



## BUKIT SEMBAWANG ESTATES LIMITED

(Company Registration Number: 196700177M)

(Incorporated in Singapore on 27 June 1967)

### Financial Statement and Dividend Announcement for the First Quarter ended 30 June 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 first quarter ended 30 June 2015 (1Q FY2016)

	Note	First quarter		Change %
		1Q FY2016 01.04.2015 to 30.06.2015 \$'000	1Q FY2015 01.04.2014 to 30.06.2014 \$'000	
Revenue		118,372	63,268	87.1
Cost of sales		(81,058)	(43,730)	85.4
<b>Gross profit</b>	1	<u>37,314</u>	<u>19,538</u>	91.0
Other income	2	194	43	351.2
Administrative expenses		(805)	(861)	(6.5)
Other operating expenses	3	(1,244)	(1,445)	(13.9)
<b>Profit from operations</b>		<u>35,459</u>	<u>17,275</u>	105.3
<b>Finance income</b>	4	<u>723</u>	<u>300</u>	141.0
<b>Profit before tax</b> <sup>1</sup>		36,182	17,575	105.9
Tax expense	5	(5,823)	(3,402)	71.2
<b>Profit and total comprehensive income for the period</b>		<u>30,359</u>	<u>14,173</u>	114.2
<b>Earnings per share</b>	6			
Basic and diluted earnings per share (cents)		11.73	5.47	

<sup>1</sup> Profit before tax includes the following:

	First quarter		Change
	1Q FY2016	1Q FY2015	
	01.04.2015	01.04.2014	
	to	to	
	30.06.2015	30.06.2014	
	\$'000	\$'000	%
Depreciation and amortisation	(62)	(67)	(7.5)
Interest income	723	300	141.0

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

##### Note 1 – Gross profit

The increase in gross profit for 1Q FY2016 as compared to 1Q FY2015 was mainly due to higher profit recognition on development projects based on the percentage of completion method.

##### Note 2 – Other income

The increase was mainly due to income from write-off of unclaimed accounts.

##### Note 3 – Other operating expenses

The decrease in other operating expenses in 1Q FY2016 as compared to 1Q FY2015 was mainly due to lower development costs expensed off for development projects pending development.

##### Note 4 – Finance income

The higher finance income in 1Q FY2016 was due to increase in interest income received from additional fixed deposits placed with banks.

##### Note 5 – Tax expense

The increase in tax expense in 1Q FY2016 as compared to 1Q FY2015 was due to higher profit before tax.

##### Note 6 – Earnings per share

The basic and diluted earnings per share are computed based on profit for the period 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	
		30.06.2015 \$'000	31.03.2015 \$'000	30.06.2015 \$'000	31.03.2015 \$'000
<b>Non-current assets</b>					
Investment property		4,161	4,202	-	-
Property, plant and equipment		116	132	-	-
Investments in subsidiaries		-	-	80,294	80,294
Deferred tax assets	1	6,067	3,388	-	-
		<u>10,344</u>	<u>7,722</u>	<u>80,294</u>	<u>80,294</u>
<b>Current assets</b>					
Development properties	2	1,036,740	1,040,717	-	-
Trade and other receivables	3	14,658	15,316	739,842	743,573
Cash and cash equivalents	4	363,201	329,421	248,914	228,570
		<u>1,414,599</u>	<u>1,385,454</u>	<u>988,756</u>	<u>972,143</u>
<b>Total assets</b>		<b><u>1,424,943</u></b>	<b><u>1,393,176</u></b>	<b><u>1,069,050</u></b>	<b><u>1,052,437</u></b>
<b>Equity attributable to shareholders of the Company</b>					
Share capital		631,801	631,801	631,801	631,801
Reserves		681,852	651,493	187,964	187,311
<b>Total equity</b>		<u>1,313,653</u>	<u>1,283,294</u>	<u>819,765</u>	<u>819,112</u>
<b>Non-current liabilities</b>					
Deferred tax liabilities	5	9,394	5,746	14	14
		<u>9,394</u>	<u>5,746</u>	<u>14</u>	<u>14</u>
<b>Current liabilities</b>					
Trade and other payables	6	72,171	74,783	249,271	233,311
Current tax payable		29,725	29,353	-	-
		<u>101,896</u>	<u>104,136</u>	<u>249,271</u>	<u>233,311</u>
<b>Total liabilities</b>		<u>111,290</u>	<u>109,882</u>	<u>249,285</u>	<u>233,325</u>
<b>Total equity and liabilities</b>		<b><u>1,424,943</u></b>	<b><u>1,393,176</u></b>	<b><u>1,069,050</u></b>	<b><u>1,052,437</u></b>

**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 expenses of development projects.

**Note 2 – Development properties**

The decrease was due to lower development costs capitalised during the period and additional progress billings.

**Note 3 – Trade and other receivables**

The decrease was mainly due to lower outstanding progress billing receivables on the development projects.

**Note 4 – Cash and cash equivalents**

The increase was mainly due to collections from Luxus Hills Phase 6, Paterson Suites, The Vermont on Cairnhill and Skyline Residences.

**Note 5 – Deferred tax liabilities**

The increase was due to higher deferred tax provision for units sold but under development.

**Note 6 – Trade and other payables**

The decrease was mainly due to lower trade payables relating to construction costs of the development projects.

