



BUKIT SEMBAWANG ESTATES LIMITED

(Company Registration Number: 196700177M)

(Incorporated in Singapore on 27 June 1967)

Financial Statement and Dividend Announcement for the Fourth Quarter and Twelve Months ended 31 March 2015

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

- 1(a) **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.**

Consolidated Statement of Comprehensive Income for the fourth quarter (4Q FY2015) and twelve months (FY2015) ended 31 March 2015

	Note	Fourth quarter			Twelve months		
		4Q FY2015	4Q FY2014	Change	FY2015	FY2014	Change
		01.01.2015 to 31.03.2015	01.01.2014 to 31.03.2014	%	01.04.2014 to 31.03.2015	01.04.2013 to 31.03.2014	%
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue		67,252	89,518	(24.9)	382,655	408,289	(6.3)
Cost of sales		(37,119)	(49,085)	(24.4)	(254,036)	(248,700)	2.1
Gross profit	1	<u>30,133</u>	<u>40,433</u>	(25.5)	<u>128,619</u>	<u>159,589</u>	(19.4)
Other income	2	12	334	(96.4)	1,005	478	110.3
Administrative expenses		(1,255)	(1,429)	(12.2)	(3,681)	(3,771)	(2.4)
Other operating expenses	3	(14,608)	(19,745)	(26.0)	(18,712)	(23,210)	(19.4)
Profit from operations		<u>14,282</u>	<u>19,593</u>	(27.1)	<u>107,231</u>	<u>133,086</u>	(19.4)
Finance income	4	<u>634</u>	<u>95</u>	567.4	<u>1,824</u>	<u>238</u>	666.4
Profit before tax ¹		14,916	19,688	(24.2)	109,055	133,324	(18.2)
Tax expense	5	(8,019)	(1,470)	445.5	(16,313)	(22,066)	(26.1)
Profit and total comprehensive income for the period/year		<u>6,897</u>	<u>18,218</u>	(62.1)	<u>92,742</u>	<u>111,258</u>	(16.6)
Earnings per share	6						
Basic and diluted earnings per share (cents)		2.66	7.04		35.82	42.97	

¹ Profit before tax includes the following:

	Fourth quarter			Twelve months		
	4Q FY2015	4Q FY2014	Change	FY2015	FY2014	Change
	01.01.2015 to 31.03.2015 \$'000	01.01.2014 to 31.03.2014 \$'000	%	01.04.2014 to 31.03.2015 \$'000	01.04.2013 to 31.03.2014 \$'000	%
Depreciation and amortisation	(62)	(51)	21.6	(260)	(239)	8.8
Interest income	634	95	567.4	1,824	238	666.4
Provision for foreseeable losses on development properties	13,331	17,494	(23.8)	13,331	17,494	(23.8)

Notes to the Group's Consolidated Statement of Comprehensive Income:

Note 1 – Gross profit

The decrease in gross profit for FY2015 as compared to FY2014 was mainly due to lower profit recognition on development projects based on the percentage of completion method.

Note 2 – Other income

The increase was mainly due to the write-back of provision for warranties no longer required.

Note 3 – Other operating expenses

The decrease for FY2015 as compared to FY2014 was mainly due to lower provision for foreseeable losses on development properties amounting to \$13.3 m in 4Q FY2015. In 4Q FY2014, the provision was \$17.5 m.

Note 4 – Finance income

The increase in finance income was mainly due to the higher interest income earned from additional fixed deposits placed with banks.

Note 5 – Tax expense

The decrease in tax expense was mainly due to corresponding lower profit for the year.

Note 6 – Earnings per share

The basic and diluted earnings per share are computed based on profit for the period/year and the weighted average number of ordinary shares as set out on paragraph 6.

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.

