



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

Unaudited Condensed Interim Financial Statements
For the second half and financial year ended
31 March 2023

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**A. Condensed Interim Consolidated Statement of Comprehensive Income
For the second half and financial year ended 31 March 2023**

	Note	Group					
		2H FY2022/23 01.10.2022 to 31.03.2023	2H FY2021/22 01.10.2021 to 31.03.2022	Change %	FY2022/23 01.04.2022 to 31.03.2023	FY2021/22 01.04.2021 to 31.03.2022	Change %
		\$'000	\$'000		\$'000	\$'000	
Revenue	5	76,451	89,384	(15)	197,126	288,229	(32)
Cost of sales		(62,586)	(59,409)	5	(163,016)	(187,925)	(13)
Gross profit		<u>13,865</u>	<u>29,975</u>	(54)	<u>34,110</u>	<u>100,304</u>	(66)
Other income		53	635	(92)	120	1,357	(91)
Administrative expenses		(5,808)	(4,849)	20	(10,341)	(8,979)	15
Other operating income		9,900	8,782	13	7,728	6,019	28
Profit from operations		<u>18,010</u>	<u>34,543</u>	(48)	<u>31,617</u>	<u>98,701</u>	(68)
Interest income		5,816	847	587	8,745	1,670	424
Finance costs		(1,326)	(2,150)	(38)	(2,884)	(5,036)	(43)
Net finance income/(costs)		<u>4,490</u>	<u>(1,303)</u>	n.m.	<u>5,861</u>	<u>(3,366)</u>	n.m.
Profit before tax	7	22,500	33,240	(32)	37,478	95,335	(61)
Tax expense	8	(681)	(3,679)	(82)	(3,078)	(12,417)	(75)
Profit after tax and total comprehensive income for the period/year		<u>21,819</u>	<u>29,561</u>	(26)	<u>34,400</u>	<u>82,918</u>	(59)
Earnings per share							
Basic and diluted earnings per share (cents)	15	8.43	11.42		13.29	32.03	

B. Condensed Interim Statements of Financial Position

	Note	Group		Company	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Investment property	11	2,998	3,160	-	-
Property, plant and equipment	12	212,411	212,355	-	-
Investments in subsidiaries		-	-	315,000	313,000
Deferred tax assets		13,019	12,404	-	-
		<u>228,428</u>	<u>227,919</u>	<u>315,000</u>	<u>313,000</u>
Current assets					
Development properties	13	1,025,183	910,161	-	-
Contract costs		16,152	1,853	-	-
Contract assets		531	-	-	-
Trade and other receivables		14,280	3,320	1,125,806	794,266
Cash and cash equivalents		294,008	530,110	159,518	492,547
		<u>1,350,154</u>	<u>1,445,444</u>	<u>1,285,324</u>	<u>1,286,813</u>
Total assets		<u>1,578,582</u>	<u>1,673,363</u>	<u>1,600,324</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		843,159	850,184	71,524	57,079
Total equity		<u>1,474,960</u>	<u>1,481,985</u>	<u>703,325</u>	<u>688,880</u>
Non-current liabilities					
Borrowings	14	-	130,858	-	-
Lease liabilities		452	772	-	-
Provision		146	146	-	-
Deferred tax liabilities		99	36	99	36
		<u>697</u>	<u>131,812</u>	<u>99</u>	<u>36</u>
Current liabilities					
Trade and other payables		34,695	36,432	895,775	910,623
Lease liabilities		497	481	-	-
Contract liabilities		39,348	3,339	-	-
Borrowings	14	24,980	-	-	-
Current tax payable		3,405	19,314	1,125	274
		<u>102,925</u>	<u>59,566</u>	<u>896,900</u>	<u>910,897</u>
Total liabilities		<u>103,622</u>	<u>191,378</u>	<u>896,999</u>	<u>910,933</u>
Total equity and liabilities		<u>1,578,582</u>	<u>1,673,363</u>	<u>1,600,324</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 year				
Profit for the year		-	82,918	82,918
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 31 March 2022		631,801	850,184	1,481,985
At 1 April 2022		631,801	850,184	1,481,985
Total comprehensive income for the year				
Profit for the year		-	34,400	34,400
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 31 March 2023		631,801	843,159	1,474,960

