BUKIT SEMBAWANG ESTATES LIMITED

(Company Registration Number: 196700177M)
(Incorporated in Singapore on 27 June 1967)

Financial Statement and Dividend Announcement for the Second Quarter and Half-year ended 30 September 2011

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FINANCIAL 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 second quarter and half-year ended 30 September 2011

	Note	Second quarter 01.07.2011 to 30.09.2011 $'000	Second quarter 01.07.2010 to 30.09.2010 (Restated)* $'000	Change %	Half-year 01.04.2011 to 30.09.2011 $'000	Half-year 01.04.2010 to 30.09.2010 (Restated)* $'000	Change %
Revenue		99,950	103,886	(3.8)	220,800	137,926	60.1
Cost of sales		(66,096)	(55,546)	19.0	(132,946)	(73,314)	81.3
Gross profit	1	33,854	48,340	(30.0)	87,854	64,612	36.0
Other income		616	825	(25.3)	1,119	1,164	(3.9)
Administrative expenses	2	(792)	(636)	24.5	(1,401)	(1,191)	17.6
Other operating income/(expenses)	3	16,080	(824)	2,051.5	14,878	(1,742)	954.1
Profit from operations		49,758	47,705	4.3	102,450	62,843	63.0
Finance income	4	718	63	1,039.7	1,261	128	885.2
Finance expense	5	(5,096)	(1,487)	242.7	(6,654)	(2,051)	224.4
Net finance costs		(4,378)	(1,424)	207.4	(5,393)	(1,923)	180.4
Profit before income tax [1]		45,380	46,281	(1.9)	97,057	60,920	59.3
Income tax expense		(4,216)	(9,481)	(55.5)	(11,522)	(11,640)	(1.0)
Profit for the period attributable to equity holders of the Company		**41,164**	**36,800**	**11.9**	**85,535**	**49,280**	**73.6**
Other comprehensive income							
Change in fair value of available-for-sale financial assets	6	(5,583)	3,081	(281.2)	(4,858)	4,008	(221.2)
Transfer of fair value reserve to profit or loss on disposal of available-for-sale financial assets		-	(386)	N.A.	-	(386)	N.A.
Effective portion of changes in fair value of cash flow hedges	7	-	(1,985)	N.A.	-	(4,913)	N.A.
Transfer of hedging reserve to profit or loss	7	4,097	-	N.A.	5,205	-	N.A.
Other comprehensive income for the period, net of income tax		**(1,486)**	**710**	**(309.3)**	**347**	**(1,291)**	**126.9**
Total comprehensive income for the period		**39,678**	**37,510**	**5.8**	**85,882**	**47,989**	**79.0**
Earnings per share [2]							
Basic earnings per share (cents)		15.90	15.13		33.04	20.31	
Diluted earnings per share (cents)		15.90	14.66		33.04	19.68	

* Comparative figures have been restated to take into account the retrospective adjustments arising from the adoption of INT FRS 115 *Agreements for the Construction of Real Estate* as detailed in Section 5 on page 11.

[1] Profit before income tax includes the following:

	Second quarter			Half-year		
	01.07.2011 to 30.09.2011	01.07.2010 to 30.09.2010	Change	01.04.2011 to 30.09.2011	01.04.2010 to 30.09.2010	Change
	$'000	$'000	%	$'000	$'000	%
Depreciation and amortisation	(58)	(54)	7.4	(122)	(109)	11.9
Dividend income from available-for-sale financial assets	381	366	4.1	877	703	24.8
Gain on disposal of available-for-sale financial assets	-	452	N.A.	-	452	N.A.
Interest expense	(999)	(1,487)	(32.8)	(1,449)	(2,051)	(29.4)
Interest income	106	63	68.3	201	128	57.0
Mark-to-market gain on derivative financial instruments	612	-	N.A.	1,060	-	N.A.
Transfer of hedging reserve to profit or loss	(4,097)	-	N.A.	(5,205)	-	N.A.
Write-back of foreseeable losses on development properties	17,000	-	N.A.	17,000	-	N.A.

[2] The basic and diluted earnings per share are computed based on profit for the period attributable to equity holders of the Company and the weighted average number of ordinary shares as set out on page 12.

