



Boustead Projects Limited
(Co. Reg. No. 199603900E)

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BOUSTEAD PROJECTS FINANCIAL RESULTS ANNOUNCEMENT FOR FY2016 ENDED 31 MARCH 2016

	4Q FY2016	4Q FY2015	Change	FY2016	FY2015	Change
Revenue	S\$59.4m	S\$48.8m	+22%	S\$255.5m	S\$255.4m	+0%
Gross profit	S\$14.2m	S\$17.4m	-18%	S\$59.0m	S\$57.3m	+3%
Profit before income tax	S\$6.4m	S\$9.9m	-35%	S\$29.7m	S\$33.4m	-11%
Total profit	S\$5.4m	S\$7.8m	-31%	S\$22.9m	S\$24.6m	-7%
Profit attributable to equity holders of Company ("net profit")	S\$5.4m	S\$7.8m	-31%	S\$22.9m	S\$24.7m	-7%
- Earnings per share*	1.7cts	2.4cts	-29%	7.1cts	7.7cts	-8%
- Net asset value per share*				60.6cts	79.0cts	-23%

Note:

* Computed based on 320,000,000 shares post-sub-division

Note to Editors: The Boustead Projects 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.

FY2016 Highlights:

- FY2016 revenue of S\$255.5 million was comparable to FY2015.
- FY2016 total profit of S\$22.9 million was 7% lower than FY2015, primarily due to the challenging and competitive industrial real estate business landscape, higher overhead and finance expenses, and greater share of loss of an associated company and joint ventures (mainly elimination of construction profits attributable to projects which the BP Group has entered into with an associated company and joint ventures).
- The BP Group's order book backlog stands at a healthy S\$208 million (at the end of FY2016 plus new orders since).

Singapore, 20 May 2016 – Mainboard-listed Boustead Projects Limited (“Boustead Projects” or the “BP Group”), a leading specialist in real estate solutions today announced its unaudited financial results for the fourth quarter and full-year ended 31 March 2016 (“4Q FY2016” and “FY2016” respectively).

For 4Q FY2016, the BP Group registered revenue of S\$59.4 million, which is 22% higher than 4Q FY2015. However, total profit for 4Q FY2016 decreased 31% year-on-year to S\$5.4 million.

For FY2016, the BP Group registered revenue of S\$255.5 million, which remained comparable to FY2015. However, total profit for FY2016 decreased 7% year-on-year to S\$22.9 million, primarily due to the challenging and competitive industrial real estate business landscape, higher overhead and finance expenses, and greater share of loss of an associated company and joint ventures (mainly elimination of construction profits attributable to projects which the BP Group has entered into with an associated company and joint ventures).

Contributing 87% of the BP Group’s total revenue for FY2016 (FY2015: 90%), design-and-build revenue was S\$221.1 million, which is 3% lower than FY2015. A major project with significant contract value was completed during FY2015, resulting in higher revenue registered for the design-and-build business during that period.

Contributing 13% of the BP Group’s total revenue for FY2016 (FY2015: 10%), leasing revenue was S\$34.4 million, which is 30% higher than FY2015. This is attributable to greater contributions from three design-build-and-lease projects completed during FY2015 coupled with the normalisation of leasing revenue from three other properties.

Gross profit for FY2016 increased 3% year-on-year to S\$59.0 million, mainly boosted by higher gross profit from the leasing business on the back of an enlarged leasehold portfolio, partially offset by lower gross profit from the design-and-build business which continued to be affected by the more challenging and competitive business environment.

Despite the increase in gross profit, profit before income tax (“PBT”) for FY2016 decreased 11% year-on-year to S\$29.7 million, mainly as a result of higher overhead and finance expenses, and greater share of loss of an associated company and joint ventures as a result of elimination of unrealised intercompany profits.

Mr Thomas Chu, Managing Director of Boustead Projects said, “Our financial performance in our first year following our demerger from Boustead Singapore Limited has been reasonable given the harsh business landscape we are currently operating in. We continue to maintain our leadership position as the design-and-build partner of choice in the challenging industrial real estate market, having secured a number of important contracts from new and repeat clients. Our industrial leasehold portfolio – under our leasing business – continues to expand and contribute increasing profit to our Group, helping us to partially counter the weaker margins that we are experiencing at our design-and-build business. Our portfolio has become an important source of recurring income to weather the difficult times.”

Mr Chu added, “During FY2016, we progressively implemented our long-term growth strategies, particularly in diversifying our business beyond Singapore and strengthening our foothold in higher value industries. Looking ahead, we will continue to pursue M&A and investment opportunities to grow our business, not only domestically and regionally, but also across different real estate sectors and industry clusters. We are confident that the steps taken today will enable us to realise our vision of becoming a regional integrated real estate solutions leader with a full suite of capabilities and benefit our long-term growth.”

At the end of FY2016, the BP Group's financial position remained healthy with cash and cash equivalents of S\$90.9 million and total equity of S\$193.9 million.

Following the S\$52.0 million repayment of loans by joint ventures and the S\$93.0 million repayment of borrowings, net borrowings (total borrowings less cash and cash equivalents) stood at S\$2.6 million at the end of FY2016.

Despite the highly challenging and competitive industrial real estate market, the BP Group's order book backlog stands at a healthy S\$208 million (at the end of FY2016 plus new orders since).

-- End of media release --

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.

About Boustead Projects Limited

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 industrial 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 nine 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, a progressive global Infrastructure-Related Engineering Services and Geo-Spatial Technology Group which is separately listed on the SGX Mainboard.

Visit Boustead Projects at www.bousteadprojects.com.

Financial Results Archive

To access the archive of financial results since the listing of Boustead Projects on the SGX, please go to: www.bousteadprojects.com >> investor centre >> financial information >> quarterly results.

Contact Information

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