



BUKIT SEMBAWANG ESTATES LIMITED

(Company Registration Number: 196700177M)

(Incorporated in Singapore on 27 June 1967)

Financial Statement and Dividend Announcement for Full Year ended 31 March 2021

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF 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 Full Year (FY2020/21) ended 31 March 2021

	Note	Group		Change
		FY2020/21 01.04.2020 to 31.03.2021	FY2019/20 01.04.2019 to 31.03.2020	
		\$'000	\$'000	%
Revenue		580,961	369,720	57
Cost of sales		(337,599)	(190,336)	77
Gross profit	1	243,362	179,384	36
Other income	2	1,655	48	n.m.
Administrative expenses	3	(8,155)	(9,410)	(13)
Other operating expenses	4	(5,141)	(57,574)	(91)
Profit from operations		231,721	112,448	106
Interest income		2,086	2,256	(8)
Finance costs	5	(6,442)	(12,444)	(48)
Net finance costs		(4,356)	(10,188)	(57)
Profit before tax ¹		227,365	102,260	122
Tax expense	6	(37,930)	(26,179)	45
Profit after tax and total comprehensive income for the year		189,435	76,081	149

n.m. - not meaningful

¹ Profit before tax includes the following:

	FY2020/21	FY2019/20	
	01.04.2020	01.04.2019	
	to	to	Change
	31.03.2021	31.03.2020	
	\$'000	\$'000	%
Depreciation	(6,484)	(6,098)	6
Interest expense	(5,832)	(11,014)	(47)
Amortisation of transaction costs on bank loans	(610)	(1,430)	(57)
Gain on disposal of property, plant and equipment	-	3	n.m.
Impairment loss on property, plant and equipment	-	(44,109)	n.m.
Allowance for foreseeable losses on development properties written back	2,280	2,110	8
Under provision in prior year's taxation	(528)	(1,144)	(54)
n.m. - not meaningful			

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

FY2020/21 vs FY2019/20

Note 1 – Gross profit

The increase in gross profit was mainly due to higher profit recognised on development projects.

Note 2 – Other income

The increase was mainly due to receipt of government grants from relief measures due to the COVID-19 pandemic.

Note 3 – Administrative expenses

The decrease was mainly due to lower payroll related expenses and lower professional charges.

Note 4 – Other operating expenses

The decrease was mainly due to absence of impairment loss on property, plant and equipment relating to Fraser Residence Orchard, Singapore ("FROS") of \$44.1 m. The decrease was also attributed to lower maintenance charges and property tax arising from lesser unsold units of completed development properties and lower development costs expensed off for development projects pending development.

Note 5 – Finance costs

The decrease was mainly due to lower borrowing costs on loan relating to The Atelier and LIV@MB.

Note 6 – Tax expense

The increase in tax expense was mainly due to higher profit.

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	
		31.03.2021 \$'000	31.03.2020 \$'000	31.03.2021 \$'000	31.03.2020 \$'000
Non-current assets					
Investment property		3,323	3,485	-	-
Property, plant and equipment	1	204,052	210,777	-	-
Investments in subsidiaries		-	-	313,000	313,000
Deferred tax assets		10,903	11,287	-	-
		<u>218,278</u>	<u>225,549</u>	<u>313,000</u>	<u>313,000</u>
Current assets					
Development properties	2	963,624	1,245,956	-	-
Contract costs		6,705	8,450	-	-
Contract assets	3	30,728	36,127	-	-
Consumable stocks		-	441	-	-
Trade and other receivables	4	3,089	21,340	469,416	440,047
Cash and cash equivalents	5	728,971	299,910	670,382	254,092
		<u>1,733,117</u>	<u>1,612,224</u>	<u>1,139,798</u>	<u>694,139</u>
Total assets		<u>1,951,395</u>	<u>1,837,773</u>	<u>1,452,798</u>	<u>1,007,139</u>
Equity attributable to shareholders of the Company					
Share capital		631,801	631,801	631,801	631,801
Reserves		852,706	691,751	107,248	75,213
Total equity		<u>1,484,507</u>	<u>1,323,552</u>	<u>739,049</u>	<u>707,014</u>
Non-current liabilities					
Borrowings		337,859	337,560	-	-
Other payables	6	3,692	10,757	-	-
Lease liabilities		396	782	-	-
Provision		145	142	-	-
Deferred tax liabilities		5,007	5,248	59	36
		<u>347,099</u>	<u>354,489</u>	<u>59</u>	<u>36</u>
Current liabilities					
Trade and other payables	7	82,155	113,929	713,382	299,801
Lease liabilities		374	496	-	-
Contract liabilities		-	474	-	-
Current tax payable	8	37,260	44,833	308	288
		<u>119,789</u>	<u>159,732</u>	<u>713,690</u>	<u>300,089</u>
Total liabilities		<u>466,888</u>	<u>514,221</u>	<u>713,749</u>	<u>300,125</u>
Total equity and liabilities		<u>1,951,395</u>	<u>1,837,773</u>	<u>1,452,798</u>	<u>1,007,139</u>

