



## 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 2016

#### 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 2016 (1Q FY2017)

	Note	First quarter		Change %
		1Q FY2017 01.04.2016 to 30.06.2016 \$'000	1Q FY2016 01.04.2015 to 30.06.2015 \$'000	
Revenue		44,927	118,372	(62.0)
Cost of sales		(19,858)	(81,058)	(75.5)
<b>Gross profit</b>	1	<u>25,069</u>	<u>37,314</u>	(32.8)
Other income	2	31	194	(84.0)
Administrative expenses	3	(958)	(805)	19.0
Other operating expenses	4	(1,454)	(1,244)	16.9
<b>Profit from operations</b>		<u>22,688</u>	<u>35,459</u>	(36.0)
<b>Finance income</b>	5	<u>1,407</u>	<u>723</u>	94.6
<b>Profit before tax</b> <sup>1</sup>		24,095	36,182	(33.4)
Tax credit/(expense)	6	3,403	(5,823)	n.m.
<b>Profit and total comprehensive income for the period</b>		<u><b>27,498</b></u>	<u><b>30,359</b></u>	<b>(9.4)</b>

n.m. - not meaningful

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

	First quarter		Change %
	1Q FY2017	1Q FY2016	
	01.04.2016 to 30.06.2016 \$'000	01.04.2015 to 30.06.2015 \$'000	
Depreciation and amortisation	(58)	(62)	(6.5)
Interest income	1,407	723	94.6

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

##### Note 1 – Gross profit

The decrease in gross profit for 1Q FY2017 as compared to 1Q FY2016 was mainly due to lower profit recognition on development projects based on the percentage of completion method.

##### Note 2 – Other income

The decrease was mainly due to income from write-off of unclaimed dividend accounts in 1Q FY2016. There was no write-off of unclaimed dividend accounts in 1Q FY2017.

##### Note 3 – Administrative expenses

The increase in administrative expenses in 1Q FY2017 as compared to 1Q FY2016 was mainly due to higher professional charges.

##### Note 4 – Other operating expenses

The increase in other operating expenses in 1Q FY2017 as compared to 1Q FY2016 was mainly due to property taxes paid for unsold properties units (Skyline Residences and Paterson Collection) that have obtained TOP.

##### Note 5 – Finance income

The higher finance income in 1Q FY2017 was due to increase in interest income received from additional fixed deposits placed with banks.

##### Note 6 – Income Tax

The tax credit of \$3.4 m was due to write back of deferred tax liabilities that were no longer required.

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	
		30.06.2016 \$'000	31.03.2016 \$'000	30.06.2016 \$'000	31.03.2016 \$'000
<b>Non-current assets</b>					
Investment property		4,094	4,135	-	-
Property, plant and equipment		121	79	-	-
Investments in subsidiaries		-	-	310,000	310,000
Deferred tax assets	1	20,667	7,324	-	-
		<u>24,882</u>	<u>11,538</u>	<u>310,000</u>	<u>310,000</u>
<b>Current assets</b>					
Development properties	2	949,759	941,883	-	-
Trade and other receivables	3	62,019	92,366	240,254	294,797
Cash and cash equivalents	4	448,034	411,908	399,351	355,253
		<u>1,459,812</u>	<u>1,446,157</u>	<u>639,605</u>	<u>650,050</u>
<b>Total assets</b>		<b><u>1,484,694</u></b>	<b><u>1,457,695</u></b>	<b><u>949,605</u></b>	<b><u>960,050</u></b>
<b>Equity attributable to shareholders of the Company</b>					
Share capital		631,801	631,801	631,801	631,801
Reserves		685,529	658,031	168,745	167,494
<b>Total equity</b>		<u>1,317,330</u>	<u>1,289,832</u>	<u>800,546</u>	<u>799,295</u>
<b>Non-current liabilities</b>					
Deferred tax liabilities	5	14	5,914	14	14
		<u>14</u>	<u>5,914</u>	<u>14</u>	<u>14</u>
<b>Current liabilities</b>					
Trade and other payables	6	130,616	141,048	148,529	160,225
Current tax payable	7	36,734	20,901	516	516
		<u>167,350</u>	<u>161,949</u>	<u>149,045</u>	<u>160,741</u>
<b>Total liabilities</b>		<u>167,364</u>	<u>167,863</u>	<u>149,059</u>	<u>160,755</u>
<b>Total equity and liabilities</b>		<b><u>1,484,694</u></b>	<b><u>1,457,695</u></b>	<b><u>949,605</u></b>	<b><u>960,050</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 increase was due to higher development costs capitalised during the period.

