

BOUSTEAD PROJECTS LIMITED
AND ITS SUBSIDIARIES

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

SGXNET ANNOUNCEMENT
UNAUDITED RESULTS FOR 2Q FY2019
ENDED 30 SEPTEMBER 2018



Corporate Profile

Established in 1996, Boustead Projects Limited (SGX:AVM) is the leading industrial real estate solutions provider in Singapore, with core engineering expertise in the design-and-build and development of advanced eco-sustainable 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 Singapore’s Building & Construction Authority (“BCA”) for Grade CW01-A1 and General Builder Class 1 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 the 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 nine 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 WSH 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.

BOUSTEAD PROJECTS LIMITED
(Company Registration No. 199603900E)

Unaudited Financial Statements and Related Announcement for the Second Quarter Ended 30 September 2018

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		
		30.9.18 \$'000	30.9.17 \$'000	Inc/(Dcr) %	30.9.18 \$'000	30.9.17 \$'000	Inc/(Dcr) %
Revenue		60,552	50,117	21%	109,303	95,775	14%
Cost of sales		(41,067)	(31,585)	30%	(74,126)	(62,700)	18%
Gross profit		19,485	18,532	5%	35,177	33,075	6%
Other income	1	1,516	804	89%	2,487	1,390	79%
Other gains – net	2	9	36	-75%	6,082	42	NM
Expenses							
- Selling and distribution		(1,324)	(1,135)	17%	(2,589)	(2,128)	22%
- Administrative		(6,945)	(6,166)	13%	(13,939)	(11,795)	18%
- Finance		(501)	(475)	5%	(956)	(942)	1%
Share of (loss)/profit of an associated company and joint ventures *		(2,285)	252	NM	(3,882)	(727)	NM
Profit before income tax	3	9,955	11,848	-16%	22,380	18,915	18%
Income tax expense	4	(1,917)	(2,313)	-17%	(4,305)	(3,589)	20%
Total profit		8,038	9,535	-16%	18,075	15,326	18%
Profit attributable to equity holders of the Company		8,038	9,535	-16%	18,075	15,326	18%
		8,038	9,535	-16%	18,075	15,326	18%