Notes to the Statement of Financial Position of the Group:

Note 1 – Property, plant and equipment

The decrease was mainly due to depreciation of FROS.

Note 2 – Development properties

The decrease was mainly due to recognition of development costs in cost of sales in respect of completed units sold during the year.

Note 3 – Contract assets

The decrease was due to transfer of contract assets to trade receivables when the Group invoices the customer.

Note 4 – Trade and other receivables

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

Note 5 – Cash and cash equivalents

The increase was mainly due to collections from 8 St Thomas, Watercove, Nim Collection Phases 1 and 2, Luxus Hills (Signature Collection) and Luxus Hills (Contemporary Collection).

Note 6 – Other payables

The decrease was due to reclassification of deferred income which relates to the non-refundable deposits received in respect of completed development properties sold under deferred payment schemes to current liabilities as completion of sale is within the next 12 months.

Note 7 – Trade and other payables

The decrease was mainly due to lower accrued costs relating to the construction costs of the development projects. The decrease in deferred income which relates to the non-refundable deposits received in respect of completed development property sold under deferred payment schemes was due to recognition of revenue from units sold under deferred payment schemes on completion of the sale during the year.

Note 8 – Current tax payable

The decrease was mainly due to payments of tax during the year.

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

	31.03.2021 \$'000	31.03.2020 \$'000
<u>Unsecured</u>		
- Amount repayable in one year or less, or on demand	Nil	Nil
- Amount repayable after one year	337,859	337,560
<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 collaterals

As at 31 March 2021, all bank loans were unsecured.

- c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group	
	FY2020/21	FY2019/20
	01.04.2020	01.04.2019
	to	to
	31.03.2021	31.03.2020
	\$'000	\$'000
Cash flows from operating activities		
Profit before tax	227,365	102,260
Adjustments for:		
Depreciation of investment property	162	164
Depreciation of property, plant and equipment	6,322	5,934
Gain on disposal of property, plant and equipment	-	(3)
Interest income	(2,086)	(2,256)
Interest expense	6,442	12,444
Impairment loss on property, plant and equipment	-	44,109
Allowance for foreseeable losses on development properties written back	(2,280)	(2,110)
	<u>235,925</u>	<u>160,542</u>
Changes in:		
Consumable stocks	441	(217)
Development properties	284,612	60,283
Contract costs	1,745	(8,087)
Contract assets	5,399	88,172
Trade and other receivables	18,072	(5,856)
Trade and other payables	(38,731)	46,672
Contract liabilities	535	474
Cash generated from operations	<u>507,998</u>	<u>341,983</u>
Interest received	1,955	2,059
Tax paid	(45,361)	(1,027)
Net cash generated from operating activities	<u>464,592</u>	<u>343,015</u>
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	-	110
Additions to property, plant and equipment	(606)	(1,139)
Net cash used in investing activities	<u>(606)</u>	<u>(1,029)</u>
Cash flows from financing activities		
Dividends paid	(28,480)	(56,960)
Proceeds from borrowings	-	137,796
Repayment of borrowings	-	(183,196)
Interest paid	(5,979)	(11,609)
Payment for lease liability	(466)	(326)
Net cash used in financing activities	<u>(34,925)</u>	<u>(114,295)</u>
Net increase in cash and cash equivalents	429,061	227,691
Cash and cash equivalents at beginning of the year	299,910	72,219
Cash and cash equivalents at end of the year	<u>728,971</u>	<u>299,910</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 to 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	Total \$'000
At 1 April 2019	631,801	10,304	662,428	1,304,533
Adjustment on initial application of SFRS(I) 16	-	-	(102)	(102)
Adjusted balance at 1 April 2019	631,801	10,304	662,326	1,304,431
Total comprehensive income for the year				
Profit for the year	-	-	76,081	76,081
Transactions with owners, recorded directly in equity				
<i>Contributions by and distributions to equity holders</i>				
Dividends paid	-	(10,304)	(46,656)	(56,960)
Total contributions by and distributions to equity holders	-	(10,304)	(46,656)	(56,960)
Total transactions with owners	-	(10,304)	(46,656)	(56,960)
At 31 March 2020	631,801	-	691,751	1,323,552
At 1 April 2020	631,801	-	691,751	1,323,552
Total comprehensive income for the year				
Profit for the year	-	-	189,435	189,435
Transactions with owners, recorded directly in equity				
<i>Contributions by and distributions to equity holders</i>				
Dividends paid	-	-	(28,480)	(28,480)
Total contributions by and distributions to equity holders	-	-	(28,480)	(28,480)
Total transactions with owners	-	-	(28,480)	(28,480)
At 31 March 2021	631,801	-	852,706	1,484,507

