

BOUSTEAD FINANCIAL RESULTS ANNOUNCEMENT FOR FY2021 ENDED 31 MARCH 2021

	2H FY2021	2H FY2020	Change	FY2021	FY2020	Change
Revenue	S\$396.0m	S\$434.5m	-9%	S\$685.7m	S\$726.6m	-6%
Gross profit	S\$87.0m	S\$96.1m	-9%	S\$173.6m	S\$167.2m	+4%
Profit before income tax ("PBT")	*S\$172.5m	S\$38.2m	+351%	*S\$204.3m	S\$63.0m	+224%
Total profit after income tax but before non-controlling interests	S\$156.1m	S\$26.2m	+496%	S\$178.9m	S\$44.5m	+302%
Profit attributable to equity holders of the Company ("net profit")	S\$91.3m	S\$18.5m	+394%	S\$113.1m	S\$30.9m	+266%
Net profit (adjusted for comparative review)**	S\$19.5m	S\$22.7m	-14%	S\$44.6m	S\$36.4m	+23%
- Earnings per share	18.8cts	3.8cts	+395%	23.3cts	6.3cts	+270%
- Net asset value per share				92.3cts	70.3cts	+31%

* Includes the Real Estate Division (Boustead Projects)'s successful launch of Boustead Industrial Fund ("BIF") with a value unlocking transaction one-off gain of S\$134.8m ("BIF Value Unlocking Gain").

** For comparative review, the net profit is adjusted for other gains/losses net of non-controlling interests (includes the BIF Value Unlocking Gain), one-off net gain from the sale of the water business, impairment losses, a one-off legal settlement and payouts received from the Singapore Government's Jobs Support Scheme ("JSS").

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

Key Milestones:

- Record annual net profit surpassing S\$100 million for the first time since listing.
- Record annual cash dividend of 8 cents per share.

FY2021 Highlights:

- Overall revenue for FY2021 was 6% lower year-on-year at S\$685.7 million, with the largest impact of the COVID-19 pandemic felt on the revenue performance of the Real Estate Division (Boustead Projects), although this was mostly buffered by significantly positive revenue performances at the Energy Engineering Division and Geospatial Division.
- Despite the decline in overall revenue, total profit after tax but before non-controlling interests and net profit for FY2021 set new records and were 302% and 266% higher year-on-year at S\$178.9 million and S\$113.1 million respectively, greatly boosted by better profitability across the Real Estate Division (Boustead Projects), Energy Engineering Division and Geospatial Division, especially from the BIF Value Unlocking Gain.
- For comparative review, after adjusting for other gains/losses net of non-controlling interests (mostly the BIF Value Unlocking Gain), one-off net gain from the sale of the water business, impairment losses, one-off legal settlements by Boustead Projects and payouts received from the JSS net of non-controlling interests, net profit for FY2021 would have been 23% higher year-on-year.
- The Group's current order backlog of S\$447 million (unrecognised project revenue remaining at the end of FY2021 plus the total value of new orders secured since then) remains moderately healthy although lower compared to S\$775 million disclosed in the FY2020 financial results announcement. In addition, the Geospatial Division had S\$69 million in deferred services backlog remaining at the end of FY2021.
- The Board of Directors has proposed a final ordinary dividend of 3 cents per share and a special dividend of 4 cents per share, for shareholders' approval. Taken along with the interim ordinary dividend of 1 cent per share already paid, the total dividend paid and proposed for FY2021 is 8 cents per share, compared to 3 cents per share for FY2020.

SINGAPORE, 27 MAY 2021 – SGX Mainboard-listed Boustead Singapore Limited (“Boustead” or the “Group”), a progressive global infrastructure-related engineering and technology group today announced its unaudited financial results for the second half and full-year ended 31 March 2021 (“2H FY2021” and “FY2021” respectively).

