



BOUSTEAD®

Projects

Boustead Projects Limited

**SGX Announcement
Unaudited Results for 1H FY2023
Ended 30 September 2022**

bousteadprojects.com



Corporate Profile

Established in 1996 and listed on the SGX Mainboard, Boustead Projects Limited (SGX:AVM) is a leading provider of innovative eco-sustainable real estate solutions with a regional presence across Singapore, China, Malaysia and Vietnam. Our core businesses are uniquely integrated to support the ecosystem of diversified classes of real estate, comprising:

- Turnkey engineering, full-fledged integrated digital delivery ("IDD"), and project and construction management encompassing design-and-build;
- Real estate development, asset and leasing management; and
- Real estate fund management including being the sponsor and manager of Boustead Industrial Fund, a scalable private real estate trust platform for business park, logistics and industrial properties, and joint owner of Echo Base-BP Capital Pte Ltd, an Asia-centric fund management and services platform focused on smart buildings and integrated developments.

To date, we have constructed and/or developed more than 3,000,000 square metres of real estate for clients including Fortune 500, S&P 500 and Euronext 100 corporations, across diverse sectors like aerospace, business park, food, healthcare and pharmaceutical, high-tech manufacturing, logistics, research & development, technology and waste management, among others. Under the Boustead Development Partnership with a reputable Middle East sovereign wealth fund, we have developed or redeveloped more than half a million square metres of real estate in Singapore including landmark developments like ALICE@Mediapolis and GSK Asia House.

Our in-house capabilities are backed by core engineering expertise, the progressive adoption of transformative methodologies including full-fledged IDD and Industry 4.0 technologies and augmented by strategic partnerships which enable the co-creation of smart, eco-sustainable and future-ready developments. Our wholly-owned Engineering & Construction subsidiary in Singapore, Boustead Projects E&C Pte Ltd ("BP E&C") is the eco-sustainability leader in pioneering Green Mark Platinum-rated new private sector industrial developments under the Building & Construction Authority ("BCA") Green Mark Certification Scheme and a national champion of best practices for transformation, quality, environmental, and workplace safety and health ("WSH") management. BP E&C's related achievements include being the first SkillsFuture Queen Bee for the built environment sector, quality leader on the BCA CONQUAS all-time top 100 industrial projects list and one of only eight bizSAFE Mentors, receiving numerous awards for exemplary WSH performance.

We were awarded the Corporate Excellence & Resilience Award at the Singapore Corporate Awards 2021 Special Edition, a recognition of our best practices in corporate governance and leadership, innovation and resilience during the COVID-19 pandemic. We were also awarded the Singapore Corporate Governance Award in the Newly Listed Category at the Securities Investors Association (Singapore) Investors' Choice Awards 2017 and are one of only 92 SGX-listed corporations on the SGX Fast Track Programme.

Boustead Projects is a 54%-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.

BOUSTEAD PROJECTS LIMITED
(Incorporated in Singapore)
AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months financial period ended 30 September 2022

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BOUSTEAD PROJECTS LIMITED AND ITS SUBSIDIARIES

A) CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT

For the six months financial period ended 30 September 2022

| | | 6 months ended | | |
|-------------------------------------------------------------------------------------------------------------|------|-----------------------|-----------------------|----------------|
| | Note | 30 Sep 2022 \$'000 | 30 Sep 2021 \$'000 | Inc/(Dcr) % |
| Revenue | 4.1 | 117,729 | 179,126 | (34%) |
| Cost of sales | | <u>(106,532)</u> | <u>(167,586)</u> | (36%) |
| Gross profit | | 11,197 | 11,540 | (3%) |
| Interest income | 5 | 4,341 | 3,659 | 19% |
| Other gains – net | 6 | 1,408 | 2,485 | (43%) |
| Expenses | | | | |
| - Selling and distribution | | (1,267) | (1,748) | (28%) |
| - Administrative | | (5,862) | (8,053) | (27%) |
| - Finance | 8 | (942) | (626) | 50% |
| Share of profit of associates and joint ventures | | <u>1,720</u> | <u>1,096</u> | 57% |
| Profit before income tax | 7 | 10,595 | 8,353 | 27% |
| Income tax expense | 9 | <u>(2,931)</u> | <u>(2,453)</u> | 19% |
| Total profit | | <u>7,664</u> | <u>5,900</u> | 30% |
| Profit attributable to: | | | | |
| Equity holders of the Company | | 7,666 | 5,902 | 30% |
| Non-controlling interests | | <u>(2)</u> | <u>(2)</u> | 0% |
| | | <u>7,664</u> | <u>5,900</u> | 30% |
| Earnings per share for profit attributable to equity holders of the Company (cents per share) | | | | |
| - Basic and diluted | | 2.4 | 1.9 | 26% |

BOUSTEAD PROJECTS LIMITED AND ITS SUBSIDIARIES

B) CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months financial period ended 30 September 2022

| | 6 months ended | | |
|-----------------------------------------------------------------------|----------------|-------------|-----------|
| | 30 Sep 2022 | 30 Sep 2021 | Inc/(Dcr) |
| | \$'000 | \$'000 | % |
| Total profit | 7,664 | 5,900 | 30% |
| Other comprehensive (loss)/income: | | | |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | | |
| Share of other comprehensive income of an associate | 405 | (12) | NM |
| Currency translation differences arising from consolidation | (1,240) | 431 | NM |
| Other comprehensive (loss)/income net of tax | (835) | 419 | NM |
| Total comprehensive income | 6,829 | 6,319 | 8% |
| Total comprehensive income attributable to: | | | |
| Equity holders of the Company | 6,831 | 6,321 | 8% |
| Non-controlling interests | (2) | (2) | 0% |
| | 6,829 | 6,319 | 8% |

NM – not meaningful

BOUSTEAD PROJECTS LIMITED AND ITS SUBSIDIARIES
C) CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
As at 30 September 2022

