



**Bukit Sembawang Estates Limited
and its subsidiaries**
Registration Number: 196700177M

Unaudited Condensed Interim Financial Statements
For the half year ended
30 September 2022

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**A. Condensed Interim Consolidated Statement of Comprehensive Income
For the half year ended 30 September 2022 (1H FY2022/23)**

	Note	Group		Change %
		1H FY2022/23 01.04.2022 to 30.09.2022	1H FY2021/22 01.04.2021 to 30.09.2021	
		\$'000	\$'000	
Revenue	5	120,675	198,845	(39)
Cost of sales		(100,430)	(128,516)	(22)
Gross profit		<u>20,245</u>	<u>70,329</u>	(71)
Other income		67	722	(91)
Administrative expenses		(4,533)	(4,130)	10
Other operating expenses		(2,172)	(2,763)	(21)
Profit from operations		<u>13,607</u>	<u>64,158</u>	(79)
Interest income		2,929	823	256
Finance costs		(1,558)	(2,886)	(46)
Net finance income/(costs)		<u>1,371</u>	<u>(2,063)</u>	n.m.
Profit before tax	7	14,978	62,095	(76)
Tax expense	8	(2,397)	(8,738)	(73)
Profit after tax and total comprehensive income for the period		<u>12,581</u>	<u>53,357</u>	(76)
Earnings per share				
Basic and diluted earnings per share (cents)	15	4.86	20.61	

B. Condensed Interim Statements of Financial Position

	Note	Group		Company	
		30.09.2022	31.03.2022	30.09.2022	31.03.2022
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Investment property	11	3,079	3,160	-	-
Property, plant and equipment	12	210,081	212,355	-	-
Investments in subsidiaries		-	-	313,000	313,000
Deferred tax assets		11,684	12,404	-	-
		<u>224,844</u>	<u>227,919</u>	<u>313,000</u>	<u>313,000</u>
Current assets					
Development properties	13	835,772	910,161	-	-
Contract costs		14,632	1,853	-	-
Trade and other receivables		5,180	3,320	872,058	794,266
Cash and cash equivalents		533,114	530,110	393,840	492,547
		<u>1,388,698</u>	<u>1,445,444</u>	<u>1,265,898</u>	<u>1,286,813</u>
Total assets		<u>1,613,542</u>	<u>1,673,363</u>	<u>1,578,898</u>	<u>1,599,813</u>
Equity attributable to shareholders of the Company					
Share capital	16	631,801	631,801	631,801	631,801
Reserves		821,340	850,184	17,653	57,079
Total equity		<u>1,453,141</u>	<u>1,481,985</u>	<u>649,454</u>	<u>688,880</u>
Non-current liabilities					
Borrowings	14	65,413	130,858	-	-
Lease liabilities		615	772	-	-
Provision		146	146	-	-
Deferred tax liabilities		36	36	36	36
		<u>66,210</u>	<u>131,812</u>	<u>36</u>	<u>36</u>
Current liabilities					
Trade and other payables		42,749	36,432	929,271	910,623
Lease liabilities		385	481	-	-
Contract liabilities		37,385	3,339	-	-
Current tax payable		13,672	19,314	137	274
		<u>94,191</u>	<u>59,566</u>	<u>929,408</u>	<u>910,897</u>
Total liabilities		<u>160,401</u>	<u>191,378</u>	<u>929,444</u>	<u>910,933</u>
Total equity and liabilities		<u>1,613,542</u>	<u>1,673,363</u>	<u>1,578,898</u>	<u>1,599,813</u>

C. Condensed Interim Statements of Changes In Equity

Group	Note	Share capital \$'000	Accumulated profits \$'000	Total \$'000
At 1 April 2021		631,801	852,706	1,484,507
Total comprehensive income for the period				
Profit for the period		-	53,357	53,357
Transactions with owners, recorded directly in equity				
<i>Contributions by and distributions to equity holders</i>				
Dividends paid	9	-	(85,440)	(85,440)
Total contributions by and distributions to equity holders		-	(85,440)	(85,440)
Total transactions with owners		-	(85,440)	(85,440)
At 30 September 2021		631,801	820,623	1,452,424
At 1 April 2022		631,801	850,184	1,481,985
Total comprehensive income for the period				
Profit for the period		-	12,581	12,581
Transactions with owners, recorded directly in equity				
<i>Contributions by and distributions to equity holders</i>				
Dividends paid	9	-	(41,425)	(41,425)
Total contributions by and distributions to equity holders		-	(41,425)	(41,425)
Total transactions with owners		-	(41,425)	(41,425)
At 30 September 2022		631,801	821,340	1,453,141

