



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

	4Q FY2015	4Q FY2014	Change	FY2015	FY2014	Change
Revenue	S\$122.3m	S\$142.0m	-14%	S\$556.4m	S\$513.7m	+8%
Gross profit	S\$52.2m	S\$48.6m	+7%	S\$186.2m	S\$175.4m	+6%
Profit before income tax	S\$24.0m	S\$30.9m	-22%	¹ S\$89.0m	² S\$90.6m	-2%
Profit attributable to equity holders of company	S\$17.9m	S\$25.5m	-30%	³ S\$63.3m	⁴ S\$70.7m	-10%
- Earnings per share	3.4cts	5.0cts	-32%	12.3cts	13.9cts	-12%
- Net asset value per share				73.0cts	68.4cts	+7%

Note:

¹ Includes S\$2.1m of non-recurring gains and provisions

² Includes S\$7.4m of non-recurring gains and provisions

³ Includes items from Note 1 and S\$1.1m overprovision of tax

⁴ Includes items from Note 2 and S\$2.7m overprovision of tax

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's performance. Full-year to full-year comparisons are more appropriate for analytical purposes.

FY2015 Highlights:

- FY2015 revenue of S\$556.4 million was 8% higher than FY2014 and the Group's second highest level on record.
- FY2015 net profit of S\$63.3 million was 10% lower than FY2014. After adjusting for non-recurring gains, provisions and income tax expense adjustments, net profit for FY2015 would be a marginal 3% higher than FY2014.
- The Group's order book backlog currently stands at S\$388 million.
- The Board has proposed a final dividend of 2 cents per share. Total dividend for FY2015 of approximately 19.5 cents per share is the Group's highest on record.

Singapore, 26 May 2015 – Mainboard-listed Boustead Singapore Limited (“Boustead” or the “Group”), a progressive global infrastructure-related engineering services and geo-spatial technology group today announced its unaudited financial results for the fourth quarter and full-year ended 31 March 2015 (“4Q FY2015” and “FY2015” respectively).

For FY2015, the Group achieved revenue of S\$556.4 million, 8% higher than FY2014 and also the Group’s second highest level on record. Net profit registered at S\$63.3 million, 10% lower than FY2014. After adjusting for non-recurring gains, provisions and income tax expense adjustments, net profit for FY2015 would be a marginal 3% higher than FY2014.

In view of the Group’s continued sturdy profit performance and healthy cash position, the Board of Directors has proposed a final dividend of 2 cents per share for shareholders’ approval. Together with the interim dividend of 2 cents per share and the dividend *in specie* of Boustead Projects Limited’s shares equivalent to approximately 15.5 cents per share distributed earlier, the total dividend for FY2015 would be approximately 19.5 cents per share and is the Group’s highest on record.

Mr Wong Fong Fui, Chairman and Group Chief Executive Officer of Boustead said, “We delivered a respectable level of profit in FY2015, despite the uncertainties posed by the global economic environment. However, I would like to caution that FY2016 could prove to be even more challenging, given the sustained slump in global crude oil prices which has significantly delayed some sizeable contract awards to the Energy-Related Engineering Division and significantly reduced our order book backlog in the oil & gas engineering division.”

Mr Wong added, “On the flip side of things, our healthy balance sheet and net cash position puts us in good stead to ride out the challenging business environment, as we seek to build up our Group through capturing interesting opportunities as long as the fundamentals and valuations are right.”

The Energy-Related Engineering Division managed its second highest revenue performance at S\$190.3 million, down 4% from FY2014’s record revenue. This was attained despite the weak business environment in the global oil & gas industries, which has persisted since 2Q FY2015 and resulted in a slow depletion of the division’s order book backlog as FY2015 progressed.

For the eighth consecutive financial year, the Real Estate Solutions Division (i.e. Boustead Projects Limited) topped the revenue contributors among the divisions. Revenue climbed to S\$255.4 million, up 22% on the recognition of more design-and-build revenue. The division also continued to focus on its ongoing strategy to expand the industrial leasehold portfolio, which will increase future recurring rental income.

Although the Geo-Spatial Technology Division was impacted by currency headwinds, revenue rose 3% to S\$110.6 million, marking the division’s second highest revenue performance. Demand remained firm across Australia and South East Asia.

The Group’s gross profit increased 6% to S\$186.2 million, while the gross profit margin dipped marginally to 33% in FY2015 from 34% in FY2014. Notwithstanding the above, the Group continued to operate in highly challenging business environments.

Net profit for FY2015 declined 10% for reasons mentioned earlier and also due to greater contribution of profits from operations in jurisdictions with higher tax rates. The effective tax rate was 25% in FY2015 versus 18% in FY2014.

The Group's net cash position (i.e. net of all bank borrowings) stood at S\$73.6 million at the end of FY2015, translating to a net cash per share position of 14.1 cents. It should be noted that the Real Estate Solutions Division had loaned S\$58.4 million to a joint venture (which had been substantially repaid after FY2015 ended). In addition, the Group maintained S\$77.5 million in available-for-sale investments at the end of FY2015.

In FY2015, the Group secured new contracts approaching approximately S\$393 million. The Group's order book backlog of approximately S\$388 million, including S\$250 million for the Real Estate Solutions Division (as at the end of FY2015 plus new orders since then) remains relatively healthy. However, the Group continues to stay cautious on its business prospects given the current headwinds which the Group faces in the global oil & gas and industrial real estate solutions markets. With the ongoing slump in global crude oil prices, the Group expects continued delays in the award of sizeable contracts, which will have a significant negative impact on the Energy-Related Engineering Division in FY2016. In addition, the highly challenging business environment is also likely to affect future gross margins although the Group has put in place cost management measures to partially mitigate this.

The Real Estate Solutions Division (i.e. Boustead Projects Limited) was successfully demerged with approximately 48.8% of Boustead Projects Limited's shares distributed as a dividend *in specie*. Boustead Projects Limited was listed on the Main Board of the Singapore Exchange on 30 April 2015. Boustead continues to hold approximately 51.2% of Boustead Projects Limited.

Since the Group's last update in respect of receiving a positive judgment on its legal case related to Libya and the subsequent appeal filed by Arab Banking Corporation (B.S.C.), the Group's legal advisors have continued to confirm the strength of the Group's case. Further announcements will be made by the Group as and when there are any additional material developments.

While the Group believes it will continue to be profitable in FY2016, the level of profit is unlikely to match that of FY2015 due mainly to the impact of the downturn in the oil & gas industries.

-- End of media release --

About Boustead Singapore Limited

Established in 1828, Boustead Singapore Limited is a progressive global Infrastructure-Related Engineering Services and Geo-Spatial Technology Group listed on the Singapore Exchange. Focusing on the engineering and development of key infrastructure supporting economic growth in the public and private sectors of emerging markets, our strong suite of Engineering Services comprises: Energy-Related Engineering and Real Estate Solutions.

Under our Geo-Spatial Technology arm, we provide professional services and exclusively distribute Esri geo-spatial technology – the world’s leading geographic information systems – to major markets across Australia and South East Asia. Our location intelligence solutions are essential to effectively plan, deploy and manage key infrastructure and resources in countries.

With a vast global network stretching across Asia, Australia, Europe, Africa and the Americas, Boustead is ready to serve the world. To date, Boustead has undertaken infrastructure-related projects in 84 countries globally.

In 2008 and 2009, Boustead was 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. Boustead is also listed on the MSCI Global Small Cap Index for Singapore and the 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 >> financial information >> quarterly results.

Contact Information

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