

**BOUSTEAD PROJECTS LIMITED**  
**AND ITS SUBSIDIARIES**

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

**SGXNET ANNOUNCEMENT**  
**UNAUDITED RESULTS FOR 3Q FY2018**  
**ENDED 31 DECEMBER 2017**



## Corporate Profile

Established in 1996, Boustead Projects Limited (SGX:AVM) 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, we have constructed and developed more than 3,000,000 square metres of industrial real estate regionally in Singapore, China, Malaysia and Vietnam. Our wholly-owned design-and-build subsidiary, Boustead Projects E&C Pte Ltd (“BP E&C”) is approved by the Building & Construction Authority (“BCA”) of Singapore for Grade CW01-A1 and General Builder Class One License to execute building construction contracts of unlimited value.

Our in-depth experience in designing and constructing custom-built facilities covers the aerospace, commercial, food, healthcare and pharmaceutical, high-tech manufacturing, lifestyle, logistics, oil & gas, precision engineering, research & development, resource recovery, technology and transportation industries. We are also a leader in pioneering advanced eco-sustainable facilities under the BCA’s Green Mark Programme and the US Green Building Council’s Leadership in Energy & Environmental Design (LEED) Program. In Singapore, BP E&C 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 SGX Mainboard.

Boustead Projects is a 51%-owned subsidiary of Boustead Singapore Limited (SGX:F9D), a progressive global infrastructure-related engineering services and geo-spatial technology group which is separately listed on the SGX Mainboard.

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**BOUSTEAD PROJECTS LIMITED**  
(Company Registration No. 199603900E)

**Unaudited Financial Statements and Related Announcement for the Third Quarter Ended 31 December 2017**

**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 Third quarter ended			GROUP 9-month period ended		
		31.12.17 \$'000	31.12.16 \$'000	Inc/(Dcr) %	31.12.17 \$'000	31.12.16 \$'000	Inc/(Dcr) %
<b>Revenue</b>		47,927	66,648	-28%	143,702	189,788	-24%
<b>Cost of sales</b>		(30,529)	(49,517)	-38%	(93,229)	(143,733)	-35%
<b>Gross profit</b>		17,398	17,131	2%	50,473	46,055	10%
Other income	1	855	941	-9%	2,245	2,529	-11%
Other gains – net	2	216	130	66%	258	59	337%
Expenses							
- Selling and distribution		(1,195)	(969)	23%	(3,323)	(2,927)	14%
- Administrative		(5,975)	(5,383)	11%	(17,770)	(15,049)	18%
- Finance		(500)	(524)	-5%	(1,442)	(1,808)	-20%
Share of loss of an associated company and joint ventures		(1,168)	(1,104)	6%	(1,895)	(2,171)	-13%
<b>Profit before income tax</b>	3	9,631	10,222	-6%	28,546	26,688	7%
Income tax expense	4	(1,618)	(1,743)	-7%	(5,207)	(4,707)	11%
<b>Total profit</b>		8,013	8,479	-5%	23,339	21,981	6%
Profit attributable to:							
Equity holders of the Company		8,013	8,479	-5%	23,339	21,830	7%
Non-controlling interests		-	-	NM	-	151	-100%
		8,013	8,479	-5%	23,339	21,981	6%

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			GROUP		
	Third quarter ended			9-month period ended		
	31.12.17	31.12.16	Inc/(Dcr)	31.12.17	31.12.16	Inc/(Dcr)
	\$'000	\$'000	%	\$'000	\$'000	%
<b>Total profit</b>	8,013	8,479	-5%	23,339	21,981	6%
<b>Other comprehensive income/(loss):</b>						
<u>Items that may be reclassified subsequently to profit or loss</u>						
- Currency translation differences arising from consolidation	226	(306)	NM	517	(745)	NM
<b>Other comprehensive income/(loss), net of tax</b>	226	(306)	NM	517	(745)	NM
<b>Total comprehensive income</b>	8,239	8,173	1%	23,856	21,236	12%
Total comprehensive income attributable to:						
Equity holders of the Company	8,239	8,173	1%	23,856	21,085	13%
Non-controlling interests	-	-	NM	-	151	-100%
	8,239	8,173	1%	23,856	21,236	12%