Company	Share capital \$'000	Capital reserve \$'000	Accumulated profits \$'000	Total \$'000
At 1 April 2019	631,801	10,304	100,041	742,146
Total comprehensive income for the year				
Profit for the year	-	-	21,828	21,828
Transactions with owners, recorded directly in equity				
<i>Contributions by and distributions to equity holders</i>				
Dividends paid	-	(10,304)	(46,656)	(56,960)
Total contributions by and distributions to equity holders	-	(10,304)	(46,656)	(56,960)
Transactions with owners	-	(10,304)	(46,656)	(56,960)
At 31 March 2020	631,801	-	75,213	707,014
At 1 April 2020	631,801	-	75,213	707,014
Total comprehensive income for the year				
Profit for the year	-	-	60,515	60,515
Transactions with owners, recorded directly in equity				
<i>Contributions by and distributions to equity holders</i>				
Dividends paid	-	-	(28,480)	(28,480)
Total contributions by and distributions to equity holders	631,801	-	107,248	739,049
Total transactions with owners	631,801	-	107,248	739,049
At 31 March 2021	631,801	-	107,248	739,049

- 1(d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 financial year ended 31 March 2021.

There were no outstanding convertibles that may result in the issuance of shares as at 31 March 2021 and 31 March 2020.

The Company had no treasury shares and subsidiary holdings as at 31 March 2021 and 31 March 2020.

- 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 2021 and 31 March 2020.

The Company had no treasury shares as at 31 March 2021 and 31 March 2020.

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

Not applicable.

- 1(d)(v) **A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings 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 modifications or emphasis of a matter)**

Not applicable.

3A. **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—**

(a) **Updates on the efforts taken to resolve each outstanding audit issue.**

(b) **Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable. The Group's latest audited financial statements for the financial year ended 31 March 2020 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion issued by the auditors.

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 period as those applied in the Group's and the Company's most recently audited financial statements for the year ended 31 March 2020.

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.

	Group	
	31.03.2021	31.03.2020
Basic and diluted earnings per share (cents)	73.17	29.38

	Group	
	31.03.2021	31.03.2020
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 the total number of issued shares excluding treasury shares of the issuer at the end of the:**

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

	Group		Company	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Net asset value per ordinary share	\$5.73	\$5.11	\$2.85	\$2.73

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.**

FY2020/21 vs FY2019/20

- (1) Revenue and cost of sales increased by 57% and 77% respectively as compared to FY2019/20. Gross profit increased by 36% as compared to FY2019/20.

In FY2020/21, profits were recognised for 8 St Thomas, Luxus Hills (Signature Collection), Luxus Hills (Contemporary Collection), Nim Collection Phases 1 and 2 relating to sales of development properties and rental income of FROS.