* 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 Second quarter ended			GROUP Half-year ended		
	30.9.18 \$'000	30.9.17 \$'000	Inc/(Dcr) %	30.9.18 \$'000	30.9.17 \$'000	Inc/(Dcr) %
Total profit	8,038	9,535	-16%	18,075	15,326	18%
Other comprehensive (loss)/income:						
<u>Items that may be reclassified subsequently to profit or loss</u>						
- Currency translation differences arising from consolidation	(980)	97	NM	(546)	291	NM
Other comprehensive (loss)/income, net of tax	(980)	97	NM	(546)	291	NM
Total comprehensive income	7,058	9,632	-27%	17,529	15,617	12%
Total comprehensive income attributable to:						
Equity holders of the Company	7,058	9,632	-27%	17,529	15,617	12%
	7,058	9,632	-27%	17,529	15,617	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 Second quarter ended			GROUP Half-year ended		
	30.9.18 \$'000	30.9.17 \$'000	Inc/(Dcr) %	30.9.18 \$'000	30.9.17 \$'000	Inc/(Dcr) %
<u>Note 1: Other income</u>						
Interest income	1,227	520	136%	1,903	793	140%
Sublease income	289	284	2%	584	597	-2%
	1,516	804	89%	2,487	1,390	79%
<u>Note 2: Other gains – net</u>						
Currency exchange gains – net	9	36	-75%	192	42	NM
Gain on disposal of a property	-	-	NM	5,890	-	NM
	9	36	-75%	6,082	42	NM
<u>Note 3: Profit before income tax is arrived at after charging the following:</u>						
Depreciation expense	(1,633)	(1,679)	-3%	(3,295)	(3,360)	-2%
Employee share-based payment expense	(131)	(108)	21%	(262)	(317)	-17%
<u>Note 4: Income tax expense</u>						
<p>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.</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		
		30.9.18 \$'000	31.3.18 (Restated) \$'000	1.4.17 (Restated) \$'000	30.9.18 \$'000	31.3.18 (Restated) \$'000	1.4.17 (Restated) \$'000
ASSETS							
Current assets							
Cash and cash equivalents		132,087	111,386	113,374	62,657	52,802	100,164
Properties held for sale		26,183	30,730	30,612	-	-	-
Trade receivables		51,483	59,718	64,185	9,584	15,134	43,272
Other receivables and prepayments		30,333	29,984	41,681	130,818	140,053	143,309
Contract assets		27,524	8,700	8,436	-	-	2,468
		267,610	240,518	258,288	203,059	207,989	289,213
Non-current assets							
Trade receivables		5,103	4,619	-	-	-	-
Other receivables and prepayments		2,425	2,651	6,064	-	-	-
Investment in an associated company		-	588	-	-	-	-
Investments in joint ventures		41,548	37,148	32,354	51,402	44,240	37,263
Investments in subsidiaries		-	-	-	39,620	40,022	28,282
Intangible assets		124	-	-	-	-	-
Investment and available-for-sale financial asset		31,195	20,519	20,519	31,195	20,519	20,519
Investment properties		126,742	128,827	134,796	-	-	-
Property, plant and equipment		669	780	812	-	-	506
		207,806	195,132	194,545	122,217	104,781	86,570
Total assets		475,416	435,650	452,833	325,276	312,770	375,783
LIABILITIES							
Current liabilities							
Borrowings	1(b)(ii)	15,739	5,095	18,295	-	-	-
Trade and other payables		88,542	95,353	106,695	67,127	73,000	167,419
Income tax payable		9,665	10,632	10,898	2,348	2,468	4,651
Contract liabilities		20,547	7,872	9,458	-	-	-
		134,493	118,952	145,346	69,475	75,468	172,070
Non-current liabilities							
Borrowings	1(b)(ii)	63,105	65,409	70,059	-	-	-
Trade payables		5,858	3,418	4,973	-	-	3,170
Deferred income tax liabilities		4,032	3,770	3,077	-	-	77
		72,995	72,597	78,109	-	-	3,247
Total liabilities		207,488	191,549	223,455	69,475	75,468	175,317
NET ASSETS		267,928	244,101	229,378	255,801	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		(8,244)	(8,885)	(35)	(8,244)	(8,885)	(35)
Retained profits		262,177	238,066	216,907	248,055	229,818	185,141
Other reserves		(1,005)	(80)	(2,494)	990	1,369	360
Total equity	1(d)(i)	267,928	244,101	229,378	255,801	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 30.9.18 \$'000		As at 31.3.18 \$'000	
Secured	Unsecured	Secured	Unsecured
15,739	-	5,095	-

Amount repayable after one year

As at 30.9.18 \$'000		As at 31.3.18 \$'000	
Secured	Unsecured	Secured	Unsecured
63,105	-	65,409	-

Total borrowings of \$78,844,000 (31.3.18: \$70,504,000) are secured either by banker's guarantee given in favour of the Group, or by 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	
	Second quarter ended 30.9.18 \$'000	30.9.17 \$'000	Half-year ended 30.9.18 \$'000	30.9.17 \$'000
Cash flows from operating activities				
Profit before income tax	9,955	11,848	22,380	18,915
Adjustments for:				
Depreciation expense	1,633	1,679	3,295	3,360
Share of loss/(profit) of an associated company and joint ventures	2,285	(252)	3,882	727
Employee share-based compensation expense	131	108	262	317
Finance expenses	501	475	956	942
Interest income	(1,227)	(520)	(1,903)	(793)
Gain on disposal of a property	-	-	(5,890)	-
Currency exchange gains – net	(9)	(36)	(192)	(42)
	13,269	13,302	22,790	23,426
Change in working capital:				
- Trade and other receivables	1,713	(10,902)	9,186	1,927
- Contract assets and liabilities – net	(11,940)	(1,272)	(6,149)	(13,281)
- Properties held for sale	-	(1)	-	(45)
- Trade and other payables	5,356	2,614	(4,762)	(5,926)
Cash generated from operations	8,398	3,741	21,065	6,101
Interest received	1,227	520	1,903	793
Interest paid	(501)	(475)	(956)	(942)
Income tax paid	(4,903)	(2,583)	(5,010)	(3,148)
Net cash provided by operating activities	4,221	1,203	17,002	2,804

