



BUKIT SEMBAWANG ESTATES LIMITED

(Company Registration Number: 196700177M)

(Incorporated in Singapore on 27 June 1967)

Financial Statement and Dividend Announcement for the Third Quarter and Nine Months ended 31 December 2012

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 third quarter (3Q FY2013) and nine months (9M FY2013) ended 31 December 2012

| | Third quarter | | | Nine months | | |
|---|---|---|---------|---|---|---------|
| | 01.10.2012 to 31.12.2012 3Q FY2013 | 01.10.2011 to 31.12.2011 3Q FY2012 | Change | 01.04.2012 to 31.12.2012 9M FY2013 | 01.04.2011 to 31.12.2011 9M FY2012 | Change |
| Note | \$'000 | \$'000 | % | \$'000 | \$'000 | % |
| Revenue | 80,613 | 118,858 | (32.2) | 308,629 | 339,658 | (9.1) |
| Cost of sales | <u>(50,800)</u> | <u>(70,651)</u> | (28.1) | <u>(193,800)</u> | <u>(203,597)</u> | (4.8) |
| Gross profit | 1 29,813 | 48,207 | (38.2) | 114,829 | 136,061 | (15.6) |
| Other income | 2 125 | 35,575 | (99.6) | 182 | 36,694 | (99.5) |
| Administrative expenses | (1,265) | (1,164) | 8.7 | (2,547) | (2,565) | (0.7) |
| Other operating (expense)/ income | 3 <u>(1,185)</u> | <u>(1,145)</u> | 3.5 | <u>(3,576)</u> | <u>13,733</u> | (126.0) |
| Profit from operations | <u>27,488</u> | <u>81,473</u> | (66.3) | <u>108,888</u> | <u>183,923</u> | (40.8) |
| Finance income | 4 417 | 1,651 | (74.7) | 2,140 | 2,912 | (26.5) |
| Finance expense | 5 - | (92) | (100.0) | (12) | (6,746) | (99.8) |
| Net finance income/ (expense) | <u>417</u> | <u>1,559</u> | (73.3) | <u>2,128</u> | <u>(3,834)</u> | (155.5) |
| Profit before income tax ¹ | 27,905 | 83,032 | (66.4) | 111,016 | 180,089 | (38.4) |
| Income tax expense | 6 <u>(4,562)</u> | <u>(7,202)</u> | (36.7) | <u>(22,080)</u> | <u>(18,724)</u> | 17.9 |
| Profit for the period attributable to equity holders of the Company | <u>23,343</u> | <u>75,830</u> | (69.2) | <u>88,936</u> | <u>161,365</u> | (44.9) |
| Other comprehensive income | | | | | | |
| Change in fair value of available-for-sale financial assets | 7 - | 561 | (100.0) | - | (4,297) | (100.0) |
| Transfer of fair value reserve to profit or loss on disposal of available-for-sale financial assets | 8 - | (35,555) | (100.0) | - | (35,555) | (100.0) |
| Transfer of hedging reserve to profit or loss | 9 - | - | N.A. | - | 5,205 | (100.0) |
| Other comprehensive income for the period, net of income tax | <u>-</u> | <u>(34,994)</u> | (100.0) | <u>-</u> | <u>(34,647)</u> | (100.0) |
| Total comprehensive income for the period | <u>23,343</u> | <u>40,836</u> | (42.8) | <u>88,936</u> | <u>126,718</u> | (29.8) |
| Earnings per share ² | | | | | | |
| Basic earnings per share (cents) | 9.02 | 29.29 | | 34.35 | 62.32 | |
| Diluted earnings per share (cents) | <u>9.02</u> | <u>29.29</u> | | <u>34.35</u> | <u>62.32</u> | |

¹ Profit before income tax includes the following:

