

BOUSTEAD PROJECTS LIMITED
AND ITS SUBSIDIARIES

**SINGAPORE'S LEADING INNOVATOR IN
INDUSTRIAL REAL ESTATE SOLUTIONS**

SGXNET ANNOUNCEMENT
UNAUDITED RESULTS FOR 2Q FY2016
ENDED 30 SEPTEMBER 2015



Corporate Profile

Established in 1996, Boustead Projects Limited is a leading industrial real estate solutions provider in Singapore, with core engineering expertise in the design-and-build, and development of industrial facilities for multinational corporations and local enterprises. To date, Boustead Projects has constructed and developed more than 3,000,000 square metres of industrial real estate regionally in Singapore, China, Malaysia and Vietnam. Boustead Projects is approved by the Building & Construction Authority of Singapore for Grade CW01-A1 and General Builder Class One License to execute building construction contracts of unlimited value.

Boustead Projects' in-depth experience in designing and constructing custom-built facilities covers the aviation, commercial, electronics, food processing, high-tech manufacturing, lifestyle, logistics, petrochemical, pharmaceutical, precision engineering and technology industries. It is also the market leader in pioneering advanced environmentally-sustainable facilities under the Building & Construction Authority's Green Mark Programme and the U.S. Green Building Council's Leadership in Energy & Environmental Design Programme. In Singapore, Boustead Projects is one of only 10 bizSAFE Mentors and also a bizSAFE Star, the highest qualification that can be attained in recognition of a company's health, safety and environmental management programmes.

On 30 April 2015, Boustead Projects listed on the Main Board of the SGX. Consistent with the combined financial statements for the financial years ended 31 March 2014, 31 March 2013 and 31 March 2012 issued as part of Boustead Projects' Introductory Document dated 31 March 2015, the acquisitions of Wuxi Boustead Industrial Development Co., Ltd, Boustead Real Estate Fund, Boustead Funds Management Pte. Ltd., Boustead Trustees Pte. Ltd. and Boustead Property Services Pte. Ltd. by the Group have been accounted for as a business combination involving entities under common control, as the Company and Wuxi Boustead Industrial Development Co., Ltd, Boustead Real Estate Fund, Boustead Funds Management Pte. Ltd., Boustead Trustees Pte. Ltd. and Boustead Property Services Pte. Ltd. are under the common control of Boustead Singapore Limited before and after the acquisitions. Please refer to Boustead Projects' Introductory Document for further details on the restructuring exercise.

Boustead Projects is a 51%-owned subsidiary of Boustead Singapore Limited, a progressive global Infrastructure-Related Engineering Services and Geo-Spatial Technology Group which is separately listed on the Main Board of the SGX.

Visit the Group website at www.bousteadprojects.com.

BOUSTEAD PROJECTS LIMITED
(Company Registration No. 199603900E)

Unaudited Financial Statements and Related Announcement for the Second Quarter Ended 30 September 2015

PART I – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL-YEAR ANNOUNCEMENTS

1.(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note	GROUP Second quarter ended			GROUP Half-year ended		
		30.9.15 \$'000	30.9.14 \$'000	Inc/(Dcr) %	30.9.15 \$'000	30.9.14 \$'000	Inc/(Dcr) %
Revenue		53,833	50,904	6%	110,436	107,290	3%
Cost of sales		(40,778)	(34,120)	20%	(85,059)	(78,002)	9%
Gross profit		13,055	16,784	-22%	25,377	29,288	-13%
Other income	1	863	672	28%	1,864	1,272	47%
Other gains and losses	2	576	129	347%	(108)	165	NM
Expenses							
- Selling and distribution		(749)	(1,051)	-29%	(1,778)	(1,986)	-10%
- Administrative		(4,932)	(4,634)	6%	(9,066)	(8,712)	4%
- Finance		(1,144)	(312)	267%	(2,257)	(530)	326%
Share of loss of an associated company and joint ventures		(477)	(631)	-24%	(806)	(800)	1%
Profit before income tax	3	7,192	10,957	-34%	13,226	18,697	-29%
Income tax expense		(1,705)	(2,801)	-39%	(2,893)	(4,554)	-36%
Total profit		5,487	8,156	-33%	10,333	14,143	-27%
Profit/(loss) attributable to:							
Equity holders of the Company		5,488	8,207	-33%	10,335	14,195	-27%
Non-controlling interests		(1)	(51)	-98%	(2)	(52)	-96%
		5,487	8,156	-33%	10,333	14,143	-27%

