

BOUSTEAD PROJECTS LIMITED
AND ITS SUBSIDIARIES

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

SGXNET ANNOUNCEMENT
UNAUDITED RESULTS FOR 1Q FY2019
ENDED 30 JUNE 2018



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, business park and commercial, food, healthcare and pharmaceutical, high-tech manufacturing, info-communications, lifestyle, logistics, oil & gas, precision engineering, research & development, technology and waste management 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 workplace safety and health (“WSH”) management programmes. Our WSH efforts have been further recognised with five prestigious Workplace Safety & Health Performance (Silver) Awards and 11 SHARP Awards to date.

On 30 April 2015, Boustead Projects listed on the SGX Mainboard. We were awarded the Singapore Corporate Governance Award in the Newly Listed Category at the Securities Investors Association (Singapore)’s 18th Investors’ Choice Awards 2017. We are also listed on the MSCI World Micro Cap Index, FTSE Global Small Cap Index and FTSE ST Small Cap Index.

Boustead Projects is a 53%-owned subsidiary of Boustead Singapore Limited (SGX:F9D), a progressive global infrastructure-related engineering services, geo-spatial technology and healthcare group which is separately listed on the SGX Mainboard.

Visit us at www.bousteadprojects.com.

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		
		30.6.18 \$'000	30.6.17 \$'000	Inc/(Dcr) %
Revenue		48,751	45,658	7%
Cost of sales		(33,059)	(31,115)	6%
Gross profit		15,692	14,543	8%
Other income	1	971	586	66%
Other gains – net	2	6,073	6	NM
Expenses				
- Selling and distribution		(1,265)	(993)	27%
- Administrative		(6,994)	(5,629)	24%
- Finance		(455)	(467)	-3%
Share of loss of an associated company and joint ventures *		(1,597)	(979)	63%
Profit before income tax	3	12,425	7,067	76%
Income tax expense	4	(2,388)	(1,276)	87%
Total profit		10,037	5,791	73%
Profit attributable to:				
Equity holders of the Company		10,037	5,791	73%
		10,037	5,791	73%

* Includes elimination of share of unrealised construction and project management margins.

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		
	First quarter ended		
	30.6.18	30.6.17	Inc/(Dcr)
	\$'000	\$'000	%
Total profit	10,037	5,791	73%
Other comprehensive income:			
<u>Items that may be reclassified subsequently to profit or loss</u>			
- Currency translation differences arising from consolidation	434	194	124%
Other comprehensive income, net of tax	434	194	124%
Total comprehensive income	10,471	5,985	75%
Total comprehensive income attributable to:			
Equity holders of the Company	10,471	5,985	75%
	10,471	5,985	75%

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		
	First quarter ended		
	30.6.18	30.6.17	Inc/(Dcr)
	\$'000	\$'000	%
<u>Note 1: Other income</u>			
Interest income	676	273	148%
Sublease income	295	313	-6%
	971	586	66%
<u>Note 2: Other gains – net</u>			
Currency exchange gains – net	183	6	NM
Gain on disposal of a property held for sale – net	5,890	-	NM
	6,073	6	NM
<u>Note 3: Profit before income tax is arrived at after charging the following:</u>			
Depreciation expense	(1,662)	(1,681)	-1%
Employee share-based payment expense	(131)	(209)	-37%
<u>Note 4: Income tax expense</u>			
The provision for income tax expense 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 that the Group operates in.			
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.			

