



Boustead Singapore Limited
(Co. Reg. No. 197501036K)

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BOUSTEAD FINANCIAL RESULTS ANNOUNCEMENT FOR 2Q FY2020 ENDED 30 SEPTEMBER 2019

	2Q FY2020	2Q FY2019 (Restated)	Change	1H FY2020	1H FY2019 (Restated)	Change
Revenue	S\$162.9m	*S\$112.9m	+44%	S\$292.1m	*S\$201.7m	+45%
Gross profit	S\$37.6m	*S\$37.3m	+1%	S\$74.4m	*S\$70.2m	+6%
Profit before income tax ("PBT")	S\$12.2m	S\$15.7m	-22%	S\$24.8m	S\$34.5m	-28%
Total profit	S\$8.9m	S\$11.2m	-21%	S\$18.3m	S\$25.7m	-29%
Profit attributable to equity holders of the Company ("net profit")	S\$5.7m	S\$6.9m	-17%	S\$12.4m	S\$16.0m	-22%
Net profit (adjusted for comparative review)**	S\$5.8m	S\$7.1m	-18%	S\$11.7m	S\$11.9m	-2%
- Earnings per share	1.2cts	1.4cts	-14%	2.5cts	3.2cts	-22%
- Net asset value per share				67.5cts	68.2cts	-1%

Notes:

* Restated following a change in the Group's separately listed subsidiary, Boustead Projects Limited ("BP")'s accounting policy in FY2019, in which the elimination of unrealised gains and losses on transactions between the BP Group and its associated companies and joint ventures are now made through a proportionate reduction in 'revenue' and 'cost of sales' on the income statement, with no impact to total profit. Payroll-related costs directly attributable to construction projects and land rent expenses incurred on leasehold properties are now also classified under 'cost of sales'.

** Net profit adjusted for other gains/losses net of non-controlling interests and excluding the impairment loss on financial assets for comparative review.

Note to Editors: The Group's revenue is largely derived from project-oriented businesses 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.

2Q/1H FY2020 Highlights:

- For 2Q FY2020, revenue increased 44% year-on-year to S\$162.9 million. However, total profit and net profit decreased 21% and 17% year-on-year to S\$8.9 million and S\$5.7 million respectively, mainly due to gross margin pressure, higher administrative and finance expenses, share of loss of associated companies and joint ventures, impairment loss on financial assets and foreseeable losses from the water and wastewater engineering business and legacy mini-power plant projects.
- For 1H FY2020, revenue increased 45% year-on-year to S\$292.1 million. However, total profit and net profit decreased 29% and 22% year-on-year to S\$18.3 million and S\$12.4 million respectively, mainly due to the same reasons mentioned for 2Q FY2020, in addition to the absence of the gain on sale of 25 Changi North Rise registered in the previous comparative 1Q FY2019.
- For a comparative review after adjusting for other gains/losses net of non-controlling interests and excluding the impairment loss on financial assets, net profit for 1H FY2020 would have been comparable year-on-year.
- Healthy order book backlog of S\$789 million.
- An interim cash dividend of 1 cent per share has been declared, matching the interim dividend of the previous year.

Singapore, 13 November 2019 – 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 quarter and half-year ended 30 September 2019 (“2Q FY2020” and “1H FY2020” respectively).

For 2Q FY2020, revenue increased 44% year-on-year to S\$162.9 million. However, total profit and net profit decreased 21% and 17% year-on-year to S\$8.9 million and S\$5.7 million respectively, mainly due to gross margin pressure, higher administrative and finance expenses, share of loss of associated companies and joint ventures, impairment loss on financial assets and foreseeable losses from the water and wastewater engineering business and legacy mini-power plant projects.

For 1H FY2020, revenue increased 45% year-on-year to S\$292.1 million. However, total profit and net profit decreased 29% and 22% year-on-year to S\$18.3 million and S\$12.4 million respectively, mainly due to the same reasons mentioned for 2Q FY2020, in addition to the absence of the gain on sale of 25 Changi North Rise registered in the previous comparative 1Q FY2019.

For a comparative review after adjusting for other gains/losses net of non-controlling interests and excluding the impairment loss on financial assets, net profit for 1H FY2020 would have been comparable year-on-year.