1.(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year. (cont'd)

	GROUP Second quarter ended			GROUP Half-year ended		
	30.9.15 \$'000	30.9.14 \$'000	Inc/(Dcr) %	30.9.15 \$'000	30.9.14 \$'000	Inc/(Dcr) %
Total profit	5,487	8,156	-33%	10,333	14,143	-27%
Other comprehensive (loss)/income:						
<u>Items that may be reclassified subsequently to profit or loss</u>						
- Currency translation differences arising from consolidation	(1,803)	64	NM	(1,907)	43	NM
Other comprehensive (loss)/income, net of tax	(1,803)	64	NM	(1,907)	43	NM
Total comprehensive income	3,684	8,220	-55%	8,426	14,186	-41%
Total comprehensive income/(loss) attributable to:						
Equity holders of the Company	3,685	8,271	-55%	8,428	14,238	-41%
Non-controlling interests	(1)	(51)	-98%	(2)	(52)	-96%
	3,684	8,220	-55%	8,426	14,186	-41%

NM – not meaningful

1.(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year. (cont'd)

	GROUP Second quarter ended			GROUP Half-year ended		
	30.9.15 \$'000	30.9.14 \$'000	Inc/(Dcr) %	30.9.15 \$'000	30.9.14 \$'000	Inc/(Dcr) %
<u>Note 1: Other income</u>						
Interest income	563	388	45%	1,264	704	80%
Sublease income	300	284	6%	600	568	6%
	863	672	28%	1,864	1,272	47%
<u>Note 2: Other gains and losses</u>						
Currency exchange gains/(losses) – net	576	129	347%	(108)	165	NM
<u>Note 3: Profit before income tax is arrived at after charging:</u>						
Depreciation expense	(1,689)	(1,713)	-1%	(3,426)	(3,109)	10%

The provision for income tax is made after taking into account non-deductible expenses, non-taxable income and temporary differences and is based on the statutory tax rates of the respective countries.

The Group's income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% mainly due to intercompany profits earned by the Company from its subsidiaries on design-build-lease projects which are held as investment properties by the Group, certain expenses which are not deductible for tax purposes, and overseas subsidiaries' profits which are subject to higher tax rates.

NM – not meaningful

1.(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Balance Sheets

	Note	GROUP		COMPANY	
		30.9.15 \$'000	31.3.15 \$'000	30.9.15 \$'000	31.3.15 \$'000
ASSETS					
Current assets					
Cash and cash equivalents		146,784	114,279	119,758	92,419
Properties held for sale		30,512	30,437	-	-
Trade receivables		48,072	63,227	41,784	50,122
Other receivables and prepayments		17,274	195,027	76,621	224,278
Foreign exchange contracts		24	-	24	-
Contracts work-in-progress		9,681	7,810	8,950	7,552
		252,347	410,780	247,137	374,371
Non-current assets					
Trade receivables		7,438	7,438	7,438	7,438
Investments in an associated company		511	1,094	-	-
Investments in joint ventures		12,083	10,728	14,025	12,298
Investments in subsidiaries		-	-	13,518	2,438
Available-for-sale financial assets		38,391	17,872	38,391	17,872
Investment properties		155,504	159,857	-	-
Property, plant and equipment		836	815	800	791
Deferred income tax assets		28	32	-	-
		214,791	197,836	74,172	40,837
Total assets		467,138	608,616	321,309	415,208
LIABILITIES					
Current liabilities					
Borrowings	1(b)(ii)	6,595	12,105	-	-
Trade and other payables		103,194	153,626	167,421	190,301
Income tax payable		9,650	11,307	5,023	7,400
Contracts work-in-progress		4,583	387	4,583	387
		124,022	177,425	177,027	198,088
Non-current liabilities					
Borrowings	1(b)(ii)	154,770	174,374	-	-
Trade payables		5,427	2,324	5,427	2,324
Deferred income tax liabilities		1,848	1,848	1	1
		162,045	178,546	5,428	2,325
Total liabilities		286,067	355,971	182,455	200,413
NET ASSETS		181,071	252,645	138,854	214,795
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		15,000	15,000	15,000	15,000
Retained profits		169,551	239,216	123,854	199,795
Other reserves		(3,372)	(1,465)	-	-
		181,179	252,751	138,854	214,795
Non-controlling interests		(108)	(106)	-	-
Total equity	1(d)(i)	181,071	252,645	138,854	214,795