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		
		30.6.18 \$'000	31.3.18 (Restated) \$'000	1.4.17 (Restated) \$'000	30.6.18 \$'000	31.3.18 (Restated) \$'000	1.4.17 (Restated) \$'000
ASSETS							
Current assets							
Cash and cash equivalents		129,026	111,386	113,374	57,417	52,802	100,164
Properties held for sale		26,219	30,730	30,612	-	-	-
Trade receivables		56,547	59,718	64,185	10,945	15,134	43,272
Other receivables and prepayments		25,892	29,984	41,681	133,013	140,053	143,309
Contract assets		8,144	8,700	8,436	-	-	2,468
		245,828	240,518	258,288	201,375	207,989	289,213
Non-current assets							
Trade receivables		6,083	4,619	-	-	-	-
Other receivables and prepayments		2,539	2,651	6,064	-	-	-
Investment in an associated company		163	588	-	-	-	-
Investments in joint ventures		38,446	37,148	32,354	46,702	44,240	37,263
Investments in subsidiaries		-	-	-	40,157	40,022	28,282
Intangible assets		125	-	-	-	-	-
Investment and available-for-sale financial asset		31,195	20,519	20,519	31,195	20,519	20,519
Investment properties		128,042	128,827	134,796	-	-	-
Property, plant and equipment		736	780	812	-	-	506
		207,329	195,132	194,545	118,054	104,781	86,570
Total assets		453,157	435,650	452,833	319,429	312,770	375,783
LIABILITIES							
Current liabilities							
Borrowings	1(b)(ii)	5,095	5,095	18,295	-	-	-
Trade and other payables		84,214	95,353	106,695	67,386	73,000	167,419
Income tax payable		12,567	10,632	10,898	2,574	2,468	4,651
Contract liabilities		13,106	7,872	9,458	-	-	-
		114,982	118,952	145,346	69,960	75,468	172,070
Non-current liabilities							
Borrowings	1(b)(ii)	64,135	65,409	70,059	-	-	-
Trade payables		4,545	3,418	4,973	-	-	3,170
Deferred income tax liabilities		4,116	3,770	3,077	-	-	77
		72,796	72,597	78,109	-	-	3,247
Total liabilities		187,778	191,549	223,455	69,960	75,468	175,317
NET ASSETS		265,379	244,101	229,378	249,469	237,302	200,466
EQUITY							
Capital and reserves attributable to equity holders of the Company							
Share capital		15,000	15,000	15,000	15,000	15,000	15,000
Treasury shares		(8,539)	(8,885)	(35)	(8,539)	(8,885)	(35)
Retained profits		258,779	238,066	216,907	241,854	229,818	185,141
Other reserves		139	(80)	(2,494)	1,154	1,369	360
Total equity	1(d)(i)	265,379	244,101	229,378	249,469	237,302	200,466

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

Amount repayable within one year or less, or on demand

As at 30.6.18 \$'000		As at 31.3.18 \$'000	
Secured	Unsecured	Secured	Unsecured
5,095	-	5,095	-

Amount repayable after one year

As at 30.6.18 \$'000		As at 31.3.18 \$'000	
Secured	Unsecured	Secured	Unsecured
64,135	-	65,409	-

Total borrowings of \$69,230,000 (31.3.18: \$70,504,000) 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	
	First quarter ended 30.6.18 \$'000	30.6.17 \$'000
Cash flows from operating activities		
Profit before income tax	12,425	7,067
Adjustments for:		
Depreciation expense	1,662	1,681
Share of loss of an associated company and joint ventures	1,597	979
Employee share-based compensation expense	131	209
Interest income	(676)	(273)
Finance expenses	455	467
Gain on disposal of a property held for sale – net	(5,890)	-
Currency exchange gains – net	(183)	(6)
	9,521	10,124
Change in working capital:		
- Trade and other receivables	7,473	12,829
- Contract assets and liabilities – net	5,791	(12,009)
- Properties held for sale	-	(44)
- Trade and other payables	(10,118)	(8,540)
Cash generated from operations	12,667	2,360
Interest received	676	273
Interest paid	(455)	(467)
Income tax paid	(107)	(565)
Net cash provided by operating activities	12,781	1,601

- 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	
	First quarter ended 30.6.18 \$'000	30.6.17 \$'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(31)	(110)
Additions to intangible asset	(125)	-
Additions to investment property	(792)	-
Proceeds from disposal of a property held for sale	10,500	-
Proceeds from disposal of an available-for-sale financial asset	-	25,895
Loan to an associated company	(1,006)	(2,247)
Loans to joint ventures	(2,461)	(1,428)
Net cash provided by investing activities	6,085	22,110
Cash flows from financing activities		
Repayment of borrowings	(1,274)	(1,574)
Purchase of treasury shares	-	(222)
Dividends received from a joint venture	-	115
Net cash used in financing activities	(1,274)	(1,681)
Net increase in cash and cash equivalents	17,592	22,030
Cash and cash equivalents		
Beginning of financial period	111,386	113,374
Effect of currency translation on cash and cash equivalents	48	(32)
End of financial period	129,026	135,372