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

Note 1 – Gross profit
The higher gross profit for the half-year ended 30 September 2011 as compared to the prior corresponding period is mainly due to higher profit recognition on more development projects.

Note 2 – Administrative expenses
The increase in administrative expenses for the half-year ended 30 September 2011 as compared to the prior corresponding period is mainly due to one-off expenses incurred on professional legal services relating to the refinancing of the Group's bank loan facilities.

Note 3 – Other operating income/(expenses)
Other operating income for the half-year ended 30 September 2011 included a write-back of $17.0 million in respect of Skyline Residences development project following its sales launch in the second quarter ended 30 September 2011. Excluding the write-back, other operating expenses amounted to $2.1 million for the half-year ended 30 September 2011 as compared to $1.7 million in the prior corresponding period. Other operating expenses for both periods relate mainly to property tax and other development costs on certain development projects pending development. The increase for the half-year ended 30 September 2011 as compared to the prior corresponding period is mainly due to an increase in property tax and maintenance-related costs incurred on the unsold Paterson Suites units.

Note 4 – Finance income
The increase in finance income is due to mark-to-market gain on interest rate swaps as well as higher interest income earned from fixed deposit placements attributable to higher progress billings during the half-year ended 30 September 2011 as compared to the prior corresponding period.

Note 5 - Finance expense
The increase in finance expense for the half-year ended 30 September 2011 as compared to the prior corresponding period is mainly due to the transfer of $5.2 million from hedging reserve to profit or loss (refer to Note 7 for details).

Note 6 – Change in fair value of available-for-sale financial assets
The change in fair value of available-for-sale financial assets relates to the net change in market values of the Group's investments in equity securities between the commencement and end of each reporting period. The decrease in the change in fair value for the half-year ended 30 September 2011 as compared to the prior corresponding period is caused by market movements in the prices of the Group's equity securities during the respective periods.

Note 7 – Effective portion of changes in fair value of cash flow hedges / Transfer of hedging reserve to profit or loss
The Group had adopted hedge accounting for the interest rate swaps entered into to hedge its exposure to interest rate risks relating to future cash flows on the interest payments attributable to the bank loans. In the prior financial year, the cash flow hedge was discontinued. The net change in fair value of the cash flow hedges was recognised in equity up to the date of discontinuance and in profit or loss thereafter. During the half-year ended 30 September 2011, the bank loans whose interest rates were previously hedged were refinanced. Accordingly, the total amount in the hedging reserve was transferred to profit or loss.

Borrowing costs capitalised in development properties
Borrowing costs capitalised in development properties amounted to $11.4 million for the half-year ended 30 September 2011 as compared to $9.5 million for the corresponding period ended 30 September 2010.

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.**

		Group		Company	
		30.09.2011	31.03.2011 (Restated)*	30.09.2011	31.03.2011
	Note	$'000	$'000	$'000	$'000
Non-current assets					
Investment property		4,763	4,843	-	-
Property, plant and equipment		127	155	-	-
Investments in subsidiaries		-	-	80,294	80,294
Available-for-sale financial assets	1	43,510	48,094	43,510	48,094
Deferred tax assets		224	224	-	-
		48,624	53,316	123,804	128,388
Current assets					
Development properties	2	1,118,771	1,199,811	-	-
Trade and other receivables	3	53,535	21,190	1,170,052	1,303,492
Cash and cash equivalents	4	242,418	205,257	3,575	14,838
		1,414,724	1,426,258	1,173,627	1,318,330
Total assets		**1,463,348**	**1,479,574**	**1,297,431**	**1,446,718**
Equity attributable to shareholders of the Company					
Share capital	5	631,801	616,160	631,801	616,160
Reserves	6	399,294	344,481	208,183	242,434
Total equity		1,031,095	960,641	839,984	858,594
Non-current liabilities					
Interest-bearing bank loans	7	373,155	443,042	313,345	443,042
Derivative financial liabilities	8	3,800	4,272	3,800	4,272
Deferred tax liabilities		5,062	1,666	14	14
		382,017	448,980	317,159	447,328
Current liabilities					
Trade and other payables	9	28,690	42,870	140,028	139,948
Derivative financial liabilities	8	248	836	248	836
Current tax payable		21,298	26,247	12	12
		50,236	69,953	140,288	140,796
Total liabilities		432,253	518,933	457,447	588,124
Total equity and liabilities		**1,463,348**	**1,479,574**	**1,297,431**	**1,446,718**

* Comparative figures have been restated to take into account the retrospective adjustments arising from the adoption of INT FRS 115 *Agreements for the Construction of Real Estate* as detailed in Section 5 on page 11.