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

	30.06.2015 \$'000	31.03.2015 \$'000
<b><u>Unsecured</u></b>		
- Amount repayable in one year or less, or on demand	Nil	Nil
- Amount repayable after one year	Nil	Nil
<b><u>Secured</u></b>		
- 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.**

	<b>First quarter</b>	
	<b>1Q FY2016</b>	<b>1Q FY2015</b>
	01.04.2015 to 30.06.2015 \$'000	01.04.2014 to 30.06.2014 \$'000
<b>Cash flows from operating activities</b>		
Profit before tax	36,182	17,575
<b>Adjustments for:</b>		
Depreciation of investment property	41	40
Depreciation of property, plant and equipment	21	27
Interest income	(723)	(300)
<b>Operating profit before working capital changes</b>	<u>35,521</u>	<u>17,342</u>
Changes in working capital:		
Development properties	3,977	(20,465)
Trade and other receivables	918	3,606
Trade and other payables	(2,612)	11,275
Cash generated from operations	<u>37,804</u>	<u>11,758</u>
Interest received	463	49
Income tax paid	(4,482)	-
<b>Net cash from operating activities</b>	<u>33,785</u>	<u>11,807</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(5)	-
<b>Net cash used in investing activities</b>	<u>(5)</u>	<u>-</u>
<b>Net increase in cash and cash equivalents</b>	33,780	11,807
Cash and cash equivalents at beginning of the period	<u>329,421</u>	<u>204,896</u>
<b>Cash and cash equivalents at end of the period</b>	<u>363,201</u>	<u>216,703</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.**

<b>Group</b>	Share capital \$'000	Capital reserve \$'000	Accumulated profits \$'000	Dividend reserve \$'000	Total \$'000
At 1 April 2014	631,801	60,714	498,037	41,426	1,231,978
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	14,173	-	14,173
At 30 June 2014	<u>631,801</u>	<u>60,714</u>	<u>512,210</u>	<u>41,426</u>	<u>1,246,151</u>
At 1 April 2015	631,801	60,714	590,779	-	1,283,294
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	30,359	-	30,359
At 30 June 2015	<u>631,801</u>	<u>60,714</u>	<u>621,138</u>	<u>-</u>	<u>1,313,653</u>
<b>Company</b>	Share capital \$'000	Capital reserve \$'000	Accumulated profits \$'000	Dividend reserve \$'000	Total \$'000
At 1 April 2014	631,801	61,908	24,097	41,426	759,232
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	214	-	214
At 30 June 2014	<u>631,801</u>	<u>61,908</u>	<u>24,311</u>	<u>41,426</u>	<u>759,446</u>
At 1 April 2015	631,801	61,908	125,403	-	819,112
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	653	-	653
At 30 June 2015	<u>631,801</u>	<u>61,908</u>	<u>126,056</u>	<u>-</u>	<u>819,765</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 30 June 2015.

There were no outstanding convertibles that may result in the issuance of shares as at 30 June 2015 and 30 June 2014.

The Company had no treasury shares as at 30 June 2015 and 30 June 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 30 June 2015 and 31 March 2015.

The Company had no treasury shares as at 30 June 2015 and 31 March 2015.

- 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 FY2015.

- 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 and the weighted average number of ordinary shares set out below.

	First quarter	
	30.06.2015	30.06.2014
Basic and diluted earnings per share (cents)	11.73	5.47

	First quarter	
	30.06.2015	30.06.2014
Weighted average number of shares for calculation of:		
- Basic and diluted earnings per share	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	
	30.06.2015	31.03.2015	30.06.2015	31.03.2015
Net asset value per ordinary share	\$5.07	\$4.96	\$3.17	\$3.16

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 1Q FY2016 was \$118.4 m, an increase of 87.1% as compared to \$63.3 m in 1Q FY2015.

Gross profit for 1Q FY2016 was \$37.3 m as compared to \$19.5 m in 1Q FY2015. This was mainly due to higher profit recognition on development projects based on the percentage of completion method. Profits were recognised for Luxus Hills Phase 6, Paterson Suites, Skyline Residences and The Vermont on Cairnhill.

Other operating expenses was \$1.2 m, a decrease of 13.9% as compared to \$1.4 m in 1Q FY2015. This was due to lower development expenses written off on development projects pending development.

Finance income was \$0.7 m, an increase of 141.0% as compared to \$0.3 m in 1Q FY2015. This was due to higher interest income earned from additional fixed deposits placed with banks.

Net profit before tax was \$36.2 m, an increase of 105.9% as compared to \$17.6 m in 1Q FY2015. Net profit after tax was \$30.4 m, an increase of 114.2% as compared to \$14.2 m in 1Q FY2015. These are in line with the increase of 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.**

The impact of the Singapore Government's cooling measures and more supplies of completed properties coming into the market have dampened the demand and the pricing of private residential properties. There were 3,427 new private residential units sold in the first half of 2015, 22% lower than 4,409 units sold in the first half of 2014 according to URA statistics.

Prices of private residential units in Singapore decreased by 0.9% quarter-to-quarter in 2Q 2015 following the 1.0% decline in the previous quarter based on URA statistics. This was the seventh consecutive quarter of decline in private residential property prices.

The market condition for the residential property remains challenging and this will affect the Group's sales performance in the current year.

11 **Dividend**

(a) **Current financial period reported on**

None.

(b) **Corresponding period of the immediately preceding financial year**

None.

(c) **Date payable**

Not applicable.

(d) **Books closure date**

Not applicable.

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

No dividend has been declared or recommended for the first quarter ended 30 June 2015.

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.

14 **Negative Assurance on First Quarter Financial Results**

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the first quarter financial results ended 30 June 2015 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

**DENNIS LOH SIEW KEEN  
COMPANY SECRETARY  
13 AUGUST 2015**