

BOUSTEAD PROJECTS FINANCIAL RESULTS ANNOUNCEMENT FOR 1H FY2021 ENDED 30 SEPTEMBER 2020

	1H FY2021	1H FY2020 *(Restated)	Change
Revenue	S\$87.7m	S\$156.7m	-44%
Gross profit	S\$6.3m	S\$21.9m	-71%
(Loss)/Profit before income tax	(S\$2.2m)	S\$12.3m	NM
Total (loss)/profit	(S\$2.3m)	S\$9.6m	NM
(Loss)/Profit attributable to equity holders of the Company	(S\$2.2m)	S\$9.6m	NM
- Earnings per share	(0.7cts)	3.1cts	NM
- Net asset value per share	93.9cts	91.5cts	+3%

NM – not meaningful

* Restated following changes in the Boustead Projects Group (“BP Group”)’s accounting policies, which are further explained under Note 5 of the BP Group’s SGXNET Announcement for 1H FY2021, with no impact to total profit.

Note to Editors: The BP Group’s revenue is largely derived from project-oriented business and as such, half-yearly results may not accurately reflect the full-year performance. Full-year to full-year comparisons are more appropriate for analytical purposes.

1H FY2021 Highlights:

- Total revenue was 44% lower year-on-year at S\$87.7 million, mainly due to significantly delayed design-and-build revenue recognition resulting from Singapore’s Circuit Breaker and the subsequent phased resumption of construction activities imposed by the authorities, partially offset by higher real estate revenue. In addition to delayed revenue recognition and COVID-19 pandemic-related costs, the design-and-build segment was further affected by lower margins on current projects and lower quantum of cost savings from previously completed projects.
- A total loss for 1H FY2021 of S\$2.3 million was registered compared to a total profit for 1H FY2020 of S\$9.6 million, with the loss in the design-and-build segment partially offset by higher profit from the real estate segment.
- Despite the COVID-19 pandemic, approximately S\$97 million of new contracts have been secured since the start of FY2021, bringing the BP Group’s order backlog (unrecognised project revenue remaining at the end of 1H FY2021 plus the total value of new orders secured since then) to a healthy level of S\$447 million.

SINGAPORE, 12 NOVEMBER 2020 – SGX Mainboard-listed Boustead Projects Limited (“Boustead Projects” or the “BP Group”), a leading provider of smart eco-sustainable real estate solutions today announced its unaudited financial results for the first-half ended 30 September 2020 (“1H FY2021”).

For 1H FY2021, total revenue was 44% lower year-on-year at S\$87.7 million, mainly due to significantly delayed design-and-build revenue recognition resulting from Singapore’s Circuit Breaker and the subsequent phased resumption of construction activities imposed by the authorities, partially offset by higher real estate revenue. In addition to delayed revenue recognition and COVID-19 pandemic-related costs, the design-and-build segment was further affected by lower margins on current projects and lower quantum of cost savings from previously completed projects. A total loss for 1H FY2021 of S\$2.3 million was registered compared to a total profit for 1H FY2020 of S\$9.6 million, with the loss in the design-and-build segment partially offset by higher profit from the real estate segment.

Mr Thomas Chu, Managing Director of Boustead Projects said, “The COVID-19 pandemic has posed unprecedented challenges for the real estate and construction sectors. Other than delayed revenue due to Singapore’s Circuit Breaker, phased resumption of construction activities and a host of additional pandemic-related costs, we have had to contend with travel restrictions, which have made it increasingly difficult to conduct meaningful business development activities. Nonetheless, we have implemented numerous mitigation measures to address the pandemic and with the assistance of government support and relief measures, along with our more stable real estate business, were able to limit the loss for 1H FY2021 to S\$2.3 million.”

Mr Chu continued, “Despite the challenging conditions, our real estate team worked relentlessly to secure new key tenants for our leasehold properties – both already completed and those still under construction – leasing up a respectable 39,600 square metres of net lettable area in recent months. Barring unforeseen circumstances and any further major disruptions caused by the pandemic, we expect the progressive ramp-up of our Singapore projects and the strong progress of our real estate business to help drive us into a profitable position for FY2021. We are also still continuing to advance efforts on multiple fronts to unlock the value of our leasehold portfolio.”