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-----)								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	Subtotal \$'000	
GROUP									
1Q FY2019									
Balance at 31 March 2018, as previously reported under SFRS	15,000	(8,885)	239,338	(2,854)	2	1,367	133	(1,352)	244,101
Impact of adopting SFRS(I) 1	-	-	(1,272)	-	-	-	1,272	1,272	-
Impact of adopting SFRS(I) 9 on 1 April 2018	-	-	10,676	-	-	-	-	-	10,676
Balance at 1 April 2018 as restated under SFRS (I)	15,000	(8,885)	248,742	(2,854)	2	1,367	1,405	(80)	254,777
Profit for the period	-	-	10,037	-	-	-	-	-	10,037
Other comprehensive income for the period	-	-	-	-	-	-	434	434	434
Total comprehensive income for the period	-	-	10,037	-	-	-	434	434	10,471
Employee share-based compensation									
- Value of employee services	-	-	-	-	-	131	-	131	131
- Treasury shares re-issued	-	346	-	-	8	(354)	-	(346)	-
Balance at 30 June 2018	15,000	(8,539)	258,779	(2,854)	10	1,144	1,839	139	265,379

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 (cont'd).

	(-----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	Total \$'000
GROUP									
1Q FY2018									
Balance at 31 March 2017, as previously reported under SFRS	15,000	(35)	218,179	(2,854)	-	360	(1,272)	(3,766)	229,378
Impact of adopting SFRS(I) 1	-	-	(1,272)	-	-	-	1,272	1,272	-
Balance at 1 April 2017 as restated under SFRS (I)	15,000	(35)	216,907	(2,854)	-	360	-	(2,494)	229,378
Profit for the period	-	-	5,791	-	-	-	-	-	5,791
Other comprehensive income for the period	-	-	-	-	-	-	194	194	194
Total comprehensive income for the period	-	-	5,791	-	-	-	194	194	5,985
Purchase of treasury shares	-	(222)	-	-	-	-	-	-	(222)
Employee share-based compensation - Value of employee services	-	-	-	-	-	209	-	209	209
Balance at 30 June 2017	15,000	(257)	222,698	(2,854)	-	569	194	(2,091)	235,350

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

	(-----Other reserves-----)						Retained profits \$'000	Total \$'000
	Share capital \$'000	Treasury shares \$'000	Capital reserve \$'000	Share-based compensation reserve \$'000	Subtotal \$'000			
COMPANY								
1Q FY2019								
Balance at 31 March 2018, as previously reported under SFRS	15,000	(8,885)	2	1,367	1,369	229,818	237,302	
Impact of adopting SFRS(I) 9 on 1 April 2018	-	-	-	-	-	10,676	10,676	
Balance at 1 April 2018 as restated under SFRS (I)	15,000	(8,885)	2	1,367	1,369	240,494	247,978	
Profit for the period	-	-	-	-	-	1,360	1,360	
Profit for the period, representing total comprehensive income for the period	-	-	-	-	-	1,360	1,360	
Employee share-based compensation								
- Value of employee services	-	-	-	131	131	-	131	
- Treasury shares re-issued	-	346	8	(354)	(346)	-	-	
Balance at 30 June 2018	15,000	(8,539)	10	1,144	1,154	241,854	249,469	
COMPANY								
1Q FY2018								
Balance at 1 April 2017	15,000	(35)	-	360	360	185,141	200,466	
Profit for the period	-	-	-	-	-	2,682	2,682	
Profit for the period, representing total comprehensive income for the period	-	-	-	-	-	2,682	2,682	
Purchase of treasury shares	-	(222)	-	-	-	-	(222)	
Employee share-based compensation								
- Value of employee services	-	-	-	209	209	-	209	
Balance at 30 June 2017	15,000	(257)	-	569	569	187,823	203,135	

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 308,906,145 ordinary shares to 309,315,765 ordinary shares. This resulted from the allotment of 409,620 ordinary shares under the Boustead Projects Restricted Share Plan 2016. As at 30 June 2018, there were a total of 10,684,235 (30.06.17: 299,800) 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.

	As at 30.6.18	As at 31.3.18
Total number of issued shares (excluding treasury shares)	309,315,765	308,906,145

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 13 April 2018, 409,620 treasury shares were utilised for the issue of 409,620 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.

Except as disclosed in note 5, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 March 2018.

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.

The Singapore Accounting Standards Council has introduced a new financial reporting framework identical to the International Financial Reporting Standards, referred to as Singapore Financial standards (International) ("SFRS(I)"). Singapore incorporated companies listed on the SGX are required to apply the new financial reporting framework for annual periods beginning on or after 1 January 2018.

The Group and Company have adopted and issued the first set of financial information under the SFRS(I) for the period commencing on 1 April 2018. The impact of adopting the following SFRS(I)s which are effective for the financial year beginning 1 April 2018, are as follows:

SFRS(I) 1 – First-time adoption of Singapore Financial Reporting Standards (International)

The Group elected to set the cumulative translation differences for all foreign operations to zero as at the date of transition to SFRS(I) on 1 April 2017.