C. Condensed Interim Statements of Changes In Equity (cont'd)

Company	Note	Share capital \$'000	Accumulated profits \$'000	Total \$'000
At 1 April 2021		631,801	107,248	739,049
Total comprehensive income for the period				
Profit for the period		-	173	173
Transactions with owners, recorded directly in equity				
<i>Contributions by and distributions to equity holders</i>				
Dividends paid	9	-	(85,440)	(85,440)
Total contributions by and distributions to equity holders		-	(85,440)	(85,440)
Total transactions with owners		-	(85,440)	(85,440)
At 30 September 2021		631,801	21,981	653,782
At 1 April 2022		631,801	57,079	688,880
Total comprehensive income for the period				
Profit for the period		-	1,999	1,999
Transactions with owners, recorded directly in equity				
<i>Contributions by and distributions to equity holders</i>				
Dividends paid	9	-	(41,425)	(41,425)
Total contributions by and distributions to equity holders		-	(41,425)	(41,425)
Total transactions with owners		-	(41,425)	(41,425)
At 30 September 2022		631,801	17,653	649,454

D. Condensed Interim Consolidated Statement of Cash Flows

	Note	Group	
		1H FY2022/23	1H FY2021/22
		01.04.2022	01.04.2021
		to	to
		30.09.2022	30.09.2021
		\$'000	\$'000
Cash flows from operating activities			
Profit before tax		14,978	62,095
Adjustments for:			
Depreciation of investment property	7	81	81
Depreciation of property, plant and equipment	7	2,677	2,680
Interest income	7	(2,929)	(823)
Finance costs		1,558	2,886
		<u>16,365</u>	<u>66,919</u>
Changes in:			
Development properties		74,389	92,387
Contract costs		(12,779)	2,360
Contract assets		-	30,728
Trade and other receivables		(1,285)	298
Trade and other payables		6,307	(26,012)
Contract liabilities		34,046	255
Cash generated from operations		<u>117,043</u>	<u>166,935</u>
Interest received		2,178	1,041
Taxes paid		<u>(7,319)</u>	<u>(18,497)</u>
Net cash generated from operating activities		<u>111,902</u>	<u>149,479</u>
Cash flows from investing activity			
Additions to property, plant and equipment		<u>(403)</u>	<u>(47)</u>
Net cash used in investing activity		<u>(403)</u>	<u>(47)</u>
Cash flows from financing activities			
Dividends paid to owners of the Company	9	(41,425)	(85,440)
Repayment of borrowings		(65,600)	(87,600)
Interest paid		(1,219)	(2,569)
Payment for lease liabilities		<u>(251)</u>	<u>(219)</u>
Net cash used in financing activities		<u>(108,495)</u>	<u>(175,828)</u>
Net increase/(decrease) in cash and cash equivalents		<u>3,004</u>	<u>(26,396)</u>
Cash and cash equivalents at beginning of the period		<u>530,110</u>	<u>728,971</u>
Cash and cash equivalents at end of the period		<u>533,114</u>	<u>702,575</u>

E. Notes to the Condensed Interim Consolidated Financial Statements

1. Corporate information

Bukit Sembawang Estates Limited (the “Company”) is incorporated in the Republic of Singapore and has its registered office at 2 Bukit Merah Central, #13-01, Singapore 159835. The Company is listed on the Singapore Exchange Securities Limited.

The principal activity of the Company is that relating to investment holding. The principal activities of the subsidiaries are those relating to investment holding, property development and operating of serviced apartments.

These condensed interim consolidated financial statements as at and for the half year ended 30 September 2022 relate to the Company and its subsidiaries (together referred to as the “Group”).

2. Basis of Preparation

The condensed interim financial statements for the half year ended 30 September 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 March 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with the SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency. All financial information has been rounded to the nearest thousand, unless otherwise stated.

The Group’s latest audited financial statements for the financial year ended 31 March 2022 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion issued by the auditors.

2.1. New and amended standards adopted by the Group

The Group adopted all the new and amended standards that are relevant and effective for annual periods beginning on or after 1 April 2022. The adoption of these new and amended accounting standards does not result in changes to the Group’s and the accounting policies and has no material effect on the Group’s condensed interim financial statements.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2022.