| | | GROUP | | COMPANY | |
|---------------------------------------------------------------------------|-------------|--------------------|--------------------|--------------------|--------------------|
| | Note | 30 Sep 2022 | 31 Mar 2022 | 30 Sep 2022 | 31 Mar 2022 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | | 165,410 | 213,866 | 79,858 | 119,082 |
| Trade receivables | | 78,724 | 45,924 | - | 3 |
| Other receivables and prepayments | | 31,459 | 41,699 | 283,134 | 251,083 |
| Investment securities | 11 | - | 62,277 | - | - |
| Finance lease receivables | | 433 | 522 | - | - |
| Contract assets | | 8,353 | 10,656 | - | - |
| | | 284,379 | 374,944 | 362,992 | 370,168 |
| Non-current assets | | | | | |
| Trade receivables | | 12,755 | 12,320 | - | - |
| Other receivables and prepayments | | 73,325 | 73,544 | - | - |
| Investment securities | 11 | 31,661 | 31,661 | 31,661 | 31,661 |
| Property, plant and equipment | | 1,119 | 2,211 | - | - |
| Rights-of-use assets | | 2,091 | 203 | - | 16 |
| Finance lease receivables | | 20,136 | 20,362 | - | - |
| Investment properties | 10 | 86,924 | 87,172 | - | - |
| Intangible assets | | 101 | 104 | - | - |
| Investments in associates | | 6,039 | 5,659 | 4,376 | 4,376 |
| Investments in joint ventures | | 186,845 | 54,866 | 71,300 | 71,334 |
| Investments in subsidiaries | | - | - | 32,123 | 32,123 |
| Deferred income tax assets | | 9,409 | 9,618 | - | - |
| | | 430,405 | 297,720 | 139,460 | 139,510 |
| Total assets | | 714,784 | 672,664 | 502,452 | 509,678 |
| LIABILITIES | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | | 116,793 | 120,963 | 97,294 | 104,114 |
| Lease liabilities | | 1,248 | 871 | - | 16 |
| Income tax payable | | 17,623 | 16,442 | 1,479 | 1,142 |
| Contract liabilities | | 69,292 | 36,022 | - | - |
| Borrowings | 12 | 617 | 610 | - | - |
| | | 205,573 | 174,908 | 98,773 | 105,272 |
| Non-current liabilities | | | | | |
| Trade and other payables | | 56,100 | 51,348 | - | - |
| Lease liabilities | | 45,352 | 42,761 | - | - |
| Borrowings | 12 | 10,161 | 9,956 | - | - |
| Deferred income tax liabilities | | 1,530 | 1,319 | 826 | 703 |
| | | 113,143 | 105,384 | 826 | 703 |
| Total liabilities | | 318,716 | 280,292 | 99,599 | 105,975 |
| NET ASSETS | | 396,068 | 392,372 | 402,853 | 403,703 |
| EQUITY | | | | | |
| Capital and reserves attributable to equity holders of the Company | | | | | |
| Share capital | 13 | 15,000 | 15,000 | 15,000 | 15,000 |
| Treasury shares | 13 | (5,495) | (5,495) | (5,495) | (5,495) |
| Retained profits | | 376,778 | 372,245 | 381,005 | 381,855 |
| Other reserves | | 9,925 | 10,760 | 12,343 | 12,343 |
| | | 396,208 | 392,510 | 402,853 | 403,703 |
| Non-controlling interests | | (140) | (138) | - | - |
| Total equity | | 396,068 | 392,372 | 402,853 | 403,703 |

BOUSTEAD PROJECTS LIMITED AND ITS SUBSIDIARIES
D) CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
For the six months financial period ended 30 September 2022

| | (-----Other reserves-----) Share-based Foreign compensation currency reserve reserve \$'000 \$'000 \$'000 \$'000 \$'000 \$'000 \$'000 \$'000 \$'000 \$'000 \$'000 \$'000 \$'000 | | | | | | | | | | | | |
|---------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|------------------|----------------|-----------------|----------------------------------|--------------------------------------|--------------------|-----------------|----------|------------------------------------------------------|---------------------------|---------|
| | Share capital | Treasury shares | Retained profits | Merger reserve | Capital reserve | Share-based compensation reserve | Foreign currency translation reserve | Fair value reserve | Hedging reserve | Subtotal | Equity attributable to equity holders of the Company | Non-controlling interests | Total |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| GROUP | | | | | | | | | | | | | |
| 1H FY2023 | | | | | | | | | | | | | |
| Balance at 1 April 2022 | 15,000 | (5,495) | 372,245 | (2,854) | 1,201 | - | 918 | 11,142 | 353 | 10,760 | 392,510 | (138) | 392,372 |
| Profit for the period | - | - | 7,666 | - | - | - | - | - | - | - | 7,666 | (2) | 7,664 |
| Other comprehensive income/(loss) for the period | - | - | - | - | - | - | (1,240) | - | 405 | (835) | (835) | - | (835) |
| Total comprehensive income for the period | - | - | 7,666 | - | - | - | (1,240) | - | 405 | (835) | 6,831 | (2) | 6,829 |
| Dividends | - | - | (3,133) | - | - | - | - | - | - | - | (3,133) | - | (3,133) |
| Total transactions with owners, recognised directly in equity | - | - | (3,133) | - | - | - | - | - | - | - | (3,133) | - | (3,133) |
| Balance at 30 September 2022 | 15,000 | (5,495) | 376,778 | (2,854) | 1,201 | - | (322) | 11,142 | 758 | 9,925 | 396,208 | (140) | 396,068 |

D) CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (cont'd)

| | (-----Other reserves----- -----) | | | | | | | | | | | | |
|---------------------------------------------------------------|-------------------------------------|-----------------|------------------|----------------|-----------------|----------------------------------|--------------------------------------|--------------------|---------------|----------|------------------------------------------------------|---------------------------|----------|
| | Share capital | Treasury shares | Retained profits | Merger reserve | Capital reserve | Share-based compensation reserve | Foreign currency translation reserve | Fair value reserve | Hedge reserve | Subtotal | Equity attributable to equity holders of the Company | Non-controlling interests | Total |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| GROUP | | | | | | | | | | | | | |
| 1H FY2022 | | | | | | | | | | | | | |
| Balance at 1 April 2021 | 15,000 | (7,236) | 409,200 | (2,854) | 64 | 124 | 656 | 10,902 | - | 8,892 | 425,856 | (133) | 425,723 |
| Profit for the period | - | - | 5,902 | - | - | - | - | - | - | - | 5,902 | (2) | 5,900 |
| Other comprehensive income for the period | - | - | - | - | - | - | 431 | - | (12) | 419 | 419 | - | 419 |
| Total comprehensive income for the period | - | - | 5,902 | - | - | - | 431 | - | (12) | 419 | 6,321 | (2) | 6,319 |
| Employee (including directors) share-based compensation | | | | | | | | | | | | | |
| - Value of employee services | - | - | - | - | - | 1,137 | - | - | - | 1,137 | 1,137 | - | 1,137 |
| - Treasury shares re-issued | - | 2,057 | - | - | 1,137 | (1,261) | - | - | - | (124) | 1,933 | - | 1,933 |
| Dividends | - | - | (48,291) | - | - | - | - | - | - | - | (48,291) | - | (48,291) |
| Purchase of treasury shares | - | (316) | - | - | - | - | - | - | - | - | (316) | - | (316) |
| Total transactions with owners, recognised directly in equity | - | 1,741 | (48,291) | - | 1,137 | (124) | - | - | | 1,013 | (45,537) | - | (45,537) |
| Balance at 30 September 2021 | 15,000 | (5,495) | 366,811 | (2,854) | 1,201 | - | 1,087 | 10,902 | (12) | 10,324 | 386,640 | (135) | 386,505 |

BOUSTEAD PROJECTS LIMITED AND ITS SUBSIDIARIES

D) CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (cont'd)