As a result, other reserves and retained profits as at 1 April 2017 and 31 March 2018 will be increased/reduced by \$1,272,000 respectively.

SFRS(I) 9 – Financial Instruments

The Group and the Company have an investment in an unquoted equity security, previously carried at cost. Under SFRS(I) 9, the Group and the Company are required to measure the unquoted equity security at fair value.

Any difference between the previous carrying amount under FRS 39 and the fair value as at 1 April 2018 has been recognised in the opening retained earnings. As a result, investment and available-for-sale financial asset, and retained profits as at 1 April 2018 will be increased by \$10,676,000.

SFRS(I) 15 – Revenue from Contracts with Customers

The Group and Company adopted SFRS(I) 15 and elected to apply the standard retrospectively.

As a result, the Group and the Company have changed the presentation of certain amounts in the balance sheets to reflect the terminology in SFRS(I) 15:

- Gross amounts due from customers for contract work-in-progress under FRS 11 have been reclassified to be presented as part of contract assets.
- Gross amounts due to customers for contract work-in-progress under FRS 11 have been reclassified to be presented as part of contract liabilities.

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	
	First quarter ended 30.6.18	30.6.17
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 (¢)	3.2	1.8
(ii) On a fully diluted basis (¢)	3.2	1.8
Weighted average number of ordinary shares in issue:		
Basic	309,315,765	319,733,533
Fully diluted basis	311,471,818	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	
	30.6.18	31.3.18	30.6.18	31.3.18
Net asset value per ordinary share based on issued shares (excluding treasury shares) as at the end of the period reported on (\$)	0.858	0.790	0.807	0.768
Number of issued shares (excluding treasury shares) as at the end of the period reported on	309,315,765	308,906,145	309,315,765	308,906,145

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 1Q FY2019, total revenue was 7% higher year-on-year at \$48.8 million, due to higher revenue contributions from the design-and-build business, partially offset by lower leasing revenue. Total profit was 73% higher year-on-year at \$10.0 million, mainly boosted by a non-recurring other gain from the sale of 25 Changi North Rise. After adjusting for this gain and expenses associated with the sale of 25 Changi North Rise, total profit would be 11% lower year-on-year, mainly due to higher overhead expenses (selling and distribution expenses, and administrative expenses) and greater share of loss of an associated company and joint ventures. This was partially offset by higher gross profit achieved through productivity improvements and the unlocking of project cost savings.

Segment Revenue

Segment	Revenue		Favourable/ (Unfavourable)
	1Q FY2019	1Q FY2018	Change
	\$'m	\$'m	%
Design-and-Build	41.2	37.8	+9
Leasing	7.5	7.9	-5
BP Group Total	48.8	45.7	+7

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

Design-and-build revenue for 1Q FY2019 was 9% higher year-on-year at \$41.2 million, with the healthy order book backlog carried forward at the end of FY2018 contributing to stronger revenue conversion during 1Q FY2019.

Leasing revenue for 1Q FY2019 was 5% lower year-on-year at \$7.5 million, mainly impacted by the lease expiry of 85 Tuas South Avenue 1 in January 2018, partially offset by development management fees from the Boustead Development Partnership.

Group Profitability

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

Segment	PBT		Favourable/ (Unfavourable)
	1Q FY2019	1Q FY2018	Change
	\$'m	\$'m	%
Design-and-Build	3.9	3.4	+15
Leasing	2.6	3.7	-30
Sale of Building – net	*5.9	-	NM
BP Group Total	12.4	7.1	+76

Note: Any differences in summation are due to rounding differences.
 NM – not meaningful
 * Gain attributable to sale of 25 Changi North Rise, net of fees

The BP Group's overall gross profit for 1Q FY2019 increased 8% year-on-year to \$15.7 million. The overall gross margin remained comparable year-on-year.

Other income for 1Q FY2019 grew 66% year-on-year to \$1.0 million, mainly due to higher interest income.

Other gains for 1Q FY2019 climbed to \$6.1 million, mainly due to the sale of 25 Changi North Rise during the period.

Total overhead expenses for 1Q FY2019 rose 25% year-on-year to \$8.3 million (selling and distribution expenses of \$1.3 million, and administrative expenses of \$7.0 million), mainly due to investments in new capabilities in line with the BP Group's regional growth strategies and professional fees related to legal, consultancy, training, recruitment and joint venture investments.

