



Boustead Projects Limited
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BOUSTEAD PROJECTS FINANCIAL RESULTS ANNOUNCEMENT FOR FY2015 ENDED 31 MARCH 2015

	FY2015	FY2014	Change
Revenue	S\$255.4m	S\$209.2m	+22%
Gross profit	S\$57.3m	S\$52.9m	+8%
Profit before income tax	¹ S\$33.4m	² S\$39.4m	-15%
Profit attributable to equity holders of company	³ S\$24.7m	⁴ S\$35.8m	-31%
- Earnings per share	*8.0cts	*11.0cts	-27%
- Net asset value per share	*79.0cts	*72.0cts	+10%

Note:

¹ Includes S\$0.3m of non-recurring gains and provisions

² Includes S\$5.0m of non-recurring gains and provisions

³ Includes items from Note 1 and S\$0.2m overprovision of tax

⁴ Includes items from Note 2 and S\$3.0m overprovision of tax

* Computed based on 320,000,000 shares post-sub-division

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

FY2015 Highlights:

- FY2015 revenue of S\$255.4 million was 22% higher than FY2014.
- FY2015 net profit of S\$24.7 million was 31% lower than FY2014. After adjusting for non-recurring gains/losses, provisions and income tax expense adjustments, net profit for FY2015 would be 4% lower than FY2014.
- The BP Group's order book backlog as at the end of FY2015 stood at S\$216 million. Since the beginning of FY2016, the BP Group has secured an additional S\$34 million contract.

Singapore, 26 May 2015 – Mainboard-listed Boustead Projects Limited (“Boustead Projects” or the “BP Group”), a leading specialist in real estate solutions today announced its unaudited financial results for the full-year ended 31 March 2015 (“FY2015”).

For FY2015, the BP Group achieved revenue of S\$255.4 million, 22% higher than FY2014. Profit attributable to equity holders of the company (“net profit”) was S\$24.7 million, 31% lower than FY2014. After adjusting for non-recurring gains/losses, provisions and income tax expense adjustments¹, net profit for FY2015 would be 4% lower than FY2014.

Design-and-build revenue increased to S\$228.9 million, up 22%. This was achieved through the substantial delivery of the BP Group’s largest design-and-build project (completed during FY2015), in addition to the commencement of several new projects.

Leasing revenue came in at S\$26.5 million, rising 21%. This was mainly due to the expansion of the industrial leasehold portfolio, which benefitted from the partial contribution of two design-build-and-lease projects completed during FY2015, and three other industrial leasehold properties which provided full-year rental in FY2015. The BP Group continued to focus on its ongoing strategy to expand the industrial leasehold portfolio, which will increase future recurring rental income.

The BP Group’s gross profit increased by 8% to S\$57.3 million. However, the gross profit margin fell to 22% in FY2015 from 25% in FY2014. The gross profit margin was negatively impacted by the challenging and competitive industrial real estate solutions market in Singapore, which placed additional pressure on the margins of design-and-build projects.

Profit before income tax declined by 15% to S\$33.4 million, mainly due to the absence of non-recurring gains, increase in overhead and other operating expenses, higher finance costs and negative share of results of an associate company and joint ventures.

Net profit for FY2015 declined 31% for reasons mentioned earlier and also due to significantly higher taxes, as there was an income tax overprovision adjustment of S\$3.0 million in FY2014.

Mr Thomas Chu, Managing Director of Boustead Projects said, “This is our inaugural financial results announcement following our recent listing on the Main Board of the SGX. Despite the challenging environment that we operate in, we managed to deliver a decent set of results.”

Mr Chu added, “As we move forward as a listed company, we have established certain strategic capabilities to enhance our competitive position, among them our strategic partnerships including Boustead Development Partnership, as well as our strong push into Malaysia. With our low net gearing, reasonable cash position and various financing options, we have the necessary financial resources to continue seeking out viable development and investment opportunities, especially those in relation to expanding our industrial leasehold portfolio.”