For the six months financial period ended 30 September 2022

| | (-----Other reserves-----) | | | | | | | |
|------------------------------------------------------------------------------------|----------------------------|---------------------------|---------------------------|--------------------------------------------------|---------------------------------|--------------------|----------------------------|-----------------|
| | Share capital \$'000 | Treasury shares \$'000 | Capital reserve \$'000 | Share-based compensation reserve \$'000 | Fair value reserve \$'000 | Subtotal \$'000 | Retained profits \$'000 | Total \$'000 |
| COMPANY | | | | | | | | |
| 1H FY2023 | | | | | | | | |
| Balance at 1 April 2022 | 15,000 | (5,495) | 1,201 | - | 11,142 | 12,343 | 381,855 | 403,703 |
| Profit for the period representing total comprehensive income for the period | - | - | - | - | - | - | 2,283 | 2,283 |
| Dividends | - | - | - | - | - | - | (3,133) | (3,133) |
| Total transactions with owners, recognised directly in equity | - | - | - | - | - | - | (3,133) | (3,133) |
| Balance at 30 September 2022 | 15,000 | (5,495) | 1,201 | - | 11,142 | 12,343 | 381,005 | 402,853 |

BOUSTEAD PROJECTS LIMITED AND ITS SUBSIDIARIES
D) CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (cont'd)
For the six months financial period ended 30 September 2022

| | (-----Other reserves-----) | | | | | | | |
|-------------------------------------------------------------------------------------|----------------------------|---------------------------|---------------------------|--------------------------------------------------|---------------------------------|--------------------|----------------------------|-----------------|
| | Share capital \$'000 | Treasury shares \$'000 | Capital reserve \$'000 | Share-based compensation reserve \$'000 | Fair value reserve \$'000 | Subtotal \$'000 | Retained profits \$'000 | Total \$'000 |
| COMPANY | | | | | | | | |
| 1H FY2022 | | | | | | | | |
| Balance at 1 April 2021 | 15,000 | (7,236) | 64 | 124 | 10,902 | 11,090 | 247,805 | 266,659 |
| Profit for the period, representing total comprehensive income for the period | - | - | - | - | - | - | 1,459 | 1,459 |
| Employee (including directors) share-based compensation | | | | | | | | |
| - Value of employee services | - | - | - | 1,137 | - | 1,137 | - | 1,137 |
| - Treasury shares re-issued | - | 2,057 | 1,137 | (1,261) | - | (124) | - | 1,933 |
| Dividends | - | - | - | - | - | - | (48,291) | (48,291) |
| Purchase of treasury shares | - | (316) | - | - | - | - | - | (316) |
| Total transactions with owners, recognised directly in equity | - | 1,741 | 1,137 | (124) | - | 1,013 | (48,291) | (45,537) |
| Balance at 30 September 2021 | 15,000 | (5,495) | 1,201 | - | 10,902 | 12,103 | 200,973 | 222,581 |

BOUSTEAD PROJECTS LIMITED AND ITS SUBSIDIARIES
E) CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months financial period ended 30 September 2022

| | Group | |
|---------------------------------------------------------------------------------------------------|--------------------|--------------------|
| | 30 Sep 2022 | 30 Sep 2021 |
| | \$'000 | \$'000 |
| Cash flows from operating activities | | |
| Profit before income tax | 10,595 | 8,353 |
| Adjustments for: | | |
| - Amortisation of intangible asset | 3 | 3 |
| - Depreciation of right-of-use assets | 669 | 876 |
| - Depreciation expense | 1,263 | 1,353 |
| - Loss on disposal of property, plant and equipment | - | 45 |
| - Reversal of impairment loss on property, plant and equipment | (25) | - |
| - Loss on disposal of right-of-use assets | - | 105 |
| - Share of profit of associates and joint ventures | (1,720) | (1,096) |
| - Elimination of share of unrealised construction, project management and acquisition fee margins | 200 | 218 |
| - Employee (including directors) share-based compensation expense | - | 1,137 |
| - Fair value gain on financial assets, at FVPL | (1,549) | (1,588) |
| - Interest income | (4,341) | (3,659) |
| - Loss on winding up of a joint venture | 21 | - |
| - Finance expenses | 942 | 626 |
| - Currency exchange losses / (gains) – net | 141 | (897) |
| | 6,199 | 5,476 |
| Change in working capital: | | |
| - Trade and other receivables | (30,064) | 9,751 |
| - Contract assets and liabilities – net | 35,948 | (7,768) |
| - Inventories | - | 2,157 |
| - Trade and other payables | (25,410) | (16,450) |
| Cash provided by operations | (13,327) | (6,834) |
| Interest received | 1,149 | 1,115 |
| Interest paid | (175) | (25) |
| Income tax paid | (1,306) | (2,380) |
| Net cash used in operating activities | (13,659) | (8,124) |

BOUSTEAD PROJECTS LIMITED AND ITS SUBSIDIARIES
E) CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)
For the six months financial period ended 30 September 2022

| | Group | |
|-------------------------------------------------------------|--------------------|--------------------|
| | 30 Sep 2022 | 30 Sep 2021 |
| | \$'000 | \$'000 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (39) | (5) |
| Government grant received | - | 24 |
| Proceeds from disposal of property, plant and equipment | 900 | 14 |
| Proceeds from winding up of a joint venture | 15 | - |
| Additions to investment property | (433) | (4,740) |
| Loan to a non-related party | (1,970) | - |
| Loan to a related party | (4,155) | - |
| Dividends received from associates and joint ventures | 9,016 | 3,644 |
| Deposits paid for an investment | - | (6,475) |
| Investments in associates | - | (576) |
| Investments in a joint venture | (34,374) | - |
| Interest received on loan to non-related party | 31 | 42 |
| Interest received on loan to related party | - | 84 |
| Interest received on notes issued by an associate | 2,553 | 1,358 |
| Purchase of investment securities, at FVPL | - | (58,500) |
| Net cash used in investing activities | (28,456) | (65,130) |
| Cash flows from financing activities | | |
| Repayment of borrowings | (304) | - |
| Principal payment of lease liabilities | (421) | (722) |
| Interest payment of lease liabilities | (963) | (970) |
| Purchase of treasury shares | - | (316) |
| Proceeds from treasury shares re-issued | - | 1,934 |
| Dividends paid to equity holders of the Company | (3,133) | (48,291) |
| Net cash used in financing activities | (4,821) | (48,365) |
| Net decrease in cash and cash equivalents | (46,936) | (121,619) |
| Cash and cash equivalents | | |
| Beginning of financial period | 213,866 | 297,987 |
| Effect of currency translation on cash and cash equivalents | (1,520) | 248 |
| End of financial period | 165,410 | 176,616 |

BOUSTEAD PROJECTS LIMITED AND ITS SUBSIDIARIES

F) NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months financial period ended 30 September 2022

1) Corporate information

Boustead Projects Limited (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office and principal place of business is 82 Ubi Avenue 4, #07-01 Edward Boustead Centre, Singapore 408832. These condensed interim financial statements as at and for the six months ended 30 September 2022 are related to the Company and its subsidiaries (collectively, the "Group"), along with the Group's investments in associates and joint ventures.

The principal activity of the Company is investment holding, while the principal activities of the Group are to provide turnkey Engineering & Construction ("E&C") services, including design-and-build services, as well as development management, asset and leasing management, and fund management services for diversified classes of real estate.

The principal activities of the significant subsidiaries, associates and joint ventures are:

- a) Providing turnkey engineering, full-fledged integrated digital delivery ("IDD"), project management and construction management, including design-and-build and property-related services;
- b) Real estate development management, asset management and leasing management, including the holding of property for rental income; and
- c) Real estate fund management.

