



Boustead Singapore Limited
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BOUSTEAD FINANCIAL RESULTS ANNOUNCEMENT FOR FY2016 ENDED 31 MARCH 2016

	4Q FY2016	4Q FY2015	Change	FY2016	FY2015	Change
Revenue	S\$112.5m	S\$122.3m	-8%	S\$486.7m	S\$556.4m	-13%
Gross profit	S\$31.1m	S\$52.2m	-40%	S\$150.6m	S\$186.2m	-19%
Profit before income tax	¹ S\$10.6m	² S\$24.0m	-56%	¹ S\$56.5m	² S\$89.0m	-36%
Total profit	¹ S\$7.2m	² S\$18.6m	-61%	¹ S\$41.1m	² S\$66.3m	-38%
Profit attributable to equity holders of Company ("net profit")	S\$4.1m	S\$17.9m	-77%	S\$28.2m	S\$63.3m	-55%
Net profit (adjusted for comparative review)*	S\$1.5m	S\$11.4m	-87%	S\$28.0 m	S\$44.8 m	-38%
- Earnings per share	0.8cts	3.4cts	-76%	5.4cts	12.3cts	-56%
- Net asset value per share				**58.3cts	73.0cts	-20%

Notes:

¹ Includes other gains of S\$2.6m and S\$0.3m for 4Q FY2016 and FY2016 respectively.

² Includes other gains of S\$2.7m and S\$6.4m for 4Q FY2015 and FY2015 respectively.

* Net profit for 4Q FY2015 and FY2015 have been adjusted to reflect 48.8% demerger of Boustead Projects Limited and other gains and losses for comparative review

** Lower net asset value per share due to dividend *in specie* of Boustead Projects Limited's shares and dividends paid to shareholders

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.

FY2016 Highlights:

- FY2016 revenue of S\$486.7 million was 13% lower than FY2015.
- FY2016 net profit of S\$28.2 million was 55% lower than FY2015. For comparative review, if net profit for FY2015 (pre-demerger) had been adjusted to take into account the demerger and other gains and losses, then FY2016 net profit would be 38% lower year-on-year.
- The Group's order book backlog (at the end of FY2016 plus new orders since) stands at S\$323 million.
- The Board has proposed a final ordinary dividend of 2 cents per share. Together with the interim ordinary dividend paid of 1 cent per share, the total ordinary dividend for FY2016 would be 3 cents per share.

Singapore, 24 May 2016 – 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 2016 (“4Q FY2016” and “FY2016” respectively).

For FY2016, the Group registered revenue of S\$486.7 million, total profit of S\$41.1 million and net profit of S\$28.2 million. On a year-on-year basis, these were 13%, 38% and 55% lower respectively.

The greater percentage decrease in net profit versus total profit is due to the demerger of Boustead Projects Limited (“Boustead Projects”), in which approximately 48.8% of Boustead Projects’ shares were distributed as a dividend *in specie* on 30 April 2015, resulting in a significant rise in profit attributable to non-controlling interests. For comparative review, if net profit for FY2015 (pre-demerger) had been adjusted to take into account the demerger and other gains and losses, then FY2016 net profit would be 38% lower year-on-year.

In view of the Group’s continued profit performance and healthy cash position, the Board proposed a final ordinary dividend of 2 cents per share for shareholders’ approval. Together with the interim ordinary dividend paid of 1 cent per share, the total ordinary dividend for FY2016 would be 3 cents per share.

Mr Wong Fong Fui, Chairman and Group Chief Executive Officer of Boustead said, “We continue to weather the storm, especially in the face of the most unprecedented challenges that the global oil & gas industries have witnessed in recent times. Nonetheless, all three divisions continued to deliver profitability both for the fourth quarter and full-year, albeit at lower levels. With our healthy balance sheet, significantly improved net cash position of S\$165.6 million and untapped S\$500 million MTN programme, we will be able to navigate through this storm and hopefully, bottom-fish along the way.”

At the Energy-Related Engineering Division, the heavily depressed state of the global oil & gas industries led to a sharp 33% year-on-year fall in revenue to S\$128.0 million. Global oil & gas corporations continued to cut back significantly on capital expenditures and investments across all parts of the value chain.

The Real Estate Solutions Division (i.e. Boustead Projects) delivered revenue of S\$255.5 million, comparable to FY2015. The slight decrease in design-and-build revenue was compensated for with an increase in leasing revenue from an enlarged industrial leasehold portfolio.

At the Geo-Spatial Technology Division, revenue declined 7% year-on-year to S\$103.0 million, mainly due to significant depreciation of the division’s local operating currencies against USD. Nonetheless, demand remained firm for the division’s products and services across its exclusive markets in Australia and South East Asia.

Arising from the erosion of the Group’s gross margin from 33% in FY2015 to 31% in FY2016, the Group’s gross profit decreased 19% year-on-year to S\$150.6 million. Gross margin pressure came from the challenging macro-economic environment and foreign exchange rate movements.

Profit before income tax (“PBT”) decreased 36% year-on-year to S\$56.5 million, largely due to significantly weaker profit contribution from the Energy-Related Engineering Division, an absence of other gains, higher finance expenses and the Real Estate Solutions Division’s share of loss of associated companies and joint ventures.

Total profit decreased 38% year-on-year for reasons mentioned earlier.

At the end of FY2016, the Group's financial position remained healthy.

The Group's net cash position (i.e. net of all bank borrowings) stood at a significantly improved S\$165.6 million at the end of FY2016, translating to a net cash per share position of 31.7 cents. In addition, the Group maintained S\$76.1 million in available-for-sale financial assets and financial assets held for trading at the end of FY2016, of which about half of the amount is highly liquid.

In FY2016, the Group secured new contracts of approximately S\$284 million. The Group's order book backlog (as at the end of FY2016 plus new orders since) stands at S\$323 million, of which S\$115 million is under the Energy-Related Engineering Division and S\$208 million is under the Real Estate Solutions Division.

With greater uncertainty posed by the current macro-economic environment compounded by headwinds within the Group's respective industries, the Group expects its short-term performance to be less positive. Challenging conditions in the global oil & gas industries and Singapore's industrial real estate sector are set to persist throughout FY2017. This would likely affect gross margins at the Energy-Related Engineering Division and Real Estate Solutions Division. In addition, should USD strengthen further against most of the Group's local operating currencies in the future, there could be additional negative impact on gross margins at the Geo-Spatial Technology Division.

While the Group believes it will continue to be profitable in FY2017, the level of profit may not match that of FY2016 due to the current macro-economic environment.

The Group continues to search for M&A and investment opportunities across its divisions in related business fields, as well as in potential new business fields. Given the Group's significantly improved net cash position and untapped S\$500 million multi-currency medium-term note programme, the Group is in an excellent position to capitalise on any good acquisition and investment opportunities that may arise, especially in a situation where the global economy takes a significant downturn.

On 22 April 2016, the long-running legal battle with Arab Banking Corporation (B.S.C.) ("ABC") in relation to the Group's project in Libya reached a conclusion when the Court of Appeal rejected ABC's appeal and found ABC to have "acted fraudulently, in the reckless manner, in making the demand". The Court of Appeal placed a permanent injunction against the payment of Boustead's guarantees, thereby finally and conclusively discharging Boustead from US\$18.8 million in contingent liabilities to ABC.

-- 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 SGX. 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 85 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. In 2015, Boustead was also a winner of the Singapore Golden Jubilee Business Award, in recognition of the best 50 Singapore corporations who have achieved and contributed to Singapore's progress and success over the past 50 years since independence. 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.

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