Finance expenses for 1Q FY2019 decreased 3% year-on-year following the scheduled repayment of borrowings.

Share of loss of an associated company and joint ventures for 1Q FY2019 increased 63% year-on-year to \$1.6 million, representing an increase in the elimination of construction and project management profits attributable to projects which the BP Group has entered into with joint ventures.

Total PBT for 1Q FY2019 was 76% higher year-on-year at \$12.4 million, mainly due to the sale of 25 Changi North Rise, higher gross profit and other income, partially offset by higher overhead expenses and share of loss of an associated company and joint ventures.

Income tax expense for 1Q FY2019 was 87% higher year-on-year at \$2.4 million, largely on higher total PBT.

Total profit and profit attributable to equity holders of the Company grew 73% year-on-year to \$10.0 million.

Statement of Cash Flows

During 1Q FY2019, cash and cash equivalents (after taking into account the effects of currency translation) increased by \$17.6 million to \$129.0 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 for 1Q FY2019 amounted to \$12.8 million, with \$9.5 million in operating cash flows before changes in working capital and a \$3.1 million positive change in working capital. This overall 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 for 1Q FY2019 amounted to \$6.1 million, mainly from proceeds from the disposal of a property held for sale (i.e. 25 Changi North Rise), partially offset by loans extended to an associated company and joint ventures.

Net cash used in financing activities for 1Q FY2019 amounted to \$1.3 million due to the scheduled repayment of borrowings.

Balance Sheets

At the end of 1Q FY2019, the BP Group's financial position remained healthy with cash and cash equivalents of \$129.0 million and total equity of \$265.4 million.

Under assets, the BP Group's cash and cash equivalents increased to \$129.0 million as described earlier under the explanation for Statement of Cash Flows. Properties held for sale declined to \$26.2 million with the sale of 25 Changi North Rise. Total trade receivables declined to \$62.6 million mainly due to collection of prior year outstanding trade receivables, partially offset by increased advance billings made as at the end of 1Q FY2019. Total other receivables and prepayments decreased to \$28.4 million, mainly due to the full refund of a tender deposit and the scheduled collection of compensation from AusGroup's early lease termination, and partially offset by additional loans extended to an associated company.

Under non-current assets, investments in joint ventures edged up to \$38.4 million, with the extension of shareholders' loans to joint ventures for the development of industrial properties for lease, partially offset by the elimination of construction and project management profits attributable to projects in which the BP Group has entered into with joint ventures. Investment properties declined to \$128.0 million, mainly as a result of depreciation, partially offset by additions made during the period for the development of Boustead Industrial Park in Vietnam. Investment and available-for-sale financial asset significantly increased due to the adoption of SFRS(I) 9 as explained earlier in Note 5.

Under liabilities, total trade and other payables decreased to \$88.8 million, following payments made to subcontractors and suppliers during 1Q FY2019. Total borrowings declined to \$69.2 million, following the scheduled repayment of borrowings in relation to the industrial leasehold portfolio. Net contract liabilities of \$5.0 million was due to higher advance billings made to clients.

The BP Group's net asset value per share climbed to 85.8 cents at the end of 1Q FY2019, from 79.0 cents at the end of FY2018, while the net cash position (cash and cash equivalents less total borrowings) strengthened to \$59.8 million at the end of 1Q FY2019.

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 1Q FY2019 plus the total value of new orders secured since then) stands at approximately \$202 million.

During 1Q FY2019, the BP Group secured a new tenant on a long-term lease for 85 Tuas South Avenue 1 (which had been vacated by the previous tenant in January 2018). As there are additions & alterations works involved with 85 Tuas South Avenue 1 accompanied by the usual rent free period, rental cash flow from this property is expected to resume only in FY2020. On a separate note, pre-committed take-up of space at ALICE @ Mediapolis in Singapore, and the first phase construction and marketing of the Boustead Industrial Park in Vietnam are both progressing well.

With a slightly better outlook for FY2019, the BP Group is positive that its market leadership, financially-sound position and strong business development efforts will allow it to capitalise on a steady pipeline of opportunities both in Singapore and overseas. The BP Group continues to invest in smart and eco-sustainable building capabilities, drive cost and productivity improvements, and intensify its efforts in securing strategic partnerships and acquisition targets that can support its market expansion and extend its capabilities.

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 1Q FY2019 financial results to be false or misleading in any material aspect.

- 15. Confirmation of undertakings from Directors and Executive Officer**

The Company has procured undertakings from all 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
10 August 2018