2) Basis of preparation

The condensed interim financial statements for the six months ended 30 September 2022 have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant for an understanding of the changes in the Group's financial position and the Group's performance since the last audited annual financial statements for the financial year ended 31 March 2022.

The condensed interim financial statements are presented in Singapore Dollars, which is the Group's functional currency. All financial information presented in Singapore Dollars have been rounded to the nearest thousand, unless otherwise stated.

The accounting policies and method of computations used in the condensed interim consolidated financial statements are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out as set out in Note 2.1 below.

2.1) New and amended SFRS(I)s adopted by the Group

The Group has adopted the new and revised SFRS(I)s and SFRS(I) Interpretations and amendments to SFRS(I)s that are mandatory for application from 1 April 2022:

- Amendments to SFRS(I) 1-16: Property, plant and equipment – proceeds before intended use
- Amendments to SFRS(I) 1-37: Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract

The adoption of the above amendments to SFRS(I)s did not result in material changes to the Group's accounting policies and have no material effect on the amounts reported for the current financial year.

2.2) Use of judgements and estimates

In preparing the condensed interim financial statements, management has applied judgements, and made certain assumptions and estimations. Estimates, assumptions and judgements are based on historical experience and other factors and are continually evaluated, including expectations of future events that are believed to be reasonable under the circumstances.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2022:

- a) Impact of Coronavirus Disease 2019 ("COVID-19") pandemic and volatility of the geoeconomics and geopolitical climate
- b) Revenue recognition of Engineering & Construction Contracts
- c) Estimation of subcontractors' claim on variation orders
- d) Valuation of investment securities

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3) Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors, notwithstanding pandemic-related impacts.

4) Revenue and segment information

Segment information is presented in respect of the Group's reportable segment provided to the senior management which comprises the Executive Deputy Chairman, Managing Director and Chief Financial Officer for the purpose of resource allocation and assessment of segment performance.

The senior management considers the business from both a business and geographical segment perspective.

The Group's businesses comprise the following:

- a) E&C : Provision of turnkey E&C services.
- b) Real Estate : Developing, owning, managing, leasing and sale of properties, and real estate fund management.
- c) HQ Activities : Management of financial assets and other investments.

4.1) Segment information

a) Segment revenue and results

| | E&C | | Real Estate | | HQ Activities | | GROUP | |
|-----------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 6 months ended | | | | | | | | |
| Revenue | | | | | | | | |
| External sales | 109,102 | 172,760 | 8,627 | 6,366 | - | - | 117,729 | 179,126 |
| Total revenue | 109,102 | 172,760 | 8,627 | 6,366 | - | - | 117,729 | 179,126 |
| Results | | | | | | | | |
| Segment results | 2,238 | 2,803 | 4,169 | 2,292 | 789 | 225 | 7,196 | 5,320 |
| Includes: | | | | | | | | |
| Depreciation expense | (591) | (476) | (658) | (860) | (14) | (17) | (1,263) | (1,353) |
| Depreciation of right-of-use assets | (197) | (396) | (452) | (455) | (20) | (25) | (669) | (876) |
| Amortisation of intangible assets | (3) | (3) | - | - | - | - | (3) | (3) |
| Subcontractor fees and other construction costs | (97,762) | (159,569) | - | - | - | - | (97,762) | (159,569) |
| Other (losses) / gains— net | (35) | 52 | (106) | 845 | 1,549 | 1,588 | 1,408 | 2,485 |
| Employee compensation | (8,079) | (8,607) | (2,255) | (2,140) | (418) | (435) | (10,752) | (11,182) |
| Employee (including directors) share-based compensation expense | - | (350) | - | (241) | - | (546) | - | (1,137) |
| Share of profit of associates and joint ventures | 327 | 349 | 1,393 | 747 | - | - | 1,720 | 1,096 |
| Marketing expenses | (2) | (32) | (115) | (451) | - | (2) | (117) | (485) |
| Legal and professional fees | (117) | (166) | (97) | (282) | (4) | (31) | (218) | (479) |
| Property related expenses | (56) | (26) | (1,158) | (761) | (3) | (1) | (1,217) | (788) |
| Interest income | 238 | 28 | 3,405 | 2,874 | 698 | 757 | 4,341 | 3,659 |
| Finance expenses | (36) | (42) | (906) | (584) | - | - | (942) | (626) |
| Profit before income tax | 2,440 | 2,789 | 6,668 | 4,582 | 1,487 | 982 | 10,595 | 8,353 |
| Income tax expense | | | | | | | (2,931) | (2,453) |
| Total profit | | | | | | | 7,664 | 5,900 |
| Attributable to: | | | | | | | | |
| Equity holders of the Company | | | | | | | 7,666 | 5,902 |
| Non-controlling interests | | | | | | | (2) | (2) |
| | | | | | | | 7,664 | 5,900 |

b) Segment assets and liabilities

| | E&C | | Real Estate | | HQ Activities | | GROUP | |
|-------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 | 30 Sep 2022 | 30 Sep 2021 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Segment assets | | | | | | | | |
| Segment assets | 155,654 | 123,671 | 164,809 | 156,759 | 80,431 | 125,983 | 400,894 | 406,413 |
| Investment securities | - | - | - | - | 31,661 | 91,509 | 31,661 | 91,509 |
| Investments in associates | 5,672 | 5,346 | 367 | - | - | - | 6,039 | 5,346 |
| Investments in joint ventures | - | - | 186,845 | 67,651 | - | - | 186,845 | 67,651 |
| Loan to an associate | - | - | 7,186 | 17,632 | - | - | 7,186 | 17,632 |
| Notes issued by an associate | - | - | 72,750 | 59,000 | - | - | 72,750 | 59,000 |
| Deferred income tax assets | - | - | - | - | - | - | 9,409 | 10,968 |
| Consolidated total assets | | | | | | | 714,784 | 658,519 |
| Additions to: | | | | | | | | |
| - Property, plant and equipment | 39 | 5 | - | - | - | - | 39 | 5 |
| - Investment properties | - | - | 629 | 5,050 | - | - | 629 | 5,050 |
| - Investment associates | - | 576 | - | - | - | - | - | 576 |
| - Investment securities | - | - | - | - | - | 58,500 | - | 58,500 |
| - Investments in joint ventures | - | - | 135,909 | - | - | - | 135,909 | - |
| Segment liabilities | | | | | | | | |
| Segment liabilities | 167,102 | 151,295 | 91,313 | 58,964 | 782 | 3,839 | 259,197 | 214,098 |
| Unrealised gain on disposal due to retained interests | - | - | 40,366 | 36,469 | - | - | 40,366 | 36,469 |
| Share of accumulated loss | - | - | - | 601 | - | - | - | 601 |
| Income tax payable | - | - | - | - | - | - | 17,623 | 19,975 |
| Deferred income tax liabilities | - | - | - | - | - | - | 1,530 | 871 |
| Consolidated total liabilities | | | | | | | 318,716 | 272,014 |

Cash from business segments are managed under HQ activities segment as per the Group's cash management policy.