2.2. Use of judgements and estimates (cont'd)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next interim period, are described in the following notes:

Note 8	–	estimation of provisions for current and deferred taxation
Note 12	–	impairment assessment of property, plant and equipment
Note 13	–	allowance for foreseeable losses on development properties

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group has three reportable segments, as described below, which are the Group's strategic business units. For each of the strategic business units, the Company's Board of Directors reviews internal management reports at least on a quarterly basis to make decisions about resources to be allocated to the segment and assess its performance. The following summary describes the operations in each of the Group's reportable segments:

- Property development: Development of residential properties for sale.
- Investment holding: Holding and management of office building and investments.
- Hospitality: Owner of serviced apartment units.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's Board of Directors. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment information by geographical segment is not presented as the Group's operations are in Singapore.

4.1. Reportable segments

	Property development \$'000	Investment holding \$'000	Hospitality \$'000	Consolidated \$'000
Half year ended 30 September 2022				
External revenue*	114,693	99	5,883	120,675
Interest income	163	2,766	-	2,929
Finance costs	(1,552)	-	(6)	(1,558)
Depreciation	(276)	(81)	(2,401)	(2,758)
Reportable segment profit before tax	12,313	2,330	335	14,978
Tax expense				(2,397)
Profit for the interim period				12,581
Other segment information:				
- Capital expenditure	(2)	-	(401)	(403)

* There is no inter-segment revenue during the half year period ended 30 September 2022.

Segment assets	984,420	397,913	219,525	1,601,858
Deferred tax assets				11,684
Total assets as at 30 September 2022				1,613,542
Segment liabilities	142,567	870	3,256	146,693
Current tax payable				13,672
Deferred tax liabilities				36
Total liabilities as at 30 September 2022				160,401

4.1. Reportable segments (cont'd)

	Property development	Investment holding	Hospitality	Consolidated
	\$'000	\$'000	\$'000	\$'000
Half year ended 30 September 2021				
External revenue*	194,312	273	4,260	198,845
Interest income	3	820	-	823
Finance costs	(2,880)	-	(6)	(2,886)
Depreciation	(360)	(81)	(2,320)	(2,761)
Reportable segment profit/(loss) before tax	61,602	545	(52)	62,095
Tax expense				(8,738)
Profit for the interim period				53,357
Other segment information:				
- Capital expenditure	(3)	-	(44)	(47)

* There is no inter-segment revenue during the half year period ended 30 September 2021.

Segment assets	915,169	657,752	213,140	1,786,061
Deferred tax assets				11,976
Total assets as at 30 September 2021				1,798,037
Segment liabilities	308,520	830	2,683	312,033
Current tax payable				28,574
Deferred tax liabilities				5,006
Total liabilities as at 30 September 2021				345,613

5. Revenue

	Group	
	1H FY2022/23 \$'000	1H FY2021/22 \$'000
Development properties for which revenue is:		
- recognised over time	74,553	1,841
- recognised at a point in time	40,107	192,405
Hospitality income	5,883	4,260
Rental and related income	132	339
	120,675	198,845

6. Financial assets and financial liabilities

	Note	Carrying amount		Fair value	
		Amortised cost \$'000	Other financial liabilities \$'000	Total \$'000	Level 2 \$'000
Group					
30.09.2022					
Financial assets not measured at fair value					
Trade and other receivables*		4,683	-	4,683	
Cash and cash equivalents		533,114	-	533,114	
		537,797	-	537,797	
Financial liabilities not measured at fair value					
Borrowings	14	-	(65,413)	(65,413)	(65,413)
Trade and other payables#		-	(42,107)	(42,107)	
		-	(107,520)	(107,520)	

* Excludes prepayments.

Excludes deferred income.

6. Financial assets and financial liabilities (cont'd)

	Note	Carrying amount			Fair value
		Amortised cost	Other financial liabilities	Total	Level 2
		\$'000	\$'000	\$'000	\$'000
Group					
31.03.2022					
Financial assets not measured at fair value					
Trade and other receivables*		2,699	-	2,699	
Cash and cash equivalents		530,110	-	530,110	
		<u>532,809</u>	<u>-</u>	<u>532,809</u>	
Financial liabilities not measured at fair value					
Borrowings	14	-	(130,858)	(130,858)	(130,858)
Trade and other payables#		-	(23,796)	(23,796)	
		<u>-</u>	<u>(154,654)</u>	<u>(532,809)</u>	

* Excludes prepayments.

Excludes deferred income.