| | Third quarter | | | Nine months | | |
|--|---|---|---------|---|---|---------|
| | 01.10.2012 to 31.12.2012 3Q FY2013 | 01.10.2011 to 31.12.2011 3Q FY2012 | Change | 01.04.2012 to 31.12.2012 9M FY2013 | 01.04.2011 to 31.12.2011 9M FY2012 | Change |
| | \$'000 | \$'000 | % | \$'000 | \$'000 | % |
| Depreciation and amortisation | (64) | (67) | (4.5) | (196) | (189) | 3.7 |
| Dividend income from available-for-sale financial assets | - | (20) | (100.0) | - | 857 | (100.0) |
| Gain on disposal of available-for-sale financial assets | - | 35,443 | (100.0) | - | 35,443 | (100.0) |
| Interest income | 55 | 180 | (69.4) | 248 | 381 | (34.9) |
| Interest expense | - | (92) | (100.0) | (12) | (1,541) | (99.2) |
| Mark-to-market gain on derivative financial instruments | 362 | 1,471 | (75.4) | 1,892 | 2,531 | (25.2) |
| Transfer of hedging reserve to profit or loss | - | - | N.A. | - | (5,205) | (100.0) |
| Write-back of foreseeable losses on development properties | - | - | N.A. | - | 17,000 | (100.0) |

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 10.

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

Note 1 – Gross profit

The decrease in gross profit for 9M FY2013 as compared to 9M FY2012 is mainly due to lower profit recognition on Paterson Suites and Verdure in 9M FY2013.

Note 2 – Other income

The decrease in other income is mainly due to the one-off gain on disposal of the Group's portfolio of quoted equity securities during 3Q FY2012.

Note 3 – Other operating (expenses)/ income

The overall decrease in other operating income is due to the write-back of foreseeable losses on the Skyline Residences development project amounting to \$17.0 million in 2Q FY2012.

Excluding the write-back, other operating expenses amounted to \$3.6 million for 9M FY2013 as compared to \$3.3 million for 9M FY2012. Other operating expenses for both periods relate mainly to property tax and other development costs on certain development projects pending development.

Note 4 – Finance income

The decrease in finance income is mainly due to lower mark-to-market gain on interest rate swaps that matured in Nov 2012.

Note 5 – Finance expense

The decrease in finance expense is due to the transfer of \$5.2 million from hedging reserve to profit or loss in 9M FY2012 (refer to Note 9 for details) and full capitalisation of loan interest in 9M FY2013.

Note 6 – Income tax expense

The decrease in income tax expense in Q3 FY2013 is due to lower gross profit. Overall increase in income tax expense in 9M FY2013 is mainly due to an adjustment in 1Q FY2013 for underprovision of current tax in FY2012.

Note 7 – 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. There is no change in fair value for 9M FY2013 as the Group's equity securities were fully disposed off as at 31 March 2012.

Note 8 – Transfer of fair value reserve to profit or loss on disposal of available-for-sale financial assets

In Q3 FY2012, the fair value reserve of the available-for-sale financial assets were transferred to profit or loss upon the disposal of the Group's portfolio of quoted equity securities (refer to Note 2 for details).

Note 9 – 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. The cash flow hedge was discontinued in FY 2011. 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 Q2 FY2012, the bank loans whose interest rates were previously hedged were refinanced and 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 \$7.3 million for 9M FY2013 as compared to \$14.2 million for 9M FY2012.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

| | Note | Group | | Company | |
|---|------|------------------|------------------|----------------|------------------|
| | | 31.12.2012 | 31.03.2012 | 31.12.2012 | 31.03.2012 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Non-current assets | | | | | |
| Investment property | | 4,563 | 4,683 | - | - |
| Property, plant and equipment | | 293 | 119 | - | - |
| Investments in subsidiaries | | - | - | 80,294 | 80,294 |
| Deferred tax assets | | 250 | 250 | - | - |
| | | <u>5,106</u> | <u>5,052</u> | <u>80,294</u> | <u>80,294</u> |
| Current assets | | | | | |
| Development properties | 1 | 1,058,482 | 1,123,999 | - | - |
| Trade and other receivables | 2 | 3,961 | 15,885 | 870,202 | 1,103,058 |
| Cash and cash equivalents | 3 | 157,533 | 298,438 | 48,949 | 15,678 |
| | | <u>1,219,976</u> | <u>1,438,322</u> | <u>919,151</u> | <u>1,118,736</u> |
| Total assets | | <u>1,225,082</u> | <u>1,443,374</u> | <u>999,445</u> | <u>1,199,030</u> |
| Equity attributable to shareholders of the Company | | | | | |
| Share capital | | 631,801 | 631,801 | 631,801 | 631,801 |
| Reserves | 4 | 502,048 | 459,716 | 165,836 | 210,697 |
| Total equity | | <u>1,133,849</u> | <u>1,091,517</u> | <u>797,637</u> | <u>842,498</u> |
| Non-current liabilities | | | | | |
| Interest-bearing bank loans | 5 | - | 275,481 | - | 215,637 |
| Deferred tax liabilities | | 7,982 | 9,682 | 14 | 14 |
| | | <u>7,982</u> | <u>285,163</u> | <u>14</u> | <u>215,651</u> |
| Current liabilities | | | | | |
| Trade and other payables | 6 | 64,327 | 48,511 | 201,794 | 138,989 |
| Derivative financial liabilities | 7 | - | 1,892 | - | 1,892 |
| Current tax payable | | 18,924 | 16,291 | - | - |
| | | <u>83,251</u> | <u>66,694</u> | <u>201,794</u> | <u>140,881</u> |
| Total liabilities | | <u>91,233</u> | <u>351,857</u> | <u>201,808</u> | <u>356,532</u> |
| Total equity and liabilities | | <u>1,225,082</u> | <u>1,443,374</u> | <u>999,445</u> | <u>1,199,030</u> |