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 Third quarter ended			GROUP 9-month period ended		
	31.12.17 \$'000	31.12.16 \$'000	Inc/(Dcr) %	31.12.17 \$'000	31.12.16 \$'000	Inc/(Dcr) %
<u>Note 1: Other income</u>						
Interest income	549	624	-12%	1,342	1,580	-15%
Sublease income	306	317	-3%	903	949	-5%
	855	941	-9%	2,245	2,529	-11%
<u>Note 2: Other gains – net</u>						
Currency exchange gains – net	216	130	66%	258	59	337%
<u>Note 3: Profit before income tax is arrived at after charging the following:</u>						
Depreciation expense	(1,658)	(1,670)	-1%	(5,018)	(4,993)	1%
Employee share-based payment expense	(181)	-	NM	(498)	-	NM
<u>Note 4: Income tax expense</u>	<p>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 income tax rates of the respective countries that the Group operates in.</p> <p>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 certain expenses which are not deductible for tax purposes and overseas subsidiaries' profits which are subject to higher income tax rates.</p>					

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	
		31.12.17 \$'000	31.3.17 \$'000	31.12.17 \$'000	31.3.17 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		119,166	113,374	97,960	100,164
Properties held for sale		30,682	30,612	-	-
Trade receivables		80,192	64,185	22,042	43,272
Other receivables and prepayments		23,875	41,681	121,986	143,309
Contracts work-in-progress		2,736	8,436	-	2,468
		256,651	258,288	241,988	289,213
<b>Non-current assets</b>					
Trade receivables		483	-	-	-
Other receivables and prepayments		2,770	6,064	-	-
Investment in an associated company		325	-	-	-
Investments in joint ventures		35,744	32,354	42,169	37,263
Investments in subsidiaries		-	-	28,729	28,282
Available-for-sale financial asset		20,519	20,519	20,519	20,519
Investment properties		130,042	134,796	-	-
Property, plant and equipment		837	812	-	506
		190,720	194,545	91,417	86,570
<b>Total assets</b>		447,371	452,833	333,405	375,783
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Borrowings	1(b)(ii)	18,095	18,295	-	-
Trade and other payables		92,378	106,695	125,194	167,419
Income tax payable		10,695	10,898	4,216	4,651
Contracts work-in-progress		6,758	9,458	-	-
		127,926	145,346	129,410	172,070
<b>Non-current liabilities</b>					
Borrowings	1(b)(ii)	66,926	70,059	-	-
Trade payables		3,586	4,973	626	3,170
Deferred income tax liabilities		3,483	3,077	77	77
		73,995	78,109	703	3,247
<b>Total liabilities</b>		201,921	223,455	130,113	175,317
<b>NET ASSETS</b>		245,450	229,378	203,292	200,466
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital		15,000	15,000	15,000	15,000
Treasury shares		(20)	(35)	(20)	(35)
Retained profits		233,526	218,179	187,759	185,141
Other reserves		(3,056)	(3,766)	553	360
<b>Total equity</b>	1(d)(i)	245,450	229,378	203,292	200,466

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

Amount repayable within one year or less, or on demand

<b>As at 31.12.17 \$'000</b>		<b>As at 31.3.17 \$'000</b>	
Secured	Unsecured	Secured	Unsecured
18,095	-	18,295	-

Amount repayable after one year

<b>As at 31.12.17 \$'000</b>		<b>As at 31.3.17 \$'000</b>	
Secured	Unsecured	Secured	Unsecured
66,926	-	70,059	-