Notes to the Statement of Financial Position of the Group:

Note 1 – Available-for-sale financial assets
The decrease is mainly due to the decrease in fair value of the Group's investments in equity securities.

Note 2 – Development properties
The net decrease is mainly due to higher progress billings, offset by an increase in attributable profits and increase in development costs of development projects capitalised during the period.

Note 3 – Trade and other receivables
The increase is mainly due to higher outstanding progress billing receivables on the development projects, including receivables with Singapore Academy of Law.

Note 4 – Cash and cash equivalents
Please refer to Section 1(c) for cash flows for the period.

Note 5 – Share capital
The increase in share capital is due to the conversion of warrants pursuant to the Company's rights issue in April 2009. Please refer to Section 1(d)(i) for statement of changes in equity for the period.

Note 6 – Reserves
Please refer to Section 1(d)(i) for statement of changes in equity for the period.

Note 7 – Interest-bearing bank loans
The net decrease in interest-bearing bank loans is mainly due to repayments of bank loans using proceeds from warrants conversion and sale of development properties.

Note 8 – Derivative financial liabilities
This represents the fair value of interest rate swaps. The decrease is attributable to mark-to-market gain recognised on interest rate swaps for the period.

Note 9 – Trade and other payables
The decrease is mainly due to lower trade payables relating to the construction costs of the development projects.

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

	30.09.2011 $'000	31.03.2011 $'000
Unsecured		
- Amount repayable in one year or less, or on demand	-	-
- Amount repayable after one year	373,155	-
Secured		
- Amount repayable in one year or less, or on demand	-	-
- Amount repayable after one year	-	443,042

Details of any collateral
As at 30 September 2011, all loans were unsecured.

As at 31 March 2011, the secured borrowings were collateralised by:
- mortgages on certain development properties of the Group including certain assignment of rights and interest;
- charge over the project accounts of the Group; and
- guarantee by the Company and certain of its subsidiaries.

These secured borrowings were repaid on 12 September 2011.

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.**

	Second quarter		Half-year	
	01.07.2011 to 30.09.2011	01.07.2010 to 30.09.2010 (Restated)	01.04.2011 to 30.09.2011	01.04.2010 to 30.09.2010 (Restated)
	$'000	$'000	$'000	$'000
Cash flows from operating activities				
Profit before income tax	45,380	46,281	97,057	60,920
Adjustments for:				
Depreciation of investment property	36	40	80	80
Depreciation of property, plant and equipment	22	14	42	29
Dividend income from available-for-sale financial assets	(381)	(366)	(877)	(703)
Gain on disposal of available-for-sale financial assets	-	(452)	-	(452)
Interest expense	999	1,487	1,449	2,051
Interest income	(106)	(63)	(201)	(128)
Mark-to-market gain on derivative financial instruments	(612)	-	(1,060)	-
Transfer of hedging reserve to profit or loss	4,097	-	5,205	-
Write-back of foreseeable losses on development properties	(17,000)	-	(17,000)	-
Operating profit before working capital changes	32,435	46,941	84,695	61,797
Changes in working capital:				
Development properties	99,771	14,142	109,415	7,071
Trade and other receivables	(20,318)	(11,073)	(32,841)	(12,482)
Trade and other payables	(4,650)	711	(13,934)	(477)
Cash generated from operations	107,238	50,721	147,335	55,909
Interest received	64	120	161	133
Income tax paid	(13,021)	(263)	(13,021)	(263)
Nat cash from operating activities	94,281	50,578	134,475	55,779
Cash flows from investing activities				
Dividends received	445	191	1,085	735
Proceeds from disposal of available-for-sale financial assets	-	442	-	442
Purchase of property, plant and equipment	(6)	-	(14)	-
Net cash from investing activities	439	633	1,071	1,177
Cash flows from financing activities				
Dividends paid	(31,069)	(9,694)	(31,069)	(9,694)
Interest paid (including amounts capitalised in development properties)	(3,898)	(4,382)	(8,093)	(9,156)
Proceeds from conversion of warrants	5	7,136	15,641	10,194
Payment of financing transaction costs	(1,864)	-	(1,864)	-
Proceeds from bank loans	406,000	-	406,000	7,800
Repayments of bank loans	(395,000)	(10,000)	(479,000)	(10,000)
Net cash used in financing activities	(25,826)	(16,940)	(98,385)	(10,856)
Net increase in cash and cash equivalents	68,894	34,271	37,161	46,100
Cash and cash equivalents at beginning of period	173,524	117,025	205,257	105,196
Cash and cash equivalents at end of period	242,418	151,296	242,418	151,296