Notes to the Statement of Financial Position of the Group:**Note 1 – Development properties**

The decrease is due to higher progress billings.

Note 2 – Trade and other receivables

The decrease is mainly due to lower outstanding progress billing receivables on the development projects, including receivables held in trust.

Note 3 – Cash and cash equivalents

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

Note 4 – Reserves

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

Note 5 – Interest-bearing bank loans

The decrease in interest-bearing bank loans is due to full repayment of medium-term bank loans using proceeds from sale of development properties.

Note 6 – Trade and other payables

The increase is mainly due to higher trade payables relating to the construction costs of the development projects and accrual of rental guarantee for additional units of Paterson Suites sold.

Note 7 – Derivative financial liabilities

This represents the fair value of interest rate swaps. The decrease is attributable to the maturity of interest rate swaps in Q3 FY2013.

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

| | 31.12.2012 \$'000 | 31.03.2012 \$'000 |
|--|----------------------|----------------------|
| <u>Unsecured</u> | | |
| - Amount repayable in one year or less, or on demand | - | - |
| - Amount repayable after one year | - | 275,481 |
| <u>Secured</u> | | |
| - Amount repayable in one year or less, or on demand | - | - |
| - Amount repayable after one year | - | - |

Details of any collateral

All loans were unsecured. The unsecured assets of the Group are subjected to a negative pledge in respect of banking facilities granted to the Group.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

| | Third quarter | | Nine months | |
|---|---|---|---|---|
| | 01.10.2012 to 31.12.2012 3Q FY2013 \$'000 | 01.10.2011 to 31.12.2011 3Q FY2012 \$'000 | 01.04.2012 to 31.12.2012 9M FY2013 \$'000 | 01.04.2011 to 31.12.2011 9M FY2012 \$'000 |
| Cash flows from operating activities | | | | |
| Profit before income tax | 27,905 | 83,032 | 111,016 | 180,089 |
| Adjustments for: | | | | |
| Depreciation of investment property | 40 | 40 | 120 | 120 |
| Depreciation of property, plant and equipment | 24 | 27 | 76 | 69 |
| Dividend income from available-for-sale financial assets | - | 20 | - | (857) |
| Gain on disposal of available-for-sale financial assets | - | (35,443) | - | (35,443) |
| Interest expense | - | 92 | 12 | 1,541 |
| Interest income | (55) | (180) | (248) | (381) |
| Mark-to-market gain on derivative financial instruments | (362) | (1,471) | (1,892) | (2,531) |
| Transfer of hedging reserve to profit or loss | - | - | - | 5,205 |
| Write-back of foreseeable losses on development properties | - | - | - | (17,000) |
| Operating profit before working capital changes | <u>27,552</u> | <u>46,117</u> | <u>109,084</u> | <u>130,812</u> |
| Changes in working capital: | | | | |
| Development properties | 10,344 | 30,997 | 72,839 | 140,412 |
| Trade and other receivables | 10,338 | 12,522 | 11,881 | (20,319) |
| Trade and other payables | 27 | 3,172 | 15,816 | (10,762) |
| Cash generated from operations | <u>48,261</u> | <u>92,808</u> | <u>209,620</u> | <u>240,143</u> |
| Interest received | 38 | 160 | 291 | 321 |
| Income tax paid | (10,469) | (12,884) | (21,147) | (25,905) |
| Net cash from operating activities | <u>37,830</u> | <u>80,084</u> | <u>188,764</u> | <u>214,559</u> |
| Cash flows from investing activities | | | | |
| Dividends received | - | 266 | - | 1,351 |
| Proceeds from disposal of available-for-sale financial assets | - | 42,177 | - | 42,177 |
| Purchase of property, plant and equipment | - | (44) | (250) | (58) |
| Net cash (used in)/ from investing activities | <u>-</u> | <u>42,399</u> | <u>(250)</u> | <u>43,470</u> |
| Cash flows from financing activities | | | | |
| Interest paid (including amounts capitalised in development properties) | (856) | (2,462) | (5,815) | (10,555) |
| Proceeds from conversion of warrants | - | - | - | 15,641 |
| Payment of financing transaction costs | - | - | - | (1,864) |
| Proceeds from bank loans | - | - | - | 406,000 |
| Repayments of bank loans | (50,000) | (78,000) | (277,000) | (557,000) |
| Dividends paid | - | - | (46,604) | (31,069) |
| Net cash used in financing activities | <u>(50,856)</u> | <u>(80,462)</u> | <u>(329,419)</u> | <u>(178,847)</u> |
| Net (decrease)/ increase in cash and cash equivalents | (13,026) | 42,021 | (140,905) | 79,182 |
| Cash and cash equivalents at beginning of period | 170,559 | 242,418 | 298,438 | 205,257 |
| Cash and cash equivalents at end of period | <u>157,533</u> | <u>284,439</u> | <u>157,533</u> | <u>284,439</u> |