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 year				
Profit for the year		-	35,271	35,271
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 31 March 2022		631,801	57,079	688,880
At 1 April 2022		631,801	57,079	688,880
Total comprehensive income for the year				
Profit for the year		-	55,870	55,870
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 31 March 2023		631,801	71,524	703,325

D. Condensed Interim Consolidated Statement of Cash Flows

	Note	Group	
		FY2022/23 01.04.2022 to 31.03.2023 \$'000	FY2021/22 01.04.2021 to 31.03.2022 \$'000
Cash flows from operating activities			
Profit before tax		37,478	95,335
Adjustments for:			
Depreciation of investment property	7	162	163
Depreciation of property, plant and equipment	7	5,628	6,320
Gain on disposal of property, plant and equipment	7	(1)	-
Interest income	7	(8,745)	(1,670)
Finance costs		2,884	5,036
Impairment loss on property, plant and equipment written back	7	(5,006)	(13,358)
Allowance for foreseeable losses on development properties (written back)/recognised	7	(6,288)	724
		<u>26,112</u>	<u>92,550</u>
Changes in:			
Development properties		(108,734)	52,739
Contract costs		(14,299)	4,852
Contract assets		(531)	30,728
Trade and other receivables		(10,567)	(633)
Trade and other payables		(1,738)	(48,543)
Contract liabilities		36,009	3,339
Cash (used in)/generated from operations		<u>(73,748)</u>	<u>135,032</u>
Interest received		8,163	1,805
Taxes paid		<u>(19,539)</u>	<u>(36,835)</u>
Net cash (used in)/generated from operating activities		<u>(85,124)</u>	<u>100,002</u>
Cash flows from investing activity			
Proceeds from disposal of property, plant and equipment		1	-
Additions to property, plant and equipment		<u>(462)</u>	<u>(270)</u>
Net cash used in investing activities		<u>(461)</u>	<u>(270)</u>
Cash flows from financing activities			
Dividends paid to owners of the Company	9	(41,425)	(85,440)
Repayment of borrowings		(106,100)	(207,600)
Interest paid		(2,472)	(5,041)
Payment for lease liabilities		<u>(520)</u>	<u>(512)</u>
Net cash used in financing activities		<u>(150,517)</u>	<u>(298,593)</u>
Net decrease in cash and cash equivalents		<u>(236,102)</u>	<u>(198,861)</u>
Cash and cash equivalents at beginning of the year		<u>530,110</u>	<u>728,971</u>
Cash and cash equivalents at end of the year		<u>294,008</u>	<u>530,110</u>

Included in cash and cash equivalents of the Group, are cash and cash equivalents of \$114,729,000 (FY2022: \$7,925,000) which are held under project accounts and withdrawals from which are restricted to payments for expenditure incurred on the Group's development projects. These amounts held under project accounts include \$83,000,000 held in fixed deposits placed with financial institutions. The fixed deposits have maturity periods of 11 to 68 days from the end of financial year.

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 second half and financial year ended 31 March 2023 relate to the Company and its subsidiaries (together referred to as the “Group”).

2. Basis of Preparation

The condensed interim financial statements for the second half and financial year ended 31 March 2023 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.

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 financial 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. 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
From 1 October 2022 to 31 March 2023				
Total revenue	73,259	523	6,791	80,573
Inter-segment revenue	(3,784)	(338)	-	(4,122)
External revenue	<u>69,475</u>	<u>185</u>	<u>6,791</u>	<u>76,451</u>
Interest income	1,177	4,639	-	5,816
Finance costs	(1,322)	-	(4)	(1,326)
Depreciation	<u>(406)</u>	<u>(81)</u>	<u>(2,545)</u>	<u>(3,032)</u>
Reportable segment profit before tax	12,832	4,042	5,626	22,500
Tax expense				<u>(681)</u>
Profit for the period				<u>21,819</u>
Other material non-cash items:				
- Allowance for foreseeable losses on development properties written back	6,288	-	-	6,288
- Impairment loss on property, plant and equipment written back	-	-	5,006	5,006
Other segment information:				
- Capital expenditure	(30)	-	(29)	(59)
Segment assets	1,181,463	163,147	220,953	1,565,563
Deferred tax assets				<u>13,019</u>
Total assets as at 31 March 2023				<u>1,578,582</u>
Segment liabilities	95,314	1,277	3,527	100,118
Current tax payable				3,405
Deferred tax liabilities				<u>99</u>
Total liabilities as at 31 March 2023				<u>103,622</u>