The Group’s net borrowings position stood at S\$72.2 million at the end of FY2015, resulting in a net gearing of 29%. This has taken into consideration a short-term bridging loan of S\$50.9 million to a joint venture (which is expected to be repaid by the middle of calendar year 2015).

¹ Includes: other gains/(losses) – net; provisions for share-based payment expense and listing expenses; and income tax expense adjustments

In FY2015, the BP Group secured eight contracts totalling S\$288 million in value, a record level. The BP Group's order book backlog as at the end of FY2015 stood at S\$216 million. Since the beginning of FY2016, the BP Group has secured an additional S\$34 million contract. Nonetheless, the BP Group continues to operate in a highly challenging and competitive industrial real estate market, with the expectation that the difficult business conditions of the past three years are set to continue in FY2016 and will likely have an impact on future gross margins.

The BP Group was successfully demerged from Boustead Singapore Limited, with approximately 48.8% of Boustead Projects Limited's shares distributed to Boustead Singapore Limited's entitled shareholders as a dividend *in specie*. Boustead Projects Limited was listed on the Main Board of the Singapore Exchange on 30 April 2015. Following the successful demerger, the BP Group is positioned to be more focused, quicker to react to opportunities and able to directly tap equity markets for its own capital requirements. This will enable the BP Group to be more adaptable and flexible in addressing the challenges of the industrial real estate market.

During FY2015, the BP Group also embarked on various strategic initiatives to enhance its competitive position. Firstly, the BP Group expanded into Malaysia through a joint development of a clean and green business park, iBP @ Nusajaya, as well as securing a contract from a multinational healthcare corporation for its facility at the Kulim Hi-Tech Park. Secondly, the BP Group established the Boustead Development Partnership to pursue design-build-and-lease, development and redevelopment opportunities in industrial real estate in Singapore. In March 2015, the Boustead Development Partnership secured its first two development projects in the healthcare and aerospace industries, which will expand the industrial leasehold portfolio and increase future recurring rental income.

In FY2016, the BP Group will continue to seek out development and investment opportunities either on its own or with strategic partners in Singapore, Malaysia, China and potentially other parts of South East Asia.

The BP Group believes that notwithstanding the challenging business environment, it can continue to deliver a reasonable level of profit in FY2016.

-- End of media release --

Boustead Projects Limited's admission to and listing on the Singapore Exchange Securities Trading Limited was sponsored by CIMB Bank Berhad, Singapore Branch. CIMB Bank Berhad, Singapore Branch assumes no responsibility for the contents of this announcement.

About Boustead Projects Limited

Established in 1996, Boustead Projects Limited 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, Boustead Projects has constructed and developed more than 3,000,000 square metres of industrial real estate regionally in Singapore, China, Malaysia and Vietnam. Boustead Projects is approved by the Building & Construction Authority of Singapore for Grade CW01-A1 and General Builder Class One License to execute building construction contracts of unlimited value.

Boustead Projects' in-depth experience in designing and constructing custom-built facilities covers the aviation, commercial, electronics, food processing, high-tech manufacturing, lifestyle, logistics, petrochemical, pharmaceutical, precision engineering and technology industries. It is also a leader in pioneering advanced environmentally-sustainable facilities under Green Mark and LEED. In Singapore, Boustead Projects is one of only 10 bizSAFE Mentors and also a bizSAFE Star, the highest qualification that can be attained in recognition of a company's HSE management programmes.

Boustead Projects is a 51%-owned subsidiary of Boustead Singapore Limited, a progressive global Infrastructure-Related Engineering Services and Geo-Spatial Technology Group which is separately listed on the Main Board of the Singapore Exchange.

On 30 April 2015, Boustead Projects listed on the Main Board of the Singapore Exchange.

Visit Boustead Projects at www.bousteadprojects.com.

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