	Note	Carrying amount			Fair value
		Amortised cost	Other financial liabilities	Total	Level 2
		\$'000	\$'000	\$'000	\$'000
Company					
30.09.2022					
Financial assets not measured at fair value					
Trade and other receivables*		872,025	-	872,025	
Cash and cash equivalents		393,840	-	393,840	
		<u>1,265,865</u>	<u>-</u>	<u>1,265,865</u>	
Financial liabilities not measured at fair value					
Trade and other payables		-	(929,271)	(929,271)	
		<u>-</u>	<u>(929,277)</u>	<u>(929,271)</u>	

* Excludes prepayments.

6. Financial assets and financial liabilities (cont'd)

	Carrying amount		Total \$'000
	Amortised cost \$'000	Other financial liabilities \$'000	
Company			
31.03.2022			
Financial assets not measured at fair value			
Trade and other receivables*	794,222	-	794,222
Cash and cash equivalents	492,547	-	492,547
	<u>1,286,769</u>	<u>-</u>	<u>1,286,769</u>
Financial liabilities not measured at fair value			
Trade and other payables	-	(910,623)	(910,623)
	<u>-</u>	<u>(910,623)</u>	<u>(910,623)</u>

* Excludes prepayments.

7. Profit before tax

7.1. Significant items

	Group	
	1H FY2022/23 \$'000	1H FY2021/22 \$'000
Depreciation of investment property	81	81
Depreciation of property, plant and equipment	2,677	2,680
Interest income	(2,929)	(823)
Grant income	(48)	(615)
Interest expense	1,303	2,521

7.2. Related party transactions

There are no material related party transactions for the interim financial period.

8. Tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	1H FY2022/23 \$'000	1H FY2021/22 \$'000
Current tax expense	1,677	9,811
Deferred tax expense/(credit)	720	(1,073)
	<u>2,397</u>	<u>8,738</u>

9. Dividends

	Company	
	1H FY2022/23 \$'000	1H FY2021/22 \$'000
Ordinary dividends paid:		
Tax-exempt final dividend of \$0.04 per share in respect of financial year ended 31 March 2022	10,356	-
Tax-exempt special dividend of \$0.12 per share in respect of financial year ended 31 March 2022	31,069	-
Tax-exempt final dividend of \$0.04 per share in respect of financial year ended 31 March 2021	-	10,356
Tax-exempt special dividend of \$0.29 per share in respect of financial year ended 31 March 2021	-	75,084
	<u>41,425</u>	<u>85,440</u>

No dividend has been declared or recommended for the half year ended 30 September 2022 and 30 September 2021 as it is not the Company's practice to distribute interim dividend.

10. Net Asset Value

	Group		Company	
	30.09.2022	31.03.2022	30.09.2022	31.03.2022
Net asset value per ordinary share	<u>\$5.61</u>	<u>\$5.72</u>	<u>\$2.51</u>	<u>\$2.66</u>

11. Investment property

	Group	
	30.09.2022	31.03.2022
	\$'000	\$'000
Cost		
Beginning of interim period/financial year/end of interim period/financial year	8,189	8,189
	<hr/>	<hr/>
Accumulated depreciation		
Beginning of interim period/financial year	5,029	4,866
Depreciation charge for the interim period/financial year	81	163
	<hr/>	<hr/>
End of interim period/financial year	5,110	5,029
	<hr/>	<hr/>
Carrying amounts		
End of interim period/financial year	3,079	3,160
	<hr/>	<hr/>

Investment property comprises office premises that are leased to external customers held either to earn rental income or capital appreciation or both. It is stated at cost less accumulated depreciation and impairment losses.

The Group engaged external, independent professional valuers to assess the fair value of the Group's investment property at the end of each financial year.

The fair value of the investment property is based on a valuation conducted by a firm of independent professional valuers that has appropriate recognised professional qualifications and recent experience in the location and category of the investment property being valued. The fair value is based on market value, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction. The valuation is based on the direct comparison method, having regard to the prevailing conditions of the property and recent market transactions for similar properties in the same location.

The fair value measurement for investment property has been categorised as a Level 3 of the fair value hierarchy as described in Note 2 of the Group's annual financial statements for the year ended 31 March 2022 based on the inputs to the valuation technique used.

For the unaudited half year results for the period ended 30 September 2022, the fair value of the Group's investment property was based on the independent valuation as at 31 March 2022 and remained appropriate. An external valuation of the Group's investment property will be performed as at the end of the financial year.

12. Property, plant and equipment

During the half year ended 30 September 2022, the Group acquired assets amounting to \$403,000 (1H FY2022: \$47,000).