Total borrowings of \$85,021,000 (31.3.17: \$88,354,000) 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		GROUP	
	Third quarter ended 31.12.17 \$'000	31.12.16 \$'000	9-month period ended 31.12.17 \$'000	31.12.16 \$'000
<b>Cash flows from operating activities</b>				
Profit before income tax	9,631	10,222	28,546	26,688
Adjustments for:				
Depreciation expense	1,658	1,670	5,018	4,993
Share of loss of an associated company and joint ventures	1,168	1,104	1,895	2,171
Fair value gains on foreign exchange contracts	-	-	-	(105)
Employee share-based compensation expense	181	-	498	-
Interest income	(549)	(624)	(1,342)	(1,580)
Finance expenses	500	524	1,442	1,808
Currency exchange gains – net	(216)	(130)	(258)	(59)
	12,373	12,766	35,799	33,916
Change in working capital:				
- Trade and other receivables	(15,250)	(22,276)	(13,323)	822
- Contracts work-in-progress	16,281	(7,059)	3,000	(6,065)
- Trade and other payables	(8,744)	11,746	(14,670)	14,591
- Properties held for sale	(10)	(164)	(55)	(164)
Cash generated from/(used in) operations	4,650	(4,987)	10,751	43,100
Interest received	549	624	1,342	1,580
Interest paid	(500)	(524)	(1,442)	(1,808)
Income tax paid	(1,856)	(2,737)	(5,004)	(5,697)
<b>Net cash provided by/(used in) operating activities</b>	<b>2,843</b>	<b>(7,624)</b>	<b>5,647</b>	<b>37,175</b>



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	
	Third quarter ended		9-month period ended	
	31.12.17	31.12.16	31.12.17	31.12.16
	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(70)	(133)	(291)	(243)
Proceeds from disposal of an available-for-sale financial asset	-	-	25,895	-
Instalment payment for land acquisition	-	(24,893)	-	(24,893)
Proceeds from repayment of a loan by a joint venture	-	-	-	5,453
Loans to joint ventures	(2,567)	-	(6,765)	(3,018)
Loan to an associated company	(2,730)	-	(7,238)	-
Loan to a related party	-	(594)	-	(2,054)
<b>Net cash (used in)/provided by investing activities</b>	<b>(5,367)</b>	<b>(25,620)</b>	<b>11,601</b>	<b>(24,755)</b>
<b>Cash flows from financing activities</b>				
Repayment of borrowings	(1,274)	(928)	(3,333)	(3,476)
Purchase of treasury shares	-	-	(290)	-
Dividends received from a joint venture	-	125	115	125
Dividends paid to equity holders of the Company	-	-	(7,992)	-
Distributions paid to non-controlling interests	-	-	-	(45)
<b>Net cash used in financing activities</b>	<b>(1,274)</b>	<b>(803)</b>	<b>(11,500)</b>	<b>(3,396)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(3,798)</b>	<b>(34,047)</b>	<b>5,748</b>	<b>9,024</b>
<b>Cash and cash equivalents</b>				
Beginning of financial period	122,939	133,640	113,374	90,876
Effects of currency translation on cash and cash equivalents	25	(58)	44	(365)
<b>End of financial period</b>	<b>119,166</b>	<b>99,535</b>	<b>119,166</b>	<b>99,535</b>

**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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	(-----Other reserves-----)										
	Share capital \$'000	Treasury shares \$'000	Retained profits \$'000	Merger reserve \$'000	Capital reserve \$'000	Share-based compensation reserve \$'000	Foreign currency translation reserve \$'000	Subtotal \$'000	Equity attributable to the Company \$'000	Non-controlling interests \$'000	Total \$'000
<b>GROUP</b>											
Balance at 1 April 2017	15,000	(35)	218,179	(2,854)	-	360	(1,272)	(3,766)	229,378	-	229,378
Profit for the period	-	-	15,326	-	-	-	-	-	15,326	-	15,326
Other comprehensive income for the period	-	-	-	-	-	-	291	291	291	-	291
Total comprehensive income for the period	-	-	15,326	-	-	-	291	291	15,617	-	15,617
Purchase of treasury shares	-	(290)	-	-	-	-	-	-	(290)	-	(290)
Employee share option scheme - Value of employee services	-	-	-	-	-	317	-	317	317	-	317
Dividends	-	-	(7,992)	-	-	-	-	-	(7,992)	-	(7,992)
Balance at 30 September 2017	15,000	(325)	225,513	(2,854)	-	677	(981)	(3,158)	237,030	-	237,030
Profit for the period	-	-	8,013	-	-	-	-	-	8,013	-	8,013
Other comprehensive income for the period	-	-	-	-	-	-	226	226	226	-	226
Total comprehensive income for the period	-	-	8,013	-	-	-	226	226	8,239	-	8,239
Employee share option scheme - Value of employee services	-	-	-	-	-	181	-	181	181	-	181
- Treasury shares re-issued	-	305	-	-	2	(307)	-	(305)	-	-	-
Balance at 31 December 2017	15,000	(20)	233,526	(2,854)	2	551	(755)	(3,056)	245,450	-	245,450

