



## BUKIT SEMBAWANG ESTATES LIMITED

(Company Registration Number: 196700177M)

(Incorporated in Singapore on 27 June 1967)

### Financial Statement and Dividend Announcement for the Third Quarter and Nine Months ended 31 December 2017

#### 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 third quarter (3Q FY2018) and nine months (9M FY2018) ended 31 December 2017

	Third quarter			Nine months		
	3Q FY2018	3Q FY2017	Change	9M FY2018	9M FY2017	Change
	01.10.2017 to 31.12.2017	01.10.2016 to 31.12.2016		01.04.2017 to 31.12.2017	01.04.2016 to 31.12.2016	
Note	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	17,531	10,376	69.0	65,294	128,188	(49.1)
Cost of sales	(4,451)	(2,815)	58.1	(23,145)	(49,038)	(52.8)
<b>Gross profit</b>	<b>13,080</b>	<b>7,561</b>	<b>73.0</b>	<b>42,149</b>	<b>79,150</b>	<b>(46.7)</b>
Other income	25	45	(44.4)	100	111	(9.9)
Administrative expenses	(1,198)	(977)	22.6	(3,200)	(3,057)	4.7
Other operating income/(expenses)	1,780	(1,854)	n.m.	(1,038)	(4,678)	(77.8)
<b>Profit from operations</b>	<b>13,687</b>	<b>4,775</b>	<b>186.6</b>	<b>38,011</b>	<b>71,526</b>	<b>(46.9)</b>
<b>Finance income</b>	<b>540</b>	<b>1,278</b>	<b>(57.7)</b>	<b>2,414</b>	<b>3,929</b>	<b>(38.6)</b>
<b>Profit before tax<sup>1</sup></b>	<b>14,227</b>	<b>6,053</b>	<b>135.0</b>	<b>40,425</b>	<b>75,455</b>	<b>(46.4)</b>
Tax expense	(3,529)	(701)	n.m.	(6,591)	(5,261)	25.3
<b>Profit and total comprehensive income for the period</b>	<b>10,698</b>	<b>5,352</b>	<b>99.9</b>	<b>33,834</b>	<b>70,194</b>	<b>(51.8)</b>

n.m. - not meaningful

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

	Third quarter			Nine months		
	3Q FY2018	3Q FY2017	Change	9M FY2018	9M FY2017	Change
	01.10.2017 to 31.12.2017	01.10.2016 to 31.12.2016	%	01.04.2017 to 31.12.2017	01.04.2016 to 31.12.2016	%
	\$'000	\$'000	%	\$'000	\$'000	%
Depreciation and amortisation	(61)	(83)	(26.5)	(202)	(216)	(6.5)
Interest income	540	1,278	(57.7)	2,414	3,929	(38.6)
Write-back of allowance for foreseeable losses on development properties	35,545	-	n.m.	35,545	-	n.m.
n.m. - not meaningful						

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

#### 3Q FY2018 vs 3Q FY2017

##### Note 1 – Gross profit

The increase in gross profit was mainly due to higher profit recognised on development projects based on the percentage of completion method.

##### Note 2 – Administrative expenses

The increase in administrative expenses was mainly due to higher professional charges.

##### Note 3 – Other operating income/(expenses)

Other operating income was mainly due to write-back of allowance for foreseeable losses on development properties of an amount of \$35.5 m for the Paterson Collection project. This was offset by the Additional Buyer's Stamp Duty of \$31.8 m incurred for the same project.

##### Note 4 – Finance income

The decrease in finance income was due to decrease in interest income received from fixed deposits placed with banks.

##### Note 5 – Tax expense

The increase in tax expense was mainly due to higher gross 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	
		31.12.2017 \$'000	31.03.2017 \$'000	31.12.2017 \$'000	31.03.2017 \$'000
<b>Non-current assets</b>					
Investment property		3,850	3,973	-	-
Property, plant and equipment	1	241,032	102	-	-
Investments in subsidiaries		-	-	310,000	310,000
Deferred tax assets	2	18,690	23,760	-	-
		<u>263,572</u>	<u>27,835</u>	<u>310,000</u>	<u>310,000</u>
<b>Current assets</b>					
Development properties	3	811,130	997,020	-	-
Trade and other receivables	4	4,690	24,494	251,515	208,235
Cash and cash equivalents	5	226,975	365,378	168,436	345,246
		<u>1,042,795</u>	<u>1,386,892</u>	<u>419,951</u>	<u>553,481</u>
<b>Total assets</b>		<b><u>1,306,367</u></b>	<b><u>1,414,727</u></b>	<b><u>729,951</u></b>	<b><u>863,481</u></b>
<b>Equity attributable to shareholders of the Company</b>					
Share capital		631,801	631,801	631,801	631,801
Reserves		593,441	645,048	87,173	170,945
<b>Total equity</b>		<u>1,225,242</u>	<u>1,276,849</u>	<u>718,974</u>	<u>802,746</u>
<b>Non-current liabilities</b>					
Deferred tax liabilities	6	1,206	355	355	355
		<u>1,206</u>	<u>355</u>	<u>355</u>	<u>355</u>
<b>Current liabilities</b>					
Trade and other payables	7	79,607	111,810	10,622	59,850
Current tax payable	8	312	25,713	-	530
		<u>79,919</u>	<u>137,523</u>	<u>10,622</u>	<u>60,380</u>
<b>Total liabilities</b>		<u>81,125</u>	<u>137,878</u>	<u>10,977</u>	<u>60,735</u>
<b>Total equity and liabilities</b>		<b><u>1,306,367</u></b>	<b><u>1,414,727</u></b>	<b><u>729,951</u></b>	<b><u>863,481</u></b>

