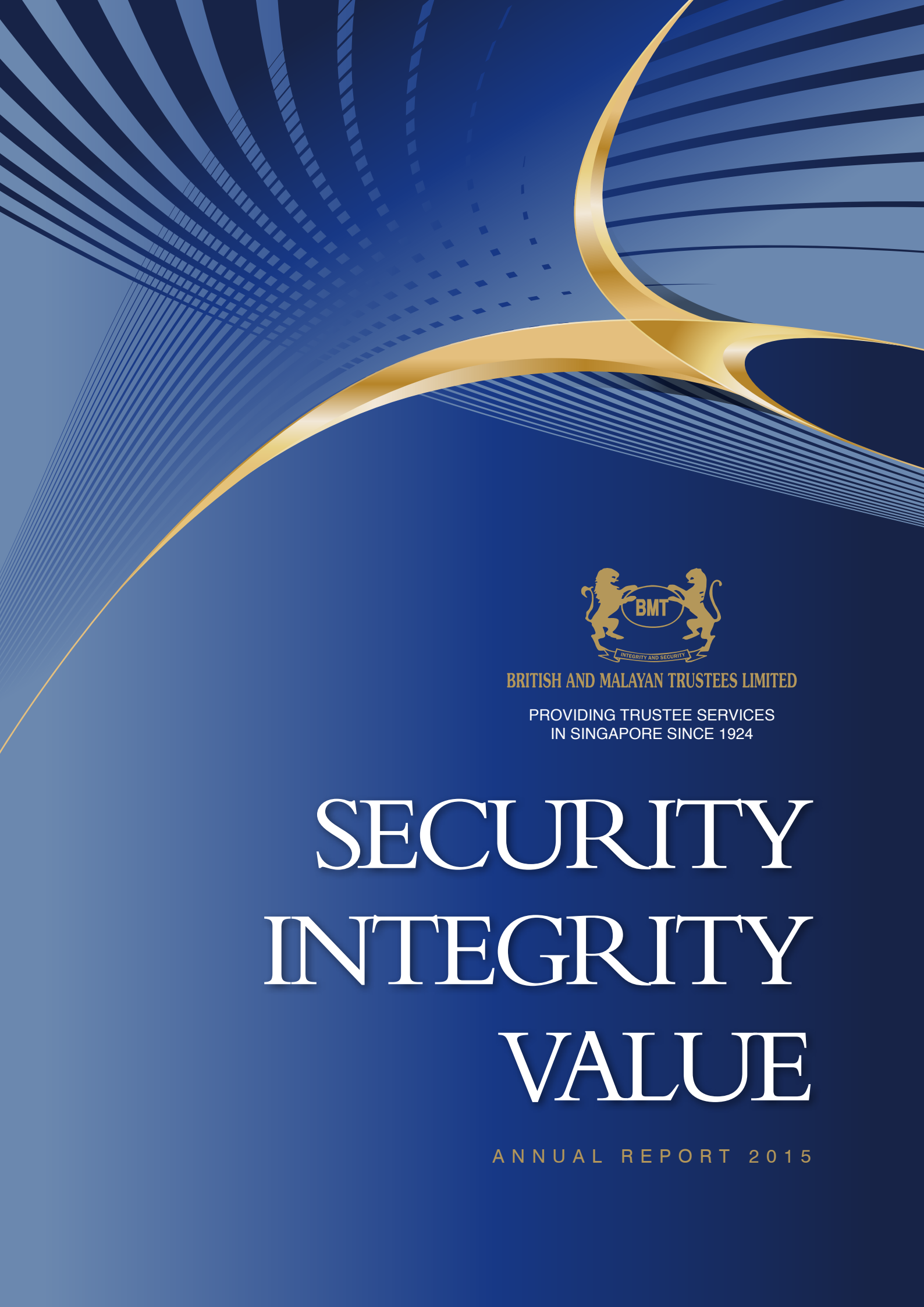


BRITISH AND MALAYAN TRUSTEES LIMITED

PROVIDING TRUSTEE SERVICES
IN SINGAPORE SINCE 1924

SECURITY
INTEGRITY
VALUE

ANNUAL REPORT 2015



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PROVIDING TRUSTEE SERVICES
IN SINGAPORE SINCE 1924

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INTRODUCTION

British and Malayan Trustees Limited has been providing trust services to families, companies, financial institutions, charities and high net worth individuals from its home in Singapore since 1924. As a pioneer member of the Singapore Stock Exchange, we are uniquely positioned as a licensed independent trust company offering the stability and flexibility to meet bespoke needs of clients. We are a full service Singapore based trust company assisting clients globally.

Examples of Current Service Offerings:

Family Services
- Family Holding Structures; Private Trust Companies; Succession Planning; Asset and Entity Administration

Estates
- We have over the decades successfully administered and settled all manner of significant estates; both for a prompt and efficient resolution as well as for generational preservation and distribution.

Charities
- We support a variety of charitable structures and activities, domestically and internationally.

Real Estate Services
- We have throughout our history offered full real estate solutions for clients and their estates, including administration, transactions and development.

Corporate
- Financing – We serve in various trustee and agency capacities to facilitate corporate and transactional financings, such as securities and bond offerings; MTN Programs; Securitisations, etc.
- Transactions – We facilitate corporate M&A and asset transactions in various capacities, such as Escrow agency, etc.
- Entity Administration – We facilitate SPV's, Holding, and Transactional entities to support corporate requirements

Funds; Asset Structuring
- Fund Trustee and Administration – We have extensive experience with all manner of funds as Trustee, Administrator and/or Custodian (We hold a CMS license to serve as Custodian and are an Approved Trustee for Collective Investment Schemes).
- REITS – We have a special expertise in servicing REITS and private equity type real estate funds.
- Specialty Assets – We actively support investors and their advisers in dealing with new asset classes and bespoke structures for separately managed accounts and platforms.

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FINANCIAL CALENDAR

Financial Year End

30 June 2015

Announcement of 2014 – 2015 Results

Full-Year Results 26 August 2015

Annual General Meeting

30 October 2015

Payment of 2014 – 2015 Dividend

– Interim: 11 March 2015
– Final: 20 November 2015
– Special: 20 November 2015

CORPORATE INFORMATION

BOARD OF DIRECTORS
Mr. Colin Lee Yung Shih (Non-Executive Chairman)
Ms. Roxanne Davies (Non-Executive Director)
Mr. Nigel David Stead (Independent Non-Executive Director)
Mr. Lee Boon Huat (Independent Non-Executive Director)
Mr. James William Cox (Executive Director, Appointed on 16 October 2014)

AUDIT AND RISK COMMITTEE
Mr. Nigel David Stead (Chairman)
Mr. Colin Lee Yung Shih
Mr. Lee Boon Huat

NOMINATING COMMITTEE
Mr. Nigel David Stead (Chairman)
Ms. Roxanne Davies
Mr. Lee Boon Huat

REMUNERATION COMMITTEE
Mr. Nigel David Stead (Chairman)
Ms. Roxanne Davies
Mr. Lee Boon Huat

COMPANY SECRETARIES
Mr. Paul Martin Pavey
Ms. Angela Ho Wei Ling
Ms. Sin Chee Mei (Resigned on 14 October 2014)
Mr. Teo Meng Keong (Appointed on 14 October 2014)

REGISTERED OFFICE
& SHAREHOLDER SERVICES FOR ORDINARY SHARES
1 Coleman Street
#08-01 The Adelphi
Singapore 179803
Tel : (65) 6535 4922
Fax : (65) 6535 1258
Email : enquiry@bmtrust.com

AUDITORS
Ernst & Young LLP (Public Accountants and Certified Public Accountants)
One Raffles Quay
North Tower, Level 18
Singapore 048583

Partner in Charge: Brian Thung
(Appointed since the financial year ended 30 June 2013)

PRINCIPAL BANKERS
Standard Chartered Bank

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the Company will be held at the Board Room of British And Malayan Trustees Limited at 1 Coleman Street, #08-01 The Adelphi, Singapore 179803 on 30 October 2015 at 2:30 p.m. for the purpose of transacting the following business:-

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 30 June 2015 together with the Directors' Report and the Auditor's Report thereon. **(Resolution 1)**

2. To re-elect Mr Colin Lee Yung Shih, who is retiring in accordance with Article 87 of the Company's Articles of Association as Director of the Company. **(Resolution 2)**

   [See Explanatory Note (i)]

3. To approve the payment of a tax exempt (1-tier) Final Dividend of 2.70 Singapore cents per ordinary share for the financial year ended 30 June 2015. **(Resolution 3)**

4. To approve the payment of a tax exempt (1-tier) Special Dividend of 25.00 Singapore cents per ordinary share for the financial year ended 30 June 2015. **(Resolution 4)**

5. To approve the payment of Directors' fees of S$150,000 for the financial year ended 30 June 2015 (FY2014: S$170,000). **(Resolution 5)**

6. To re-appoint Messrs Ernst & Young LLP as Auditors and to authorise the Directors to fix their remuneration. **(Resolution 6)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution as Ordinary Resolution, with or without modifications:-

7. **Authority to issue shares** **(Resolution 7)**

   "That, pursuant to Section 161 of the Companies Act, Chapter 50, and the Listing Rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given for the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

   (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

   (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;

NOTICE OF ANNUAL GENERAL MEETING

(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues;

and (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuant to any Instruments made or granted by the Directors while the authority was in force, provided always that:

(a) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments, made or granted pursuant to this Resolution) does not exceed fifty per centum (50%) of the Company's total number of issued shares excluding treasury shares, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued other than on a pro-rata basis to shareholders of the Company does not exceed twenty per centum (20%) of the total number of issued shares excluding treasury shares, and for the purpose of this Resolution, the total number of issued shares excluding treasury shares shall be the Company's total number of issued shares excluding treasury shares at the time this Resolution is passed, after adjusting for;

(i) new shares arising from the conversion or exercise of convertible securities, or

(ii) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this Resolution is passed, and

(iii) any subsequent bonus issue, consolidation or subdivision of the Company's shares.

(b) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier."

[See Explanatory Note (ii)]

8. To transact any other business which may be properly transacted at an Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT DATE

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed from 3 November 2015 to 6 November 2015, both dates inclusive, for the purpose of determining the entitlement of shareholders to the Tax-Exempt (one-tier) Final Dividend and Special Dividend of 2.70 Singapore cents and 25.00 Singapore cents, respectively (the "Proposed Dividends"), for the financial year ended 30 June 2015.

Duly completed registrable transfers received by the Company at 1 Coleman Street, #08-01 The Adelphi, Singapore 179803 up to 5:00 p.m. on 2 November 2015 will be registered to determine shareholders' entitlements to the Proposed Dividends. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with shares in the Company as at 5:00 p.m. on 2 November 2015, will be entitled to the Proposed Dividends.

The Proposed Dividends, if approved at the forthcoming Annual General Meeting to be held on 30 October 2015, will be paid on 20 November 2015.

BY ORDER OF THE BOARD

Paul Martin Pavey
Angela Ho Wei Ling
Teo Meng Keong
Company Secretaries

Singapore,
13 October 2015

Explanatory Notes:

(i) Mr Colin Lee Yung Shih will, upon re-election as Director of the Company, remain as the Chairman of the Board and a member of Audit Committee. Mr Colin Lee Yung Shih is a non-independent non-executive director. Key information on Mr Colin Lee Yung Shih can be found on page 26 of the Annual Report 2015. Please also refer to page 69 of the Annual Report 2015 for Mr Colin Lee Yung Shih's shareholding interest in the Company.