4.1) Segment information (cont'd)

c) Geographical information

| | Revenue from external customers | |
|-------------------------------|--------------------------------------------------------------------------------------|-----------------------|
| | 6 months ended | |
| | 30 Sep 2022 \$'000 | 30 Sep 2021 \$'000 |
| Singapore | 99,381 | 143,239 |
| Malaysia | 12,888 | 30,115 |
| Socialist Republic of Vietnam | 3,747 | 1,709 |
| Other countries | 1,713 | 4,063 |
| | 117,729 | 179,126 |
| | | |
| | Non-current assets (excluding financial assets and deferred income tax assets) | |
| | 30 Sep 2022 \$'000 | 31 Mar 2022 \$'000 |
| | | |
| Singapore | 196,174 | 105,300 |
| Malaysia | 432 | 64 |
| Socialist Republic of Vietnam | 84,360 | 42,491 |
| Other countries | 2,534 | 2,744 |
| | 283,500 | 150,599 |

The Group operates primarily in Singapore and has operations in Malaysia and the Socialist Republic of Vietnam. Other than Singapore and Malaysia, no single country accounted for 10% or more of the Group's revenue for six months ended 30 September 2022.

4.2) Disaggregation of revenue

| | Over time \$'000 | Total \$'000 |
|--------------------------------------------------|---------------------|-----------------|
| GROUP | | |
| 6 months ended 30 Sep 2022 | | |
| Revenue from E&C contracts | 109,102 | 109,102 |
| Management fee income | 3,162 | 3,162 |
| | 112,264 | 112,264 |
| Property rental income | | 5,465 |
| | | 117,729 |
| | | |
| | Over time \$'000 | Total \$'000 |
| GROUP | | |
| 6 months ended 30 Sep 2021 | | |
| Revenue from E&C contracts | 172,760 | 172,760 |
| Management fee income | 2,932 | 2,932 |
| | 175,692 | 175,692 |
| Property rental income | | 3,558 |
| Less: Government grant expense – rent concession | | (124) |
| | | 179,126 |

5) Interest income

| | GROUP | |
|----------------------------------------------------------------|-----------------------|--------------------|
| | 6 months ended | |
| | 30 Sep 2022 | 30 Sep 2021 |
| | \$'000 | \$'000 |
| Interest income on financial assets measured at amortised cost | 4,001 | 3,312 |
| Finance income on sublease | 340 | 347 |
| | 4,341 | 3,659 |

6) Other gains – net

| | GROUP | |
|----------------------------------------------|-----------------------|--------------------|
| | 6 months ended | |
| | 30 Sep 2022 | 30 Sep 2021 |
| | \$'000 | \$'000 |
| Currency exchange (losses)/gains – net | (141) | 897 |
| Fair value gain on financial assets, at FVPL | 1,549 | 1,588 |
| | 1,408 | 2,485 |

7) Expenses by nature

| | GROUP | |
|-----------------------------------------------------------------------------|-----------------------|--------------------|
| | 6 months ended | |
| | 30 Sep 2022 | 30 Sep 2021 |
| | \$'000 | \$'000 |
| <u>Profit before income tax is arrived at after charging the following:</u> | | |
| Depreciation expense | 1,263 | 1,353 |
| Depreciation of right-of-use assets | 669 | 876 |
| Amortisation of intangible assets | 3 | 3 |
| Subcontractor fees and other construction costs | 97,762 | 159,569 |
| Employee compensation | 10,752 | 11,182 |
| Employee (including directors) share-based compensation expense | - | 1,137 |
| Marketing expenses | 117 | 485 |
| Legal and professional fees | 218 | 479 |
| Property related expenses | 1,217 | 788 |

8) Finance expenses

| | GROUP | |
|---------------------------------------|-----------------------|--------------------|
| | 6 months ended | |
| | 30 Sep 2022 | 30 Sep 2021 |
| | \$'000 | \$'000 |
| Interest expense on borrowings | 175 | 25 |
| Interest expense on lease liabilities | 767 | 601 |
| | 942 | 626 |

9) Income tax expense

The Group calculates the period income tax expense based on the statutory tax rates of the respective countries that the Group operates in. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

| | GROUP | |
|-------------------------------------------------|-----------------------|--------------------|
| | 6 months ended | |
| | 30 Sep 2022 | 30 Sep 2021 |
| | \$'000 | \$'000 |
| Current income tax expense | 2,147 | 1,914 |
| Deferred income tax expense | 451 | 466 |
| | 2,598 | 2,380 |
| Under/(Over) provision in prior financial years | | |
| Current income tax expense | 345 | 108 |
| Deferred income tax expense | (12) | (35) |
| | 2,931 | 2,453 |

10) Investment properties

| | <u>Building and other costs</u> | <u>Right-of-use assets</u> | <u>Total</u> |
|----------------------------------|--------------------------------------------|-----------------------------------|---------------------|
| | \$'000 | \$'000 | \$'000 |
| GROUP | | | |
| 30 Sep 2022 | | | |
| <i>Cost</i> | | | |
| Beginning of financial period | 78,305 | 28,396 | 106,701 |
| Additions | 629 | - | 629 |
| Currency translation differences | 287 | 295 | 582 |
| End of financial period | 79,221 | 28,691 | 107,912 |
| <i>Accumulated depreciation</i> | | | |
| Beginning of financial period | 15,187 | 4,342 | 19,529 |
| Depreciation charge | 1,009 | 418 | 1,427 |
| Currency translation differences | 9 | 23 | 32 |
| End of financial period | 16,205 | 4,783 | 20,988 |
| Net book value | | | |
| End of financial period | 63,016 | 23,908 | 86,924 |
| 30 Sep 2021 | | | |
| <i>Cost</i> | | | |
| Beginning of financial period | 71,494 | 28,070 | 99,564 |
| Additions | 5,050 | - | 5,050 |
| Currency translation differences | 510 | 519 | 1,029 |
| End of financial period | 77,054 | 28,589 | 105,643 |
| <i>Accumulated depreciation</i> | | | |
| Beginning of financial period | 13,426 | 3,550 | 16,976 |
| Depreciation charge | 837 | 332 | 1,169 |
| Currency translation differences | 10 | 29 | 39 |
| End of financial period | 14,273 | 3,911 | 18,184 |
| Net book value | | | |
| End of financial period | 62,781 | 24,678 | 87,459 |

The Group's investment properties are carried at cost less accumulated depreciation and impairment losses. The Group has considered that there are no impairment indicators on these investment properties as at 30 September 2022.

11) Investment securities

| | GROUP | | COMPANY | |
|----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 30 Sep 2022 \$'000 | 31 Mar 2022 \$'000 | 30 Sep 2022 \$'000 | 31 Mar 2022 \$'000 |
| Financial assets, at FVPL | - | 62,277 | - | - |
| Financial assets, at FVOCI | 31,661 | 31,661 | 31,661 | 31,661 |
| Total | 31,661 | 93,938 | 31,661 | 31,661 |
| Less: Current portion | - | (62,277) | - | - |
| Non-current portion | 31,661 | 31,661 | 31,661 | 31,661 |

In August 2021, the Group purchased \$58.5 million non-listed mezzanine debt issued by SC Aetas (Cayman) Ltd, in which the fair value increased to \$62.3 million as at 31 March 2022. During 1H FY2023, the Group recognised fair value gains amounting to \$1,549,000 (1H FY2022: \$1,588,000). The fair value of this investment is determined using the discounted cash flow model considering the present value of the expected future payments, discounted using a credit-adjusted discount rate.

