



Boustead Singapore Limited
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Media Release



BOUSTEAD FINANCIAL RESULTS ANNOUNCEMENT FOR FY2008 ENDED 31 MARCH 2008

**Sixth consecutive year of record-breaking performance
Net profit increases 46.1%**

	FY2008	FY2007	Change
Revenue	S\$438.3m	S\$343.9m	+27.5%
Gross profit	S\$135.7m	S\$117.2m	+15.8%
Profit before tax	S\$75.7m	S\$54.0m	+40.3%
Net profit attributable to shareholders	S\$51.5m	S\$35.2m	+46.1%
- Earnings per share	20.1cts	13.9cts	+44.6%
- Net asset value per share	64.0cts	53.0cts	+20.8%

FY2008 Highlights:

- The Group achieved revenue of S\$438.3 million and net profit of S\$51.5 million, an increase of 27.5% and 46.1% respectively, marking six consecutive years of continued revenue and net profit growth. Three out of four operating divisions achieved record revenue.
- Energy-related engineering revenue grew 5.1% to S\$137.2 million.
- Real estate solutions revenue rose 54.9% to S\$193.3 million.
- Geo-spatial technology revenue increased 8.7% to S\$67.8 million.
- The Group order book remains healthy at S\$500 million and is expected to grow further.
- The balance sheet continues to strengthen with the net cash position increasing to S\$150.8 million in FY2008 from S\$100.7 million in FY2007.
- The Directors have proposed a final tax-exempt cash dividend of 5.0 cents per ordinary share and a special tax-exempt cash dividend of 2.0 cents per ordinary share. Including the interim cash dividend for FY2008 of 3.0 cents per ordinary share, this represents a 53.8% increase over the gross cash dividend declared and paid for FY2007.

Singapore, 28 May 2008 – 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 financial year ended 31 March 2008.

In its sixth consecutive year of record-breaking revenue and net profit, the Group achieved revenue of S\$438.3 million and net profit attributable to shareholders of S\$51.5 million, an increase of 27.5% and 46.1% respectively.

Based on the record achievements of FY2008 and in conjunction with the celebration of Boustead’s 180th Anniversary this year, the Directors have proposed a final tax-exempt cash dividend of 5.0 cents per ordinary share and a special tax-exempt cash dividend of 2.0 cents per ordinary share. Including the interim cash dividend for FY2008 of 3.0 cents per ordinary share, this represents a 53.8% increase over the gross cash dividend declared and paid for FY2007.

Amid the buoyant environment and strong global demand to construct key infrastructure in developing nations, three of the Group’s four divisions enjoyed record revenue performances.

The energy-related engineering division improved on its previous year’s revenue milestone by 5.1%, with revenue reaching S\$137.2 million. The division’s downstream and upstream oil & gas business units enjoyed a year of managed growth. However, the solid waste energy recovery business unit had a mediocre year as it concentrated its efforts on restructuring to consolidate the newly-acquired Australian business with the existing Indonesian business. A significantly larger quantity of small to medium value contracts were secured worldwide. With global oil prices reaching unprecedented levels in recent months, the division should continue to perform well in this environment supported by heavy investment in downstream and upstream oil & gas infrastructure.

Despite experiencing strong revenue growth of 50.8% to S\$35.9 million in FY2008, the water & wastewater engineering division did not achieve a turnaround. This was expected by management as mentioned in 1H FY2008. The division faced severe setbacks in two major projects. However, there were some bright spots in FY2008 such as the securing of several industrial water and wastewater treatment plants for the power industry including a sizeable contract from Toshiba, the world’s largest power plant engineering corporation. The division hopes to achieve turnaround in FY2009 with the validation of an R&D initiative at a full-scale textile plant in China and the strengthening of its business development efforts in the key markets of North Africa and the Middle East.

The real estate solutions division was the star performer in FY2008 and continued its strong performance, contributing S\$193.3 million in revenue, up 54.9%. Stripping out the sale of two industrial leasehold properties in FY2008, comparative revenue from core turnkey design and build activities grew by S\$57.3 million, an increase of 58.9%. The division will continue to capitalise on the strong fundamental support for the industrial real estate market in Singapore and concurrently expand its regional presence in China and Vietnam.

In Libya, the real estate solutions division had negligible revenue recognition from the new township at Al Marj in FY2008. The project is on schedule and will contribute significantly to revenue and net profit in FY2009.

Geo-spatial technology revenue grew at a steady pace of 8.7% to S\$67.8 million. In FY2009, the revenue mix will continue to change to provide a greater percentage of professional services and hence, reduce the skewed reliance on standard exclusive

distribution services, so as to improve gross margins further and shift into higher value-added services.

Mr Wong Fong Fui, Chairman and Group Chief Executive Officer of Boustead said, "We are certainly pleased that the Group has achieved six consecutive years of record-breaking revenue and net profit. Over the six-year period, we attained a very respectable compounded annual growth rate of approximately 35%. However, we are not resting on our laurels. I assure you that our very capable leaders and teams worldwide are already working towards a seventh consecutive year of record-breaking achievements."

"Although three of our four divisions are performing well, we are still greatly disappointed that we have not managed to turnaround the water & wastewater engineering division," added Mr Wong. "We have spent a great deal of energy focusing on this division and we will continue to do so until this division achieves profitability. We believe that our efforts will be rewarded in the not too distant future."

The Group further strengthened its balance sheet by increasing its net cash position to S\$150.8 million in FY2008 from S\$100.7 million, up 49.8%.

Mr Wong elaborated, "So far, our recent record achievements have been attained mostly through organic growth. I must admit that we have done well on that basis but in order to achieve a quantum leap, it is important that we continue to explore the M&A opportunities out there. Not many people realise what an excellent position Boustead is in at the moment. With a net cash position of S\$150.8 million and with the turmoil caused by the subprime issue in the US, we have the financial resources to potentially make things happen at the right time and at the right value."

With a current order book exceeding \$500 million, the Group is poised to improve on its record financial performance achieved in FY2008, although performance will vary from quarter to quarter given the nature of the Group's businesses.

2008 also marks Boustead's 180th Anniversary, a monumental milestone in the long history of Boustead and Singapore. During the month of July 2008, Boustead will showcase its achievements and contributions to the economic and social development of Singapore over 180 years, a feat that will not be easily replicated by most of today's global corporations.

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 developing nations, our strong suite of Engineering Services comprises:

- Energy-Related Engineering;
 - Oil & Gas/Petrochemicals;
 - Solid Waste Energy Recovery;
- Water & Wastewater Engineering;
- Real Estate Solutions;
 - Industrial Real Estate Solutions; and
 - New Township.

Under our Geo-Spatial Technology arm, we provide professional services and exclusively distribute ESRI geo-spatial technology – the world's leading geographic information systems and location intelligence solutions – 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. Boustead has undertaken infrastructure-related projects in 73 countries globally.

Visit us at www.boustead.sg.

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