As the Group delivered steady profitability from its core businesses and maintained a healthy cash position, the Board of Directors has declared an interim cash dividend of 1 cent per share, matching the interim dividend of the previous year.

Mr Wong Fong Fui, Chairman and Group Chief Executive Officer of Boustead said, “We achieved healthy, relatively broad-based topline growth in 2Q FY2020, led by our Energy-Related Engineering Division which benefitted from the better business outlook for the downstream oil & gas industries, and our Real Estate Solutions Division which has been sustained by a healthy order book backlog.”

Mr Wong added, “We continue to see gross margin pressure across our divisions. On our prospects, we remain cautiously optimistic in light of the prevailing uncertainty posed by strong global geo-economic and geo-political headwinds, not least the trade war. Positively, our order book backlog and financial position are healthy, allowing us to focus attention towards capital deployment for our various strategic growth programmes.”

Continuing to ride on the better business outlook for the downstream oil & gas industries, the Energy-Related Engineering Division’s revenue grew 40% year-on-year to S\$32.8 million.

Sustained by a healthy order book backlog, the Real Estate Solutions Division (Boustead Projects)’s revenue climbed 71% year-on-year to S\$94.3 million on significantly higher design-and-build revenue.

Firm demand for geospatial technology across Australia and South East Asia allowed the Geospatial Technology Division to deliver comparable revenue year-on-year of S\$30.7 million, despite facing strong currency headwinds.

The Healthcare Technology Division’s revenue improved 38% year-on-year to S\$5.1 million.

PBT for 2Q FY2020 decreased 22% year-on-year to S\$12.2 million, mainly due to gross margin pressure, higher administrative and finance expenses, share of loss of associated companies and joint ventures, impairment loss on financial assets and foreseeable losses from the water and wastewater engineering business and legacy mini-power plant projects.

Continued PBT growth in the Energy-Related Engineering Division was driven by the better performance of the downstream oil & gas business and currency exchange gains, although this was partially offset by the weaker performance of the water and wastewater treatment business and the mini-power plant business.

The Real Estate Solutions Division's PBT (under Boustead Projects) was mainly affected by lower gross margins from ongoing projects and a lower quantum of cost savings from previously completed projects.

The Group's net asset value per share decreased to 67.5 cents at the end of 1H FY2020 from 68.2 cents at the end of FY2019, following dividends paid to shareholders and non-controlling interests, the allotment of new shares pursuant to the Scrip Dividend Scheme and the purchase of treasury shares. The net cash position (i.e. net of all bank borrowings) was significantly boosted to S\$195.8 million at the end of 1H FY2020, translating to a net cash per share position of 39.9 cents. In addition, the Group held S\$53.9 million in investment securities at the end of 1H FY2020, of which almost half of the amount is highly liquid.

Since the start of FY2020, the Group has been awarded approximately S\$245 million in new contracts, adding to the current healthy order book backlog of S\$789 million (unrecognised project revenue remaining at the end of 2Q FY2020 plus the total value of new orders secured since then), of which S\$209 million is under the Energy-Related Engineering Division and S\$580 million is under the Real Estate Solutions Division.

Barring unforeseen circumstances, the Group believes that it can continue to deliver steady results in FY2020.

-- End of media release --

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 economic growth in global markets, our strong suite of engineering services comprises Energy-Related Engineering and Real Estate Solutions, centred on energy infrastructure and smart eco-sustainable business park and industrial developments.

In addition, we provide technology-driven transformative solutions to improve quality of life for all walks of life. Geospatial Technology provides professional services and exclusively distributes Esri's ArcGIS technology – the world's leading geographic information system and location analytics platform – to major markets across Australia and parts of South East Asia. The software creates digital infrastructure solutions that enable smart nations, smart cities and smart communities by solving the world's largest problems through effective and sustainable planning and management of key infrastructure and resources. Healthcare Technology provides niche innovative medical solutions that address age-related chronic diseases and mobility issues, with a focus on rehabilitative care, sleep 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 infrastructure-related projects in 89 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). We are also listed on the MSCI World Micro Cap Index, FTSE Global Small Cap Index, FTSE Developed Small Cap Index and FTSE ST Small Cap Index.

Visit us at www.boustead.sg.

Financial Results Archive

To access the archive of financial results for the last five financial years, please go to: www.boustead.sg/investor_centre/quarterly_results.asp.

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