1(d)(i) **A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions of shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Group	Share capital $'000	Capital reserve $'000	Fair value reserve $'000	Hedging reserve $'000	Accumulated profits $'000	Dividend reserve $'000	Total $'000
At 1 April 2010, as previously reported	587,057	60,714	33,974	(775)	78,466	9,591	769,027
Effect of adopting INT FRS 115	-	-	-	-	(7,146)	-	(7,146)
At 1 April 2010, restated	587,057	60,714	33,974	(775)	71,320	9,591	761,881
Total comprehensive income for the period							
Profit for the period, restated	-	-	-	-	49,280	-	49,280
Other comprehensive income							
Change in fair value of available-for-sale financial assets	-	-	4,008	-	-	-	4,008
Transfer of fair value reserve to profit or loss on disposal of available-for-sale financial asset	-	-	(386)	-	-	-	(386)
Effective portion of changes in fair value of cash flow hedges	-	-	-	(4,913)	-	-	(4,913)
Total comprehensive income for the period	-	-	3,622	(4,913)	49,280	-	47,989
Transactions with owners, recorded directly in equity							
Shares issued pursuant to warrants conversion	10,194	-	-	-	-	-	10,194
Dividends to equity holders: - final dividends for the previous year, paid	-	-	-	-	(103)	(9,591)	(9,694)
Total transactions with owners	10,194	-	-	-	(103)	(9,591)	500
At 30 September 2010	597,251	60,714	37,596	(5,688)	120,497	-	810,370

Group	Share capital $'000	Capital reserve $'000	Fair value reserve $'000	Hedging reserve $'000	Accumulated profits $'000	Dividend reserve $'000	Total $'000
At 1 April 2011, as previously reported	616,160	60,714	41,806	(5,205)	217,798	31,069	962,342
Effect of adopting INT FRS 115	-	-	-	-	(1,701)	-	(1,701)
At 1 April 2011, restated	616,160	60,714	41,806	(5,205)	216,097	31,069	960,641
Total comprehensive income for the period							
Profit for the period	-	-	-	-	85,535	-	85,535
Other comprehensive income							
Change in fair value of available-for-sale financial assets	-	-	(4,858)	-	-	-	(4,858)
Transfer of hedging reserve to profit or loss	-	-	-	5,205	-	-	5,205
Total comprehensive income for the period	-	-	(4,858)	5,205	85,535	-	85,882
Transactions with owners, recorded directly in equity							
Shares issued pursuant to warrants conversion	15,641	-	-	-	-	-	15,641
Dividends to equity holders: - final dividends for the previous year, paid	-	-	-	-	-	(31,069)	(31,069)
Total transactions with owners	15,641	-	-	-	-	(31,069)	(15,428)
At 30 September 2011	631,801	60,714	36,948	-	301,632	-	1,031,095