**Notes to the Statement of Financial Position of the Group:****Note 1 – Property, plant and equipment**

The increase was due to the transfer of the Paterson Collection project from development properties to property, plant and equipment, as the Group has retained the project.

**Note 2 – Deferred tax assets**

The decrease was mainly due to utilisation of deferred tax asset balances.

**Note 3 – Development properties**

Please see note 1.

**Note 4 – Trade and other receivables**

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

**Note 5 – Cash and cash equivalents**

The decrease was mainly due to payment of dividends and payment of construction costs of the developments projects.

**Note 6 – Deferred tax liabilities**

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

**Note 7 – Trade and other payables**

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

**Note 8 – Current tax payable**

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

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

	31.12.2017 \$'000	31.03.2017 \$'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.**

	Third quarter		Nine months	
	3Q FY2018	3Q FY2017	9M FY2018	9M FY2017
	01.10.2017 to 31.12.2017	01.10.2016 to 31.12.2016	01.04.2017 to 31.12.2017	01.04.2016 to 31.12.2016
Note	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>				
Profit before tax	14,227	6,053	40,425	75,455
<b>Adjustments for:</b>				
Depreciation of investment property	41	41	122	122
Depreciation of property, plant and equipment	20	42	80	94
Gain on disposal of property, plant and equipment	-	-	(36)	-
Interest income	(540)	(1,278)	(2,414)	(3,929)
Write-back of allowance for foreseeable losses on development properties	(35,545)	-	(35,545)	-
	<u>(21,797)</u>	<u>4,858</u>	<u>2,632</u>	<u>71,742</u>
Changes in:				
Development properties	(14,600)	(62,845)	(19,363)	(34,481)
Trade and other receivables	49,985	54,539	17,919	71,866
Trade and other payables	(11,051)	(2,571)	(32,203)	(30,502)
Cash generated from/(used in) operations	<u>2,537</u>	<u>(6,019)</u>	<u>(31,015)</u>	<u>78,625</u>
Interest received	1,125	862	4,299	2,811
Income tax paid	(13,036)	(12,141)	(26,072)	(24,457)
<b>Net cash (used in)/from operating activities</b>	<u>1</u> <u>(9,374)</u>	<u>(17,298)</u>	<u>(52,788)</u>	<u>56,979</u>
<b>Cash flows from investing activities</b>				
Proceeds from disposal of property, plant and equipment	-	-	45	-
Purchase of property, plant and equipment	(30)	(7)	(219)	(156)
<b>Net cash used in investing activities</b>	<u>(30)</u>	<u>(7)</u>	<u>(174)</u>	<u>(156)</u>
<b>Cash flows from financing activities</b>				
Dividends paid	-	-	(85,441)	(85,441)
<b>Net cash used in financing activities</b>	<u>-</u>	<u>-</u>	<u>(85,441)</u>	<u>(85,441)</u>
<b>Net decrease in cash and cash equivalents</b>	(9,404)	(17,305)	(138,403)	(28,618)
Cash and cash equivalents at beginning of the period	236,379	400,595	365,378	411,908
<b>Cash and cash equivalents at end of the period</b>	<u>226,975</u>	<u>383,290</u>	<u>226,975</u>	<u>383,290</u>

**Note 1**

The net cash outflow for the 9M FY2018 was mainly due to payments for construction of the development properties.

