



## 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 2013

#### 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 2013 (1Q FY2014)

	Note	First quarter		Change %
		01.04.2013 to 30.06.2013 1Q FY2014 \$'000	01.04.2012 to 30.06.2012 1Q FY2013 \$'000	
Revenue		161,677	105,213	53.7
Cost of sales		(100,641)	(66,395)	51.6
<b>Gross profit</b>	1	<u>61,036</u>	<u>38,818</u>	57.2
Other income		18	56	(67.9)
Administrative expenses	2	(827)	(669)	23.6
Other operating expenses		(1,167)	(1,224)	(4.7)
<b>Profit from operations</b>		<u>59,060</u>	<u>36,981</u>	59.7
Finance income	3	68	904	(92.5)
Finance expense		-	(12)	(100.0)
<b>Net finance income</b>		<u>68</u>	<u>892</u>	(92.4)
<b>Profit before income tax</b> <sup>1</sup>		<u>59,128</u>	<u>37,873</u>	56.1
Income tax expense	4	(9,939)	(10,190)	(2.5)
<b>Profit for the period attributable to equity holders of the Company</b>		<u>49,189</u>	<u>27,683</u>	77.7
Other comprehensive income for the period, net of income tax		-	-	-
<b>Total comprehensive income for the period</b>		<u>49,189</u>	<u>27,683</u>	77.7
<b>Earnings per share</b> <sup>2</sup>				
Basic earnings per share (cents)		19.00	10.69	
Diluted earnings per share (cents)		<u>19.00</u>	<u>10.69</u>	

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

	First quarter		Change
	01.04.2013 to 30.06.2013 1Q FY2014	01.04.2012 to 30.06.2012 1Q FY2013	
	\$'000	\$'000	%
Depreciation and amortisation	(87)	(64)	35.9
Interest income	68	133	(48.9)
Interest expense	-	(12)	N.A.
Mark-to-market gain on derivative financial instruments	-	771	N.A.

<sup>2</sup> The basic and diluted earnings per share are computed based on profit for the period attributable to equity holders of the Company and the weighted average number of ordinary shares as set out on page 8.

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

##### Note 1 – Gross profit

The increase in gross profit for 1Q FY2014 compared to 1Q FY2013 is mainly due to higher profit recognition on projects under construction.

##### Note 2 – Administrative expenses

The increase in administrative expenses is mainly due to performance bonus and salary adjustment.

##### Note 3 – Finance income

The decrease in finance income is mainly due to the absence of mark-to-market gain on interest rate swaps in 1Q FY2014.

##### Note 4 – Income tax expense

The decrease in income tax expense is mainly due to an adjustment in 1Q FY2013 for underprovision of current tax in FY2012.

#### Borrowing costs capitalised in development properties

Borrowing costs capitalised in development properties amounted to \$Nil for 1Q FY2014 compared to \$3.3 million for 1Q FY2013.

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	
		30.06.2013	31.03.2013	30.06.2013	31.03.2013
		\$'000	\$'000	\$'000	\$'000
<b>Non-current assets</b>					
Investment property		4,482	4,522	-	-
Property, plant and equipment		221	268	-	-
Investments in subsidiaries		-	-	80,294	80,294
Deferred tax assets		244	244	-	-
		<u>4,947</u>	<u>5,034</u>	<u>80,294</u>	<u>80,294</u>
<b>Current assets</b>					
Development properties	1	1,137,697	1,083,290	-	-
Trade and other receivables	2	9,555	16,964	899,360	883,344
Cash and cash equivalents	3	160,604	142,080	2,683	12,802
		<u>1,307,856</u>	<u>1,242,334</u>	<u>902,043</u>	<u>896,146</u>
<b>Total assets</b>		<b><u>1,312,803</u></b>	<b><u>1,247,368</u></b>	<b><u>982,337</u></b>	<b><u>976,440</u></b>
<b>Equity attributable to shareholders of the Company</b>					
Share capital		631,801	631,801	631,801	631,801
Reserves	4	576,945	527,756	166,434	166,510
<b>Total equity</b>		<b><u>1,208,746</u></b>	<b><u>1,159,557</u></b>	<b><u>798,235</u></b>	<b><u>798,311</u></b>
<b>Non-current liabilities</b>					
Deferred tax liabilities		21,043	13,027	14	14
		<u>21,043</u>	<u>13,027</u>	<u>14</u>	<u>14</u>
<b>Current liabilities</b>					
Trade and other payables	5	63,270	56,963	184,088	178,115
Current tax payable		19,744	17,821	-	-
		<u>83,014</u>	<u>74,784</u>	<u>184,088</u>	<u>178,115</u>
<b>Total liabilities</b>		<b><u>104,057</u></b>	<b><u>87,811</u></b>	<b><u>184,102</u></b>	<b><u>178,129</u></b>
<b>Total equity and liabilities</b>		<b><u>1,312,803</u></b>	<b><u>1,247,368</u></b>	<b><u>982,337</u></b>	<b><u>976,440</u></b>

**Notes to the Statement of Financial Position of the Group:**

## Note 1 – Development properties

The increase is due to higher development costs capitalised during the period.

## Note 2 – Trade and other receivables

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

## Note 3 – Cash and cash equivalents

Please refer to Section 1(c) for cash flows for the period.