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 30.9.18 \$'000	30.9.17 \$'000	Half-year ended 30.9.18 \$'000	30.9.17 \$'000
Cash flows from investing activities				
Purchase of property, plant and equipment	(74)	(111)	(105)	(221)
Government grant received	92	-	92	-
Additions to intangible asset	-	-	(125)	-
Additions to investment property	(287)	-	(1,079)	-
Proceeds from disposal of a property	-	-	10,500	-
Proceeds from disposal of an available-for-sale financial asset	-	-	-	25,895
Loan to an associated company	(669)	(2,261)	(1,675)	(4,508)
Loans to joint ventures	(4,974)	(2,770)	(7,435)	(4,198)
Net cash (used in)/provided by investing activities	(5,912)	(5,142)	173	16,968
Cash flows from financing activities				
Repayment of borrowings	(1,030)	(485)	(2,304)	(2,059)
Proceeds from borrowings	10,644	-	10,644	-
Purchase of treasury shares	-	(68)	-	(290)
Dividends received from a joint venture	-	-	-	115
Dividends paid to equity holders of the Company	(4,640)	(7,992)	(4,640)	(7,992)
Net cash provide by/(used in) financing activities	4,974	(8,545)	3,700	(10,226)
Net increase/(decrease) in cash and cash equivalents	3,283	(12,484)	20,875	9,546
Cash and cash equivalents				
Beginning of financial period	129,026	135,372	111,386	113,374
Effects of currency translation on cash and cash equivalents	(222)	51	(174)	19
End of financial period	132,087	122,939	132,087	122,939

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									
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(l) 1	-	-	(1,272)	-	-	-	1,272	1,272	-
Impact of adopting SFRS(l) 9 on 1 April 2018	-	-	10,676	-	-	-	-	-	10,676
Balance at 1 April 2018 as restated under SFRS (l)	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
Profit for the period	-	-	8,038	-	-	-	-	-	8,038
Other comprehensive income for the period	-	-	-	-	-	-	(980)	(980)	(980)
Total comprehensive income for the period	-	-	8,038	-	-	-	(980)	(980)	7,058
Employee share-based compensation									
- Value of employee services	-	-	-	-	-	131	-	131	131
- Treasury shares re-issued	-	295	-	-	43	(338)	-	(295)	-
Dividends	-	-	(4,640)	-	-	-	-	-	(4,640)
Balance at 30 September 2018	15,000	(8,244)	262,177	(2,854)	53	937	859	(1,005)	267,928

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									
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
Profit for the period	-	-	9,535	-	-	-	-	-	9,535
Other comprehensive income for the period	-	-	-	-	-	-	97	97	97
Total comprehensive income for the period	-	-	9,535	-	-	-	97	97	9,632
Purchase of treasury shares	-	(68)	-	-	-	-	-	-	(68)
Employee share-based compensation - Value of employee services	-	-	-	-	-	108	-	108	108
Dividends	-	-	(7,992)	-	-	-	-	-	(7,992)
Balance at 30 September 2017	15,000	(325)	224,241	(2,854)	-	677	291	(1,886)	237,030