On 24 June 2022, the Group's newly incorporated 50%-owned joint venture, Bideford House Pte Ltd, entered into an agreement to purchase the mixed development property at 28 & 30 Bideford Road from SC Aetas Holdings Pte Ltd ("Vendor"), at a consideration of \$515,000,100. The consideration was funded by Bideford House Pte Ltd via external bank financing as well as shareholders' loan. As agreed with the Vendor, \$60 million of the investment in mezzanine debt was set-off against the Group's share of the consideration, with the remaining \$3,826,000 receivable from the Vendor.

The fair value of the financial assets, at FVOCI is determined using an asset-based valuation model taking into consideration the fair value of the underlying properties being developed. The fair value of the underlying property as at 31 March 2022 is based on a valuation performed by an independent professional property valuer. The Group has assessed that the valuation methods and assumptions used as at 30 September 2022 are reflective of current market situations and there is no significant change to the fair value of the financial assets, at FVOCI.

Details of the significant valuation techniques and key inputs used in the determination of fair value categorised under Level 3 of the fair value hierarchy are as follows:

| Description | Valuation technique | Unobservable inputs | Range of unobservable inputs | Relationship of unobservable inputs to fair value |
|----------------------------|----------------------------------------------------------|-------------------------------|------------------------------|-------------------------------------------------------------------------|
| Financial assets, at FVPL | Discounted cash flow approach and market approach | Credit-adjusted discount rate | 10% (2022: 10%) | The higher the credit-adjusted discount rate, the lower the fair value. |
| | | Sale price of property | \$515,000,100 | The higher the sale price, the higher the fair value. |
| Financial assets, at FVOCI | Income capitalisation approach and asset-based valuation | Capitalisation rate | 4% - 5% (2022: 4% - 5%) | The higher the capitalisation rate, the lower the fair value. |
| | | Discount for lack of control | 20% (2022: 20%) | The higher the discount for lack of control, the lower the fair value. |

12) Borrowings

| | GROUP | |
|---------------------------------------------------------------|-----------------------|-----------------------|
| | 30 Sep 2022 \$'000 | 31 Mar 2022 \$'000 |
| <u>Amount repayable within one year or less, or on demand</u> | | |
| Unsecured | 617 | 610 |
| <u>Amount repayable after one year</u> | | |
| Unsecured | 1,379 | 1,689 |
| Secured | 8,782 | 8,267 |
| | 10,161 | 9,956 |

As at 30 September 2022, total borrowings of \$8,782,000 (31 March 2022: \$8,267,000) are secured by investment properties of the Group.

13) Share capital and treasury shares

| | No. of ordinary shares | | Amount | |
|----------------------------------------|---------------------------------|----------------------------|-------------------------|------------------------------|
| | Issued share capital '000 | Treasury shares '000 | Share capital \$'000 | Treasury shares \$'000 |
| GROUP and COMPANY | | | | |
| 30 Sep 2022 | | | | |
| Beginning and end of financial year | 320,000 | (6,739) | 15,000 | (5,495) |
| 31 Mar 2022 | | | | |
| Beginning of financial year | 320,000 | (8,973) | 15,000 | (7,236) |
| Purchase of treasury shares | - | (317) | - | (316) |
| Treasury shares re-issued | - | 2,551 | - | 2,057 |
| End of financial year | 320,000 | (6,739) | 15,000 | (5,495) |

All issued ordinary shares are fully paid-up. There is no par value for these ordinary shares. Fully paid-up ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

During the period, there was no change to the issued and paid-up capital of the Company (excluding treasury shares) of 313,260,631 (30.09.21: 313,260,631) ordinary shares. As at 30 September 2022, there were a total of 6,739,369 (30.09.21: 6,739,369) treasury shares.

14) Dividends

| | GROUP | |
|----------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| | 30 Sep 2022 \$'000 | 30 Sep 2021 \$'000 |
| Ordinary dividends paid | | |
| Dividends paid in respect of the previous financial year of 0.2 cents (2022: 0.9 cents) per share | 627 | 2,822 |
| Special dividends paid | | |
| Dividends paid in respect of the previous financial year of 0.8 cents (2022: 14.5 cents) per share | 2,506 | 45,469 |
| | 3,133 | 48,291 |

15) **Earnings per share**

a) **Basic earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

| | GROUP | |
|--------------------------------------------------------------------------------------------|-----------------------|--------------------|
| | 6 months ended | |
| | 30 Sep 2022 | 30 Sep 2021 |
| Profit attributable to equity holders of the Company (\$'000) | <u>7,666</u> | <u>5,902</u> |
| Weighted average number of ordinary shares outstanding for basic earnings per share ('000) | <u>313,261</u> | <u>311,797</u> |
| Basic earnings per share (cents per share) | <u>2.4</u> | <u>1.9</u> |

b) **Diluted earnings per share**

For the purpose of calculating the diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all potential dilutive ordinary shares.

Potential dilutive ordinary shares arise from share awards. The weighted average number of shares on issue has been adjusted as if all dilutive share awards were vested. The number of shares that could have been issued upon the vesting of all dilutive share awards is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net profit.

| | GROUP | |
|----------------------------------------------------------------------------------------------|-----------------------|--------------------|
| | 6 months ended | |
| | 30 Sep 2022 | 30 Sep 2021 |
| Profit attributable to equity holders of the Company (\$'000) | <u>7,666</u> | <u>5,902</u> |
| Weighted average number of ordinary shares outstanding for diluted earnings per share ('000) | <u>313,261</u> | <u>311,797</u> |
| Basic earnings per share (cents per share) | <u>2.4</u> | <u>1.9</u> |

16) **Net Asset Value**

| | GROUP | | COMPANY | |
|------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 30 Sep 2022 | 31 Mar 2022 | 30 Sep 2022 | 31 Mar 2022 |
| Net asset value per ordinary share based on issued shares (excluding treasury shares) as at the end of the period reported on (\$) | 1.265 | 1.253 | 1.286 | 1.289 |
| Number of issued shares (excluding treasury shares) as at the end of the period reported on | 313,260,631 | 313,260,631 | 313,260,631 | 313,260,631 |

17) Financial risk management

a) Fair value measurements

The table below presents the assets and liabilities recognised and measured at fair value and classified by level of the following fair value measurement hierarchy:

- i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- ii) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- iii) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

| | <u>Level 1</u> \$'000 | <u>Level 2</u> \$'000 | <u>Level 3</u> \$'000 | <u>Total</u> \$'000 |
|-----------------------|--------------------------|--------------------------|--------------------------|------------------------|
| GROUP | | | | |
| 30 Sep 2022 | | | | |
| <i>Assets</i> | | | | |
| Investment securities | - | - | 31,661 | 31,661 |
| 31 Mar 2022 | | | | |
| <i>Assets</i> | | | | |
| Investment securities | - | - | 93,938 | 93,938 |
| COMPANY | | | | |
| 30 Sep 2022 | | | | |
| <i>Assets</i> | | | | |
| Investment securities | - | - | 31,661 | 31,661 |
| 31 Mar 2022 | | | | |
| <i>Assets</i> | | | | |
| Investment securities | - | - | 31,661 | 31,661 |

Valuation techniques and inputs disclosed in Note 11.