At the end of 1H FY2021, the BP Group’s financial position remained healthy with cash and cash equivalents of S\$116.0 million and total equity of S\$292.2 million. Net asset value per share decreased to 93.9 cents at the end of 1H FY2021 from 95.7 cents at the end of FY2020, with lower retained profits following the payment of FY2020 final dividends to equity holders of the Company and the net loss for 1H FY2021. The net cash position (cash and cash equivalents less total borrowings) further strengthened to S\$56.3 million, with the repayment of borrowings.

The BP Group’s current order backlog (unrecognised project revenue remaining at the end of 1H FY2021 plus the total value of new orders secured since then) stands at a healthy level of approximately S\$447 million, the bulk of which is expected to be recognised over FY2021 and FY2022. Despite the pandemic, approximately S\$97 million of new contracts have been secured since the start of FY2021, including a significant design-and-build contract to deliver an advanced high-tech industrial facility in Penang, Malaysia.

The BP Group continues to face significant margin impact on current projects due to the pandemic, with increased costs due to acceleration, compliance, prolongation and resumption costs, part of which are still under negotiation with clients, suppliers and subcontractors. As such, the BP Group is still assessing the full quantum of costs associated with these project delays, as well as potential partial mitigation by government support and relief measures. Barring any further major disruptions caused by the pandemic, the BP Group expects the performance of its design-and-build segment to gradually recover as it ramps up its Singapore project site activities.

The financial impact on the BP Group from the pandemic is currently cushioned by ongoing efforts to diversify its overseas business, cost management measures including a Group-wide salary freeze

and senior management pay cuts, government support and relief measures, and co-sharing of certain costs by the government and clients.

In view of the progressive ramp-up of its Singapore projects and strong progress of its real estate business, the BP Group expects to be profitable for FY2021, barring unforeseen circumstances and any further disruptions caused by the pandemic. With its growing leasehold portfolio, healthy order backlog and strong balance sheet, and supported by various strategic platforms and partnerships, the BP Group remains well positioned to continue pursuing growth initiatives across regional markets.

-- END OF MEDIA RELEASE --

About Boustead Projects Limited

Established in 1996, Boustead Projects Limited (SGX:AVM) is a leading real estate solutions provider in Singapore, with core engineering expertise in the design-and-build and development of smart eco-sustainable business park and industrial developments for clients including Fortune 500, S&P 500 and Euronext 100 corporations. To date, we have constructed and developed more than 3,000,000 square metres of 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 Licence to execute building construction contracts of unlimited value.

Our transformative technologies – full-fledged integrated digital delivery and Industry 4.0 transformation standards – are shaping future-ready, custom-built developments. Our in-depth experience covers the aerospace, business park, food, healthcare and pharmaceutical, high-tech manufacturing, logistics, research & development, technology and waste management industries, among others. We are also a leader in pioneering advanced eco-sustainable developments under the BCA's Green Mark Programme and also the quality leader on the BCA's CONQUAS all-time top 100 industrial projects list.

In Singapore, BP E&C is one of only eight 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 13 Safety & Health Award Recognition for Projects (SHARP) 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) Investors' Choice Awards 2017. We are one of only 95 SGX-listed corporations on the SGX Fast Track Programme, which aims to affirm listed issuers that have been publicly recognised for high corporate governance standards and have maintained a good compliance track record, with prioritised clearance for their corporate action submissions. We are also listed on the MSCI World Micro Cap Index and FTSE ST Fledgling Index.

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

Visit us at www.bousteadprojects.com.

Contact Information

For media and investor enquiries related to Boustead Projects Limited, please contact:

Mr Winson Teo
Manager
Corporate Marketing & Investor Relations

T +65 6748 3945
D +65 6709 8109
E winson.teo@boustead.sg