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	Capital reserve \$'000	Share-based compensation reserve \$'000	Subtotal \$'000	Retained profits \$'000	Total \$'000
COMPANY							
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
Profit for the period	-	-	-	-	-	10,841	10,841
Profit for the period, representing total comprehensive income for the period	-	-	-	-	-	10,841	10,841
Employee share-based compensation							
- Value of employee services	-	-	-	131	131	-	131
- Treasury shares re-issued	-	295	43	(338)	(295)	-	-
Dividends	-	-	-	-	-	(4,640)	(4,640)
Balance at 30 September 2018	15,000	(8,244)	53	937	990	248,055	255,801

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	Capital reserve \$'000	Share-based compensation reserve \$'000	Subtotal \$'000	Retained profits \$'000	Total \$'000
COMPANY							
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
Profit for the period	-	-	-	-	-	4,324	4,324
Profit for the period, representing total comprehensive income for the period	-	-	-	-	-	4,324	4,324
Purchase of treasury shares	-	(68)	-	-	-	-	(68)
Employee share-based compensation							
- Value of employee services	-	-	-	108	108	-	108
Dividends	-	-	-	-	-	(7,992)	(7,992)
Balance at 30 September 2017	15,000	(325)	-	677	677	184,155	199,507

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 309,315,765 ordinary shares to 309,706,987 ordinary shares. This resulted from the allotment of 391,222 ordinary shares under the Boustead Projects Restricted Share Plan 2016. As at 30 September 2018, there were a total of 10,293,013 (30.9.17: 377,800) 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 30.9.18	As at 31.3.18
Total number of issued shares (excluding treasury shares)	309,706,987	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 21 September 2018, 391,222 treasury shares were utilised for the issue of 391,222 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 Second quarter ended		GROUP Half-year ended	
	30.9.18	30.9.17	30.9.18	30.9.17
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 (¢)	2.6	3.0	5.8	4.8
(ii) On a fully diluted basis (¢)	2.6	3.0	5.8	4.8
Weighted average number of ordinary shares in issue:				
Basic	309,446,172	319,642,200	309,380,969	319,687,867
Fully diluted basis	311,495,072	320,000,000	311,495,072	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	
	30.9.18	31.3.18	30.9.18	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 (\$)	0.865	0.790	0.826	0.768
Number of issued shares (excluding treasury shares) as at the end of the period reported on	309,706,987	308,906,145	309,706,987	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 2Q FY2019, total revenue was 21% higher year-on-year at \$60.6 million, due to higher design-and-build revenue, partially offset by lower leasing revenue. Total profit was 16% lower year-on-year at \$8.0 million, mainly due to higher overhead expenses (selling and distribution expenses, and administrative expenses) and share of loss of an associated company and joint ventures, partially offset by higher gross profit achieved through productivity improvements and the unlocking of project cost savings.

For 1H FY2019, total revenue was 14% higher year-on-year at \$109.3 million, due to higher design-and-build revenue, partially offset by lower leasing revenue. Total profit was 18% higher year-on-year at \$18.1 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 14% lower year-on-year, mainly due to the same reasons mentioned for 2Q FY2019.

Segment Revenue

Segment	Revenue			Revenue		
	2Q FY2019	2Q FY2018	Favourable/ (Unfavourable) Change	1H FY2019	1H FY2018	Favourable/ (Unfavourable) Change
	\$'m	\$'m	%	\$'m	\$'m	%
Design-and-Build	53.2	42.2	+26	94.4	80.0	+18
Leasing	7.4	7.9	-6	14.9	15.8	-6
BP Group Total	60.6	50.1	+21	109.3	95.8	+14

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

2Q FY2019 Segment Revenue

Design-and-build revenue for 2Q FY2019 was 26% higher year-on-year at \$53.2 million, with the healthy order book backlog carried forward at the end of FY2018 contributing to stronger revenue conversion during 2Q FY2019. In particular, there are 2 projects that provided significant revenue for 2Q FY2019.