Company	Share capital $'000	Capital reserve $'000	Fair value reserve $'000	Hedging reserve $'000	Accumulated profits $'000	Dividend reserve $'000	Total $'000
At 1 April 2010	587,057	61,908	33,884	(775)	142,126	9,591	833,791
Total comprehensive income for the period							
Profit for the period	-	-	-	-	840	-	840
Other comprehensive income							
Change in fair value of available-for-sale financial assets	-	-	4,008	-	-	-	4,008
Transfer of fair value reserve to profit or loss on disposal of available-for-sale financial asset	-	-	(296)	-	-	-	(296)
Effective portion of changes in fair value of cash flow hedges	-	-	-	(4,913)	-	-	(4,913)
Total comprehensive income for the period	-	-	3,712	(4,913)	840	-	(361)
Transactions with owners, recorded directly in equity							
Shares issued pursuant to warrants conversion	10,194	-	-	-	-	-	10,194
Dividends to equity holders: -final dividends for the previous year, paid	-	-	-	-	(103)	(9,591)	(9,694)
Total transactions with owners	10,194	-	-	-	(103)	(9,591)	500
At 30 September 2010	597,251	61,908	37,596	(5,688)	142,863	-	833,930

Company	Share capital $'000	Capital reserve $'000	Fair value reserve $'000	Hedging reserve $'000	Accumulated profits $'000	Dividend reserve $'000	Total $'000
At 1 April 2011	616,160	61,908	41,806	(5,205)	112,856	31,069	858,594
Total comprehensive income for the period							
Profit for the period	-	-	-	-	(3,529)	-	(3,529)
Other comprehensive income							
Change in fair value of available-for-sale financial assets	-	-	(4,858)	-	-	-	(4,858)
Transfer of hedging reserve to profit or loss	-	-	-	5,205	-	-	5,205
Total comprehensive income for the period	-	-	(4,858)	5,205	(3,529)	-	(3,182)
Transactions with owners, recorded directly in equity							
Shares issued pursuant to warrants conversion	15,641	-	-	-	-	-	15,641
Dividends to equity holders: -final dividends for the previous year, paid	-	-	-	-	-	(31,069)	(31,069)
Total transactions with owners	15,641	-	-	-	-	(31,069)	(15,428)
At 30 September 2011	631,801	61,908	36,948	-	109,327	-	839,984

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 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 issued share capital during the 3 months ended 30 September 2011.

In accordance with the terms and conditions of the warrants issued on 8 April 2009, the rights to subscribe for new ordinary shares in the capital of the Company comprised in the warrants expired at 5.00 p.m. on 8 April 2011. Any subscription rights comprised in the warrants which have not been exercised have lapsed and the warrants have ceased to be valid for any purpose whatsoever. Accordingly, the number of outstanding warrants as at 30 September 2011 is Nil (2010: 15,080,242).

1(d)(iii) **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The Company had 258,911,326 issued and fully paid up ordinary shares as at 30 September 2011 (31 March 2011: 252,108,476).

The Company had no treasury shares as at 30 September 2011 and 31 March 2011.

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.**

Except as disclosed in Section 5 below, the Group and the Company have applied the same accounting policies and methods of computation in the financial statements for the current financial period as those applied in the Group's and the Company's most recently audited financial statements for the year ended 31 March 2011.

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.**

The Group and the Company have adopted various new and revised Financial Reporting Standards ("FRSs") and Interpretations of FRSs ("INT FRSs") which took effect for the financial year beginning on 1 April 2011. The adoption of these new and revised FRSs and INT FRSs did not have any significant impact on the Group's and the Company's financial position or results, except for INT FRS 115 *Agreements for the Construction of Real Estate* ("INT FRS 115") which is effective for financial periods commencing on 1 January 2011.

INT FRS 115 clarifies when revenue and related expenses from the sale of a real estate unit should be recognised if an agreement between a developer and a buyer is reached before the construction of the real estate is completed. INT FRS 115 clarifies that contracts which are not classified as construction contracts under FRS 11 *Construction Contracts* can only be accounted for under the percentage of completion method if the entity continuously transfers to the buyer control and the significant risks and rewards of ownership of the work-in-progress in its current state as construction progresses.

The Group's current accounting policy for residential property development projects is to recognise revenue based on the percentage of completion method which is an allowed alternative method under Recommended Accounting Practice 11 *Pre-completion Contracts for the Sale of Development Property* ("RAP 11"). RAP 11 was withdrawn following the adoption of INT FRS 115.

Upon the adoption of INT FRS 115, for development properties under the progressive payment scheme, the Group continues to recognise revenue and related expenses based on the percentage of completion method. For development properties under deferred payment scheme ("DPS"), revenue and related expenses are accounted for under the completion of construction method. Prior to the adoption of INT FRS 115, profits on property development projects sold under DPS were recognised based on initial deposit received and/or receivable and upon TOP of the project.