At the end of every half-year, management will assess whether recoverable amount of the Group's properties remain appropriate and engage external, independent and qualified valuer when deemed necessary. The valuation technique and key inputs that were used to determine the recoverable amount which is categorised under Level 3 of the fair value hierarchy are described in Note 5 of the Group's annual financial statements for the year ended 31 March 2022 and remained appropriate as at 30 September 2022.

13. Development properties

	Group	
	30.09.2022	31.03.2022
	\$'000	\$'000
Properties under development	838,556	888,738
Completed units	3,504	27,711
	842,060	916,449
Allowance for foreseeable losses	(6,288)	(6,288)
Total development properties	835,772	910,161

The allowance for foreseeable losses involves significant judgement and estimates and was determined taking into consideration the expected selling prices for the projects, which were estimated based on external independent professional valuations undertaken and management's judgement and estimates to derive the net realisable value as at 31 March 2022. The valuations were undertaken by independent professional valuers who have appropriate recognised professional qualifications and recent experience in the location and category of the development properties being valued. The valuations were based on the comparable sales method. The valuation method used involves making estimates of the selling prices of the development properties, taking into consideration the recent selling prices for comparable properties and prevailing property market conditions. Market conditions may, however, change which may affect the estimated future selling prices and accordingly, the carrying value of development properties may have to be adjusted in future periods.

The Group had reviewed the estimated selling prices of its development properties and is of the view that no further allowance for foreseeable losses is considered necessary as at 30 September 2022.

14. Borrowings

	Group	
	30.09.2022	31.03.2022
	\$'000	\$'000
Non-current liabilities		
- Unsecured bank loans	65,413	130,858

Details of any collaterals

All bank loans were unsecured.

15. Earnings per share

Details of the basic and diluted earnings per share are as follows:

	Group	
	30.09.2022	30.09.2021
	\$'000	\$'000
Basic and diluted earnings per share is based on:		
Profit for the period	12,581	53,357
	Number of shares '000	
Weighted average number of ordinary shares	258,911	258,911

Diluted earnings per share is the same as basic earnings per share as there are no dilutive instruments in issue during the interim period.

16. Share Capital

	Group and Company			
	30.09.2022		31.03.2022	
	Number of shares '000	\$'000	Number of shares '000	\$'000
Issued and fully-paid ordinary shares with no par value				
Beginning/end of interim period/ financial year	258,911	631,801	258,911	631,801

There were no outstanding convertibles that may result in the issuance of shares as at 30 September 2022, 31 March 2022 and 30 September 2021.

The Company had no treasury shares and subsidiary holdings as at 30 September 2022, 31 March 2022 and 30 September 2021.

17. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

F. Other Information Required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated statement of financial position of Bukit Sembawang Estates Limited and its subsidiaries as at 30 September 2022 and the related condensed consolidated comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half year period then ended and certain explanatory notes have not been audited and reviewed by our auditors.

2. 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.**

Condensed Interim Consolidated Statement of Comprehensive Income

1H FY2022/23 vs 1H FY2021/22

Revenue decreased by 39% and cost of sales decreased by 22% as compared to 1H FY2021/22.

The Group's gross profit decreased by 71% from \$70.3 m to \$20.2 m as compared to 1H FY2021/22 mainly due to lower profit recognised on development projects.

In 1H FY2022/23, profits were recognised for 8 St Thomas, Luxus Hills (Contemporary Collection), Nim Collection Phase 2, The Atelier, LIV@MB and Fraser Residence Orchard, Singapore.

In 1H FY2021/22, profits were recognised for 8 St Thomas, Luxus Hills (Signature Collection), and Luxus Hills (Contemporary Collection), Nim Collection Phase 2, The Atelier and Fraser Residence Orchard, Singapore.

Other income decreased by \$0.6 m from \$0.7 m to \$0.1 m was mainly due to lower government grant income from relief measures due to the COVID-19 pandemic in 1H FY2022/23.

Other operating expenses decreased by \$0.6 m from \$2.8 m to \$2.2 m for 1H FY2022/23 was mainly due to lower maintenance charges and property tax arising from lesser unsold units of completed development properties.

The higher interest income of \$2.1 m from \$0.8 m to \$2.9 m was due to higher interest rates from fixed deposits placed with banks and the decrease in finance costs of \$1.3 m from \$2.9 m to \$1.6 m was mainly due to repayment of loan.

The decrease in tax expense was mainly due to lower taxable profits.