Leasing revenue for 2Q FY2019 was 6% lower year-on-year at \$7.4 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.

1H FY2019 Segment Revenue

Due to the same reasons mentioned for 2Q FY2019, design-and-build revenue for 1H FY2019 was 18% higher year-on-year at \$94.4 million, while leasing revenue for 1H FY2019 was 6% lower year-on-year at \$14.9 million.

Group Profitability

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

Segment	PBT			PBT		
	2Q FY2019	2Q FY2018	Favourable/ (Unfavourable) Change	1H FY2019	1H FY2018	Favourable/ (Unfavourable) Change
	\$'m	\$'m	%	\$'m	\$'m	%
Design-and-Build	7.5	8.3	-10	11.4	11.7	-3
Leasing	2.5	3.5	-29	5.1	7.2	-29
Sale of Building	-	-	NM	*5.9	-	NM
BP Group Total	10.0	11.8	-16	22.4	18.9	+18

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

2Q FY2019 Group Profitability

The BP Group's overall gross profit for 2Q FY2019 increased 5% year-on-year to \$19.5 million. However, the overall gross margin for 2Q FY2019 decreased to 32% from 37% in 2Q FY2018, mainly due to a lower quantum of project cost savings and the lease expiry of 85 Tuas South Avenue 1 in January 2018. Although a new lease agreement for 85 Tuas South Avenue 1 has been signed, the property is currently undergoing additions & alterations, with rental revenue commencing at the beginning of FY2020.

Other income for 2Q FY2019 grew 89% year-on-year to \$1.5 million on the back of higher interest income.

Total overhead expenses for 2Q FY2019 rose 13% year-on-year to \$8.3 million (selling and distribution expenses of \$1.3 million and administrative expenses of \$6.9 million), in line with investment in new capabilities under the BP Group's regional growth strategies.

Finance expenses for 2Q FY2019 increased 5% year-on-year to \$0.5 million following the net increase in borrowings.

Share of loss of an associated company and joint ventures for 2Q FY2019 was \$2.3 million, as a result of an increase in the elimination of construction and project management profits attributable to projects which the BP Group has entered into with an associated company and joint ventures. For 2Q FY2018, the BP Group's share of profit of an associated company and joint ventures was \$0.3 million, mainly driven by profits earned from the sale of THAB Development Sdn Bhd's industrial units.

Total PBT for 2Q FY2019 was 16% lower year-on-year at \$10.0 million, mainly due to higher overhead expenses and share of loss of an associated company and joint ventures, partially offset by higher gross profit and other income.

Income tax expense for 2Q FY2019 was 17% lower year-on-year at \$1.9 million on lower total PBT.

Total profit and profit attributable to equity holders of the Company for 2Q FY2019 dropped 16% year-on-year to \$8.0 million.

1H FY2019 Group Profitability

The BP Group's overall gross profit for 1H FY2019 increased 6% year-on-year to \$35.2 million. However, the overall gross margin for 1H FY2019 decreased to 32% from 35% in 1H FY2018, mainly due to lower quantum of project cost savings and the lease expiry of 85 Tuas South Avenue 1 in January 2018.

Other income for 1H FY2019 increased 79% year-on-year to \$2.5 million on the back of higher interest income.

Other gains for 1H FY2019 climbed exponentially to \$6.1 million, boosted by the sale of 25 Changi North Rise.

Total overhead expenses for 1H FY2019 rose 19% year-on-year to \$16.5 million (selling and distribution expenses of \$2.6 million and administrative expenses of \$13.9 million), mainly due to investments in new capabilities in line with the BP Group's regional growth strategies and professional engineering fees.

Finance expenses for 1H FY2019 increased marginally year-on-year to \$1.0 million following the net increase in borrowings.

Share of loss of an associated company and joint ventures for 1H FY2019 increased year-on-year to \$3.9 million, as a result of an increase in the elimination of construction and project management profits attributable to projects which the BP Group has entered into with an associated company and joint ventures and the presence of profits earned from the sale of THAB Development Sdn Bhd's industrial units during 1H FY2018.

