

BOUSTEAD PROJECTS LIMITED (SGX:AVM) UNAUDITED RESULTS FOR FINANCIAL YEAR ENDED 31 MAR 2023

	2H FY2023	2H FY2022	Change	FY2023	FY2022	Change
Revenue	S\$166.2m	S\$160.0m	+4%	S\$284.0m	S\$339.1m	-16%
Gross profit	S\$14.8m	S\$2.3m	+532%	S\$25.9m	S\$13.9m	+87%
Profit before income tax ("PBT")	S\$15.9m	S\$5.5m	+189%	S\$26.5m	S\$13.8m	+91%
Total profit	S\$10.8m	S\$5.4m	+99%	S\$18.5m	S\$11.3m	+63%
Profit attributable to equity holders of the Company ("net profit")	S\$10.7m	S\$5.4m	+97%	S\$18.4m	S\$11.3m	+62%
- Earnings per share	3.4cts	1.7cts	+100%	5.9cts	3.6cts	+64%
- Net asset value per share				S\$1.280	S\$1.253	+2%

Note to Editors: Boustead Projects' 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.

FY2023 Highlights:

- Overall revenue for FY2023 was 16% lower year-on-year at S\$284.0 million, attributable to lower revenue contributions from the Engineering & Construction ("E&C") Business in 1H FY2023 and lower revenue contributions from the Real Estate Business.
- Total profit for FY2023 was 63% higher year-on-year at S\$18.5 million, mainly attributable to higher gross profit, other income, a one-off gain on disposal of a subsidiary of S\$8.3 million and lower overhead expenses, partially offset by a share of loss of associates and joint ventures, higher finance expenses and higher income tax expense.
- At the end of FY2023, Boustead Projects Group ("BP Group")'s financial position remained healthy, with cash and cash equivalents of S\$177.7 million and total equity of S\$401.0 million.
- The BP Group's current order backlog (unrecognised project revenue remaining at the end of FY2023 plus the total value of new orders secured since then) stands at a healthy level of approximately S\$402 million.
- The Board is proposing a final dividend of 0.7 cents per share and special dividend of 0.7 cents per share, subject to shareholders' approval.

Media Release

SINGAPORE, 25 MAY 2023 – SGX Mainboard-listed Boustead Projects Limited (“Boustead Projects” or the “BP Group”), a leading provider of innovative eco-sustainable real estate solutions, has today announced its unaudited financial results for the second-half and full-year ended 31 March 2023 (“2H FY2023” and “FY2023” respectively).

For 2H FY2023, overall revenue was 4% higher year-on-year at S\$166.2 million, attributable to higher revenue contributions from the E&C Business, partially offset by lower revenue contributions from Real Estate Business.

Total profit for 2H FY2023 was 99% higher year-on-year at S\$10.8 million, mainly attributable to higher gross profit, other income, a one-off gain on disposal of a subsidiary of S\$8.3 million and lower overhead expenses, partially offset by a share of loss of associates and joint ventures, higher finance expenses and higher income tax expense.

For FY2023, overall revenue was 16% lower year-on-year at S\$284.0 million, attributable to lower revenue contributions from the E&C Business in 1H FY2023 and lower revenue contributions from the Real Estate Business.

Total profit for FY2023 was 63% higher year-on-year at S\$18.5 million, due to the same reasons mentioned earlier.

In view of the BP Group’s steady performance for FY2023, the Board is proposing a final dividend of 0.7 cents per share and special dividend of 0.7 cents per share, subject to shareholders’ approval.

Mr Wong Yu Wei, Executive Deputy Chairman of Boustead Projects said, “FY2023 marks yet another fruitful year for Boustead Projects with an improvement in our profitability, as we successfully navigated the harshest times brought on by the pandemic and progressed to a new normal. However, as we move on from the COVID-19 recovery period, the road ahead remains fraught with the challenges of a volatile business landscape and more intense competition.”

Mr Thomas Chu, Managing Director of Boustead Projects said, “Our resilience and prudent execution of business strategies have carried us through the worst of the pandemic, allowing us to achieve substantial completion and mitigated further adverse impact from the pre-pandemic backlog. This also represents a turning point for our E&C Business as we shift our focus to projects secured post-pandemic and increase momentum and efforts to rebuild our backlog with high value-added sector projects. We will continue to embrace technology and enhance staff capabilities to reduce reliance on labour and allow us to better overcome future challenges.”

Mr Wong added, “Given the uncertain and volatile times ahead, the Group recognises the importance of continuing to leverage the combined strengths and synergies of the Boustead Singapore Group. Following a voluntary unconditional offer in which Boustead Singapore and concert parties further consolidated their effective interest, from 73.98% at the end of FY2022 to 95.5% by the end of FY2023, our Board understands that Boustead Singapore continues to explore various options to eventually delist and privatise Boustead Projects, according to their stated intentions. Notwithstanding this, Boustead Projects’ management will continue to focus on executing the company’s business strategies as previously articulated.”

At the end of FY2023, the BP Group’s financial position remained healthy, with cash and cash equivalents of S\$177.7 million and total equity of S\$401.0 million. Net asset value per share increased to S\$1.280 at the end of FY2023 from S\$1.253 at the end of FY2022. The net cash position (cash and cash equivalents less total borrowings) decreased to S\$176.0 million.

The BP Group’s current order backlog (unrecognised project revenue remaining at the end of FY2023 plus the total value of new orders secured since then) stands at a healthy level of S\$402 million. This is supported by the securing of new contracts valued at S\$401 million in FY2023, however, dominated by a record \$300 million design-and-build contract for an integrated manufacturing, logistics and office facility in Singapore.

Media Release

In FY2024, it is expected that margins for future E&C contracts will continue to face pressure due to supply chain disruptions, shortage of skilled labour, subcontractor underperformance, rising costs and increased competition. Nevertheless, the BP Group expects to complete ongoing projects at a steadier pace as compared to during the pandemic, as it continues to drive its construction and property technology – ConTech and PropTech – initiatives to enhance its competitive advantage in an evolving construction sector, where reduced reliance on labour is increasingly critical. The BP Group will also continue to adopt a pragmatic and focused approach when bidding for new projects by targeting high value-added sectors like pharmaceutical and technology, in line with its market-leading position in the high value-added and niche industrial design-and-build sector.

Separately, the BP Group expects to grow its real estate portfolio by building its development pipeline and optimising assets through active management and leasing efforts, using a cautious approach to mitigate the rising risks brought about by the volatile interest rate environment and capital markets.

With its operations in South East Asia, projected to be the world’s fastest growing region in the medium-term, the BP Group is in a favourable position to execute on its growth strategies. Backed by strong business fundamentals and financial resilience, the BP Group expects to deliver steady results in FY2024, barring any unforeseen circumstances.

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Media Release

About Boustead Projects Limited

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.

Over the years, we have been recognised for our best practices in corporate governance, leadership and people development. We were awarded the Singapore Corporate Governance Award 2017 (Newly Listed Category), Corporate Excellence & Resilience Award at the Singapore Corporate Awards 2021 Special Edition and the SkillsFuture Employers Award (Gold) 2022. We are also one of only 92 SGX-listed corporations on the SGX Fast Track Programme.

Boustead Projects is a 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.

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