4.1. Reportable segments (cont'd)

	Property development \$'000	Investment holding \$'000	Hospitality \$'000	Consolidated \$'000
From 1 October 2021 to 31 March 2022				
Total revenue	87,356	538	5,217	93,111
Inter-segment revenue	(3,402)	(325)	-	(3,727)
External revenue	83,954	213	5,217	89,384
Interest income	-	847	-	847
Finance costs	(2,144)	-	(6)	(2,150)
Depreciation	(335)	(82)	(3,305)	(3,722)
Reportable segment profit before tax	21,647	464	11,129	33,240
Tax expense				(3,679)
Profit for the period				29,561
Other material non-cash items:				
- Allowance for foreseeable losses on development properties recognised	(724)	-	-	(724)
- Impairment loss on property, plant and equipment written back	-	-	13,358	13,358
Other segment information:				
- Capital expenditure	(27)	-	(196)	(223)
Segment assets	942,246	499,122	219,591	1,660,959
Deferred tax assets				12,404
Total assets as at 31 March 2022				1,673,363
Segment liabilities	168,072	1,125	2,831	172,028
Current tax payable				19,314
Deferred tax liabilities				36
Total liabilities as at 31 March 2022				191,378

4.1. Reportable segments (cont'd)

	Property development \$'000	Investment holding \$'000	Hospitality \$'000	Consolidated \$'000
From 1 April 2022 to 31 March 2023				
Total revenue	187,952	622	12,674	201,248
Inter-segment revenue	(3,784)	(338)	-	(4,122)
External revenue	<u>184,168</u>	<u>284</u>	<u>12,674</u>	<u>197,126</u>
Interest income	1,340	7,405	-	8,745
Finance costs	(2,874)	-	(10)	(2,884)
Depreciation	<u>(682)</u>	<u>(162)</u>	<u>(4,946)</u>	<u>(5,790)</u>
Reportable segment profit before tax	25,145	6,372	5,961	37,478
Tax expense				<u>(3,078)</u>
Profit for the year				<u>34,400</u>
Other material non-cash items:				
- Allowance for foreseeable losses on development properties written back	6,288	-	-	6,288
- Impairment loss on property, plant and equipment written back	-	-	5,006	5,006
Other segment information:				
- Capital expenditure	(32)	-	(430)	(462)
Segment assets	1,181,463	163,147	220,953	1,565,563
Deferred tax assets				13,019
Total assets as at 31 March 2023				<u>1,578,582</u>
Segment liabilities	95,314	1,277	3,527	100,118
Current tax payable				3,405
Deferred tax liabilities				99
Total liabilities as at 31 March 2023				<u>103,622</u>

4.1. Reportable segments (cont'd)

	Property development	Investment holding	Hospitality	Consolidated
	\$'000	\$'000	\$'000	\$'000
From 1 April 2021 to 31 March 2022				
Total revenue	281,668	811	9,477	291,956
Inter-segment revenue	(3,402)	(325)	-	(3,727)
External revenue	<u>278,266</u>	<u>486</u>	<u>9,477</u>	<u>288,229</u>
Interest income	3	1,667	-	1,670
Finance costs	(5,024)	-	(12)	(5,036)
Depreciation	<u>(695)</u>	<u>(163)</u>	<u>(5,625)</u>	<u>(6,483)</u>
Reportable segment profit before tax	83,249	1,009	11,077	95,335
Tax expense				<u>(12,417)</u>
Profit for the year				<u>82,918</u>
Other material non-cash items:				
- Allowance for foreseeable losses on development properties recognised	(724)	-	-	(724)
- Impairment loss on property, plant and equipment written back	-	-	13,358	13,358
Other segment information:				
- Capital expenditure	(30)	-	(240)	(270)
Segment assets	942,246	499,122	219,591	1,660,959
Deferred tax assets				<u>12,404</u>
Total assets as at 31 March 2022				<u>1,673,363</u>
Segment liabilities	168,072	1,125	2,831	172,028
Current tax payable				19,314
Deferred tax liabilities				<u>36</u>
Total liabilities as at 31 March 2022				<u>191,378</u>