1.(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable within one year or less, or on demand

As at 30.9.15 \$'000		As at 31.3.15 \$'000	
Secured	Unsecured	Secured	Unsecured
6,595	-	12,105	-

Amount repayable after one year

As at 30.9.15 \$'000		As at 31.3.15 \$'000	
Secured	Unsecured	Secured	Unsecured
154,770	-	174,374	-

Total borrowings of \$161,365,000 (31.3.15: \$186,479,000) are secured over properties held for sale and investment properties of the Group.

1.(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows

	GROUP Second quarter ended		GROUP Half-year ended	
	30.9.15 \$'000	30.9.14 \$'000	30.9.15 \$'000	30.9.14 \$'000
Cash flows from operating activities				
Profit before income tax	7,192	10,957	13,226	18,697
Adjustments for:				
Depreciation expense	1,689	1,713	3,426	3,109
Share of loss of an associated company and joint ventures	477	631	806	800
Interest income	(563)	(388)	(1,264)	(704)
Finance expenses	1,144	312	2,257	530
Currency exchange (gains)/losses – net	(576)	(129)	108	(165)
	9,363	13,096	18,559	22,267
Change in working capital:				
- Trade and other receivables	22,087	(10,532)	17,454	(8,288)
- Contracts work-in-progress	1,286	9,216	2,325	(6,665)
- Trade and other payables	(11,162)	(11,282)	(18,329)	(6,132)
Cash generated from operations	21,574	498	20,009	1,182
Interest received	563	388	1,264	704
Interest paid	(1,144)	(312)	(2,257)	(530)
Income tax paid	(3,801)	(4,407)	(4,546)	(4,389)
Net cash provided by/(used in) operating activities	17,192	(3,833)	14,470	(3,033)

1.(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows (cont'd)

	GROUP		GROUP	
	Second quarter ended		Half-year ended	
	30.9.15	30.9.14	30.9.15	30.9.14
	\$'000	\$'000	\$'000	\$'000
Cash flows from investing activities				
Purchase of property, plant and equipment	(146)	(201)	(166)	(224)
Additions to investment properties	-	(14,295)	-	(26,190)
Purchase of available-for-sale financial assets	-	-	(20,519)	-
Consideration paid for acquisition of subsidiaries	-	-	(7,178)	-
Proceeds from repayment of loan by ultimate holding company	-	10,006	130,430	5,434
Proceeds from repayment of a loan by a joint venture	50,800	221	50,800	221
Loans to joint ventures	(180)	-	(8,221)	(767)
Net cash provided by/(used in) investing activities	50,474	(4,269)	145,146	(21,526)
Cash flows from financing activities				
Proceeds from borrowings	-	70,654	-	79,471
Repayment of borrowings	(22,850)	(1,354)	(25,114)	(2,707)
Loan from ultimate holding company	-	282	-	282
Repayment of loan to ultimate holding company	-	-	(20,750)	-
Dividends paid	-	-	(80,000)	-
Net cash (used in)/provided by financing activities	(22,850)	69,582	(125,864)	77,046
Net increase in cash and cash equivalents	44,816	61,480	33,752	52,487
Cash and cash equivalents				
Beginning of financial period	102,775	45,534	114,279	54,598
Effects of currency translation on cash and cash equivalents	(807)	76	(1,247)	5
End of financial period	146,784	107,090	146,784	107,090