(ii) Ordinary Resolution 7 proposed in item no. 7 is to empower the Directors, from the date of the passing of Ordinary Resolution 7 to the date of the next Annual General Meeting, to issue shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to an amount not exceeding in total 50% of the issued shares (excluding treasury shares) in the capital of the Company, with a sub-limit of 20% of the issued shares (excluding treasury shares) for issues other than on a pro rata basis to shareholders.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

(a) A member of the Company may appoint not more than two proxies to attend and vote at the general meeting of the Company. A proxy need not be a member of the Company.

(b) Where a member appoints more than one (1) proxy, he/she should specify the proportion of his/her shareholding (expressed as a percentage as a whole) to be represented by each proxy and if no percentage is specified, the first named proxy shall be treated as representing 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.

(c) A corporation which is a member may appoint an authorised representative or representatives in accordance with Section 179 of the Companies Act, Cap. 50 of Singapore to attend and vote for and on behalf of such corporation.

(d) The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or signed on its behalf by an officer or attorney duly authorised in writing.

(e) Where an instrument appointing a proxy is signed on behalf of the appointor by the attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

(f) The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 1 Coleman Street, #08-01 The Adelphi, Singapore 179803, not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis of the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy (ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

CHAIRMAN'S STATEMENT

Review of the year

For the FY15 ending June 30, BMT achieved a normalised revenue of $3,680,000 compared to $3,783,000 in the previous year, representing a decline of 3%. The decline in revenue was mainly attributable to the maturity of a number of corporate trust financing transactions. During the course of the year, the Company has been (i) actively focused on rationalizing its client mix away from lower margin retail accounts, and (ii) raising its profile within the preferred Corporate and High Net Worth target markets. Management has been reviewing new business opportunities in this regard and is looking to expand BMT's service offerings. These efforts are expected to gain traction over the next year or two.

The Company generated an operating profit before tax of $ 768,000 in the current year compared with an operating profit before tax of $3,706,000 in the prior year. The decline in profitability is due to costs incurred in the upgrading of operations, personnel and systems infrastructure in positioning the company for its future growth.

Over the last two years, the Board and management have systematically de-risked the company's balance sheet by reducing the amount of Available-For-Sale assets and disposing of the company's investment property. The intent is to focus on growing the core business, which will require further capital expenditure into systems and resources.

Dividend

During the year an interim tax exempt dividend of 1.50 cents per share was paid in March 2015. The Board is recommending a final tax exempt dividend of 2.70 cents per share and a special tax exempt dividend of 25.00 cents per share at the forthcoming Annual General Meeting to be held on 30 October 2015.

Assuming the approval of shareholders is obtained for the proposed dividend this will bring the total dividend per share for FY15 to 29.20 cents. The company will continue to review and manage its capital requirements with the aim of maintaining an optimal capital base.

Prospects

The capital expenditure incurred in FY15 to facilitate growth is expected to bear fruit in the second half of the FY16.

General

FY16 is expected to be a challenging year for the Singapore economy owing to the macro headwinds in the region and globally. Economic data reported in 1HCY15 suggests that deflationary pressures will continue, evidenced by falling asset and commodity prices, as well as regional currency weakness against the US dollar. In this tumultuous environment, BMT's strong balance sheet will work to our advantage, as well as provide our clients and business partners the comfort level it carries. BMT recognises and respects the increase in regulatory standards that is required to safeguard Singapore's standing as a pristine Financial Centre. As such, significant investments in resources has been spent over the last two years to transition the company into a modern, efficient and reliable establishment. The company is now on a firmer footing to explore growth opportunities and strategic relationships.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors (the "Board") of British and Malayan Trustees Limited (the "Company") is committed to upholding good corporate governance practices to protect the interests of the Company's shareholders.

This Corporate Governance Report (the "Report") describes the Company's corporate governance practices that were in place during the financial year ended 30 June 2015 ("FY2015") with specific reference to the Principles of the Code of Corporate Governance 2012 (the "Code"). The Board confirmed that the Company has, for the FY2015, generally adhered to the principles and guidelines as set out in the Code. Where there are deviations from the Code, appropriate explanations are provided.

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: Effective board to lead and control the Company. The Board is collectively responsible for the long-term success of the Company. The Board works with Management to achieve this objective and the Management remains accountable to the Board.

The primary role of the Board is to protect and enhance long-term shareholders' value and to ensure that the Company is run in accordance with best international management and corporate governance practices, appropriate to the needs and development of the Company.

Apart from its statutory duties and responsibilities, the Board oversees the management and affairs of the Company and approves important business decisions involving the Company's corporate strategy and direction. The Board has the overall responsibility for reviewing the strategic plans and performance objectives, financial plans and annual budget, key operational initiatives, major funding and investment proposals, financial performance reviews and corporate governance practices.

In delegating responsibility for the day-to-day operations and leadership of the Company to the Chief Executive Officer ("CEO") and the Management team, the Board has implemented a system of processes and procedures to ensure that significant issues, risks and major strategic decisions are monitored and considered at the Board level.

Delegation by the Board

In addition, to assist in carrying out its responsibilities, the Board has delegated certain functions to various board committees, namely the Audit and Risk Committee ("ARC"), Nominating Committee ("NC"), and Remuneration Committee ("RC"). Each Committee has its own written Terms of Reference, which clearly sets out its objectives, duties, powers and responsibilities. The Board accepts that while these board committees have the authority to examine particular issues they will report back to the Board with their decisions and /or recommendations, the ultimate responsibility on all matters lies with the Board.

All the Board members are actively engaged and play an important role in ensuring good corporate governance within the Company. Visits to the Company's business premises are also arranged to acquaint the non-executive Directors with the Company's operations and ensure that the Directors are familiar with the Company's business, policies and governance practices.

Directors are also provided with an insight into the Company's operational facilities and periodically meet with the Management to gain a better understanding of the Company's business operations. The Board as a whole is updated on risk management and the key changes in the relevant regulatory provisions which have an important bearing on the Company and the Directors' obligations to the Company.

CORPORATE GOVERNANCE STATEMENT

The profile of each Director is presented in the section headed "Board of Directors" of this Annual Report.

Board Approval

The Board has adopted and documented internal guidelines setting forth matters that require Board approval. The types of material transactions that require Board approval under such guidelines are listed below:

- Strategies and objectives of the Company;
- Annual budgets and business plans;
- Announcement of quarterly and full year results and release of annual reports;
- Issuance of shares;
- Declaration of interim dividends and proposal of final dividends;
- Convening of shareholders' meetings;
- Investments, divestments or capital expenditure exceeding S$ 1 million;
- Commitments to term loans and lines of credits from banks and financial institutions if any; and
- Interested party transactions.

Apart from the matters that specifically require the Board's approval, the Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to management so as to optimize operational efficiency.

The schedules of all the Board and Board Committee meetings for the financial year are given to all directors well in advance. To assist directors in planning their attendance, the Company Secretaries consult every director before fixing the dates of these meetings. The Board meets at least four (4) times a year and ad hoc meetings are also convened to deliberate on urgent substantive matters. Telephonic attendance and conference via audio-visual communication at Board and Board Committee meetings are allowed under the Company's Articles of Association. The Board and Board Committees may also make decisions by way of written resolutions.

The number of Board and Board Committee meetings held and the attendance of each Director for FY2015 where relevant are as follows:

		Board Committee		
	Board	Audit and Risk Committee	Remuneration Committee	Nominating Committee
No. of Meetings Held	**4**	**4**	**2**	**2**
	No. of Meetings Attended			
Mr Colin Lee Yung Shih	4	4	2*	2*
Mr Nigel David Stead	4	4	2	2
Ms Roxanne Davies	4	4*	2	2
Mr Lee Boon Huat	4	4	2	2
Mr James William Cox[(1)]	4	4*	2*	2*

* *By invitation*

Note:

(1) Mr James William Cox was appointed as CEO and Executive Director of the Company on 1 July 2014 and 16 October 2014, respectively.

CORPORATE GOVERNANCE STATEMENT

Induction of Directors

The Directors have access to the Company Secretaries and Management. They may also seek independent professional advice concerning the Company's affairs when necessary. Prior to their respective appointments to the Board, each of the Directors was given an orientation and induction programme, so as to familiarize themselves with the Company's business activities, strategic directions and policies. In addition, newly appointed directors are also introduced to the senior Management team.

Training of Directors

The Company Secretaries and auditors provide regular updates on the latest governance, listing rules and financial reporting standards during Board meetings, as and when required. All Directors are updated regularly concerning any changes in company policies. During the year, the Board was briefed and/or updated on the following: (1) impending changes to the Companies Act (Chapter 50) Singapore; and (2) material changes to accounting standards.

The Directors may also attend training, conferences and seminars at the Company's expense, to keep themselves updated on the latest developments concerning the Company and to keep abreast of regulatory changes.

BOARD COMPOSITION AND GUIDANCE

Principle 2: Strong and independent element on the Board

As at the date of this Report, the Board consists of five (5) Directors, comprising one (1) Executive Director and four (4) Non-Executive Directors. Of the Non-Executive Directors two (2) are considered to be Independent Directors. The Company has adopted the Code's definition of "Independent Director" and its guidance in respect of relationships which would deem a Director to be regarded as non-independent.

As two out of its five Directors are Independent Directors, the Board recognizes that this is not in accordance with the Code's guidelines that Independent Directors should make up at least half of the Board where the Chairman of the Board is not an Independent Director. The Board is of the view that the current Board size and composition are appropriate and effective to provide the necessary objective inputs to the various decisions made by the Board. The Board will periodically examine its composition to ensure a strong and independent element on the Board.

Each year, the Board's composition is reviewed by the NC to ensure that the Board has the appropriate mix of expertise and experience. The NC is of the view that the current Board comprises persons whose diverse skills, experience and attributes provide for an effective Board. The Board members also collectively possess the necessary core competencies and knowledge to lead and govern the Company effectively. The Board considered its size adequate for effective debate, strategic decision making and in exercising accountability to shareholders and delegating authority to Management taking into account the scope and nature of the Company's operations.

Directors' independent review

The NC is tasked to determine on an annual basis and as and when the circumstances require whether or not a director is independent, bearing in mind the Guidelines set forth in the Code of Corporate Governance and any salient factors which would render a director to be deemed not independent. Each Director is required to declare his independence based on the guidelines set forth in Guideline 2.3 of the Code. The NC will review and deliberate the independence of each Independent Director before giving its recommendation to the Board for deliberation. The NC has reviewed and determined that all the Independent Directors are considered independent.

CORPORATE GOVERNANCE STATEMENT

The Board is of the view that Mr Nigel David Stead and Mr Lee Boon Huat continue to demonstrate strong independence in character and judgement in the discharge of their responsibilities as directors of the Company. Based on the declaration of independence received from Mr Nigel David Stead and Mr Lee Boon Huat, combined with the fact that they have no association with the Management or substantial shareholders that could compromise their independence. After taking into account these factors, the Board has determined that Mr Nigel David Stead and Mr Lee Boon Huat continue to be considered as independent directors.

Neither of the Independent Directors has served on the Board beyond nine (9) years from their respective date of appointment.

The Independent Directors have full access to and co-operation of the Company's Management and officers. They also have full discretion to convene separate meetings without the presence of Management and to invite any Directors or officers to the meetings as and when warranted by certain circumstances.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: Clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. Chairman and Chief Executive Officer to be separate persons to ensure appropriate balance of power, increased accountability and greater capacity of the Board for independent decision makings.

Mr Colin Lee Yung Shih is the Non-Executive Chairman of the Company, while Mr James William Cox is the CEO (appointed on 1 July 2014) and Executive Director (appointed on 16 October 2014).

There is a clear division of responsibilities between the Chairman and CEO, which ensures a balance of power and authority at the top of the Company. With the separation of roles, the Chairman will bear responsibility for providing guidance on the corporate direction of the Company and leadership to the Board. The Chairman ensures that Board meetings are held when necessary and sets the agenda in consultation with other Directors. The Chairman reviews all Board papers, prior to their distribution to the Board, and ensures that Board members are provided with complete, accurate and timely information on a regular basis to enable them to be fully cognizant of the affairs of the Company.