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

	(-----Other reserves-----)							Subtotal \$'000	Equity attributable to equity holders of the Company \$'000	Non- controlling interests \$'000	Total \$'000
	Share capital \$'000	Treasury shares \$'000	Retained profits \$'000	Merger reserve \$'000	Capital reserve \$'000	Share-based compensation reserve \$'000	Foreign currency translation reserve \$'000				
<b>GROUP</b>											
Balance at 1 April 2016	15,000	-	182,081	(2,854)	-	-	(261)	(3,115)	193,966	(106)	193,860
Profit for the period	-	-	13,351	-	-	-	-	-	13,351	151	13,502
Other comprehensive loss for the period	-	-	-	-	-	-	(439)	(439)	(439)	-	(439)
Total comprehensive income/(loss) for the period	-	-	13,351	-	-	-	(439)	(439)	12,912	151	13,063
Distributions	-	-	-	-	-	-	-	-	-	(45)	(45)
Balance at 30 September 2016	15,000	-	195,432	(2,854)	-	-	(700)	(3,554)	206,878	-	206,878
Profit for the period	-	-	8,479	-	-	-	-	-	8,479	-	8,479
Other comprehensive loss for the period	-	-	-	-	-	-	(306)	(306)	(306)	-	(306)
Total comprehensive income/(loss) for the period	-	-	8,479	-	-	-	(306)	(306)	8,173	-	8,173
Balance at 31 December 2016	15,000	-	203,911	(2,854)	-	-	(1,006)	(3,860)	215,051	-	215,051

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

	(-----Other reserves-----)						
	Share capital \$'000	Treasury shares \$'000	Capital reserve \$'000	Share-based compensation reserve \$'000	Subtotal \$'000	Retained profits \$'000	Total \$'000
<b>COMPANY</b>							
Balance at 1 April 2017	15,000	(35)	-	360	360	185,141	200,466
Profit for the period, representing total comprehensive income for the period	-	-	-	-	-	7,006	7,006
Purchase of treasury shares	-	(290)	-	-	-	-	(290)
Employee share option scheme - Value of employee services	-	-	-	317	317	-	317
Dividends	-	-	-	-	-	(7,992)	(7,992)
Balance at 30 September 2017	15,000	(325)	-	677	677	184,155	199,507
Profit for the period, representing total comprehensive income for the period	-	-	-	-	-	3,604	3,604
Employee share option scheme - Value of employee services	-	-	-	181	181	-	181
- Treasury shares re-issued	-	305	2	(307)	(305)	-	-
Balance at 31 December 2017	15,000	(20)	2	551	553	187,759	203,292

	(-----Other reserves-----)						
	Share capital \$'000	Treasury shares \$'000	Capital reserve \$'000	Share-based compensation reserve \$'000	Subtotal \$'000	Retained profits \$'000	Total \$'000
<b>COMPANY</b>							
Balance at 1 April 2016	15,000	-	-	-	-	161,125	176,125
Profit for the period, representing total comprehensive income for the period	-	-	-	-	-	7,089	7,089
Balance at 30 September 2016	15,000	-	-	-	-	168,214	183,214
Profit for the period, representing total comprehensive income for the period	-	-	-	-	-	5,145	5,145
Balance at 31 December 2016	15,000	-	-	-	-	173,359	188,359

**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 period, the issued and paid-up capital of the Company (excluding treasury shares) increased from 319,622,200 ordinary shares to 319,977,245 ordinary shares. This resulted from the allotment of 355,045 ordinary shares under the Boustead Projects Restricted Share Plan 2016. As at 31 December 2017, there were a total of 22,755 (31.12.16: Nil) treasury shares.