1.(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	(-----Other reserves-----)					Equity attributable to equity holders of the Company \$'000	Non-controlling interests \$'000	Total \$'000
	Share capital \$'000	Retained profits \$'000	Merger reserve \$'000	Foreign currency translation reserve \$'000	Subtotal \$'000			
GROUP								
Balance at 1 April 2015	15,000	239,216	(2,854)	1,389	(1,465)	252,751	(106)	252,645
Profit/(loss) for the period	-	4,847	-	-	-	4,847	(1)	4,846
Other comprehensive loss for the period	-	-	-	(104)	(104)	(104)	-	(104)
Total comprehensive income/(loss) for the period	-	4,847	-	(104)	(104)	4,743	(1)	4,742
Dividends	-	(80,000)	-	-	-	(80,000)	-	(80,000)
Balance at 30 June 2015	15,000	164,063	(2,854)	1,285	(1,569)	177,494	(107)	177,387
Profit/(loss) for the period	-	5,488	-	-	-	5,488	(1)	5,487
Other comprehensive loss for the period	-	-	-	(1,803)	(1,803)	(1,803)	-	(1,803)
Total comprehensive income/(loss) for the period	-	5,488	-	(1,803)	(1,803)	3,685	(1)	3,684
Balance at 30 September 2015	15,000	169,551	(2,854)	(518)	(3,372)	181,179	(108)	181,071

1.(d)(i) Statement of Changes in Equity (cont'd)

	(-----Other reserves-----)					Equity attributable to equity holders of the Company \$'000	Non-controlling interests \$'000	Total \$'000
	Share capital \$'000	Retained profits \$'000	Merger reserve \$'000	Foreign currency translation reserve \$'000	Subtotal \$'000			
GROUP								
Balance at 1 April 2014	15,000	214,548	-	1,190	1,190	230,738	-	230,738
Profit/(loss) for the period	-	5,988	-	-	-	5,988	(1)	5,987
Other comprehensive loss for the period	-	-	-	(21)	(21)	(21)	-	(21)
Total comprehensive income/(loss) for the period	-	5,988	-	(21)	(21)	5,967	(1)	5,966
Balance at 30 June 2014	15,000	220,536	-	1,169	1,169	236,705	(1)	236,704
Profit/(loss) for the period	-	8,207	-	-	-	8,207	(51)	8,156
Other comprehensive income for the period	-	-	-	64	64	64	-	64
Total comprehensive income/(loss) for the period	-	8,207	-	64	64	8,271	(51)	8,220
Balance at 30 September 2014	15,000	228,743	-	1,233	1,233	244,976	(52)	244,924

1.(d)(i) Statement of Changes in Equity (cont'd)

	Share capital \$'000	Retained profits \$'000	Total \$'000
COMPANY			
Balance at 1 April 2015	15,000	199,795	214,795
Profit for the period, representing total comprehensive income for the period	-	2,522	2,522
Dividends	-	(80,000)	(80,000)
Balance at 30 June 2015	15,000	122,317	137,317
Profit for the period, representing total comprehensive income for the period	-	1,537	1,537
Balance at 30 September 2015	15,000	123,854	138,854

	Share capital \$'000	Retained profits \$'000	Total \$'000
COMPANY			
Balance at 1 April 2014	15,000	134,197	149,197
Profit for the period, representing total comprehensive income for the period	-	6,157	6,157
Balance at 30 June 2014	15,000	140,354	155,354
Profit for the period, representing total comprehensive income for the period	-	46,988	46,988
Balance at 30 September 2014	15,000	187,342	202,342

1.(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During the current financial period, the issued and paid-up capital of the Company remained unchanged at 320,000,000 ordinary shares.