In FY2019/20, profits were recognised for 8 St Thomas, Luxus Hills (Signature Collection), Nim Collection Phases 1 and 2 and Watercove relating to sales of development properties and rental income of FROS.

- (2) Other income increased by \$1.6 m mainly due to receipt of government grants from relief measures due to the COVID-19 pandemic
- (3) The lower interest income was mainly due to lower interest rates from fixed deposits placed with banks.
- (4) The decrease of finance costs of \$6 m was mainly due to lower borrowing costs on loan relating to The Atelier and LIV@MB.
- (5) Higher tax expense in FY2020/21 mainly due to higher profit as compared to FY2019/20.
- (6) Net profit after tax was \$189.4 m, increase of 149% as compared to \$76.1 m in FY2019/20.

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 URA real estate statistics, the overall private residential property prices increased by 3.3% in the 1st quarter of 2021, compared to 2.1% increase in the 4th quarter of 2020. The number of new residential units sold in the 1st quarter 2021 was 3,493 units, compared to 2,603 units sold in the 4th quarter of 2020.

The Group had sold 91% of 250 units at 8 St Thomas as at March 2021. The Group continues to plan for the construction and sales launch of The Atelier, Pollen Collection and LIV@MB. As uncertain global economy and COVID-19 continues to impact Singapore's residential market, the Group believes in adopting measured approach and shall continue to monitor the health of the overall economy and residential property market, and calibrates the approach and timing to launch our new residential projects.

11 **If a decision regarding dividend has been made:-**

(a) Whether an interim (final) ordinary dividend has been declared (recommended).

A final dividend in respect of the financial year ended 31 March 2021 has been recommended.

(b)(i) Amount per share

	31.03.2021
Name of dividend	Final
Dividend type	Cash
Dividend rate	4 cents
Tax rate	Tax exempt (One-tier)
Name of dividend	Special
Dividend type	Cash
Dividend rate	29 cents
Tax rate	Tax exempt (One-tier)

(ii) Previous corresponding period

	31.03.2020
Name of dividend	Final
Dividend type	Cash
Dividend rate	4 cents
Tax rate	Tax exempt (One-tier)
Name of dividend	Special
Dividend type	Cash
Dividend rate	7 cents
Tax rate	Tax exempt (One-tier)

- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

The dividend is tax exempt in the hands of shareholders.

- (d) The date the dividend is payable.**

To be announced at later date.

- (e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

To be announced at later date.

- 12 If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

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		Hospitality		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total revenue	575,988	365,072	895	993	7,533	7,825	584,416	373,890
Inter-segment revenue	(3,140)	(3,754)	(315)	(416)	-	-	(3,455)	(4,170)
External revenue	572,848	361,318	580	577	7,533	7,825	580,961	369,720
Interest income	9	167	2,077	2,089	-	-	2,086	2,256
Finance expense	(6,428)	(12,431)	-	-	(14)	(13)	(6,442)	(12,444)
Depreciation	(721)	(517)	(223)	(164)	(5,540)	(5,417)	(6,484)	(6,098)
Reportable segment profit/(loss) before tax	227,681	147,802	1,492	1,372	(1,808)	(46,914)	227,365	102,260
Other material non-cash items:								
- Allowance for foreseeable losses on development properties written back	2,280	2,110	-	-	-	-	2,280	2,110
- Impairment loss on property, plant and equipment	-	-	-	-	-	(44,109)	-	(44,109)
Other segment information:								
- Capital expenditure	(94)	(145)	-	-	(512)	(994)	(606)	(1,139)

- 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	01.04.2020 to 31.03.2021 \$'000	01.04.2019 to 31.03.2020 \$'000	Change %
(a) Sales reported for first half year	223,254	218,724	2.1
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	73,651	66,630	10.5
(c) Sales reported for second half year	357,707	150,996	136.9
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	115,784	9,451	n.m.

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
Final	10,356	10,356
Special	75,084	18,124
Total	85,440	28,480

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.

19 **Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 under Rule 720(1).

BY ORDER OF THE BOARD

**LOTUS ISABELLA LIM MEI HUA
COMPANY SECRETARY
25 MAY 2021**