



Boustead Projects Limited
(Co. Reg. No. 199603900E)

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BOUSTEAD PROJECTS FINANCIAL RESULTS ANNOUNCEMENT FOR 1Q FY2016 ENDED 30 JUNE 2015

| | 1Q FY2016 | 1Q FY2015 | Change |
|---|------------------|------------------|---------------|
| Revenue | S\$56.6m | S\$56.4m | +0% |
| Gross profit | S\$12.3m | S\$12.5m | -1% |
| Profit before income tax | *S\$6.0m | S\$7.7m | -22% |
| Total profit | *S\$4.8m | S\$6.0m | -19% |
| Profit attributable to equity holders of Company | *S\$4.8m | S\$6.0m | -19% |
| - Earnings per share | **1.5cts | **1.9cts | -21% |
| - Net asset value per share | **55.5cts | **74.0cts | -25% |

Notes:

* Includes other losses of S\$0.7m

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

Note to Editors: The Boustead Projects 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.

1Q FY2016 Highlights:

- Revenue of S\$56.6 million, comparable to 1Q FY2015.
- Net profit of S\$4.8 million was 19% lower than 1Q FY2015, mainly due to higher finance expenses. After adjusting for unrealised currency losses, net profit for 1Q FY2016 would be 7% lower than 1Q FY2015.
- The BP Group's order book backlog as at the end of 1Q FY2016 stood at S\$214 million.

Singapore, 11 August 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 first quarter ended 30 June 2015 (“1Q FY2016”).

For 1Q FY2016, the BP Group achieved revenue of S\$56.6 million, comparable to 1Q FY2015. However, profit attributable to equity holders of the Company (“net profit”) was 19% lower at S\$4.8 million, mainly due to higher finance expenses. After adjusting for other unrealised currency losses, net profit for 1Q FY2016 would be 7% lower than 1Q FY2015.

Contributing 87% of the BP Group’s total revenue in 1Q FY2016, design-and-build revenue registered at S\$49.1 million, marginally declining 2% as compared to 1Q FY2015. The higher design-and-build revenue in 1Q FY2015 was driven by significant work progress in the BP’s Group’s largest project.

Contributing 13% of the BP Group’s total revenue, leasing revenue came in at S\$7.5 million, rising 21%. This was due to the expansion of the industrial leasehold portfolio, which benefitted from the contribution of three design-build-and-lease projects completed during FY2015.

The BP Group’s gross profit decreased by a marginal 1% to S\$12.3 million. Design-and-build gross profit declined as expected in line with the challenging and competitive industrial real estate market in Singapore, which placed additional pressure on margins. However, the decrease in design-and-build gross profit was mostly cushioned by the improvement in leasing gross profit.

Profit before income tax declined by 22% to S\$6.0 million, pulled down by weaker design-and-build margins, unrealised currency exchange losses and higher finance expenses incurred for the industrial leasehold portfolio.

Net profit declined 19% to S\$4.8 million for reasons mentioned earlier. However, income tax expense was lower by 32% as compared to 1Q FY2015 because of lower profitability in 1Q FY2016 coupled with higher tax paid on unrealised intercompany profits in 1Q FY2015.

Mr Thomas Chu, Managing Director of Boustead Projects said, “As a newly listed company, we are actively exploring and reviewing our strategic capabilities to enhance our competitive position both in Singapore and overseas, especially within South East Asia. Our healthy balance sheet places us in a strong position to ride out the down cycle in the industrial real estate solutions market, as well as seize any good opportunities for expansion that arise.”

The BP Group’s net borrowings position stood at S\$81.4 million at the end of 1Q FY2016. This has taken into consideration a short-term bridging loan of S\$50.9 million extended to a joint venture in FY2015 (which was repaid after the close of 1Q FY2016).

Since the start of FY2016, the BP Group has secured two design-and-build contracts with a total value of S\$47 million. The BP Group’s order book backlog continues to be healthy at S\$214 million as at the end of 1Q FY2016 and is on par with the order book as at 31 March 2015. This represents a healthy level for future revenue conversion. Nonetheless, the BP Group continues to operate in a 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.

However, the BP Group is actively reviewing and enhancing its core capabilities to strengthen its competitive advantages, and assessing new partnerships and opportunities both locally and regionally to grow longer term businesses and profitability.

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 the Building & Construction Authority's Green Mark Programme and the U.S. Green Building Council's Leadership in Energy & Environmental Design Programme. 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 health, safety and environmental 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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