The Company did not hold any treasury shares in the current financial period reported on, same as the previous year's corresponding period.

1.(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 30.9.15	As at 31.3.15
Total number of issued shares	320,000,000	15,000,000

1.(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

On 1 April 2015, the Group adopted the amended FRS that are mandatory for application for the financial year ending 31 March 2016. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS. The adoption of these amended FRS did not result in substantial changes to the accounting policies of the Group and the Company and is not expected to have a material effect on the amounts reported for the current or prior financial years.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

None.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	GROUP		GROUP	
	Second quarter ended 30.9.15	30.9.14	Half-year ended 30.9.15	30.9.14
Earnings per ordinary share for the period after deducting any provision for preference dividends:-				
(i) Based on weighted average number of ordinary shares pre-sub-division (¢) (*)	36.6	54.7	68.9	94.6
(ii) Based on number of ordinary shares post-sub-division (¢) (**)	1.7	2.6	3.2	4.4
Weighted average number of ordinary shares in issue:				
Basic pre-sub-division (*)	15,000,000	15,000,000	15,000,000	15,000,000
Basic post-sub-division (**)	320,000,000	320,000,000	320,000,000	320,000,000

* For comparability, the basic earnings per share is computed based on the weighted average number of ordinary shares in issue pre-sub-division of ordinary shares on 23 April 2015.

** For comparability, the basic earnings per share is computed based on the weighted average number of ordinary shares in issue post-sub-division of ordinary shares on 23 April 2015.

The Company has no potential dilutive ordinary shares.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the current financial period reported on and immediately preceding financial year.**

	GROUP		COMPANY	
	30.9.15	31.3.15	30.9.15	31.3.15
Net asset value per ordinary share:				
(i) Based on the number of ordinary shares pre-sub-division (\$) (*)	12.079	16.850	9.257	14.320
(ii) Based on the number of ordinary shares post-sub-division (\$) (**)	0.566	0.790	0.434	0.671
Number of ordinary shares in issue:				
Basic pre-sub-division (*)	15,000,000	15,000,000	15,000,000	15,000,000
Basic post-sub-division (**)	320,000,000	320,000,000	320,000,000	320,000,000

* For comparability, the net asset value per ordinary share has been computed based on the number of ordinary shares in issue, pre-sub-division of ordinary shares on 23 April 2015.

** For comparability, the net asset value per ordinary share has been computed based on the number of ordinary shares in issue, post-sub-division of ordinary shares on 23 April 2015.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Overview

The Boustead Projects Group ("BP Group")'s revenue is largely derived from project-oriented business 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.

For 2Q FY2016 ended 30 September 2015, the BP Group achieved revenue of \$53.8 million, 6% higher than 2Q FY2015. However, total profit of \$5.5 million was 33% lower than 2Q FY2015, affected by pressure on gross profit margins and higher finance expenses.

For 1H FY2016, the BP Group achieved revenue of \$110.4 million, 3% higher than 1H FY2015. Total profit of \$10.3 million was 27% lower than 1H FY2015 and was similarly affected by pressure on gross profit margins and higher finance expenses.

Segment Revenue

Segment	Revenue		Favourable/ (Unfavourable)	Revenue		Favourable/ (Unfavourable)
	2Q FY2016 \$'m	2Q FY2015 \$'m	Change %	1H FY2016 \$'m	1H FY2015 \$'m	Change %
Design-and-Build	45.2	44.7	+1	94.3	94.9	-1
Leasing	8.6	6.2	+39	16.1	12.4	+30
BP Group Total	53.8	50.9	+6	110.4	107.3	+3

Contributing 84% of the BP Group's total revenue for 2Q FY2016, design-and-build revenue reached \$45.2 million, which was comparable to 2Q FY2015.

Contributing 16% of the BP Group's total revenue for 2Q FY2016, leasing revenue came in at \$8.6 million, rising 39% over 2Q FY2015. This was attributed to the expansion of the industrial leasehold portfolio, which benefitted from full quarterly contributions of three design-build-and-lease projects completed during FY2015.