For 2H FY2021, overall revenue was 9% lower year-on-year at S\$396.0 million, with the largest impact of the COVID-19 pandemic felt on the revenue performance of the Real Estate Division (Boustead Projects), although this was mostly buffered by significantly positive revenue performances at the Energy Engineering Division and Geospatial Division. Despite the decline in overall revenue, total profit after tax but before non-controlling interests and net profit for 2H FY2021 were 496% and 394% higher year-on-year at S\$156.1 million and S\$91.3 million respectively, greatly boosted by better profitability across the Real Estate Division (Boustead Projects), Energy Engineering Division and Geospatial Division, especially from Boustead Projects’ successful launch of BIF. The BIF Value Unlocking Gain amounted to S\$134.8 million and was recorded following Boustead Projects’ sale of interests in 14 leasehold properties to BIF – full disposal of 11 properties and partial disposal of equity interests in a subsidiary and two joint ventures – selected from Boustead Projects’ portfolio of 25 leasehold properties.

For FY2021, overall revenue was 6% lower year-on-year at S\$685.7 million, mainly due to the same reasons mentioned earlier for 2H FY2021. Despite the decline in overall revenue, total profit after tax but before non-controlling interests and net profit for FY2021 set new records – surpassing the S\$100 million mark for the first time – and were 302% and 266% higher year-on-year at S\$178.9 million and S\$113.1 million respectively, due to the same reasons mentioned earlier for 2H FY2021, especially from the BIF Value Unlocking Gain.

For comparative review, after adjusting for other gains/losses net of non-controlling interests (mostly the BIF Value Unlocking Gain), one-off net gain from the sale of the water business, impairment losses, one-off legal settlements by Boustead Projects and payouts received from the JSS net of non-controlling interests, net profit for FY2021 would have been 23% higher year-on-year.

In light of the BIF Value Unlocking Gain and subsequent special dividend proposed by the Boustead Projects Board, along with the Group’s improved profitability from core businesses and strong cash position, the Board of Directors has proposed a final ordinary dividend of 3 cents per share and a special dividend of 4 cents per share, for shareholders’ approval. Taken along with the interim ordinary dividend of 1 cent per share already paid, the total dividend paid and proposed for FY2021 is 8 cents per share, compared to 3 cents per share for FY2020.

Mr Wong Fong Fui, Chairman and Group Chief Executive Officer of Boustead said, “We resiliently weathered a challenging global landscape in FY2021, breaking several records along the way including revenue records at our Energy Engineering Division and Geospatial Division, and profit records for the Boustead Group, Real Estate Division and Geospatial Division. With astute leadership, hard work behind the scenes and some good fortune, our divisions entered FY2021 with sizeable order backlogs that helped to generate reasonable levels of revenue.”

Mr Wong added, “While facing the most challenging period in our history at Boustead Projects, the team successfully launched the Boustead Industrial Fund, our maiden property trust which has helped to transform Boustead Projects’ business model and integrate all parts of the industrial real estate value chain. The value unlocked by Boustead Industrial Fund was highly anticipated by shareholders at both Boustead Singapore and Boustead Projects but came at a time when most would have expected further delays, a strong indication of the quality of the team. Acknowledgement also should go to our teams at the Energy Engineering Division, Geospatial Division and Boustead Projects for credible performances under difficult conditions.”

Mr Wong concluded, “We entered FY2022 with a moderately healthy but much lower order backlog and expect the COVID-19 pandemic to continue to pose severe uncertainties in the short-term. Following Boustead Industrial Fund, we have strengthened our already healthy balance sheet and net cash position, and with a moderately healthy order backlog and wide range of available financing options, maintain a stable position to weather the highly challenging global landscape. We will continue to

review and apply strict cost management measures and a cautious, prudent and risk-managed approach to capital allocation decisions. Even though Boustead Projects will unlock further value with the Boustead Industrial Fund at a much slower pace and spread out over a number of years in the future and even with the additional impact of the ongoing pandemic on business development activities, we expect to remain profitable for FY2022.”

Supported by a record order backlog carried over from the end of FY2020, the Energy Engineering Division displayed a resilient revenue performance for FY2021 – in contrast to the general downturn in the global oil & gas industries – to achieve record revenue that was 37% higher year-on-year at S\$198.4 million. This accounted for only nine months of revenue from the water business under the division, as the water business was sold in December 2020.

Significantly impacted by the pandemic and four months of closure of Singapore project sites, gradual phased resumption of construction activities in the built environment sector and lower productivity due to stricter safe management measures and lack of worker availability, the Real Estate Division (Boustead Projects)’s revenue was 29% lower year-on-year at S\$301.4 million. The impact was highly visible on engineering & construction segment (formerly known as design-and-build segment) revenue, partially mitigated by better real estate segment revenue.