The CEO sets the business strategies and directions for the Company and manages the business operations of the Company with senior management. The Chairman and CEO are not related to each other.

Taking into account the relatively small size of the Board and that the Company has two Independent Non-Executive Directors, the Board is of the view that there is currently no need to appoint one of them as the Lead Independent Director. Shareholders can channel any concerns they may have to either one of the Independent Non-Executive Directors.

BOARD MEMBERSHIP

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The NC comprises three (3) Directors, a majority of whom, including the Chairman of the NC, are Independent Non-Executive Director:

(i) Mr Nigel David Stead (Chairman)
(ii) Ms Roxanne Davies
(iii) Mr Lee Boon Huat

CORPORATE GOVERNANCE STATEMENT

According to the written terms of reference of the NC, the NC assists in performing the following functions:

(a) nominates directors (including Independent Directors) taking into consideration each Director's contribution, performance and ability to provide valuable insights and strategic networking to enhance the businesses of the Company;

(b) reviews and recommends to the Board the composition of the Audit and Risk Committee, and Remuneration Committee;

(c) re-nominates directors for re-election in accordance with the Articles of Association at each annual general meeting ("AGM") having regard to the director's contribution and performance;

(d) determines annually whether or not a director of the Company is independent;

(e) decides whether or not a director is able to and has been adequately carrying out his duties as a director;

(f) assesses the performance of the Board as a whole and the contribution of each director to the effectiveness of the Board;

(g) reviews and recommends succession plans for directors, in particular, the Chairman and for the CEO; and

(h) reviews and recommends training and professional development programs for the Board.

The process for the selection and appointment of new Board members is as follows:

- the NC evaluates the balance of skills, knowledge and experience of the Board and prepares a summary description of the role and the required competencies for the appointment;
- If required, the NC may engage consultants to undertake research on, or assess, candidates for new positions on the Boards;
- the NC meets with short-listed candidates to assess their suitability and to ensure that the candidates are aware of the expectations; and
- the NC makes recommendations to the Board for approval.

Article 87 of the Company's Articles of Association provides that one-third of the Directors for the time being to retire from office at every Annual General Meeting ("AGM") of the Company, provided that no Director holding office as Managing Director shall be subjected to retirement by rotation or to be taken into account in determining the number of Directors to retire. Pursuant to Article 119A of the Company's Articles of Association, any reference to "Managing Director" shall mean any person holding a position equivalent to a Managing Director.

Retiring Directors are selected on the basis of those who have been longest in office since their last election, and as between persons who became Directors on the same day, they will be selected by agreement or by lot. Pursuant to Article 94 of the Company's Articles of Association, a newly appointed Director shall retire at the AGM following his/her appointment and he/she shall be eligible for re-election.

The following Director will retire and seek for re-election at the forthcoming AGM:

- Mr Colin Lee Yung Shih (retiring pursuant to Article 87)

CORPORATE GOVERNANCE STATEMENT

The NC makes a recommendation to the Board on the re-election of Directors based on their contributions and performance, a review of the range of expertise, skills and attributes of current board members, and the needs of the Board.

For the year under review, the NC evaluated the Board's performance as a whole and the contribution of each Director to the effectiveness of the Board. The NC has adopted a formal process and criteria to assess the effectiveness of the Board and each of the directors. The evaluation is carried out annually.

As at the date of this Report, the Board comprises five (5) Directors. Details of the Directors' qualifications, initial appointment, last re-election and their directorships are as follows:

Name of Directors	Date of initial appointment	Date of last re-election	Academic and Professional Qualifications	Present and Past Directorship or Chairmanship in other listed companies*
Mr Colin Lee Yung Shih	16 February 1994	17 October 2013	Bachelor of Science	–
Mr Nigel David Stead	30 April 2010	17 October 2013	Bachelor of Science, Chartered Accountant, Chartered Financial Analyst	–
Ms Roxanne Davies	22 December 2011	16 October 2014	Master's in Business Administration	–
Mr Lee Boon Huat	30 June 2014	16 October 2014	Bachelor of Business	–
Mr James William Cox	16 October 2014	–	Juris Doctor	–

* *Within the past three years*

During FY2015, the NC is satisfied that sufficient time and attention was given by the Directors to the affairs of the Company, notwithstanding that some of the directors have multiple board representations there is presently no need to implement internal guidelines to address their competing time commitments. The NC is also of the opinion that the current board size is adequate for the effective functioning of the Board. The NC will continue to review from time to time, the Board representations and other principal commitments to ensure that Directors continue to meet the demands of the Company and are able to discharge their duties adequately.

The Company does not have a practice of appointing alternate directors.

BOARD PERFORMANCE

Principle 5: Formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

The NC is responsible for setting the performance criteria to assess the effectiveness of the Board. In the assessment, the NC takes into consideration a number of factors, namely the size and composition of the Board, the Board's access to information, Board's proceedings, the discharge of the Board's functions and the communications and guidance given by the Board to the Management.

A formal review of the Board's performance will be undertaken collectively by the Board annually. Each Director undertakes a self-assessment to evaluate their contribution to the Board. This self-assessment process takes into account, amongst other things, the board commitment, standard of conduct, competency, training and development and interaction with the other Directors, Management & Stakeholders. The Board's performance will also be reviewed by the NC with inputs from other Board members. The Chairman of the Board will act on the results of the performance evaluation and

CORPORATE GOVERNANCE STATEMENT

recommendation, and where appropriate, propose new members to be appointed to the Board or seek resignation of the Directors, in consultation with the NC.

The NC is satisfied that each member of the Board has been effective in carrying out their duties and contributed to the Board during the year.

The Board has not engaged any external facilitator in conducting the assessment of the effectiveness of the Board, the Board Committees and the performance of individual Directors. Where relevant, the NC may consider such engagements.

Each member of the NC shall abstain from voting on any resolution and making any recommendation and/or participating in any deliberation of the NC in respect of the assessment of his own performance.

ACCESS TO INFORMATION

Principle 6: Board members should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis.

The Board has separate and independent access to the senior Management of the Company and the Company Secretaries at all times. Requests for information are dealt with promptly by Management. The Board is informed of all material events and transactions as and when they occur. The Management consults Board members as necessary and appropriate. Detailed board paper agenda and related material, background or explanatory information relating to matters to be discussed are sent out to the Directors prior to each meeting so that all Directors may better understand the issues beforehand, allowing more time at such meetings for questions and deliberations that the Directors may have.

The Company Secretaries administer, attend and document all Board meetings, and assist the Chairman in implementing appropriate Board procedures to facilitate effective compliance with the Company's Memorandum and Articles of Association. The Company Secretaries also ensure the requirements of the Companies Act (Chapter 50) of Singapore, Listing Manual and other relevant rules and regulations applicable to the Company are complied with. The Company Secretaries work together with the respective divisions of the Company to ensure that the Company complies with all relevant rules and regulations. The appointment and removal of the Company Secretaries are subject to the approval of the Board.

The Board in fulfilling its responsibilities can, as a collective body or individually as Board members, when deemed appropriate, direct the Company, at the Company's expense, to appoint independent professionals to render advice.

REMUNERATION MATTERS

Principle 7: The policy on executive remuneration and for fixing remuneration packages of individual directors should be formal and transparent. No director should be involved in deciding his own remuneration.

The RC comprises the following three (3) Non-Executive Directors, a majority of whom including the Chairman are independent Directors:

(i) Mr Nigel David Stead (Chairman)
(ii) Ms Roxanne Davies
(iii) Mr Lee Boon Huat

CORPORATE GOVERNANCE STATEMENT

According to the written terms of reference of the RC, the RC assists in performing the following functions:

(a) recommends to the Board a framework of remuneration for the directors and key management personnel;

(b) determines specific remuneration packages for each executive director and key management personnel;

(c) reviews annually the remuneration of employees related to the directors and substantial shareholders to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities; and

(d) performs such other acts as may be required by the Singapore Exchange Securities Trading Limited and the Code from time to time.

The RC is responsible for ensuring formal and transparent procedures for developing policies on executive remuneration and reviewing the remuneration packages of individual directors, key management personnel and employees related to the Executive Director and Controlling Shareholders of the Company.

The recommendations of the RC should be submitted for endorsement by the Board as a whole. Each member of the RC shall abstain from voting on any resolutions in respect of his own remuneration package. Also, in the event that a member of the RC is related to the employee under review, he will abstain from participating in the review. Directors shall not be involved in the discussion and in deciding their own remuneration.

The RC has established a framework of remuneration for the Board and key management personnel covering all aspects of remuneration but not limited to directors' fees, salaries, allowances, bonuses, incentives schemes and benefits-in-kind.

The RC reviews the fairness and reasonableness of the termination clauses of the service agreements of the Executive Director and key management personnel to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous, with an aim to be fair and avoid rewarding poor performance.

When necessary, the RC will consult external professionals on remuneration matters of Directors and key management personnel.

Principle 8: The level of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

In making its recommendations to the Board on the level and mix of remuneration, the RC strives to be competitive, linking rewards with performance. It takes into consideration the essential factors to attract, retain and motivate the Directors and senior management needed to run the Company successfully, linking rewards to corporate and individual performance, aligning their interest with those of the shareholders and giving due regard to the financial and commercial health and business needs of the Company. The performance of the CEO together with other Key Management Personnel is reviewed annually by the RC and the Board.

The Executive Director does not receive director's fee but is remunerated as member of Management. The remuneration for the Executive Director and key management personnel comprises fixed and variable components under their respective service agreements. The fixed component is in the form of monthly salary whereas the variable component is linked to the performance of the Company and individual.

CORPORATE GOVERNANCE STATEMENT

The Company currently does not have a share-based compensation scheme or any long-term scheme involving the offer of shares or options.

The RC is of the view that it is currently not necessary to use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Director and key management personnel in exceptional circumstances of misstatement of financial statements, or of misconduct resulting in financial loss to the Company. The Executive Director and key management personnel owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Director and key management personnel in the event of such a breach of their fiduciary duties.

The remuneration of the Independent Directors is in the form of a fixed fee taking into account factors such as effort and time spent, as well as their responsibilities and obligations. The Directors' fees will be subject to shareholders' approval at the AGM. Each member of the RC abstains from voting on any resolution, participating in any deliberation of the RC, and making any recommendation in respect of his remuneration.

Principle 9: Clear disclosure on remuneration level and mix of remuneration, and the procedure for setting remuneration in the Company's annual report.

The remuneration of the directors and the Top Two Key Management Personnel, who are not Directors or the CEO of the Company, for FY2015, are disclosed below. The disclosure is to enable investors to understand the link between remuneration paid to Directors and Key Management Personnel, and performance.

Name of Director	Directors' Fees S$	Salary S$	Bonus S$	Allowance S$	Total S$
Mr Colin Lee Yung Shih	35,000	–	–	–	35,000
Mr Nigel David Stead	50,000	–	–	–	50,000
Ms Roxanne Davies	30,000	–	–	–	30,000
Mr Lee Boon Huat	35,000	–	–	–	35,000
Mr James William Cox (1)	–	360,000	–	–	360,000

Note:

1. *Mr James William Cox was appointed as Executive Director and Chief Executive Officer on 16 October 2014 and 1 July 2014, respectively.*

Name of Key Management	Designation	Salary* S$	Bonuses S$	Allowance S$	Total S$
Mr Paul Martin Pavey	Chief Operating Officer and Chief Financial Officer	289,000	–	–	289,000
Ms Angela Ho Wei Ling	Financial Controller	225,504	–	–	225,504

* *Salary includes Central Provident Fund employer contributions*

Notwithstanding Guidelines 9.3 of the Code, the Company is disclosing the remuneration of only two Key Management Personnel because the Company had only such a number of Key Management Personnel (who were not also directors) during FY2015.