For 1H FY2016, the design-and-build business achieved revenue of \$94.3 million which was comparable to 1H FY2015.

For the same period, leasing revenue reached \$16.1 million, a 30% increase from 1H FY2015. As explained above, the main reason contributing to the increase was the completion of three design-build-and lease projects during FY2015.

Group Profitability

The BP Group's gross profit decreased by 22% to \$13.1 million for 2Q FY2016 and by 13% to \$25.4 million for 1H FY2016, impacted by softer design-and-build gross profit margins arising from the challenging and competitive business environment. The negative impact on design-and-build gross profit was partially mitigated by the significantly improved gross profit contribution of the leasing business.

Other income increased by 28% to \$0.9 million for 2Q FY2016 and by 47% to \$1.9 million for 1H FY2016, as a result of higher interest income generated from higher cash balances placed in fixed deposits and shareholders' loans extended to joint ventures.

Other gains of \$0.6 million for 2Q FY2016 was mainly a result of currency adjustment made in relation to capital funding of a subsidiary in Malaysia.

Overhead expenses (selling and distribution and administrative expenses) recorded at \$5.7 million and \$10.8 million for 2Q FY2016 and 1H FY2016 respectively, remained largely the same as the prior year corresponding periods. Higher administrative expenses of \$4.9 million and \$9.1 million for 2Q FY2016 and 1H FY2016 respectively were mainly due to additional operating expenses incurred in managing the enlarged industrial leasehold portfolio. In contrast, selling and distribution expenses of \$0.7 million and \$1.8 million for 2Q FY2016 and 1H FY2016 respectively declined, due to lower employee-related costs.

Finance expenses were considerably higher at \$1.1 million in 2Q FY2016 and \$2.3 million in 1H FY2016, due to the BP Group's drawdown of bank loans for activities related to the industrial leasehold portfolio. A significant portion of the bank loans is reflected in the BP Group's cash balance, which is ready for deployment into new strategic investment opportunities that the BP Group identifies in the future.

Profit before income tax decreased by 34% to \$7.2 million for 2Q FY2016 and by 29% to \$13.2 million for 1H FY2016, on the back of softer design-and-build gross profit margins and higher finance expense. A breakdown of the profit before income tax by segment is provided as follows.

Segment	PBT			PBT		
	2Q FY2016	2Q FY2015	Favourable/ (Unfavourable) Change	1H FY2016	1H FY2015	Favourable/ (Unfavourable) Change
	\$'m	\$'m	%	\$'m	\$'m	%
Design-and-Build	3.1	8.6	-64%	6.3	13.3	-53%
Leasing	4.1	2.4	+71%	6.9	5.4	+28%
BP Group Total	7.2	11.0	-34%	13.2	18.7	-29%

Total profit declined by 33% to \$5.5 million for 2Q FY2016 and by 27% to \$10.3 million for 1H FY2016 mainly for reasons mentioned earlier. Income tax expense was lower by 39% and 36% for the two respective periods because of lower profitability and higher tax paid on unrealised intercompany profits earned in the prior year corresponding periods.

Statement of Cash Flows

During 2Q FY2016, cash and cash equivalents (after taking into account the effects of currency translation) increased to \$146.8 million. Net cash provided by operating activities amounted to \$17.2 million for 2Q FY2016 and \$14.5 million for 1H FY2016, driven mainly by collection of trade receivables from clients and partially reduced by increase in payments to subcontractors.

Net cash provided by investing activities amounted to \$50.5 million for 2Q FY2016 and \$145.1 million for 1H FY2016, mainly due to the repayment of a shareholder's loan from a joint venture, loan repayment from Boustead Singapore Limited and partially reduced by payments for the acquisitions of subsidiaries and an available-for-sale financial asset from Boustead Singapore Limited.