	Note	Group		Company	
		31.03.2015 \$'000	31.03.2014 \$'000	31.03.2015 \$'000	31.03.2014 \$'000
Non-current assets					
Investment property		4,202	4,362	-	-
Property, plant and equipment		132	204	-	-
Investments in subsidiaries		-	-	80,294	80,294
Deferred tax assets	1	3,388	244	-	-
		<u>7,722</u>	<u>4,810</u>	<u>80,294</u>	<u>80,294</u>
Current assets					
Development properties	2	1,040,717	1,118,445	-	-
Trade and other receivables	3	15,316	5,610	743,573	803,155
Cash and cash equivalents	4	329,421	204,896	228,570	89,319
		<u>1,385,454</u>	<u>1,328,951</u>	<u>972,143</u>	<u>892,474</u>
Total assets		<u>1,393,176</u>	<u>1,333,761</u>	<u>1,052,437</u>	<u>972,768</u>
Equity attributable to shareholders of the Company					
Share capital		631,801	631,801	631,801	631,801
Reserves		651,493	600,177	187,311	127,431
Total equity		<u>1,283,294</u>	<u>1,231,978</u>	<u>819,112</u>	<u>759,232</u>
Non-current liabilities					
Deferred tax liabilities	5	5,746	10,422	14	14
		<u>5,746</u>	<u>10,422</u>	<u>14</u>	<u>14</u>
Current liabilities					
Trade and other payables	6	74,783	65,746	233,311	213,522
Current tax payable		29,353	25,615	-	-
		<u>104,136</u>	<u>91,361</u>	<u>233,311</u>	<u>213,522</u>
Total liabilities		<u>109,882</u>	<u>101,783</u>	<u>233,325</u>	<u>213,536</u>
Total equity and liabilities		<u>1,393,176</u>	<u>1,333,761</u>	<u>1,052,437</u>	<u>972,768</u>

Notes to the Statement of Financial Position of the Group:**Note 1 – Deferred tax assets**

The increase was mainly due to higher deductible temporary differences available against future taxable profits resulting from development projects.

Note 2 – Development properties

The decrease was mainly due to higher progress billings during the year for projects which have not obtained TOP and recognition of profits from projects which have obtained TOP during the year.

Note 3 – Trade and other receivables

The increase was mainly due to higher progress billing receivables on the development projects.

Note 4 – Cash and cash equivalents

The increase were mainly due to sales and progress billings from The Vermont on Cairnhill, Luxus Hills Phase 5, Luxus Hills Phase 6 and Skyline Residences. Funds were also released by Singapore Academy of Law for Luxus Hills Phase 4 and The Vermont.

Note 5 – Deferred tax liabilities

The decrease was due to lower tax provision as the development project (Luxus Hills Phase 5) has obtained TOP during the current year.

Note 6 – Trade and other payables

The increase was mainly due to higher trade payables and accrued development expenditure relating to the construction of the development projects.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

	31.03.2015 \$'000	31.03.2014 \$'000
<u>Unsecured</u>		
- Amount repayable in one year or less, or on demand	Nil	Nil
- Amount repayable after one year	Nil	Nil
<u>Secured</u>		
- Amount repayable in one year or less, or on demand	Nil	Nil
- Amount repayable after one year	Nil	Nil

Details of any collateral

Not applicable.

- 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.**

	Fourth quarter		Twelve months	
	4Q FY2015	4Q FY2014	FY2015	FY2014
	01.01.2015 to 31.03.2015 \$'000	01.01.2014 to 31.03.2014 \$'000	01.04.2014 to 31.03.2015 \$'000	01.04.2013 to 31.03.2014 \$'000
Cash flows from operating activities				
Profit before tax	14,916	19,688	109,055	133,324
Adjustments for:				
Depreciation of investment property	40	40	160	160
Depreciation of property, plant and equipment	22	11	100	79
Interest income	(634)	(95)	(1,824)	(238)
Provision for foreseeable losses on development properties	13,331	17,494	13,331	17,494
Operating profit before working capital changes	<u>27,675</u>	<u>37,138</u>	<u>120,822</u>	<u>150,819</u>
Changes in working capital:				
Development properties	(26,752)	61,003	64,397	(52,649)
Trade and other receivables	17,829	(1,379)	(9,284)	11,364
Trade and other payables	(7,709)	10,035	9,037	8,783
Cash generated from operations	11,043	106,797	184,972	118,317
Interest received	717	35	1,401	228
Income tax (paid)/refund	(2,791)	3	(20,394)	(16,877)
Net cash from operating activities	<u>8,969</u>	<u>106,835</u>	<u>165,979</u>	<u>101,668</u>
Cash flows from investing activities				
Purchase of property, plant and equipment	-	(12)	(28)	(15)
Net cash used in investing activities	<u>-</u>	<u>(12)</u>	<u>(28)</u>	<u>(15)</u>
Cash flows from financing activities				
Dividends paid	-	-	(41,426)	(38,837)
Net cash used in financing activities	<u>-</u>	<u>-</u>	<u>(41,426)</u>	<u>(38,837)</u>
Net increase in cash and cash equivalents	8,969	106,823	124,525	62,816
Cash and cash equivalents at beginning of the period/year	<u>320,452</u>	<u>98,073</u>	<u>204,896</u>	<u>142,080</u>
Cash and cash equivalents at end of the period/year	<u>329,421</u>	<u>204,896</u>	<u>329,421</u>	<u>204,896</u>