The annual aggregate remuneration paid to all the above mentioned Key Management Personnel of the Company in FY2015 was S$514,504.

The Company does not have any employees who are immediate family members of a Director or the CEO of the Company.

CORPORATE GOVERNANCE STATEMENT

The RC is of the view that their remunerations are in line with the Company's staff remuneration guidelines and commensurate with their job scopes and level of responsibilities.

There are no termination, retirement and/or post-employment benefits granted to Directors or Key Management Personnel during FY2015.

ACCOUNTABILITY AND AUDIT

Principle 10: The Board should present a balanced and understandable assessment of the Company's performance, position and prospects.

The Board is responsible to provide a balanced and understandable assessment of the Company's performance, position and prospects, to its shareholders, the public and regulators. The Board is accountable to its shareholders and is mindful of its obligations to furnish timely information and to ensure full disclosure of material information to its shareholders in compliance with the statutory requirements and the Listing Manual.

The Board recognizes the importance and aims to provide the shareholders with a balanced and understandable assessment of the Company's performance including accurate, relevant and appropriate information of the financial position, detailed explanatory analysis and the prospects of the Company when it announces the interim and annual financial statements. The announcements submitted for shareholders and the public will be in accordance with the SGX-ST timelines and regulations.

The Board reviews and approves the quarterly and full year financial results and other statutory corporate announcements before such announcements are disseminated to shareholders through announcements via SGXNET.

The Board reports to the shareholders at each AGM and is elected by the shareholders. Management provides the Board members with management reports and accounts of the Company's performance, financial position and prospects on a quarterly basis.

Principle 11 - Maintains a sound system of risk management and internal controls to safeguard the shareholders' interests and the Company's assets.

The Company's internal controls and systems are designed to provide reasonable assurance as to the integrity and reliability of the financial information and to safeguard and maintain accountability of assets. Procedures are in place to identify major business risks and evaluate potential financial effects, as well as for the authorization of capital expenditure and investments.

The Company employs the Enterprise Risk Management ("ERM") framework developed by BDO LLP, an independent professional firm, to perform risk assessment reviews on areas of significant business risks as well as appropriate measures to control and mitigate these risks. The Management reviews regularly and updates the Board quarterly on the Company's business and operational activities in respect of the key risk control areas including financial, operational, compliance and information technology controls and continues to apply appropriate measures to control and mitigate these risks. Any significant matters are highlighted to the Board and the ARC for further discussion.

Ernst & Young LLP, the external auditors of the Company carry out, in the course of their statutory audit, an annual review of the effectiveness of the Company's key internal controls, including financial, operational, compliance, information technology controls as well as risk management systems to the extent of their scope as laid out in their audit plan. Any material weaknesses in internal controls, together with recommendations for improvement, are reported to the ARC.

It is the opinion of the Board that the system of internal controls maintained by the Company's Management that was in place throughout the financial year and up to the date of this Report, provides reasonable

CORPORATE GOVERNANCE STATEMENT

assurance against material financial misstatements or losses, and includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulations and best practices, and the identification and containment of financial, operational and compliance and information technology risks.

Based on the internal controls established and maintained by the Company, work performed by the internal and external auditors, the Board, with the concurrence of the ARC, are of the opinion that the Company's internal controls addressing financial, operational, compliance and information technology risks, and risks management systems were adequate and effective as at the date of this Report.

The Board has received assurance from the CEO and Chief Financial Officer that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances and also that an effective risk management and internal control system is in place.

The Board notes that all internal control systems are designed to manage rather than eliminate risks and no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error losses, fraud or other irregularities.

Principle 12 - Establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The ARC comprises the following three (3) Non-Executive Directors, a majority of whom including the Chairman are independent Directors:

(i) Mr Nigel David Stead (Chairman)
(ii) Mr Colin Lee Yung Shih
(iii) Mr Lee Boon Huat

The Board ensures that the members of the ARC are appropriately qualified to discharge their responsibilities and they possess the requisite accounting and financial management expertise and experience.

The ARC is governed by its terms of reference which highlights its primary responsibilities as follows:-

(a) to assist the Board in discharging their responsibility to safeguard the Company's assets, maintain adequate accounting records, and develop and maintain effective systems of internal controls with the overall objective of ensuring that the Company's management creates and maintains an effective control environment;

(b) to provide a channel of communication between the Board, the management team and the external auditors on matters relating to the audit;

(c) to monitor management's commitment to the establishment and maintenance of a satisfactory control environment and an effective system of internal controls (including any arrangements for internal audit);

(d) to monitor and review the scope and results of external audit, its cost effectiveness and the independence and objectivity of the external auditors.

In addition, the functions of the ARC shall include the following:

(a) review with the external auditors the audit plans, their evaluation of the systems of internal controls, their management letter and the management's response thereto;

CORPORATE GOVERNANCE STATEMENT

(b) review with the internal auditors the internal audit plans and their evaluation of the adequacy of the Company's internal controls and accounting system before submission of the results of such review to the Company's Board for approval;

(c) review quarterly and annual financial statements and results announcements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Listing Manual and any other relevant statutory or regulatory requirements;

(d) review the internal controls and procedures and ensure co-ordination between the external auditors and the management, review the assistance given by management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of management where necessary);

(e) review and consider the appointment or re-appointment of the external auditors and matters relating to resignation or dismissal of the auditors;

(f) review interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual;

(g) review the Company's' hedging policies, procedures and activities (if any) and monitor the implementation of the hedging procedure/policies, including reviewing the instruments, processes and practices in accordance with any hedging polices approved by the Board;

(h) review potential conflicts of interest, if any, and to set out a framework to resolve or mitigate such potential conflicts of interests;

(I) undertakes such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the ARC;

(j) review and discusses with investigators, any suspected fraud, irregularity, or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and the management's response thereto;

(k) generally to undertake such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time;

(l) review the effectiveness and adequacy of the administrative, operating, internal accounting and financial control procedures;

(m) review the key financial risk areas, with a view to providing an independent oversight of the Company's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, to be immediately announced via SGXNET;

(n) review arrangements by which the staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matters and for appropriate follow-up; and

The ARC has the power to conduct or authorize investigations into any matters within its scope of responsibility. The ARC is authorized to obtain independent professional advice whenever deemed necessary for the discharge of its responsibilities. Such expenses will be borne by the Company.

The ARC has been given full access to and is provided with the co-operation of the Company's management. In addition, the ARC has independent access to the external auditors. Both the external auditors and internal auditors report directly to the ARC in respect of their findings and recommendations.

CORPORATE GOVERNANCE STATEMENT

The ARC also has full discretion to invite any director or executive officer to attend the meetings, and has been given reasonable resources to enable the discharge of its functions. Each member of ARC shall abstain from voting on any resolutions in respect of matters in which he is interested.

As at the Report date, the ARC has:

(a) reviewed the scope of work of the external auditors;
(b) reviewed the audit plans and discussed the results of the respective findings and their evaluation of the Company's system of internal accounting controls;
(c) reviewed the interested person transactions of the Company;
(d) met with the Company's external auditors and internal auditors without the presence of the management;
(e) reviewed the external auditors' independence and objectivity; and
(f) reviewed the Company's procedures for detecting fraud and whistle-blowing matters and to ensure that arrangements are in place by which any employee, may in confidence, raise concerns about improprieties in matters of financial reporting, financial control, or any other matters. A report is presented to the ARC on quarterly basis wherever there is a whistle-blowing issue.

The ARC has reviewed the external auditors' non-audit services and is satisfied that the nature and extent of such services have not prejudiced the independence and objectivity of the external auditors. The ARC recognizes the need to maintain a balance between the independence and objectivity of the external auditors and the work carried out by the external auditors based on value for money consideration. The aggregate amount of fees paid to Ernst & Young LLP for FY2015 was S$142,600 comprising of audit fees of S$105,000 and non-audit fees of S$37,600.

The ARC has recommended to the Board the re-appointment of Ernst & Young LLP as the Company's external auditors at the forthcoming AGM.

The Company confirms that Rules 712 of the Listing Manual have been complied with.

No former partner or director of the Company's existing auditing firm is a member of the ARC.

The Company has established a whistle-blowing policy where staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting, fraudulent acts and other matters, and ensure that arrangements are in place for independent investigations of such matters and for appropriate follow up actions. As at the date of this Report, there were no reports received through the whistle-blowing mechanism.

Principle 13 - Establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Board recognizes the importance of maintaining an internal audit function, independent of the activities it audits, to maintain a sound system of internal controls within the Company to safeguard shareholders' investments and Company's assets.

The Company has implemented an ERM Framework to perform risk assessment reviews on areas of significant business risks as well as appropriate measures to control and mitigate these risks. The Company's internal audit function is outsourced to BDO LLP, a professional firm who is independent of the Company's business activities.

The internal auditors conduct audits based on the standards set by internationally recognized profession bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The internal audit plan is submitted to the ARC for approval prior to the commencement of the internal audit work. The internal auditors review the effectiveness of key internal controls in accordance with the internal audit plan. The internal auditors have a direct and primary

CORPORATE GOVERNANCE STATEMENT

reporting line to the ARC and assist the ARC in overseeing and monitoring the implementation and improvements required on internal control weaknesses identified. The internal auditor has unrestricted access to documents, records, properties and personnel of the Company. The ARC will review the adequacy and effectiveness of the internal audit function annually.

The role of the Internal Auditors is to support the ARC in ensuring that the Company maintains a sound system of internal controls by monitoring and assessing the effectiveness of key controls and procedures, conducting in-depth audit of high risk areas and undertaking investigations as directed by the ARC.

The Company's external auditors also conduct annual reviews of the effectiveness of the Company's material internal controls for financial reporting in accordance with the scope as laid out in their audit plans.

SHAREHOLDERS RIGHTS AND RESPONSIBILITIES

Principle 14: Companies should engage in regular, effective and fair communication with shareholders.
Principle 15: Companies should encourage greater shareholder participation at AGMs, and allow shareholders the opportunity to communicate their views on various matters affecting the company.
Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Company is committed to regular and open communication with its shareholders. In line with the continuous obligations of the Company pursuant to the Listing Manual, the Board's policy is that all shareholders should be equally informed of all major developments impacting the Company. The Company ensures that it does not practice selective disclosure of information to any particular group of persons.

Information is disseminated to shareholders on a timely basis through:

- SGXNET announcements;
- annual reports prepared and issued to all shareholders;
- quarterly and annual financial statements containing a summary of the financial information and affairs of the Company for the period; and
- Notice of general meetings.

At the AGM, shareholders are given the opportunity to voice their views and seek clarification on questions regarding the Company. Shareholders are able to proactively engage the Board and the Management on the Company's business activities, financial performance and other business related matters through dialogue sessions. The Company believes in regular, effective and fair communication with shareholders and is committed to hearing shareholders' view and addressing their concerns.

The Directors, Management and the external auditors will be present at the AGM to address shareholders' queries. Given the size of the Company, the Company does not appoint a dedicated team to oversee the investor relations function. Nevertheless, the Directors and Management are available to respond to the shareholders' enquiry, if any. Resolutions are, as far as possible, structured separately and may be voted on independently by the shareholders at the AGM.

The Company fully supports the Code's principle to encourage shareholders' participation. Notices of general meetings are published in the newspapers and reports or circular are dispatched to all shareholders by post. The notices are also released via SGXNet and published in the local newspaper.

CORPORATE GOVERNANCE STATEMENT

The Company's Articles of Association allows the appointment of one or two proxies by shareholders, to attend the AGM and vote in his/her place. The Company, however, has not implemented measures to allow shareholders who are unable to vote in person at the Company's AGM the option to vote in absentia, such as via mail, electronic mail or facsimile transactions.

