

Chairman's Message

WONG FONG FUI

**Chairman &
Group Chief Executive Officer**



Dear Fellow Shareholders,

I am pleased to present to you the **Boustead Singapore Limited FY2025 Annual Report: Steadfast Together** for the financial year ended 31 March 2025.

The year under review remained challenging, with an uncertain global economic environment fuelled by formidable geoeconomic and geopolitical headwinds. Nonetheless, the Group has together remained steadfast by delivering a set of commendable results with net profit attributable to you, our fellow shareholder, being 48% higher year-on-year at S\$95.0 million. For a comparative review, after adjusting for other gains/losses and impairments, all net of non-controlling interests, net profit would have been 8% higher year-on-year.

The Group secured approximately S\$377 million in new engineering contracts and major variations in FY2025

– more than double the figure secured in FY2024. The Geospatial Division also performed well with record-breaking revenue.

With good profitability and as a show of appreciation for shareholders' unwavering support, your Board has proposed a final ordinary dividend of 4.0 cents per share, as well as a special dividend of 2.0 cents per share, with the option for the dividends to be taken in cash and/or scrip, for shareholders' approval. This takes the total dividend proposed and paid for FY2025 to 7.5 cents per share, which is significantly higher than the 5.5 cents paid for FY2024.

FY2025 – Steadfast Together

The theme this year reflects Boustead's journey in unity and resilience during turbulent times. There is a constant need for us to adapt and remain agile, to navigate the dynamic industry landscapes of today.

A notable highlight for the year under review is the transfer of the Boustead Projects real estate asset management and fund management business to UIB, in return for a share of a regional Pan-Asian logistics and industrial platform with broader geographical diversification and an announced US\$3.5 billion (~S\$4.7 billion) in assets under management. As part of the transaction, Boustead Projects received about 20% shareholding in UIB – a platform which is expected to add value over the long-term.

Despite a drop in revenue by the Group this year, largely due to lower order backlog carried forward at the end of FY2024 for both the Real Estate Solutions Division and Energy Engineering Division, not only has the Group delivered robust profit margins, but also pulled together to secure S\$377 million in new engineering contracts and major variations – double the figure secured in FY2024.

An Agile Group with Four Business Divisions

Although global inflation has stabilised and interest rates have eased slightly, the global landscape continues to remain highly uncertain and volatile, plagued by intensification in geopolitical conflicts and tariff wars. Market analysts have cautioned that the US could face inflationary pressures due to higher tariffs, while indicators point to potentially slower growth in China. Elevated geopolitical tensions and a protectionist trading environment threaten global manufacturing supply chains and may cause energy market disruptions which would impact the core businesses of our Group.

The Geospatial Division delivered another record-breaking revenue that was 4% higher year-on-year at S\$221.4 million, surpassing last year's record of crossing the S\$200 million-mark for the first time. Operating profit was 28% higher year-on-year at S\$51.9 million. This year, we made good progress in expansion of the business in the emerging markets of Malaysia and Indonesia, which continue to carry vast growth potential. Retaining and attracting the right talent continues to be one of our primary focuses, in ensuring that the division realises its full growth potential.

With a significantly lower order backlog carried forward from FY2024, revenue for the Real Estate Solutions Division (Boustead Projects) declined significantly by 64% year-on-year to S\$134.3 million. However, operating profit was 117% higher year-on-year at S\$37.8 million, due to a one-off S\$29.0 million gain on the non-cash transfer of the Boustead Projects real estate asset management and fund management business to UIB, in exchange for shareholding in UIB. With increasing competition and escalating costs in the industrial real estate sector, we continue to explore opportunities and partnerships such as UIB, which hold much potential in further value unlocking for the business on the horizon.

The Group is also heartened to have secured two sizeable design-and-build contracts towards the end of FY2025, which brought the division's order backlog to healthier levels than the previous year.

At the Energy Engineering Division, despite a global drive for energy security, revenue and operating profit were 9% and 14% lower year-on-year at S\$158.9 million and S\$26.8 million respectively, on a lower order backlog carried forward at the end of FY2024. In 1H FY2025, there was a tapering of global energy prices and order intake remained muted due to unfavourable market demand for projects, which carried into 2H FY2025, albeit with moderate business activity, particularly for long-cycle capital projects. Backed by a healthy order backlog, the division remains focused on exploring the diversification of its products and sectors, including contributing to the continued energy transition, in delivering complementary products and technology.

For the Healthcare Division, the past year under review saw an improvement in the performance of BMEC, which operates in Singapore, Malaysia and Thailand. BMEC reported an operating profit of S\$0.7 million, improving from a loss of S\$0.2 million a year ago. However, our 50%-owned associate in China, Beijing Pukang, which was acquired in 2018, incurred significant losses this year. This is due to new government policies which restrict the imports of foreign medical devices and equipment used in public hospitals. Our share of the loss in Beijing Pukang was S\$2.0 million, resulting in an overall loss of S\$1.3 million for the division. As mentioned during our FY2024 annual general meeting, management continues to hold a long-term view of this business and notes that it may take a considerably longer time for this division to provide meaningful contributions to the Group.

Navigating Sustainability and Climate Issues

Progressing our longevity and sustainability journey, which began

in FY2018, we have commenced disclosing climate-related requirements under the IFRS S2 Climate-Related Disclosures issued by the International Sustainability Standards Board. In FY2025, we completed our climate scenario analyses and emissions measurements for the three remaining business divisions, having commenced with the Real Estate Solutions Division in the last financial year. We are not ready to commit to net-zero targets at this point in time, as we are still assessing the way forward that is pragmatic and feasible.

The Boustead Way remains our enduring compass, guiding the Group steadfastly and paving the way forward in today's ever-evolving world. While the future is uncertain, what is certain is the spirit that defines us – one of tenacity and pride in excellence. It is this spirit, embodied by Boustead Men and Women across all divisions, that has seen us through past trials and will continue to propel us forward.

A Word of Appreciation

I would like to extend my heartfelt gratitude to our management and team across the world for their invaluable contributions. Boustead is built on the strength of our people, and it is because of their passion and dedication that we have been able to overcome adversity together as a Group. I also wish to express my appreciation to our Board of Directors for their guidance, which continues to steer us towards even greater heights.

A special thank you to our key stakeholders – clients, business partners, associates, bankers, suppliers, government agencies and you, our valued shareholders – for your continued trust and support. I look forward to engaging with you at our upcoming Annual General Meeting.

May you and your loved ones enjoy good health and peace. Thank you once again for partnering with us in our pursuit of business with a greater purpose.

Wong Fong Fui

Chairman &
Group Chief Executive Officer