5. Revenue

	Group			FY2021/22 \$'000
	2H FY2022/23 \$'000	2H FY2021/22 \$'000	FY2022/23 \$'000	
Development properties for which revenue is:				
- recognised over time	64,814	3,328	139,367	5,169
- recognised at a point in time	4,550	80,593	44,657	272,998
Hospitality income	6,791	5,217	12,674	9,477
Rental and related income	296	246	428	585
	<u>76,451</u>	<u>89,384</u>	<u>197,126</u>	<u>288,229</u>

6. Financial assets and financial liabilities

Accounting classifications and fair values

The carrying amounts of financial assets and financial liabilities including their levels in the fair value hierarchy are set out below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note	Carrying amount		Fair value	
		Amortised cost \$'000	Other financial liabilities \$'000	Total \$'000	Level 2 \$'000
Group					
31.03.2023					
Financial assets not measured at fair value					
Trade and other receivables*		13,847	-	13,847	
Cash and cash equivalents		294,008	-	294,008	
		<u>307,855</u>	<u>-</u>	<u>307,855</u>	
Financial liabilities not measured at fair value					
Borrowings	14	-	(24,980)	(24,980)	(24,980)
Trade and other payables#		-	(34,065)	(34,065)	
		<u>-</u>	<u>(59,045)</u>	<u>(59,045)</u>	

* Excludes prepayments.

Excludes deferred income.

	Note	Carrying amount		Fair value	
		Amortised cost \$'000	Other financial liabilities \$'000	Total \$'000	Level 2 \$'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>(154,654)</u>	

* Excludes prepayments.

Excludes deferred income.

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

	Carrying amount		
	Amortised	Other financial	Total
	cost	liabilities	
	\$'000	\$'000	\$'000
Company			
31.03 2023			
Financial assets not measured at fair value			
Trade and other receivables*	1,125,759	-	1,125,759
Cash and cash equivalents	159,518	-	159,518
	<u>1,285,277</u>	<u>-</u>	<u>1,285,277</u>
Financial liabilities not measured at fair value			
Trade and other payables	-	(895,775)	(895,775)
	<u>-</u>	<u>(895,775)</u>	<u>(895,775)</u>

* Excludes prepayments.

	Carrying amount		
	Amortised	Other financial	Total
	cost	liabilities	
	\$'000	\$'000	\$'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			
	2H FY2022/23	2H FY2021/22	FY2022/23	FY2021/22
	\$'000	\$'000	\$'000	\$'000
Allowance for foreseeable losses on development properties (written back)/recognised*	(6,288)	724	(6,288)	724
Depreciation of investment property	81	82	162	163
Depreciation of property, plant and equipment	2,951	3,640	5,628	6,320
Impairment loss on property, plant and equipment written back*	(5,006)	(13,358)	(5,006)	(13,358)
Gain on disposal of property, plant and equipment	(1)	-	(1)	-
Interest income	(5,816)	(847)	(8,745)	(1,670)
Grant income	(7)	(515)	(55)	(1,130)
Interest expense	1,126	1,685	2,429	4,206

*Included in other operating income in the Condensed Interim Consolidated Statement of Comprehensive Income.

7.2. Related party transactions

During the financial year, revenue recognised from 3 units of properties under development which were sold to persons associated with Chief Executive Officer amounted to \$1,015,000.