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

| Group | Share capital \$'000 | Capital reserve \$'000 | Fair value reserve \$'000 | Hedging reserve \$'000 | Accumulated profits \$'000 | Dividend reserve \$'000 | Total \$'000 |
|--|-------------------------|---------------------------|------------------------------|---------------------------|-------------------------------|----------------------------|-----------------|
| At 1 April 2011 | 616,160 | 60,714 | 41,806 | (5,205) | 216,097 | 31,069 | 960,641 |
| Total comprehensive income for the period | | | | | | | |
| Profit for the period | - | - | - | - | 161,365 | - | 161,365 |
| Other comprehensive income | | | | | | | |
| Change in fair value of available-for-sale financial assets | - | - | (4,297) | - | - | - | (4,297) |
| Transfer of fair value reserve to profit or loss on disposal of available-for-sale financial asset | - | - | (35,555) | - | - | - | (35,555) |
| Transfer of hedging reserve to profit or loss | - | - | - | 5,205 | - | - | 5,205 |
| Total comprehensive income for the period | - | - | (39,852) | 5,205 | 161,365 | - | 126,718 |
| 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 31 December 2011 | 631,801 | 60,714 | 1,954 | - | 377,462 | - | 1,071,931 |
| At 1 April 2012 | 631,801 | 60,714 | - | - | 352,398 | 46,604 | 1,091,517 |
| Total comprehensive income for the period | | | | | | | |
| Profit for the period | - | - | - | - | 88,936 | - | 88,936 |
| Total comprehensive income for the period | - | - | - | - | 88,936 | - | 88,936 |
| Transactions with owners, recorded directly in equity | | | | | | | |
| Dividends to equity holders: - final/ special dividends for the previous year, paid | - | - | - | - | - | (46,604) | (46,604) |
| Total transactions with owners | - | - | - | - | - | (46,604) | (46,604) |
| At 31 December 2012 | 631,801 | 60,714 | - | - | 441,334 | - | 1,133,849 |

| 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 | - | - | - | - | 33,369 | - | 33,369 |
| Other comprehensive income | | | | | | | |
| Change in fair value of available-for-sale financial assets | - | - | (4,297) | - | - | - | (4,297) |
| Transfer of fair value reserve to profit or loss on disposal of available-for-sale financial asset | - | - | (35,555) | - | - | - | (35,555) |
| Transfer of hedging reserve to profit or loss | - | - | - | 5,205 | - | - | 5,205 |
| Total comprehensive income for the period | - | - | (39,852) | 5,205 | 33,369 | - | (1,278) |
| 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 31 December 2011 | 631,801 | 61,908 | 1,954 | - | 146,225 | - | 841,888 |
| At 1 April 2012 | 631,801 | 61,908 | - | - | 102,185 | 46,604 | 842,498 |
| Total comprehensive income for the period | | | | | | | |
| Profit for the period | - | - | - | - | 1,743 | - | 1,743 |
| Total comprehensive income for the period | - | - | - | - | 1,743 | - | 1,743 |
| Transactions with owners, recorded directly in equity | | | | | | | |
| Dividends to equity holders: - final/ special dividends for the previous year, paid | - | - | - | - | - | (46,604) | (46,604) |
| Total transactions with owners | - | - | - | - | - | (46,604) | (46,604) |
| At 31 December 2012 | 631,801 | 61,908 | - | - | 103,928 | - | 797,637 |

- 1(d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no change in the Company's share capital during the 3 months ended 31 December 2012.