**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.**

	<b>As at 31.12.17</b>	<b>As at 31.3.17</b>
Total number of issued shares	319,977,245	319,960,000

**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.**

On 31 October 2017, 355,045 treasury shares were utilised for the issue of 355,045 ordinary shares under the Boustead Projects Restricted Share Plan 2016.

**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 2017, the Group adopted the amended FRS that are mandatory for application for the financial year ending 31 March 2018. 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, as disclosed in Note 4 above.

**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	
	Third quarter ended 31.12.17	31.12.16	9-month period ended 31.12.17	31.12.16
Earnings per ordinary share for the period after deducting any provision for preference dividends:-				
(i) Based on weighted average number of ordinary shares in issue (¢)	2.5	2.6	7.3	6.8
(ii) On a fully diluted basis (¢)	2.5	2.6	7.3	6.8
Weighted average number of ordinary shares in issue:				
Basic	319,977,245	320,000,000	319,784,326	320,000,000
Fully diluted basis	320,000,000	320,000,000	320,000,000	320,000,000

**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	
	31.12.17	31.3.17	31.12.17	31.3.17
Net asset value per ordinary share based on issued shares (excluding treasury shares) as at the end of the period reported on (\$)	0.767	0.717	0.635	0.627
Number of issued shares (excluding treasury shares) as at the end of the period reported on	319,977,245	319,960,000	319,977,245	319,960,000

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

For 3Q FY2018, the BP Group registered revenue of \$47.9 million, 28% lower year-on-year due to lower revenue contributions from both the design-and-build and leasing businesses. Total profit of \$8.0 million was 5% lower year-on-year, mainly due to higher overhead expenses (selling and distribution expenses, and administrative expenses), partially offset by higher gross profit achieved through productivity improvements and the unlocking of project cost savings.

For 9M FY2018, the BP Group registered revenue of \$143.7 million, 24% lower year-on-year due to lower revenue contributions from both the design-and-build and leasing businesses. However, total profit of \$23.3 million was 6% higher year-on-year, mainly due to higher gross profit achieved through productivity improvements and the unlocking of project cost savings, partially offset by higher overhead expenses.

#### Segment Revenue

Segment	Revenue			Favourable/ (Unfavourable)		
	3Q FY2018	3Q FY2017	Change	9M FY2018	9M FY2017	Change
	\$'m	\$'m	%	\$'m	\$'m	%
Design-and-Build	40.0	58.4	-32	120.0	164.8	-27
Leasing	7.9	8.2	-4	23.7	25.0	-5
<b>BP Group Total</b>	<b>47.9</b>	<b>66.6</b>	<b>-28</b>	<b>143.7</b>	<b>189.8</b>	<b>-24</b>

Note: Any differences in summation are due to rounding differences.

#### 3Q FY2018 Segment Revenue

Design-and-build revenue for 3Q FY2018 was 32% lower year-on-year at \$40.0 million. A major project with significant contract value was completed in 3Q FY2017, which resulted in higher design-and-build revenue recorded for that period. In addition, there was a lower total value of contracts secured during FY2017 for revenue conversion during 3Q FY2018.

Leasing revenue for 3Q FY2018 was 4% lower year-on-year at \$7.9 million, mainly impacted by the lack of contribution from 36 Tuas Road due to AusGroup's early lease termination in 4Q FY2017, partially offset by contributions from new leases and development management fees from the Boustead Development Partnership.