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			
	2H FY2022/23	2H FY2021/22	FY2022/23	FY2021/22
	\$'000	\$'000	\$'000	\$'000
Current tax expense				
Current period/year	1,632	9,504	3,309	19,315
Under/(Over) provision in respect of prior years	321	(426)	321	(426)
	<u>1,953</u>	<u>9,078</u>	<u>3,630</u>	<u>18,889</u>
Deferred tax credit				
Origination and reversal of temporary differences	(1,272)	(5,529)	(552)	(6,602)
Under provision in respect of prior years	-	130	-	130
	<u>(1,272)</u>	<u>(5,399)</u>	<u>(552)</u>	<u>(6,472)</u>
Tax expense	<u>681</u>	<u>3,679</u>	<u>3,078</u>	<u>12,417</u>

9. Dividends

	Company	
	FY2022/23 \$'000	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
	41,425	85,440

10. Net Asset Value

	Group		Company	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Net asset value per ordinary share	\$5.70	\$5.72	\$2.72	\$2.66

11. Investment property

	Group	
	31.03.2023 \$'000	31.03.2022 \$'000
Cost		
Beginning of financial year/end of financial year	8,189	8,189
Accumulated depreciation		
Beginning of financial year	5,029	4,866
Depreciation charge for the financial year	162	163
End of financial year	5,191	5,029
Carrying amounts		
End of financial year	2,998	3,160

11. Investment property (cont'd)

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 the 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 based on the inputs to the valuation technique used.

12. Property, plant and equipment

For the financial year ended 31 March 2023, the Group acquired assets amounting to \$462,000 (FY2022: \$270,000).

Impairment assessment

The recoverable amount of the serviced apartment units as at 31 March 2023 was estimated using the fair value less costs to sell approach based on the discounted cash flow method adopted by an external independent professional valuer engaged by the Group. Based on the assessment, the Group reversed an impairment loss of \$5.0 million (FY 2022: \$13.4 million) on the serviced apartment units in FY2023.

Judgement is involved in the impairment assessment, including determining the key assumptions applied in arriving at the recoverable amount. Changes to the assumptions applied could impact the recoverable amount in the future periods. The key unobservable inputs used in determining the recoverable amount include discount rate, terminal yield rate, occupancy rate, average room rate and growth rate. The fair value measurement was categorised as a Level 3 fair value based on inputs to the valuation techniques used.

13. Development properties

	Group	
	31.03.2023	31.03.2022
	\$'000	\$'000
Properties under development	1,025,183	888,738
Completed units	-	27,711
	1,025,183	916,449
Allowance for foreseeable losses	-	(6,288)
Total development properties	1,025,183	910,161

13. Development properties (cont'd)

The allowance for foreseeable losses was determined taking into consideration the expected selling prices for the projects, which were based on external independent professional valuations undertaken as at 31 March 2023 and using management's estimates of future selling prices. 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. Management's estimation of future selling prices takes into account the recent sales price trend information of the development, local market conditions and sales strategies.

14. Borrowings

	Group	
	31.03.2023	31.03.2022
	\$'000	\$'000
Non-current liabilities		
- Unsecured bank loans	-	130,858
Current liabilities		
- Unsecured bank loans	24,980	-

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			
	2H FY2022/23	2H FY2021/22	31.03.2023	31.03.2022
	\$'000	\$'000	\$'000	\$'000
Basic and diluted earnings per share is based on:				
Profit for the period/year	21,819	29,561	34,400	82,918
Weighted average number of ordinary shares ('000)	258,911	258,911	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 year.

16. Share Capital

	Group and Company			
	31.03.2023		31.03.2022	
	Number of shares '000	\$'000	Number of shares '000	\$'000
Issued and fully-paid ordinary shares with no par value				
At beginning and end of financial year	<u>258,911</u>	<u>631,801</u>	<u>258,911</u>	<u>631,801</u>

There were no outstanding convertibles that may result in the issuance of shares as at 31 March 2023 and 31 March 2022.

The Company had no treasury shares and subsidiary holdings as at 31 March 2023 and 31 March 2022.

17. Corporate guarantee

The Company had provided a corporate guarantee to a subsidiary to secure banking facility which was unutilised as at 31 March 2023.

18. Subsequent events

Subsequent to 31 March 2023, the Group had fully repaid its borrowings.