There were no outstanding convertibles that may result in the issuance of shares as at 31 December 2012 and 31 December 2011.

The Company had no treasury shares as at 31 December 2012 and 31 December 2011.

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

The Company had 258,911,326 issued and fully paid up ordinary shares as at 31 December 2012 and 31 March 2012.

The Company had no treasury shares as at 31 December 2012 and 31 March 2012.

- 1(d)(iv) **A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 2 **Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by our auditors.

- 3 **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)**

Not applicable.

- 4 **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group and the Company have applied the same accounting policies and methods of computation in the financial statements for the current financial period as those applied in the Group's and the Company's most recently audited financial statements for FY2012.

- 5 **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

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

The basic and diluted earnings per share is computed based on profit for the period attributable to equity holders of the Company and the weighted average number of ordinary shares set out below.

| | Third quarter | | Nine months | |
|------------------------------------|---------------|------------|-------------|------------|
| | 31.12.2012 | 31.12.2011 | 31.12.2012 | 31.12.2011 |
| Basic earnings per share (cents) | 9.02 | 29.29 | 34.35 | 62.32 |
| Diluted earnings per share (cents) | 9.02 | 29.29 | 34.35 | 62.32 |

| | Third quarter | | Nine months | |
|---|---------------|-------------|-------------|-------------|
| | 31.12.2012 | 31.12.2011 | 31.12.2012 | 31.12.2011 |
| Weighted average number of shares for calculation of: | | | | |
| - Basic earnings per share | 258,911,326 | 258,911,326 | 258,911,326 | 258,911,326 |
| - Diluted earnings per share | 258,911,326 | 258,911,326 | 258,911,326 | 258,911,326 |

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

- (a)** current financial period reported on; and
- (b)** immediately preceding financial year.

| | Group | | Company | |
|------------------------------------|------------|------------|------------|------------|
| | 31.12.2012 | 31.03.2012 | 31.12.2012 | 31.03.2012 |
| Net asset value per ordinary share | \$4.38 | \$4.22 | \$3.08 | \$3.25 |

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

- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

The Group's revenue for 9M FY2013 is \$308.6 million as compared to \$339.7 million in 9M FY2012.

The decrease in gross profit for 9M FY2013 as compared to 9M FY2012 is mainly due to lower profit recognition on Paterson Suites and Verdure in 9M FY2013.

The profit from operations for 9M FY2013 is \$108.9 million as compared to \$131.5 million for 9M FY2012 after excluding the write-back of \$17.0 million and the one-off gain on disposal of available-for-sale financial assets of \$35.4 million in 9M FY2012. This decrease is in line with the decrease in gross profit.

- 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.**

Statistics from the Urban Redevelopment Authority showed that the increase in prices of private residential properties has moderated to 2.8% for Year 2012, as compared to the 5.9% increase in the previous year. In the core central region, prices of private residential properties rose only 0.8% as compared to the 4.0% increase in the previous year.

The total number of new residential units sold islandwide has reached 22,197 units for Year 2012. However, in the core central region, new home sales only registered 1,895 units.

The imposition of further property cooling measures in January 2013 by the Singapore government is expected to affect buying sentiments in the residential property market. However, our landed housing projects will continue to fare well and the Group will time its release of Luxus Hills Phase 6 for sale in the first half of Year 2013.

11 **Dividend**

(a) **Current financial period reported on**

None.

(b) **Corresponding period of the immediately preceding financial year**

None.

(c) **Date payable**

Not applicable.

(d) **Books closure date**

Not applicable.

12 **If no dividend has been declared/recommended, a statement to that effect.**

No dividend has been declared or recommended for the nine months ended 31 December 2012.

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 Third Quarter Financial Results**

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the third quarter financial results ended 31 December 2012 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

TAN GUAT NGOH
COMPANY SECRETARY
14 February 2013