The following table presents the changes in Level 3 instruments:

| | <u>Financial assets, at FVPL</u> | <u>Financial assets, at FVOCI</u> |
|------------------------------------------------------------------------|------------------------------------------|-------------------------------------------|
| | \$'000 | \$'000 |
| Balance at 1 April 2022 | 62,277 | 31,661 |
| Fair value gain recognised in profit or loss within "other gains-nets" | 1,549 | - |
| Reclassification to investments in joint ventures | (60,000) | - |
| Reclassification to other receivables | (3,826) | - |
| Balance at 30 September 2022 | - | 31,661 |
| Balance at 1 April 2021 | - | 31,421 |
| Addition | 58,500 | - |
| Fair value gain recognised in profit or loss within "other gains-nets" | 1,588 | - |
| Balance at 30 September 2021 | 60,088 | 31,421 |

18) Related party transactions

In addition to the information disclosed elsewhere in the interim condensed financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

a) Sales and purchases of goods and services

| | GROUP | |
|--------------------------------------------------------------------------------------------------------------|-----------------------|--------------------|
| | 6 months ended | |
| | 30 Sep 2022 | 30 Sep 2021 |
| Office expense to a fellow subsidiary (includes shared expenses such as IT, utilities and common area usage) | (23) | (26) |
| Office expense to an associate | (20) | (20) |
| Lease payment to a joint venture | (2) | - |
| Lease payment to an associate | (254) | (341) |
| Project and development management fees from joint ventures* | - | 9 |
| Construction contract revenue from joint ventures* | 81 | 5,140 |
| Assets, property, lease management and performance fees from joint ventures | 1,203 | 1,508 |
| Assets, property management and acquisition fees from an associate | 1,615 | 1,306 |
| Interest income from: | | |
| - Associates | 2,575 | 2,264 |
| - Related party (a subsidiary of an associate) | - | 135 |

* Transaction values disclosed are after elimination of the Group's shares in the transaction.

19) Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

BOUSTEAD PROJECTS LIMITED AND ITS SUBSIDIARIES

G) OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

For the six months financial period ended 30 September 2022

1) Review

The condensed statement of financial position of Boustead Projects Limited and its subsidiaries as at 30 September 2022 and the related condensed consolidated profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 September 2022 and certain explanatory notes have not been audited or reviewed.

2) 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, half-year results may not accurately reflect the full-year performance. Full-year to full-year comparisons are more appropriate for analytical purposes.

For the first half ended 30 September 2022 ("1H FY2023"), overall revenue was 34% lower year-on-year at \$117.7 million, mainly attributable to lower revenue contributions from the Engineering & Construction ("E&C") Business, in line with a leaner order backlog of E&C projects carried forward at the end of FY2022. However, this was partially offset by higher revenue contributions from the Real Estate Business, arising from higher rental income from growing real estate activities in Vietnam. Total profit for 1H FY2023 was 30% higher year-on-year at \$7.7 million, mainly attributable to interest income, share of profit of associates and joint ventures, and lower overhead expenses.

Segment Revenue (Section A; Section F, Note 4.1a)

| Segment | Revenue | | Favourable/ (Unfavourable) |
|----------------|----------------|-----------|-------------------------------|
| | 6 months ended | | |
| | 1H FY2023 | 1H FY2022 | Change |
| | \$'m | \$'m | % |
| E&C | 109.1 | 172.8 | -37 |
| Real Estate | 8.6 | 6.4 | +36 |
| BP Group Total | 117.7 | 179.1 | -34 |

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

E&C revenue for 1H FY2023 was 37% lower year-on-year at \$109.1 million, mainly due to reduced revenue recognition from the leaner order backlog of E&C projects, as mentioned earlier.

Real Estate revenue for 1H FY2023 was 36% higher year-on-year at \$8.6 million, mainly due to higher rental income from growing real estate activities in Vietnam, as mentioned earlier.

Group Profitability (Section A; Section F, Note 4.1a)

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

| Segment | PBT | | Favourable/ (Unfavourable) |
|---------------------------------------------------------------------|----------------|-----------|-------------------------------|
| | 6 months ended | | Change |
| | 1H FY2023 | 1H FY2022 | |
| | \$'m | \$'m | % |
| E&C | 2.4 | 2.8 | -13 |
| Real Estate | 6.7 | 4.6 | +46 |
| Investment | 1.5 | 1.0 | +51 |
| BP Group Total | 10.6 | 8.4 | +27 |
| Note: Any differences in summation are due to rounding differences. | | | |

The BP Group's overall gross profit for 1H FY2023 was 3% lower year-on-year at \$11.2 million, mainly due to the significantly lower revenue from the E&C Business as mentioned earlier.

Interest income for 1H FY2023 (Section F, Note 5) was 19% higher year-on-year at \$4.3 million, mainly due to the greater interest income derived from holdings of notes issued by Boustead Industrial Fund ("BIF").

Other gains for 1H FY2023 (Section F, Note 6) were 43% lower year-on-year at \$1.4 million, mainly due to marginal foreign exchange losses registered in 1H FY2023 as compared to significant gains in 1H FY2022.

Total overhead expenses for 1H FY2023 (Section A) were 27% lower year-on-year at \$7.1 million (selling and distribution expenses of \$1.3 million and administrative expenses of \$5.9 million), mainly due to the absence of share-based compensation expense for directors and lower employee compensation.

Finance expenses for 1H FY2023 (Section F, Note 8) were 50% higher year-on-year at \$0.9 million, due to an increase in bank loans and lease liabilities, following the completion of Boustead Industrial Park Phase 2A in Vietnam.

Share of profit of associates and joint ventures for 1H FY2023 (Section A) was 57% higher year-on-year at \$1.7 million, mainly due to improvements in ongoing asset stabilisations under joint ventures, partially offset by higher share of losses under associates and for the newly acquired 28 & 30 Bideford Road.

PBT for 1H FY2023 (Section F, Note 7) was 27% higher year-on-year at \$10.6 million, mainly due to improvements in interest income, share of profit of associates and joint ventures, and lower overhead expenses, as explained earlier.

Income tax expense for 1H FY2023 (Section F, Note 9) was 19% higher year-on-year at \$2.9 million, in line with the increase in PBT.

Both total profit and profit attributable to equity holders of the Company ("net profit") for 1H FY2023 were 30% higher year-on-year at \$7.7 million, for reasons explained earlier.

Statement of Cash Flows (Section E)

During 1H FY2023, cash and cash equivalents (after taking into account the effects of currency translation) decreased by \$48.5 million to \$165.4 million, due to net cash used in operating, investing and financing activities.