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 31 March 2023 and the related condensed consolidated comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the second half year period and financial year 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

2H FY2022/23 vs 2H FY2021/22

Revenue decreased by 15% to \$76.5 m and cost of sales increased by 5% to \$62.6 m as compared to 2H FY2021/22.

The Group's gross profit decreased by 54% from \$30.0 m to \$13.9 m as compared to 2H FY2021/22 mainly due to lower profit recognised on development projects.

In 2H FY2022/23, profits were recognised for Nim Collection Phase 2, The Atelier and LIV@MB.

In 2H FY2021/22, profits were recognised for 8 St Thomas, Luxus Hills (Signature Collection) and The Atelier.

In 2H FY2022/23, higher profits were recognised from the operation of serviced apartments as compared to 2H FY2021/22.

Other income decreased by \$0.6 m for 2H FY2022/23 was mainly due to lower government grant income from relief measures due to Covid-19 pandemic.

Administrative expenses increased by \$1.0 m for 2H FY2022/23 was mainly due to the higher administrative and payroll related expenses.

Other operating income increased by \$1.1 m for 2H FY2022/23 was mainly due to write-back of allowance for foreseeable losses on development properties of \$6.3 m as compared to a net allowance of \$0.7 m in 2H FY2021/22 and a decrease in write-back of impairment loss on Property, Plant and Equipment relating to Fraser Residence Orchard, Singapore amounting to \$5.0 m as compared to \$13.4 m for 2H FY2021/22.

The higher interest income of \$5.0 m for 2H FY2022/23 was due to higher interest rates from fixed deposits placed with banks and the decrease in finance costs of \$0.8 m for 2H FY2022/23 was mainly due to repayment of bank 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 \$7.8 m from \$29.6 m to \$21.8 m, a decrease of 26% as compared 2H FY2021/22.

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

Condensed Interim Consolidated Statement of Comprehensive Income (cont'd)

FY2022/23 vs FY2021/22

Revenue decreased by 32% to \$197.1 m and cost of sales decreased by 13% to \$163.0 m as compared to FY2021/22.

The Group's gross profit decreased by 66% from \$100.3 m to \$34.1 m as compared to FY2021/22 mainly due to lower profit recognised on development projects.

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

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

In FY2022/23, higher profits were recognised from the operation of serviced apartments as compared to FY2021/22.

Other income decreased by \$1.2 m was mainly due to lower government grant income from relief measures due to the COVID-19 pandemic in FY2022/23.

Administrative expenses increased by \$1.4 m for FY2022/23 was mainly due to the higher administrative and payroll related expenses.

Other operating income increased by \$1.7 m for FY2022/23 was mainly due to write-back of allowance for foreseeable losses on development properties of \$6.3 m as compared to a net allowance of \$0.7 m in FY2021/22 and a decrease in write-back of impairment loss on Property, Plant and Equipment relating to Fraser Residence Orchard, Singapore amounting to \$5.0 m as compared to \$13.4 m for FY2021/22.

The higher interest income of \$7.1 m for FY2022/23 was due to higher interest rates from fixed deposits placed with banks and the decrease in finance costs of \$2.2 m for FY2022/23 was mainly due to repayment of bank 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 \$48.5 m from \$82.9 m to \$34.4 m, a decrease of 59% as compared FY2021/22.

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

Condensed Interim Statements of Financial Position

As at 31.03.2023 vs 31.03.2022

The Group's total assets as at 31 March 2023 decreased by \$94.8 m, a decrease of 5.7%, from \$1,673.4 m to \$1,578.6 m as compared to 31 March 2022. The decrease was mainly due to decrease in cash and cash equivalents offset against the increase in development properties. The decrease in cash and cash equivalents was mainly due to acquisition of new land parcel at Bukit Timah Link and partial repayment of bank loan. The increase in development properties was mainly due to purchase of new land parcel at Bukit Timah Link offset against decrease arising from recognition of development costs in cost of sales in respect of units sold during the year. Contract costs relates to commission fees incurred to property agents for securing sale contracts for the Group's development properties. During the year, 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 Group's total liabilities as at 31 March 2023 decreased by \$87.8 m, a decrease of 45.9%, from \$191.4 m to \$103.6 m as compared to 31 March 2022. The decrease was mainly due to decrease in borrowings arising from partial repayment of bank loan offset against increase in contract liabilities due to 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 payment of tax during the year and lower tax provision.