The Company Secretaries prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meetings and responses from the Board and Management, and to make these minutes, subsequently approved by the Board, available to shareholders during office hours.

The Company has been declaring dividends annually. Any payouts are clearly communicated to shareholders in public announcements and via announcements on SGXNET when the Company discloses its financial results.

The Board acknowledges the requirement of putting all resolutions to be voted by poll, which takes effect from 1 August 2015. The Company will be conducting its voting by poll at the forthcoming AGM where shareholders are accorded rights proportionate to their shareholding and all votes counted.

Dealing in Securities

The Company has in place a policy prohibiting share dealings by Directors and employees of the Company when in possession of price sensitive information and for the period of two weeks before the release of quarterly results and one month before the release of the full-year results, with the restriction ending on the day after the announcement of the relevant results. Directors and employees are expected to observe the insider trading laws at all times even when dealing in securities within permitted trading periods. An officer should also not deal in the Company's securities on short-term consideration and/or possession of unpublished material price-sensitive information relating to the relevant securities.

Material Contracts

There were no material contracts of the Company, including loans, involving the interests of any Director, CEO or the controlling shareholders during FY2015.

Risk Management

The Company has in place policies and procedures to manage the business, operating and financial risks of the Company. Risk assessment and evaluation is conducted at each business unit and mitigating actions to manage each significant risk are reviewed and discussed by Management and the Board. The Company has implemented the Enterprise Risk Management (ERM) Framework for its procedures and processes.

Interested Person Transactions

The ARC reviewed the Company's Interested Party Transaction ("IPT") to ensure transactions were carried out on normal commercial terms and are not prejudicial to the interests of the Company or its non-controlling shareholders. On a quarterly basis, management reports to the ARC the IPTS if any. There were no interested party transactions for FY2015. The ARC is satisfied that the internal controls over the identification, evaluation, review, approval and reporting of the IPTs was effective.

BOARD OF DIRECTORS

Disclosure of information on background of Directors and Key Management Staff in Annual Report

Mr Colin Lee Yung-Shih
Chairman
Mr Colin Lee Yung-Shih was appointed to the Company's Board of Directors in February 1994. He is also a member of the Company's Audit Committee. Mr Lee is the Managing Director of Chartered Asset Management Pte Ltd and holds a Bachelors degree in Science.

Mr Nigel David Stead
Director
Mr Nigel David Stead was appointed to the Company's Board of Directors in April 2010. He is a co-founder of ManagementPlus Group which was formed in 2006. From 1985 to 2005 he worked for the Bank of Bermuda Limited and then HSBC after the acquisition of the Bank of Bermuda group and as Managing Director of HSBC Institutional Trust Services (S) Limited. He has worked in the accounting, banking and trust industries for more than 40 years and has been living in Singapore for 18 years. Mr Stead is the Managing Director of DirectorsPlus (Singapore) Pte Limited and holds a Bachelors degree (Honours) in Management Science. He is a Fellow of the Institute of Chartered Accountants in England and Wales and a Chartered Financial Analyst.

Ms Roxanne Davies
Director
Ms Roxanne Davies was appointed to the Company's Board of Directors in December 2011. She is the Managing Director of Parly Singapore Pte Ltd. From 2005 to mid of 2011, she held a senior management role in Parly Company SA, Geneva, Switzerland, where she was Head of Research and Investments. She has worked in the banking, investment advisory and fund management industries for more than 22 years. Ms Roxanne holds a Master in Business Administration from HEC, University of Geneva, Switzerland.

Mr Lee Boon Huat
Director
Mr Lee Boon Huat was appointed to the Board as of June 30, 2014. He has extensive experience in the financial services industry having served as an executive of Standard Chartered Bank from 1998 to 2012, in the capacities at various times as Head of Markets (SEA), Head of Sales (ME) and COO (SEA). Mr Lee holds a Bachelor of Business (Accounting) degree from Western Australian Institute of Technology.

Mr James William Cox
Executive Director
Mr. Cox has been active as an international lawyer for over 30 years, advising families and businesses (including financial service companies) concerning governance, structuring, and transactional matters. His business activities have included family office advisory services and participation in the launch and development of a publicly listed asset management company.

KEY MANAGEMENT STAFF

Disclosure of information on background of Directors and Key Management Staff in Annual Report – Continued

Mr James William Cox
Chief Executive Officer, Executive Director
Mr. Cox has been active as an international lawyer for over 30 years, advising families and businesses (including financial service companies) concerning governance, structuring, and transactional matters. His business activities have included family office advisory services and participation in the launch and development of a publicly listed asset management company.

Mr Paul Martin Pavey
Chief Financial Officer, Chief Operating Officer and Company Secretary
Mr Pavey has been employed in the accounting and investment industry since 1986 mainly in the operations, accounting, and administration and risk management roles with organizations in the funds management, banking and trustee businesses. Mr Pavey has a Bachelor of Business Degree from the University of Technology, Sydney and a Graduate Diploma in Applied Finance and Investments from the Financial Services Institute of Australasia. Mr Pavey is a CPA, an Associate member of the Institute of Singapore Chartered Accountants and a Fellow of the Financial Services Institute of Australasia.

Ms Angela Ho Wei Ling
Financial Controller, Company Secretary
Ms Angela Ho is a Certified Public Accountant. Prior to joining the Company, she was with a Fund Administrator Company as well as a healthcare listed company. Ms Ho graduates with the professional qualification from the Association of Chartered Certified Accountants (ACCA).

DIRECTORS' REPORT

The directors are pleased to present their report to the members together with the audited financial statements of British and Malayan Trustees Limited (the "Company") for the financial year ended 30 June 2015.

DIRECTORS

The directors of the Company in office at the date of this report are:

Mr Colin Lee Yung Shih (Chairman)
Mr Nigel David Stead
Ms Roxanne Davies
Mr Lee Boon Huat
Mr James William Cox (Appointed on 16 October 2014)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Name of director	Holdings registered in name of director or nominee		Holdings in which a director is deemed to have an interest	
	At 30.06.15	At 30.06.14	At 30.06.15	At 30.06.14
Ordinary shares of the Company				
Colin Lee Yung Shih	–	–	2,620,800	2,620,800
Roxanne Davies	–	–	3,769,920	3,769,920

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 August 2015.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

DIRECTORS' CONTRACTUAL BENEFITS

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

DIRECTORS' REPORT

OPTIONS

During the financial year, there was:

(a) no option granted by the Company to any person to take up unissued shares of the Company; and

(b) no share issued by virtue of the exercise of options to take up unissued shares of the Company.

At the end of the financial year, there was no unissued share of the Company under option.

AUDIT AND RISK COMMITTEE

The directors of British and Malayan Trustees Limited have adopted the principles of corporate governance under the Best Practices Guide with respect to Audit and Risk Committees as formulated by the Singapore Exchange ("SGX").

The Audit and Risk Committee comprises the following directors. All members of the Audit and Risk Committee are non-executive directors:

Mr Nigel David Stead (Chairman)
Mr Colin Lee Yung Shih
Mr Lee Boon Huat

The Audit and Risk Committee carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act, Chapter 50.

The Audit and Risk Committee held four meetings during the year with full attendances from all members and performs the following functions:

(a) reviewed the audit plans and findings of both the external and internal audit work, the results of their examination and evaluation of the Company's system of accounting and internal controls, and management's response to their recommendations;

(b) reviewed the Company's quarterly and annual results announcements, the statutory financial statements of the Company in conjunction with the external auditor's comments thereon prior to their submissions to the directors for approval;

(c) reviewed the assistance and co-operation given by the Company's officers to the personnel performing the external and internal audit work;

(d) recommended to the board of directors the external auditor to be nominated, approves the compensation of the external auditor and reviews the scope and results of the audit;

(e) reviewed interested persons transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual; and

(f) reviewed the nature and extent of non-audit services provided by external auditor.

In performing its function, the Audit and Risk Committee met and reviewed findings of the auditors and the assistance given to them by management. During the financial year ended 30 June 2015, the Audit and Risk Committee has reviewed the independence of the external auditors, including the scope of the non-audit services performed and has formed the view that the external auditors are independent.

Further details regarding the Audit and Risk Committee are disclosed in the Corporate Governance Statement.

DIRECTORS' REPORT

BOARD'S OPINION ON INTERNAL CONTROLS

Based on the report submitted by the internal auditor and various management controls put in place, the directors with the concurrence of the Audit and Risk Committee is of the opinion that the internal controls and risk management systems of the Company are adequate in addressing its financial, operational and compliance risks.

AUDITOR

Ernst & Young LLP have expressed their willingness to accept reappointment as auditors.

On behalf of the Board of Directors:

Colin Lee Yung Shih
Director

Nigel David Stead
Director

Singapore
21 August 2015

STATEMENT BY DIRECTORS

We, Colin Lee Yung Shih and Nigel David Stead, being two of the directors of British and Malayan Trustees Limited, do hereby state that, in the opinion of the directors:

(a) the accompanying income statement, statement of comprehensive income, balance sheet, statement of changes in equity and cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company as at 30 June 2015 and the results of the business, changes in equity and cash flows of the Company for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors:

Colin Lee Yung Shih
Director

Nigel David Stead
Director

Singapore
21 August 2015

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 June 2015
To the members of British and Malayan Trustees Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of British and Malayan Trustees Limited (the "Company") set out on pages 7 to 41, which comprise the balance sheet of the Company as at 30 June 2015, and the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 June 2015
To the members of British and Malayan Trustees Limited

Opinion

In our opinion, the financial statements of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Company as at 30 June 2015 and of the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
21 August 2015

INCOME STATEMENT

For the financial year ended 30 June 2015

	Note	2015 S$	2014 S$
Revenue	4	3,173,313	3,282,454
Other items of income			
Interest income		72,355	64,638
Dividends income		225,827	313,293
Rental income		–	65,548
Net foreign exchange gain		8,151	–
Other income		200,621	57,541
Gain on disposal of investment property		–	3,539,561
Gain on sale of available-for-sale ("AFS") financial assets	16	2,098,761	–
Items of expense			
Employee benefits expense	5	(2,793,809)	(1,920,500)
Depreciation expense		(179,110)	(170,823)
Other expenses	6	(2,038,469)	(1,521,068)
Net foreign exchange loss		–	(3,818)
Profit before tax		767,640	3,706,826
Income tax credit/(expense)	7	5,325	(45,953)
Profit for the year		772,965	3,660,873
Earnings per share (dollars per share) - basic and diluted	8	0.09	0.42

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2015

	Note	2015 S$	2014 S$
Profit for the year		772,965	3,660,873
Other comprehensive income			
Net gain on fair value changes of AFS financial assets	16	265,115	61,199
Other comprehensive income for the year		265,115	61,199
Total comprehensive income for the year		1,038,080	3,722,072

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

BALANCE SHEET

As at 30 June 2015

	Note	2015 S$	2014 S$
ASSETS			
Non-current assets			
Property, plant and equipment	9	3,501,977	3,590,061
		3,501,977	3,590,061
Current assets			
Prepayments		216,853	195,836
Available-for-sale ("AFS") financial assets	10	2,356,307	5,364,732
Trade and other receivables	11	1,029,345	517,474
Cash and short-term deposits	12	12,039,499	11,387,476
		15,642,004	17,465,518
Total assets		19,143,981	21,055,579
LIABILITIES			
Non-current liabilities			
Deferred tax liability	14	4,213	9,538
Current liabilities			
Advanced trustee services billings		333,060	398,671
Other liabilities	13	1,055,061	554,980
Income tax payable		–	36,415
		1,388,121	990,066
Total liabilities		1,392,334	999,604
Net current assets		14,253,883	16,475,452
Net assets		17,751,647	20,055,975
Equity attributable to equity holders of the Company			
Share capital	15	2,736,900	2,736,900
Fair value reserve	16	1,324,682	3,158,328
Capital reserve	17	–	6,665,817
Retained earnings		13,690,065	7,494,930
Total equity		17,751,647	20,055,975
Total equity and liabilities		19,143,981	21,055,579