## Note 4 – Reserves

Please refer to Section 1(d)(i) for statement of changes in equity for the period.

## Note 5 – Trade and other payables

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

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

	30.06.2013 \$'000	31.03.2013 \$'000
<b><u>Unsecured</u></b>		
- Amount repayable in one year or less, or on demand	-	-
- Amount repayable after one year	-	-
<b><u>Secured</u></b>		
- Amount repayable in one year or less, or on demand	-	-
- Amount repayable after one year	-	-

**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.

	First quarter	
	01.04.2013	01.04.2012
	to	to
	30.06.2013	30.06.2012
	1Q FY2014	1Q FY2013
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Profit before income tax	59,128	37,873
<b>Adjustments for:</b>		
Depreciation of investment property	40	40
Depreciation of property, plant and equipment	47	24
Interest income	(68)	(133)
Mark-to-market gain on derivative financial instruments	-	(771)
<b>Operating profit before working capital changes</b>	<u>59,147</u>	<u>37,033</u>
Changes in working capital:		
Development properties	(54,407)	116,265
Trade and other receivables	7,398	(73,192)
Trade and other payables	6,307	6,170
Cash generated from operations	<u>18,445</u>	<u>86,276</u>
Interest received	79	168
<b>Net cash from operating activities</b>	<u>18,524</u>	<u>86,444</u>
<b>Cash flows from financing activities</b>		
Interest paid (including amounts capitalised in development properties)	-	(2,785)
Repayments of bank loans	-	(37,000)
<b>Net cash used in financing activities</b>	<u>-</u>	<u>(39,785)</u>
<b>Net increase in cash and cash equivalents</b>	18,524	46,659
Cash and cash equivalents at beginning of period	<u>142,080</u>	<u>298,438</u>
<b>Cash and cash equivalents at end of period</b>	<u>160,604</u>	<u>345,097</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 2012	631,801	60,714	352,398	46,604	1,091,517
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	27,683	-	27,683
At 30 June 2012	631,801	60,714	380,081	46,604	1,119,200
At 1 April 2013	631,801	60,714	428,205	38,837	1,159,557
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	49,189	-	49,189
At 30 June 2013	631,801	60,714	477,394	38,837	1,208,746
<b>Company</b>					
At 1 April 2012	631,801	61,908	102,185	46,604	842,498
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	758	-	758
At 30 June 2012	631,801	61,908	102,943	46,604	843,256
At 1 April 2013	631,801	61,908	65,765	38,837	798,311
<b>Total comprehensive income for the period</b>					
Loss for the period	-	-	(76)	-	(76)
At 30 June 2013	631,801	61,908	65,689	38,837	798,235

- 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 2013.

There were no outstanding convertibles that may result in the issuance of shares as at 30 June 2013 and 30 June 2012.

The Company had no treasury shares as at 30 June 2013 and 30 June 2012.

- 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 2013 and 31 March 2013.

The Company had no treasury shares as at 30 June 2013 and 31 March 2013.

- 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 period as those applied in the Group's and the Company's most recently audited financial statements for FY2013.

- 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 attributable to equity holders of the Company and the weighted average number of ordinary shares set out below.

	First quarter	
	30.06.2013	30.06.2012
Basic earnings per share (cents)	19.00	10.69
Diluted earnings per share (cents)	19.00	10.69

	First quarter	
	30.06.2013	30.06.2012
Weighted average number of shares for calculation of:		
- Basic earnings per share	258,911,326	258,911,326
- 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	
	30.06.2013	31.03.2013	30.06.2013	31.03.2013
Net asset value per ordinary share	\$4.67	\$4.48	\$3.08	\$3.08

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 FY2014 is \$161.7 million compared to \$105.2 million in 1Q FY2013. The increase in gross profit for 1Q FY2014 compared to 1Q FY2013 is mainly due to higher profit recognition on projects under construction. Accordingly, the net profit before tax increased by 56.1% from \$37.9 million in 1Q FY2013 to \$59.1 million in 1Q FY2014.

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

Luxus Hills Phase 6 was not launched in the 1<sup>st</sup> half of 2013. The deferral of the launch has no impact on the Group's results for 1Q FY2014.

- 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 the Ministry of Trade and Industry, Singapore's GDP grew 3.7% in 2Q 2013 from a year ago. The full year GDP growth forecast for 2013 has been revised from 2.5% to 3.5%.

Prices of private residential units in Singapore increased by 1.0% quarter-on-quarter in 2Q 2013. Sales of new private residential units moderated to 9,950 units in the 1<sup>st</sup> half of 2013, lower than the 11,928 units in the corresponding period last year.

The successive cooling measures implemented by the Singapore Government and the recent rules set by the Monetary Authority of Singapore in June 2013 introducing a cap of 60% on the Total Debt Servicing Ratio for housing loans have dampened property market sentiments. The Group expects the residential market conditions to be challenging with prices and transaction volume for private residential sales to be moderated in the year ahead.

Luxus Hills Phase 4 is targeted to be completed in 4Q 2013 and the construction for the several development projects continues to make good progress. The Group plans to launch Luxus Hills Phase 6 in the 2<sup>nd</sup> half of 2013.

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 2013.

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.**

The Group does not have any Interested Person Transactions.

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 2013 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

**TAN GUAT NGOH  
COMPANY SECRETARY  
13 AUGUST 2013**