Condensed Interim Consolidated Statement of Cash Flows

FY2022/23 vs FY2021/22

The Group recorded a net cash outflow of \$236.1 m for FY2022/23. During the year ended 31 March 2023, the net cash used in operating activities amounted to \$85.1 m was mainly due to payment for the purchase of new land parcel at Bukit Timah Link amounted to \$218.0 m. Net cash used in financing activities amounted to \$150.5 m was mainly due to dividend payment of \$41.4 m and repayment of borrowings. The Group had cash and cash equivalents of \$294.0 m as at 31 March 2023 compared to \$530.1 m as at 31 March 2022.

3. A breakdown of sales as follows:

Group	01.04.2022 to 31.03.2023 \$'000	01.04.2021 to 31.03.2022 \$'000	Change %
(a) Sales reported for first half year	120,675	198,845	(39.3)
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	12,581	53,357	(76.4)
(c) Sales reported for second half year	76,451	89,384	(14.5)
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	21,819	29,561	(26.2)

4. 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.

5. 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 price increased by 3.3% in the 1st quarter of 2023, compared to 0.4% increase in the 4th quarter of 2022. The total number of new residential units sold in the 1st quarter of 2023 was 1,256 units, compared to 690 units sold in the 4th quarter of 2022.

The government revealed fresh cooling measures in April 2023, with the objective of reducing the demand for property purchase by foreigners as well as investment purchases by Singaporeans and Permanent Residents, which are likely to lead to a slowdown in sales transactions. This move has added to the existing challenges during a time of economic uncertainty with the US Fed raising interest rates from 0.75% to 5.25% in one year, and geo-political tensions due to the on-going Russia/Ukraine conflict. As a result, the residential property market continues to be impacted by high interest and mortgage rates, shortage of manpower, higher construction and development costs, and lower margins.

Over the next six to twelve months, the Group will be focussing on the sales of The Atelier, Liv@MB and Pollen Collection. It will also be preparing for the launch of the new residential development at Bukit Timah Link.

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 FY2022/23 are mainly from projects still under construction and are distinct from revenue from the earlier developments for FY2021/22 which were mainly completed and sold on “private treaty” basis and where profits are fully recognised at the point of sales completion.

The Group shall continue to monitor the progress of construction of our ongoing projects to ensure timely completion and adopt prudent and measured approaches to calibrate appropriate timing for residential project launches in the pipeline.

6. **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 2023 has been recommended.

(b)(i) Amount per share

	31.03.2023
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	6 cents
Tax rate	Tax exempt (One-tier)

(ii) Previous corresponding period

	31.03.2022
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	12 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.

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

Not applicable.

8. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-**

	Latest 12 months \$'000	Previous 12 months \$'000
Total annual dividend		
Final	10,356	10,356
Special	15,535	31,069
Total	25,891	41,425

9. Interested person transactions

The Group does not have a general mandate from shareholders for interested person transactions. The aggregate value of the interested person transactions entered during the financial year under review is as follows:

No.	Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) \$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) \$'000
1	Mr Jordan Chng Wen Jun (held in trust by Mr Chng Kiong Huat)	Son of Mr Chng Kiong Huat (1)	1,780	Nil
2	Mr Chng Kiong Choon	Brother of Mr Chng Kiong Huat ⁽¹⁾	1,788	Nil
3	Ms Sheryl Chng Wen Hui	Daughter of Mr Chng Kiong Huat ⁽¹⁾	1,796	Nil

Note :

(1) Mr Chng Kiong Huat was appointed Chief Executive Officer of the Company on 1 October 2022 and has since stepped down as an Executive Director of the Company on 3 February 2023. Pursuant to Rule 904 of the Listing Rules of SGX, sales of apartment units by a subsidiary constitute interested person transactions.

10. 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.

11. 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.

BY ORDER OF THE BOARD

**LOTUS ISABELLA LIM MEI HUA
COMPANY SECRETARY
22 MAY 2023**