### 9M FY2018 Segment Revenue

Due to the same reasons mentioned for 3Q FY2018, design-and-build revenue for 9M FY2018 was 27% lower year-on-year at \$120.0 million, while leasing revenue for 9M FY2018 was 5% lower year-on-year at \$23.7 million.

### **Group Profitability**

A breakdown of profit before income tax ("PBT") by business segment is provided as follows.

Segment	PBT			PBT		
	3Q FY2018	3Q FY2017	Favourable/ (Unfavourable) Change	9M FY2018	9M FY2017	Favourable/ (Unfavourable) Change
	\$'m	\$'m	%	\$'m	\$'m	%
Design-and-Build	6.0	6.4	-6	17.7	13.9	+27
Leasing	3.6	3.8	-5	10.8	12.8	-16
BP Group Total	9.6	10.2	-6	28.5	26.7	+7

Note: Any differences in summation are due to rounding differences.

### 3Q FY2018 Group Profitability

The BP Group's overall gross profit for 3Q FY2018 increased 2% year-on-year to \$17.4 million. Overall gross margin for 3Q FY2018 improved to 36% from 26% in 3Q FY2017, achieved through productivity improvements and the unlocking of project cost savings.

Total overhead expenses for 3Q FY2018 rose 13% year-on-year to \$7.2 million (selling and distribution expenses of \$1.2 million, and administrative expenses of \$6.0 million), in line with investments in new capabilities under the BP Group's regional growth strategies.

Finance expenses for 3Q FY2018 dropped 5% year-on-year to \$0.5 million following the reduction in borrowings according to scheduled loan repayment.

Share of loss of an associated company and joint ventures for 3Q FY2018 edged up 6% to \$1.2 million and mainly represents the elimination of construction and project management profits attributable to projects in which the BP Group has entered into with an associated company and joint ventures.

Total PBT for 3Q FY2018 decreased 6% year-on-year to \$9.6 million, mainly due to higher overhead expenses, partially offset by higher gross profit achieved through productivity improvements and the unlocking of project cost savings.

Income tax expense for 3Q FY2018 was 7% lower year-on-year at \$1.6 million, on lower total PBT.

Both total profit and profit attributable to equity holders of the Company ("net profit") for 3Q FY2018 were 5% lower year-on-year at \$8.0 million.



## 9M FY2018 Group Profitability

The BP Group's overall gross profit for 9M FY2018 increased 10% to \$50.5 million. Overall gross margin for 9M FY2018 improved to 35% from 24% in 9M FY2017, achieved mainly through productivity improvements and the unlocking of project cost savings.

Total overhead expenses for 9M FY2018 rose 17% year-on-year to \$21.1 million (selling and distribution expenses of \$3.3 million, and administrative expenses of \$17.8 million), in line with investments in new capabilities under the BP Group's regional growth strategies and higher professional fees related to legal, recruitment and joint venture investments.

Finance expenses for 9M FY2018 dropped 20% year-on-year to \$1.4 million following the reduction in borrowings according to scheduled loan repayment.

Share of loss of an associated company and joint ventures for 9M FY2018 decreased 13% year-on-year to \$1.9 million and mainly represents the elimination of construction and project management profits attributable to projects in which the BP Group has entered into with an associated company and joint ventures, partially offset by the BP Group's share of results from associated company, THAB Development Sdn Bhd ("THAB") following the completion of THAB's iBP @ Nusajaya Phase 1 in Malaysia.

Total PBT for 9M FY2018 increased 7% year-on-year to \$28.5 million, mainly supported by higher gross profit, lower share of loss of an associated company and joint ventures, and lower finance expenses, partially offset by higher overhead expenses.

Income tax expense for 9M FY2018 was 11% higher year-on-year at \$5.2 million, on higher total PBT.

Total profit and net profit for 9M FY2018 grew 6% and 7% year-on-year respectively to \$23.3 million.

## **Statement of Cash Flows**

### 3Q FY2018 Cash Flows

During 3Q FY2018, cash and cash equivalents (after taking into account the effects of currency translation) decreased by \$3.8 million to \$119.2 million, mainly due to net cash used in investing and financing activities.