New enterprise agreements and firm demand for geospatial technology and smart mapping capabilities across Australia and South East Asia underpinned the Geospatial Division’s record revenue performance, which was 24% higher year-on-year at S\$170.4 million and extended the division’s revenue record-breaking streak to the fourth successive year.

Partially impacted by the pandemic, the Healthcare Division’s revenue was 16% lower year-on-year at S\$15.2 million, with most clients focusing more attention towards addressing the pandemic, resulting in delays in orders and the provision of services in rehabilitation.

The Group’s overall gross profit for FY2021 increased 4% year-on-year to S\$173.6 million, with the overall gross margin strengthening to 25% compared to 23% in FY2020. Nonetheless, Boustead Projects faced unprecedented gross margin pressure after suffering at least four months of delay per Singapore project, compounded by unprecedented pandemic-related costs and a lower quantum of cost savings from previously completed projects.

PBT for FY2021 climbed 224% year-on-year to S\$204.3 million, mainly attributable to the BIF Value Unlocking Gain, better overall gross margins, effective cost management measures, lower impairment losses, lower finance expenses, share of profit of associated companies and joint ventures, and payouts received from the JSS, as mentioned earlier.

Except for the Healthcare Division, PBT for FY2021 across all of the other divisions saw significant improvements, led by the Energy Engineering Division’s and Geospatial Division’s stronger core business performances and the Real Estate Division (Boustead Projects)’s BIF Value Unlocking Gain.

The Group’s net asset value per share rose to 92.3 cents at the end of FY2021 from 70.3 cents at the end of FY2020. The net cash position (i.e. net of all bank borrowings) was boosted to S\$472.8 million at the end of FY2021, translating to a net cash per share position of 97.7 cents. In addition, the Group held S\$38.0 million in investment securities at the end of FY2021, of which about 20% of the amount is highly liquid.

In FY2021, the Group had been awarded approximately S\$230 million in new contracts, with extremely challenging conditions and global travel restrictions, making it difficult to conduct meaningful business development activities. The current order backlog of S\$447 million (unrecognised project revenue remaining at the end of FY2021 plus the total value of new orders secured since then) – of which S\$96 million is under the Energy Engineering Division and S\$351 million is under the Real Estate Division – remains moderately healthy although significantly lower compared to S\$775 million disclosed in the FY2020 financial results announcement. In addition, the Geospatial Division had S\$69 million in deferred services backlog remaining at the end of FY2021.

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About Boustead Singapore Limited

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 sustainable shared socio-economic growth in global markets, our strong suite of engineering services under our Energy Engineering Division and Real Estate Division centres on energy infrastructure and smart, eco-sustainable and future-ready business park and industrial developments.

In addition, we provide technology-driven transformative solutions to improve quality of life for all walks of life. Our Geospatial Division provides professional services and exclusively distributes Esri ArcGIS technology – the world's leading geographic information system, smart mapping and location analytics platform – to major markets in the Asia Pacific including Australia, Singapore, Malaysia and Indonesia. The software creates digital infrastructure solutions and digital twins that enable smart nations, smart cities and smart communities to solve the world's most complex problems through effective and sustainable improvement of human wellbeing and ecosystems, and planning and management of key infrastructure and resources. Our Healthcare Division provides innovative medical solutions that address niche age-related chronic diseases and mobility issues, with a focus on rehabilitative 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 projects in 90 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 2017, we were ranked by FinanceAsia as Singapore's Best Small-Cap in the annual Asia's Best Companies Poll. In 2019, we were awarded the Most Transparent Company in the Industrials Category and Sustainability Award (Runner-Up) in the Mid Cap Category by the Securities Investors Association (Singapore). For the second successive year in 2021, we were ranked among Singapore's Best Employers, at 40th overall and 1st under our respective category of Business Services & Supplies (including Real Estate) in an evaluation encompassing 1,700 large corporations. We are also listed on the MSCI World Micro Cap Index, FTSE Global Small Cap Index, FTSE Developed Small Cap Index and FTSE ST Industrials Index.

Visit us at www.boustead.sg.

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