Net cash used in operating activities for 1H FY2023 amounted to \$13.7 million, mainly due to operating cash flow before changes in working capital of \$6.2 million being offset by a negative change in working capital of \$19.9 million.

Net cash used in investing activities for 1H FY2023 amounted to \$28.5 million, mainly due to the acquisition of 28 & 30 Bideford Road, loan extended to related and non-related parties, partially offset by dividends and interest received from BIF, and other associates and joint ventures.

Net cash used in financing activities for 1H FY2023 amounted to \$4.8 million, mainly due to dividends paid to equity holders of the Company, and principal and interest payments of lease liabilities.

Balance Sheets (Section C)

At the end of 1H FY2023, the BP Group's financial position remained healthy, with cash and cash equivalents of \$165.4 million and total equity of \$396.1 million.

Under assets, cash and cash equivalents decreased to \$165.4 million as explained earlier under the commentary for Statement of Cash Flows. Total trade receivables (both current and non-current) increased to \$91.5 million, mainly due to increased progress billings made to clients. Other receivables and prepayments (both current and non-current) decreased to \$104.8 million, mainly due to reclassification of deposits paid for an investment to investment in joint venture. Current investment securities (Section F, Note 11) as at 31 March 2022 comprise the mezzanine debt issued by SC Aetas (Cayman) Ltd, and this was transferred to the cost of investment in joint venture in 1H FY2023 as partial settlement of consideration for the acquisition of 28 & 30 Bideford Road.

Under non-current assets, property, plant and equipment decreased to \$1.1 million due to disposal and depreciation expenses. Investments in joint ventures increased to \$186.8 million, mainly due to the investments in Bideford House Pte Ltd and KTG & Boustead Joint Stock Company, the holding company for KTG & Boustead Industrial Logistics Fund.

Net contract liabilities increased to \$60.9 million, mainly due to significant increased billing to clients in line with payment milestones.

The BP Group's net asset value per share (Section F, Note 16) climbed to \$1.265. The BP Group's net cash position (cash and cash equivalents less total borrowings) decreased to \$154.6 million.

3) Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

None.

4) 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 backlog (unrecognised project revenue remaining at the end of 1H FY2023 plus the total value of new orders secured since then) stands at a healthier level of \$452 million, having secured \$320 million in new contracts since the start of FY2023, including a previously announced record contract from a Fortune 500 corporation valued at approximately \$300 million.

During 1H FY2023, the BP Group achieved meaningful progression with its two largest projects secured pre-pandemic – JTC Kranji Green and Surbana Jurong Campus – and is expecting to complete these projects in FY2023. As the pre-pandemic projects move toward completion, the BP Group expects to free up more resources that would enable it to secure new projects such as the record contract mentioned earlier, in line with its plans to selectively rebuild its order backlog in high value-added sectors where it maintains a competitive advantage, expertise and familiarity that would mitigate longer term challenges. Notwithstanding that, there could still be margin risks associated with the complex socioeconomic and geopolitical landscape, and tighter local conditions for manpower, materials and supply chain.

Under the Real Estate Business, the BP Group continues to boost recurring income through asset stabilisations and higher occupancies, with active management and leasing efforts. During May 2022, the BP Group announced the proposed acquisition of a 60% shareholding in KTG & Boustead Joint Stock Company ("KBJSC"), the holding company for KTG & Boustead Industrial Logistics Fund, a move which will strengthen the BP Group's strategic presence in Vietnam, once the transaction is completed. Outside of industrial real estate activities, the BP Group also announced that its 50%-owned joint venture had acquired 28 & 30 Bideford Road, a brand new Grade-A 18-floor mixed development comprising hospitality, healthcare and commercial components in Singapore's prime Orchard Precinct for \$515 million. The BP Group is currently working on bringing the development into full operations.

In view of the progress made by the E&C Business, Real Estate Business and growing fund management activities, the BP Group expects improved profitability in FY2023 in comparison to FY2022, barring any unforeseen circumstances and disruptions. With a healthier order backlog and stable financial position, the BP Group remains well-positioned to pursue value-creation opportunities across the region.

5) 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) Record and payment date

Not applicable.

6) If no dividend has been declared/(recommended), a statement to that effect.

No dividend has been declared/recommended for this period, as it is not a practice for the Company to declare interim dividends.

- 7) **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.

8) **Disclosures on acquisition and realisation of shares pursuant to Rule 706A**

Acquisition of 60% interest in KTG & Boustead Joint Stock Company in Vietnam

On 5 May 2022, BP-Vietnam Development Pte. Ltd. ("BP-VD"), a wholly-owned subsidiary of the Company had acquired 60% of the issued and paid-up share capital in KTG & Boustead Joint Stock Company ("KBJSC") ("Acquisition"). With the Acquisition, BP-VD and Khai Toan Joint Stock Company ("KTG") each owns 60% and 40% of the issued and paid-up share capital of KBJSC.

For further details on the Acquisition, please refer to announcement made by the Company on 5 May 2022.

Incorporation of joint venture company

The Company's wholly-owned subsidiary, BP-Real Estate Investment Pte. Ltd. ("BPRE") had incorporated the entity below during 1H FY2023:

| | |
|---------------------------------------------------|-----------------------------------------------|
| Name | : Bideford House Pte. Ltd. ("Bideford House") |
| Country of incorporation | : Singapore |
| Date of incorporation | : 13 May 2022 |
| Issued and paid-up share capital | : \$100-00 divided into 100 ordinary shares |
| Effective percentage interest held by the Company | : 50% |
| Principal activity | : Real Estate Developers |

The incorporation of Bideford House is not expected to have any material impact on the Group's earnings per share or net tangible asset value per share for the financial year ending 31 March 2023.

Incorporation of overseas entity

The Company's associate company, DSCO Group Holdings Pte. Ltd. ("DSCO") had incorporated the entity below during 1H FY2023:

| | |
|---------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Name | : DSCO Taiwan Company Limited. ("DSCO Taiwan") |
| Country of incorporation | : Taiwan |
| Date of incorporation | : 1 Jun 2022 |
| Issued and paid-up share capital | : NT500,000 divided into 50,000 ordinary shares |
| Effective percentage interest held by the Company | : 25% |
| Principal activity | : Management consultancy; Other consultancy; and Business which is not restricted or prohibited by law. |

The incorporation of DSCO Taiwan is not expected to have any material impact on the Group's earnings per share or net tangible asset value per share for the financial year ending 31 March 2023.

Dissolution of joint venture company in Vietnam

The Company's joint venture company in Vietnam, EFactory Vietnam Company Limited ("EFV"), has been dissolved with effect from 4 April 2022. The dissolution of EFV is not expected to have any material impact on the Company's earnings per share or net tangible assets per share for the financial year ending 31 March 2023.

9) Confirmation of undertakings from Directors and Executive Officers

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

10) Confirmation by the Board

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 1H FY2023 financial results to be false or misleading in any material aspect.

On behalf of the Board of Directors

John Lim Kok Min
Chairman

Wong Yu Wei
Executive Deputy Chairman

By Order of the Board

Tay Chee Wah
Company Secretary
10 November 2022