As a result of the above, the Group's net profit after tax declined by \$40.8 m to \$12.6 m, a decrease of 76% as compared to \$53.4 m in 1H FY2021/22.

2. Review of performance of the Group (cont'd)

Condensed Interim Statements of Financial Position

As at 30.09.2022 vs 31.03.2022

The Group's total assets as at 30 September 2022 decreased by \$59.9 m (3.6%) from \$1,673.4 m to \$1,613.5 m as compared to 31 March 2022. The decrease was mainly due to decrease in development properties arising from recognition of development costs in cost of sales in respect of units sold during the period offset against the increase in contract costs. Contract costs relates to commission fees incurred to property agents for securing sale contracts for the Group's development properties. During the period, commission fees incurred were capitalised as contract costs. The capitalised commission fees are amortised when the related revenue is recognised. The increase in trade and other receivables was mainly due to higher progress billing receivables on the development project. The increase in cash and cash equivalents was mainly due to collections from 8 St Thomas and LIV@MB offset against partial repayment of loan.

The Group's total liabilities as at 30 September 2022 decreased by \$31.0 m (16.2%) from \$191.4 m to \$160.4 m as compared to 31 March 2022. The decrease was mainly due to decrease in borrowings arising from partial repayment of loan offset against increase in contract liabilities due to the timing differences between the agreed payment schedule and the progress of the construction work. The decrease was also due to decrease in current tax payable arising from payments of tax during the period.

Condensed Interim Consolidated Statement of Cash Flows

1H FY2022/23 vs 1H FY2021/22

The Group recorded a net cash inflow of \$3.0 m for 1H FY2022/23. During the period ended 30 September 2022, the net cash generated from operating activities amounted to \$111.9 m was mainly due to working capital movements. Net cash used in financing activities amounted to \$108.5 m was mainly due to dividend payment of \$41.4 m and partial repayment of borrowings of \$65.6 m. The Group had cash and cash equivalents of \$533.1 m as at 30 September 2022 compared to \$702.6 m as at 30 September 2021.

3. **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.

4. 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 statistics, the overall private residential property price increased by 3.8% in the 3rd quarter of 2022 compared to 3.5% increase in the 2nd quarter of 2022. The total number of new residential units sold in the 3rd quarter of 2022 was 2,187 units compared to 2,397 units sold in the 2nd quarter of 2022.

The Group has fully sold Nim Collection (Phase 2) and is actively planning for the continued sales of The Atelier and Liv@MB. On 21 May 2022, the Group successfully launched Liv@MB and at the end of the 3rd quarter 2022, 82% of the 298 units have been sold. In preparation for a re-positioning of The Atelier, the Group has created a new showflat and sales gallery with new marketing collaterals which will be ready for viewing by end of 4th quarter 2022. The Group will also be previewing Pollen Collection in the 4th quarter of 2022. The Group intends to move the sales of these developments positively over the next 6 to 12 months.

Construction of the current developments are currently underway with Liv@MB at the foundation work stage; The Atelier at the reinforced concrete framework stage; and Pollen Collection at the end of the piling stage. Construction costs have risen significantly since the onset of COVID-19 in 2020 but had stabilised slightly from the last reporting period. However, it continues to be of concern in the light of the ongoing Ukraine/Russian war which shows no signs of abating, and the resurgence of new strains of the COVID-19 virus. These negative events may potentially cause energy, materials, labour, and logistics costs to rise further and affect the construction timeline and development costs.

As the profit for uncompleted projects or projects under construction is recognised on the “stage of completion” basis, the Group is actively monitoring the progress of the construction works and ensuring that the respective contractors complete the different stages of the works expeditiously and timeously. Revenue for 1H FY2022/23, mainly from projects still under construction, are distinct from revenue from the earlier developments in 1H FY2021/22 which were mainly completed and sold on “private treaty” basis and where profits are fully recognised at the point of sales completion.

5. Interested person transactions

The Group does not have a general mandate from shareholders for IPTs.

6. 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 has received undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

7. Negative confirmation pursuant to Rule 705(5) on Half Year Financial Results

The Board of Directors hereby confirms to the best of their knowledge that nothing has come to their attention which may render the half year financial statements ended 30 September 2022 to be false or misleading in any material aspect.

On Behalf of The Board of Directors

Koh Poh Tiong
Chairman

Chng Kiong Huat
Chief Executive Officer and Executive Director

BY ORDER OF THE BOARD

**LOTUS ISABELLA LIM MEI HUA
COMPANY SECRETARY
10 NOVEMBER 2022**