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2015

	Note	Share capital S$	Fair value reserve S$	Capital reserve S$	Retained earnings S$	Total equity S$
Balance at 1 July 2013		2,736,900	3,097,129	6,665,817	4,201,896	16,701,742
Profit for the year		–	–	–	3,660,873	3,660,873
Other comprehensive income		–	61,199	–	–	61,199
Total comprehensive income		–	61,199	–	3,660,873	3,722,072
Final dividends relating to 2013	18	–	–	–	(236,468)	(236,468)
Interim dividends relating to 2014	18	–	–	–	(131,371)	(131,371)
Balance at 30 June 2014 and at 1 July 2014		2,736,900	3,158,328	6,665,817	7,494,930	20,055,975
Profit for the year		–	–	–	772,965	772,965
Other comprehensive income		–	265,115	–	–	265,115
Total comprehensive income		–	265,115	–	772,965	1,038,080
Sale of available-for-sale ("AFS") financial assets		–	(2,098,761)	–	–	(2,098,761)
Transfer to retained earnings		–	–	(6,665,817)	6,665,817	–
Final dividends relating to 2014	18	–	–	–	(1,112,276)	(1,112,276)
Interim dividends relating to 2015	18	–	–	–	(131,371)	(131,371)
Balance at 30 June 2015		2,736,900	1,324,682	–	13,690,065	17,751,647

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

CASH FLOW STATEMENT

For the financial year ended 30 June 2015

	Note	2015 S$	2014 S$
Cash flows from operating activities			
Profit before tax		767,640	3,706,826
Adjustments for:			
Depreciation expense		179,110	170,823
Interest income		(72,355)	(64,638)
Dividends income		(225,827)	(313,293)
Property, plant and equipment written-off		906	4,725
Gain on sale of available-for-sale ("AFS") financial assets		(2,098,761)	–
Gain on disposal of investment property		–	(3,539,561)
Operating loss before changes in working capital		(1,449,287)	(35,118)
Changes in working capital			
Increase in trade and other receivables and prepayments		(547,187)	(152,364)
Increase/(decrease) in other liabilities and advanced trustee services billings		434,470	(577,601)
Cash flows used in operating activities		(1,562,004)	(765,083)
Net income tax (paid)/received		(37,203)	33,975
Net cash flows used in operating activities		(1,599,207)	(731,108)
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(91,932)	(25,559)
Proceeds from disposal of investment property		–	3,612,842
Proceeds from sale on AFS financial assets		3,301,342	–
Interest received		87,442	59,010
Dividends received		198,025	180,136
Net cash flows generated from investing activities		3,494,877	3,826,429
Cash flows from financing activity			
Dividends paid	18	(1,243,647)	(367,839)
Net cash flows used in financing activity		(1,243,647)	(367,839)
Net increase in cash and cash equivalents		652,023	2,727,482
Cash and cash equivalents at beginning of year		11,387,476	8,659,994
Cash and cash equivalents at end of year	12	12,039,499	11,387,476
Supplementary non-cash transactions:			
Scrip dividend received		27,802	133,157

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

1. CORPORATE INFORMATION

British and Malayan Trustees Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office and principal place of business of the Company is located at 1 Coleman Street, #08-01 The Adelphi, Singapore 179803.

The principal activity of the Company consists of the provision of trustee services in Singapore.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS").

The financial statements of the Company have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars ("SGD" or "S$"), which is the Company's functional and presentation currency.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards and Interpretations of FRS that are effective for annual periods beginning on or after 1 July 2013. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Company.

2.3 Standards issued but not yet effective

The Company has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 16 and FRS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Annual improvements to FRS 2012 - 2014 cycle	
– Amendments to FRS 1 *Disclosure Initiative*	1 January 2016
FRS 115 *Revenue from Contracts with Customers*	1 January 2017
FRS 109 *Financial Instruments*	1 January 2018

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards issued but not yet effective (continued)

Except for the below standards, management expects that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the following standards is described below:

FRS 115 Revenue from Contracts with Customers

FRS 115 was issued in November 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under FRS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under FRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The Company is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

FRS 109 Financial instruments: Classification and Measurement

In December 2014, the Accounting Standards Council issued the final version of FRS 109 *Financial Instruments* which reflects all phases of the financial instruments project and replaces FRS 39 *Financial Instruments: Recognition and Measurement*. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory in the year of adoption. The Company is currently assessing the impact of FRS 109 and plans to adopt the new standard on the required effective date.

2.4 Foreign currencies

The Company's financial statements are presented in S$, which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, all property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful lives
Leasehold properties	Shorter of 50 years and the lease term (Note 9)
Leasehold improvements	5 years
Furniture and fittings	5 years
Office equipment	5 years
Computer equipment	3 years

The residual value, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. They are adjusted prospectively, if appropriate.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit is expected from its use or disposal. Any gains or losses on de-recognition of the asset is included in profit or loss in the financial year the asset is derecognised.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expense in profit or loss during the financial year in which it is incurred.

On disposal of an item of property, plant and equipment, the differences between the net disposal proceeds and its carrying amount are taken to profit or loss.

2.6 Investment properties

Investment properties are properties that are either owned by the Company or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Investment properties (continued)

Investment properties are initially measured at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation and accumulated impairment losses. Investment properties are depreciated on a straight-line basis over a period of 50 years.

The residual value, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the investment properties. They are adjusted prospectively, if appropriate.

The carrying values of investment properties are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the financial year of retirement or disposal.

2.7 Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written-down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Impairment of non-financial assets (continued)

For assets excluding goodwill, an assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.8 Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classifications as follows:

(a) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains or losses are recognised in profit or loss when the loans and receivables are derecognised or impaired and through the amortisation process.

(b) Available-for-sale ("AFS") financial assets

AFS financial assets include equity and debt securities. Equity investments classified as AFS are those, which are neither classified as held-for-trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, AFS financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains or losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gains or losses previously recognised in other comprehensive income are reclassified from other comprehensive income to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Financial assets (continued)

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gains or losses that have been recognised in other comprehensive income are recognised in profit or loss.

Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

2.9 Impairment of financial assets

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired:

(a) *Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written-off against the carrying values of the financial assets.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Impairment of financial assets (continued)

(b) *AFS financial assets*

In the case of equity investments classified as AFS, objective evidence of impairment include: (i) significant financial difficulty of the issuer or obligor; (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates and indicates that the cost of the investments in equity instruments may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investments below its costs. "Significant" is to be evaluated against the original cost of the investments and "prolonged" against the period in which the fair value has been below its original cost.

If an AFS financial asset is impaired, an amount comprising the differences between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair values after impairment is recognised directly in other comprehensive income.

In the case of debt instruments classified as AFS, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of financial income. If, in a subsequent period, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed in profit or loss.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.11 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provisions are reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of other financial liabilities not at fair value through profit and loss, plus directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classifications as follows:

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held-for-trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held-for-trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The Company has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

(b) Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains or losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

Derecognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability and the difference in the respective carrying amounts is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Employee benefits

Defined contribution plans

The Company makes contribution to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the financial period in which the related service is performed.

2.14 Leases

(a) *As lessor*

Leases where the Company retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.15 to the financial statements. Contingent rents are recognised as revenue in the financial year in which they are earned.

(b) *As lessee*

Operating lease payments are recognised as an expense in profit and loss on a straight-line basis over the lease term.

2.15 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangements to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

(a) *Commission income*

Commission income for trustee services is recognised in the financial year in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be performed.

(b) *Trustee fees*

Fees from the provision of trustee services consist of acceptance fee, periodic trustee fees and a proportion of trustee fees collected upfront.

Trustee fees earned as trustees of unit trusts, estates and debentures are recognised over the financial year in which the services are rendered.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Revenue (continued)

(c) *Interest income*

Interest income from fixed deposits and interest-bearing securities is recognised in profit or loss on a time-proportion basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instruments and thereafter amortising the discount as interest income.

(d) *Dividend income*

Dividend income from equity securities is recognised in profit or loss in the financial year in which the right to receive payment is established.

(e) *Rental income*

Rental income arising from operating leases on the Company's investment property is accounted for on a straight-line basis over the lease term.

2.16 Taxes

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the end of the reporting period in the countries where the Company operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subjected to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Taxes (continued)

(b) *Deferred tax (continued)*

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Segment reporting

For management purposes, the Company is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charges. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 24 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.18 Share capital and share issue expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.19 Dividends

Interim dividends and final dividends are recorded in the financial year in which they are declared and paid by the Company.

2.20 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(b) a present obligation that arises from past events but is not recognised because:

  (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

  (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent liabilities and assets are not recognised on the balance sheet of the Company, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

(i) Has control or joint control over the Company;
(ii) Has significant influence over the Company; or
(iii) Is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
(iii) Both entities are joint ventures of the same third party;
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
(vi) The entity is controlled or jointly controlled by a person identified in (a); or
(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Judgements made in applying accounting policies

The directors are of the view that there is no critical judgement made by management in the process of applying the Company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Key sources of estimation uncertainty

The key assumption made concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is discussed below:

Taxation

The Company has exposure to income taxes in Singapore jurisdiction. Significant judgement is involved in determining the Company's provision for taxation. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the financial year in which such determination is made. The Company has no income tax payable as at the end of the reporting period.

4. REVENUE

	2015 S$	2014 S$
Trustee fees	2,433,747	3,038,533
One-off non-recurring fee revenue	487,405	–
Other service fees	252,161	243,921
Total revenue	3,173,313	3,282,454

Revenue includes a one-off non-recurring fee revenue of S$487,405 for fees in relation to the Company's services to an Estate.

5. EMPLOYEE BENEFITS EXPENSE

	2015 S$	2014 S$
Wages and salaries	2,600,459	1,765,131
Employer's contribution to defined contribution plan:		
– CPF contributions	193,350	155,369
	2,793,809	1,920,500

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

6. OTHER EXPENSES

	2015 S$	2014 S$
Non-audit fees paid to:		
– Auditor's of the Company	37,600	49,000
– Other auditors	43,000	43,700
Professional fees	364,657	27,798
Audit fees	105,000	105,000
Insurance expense	209,200	133,585
Building and office maintenance and repairs	214,125	176,204
Advertising expense	10,660	4,379
Recruitment fees	171,096	91,525
Directors' fees	150,000	170,000
Consultancy fees	–	387,903
Printing and stationery	28,818	34,307
Rental expense	202,529	–
Training fees	107,724	16,085
Other expenses	394,060	281,582
	2,038,469	1,521,068

During the year, the Company rented #08-02 of The Adelphi as expansion of office space, for which rent expense amounting to S$202,529 was booked.