- 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 of shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Group	Share capital \$'000	Capital reserve \$'000	Accumulated profits \$'000	Dividend reserve \$'000	Total \$'000
At 1 April 2013	631,801	60,714	428,205	38,837	1,159,557
Total comprehensive income for the year					
Profit for the year	-	-	111,258	-	111,258
Transactions with owners, recorded directly in equity					
Dividends to equity holders:					
- final/special dividends for the previous year, paid	-	-	-	(38,837)	(38,837)
- final/special dividends for the year, proposed	-	-	(41,426)	41,426	-
At 31 March 2014	<u>631,801</u>	<u>60,714</u>	<u>498,037</u>	<u>41,426</u>	<u>1,231,978</u>
At 1 April 2014	631,801	60,714	498,037	41,426	1,231,978
Total comprehensive income for the year					
Profit for the year	-	-	92,742	-	92,742
Transactions with owners, recorded directly in equity					
Dividends to equity holders:					
- final/special dividends for the previous year, paid	-	-	-	(41,426)	(41,426)
At 31 March 2015	<u>631,801</u>	<u>60,714</u>	<u>590,779</u>	<u>-</u>	<u>1,283,294</u>

Company	Share capital \$'000	Capital reserve \$'000	Accumulated profits \$'000	Dividend reserve \$'000	Total \$'000
At 1 April 2013	631,801	61,908	65,765	38,837	798,311
Total comprehensive income for the year					
Loss for the year	-	-	(242)	-	(242)
Transactions with owners, recorded directly in equity					
Dividends to equity holders:					
- final/special dividends for the previous year, paid	-	-	-	(38,837)	(38,837)
- final/special dividends for the year, proposed	-	-	(41,426)	41,426	-
At 31 March 2014	<u>631,801</u>	<u>61,908</u>	<u>24,097</u>	<u>41,426</u>	<u>759,232</u>
At 1 April 2014	631,801	61,908	24,097	41,426	759,232
Total comprehensive income for the year					
Profit for the year	-	-	101,306	-	101,306
Transactions with owners, recorded directly in equity					
Dividends to equity holders:					
- final/special dividends for the previous year, paid	-	-	-	(41,426)	(41,426)
At 31 March 2015	<u>631,801</u>	<u>61,908</u>	<u>125,403</u>	<u>-</u>	<u>819,112</u>

- 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.**

There was no change in the Company's share capital during the 3 months ended 31 March 2015.

There were no outstanding convertibles that may result in the issuance of shares as at 31 March 2015 and 31 March 2014.

The Company had no treasury shares as at 31 March 2015 and 31 March 2014.

- 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.**

The Company had 258,911,326 issued and fully paid up ordinary shares as at 31 March 2015 and 31 March 2014.

The Company had no treasury shares as at 31 March 2015 and 31 March 2014.

- 1(d)(iv) **A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 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 by our auditors.

- 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.**

The Group and the Company have applied the same accounting policies and methods of computation in the financial statements for the current financial year as those applied in the Group's and the Company's most recently audited financial statements for FY2014.

- 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.**

Not applicable.

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.**

The basic and diluted earnings per share is computed based on profit for the period/year and the weighted average number of ordinary shares set out below.

	Fourth quarter		Twelve months	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Basic and diluted earnings per share (cents)	2.66	7.04	35.82	42.97

	Fourth quarter		Twelve months	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Weighted average number of shares for calculation of:				
- Basic and diluted earnings per share	258,911,326	258,911,326	258,911,326	258,911,326

7 **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:**

- (a) current financial period reported on; and
 (b) immediately preceding financial year.