Net cash provided by operating activities amounted to \$2.8 million, with \$12.4 million in operating cash flows before changes in working capital, partially offset by a \$7.7 million negative change in working capital. This positive net cash from operating activities arose from higher cash collected from clients against payments made to subcontractors and suppliers.

Net cash used in investing activities amounted to \$5.4 million, mainly due to additional loans extended to an associated company and joint ventures.

Net cash used in financing activities amounted to \$1.3 million with the scheduled repayment of borrowings.

### 9M FY2018 Cash Flows

During 9M FY2018, cash and cash equivalents (after taking into account the effects of currency translation) increased by \$5.8 million to \$119.2 million, lifted by net cash provided by operating and investing activities, partially offset by net cash used in financing activities.

Net cash provided by operating activities amounted to \$5.6 million, with \$35.8 million in operating cash flows before changes in working capital, partially offset by a \$25.0 million negative change in working capital. This positive net cash from operating activities arose from higher cash collected from clients against payments made to subcontractors and suppliers.

Net cash provided by investing activities amounted to \$11.6 million, mainly from the sale proceeds from the disposal of an available-for-sale financial asset (i.e. the BP Group's interest in TripleOne Somerset), partially offset by additional loans extended to an associated company and joint ventures.

Net cash used in financing activities amounted to \$11.5 million, mainly for the scheduled repayment of borrowings and dividend payments to shareholders.

### **Balance Sheets**

At the end of 9M FY2018, the BP Group's financial position remained healthy with cash and cash equivalents of \$119.2 million, and total equity of \$245.5 million.

Under current assets, the BP Group's cash and cash equivalents increased to \$119.2 million as described earlier under the explanation for Statement of Cash Flows. Trade receivables (both current and non-current) increased to \$80.7 million due to increased progress billings made as at the end of 9M FY2018. Other receivables and prepayments significantly decreased to \$23.9 million, mainly due to the collection of sale proceeds from the disposal of an available-for-sale financial asset (i.e. the BP Group's interest in TripleOne Somerset), partially offset by additional loans extended to an associated company.

Under non-current assets, investments in joint ventures edged up to \$35.7 million with the extension of shareholders' loans to joint ventures for the development of industrial properties for lease. Investment properties decreased to \$130.0 million, mainly as a result of depreciation.

Under liabilities, total trade and other payables decreased to \$96.0 million, following payments made to subcontractors and suppliers during 9M FY2018.

Total borrowings declined to \$85.0 million, following the scheduled repayment of borrowings in relation to the industrial leasehold portfolio.

The BP Group's net asset value per share climbed to 76.7 cents at the end of 9M FY2018 from 71.7 cents at the end of FY2017, while the net cash position (cash and cash equivalents less total borrowings) was at \$34.1 million at the end of 9M FY2018.

**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.**

The BP Group's current order book backlog (unrecognised project revenue remaining at the end of 3Q FY2018 plus the total value of new orders secured since then) stands at a healthy level of \$267 million (3Q FY2017: \$170 million). Approximately \$234 million worth of contracts have been secured since the start of FY2018, with the majority of these secured in the second half of FY2018.

The BP Group has seen an improvement in construction activities in the industrial real estate sector in Singapore. However, competition is also expected to remain intense and margins challenging. Notwithstanding this, the BP Group's financially-sound position allows it to continue making further investments in smart and eco-sustainable building capabilities, cost and productivity improvements, as well as strategic partnerships and platforms in Singapore and regionally.

**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 3Q FY2018 financial results to be false or misleading in any material aspect.

**15. Confirmation of undertakings from Directors and Executive Officers**

The Company has procured undertakings from all of its directors and executive officers under Rule 720(1) of the Listing Manual.

On behalf of the board of directors

John Lim Kok Min  
Chairman

Wong Yu Wei  
Deputy Chairman & Executive Director

**BY ORDER OF THE BOARD**

*Tay Chee Wah*  
*Company Secretary*  
*12 February 2018*