- 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 2016	631,801	60,714	597,317	1,289,832
Effect of liquidation of subsidiaries	-	(3,806)	3,806	-
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	70,194	70,194
<b>Transactions with owners, recorded directly in equity</b>				
<b><i>Contributions by and distributions to equity holders</i></b>				
Dividends paid	-	-	(85,441)	(85,441)
<b>Total contributions by and distributions to equity holders</b>	-	-	(85,441)	(85,441)
<b>Total transactions with owners</b>	-	-	(85,441)	(85,441)
At 31 December 2016	631,801	56,908	585,876	1,274,585
At 1 April 2017	631,801	56,908	588,140	1,276,849
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	33,834	33,834
<b>Transactions with owners, recorded directly in equity</b>				
<b><i>Contributions by and distributions to equity holders</i></b>				
Dividends paid	-	-	(85,441)	(85,441)
<b>Total contributions by and distributions to equity holders</b>	-	-	(85,441)	(85,441)
<b>Total transactions with owners</b>	-	-	(85,441)	(85,441)
At 31 December 2017	631,801	56,908	536,533	1,225,242

<b>Company</b>	<b>Share capital \$'000</b>	<b>Capital reserve \$'000</b>	<b>Accumulated profits \$'000</b>	<b>Total \$'000</b>
At 1 April 2016	631,801	61,908	105,586	799,295
Effect of liquidation of subsidiaries	-	(5,000)	5,000	-
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	88,740	88,740
<b>Transactions with owners, recorded directly in equity</b>				
<b><i>Contributions by and distributions to equity holders</i></b>				
Dividends paid	-	-	(85,441)	(85,441)
<b>Total contributions by and distributions to equity holders</b>	-	-	(85,441)	(85,441)
<b>Total transactions with owners</b>	-	-	(85,441)	(85,441)
At 31 December 2016	<u>631,801</u>	<u>56,908</u>	<u>113,885</u>	<u>802,594</u>
At 1 April 2017	631,801	56,908	114,037	802,746
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	1,669	1,669
<b>Transactions with owners, recorded directly in equity</b>				
<b><i>Contributions by and distributions to equity holders</i></b>				
Dividends paid	-	-	(85,441)	(85,441)
<b>Total contributions by and distributions to equity holders</b>	-	-	(85,441)	(85,441)
<b>Total transactions with owners</b>	-	-	(85,441)	(85,441)
At 31 December 2017	<u>631,801</u>	<u>56,908</u>	<u>30,265</u>	<u>718,974</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 December 2017.

There were no outstanding convertibles that may result in the issuance of shares as at 31 December 2017 and 31 December 2016.

The Company had no treasury shares as at 31 December 2017 and 31 December 2016.

- 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 December 2017 and 31 March 2017.

The Company had no treasury shares as at 31 December 2017 and 31 March 2017.

- 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 FY2017.

- 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.

	Third quarter		Nine months	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Basic and diluted earnings per share (cents)	4.13	2.07	13.07	27.11

	Third quarter		Nine months	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
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	
	31.12.2017	31.03.2017	31.12.2017	31.03.2017
Net asset value per ordinary share	\$4.73	\$4.93	\$2.78	\$3.10

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.**

3Q FY2018 vs 3Q FY2017

- (1) For 3Q FY2018, revenue and cost of sales increased by 69.0% and 58.1% respectively as compared to 3Q FY2017. Gross profit increased by 73.0% as compared to 3Q FY2017. The increase was mainly due to higher sales and higher profit recognition on development projects. In 3Q FY2018, profits were recognised for Watercove and the 2 houses at Lengkok Angsa. In 3Q FY2017, profits were recognised for Luxus Hills Phase 7 and Skyline Residences.

9M FY2018 vs 9M FY2017

- (2) Revenue and cost of sales decreased by 49.1% and 52.8% respectively as compared to 9M FY2017. For 9M FY2018, profits were recognised for Skyline Residences, Watercove and the 2 houses at Lengkok Angsa. For 9M FY2017, profits were recognised for Luxus Hills Phase 6 and 7 and Skyline Residences.
- (3) Under other operating income/(expenses), there was a write-back of allowance for foreseeable losses on development properties of an amount of \$35.5 m for the Paterson Collection project. This was offset by the Additional Buyer's Stamp Duty of \$31.8 m incurred for the same project.
- (4) Finance income was \$2.4 m, a decrease of 38.6% as compared to \$3.9 m mainly due to lower interest income earned from fixed deposits placed with banks.
- (5) Higher tax expense was mainly due to increase in deferred tax expenses.
- (6) Net profit after tax was \$33.8 m, a decrease of 51.8% as compared to the prior corresponding period.

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 1.1% for the whole of 2017, compared with 3.1% decline in 2016. The number of new private residential units sold in 2017 increased to 10,566, 33% more than the 7,972 units sold in 2016.

The Group is closely monitoring the changing dynamics of the residential property market for timely launching of new residential project for sale.

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 nine months ended 31 December 2017.

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 Third 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 third quarter financial results ended 31 December 2017 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  
12 FEBRUARY 2018**