	Group		Company	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Net asset value per ordinary share	\$4.96	\$4.76	\$3.16	\$2.93

Net asset value per share is calculated based on 258,911,326 ordinary shares at the end of the current financial period and the immediately preceding financial year.

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.**

The Group's revenue for FY2015 was \$382.7 m, a decrease of 6.3% as compared to \$408.3 m in FY2014.

Gross profit for FY2015 was \$128.6 m, a decrease of 19.4% as compared to \$159.6 m in FY2014. This was due to lower profit recognition on development projects based on the percentage of completion method. Profits were recognised from Luxus Hills Phase 5 and Phase 6, The Vermont on Cairnhill and Skyline Residences.

Other operating expenses was \$18.7 m, a decrease of 19.4% as compared to \$23.2 m in FY2014. This was due to lower provision on foreseeable losses on development properties of \$13.3 m, being lower as compared to provision of \$17.5 m made in FY2014.

Finance income was \$1.8 m, compared to \$0.2 m in FY2014. This was due to higher interest income from higher fixed deposits placed.

Net profit before tax was \$109.1 m, a decrease of 18.2% from \$133.3 m in FY2014. Net profit after tax was \$92.7 m, a decrease of 16.6% from \$111.3 m in FY2014. These are in line with the decrease in gross profit.

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

The Group did not make any specific forecast previously.

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.**

According to recent statistics from the Urban Redevelopment Authority, prices of private residential properties continue to decline for the 1st quarter of calendar year 2015. This was the sixth straight quarter of decline and the price decline was across all segments of the private residential property market. Developers sold 1,311 of private residential property units in the 1st quarter of calendar year 2015, lower than the 1,744 units sold in the same period in 2014.

With the cumulative effects of the government property cooling measures and rising interest cost, the demand and buying sentiments for residential property will remain subdued. The prospects for the Group's sales performance for the forthcoming year shall therefore be challenging.

11 **Dividend**

	31.03.2015	31.03.2014
Name of dividend	Final Ordinary	Final Ordinary
Dividend type	Cash	Cash
Dividend rate	4 cents	4 cents
Tax rate	Tax exempt (One-tier)	Tax exempt (One-tier)
Name of dividend	Final Special	Final Special
Dividend type	Cash	Cash
Dividend rate	29 cents	12 cents
Tax rate	Tax exempt (One-tier)	Tax exempt (One-tier)

The Board of Directors has recommended a final dividend of 4 cents per ordinary share and a special dividend of 29 cents per ordinary share for the year ended 31 March 2015. The proposed final and special dividends are subject to the approval of shareholders of the Company at the forthcoming Annual General Meeting.

Books closure date

The books closure date and date payable for the dividends will be announced at a later date.

12 **If no dividend has been declared/recommended, a statement to that effect.**

Not applicable.

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.**

There is no general mandate from shareholders for IPTs.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 14 **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

	Development properties		Investment holding		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenues	382,146	407,812	509	477	382,655	408,289
Finance income	147	153	1,677	85	1,824	238
Depreciation	100	79	160	160	260	239
Reportable segment profit/(loss) before tax	107,581	133,421	1,479	(69)	109,060	133,352
Other material non-cash item:						
- Provision for foreseeable losses on development properties	(13,331)	(17,494)	-	-	(13,331)	(17,494)
Capital expenditure	28	15	-	-	28	15

- 15 **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to paragraph 8.

- 16 **A breakdown of sales as follows:-**

Group	01.04.2014 to 31.03.2015 \$'000	01.04.2013 to 31.03.2014 \$'000	Change %
(a) Sales reported for first half year	216,596	249,442	(13.2)
(b) Operating profit after tax before deducting minority interests reported for first half year	53,446	74,544	(28.3)
(c) Sales reported for second half year	166,059	158,847	4.5
(d) Operating profit after tax before deducting minority interests reported for second half year	39,296	36,714	7.0

- 17 **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-**

Total annual dividend	Latest 12 months \$'000	Previous 12 months \$'000
Ordinary Preference	85,441 -	41,426 -
Total	85,441	41,426

- 18 **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that, to the best of its knowledge, belief and information, none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director or the chief executive officer or a substantial shareholder of the Company.

BY ORDER OF THE BOARD

**DENNIS LOH SIEW KEEN
COMPANY SECRETARY
27 MAY 2015**