Total PBT for 1H FY2019 was 18% higher year-on-year at \$22.4 million, boosted by 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 1H FY2019 was 20% higher year-on-year at \$4.3 million on higher total PBT.

Total profit and profit attributable to equity holders of the Company grew 18% year-on-year to \$18.1 million.

Statement of Cash Flows

2Q FY2019 Cash Flows

During 2Q FY2019, cash and cash equivalents (after taking into account the effects of currency translation) increased by \$3.1 million to \$132.1 million, mainly due to net cash provided by operating activities and financing activities, partially offset by net cash used in investing activities.

Net cash provided by operating activities amounted to \$4.2 million, with \$13.3 million in operating cash flows before changes in working capital, partially offset by a \$4.9 million negative 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 used in investing activities amounted to \$5.9 million, largely due to additional loans extended to an associated company and joint ventures.

Net cash provided by financing activities amounted to \$5.0 million, following a net increase in borrowings, partially offset by payment of dividends to shareholders.

1H FY2019 Cash Flows

During 1H FY2019, cash and cash equivalents (after taking into account the effects of currency translation) increased by \$20.7 million to \$132.1 million, lifted by net cash provided by operating, investing and financing activities.

Net cash provided by operating activities amounted to \$17.0 million, with \$22.8 million in operating cash flows before changes in working capital, partially offset by a \$1.7 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 provided by investing activities amounted to \$0.2 million, mainly from proceeds from the disposal of a property (25 Changi North Rise), partially offset by additional loans extended to an associated company and joint ventures.

Net cash provided by financing activities amounted to \$3.7 million, following a net increase in borrowings, partially offset by payment of dividends to shareholders

Balance Sheets

At the end of 1H FY2019, the BP Group's financial position remained healthy with cash and cash equivalents of \$132.1 million and total equity of \$267.9 million.

Under assets, the BP Group's cash and cash equivalents increased to \$132.1 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 \$56.6 million, mainly due to collection of prior year outstanding trade receivables. Net contracts assets rose to \$7.0 million as at the end of 1H FY2019, mainly as a result of increased work in a project under deferred payment scheme.

Under non-current assets, investments in joint ventures increased to \$41.5 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 and available-for-sale financial asset significantly increased due to the adoption of SFRS(I) 9 as explained earlier in Note 5. Investment properties declined to \$126.7 million, mainly as a result of depreciation, partially offset by additions made during the period for the development of Boustead Industrial Park in Vietnam.

Under liabilities, total borrowings increased to \$78.8 million, mainly as a result of additional borrowings for a project under deferred payment scheme, partially offset by the scheduled repayment of loans in relation to the industrial leasehold portfolio. Total trade and other payables decreased to \$94.4 million, mainly due to the reduction in project cost accruals.

The BP Group's net asset value per share climbed to 86.5 cents at the end of 1H FY2019 from 79.0 cents at the end of FY2018, while the net cash position (cash and cash equivalents less total borrowings) strengthened to \$53.2 million at the end of 1H 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 2Q FY2019 plus the total value of new orders secured since then) stands at a healthy \$212 million, boosted by a contract secured in September 2018 to build an integrated R&D and office business park building for one of Singapore's largest corporations in one-north.

During 2Q FY2019, the BP Group achieved significant progress in growing its development business and leasehold portfolio. The BP Group's co-investment Boustead Development Partnership ("BDP") secured its fifth development project – an integrated production and warehouse facility for ASX-listed Amcor – and successfully completed the construction of ALICE @ Mediapolis shortly after the end of 2Q FY2019. Recently, land was also secured for a new high-tech industrial development at Braddell Road in the central part of Singapore, for which the BP Group is currently actively evaluating development plans and leasing enquiries.

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

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 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
5 November 2018