7. TAXATION

(a) ***Major components of income tax (credit)/expense***

The major components of income tax (credit)/expense for the financial years ended 30 June 2015 and 2014 are:

	2015 S$	2014 S$
Statement of comprehensive income:		
Current income tax	–	6,114
Underprovision in respect of previous years	–	30,301
Deferred income tax (Note 14)	(5,325)	9,538
Income tax (credit)/expense recognised in profit or loss	(5,325)	45,953

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

7. TAXATION (CONTINUED)

(b) ***Relationship between tax expense and accounting profit***

A reconciliation between the tax (credit)/expense and the product of accounting profit multiplied by the application tax rate for the financial years ended 30 June 2015 and 2014 is as follows:

	2015 S$	2014 S$
Profit before tax	767,640	3,706,826
Tax at statutory tax rate of 17% (2014: 17%)	130,499	630,160
Adjustments:		
Non-deductible expenses	139,480	41,660
Effect of partial tax exemption and tax credit	–	(13,718)
Income not subject to taxation [(1)]	(393,098)	(643,844)
Deferred tax asset not recognised	117,728	–
Underprovision in respect of previous years	–	30,301
Others	66	1,394
Income tax (credit)/expense recognised in profit or loss	(5,325)	45,953

[(1)] *The nature of income not subject to taxation primarily relates to certain deductions for investment income and capital gain from the disposal of AFS financial assets in 2015 and investment property in 2014.*

At the end of the reporting period, the Company has tax losses of approximately S$690,000 (2014: S$Nil) that are available for offset against future taxable profits of the Company, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the Income Tax Act.

8. EARNINGS PER SHARE

	2015 S$	2014 S$
Net profit attributable to members of the Company	772,965	3,660,873
Weighted average number of ordinary shares in issue	8,758,080	8,758,080
Earnings per share (basis and diluted)	0.09 per share	0.42 per share

Earnings per share ("EPS") are calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

9. PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties	Leasehold improve-ments	Furniture and fittings	Office equipment	Computer equipment	Total
	S$	S$	S$	S$	S$	S$
Cost						
At 1 July 2013	4,656,986	96,206	34,840	29,156	385,431	5,202,619
Additions	–	4,950	10,673	2,601	7,335	25,559
Write-offs	–	(44,332)	(14,896)	–	(41,508)	(100,736)
At 30 June 2014 and at 1 July 2014	4,656,986	56,824	30,617	31,757	351,258	5,127,442
Additions	–	19,431	23,917	17,201	31,383	91,932
Write-offs	–	–	–	(1,208)	(1,800)	(3,008)
At 30 June 2015	4,656,986	76,255	54,534	47,750	380,841	5,216,366
Accumulated depreciation						
At 1 July 2013	1,117,678	64,723	11,641	10,864	261,404	1,466,310
Depreciation charge for 2014	93,140	10,079	5,929	5,279	52,655	167,082
Write-offs	–	(44,332)	(10,172)	–	(41,507)	(96,011)
At 30 June 2014 and at 1 July 2014	1,210,818	30,470	7,398	16,143	272,552	1,537,381
Depreciation charge for 2015	93,139	14,399	10,745	8,239	52,588	179,110
Write-offs	–	–	–	(302)	(1,800)	(2,102)
At 30 June 2015	1,303,957	44,869	18,143	24,080	323,340	1,714,389
Net carrying amount						
At 30 June 2014	3,446,168	26,354	23,219	15,614	78,706	3,590,061
At 30 June 2015	3,353,029	31,386	36,391	23,670	57,501	3,501,977

Description of leasehold property	Unexpired term of lease (years)		Net floor area sq. m.	Existing use
	30 June 2015	30 June 2014		
An office unit located in The Adelphi, a 10-storey commercial building at 1 Coleman Street, Singapore	811 Leasehold	812 Leasehold	391	Office

The unit was valued at S$9,680,000 as at 31 May 2015.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

10. AFS FINANCIAL ASSETS

	2015 S$	2014 S$
Equity instruments (quoted)	2,356,307	5,364,732

As at 30 June 2015, quoted investments denominated in Hong Kong dollars amounted to S$586,829 (2014: S$638,722).

11. Trade and other receivables

	2015 S$	2014 S$
Trade receivables	989,023	461,953
Accrued interest on fixed deposits and debt securities	4,119	19,206
Refundable deposits	35,415	36,315
Tax refund receivable	788	–
	1,029,345	517,474

(a) ***Trade receivables***

Trade receivables include a one-off non-recurring fee of S$487,405 for fees in relation to the Company's services to an Estate. Trade receivables were non-interest bearing and were generally on 30 days' terms. They were recognised at their original invoiced amounts which represent their fair values on initial recognition.

(b) ***Receivables that are past due but not impaired***

The Company has trade receivables amounting to S$645,642 (2014: S$102,340) that were past due at the end of the reporting period but not impaired.

These receivables were unsecured and the analysis of their aging at the end of the reporting period were as follows:

	2015 S$	2014 S$
Trade receivables past due but not impaired:		
Less than 30 days	604,028	–
30 to 60 days	23,705	1,924
61 to 90 days	17,909	258
91 to 120 days	–	–
More than 121 days	–	100,158
	645,642	102,340

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

12. CASH AND SHORT-TERM DEPOSITS

	2015 S$	2014 S$
Fixed deposits with banks	11,448,922	11,092,843
Cash at bank and on hand	590,577	294,633
	12,039,499	11,387,476

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits were made for varying periods of between one month and six months depending on the immediate cash requirements of the Company and earn interests at the respective short-term deposit rates. The weighted average effective interest rates as at 30 June 2015 for the Company were 0.56% (2014: 0.63%).

Cash and short-term deposits denominated in foreign currencies at 30 June are as follows:

	2015 S$	2014 S$
United States dollars	144,968	53,902

13. OTHER LIABILITIES

	2015 S$	2014 S$
Accrued operating expenses	901,371	354,147
Provision for directors' fees	150,000	165,000
Other payables	3,690	35,833
	1,055,061	554,980

14. DEFERRED TAX

Deferred tax as at 30 June relates to the following:

	2015 S$	2014 S$
Deferred tax liabilities		
Differences in depreciation for tax purposes	10,629	9,356
Other items	(6,416)	182
Balance at end of year	4,213	9,538

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

15. SHARE CAPITAL

	2015		2014	
	No. of shares	S$	No. of shares	S$
Issued and fully paid ordinary shares:				
At beginning and end of year	8,758,080	2,736,900	8,758,080	2,736,900

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

16. FAIR VALUE RESERVE - NON-DISTRIBUTABLE

	2015	2014
	S$	S$
At beginning of year	3,158,328	3,097,129
AFS financial assets:		
– Net change in fair value	265,115	61,199
– Sale of AFS financial assets	(2,098,761)	–
At end of year	1,324,682	3,158,328

Fair value reserve represents the cumulative fair value changes of AFS financial assets until they were disposed of or impaired. Of the total gain on sale of AFS financial assets recognised in profit or loss amounting to S$2,098,761, S$1,069,615 is due to impairment losses recognised in the 2009 profit or loss on AFS financial assets sold during the year.

17. CAPITAL RESERVE - DISTRIBUTABLE

	2015	2014
	S$	S$
At beginning of year	6,665,817	6,665,817
Transfer to retained earnings	(6,665,817)	–
At end of year	–	6,665,817

The capital reserve represents gain on disposal of AFS financial assets recognised in retained earnings and transferred to capital reserve as the Company was of the view at that time, that such gain should be segregated from gains or losses relating to the provision of trustee services. During the year, the capital reserve balance was reclassified to retained earnings as the Company is of the view that such segregation is no longer required.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

18. DIVIDENDS

	2015 S$	2014 S$
Declared and paid during the year:		
Dividends on ordinary shares:		
– Final exempt (one-tier) dividends for 2014: 2.70 cents (2013: 2.70 cents) per share	236,468	236,468
– Special exempt (one-tier) dividends for 2014: 10.00 cents per share	875,808	–
– Interim exempt (one-tier) dividends for 2015: 1.50 cents (2014: 1.50 cents) per share	131,371	131,371
	1,243,647	367,839
Proposed but not recognised as a liability as at 30 June:		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
– Final exempt (one-tier) dividends for 2015: 2.70 cents (2014: 2.70 cents) per share	236,468	236,468
– Special exempt (one-tier) dividends for 2015:25.00 cents (2014: 10.00) cents per share	2,189,520	875,808
	2,425,988	1,112,276

19. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

Key management personnel compensation is as follows:

	2015 S$	2014 S$
Total compensation to directors - directors' fees	150,000	170,000
Other key management personnel compensation:		
– Salaries and other short-term employee benefits	855,604	627,582
– Post-employment benefits - contribution to CPF	18,900	29,656
	874,504	657,238
	1,024,504	827,238

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

20. OPERATING LEASE COMMITMENTS

Operating lease commitments - as lessee

The Company has entered into a commercial property lease during the financial year, with effective commencement date from 1 July 2014. This lease has a fixed lease term of 24 months, plus an option to renew the lease for 24 months commencing on 1 July 2016.

The future minimum rental payable under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as payables are as follows:

	2015	2014
	S$	S$
Not later than one year	202,529	202,529
Later than one year but not later than five years	–	202,529
	202,529	405,058

21. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) ***Determination of fair value***

(i) *Equity instruments (Quoted) (Note 10)*

Fair value is determined directly by reference to their published market bid prices quotations in an active market at the end of the reporting period.

(ii) *Trade and other receivables and other liabilities (Notes 11 and 13) and cash and short-term deposits (Note 12)*

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair value due to their short-term nature.

(b) ***Fair value hierarchy***

The Company categories fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1	–	Quoted prices (unadjusted) in active market for identical assets or liabilities that the Company can access at the measurement date,
Level 2	–	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
Level 3	–	Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

21. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) ***Fair value hierarchy (cont'd)***

The following table analyses within the fair value hierarchy the Company's financial assets measured at fair value:

2015	Quoted prices in active markets for identical instruments (Level 1) S$	Significant other observable inputs (Level 2) S$	Significant unobservable inputs (Level 3) S$	Total S$
Financial assets				
Quoted equities - AFS financial assets	2,356,307	–	–	2,356,307
2014				
Financial assets				
Quoted equities - AFS financial assets	5,364,732	–	–	5,364,732

(c) ***Classes of financial assets and financial liabilities***

2015	AFS financial assets S$	Loans and receivables S$	Amortised cost S$	Total carrying amount S$
Financial assets				
AFS financial assets	2,356,307	–	–	2,356,307
Trade and other receivables	–	1,028,557	–	1,028,557
Cash and short-term deposits	–	12,039,499	–	12,039,499
	2,356,307	13,068,056	–	15,424,363
Financial liabilities				
Advanced trustee services billings	–	–	333,060	333,060
Other liabilities	–	–	1,055,061	1,055,061
	–	–	1,388,121	1,388,121

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

21. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) ***Classes of financial assets and financial liabilities (continued)***

2014	AFS financial assets	Loans and receivables	Amortised cost	Total carrying amount
	S$	S$	S$	S$
Financial assets				
AFS financial assets	5,364,732	–	–	5,364,732
Trade and other receivables	–	517,474	–	517,474
Cash and short-term deposits	–	11,387,476	–	11,387,476
	5,364,732	11,904,950	–	17,269,682
Financial liabilities				
Advanced trustee services billings	–	–	398,671	398,671
Other liabilities	–	–	554,980	554,980
	–	–	953,651	953,651

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management of the Company. The Audit and Risk Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year the Company's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Company does not apply hedge accounting.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks:

(a) ***Credit risk***

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities and cash and cash equivalents), the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) ***Credit risk (continued)***

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

(i) *Exposure to credit risk*

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of trade and other receivables, AFS financial assets and cash and short-term deposits. No other financial asset carries a significant exposure to credit risk.

(ii) *Credit risk concentration profile*

The Company determines concentrations of credit risk by monitoring the customers' profile of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables at the end of the reporting period is as follows:

	2015		2014	
By profile	**S$**	**% of total**	**S$**	**% of total**
Corporate clients	57,691	9	93,197	61
Individual clients	587,952	91	58,557	39

The Company determines concentrations of credit risk by monitoring the counterparties profile of its cash and short-term deposits on an on-going basis. The credit risk concentration profile of cash and short-term deposits at the end of the reporting period is as follows:

Credit Rating by Moody's	2015		2014	
	S$	**% of total**	**S$**	**% of total**
Aa1	5,006,232	42%	–	–
A1	2,093,102	17%	3,491,063	31%
A2	3,052,650	25%	4,937,292	43%
A3	1,887,515	16%	2,959,121	26%
	12,039,499		11,387,476	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) ***Credit risk (continued)***

(iii) *Financial assets that are neither past due nor impaired*

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Company. Cash and short-term deposits and investment securities that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

(iv) *Financial assets that are either past due or impaired*

Information regarding financial assets that are either past due or impaired is disclosed in Note 11 (Trade and other receivables).

