under deferred payment scheme and financing of the Braddell Road land purchase. Total trade and other payables increased to $109.0 million, mainly due to increase in billings from suppliers and progress claims from subcontractors arising from increased volume of work.

The BP Group's net asset value per share climbed to 88.7 cents at the end of 9M FY2019 from 79.0 cents at the end of FY2018. However, the BP Group moved into a net debt position (cash and cash equivalents less total borrowings) of $26.3 million at the end of 9M FY2018, after making full payment for the Braddell Road land purchase.

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 book backlog (unrecognised project revenue remaining at the end of 3Q FY2019 plus the total value of new orders secured since then) stands at a record quarterly-ending level of $679 million (3Q FY2018: $267 million). A record $615 million worth of contracts have been secured since the start of FY2019, with the majority of these secured in the second half of FY2019.

In recent months, the BP Group achieved significant milestone contract awards on several business development fronts. These include:

- 10 December 2018 – the BP Group won a $242 million contract, the largest in its history and first public sector construction project to build the JTC Multi-Storey Recycling Facility ("JTC MSRF");

- 21 December 2018 – joint venture Snakepit-BP LLP won the development contract for the iconic Razer Southeast Asia Headquarters at one-north;

- 21 December 2018 – the Boustead Development Partnership won the development contract for an aerospace facility at Seletar Aerospace Park; and

- 18 January 2019 – the BP Group won a contract worth over $200 million, the largest private sector construction project in its history to build the Surbana Jurong Campus which is designed by world-renowned, award-winning architect Mr Moshe Safdie and set to be a sprawling landmark Green Mark Platinum and Super Low Energy Building-rated development at Jurong Innovation District.

The two extremely sizeable contracts for the JTC MSRF and Surbana Jurong Campus are expected to significantly contribute to revenue and profitability in FY2020 and FY2021.

As a result of the recent success in winning the above major projects, the BP Group has reinforced its position as a market leader in the industrial real estate sector. The BP Group has invested substantially in advanced capabilities with Industry 4.0 transformation standards and market-leading methodologies including 7D building information modelling, virtual design and construction, design for manufacturing and assembly, augmented and virtual reality, drone technology and integrated digital delivery, and will continue to invest in such advanced technologies in the future. These initiatives are visibly advancing the BP Group's real estate partnership credentials with industry leaders and furthering its competitive edge.

On the real estate front, the BP Group successfully completed the Boustead Development Partnership's ALICE@Mediapolis, with approximately 60% of the property's net leasable area either committed or under advanced negotiations. Once full leasing and asset stabilization has been achieved in the future, this asset is expected to contribute to the future profitability of the BP Group.

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/recommended 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. 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 3Q FY2019 financial results to be false or misleading in any material aspect.

15. 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.

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 February 2019