This change in accounting policy was applied retrospectively and the impact on the Group's comparative figures arising from the adoption of INT FRS 115 is set out below:

Consolidated Statement of Comprehensive Income

	Second quarter 01.07.2010 to 30.09.2010 $'000	Half-year 01.04.2010 to 30.09.2010 $'000
Increase in revenue	11,641	11,236
Increase in cost of sales	(4,482)	(4,246)
Increase in profit before income tax	7,159	6,990
Increase in income tax expense	(1,217)	(1,188)
Increase in profit attributable to equity holders of the Company	5,942	5,802
Increase in basic earnings per share (cents)	2.44	2.39
Increase in diluted earnings per share (cents)	2.37	2.31

Consolidated Statement of Financial Position

	31.03.2011 $'000	31.03.2010 $'000
Decrease in development properties	(2,050)	(8,610)
Decrease in accumulated profits	(1,701)	(7,146)
Decrease in deferred tax liabilities	(349)	(1,464)

6 **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

The basic and diluted earnings per share is computed based on profit for the period attributable to equity holders of the Company and the weighted average number of ordinary shares set out below. In the prior corresponding periods, the weighted average number of ordinary shares had been adjusted to take into account the rights issue and warrants exercised during the period and the effect of the warrants outstanding at the end of the period.

	Second quarter		Half-year	
	30.09.2011	30.09.2010 (Restated)	30.09.2011	30.09.2010 (Restated)
Basic earnings per share (cents)	15.9	15.13	33.04	20.31
Diluted earnings per share (cents)	15.9	14.66	33.04	19.68

	Second quarter		Half-year	
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
Weighted average number of shares for calculation of:				
- Basic earnings per share	258,911,326	243,222,702	258,911,326	242,596,166
- Diluted earnings per share	258,911,326	251,016,272	258,911,326	250,356,025

7 **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:**

(a) **current financial period reported on; and**

(b) **immediately preceding financial year**.

	Group		**Company**	
	30.09.2011	31.03.2011 (Restated)	30.09.2011	31.03.2011
Net asset value per ordinary share	$3.98	$3.81	$3.24	$3.41

Net asset value per share is calculated based on 258,911,326 and 252,108,476 ordinary shares as at the end of the current period and the immediately preceding financial year respectively.

8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

The Group's revenue for the half-year ended 30 September 2011 was $220.8 million as compared to $137.9 million in the prior corresponding period. Accordingly, net profit before tax increased by 59.3% from $60.9 million in the prior corresponding period to $97.1 million for the half-year ended 30 September 2011.

The higher gross profit for the half-year ended 30 September 2011 as compared to the prior corresponding period is mainly due to higher profit recognition on more development projects.

For the half-year ended 30 September 2011, net profit before tax included a write-back of $17.0 million (2010: $Nil) in respect of Skyline Residences development project following its sales launch in the second quarter ended 30 September 2011.

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

Not applicable.

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.**

Based on the Singapore Government's statistics, successive cooling measures introduced by the Singapore Government have continued to moderate the rate of price increase. Prices of private residential properties increased by 1.3% in the third quarter of 2011, lower than the increase of 2.0% in the previous quarter. This was the eighth consecutive quarter in which the rate of increase in overall private housing prices has moderated. The total number of new home sales was 4,262 units in this quarter, a slight reduction from the 4,444 units sold in the previous quarter.

The Monetary Authority of Singapore expects GDP growth to be around 5% for 2011, and it could fall below 3 – 5% in 2012. Given heightened global uncertainties, the Group steps up on its vigilance in addressing risks and safeguarding its assets and cash. In October 2011, the Group monetised its portfolio of quoted equity securities, which are non-core assets. Proceeds from the disposal of the quoted equity securities will be used for the repayment of bank loans to further reduce the Group's borrowings.

The Group soft launched Luxus Hills Phase 5 in October 2011.

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 half-year ended 30 September 2011.

13 **If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group does not have any Interested Person Transactions.

14 **Negative Assurance on Second 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 second quarter financial results ended 30 September 2011 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

TAN GUAT NGOH
COMPANY SECRETARY
14 NOVEMBER 2011