(b) ***Liquidity risk***

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Company has not made any borrowings during the financial year.

A significant portion of the Company's liabilities relate to advance billings for trustee services. These amounts are not typically repaid but amortised into income as services are provided. Other remaining liabilities are short-term and due within one year.

(c) ***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from their fixed deposits. All of the Company's financial assets and liabilities at floating rates are contractually re-priced at intervals of less than 6 months (2014: less than 6 months) from the end of the reporting period.

As interest income derived from fixed deposits with banks is not deemed to be major source of revenue to the Company, the impact of changes in interest rates on the Company's financial assets is minimal. As such, the effect of a sensitivity analysis on the Company's net profit would be negligible. The management considers that the Company's exposure to interest rate risk is minimal.

(d) ***Foreign currency risk***

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company's business is not substantially exposed to foreign exchange risk as its operations are generally in SGD. The Company is also exposed to minimal foreign exchange risk arising from its quoted investment denominated in Hong Kong dollars (Note 10) and cash at bank denominated in United States dollars (Note 12).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) ***Market price risk***

Market price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Company is exposed to equity price risk arising from its investments in quoted equity instruments. These instruments are quoted on the SGX-ST in Singapore and are classified as AFS financial assets.

The Company has also established investment policies and monitoring processes to ensure that the bulk of its investments are in blue-chip securities so as to mitigate market price risk of its investments.

Sensitivity analysis for equity price risk

The Company has investments in quoted equity securities listed in Singapore. At the end of the reporting period, if equity prices had been higher/lower by 5% with all other variables held constant, the Company's equity will increase/decrease by S$117,815 (2014: S$268,237).

23. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholders' value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividends payment to shareholders, return capital to shareholders or issue new shares. No change was made in the objectives, policies or processes during the financial years ended 30 June 2015 and 30 June 2014.

The Company is required to comply with the Financial Requirements under the Trust Companies Act and Financial and Margin Requirement under the Securities and Futures Act.

The Company is in compliance with all externally imposed financial requirements for the financial years ended 30 June 2015 and 2014.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

24. SEGMENT INFORMATION

The Company's activities are carried out wholly in Singapore. For management purposes, the Company has two reportable operating segments as follows:

(a) The provision of trustee services in Singapore; and
(b) The management of the Company's funds through investment activities in fixed deposit placements, holding of long-term equities and investment properties for rental.

	Trustee activities		Investment activities		Total	
	2015	2014	2015	2014	2015	2014
	S$	S$	S$	S$	S$	S$
Revenue						
External customers	3,173,313	3,282,454	–	–	3,173,313	3,282,454
Results						
Interest income	–	–	72,355	64,638	72,355	64,638
Dividends income	–	–	225,827	313,293	225,827	313,293
Rental income	–	–	–	65,548	–	65,548
Other income	95,437	50,636	105,184	6,905	200,621	57,541
Gain on sale of investment property	–	–	–	3,539,561	–	3,539,561
Gain on sale of AFS financial assets	–	–	2,098,761	–	2,098,761	–
Employee benefits expense	(2,486,921)	(1,690,040)	(306,888)	(230,460)	(2,793,809)	(1,920,500)
Depreciation expense	(159,436)	(167,082)	(19,674)	(3,741)	(179,110)	(170,823)
Other expenses	(1,855,152)	(1,363,348)	(183,317)	(157,720)	(2,038,469)	(1,521,068)
Net foreign exchange gain/ (loss)	7,256	(3,363)	895	(455)	8,151	(3,818)
Income tax (expense)/credit	4,740	(40,439)	585	(5,514)	5,325	(45,953)
Segment profit	(1,220,763)	68,818	1,993,728	3,592,055	772,965	3,660,873
Segment assets and total assets	5,334,633	4,578,799	13,809,348	16,476,780	19,143,981	21,055,579
Segment liabilities and total liabilities	1,275,977	927,492	116,357	72,112	1,392,334	999,604

Information about major customers

Revenue from two major customers, each of which accounts for more than 10% of the Company's total revenue, amounts to S$604,539 and S$559,052 (2014: S$444,811 and S$685,515), respectively. The revenue from the two major customers arises from provision of trustee services in Singapore.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

25. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements of the Company for the financial year ended 30 June 2015 were authorised for issue in accordance with a resolution of the directors on 21 August 2015.

SHAREHOLDING STATISTICS

As at 21 September 2015

Number of Issued Shares	:	8,758,080
Class of shares	:	Ordinary Shares
Voting rights	:	One vote per share
Treasury shares	:	Nil

DISTRIBUTION OF SHAREHOLDERS

Size of Shareholdings	Number of Shareholders	Percentage of Shareholders (%)	Number of Shares Held	Percentage of Shares Held (%)
1 - 999	57	50	17,216	0.20
1,000 - 10,000	39	34	94,004	1.07
10,001 - 1,000,000	15	13	1,534,828	17.52
1,000,001 - and above	3	3	7,112,032	81.21
Total	**114**	**100**	**8,758,080**	**100.00**

TWENTY LARGEST SHAREHOLDERS

	Name of Shareholders	Number of Shares	Percentage of Shareholdings (%)
1	Citibank Noms Singapore Pte Ltd	3,769,920	43.05
2	The Nyalas Rubber Estates Ltd	1,742,400	19.89
3	Estate of Sat Alsagoff, Deceased	1,599,712	18.27
4	Kuchai Development Bhd	864,000	9.87
5	Estate of Lim Chin Him Alfred Aka Lim Chin Hin, Dcd	230,400	2.63
6	Catzevalos Peter John	96,000	1.10
7	Lee Ah Bah @ Ong Kee	86,400	0.99
8	Teo Guat Hui	43,500	0.50
9	Hood Yew Lee Alfred	32,000	0.37
10	Tan Hin Jin	32,000	0.37
11	Alwee Alkaff	28,800	0.33
12	Est of Tan Hoon Siang, Dcd	28,800	0.33
13	Khoo Sin Hock Victor	21,600	0.25
14	Cecil V R Wong	16,128	0.18
15	Lee Thor Seng	14,400	0.16
16	Tan Hiang Lee	14,400	0.16
17	Tan Sieu Lee Amelia	14,400	0.16
18	Khoo Thomas Clive Khoo	12,000	0.14
19	Ang Hao Yao (Hong Haoyao)	7,600	0.09
20	Clive Heng Boon Hwee	6,000	0.07
		8,660,460	**98.89**

SHAREHOLDING STATISTICS

As at 21 September 2015

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest	
Name of Shareholders	**No. of Shares**	**Percentage (%)**	**No. of Shares**	**Percentage (%)**
Citibank Noms Singapore Pte Ltd	3,769,920	43.05		
The Nyalas Rubber Estates Ltd	1,742,400	19.89	-	-
Estate of Sat Alsagoff, Deceased	1,599,712	18.27	-	-
Kuchai Development Bhd	864,000	9.87	-	-
Lee Yung Shih Colin	-	-	2,620,800 (1)	29.92
Roxanne Davies	-	-	3,769,920 (2)	43.05

Note:

(1) *Mr Colin Lee Yung Shih is deemed interested in the shares held by The Nyalas Rubber Estates Ltd, Kuchai Development Bhd and Mr Lee Thor Seng.*

(2) *Ms Roxanne Davies is deemed interested in the shares held by Citibank Noms Singapore Pte Ltd.*

PUBLIC FLOAT

Based on Shareholders' Information as at 21 September 2015 and to the best knowledge of the Directors, approximately 8.77% of the total numbers of issued ordinary shares of the Company is held by the public.

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BRITISH AND MALAYAN TRUSTEES LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No.: 192400010M

PROXY FORM

IMPORTANT:

1. For investors who have used their CPF monies to buy British and Malayan Trustees Limited's shares, the Annual Report is forwarded to them at the request of their CPF Agent Banks and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CFP investors who wish to attend the Meeting as an observer must submit their requests through their CPF Agent Banks may register, in the required format with the Company Secretary within the time frame specified. (Agent Banks: Please see Note 7 on required format) If they also wish to vote, they must submit their voting instructions to the Agent Banks within the time frame specified to enable them to vote on their behalf.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 13 October 2015.

*I/We _____ (Name) of

_____ (Address)

being a *member/members of British and Malayan Trustees Limited (the "Company") hereby appoint:

Name	**NRIC/Passport No.**	**Proportion of Shareholdings to be represented by proxy**	
		No. of Shares	**%**
Address			

*and/or (delete as appropriate)

Name	**NRIC/Passport No.**	**Proportion of Shareholdings to be represented by proxy**	
		No. of Shares	**%**
Address			

or failing *him/her, the Chairman of the Meeting as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Annual General Meeting of the Company to be held at the Board Room of British and Malayan Trustees Limited at 1 Coleman Street, #08-01 The Adelphi, Singapore 179803 on Friday, 30 October 2015 at 2:30 p.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/their discretion.

No.	**Ordinary Resolutions**	**For#**	**Against#**
1.	To receive and adopt the Audited Financial Statements for the financial year ended 30 June 2015 together with the Directors' Report and the Auditor's Report thereon.		
2.	To re-elect Mr Colin Lee Yung Shih as Director		
3.	To approve the payment of a tax exempt (1-tier) Final Dividend of 2.70 Singapore cents per ordinary share for the financial year ended 30 June 2015.		
4.	To approve the payment of tax exempt (1-tier) Special Dividend of 25.00 Singapore cents per ordinary share for the financial year ended 30 June 2015.		
5.	To approve the payment of Directors' fees of S$150,000 for the financial year ended 30 June 2015.		
6.	To re-appoint Messrs Ernst & Young LLP as Auditors and to authorise the Directors to fix their remuneration.		
7.	To authorise Directors to issue shares.		

** Delete accordingly*
 # If you wish to use all your votes "For" or "Against", please indicate with an "X" within the box provided. Otherwise, please indicate number of votes "For" or "Against" for each resolution within the box provided.

Dated this _____ day of _____ 2015

Total number of shares in	**No. of Shares**
(a) CDP Register	
(b) Register of Members	

_____

Signature(s) of Member(s)/Common Seal

IMPORTANT. Please read notes overleaf.

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.

2. Where a member appoints two proxies, he shall specify the proportion of his shares (expressed as a percentage of the whole) to be represented by each proxy and if no percentage is specified, the first named proxy shall be treated as representing 100% of the shareholding ad the second named proxy shall be deemed to be an alternate to the first named.

3. A corporation which is a member may appoint an authorised representative or representatives in accordance with Section 179 of the Companies Act, Cap. 50 of Singapore to attend and vote for and on behalf of such corporation.

4. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or signed on its behalf by an officer or attorney duly authorised in writing.

5. Where an instrument appointing a proxy is signed on behalf of the appointor by the attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 1 Coleman Street, #08-01 The Adelphi, Singapore 179803, not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting.

7. Agent Banks acting on the request of CPF Investors who wish to attend the Annual General Meeting as observers are requested to submit in writing, a list of details of the members' names, NRIC/Passport numbers, addresses and numbers of Shares held. The list, signed by an authorised signatory of the Agent Bank, should reach the Company Secretary, at the registered office of the Company not later than forty-eight (48) hours before the time appointed for holding the Annual General Meeting.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members whose shares are deposited with The Central Depository (Pte) Limited, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

ENGAGE
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Company Registration Number 192400010M

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