Net cash used in financing activities amounted to \$22.9 million for 2Q FY2016 and \$125.9 million for 1H FY2016, mainly as a result of repayment of bank loans to totally deleverage three properties and to substantially reduce the loan on one other property within the industrial leasehold portfolio, repayment of a shareholder's loan and dividend payment to Boustead Singapore Limited.

Balance Sheets

At the end of 1H FY2016, the BP Group's financial position remained healthy.

Under current assets, the BP Group's cash and cash equivalents increased to \$146.8 million propelled by higher net positive cash inflows provided by operating and investing activities against the cash outflow used in financing activities.

Total trade receivables (both current and non-current) declined to \$55.5 million due to collection from the BP Group's clients, while other receivables and prepayments dropped by 91% as a result of a \$130.4 million loan repayment by Boustead Singapore Limited and a \$50.8 million loan repayment by a joint venture. Net contracts work-in-progress fell by 31% to \$5.1 million with the increase in invoicing to clients for several projects as at the end of the period.

Under non-current assets, available-for-sale financial assets more than doubled to \$38.4 million due to the BP Group's acquisition of an investment in China from Boustead Singapore Limited. Investments in joint ventures increased to \$12.1 million mainly as result of providing shareholders' loans to two joint ventures for the development of industrial properties for lease.

Under liabilities, trade and other payables (both current and non-current) fell significantly by 30% to \$108.6 million, mainly as result of \$27.9 million in payments to Boustead Singapore Limited for loan repayment and the acquisition of subsidiaries, and \$18.3 million reduction in payments to subcontractors and annual bonus provision.

Borrowings (both current and non-current) declined by \$25.1 million to \$161.4 million, mainly as a result of the repayment of bank loans to totally deleverage three properties and substantially reduce the loan on one other property within the industrial leasehold portfolio.

Retained profits were reduced by 29% to \$169.6 million, primarily due to the \$80.0 million dividend paid to Boustead Singapore Limited subsequent to the demerger, and partially offset by total profit of \$10.3 million. Consequently, the BP Group's net asset value per share declined to 56.6 cents as at the end of 2Q FY2016, from 79.0 cents as at the end of FY2015.

Following the \$50.8 million repayment of a loan by a joint venture and the \$25.1 million repayment of bank loans, the BP Group's net borrowings (total borrowings less cash and cash equivalents) stood at \$14.6 million at the end of 2Q FY2016.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

None.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Despite the highly challenging and competitive industrial real estate market, the BP Group's order book backlog stood at a healthy \$174 million as at the end of 2Q FY2016, excluding two additional design-and-build contracts totaling \$59 million secured shortly after the close of 2Q FY2016. Nonetheless, the difficult business conditions of the past few years are set to continue having an impact on future gross margins.

Following the BP Group's successful demerger from Boustead Singapore Limited and separate listing on the Main Board of the SGX, the BP Group has put in place medium-term growth plans to strengthen revenue contributions from design-and-build, development, industrial leasehold portfolio and investment opportunities either on its own or with strategic partners in South East Asia.

The BP Group believes that notwithstanding the challenging business environment, it can continue to deliver a reasonable level of profit in FY2016.

11. **Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure

Not applicable.

12. **If no dividend has been declared/(recommended), a statement to that effect.**

No dividend has been declared/recommendeded for this period.

13. **If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Company has not obtained a general mandate from shareholders for interested person transactions.

14. Negative Confirmation by the Board pursuant to Rule 705(5)

We, John Lim Kok Min and Wong Yu Wei, being two of the directors of Boustead Projects Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the 2Q FY2016 financial results to be false or misleading in any material aspect.

On behalf of the board of directors

John Lim Kok Min
Chairman

Wong Yu Wei
Deputy Chairman & Executive Director

BY ORDER OF THE BOARD

Wong Yu Wei
Deputy Chairman & Executive Director
11 November 2015

Boustead Projects Limited's admission to and listing on the Singapore Exchange Securities Trading Limited was sponsored by CIMB Bank Berhad, Singapore Branch. CIMB Bank Berhad, Singapore Branch assumes no responsibility for the contents of this announcement.