**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 Skyline Residences.

**Note 5 – Deferred tax liabilities**

The decrease was mainly due to reversal of deferred tax provision upon billing of sold property units.

**Note 6 – Trade and other payables**

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

**Note 7 – Current tax payable**

The increase was mainly due to tax payable on sales and billing of development projects during the quarter.

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

	30.06.2016 \$'000	31.03.2016 \$'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 FY2017</b>	<b>1Q FY2016</b>
	01.04.2016 to 30.06.2016 \$'000	01.04.2015 to 30.06.2015 \$'000
<b>Cash flows from operating activities</b>		
Profit before tax	24,095	36,182
<b>Adjustments for:</b>		
Depreciation of investment property	41	41
Depreciation of property, plant and equipment	17	21
Interest income	(1,407)	(723)
	<u>22,746</u>	<u>35,521</u>
Changes in:		
Development properties	(7,876)	3,977
Trade and other receivables	30,772	918
Trade and other payables	(10,432)	(2,612)
Cash generated from operations	<u>35,210</u>	<u>37,804</u>
Interest received	982	463
Income tax paid	(7)	(4,482)
<b>Net cash from operating activities</b>	<u>36,185</u>	<u>33,785</u>
<b>Cash flows from investing activity</b>		
Purchase of property, plant and equipment	<u>(59)</u>	<u>(5)</u>
<b>Net cash used in investing activity</b>	<u>(59)</u>	<u>(5)</u>
<b>Net increase in cash and cash equivalents</b>	36,126	33,780
Cash and cash equivalents at beginning of the period	<u>411,908</u>	<u>329,421</u>
<b>Cash and cash equivalents at end of the period</b>	<u>448,034</u>	<u>363,201</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	Total \$'000
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>1,313,653</u>
At 1 April 2016	631,801	60,714	597,317	1,289,832
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	27,498	27,498
At 30 June 2016	<u>631,801</u>	<u>60,714</u>	<u>624,815</u>	<u>1,317,330</u>
<b>Company</b>	Share capital \$'000	Capital reserve \$'000	Accumulated profits \$'000	Total \$'000
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>819,765</u>
At 1 April 2016	631,801	61,908	105,586	799,295
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	1,251	1,251
At 30 June 2016	<u>631,801</u>	<u>61,908</u>	<u>106,837</u>	<u>800,546</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 2016.

There were no outstanding convertibles that may result in the issuance of shares as at 30 June 2016 and 30 June 2015.

The Company had no treasury shares as at 30 June 2016 and 30 June 2015.

- 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 2016 and 31 March 2016.

The Company had no treasury shares as at 30 June 2016 and 31 March 2016.

- 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 FY2016.

- 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	
	30.06.2016	30.06.2015
Basic and diluted earnings per share (cents)	10.62	11.73

	First quarter	
	30.06.2016	30.06.2015
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	
	30.06.2016	31.03.2016	30.06.2016	31.03.2016
Net asset value per ordinary share	\$5.09	\$4.98	\$3.09	\$3.09

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 FY2017 was \$44.9 m, a decrease of 62.0% as compared to \$118.4 m in 1Q FY2016.

Gross profit for 1Q FY2017 was \$25.1 m as compared to \$37.3 m in 1Q FY2016. This was mainly due to lower profit recognition on development projects based on the percentage of completion method. Profits were recognised for Luxus Hills Phase 6, Luxus Hills Phase 7 and Skyline Residences.

Other operating expenses was \$1.5 m, an increase of 16.9% as compared to \$1.2 m in 1Q FY2016. This was due to property taxes paid for unsold properties that have obtained TOP.

Finance income was \$1.4 m, an increase of 94.6% as compared to \$0.7 m in 1Q FY2016. This was due to higher interest income earned from additional fixed deposits placed with banks.

Net profit before tax was \$24.1 m, a decrease of 33.4% as compared to \$36.2 m in 1Q FY2016. Tax credit for 1Q FY2017 of \$3.4 m was mainly due to write-back of deferred tax liabilities no longer required. Net profit after tax was \$27.5 m, a decrease of 9.4% as compared to \$30.4 m in 1Q FY2016.

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 decreased by 0.4% in the 2nd Quarter 2016, compared to 0.7% fall in the previous quarter. This was the eleventh consecutive quarter of decline in private residential property prices.

The government has reiterated that it is not time yet to ease property cooling measures. The Singapore residential property market sentiment is expected to remain subdued with continuing effects of government cooling measures and slowing economic growth.

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 2016.

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 2016 to be false or misleading in any material aspect.

15 **Confirmation of undertakings 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**

**DENNIS LOH SIEW KEEN  
COMPANY SECRETARY  
11 AUGUST 2016**