



BUKIT SEMBAWANG
ESTATES LIMITED



HOMES
FOR EVERY
GENERATION



ANNUAL REPORT **2017**

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CORPORATE PROFILE

Our Mission Statement

BUILDING QUALITY HOMES FOR EVERY GENERATION

For over half a century, Bukit Sembawang Group has built many of Singapore's renowned and established residential developments comprising landed homes, private condominiums and apartments.

Bukit Sembawang Group started developing landed properties in the 1950s. Bukit Sembawang Estates Limited was incorporated in Singapore in 1967 and was one of the pioneer companies that obtained public-listing on SGX Mainboard in 1968. The Group focuses on property development, investment and other property-related activities.

In our efforts to continually create and build better homes, we have extended our expertise to develop high-end private properties where no details are spared in bringing you the higher sophistication in life. Branded fittings and provisions are provided to reflect a true mark of prestige and quality, catering to different lifestyle requirements and cosmopolitan outlook of the new group of homebuyers. Our widely-acclaimed portfolios of private condominiums include Verdure at Holland, Paterson Suites, The Vermont on Cairnhill, Skyline Residences and Paterson Collection which have all been completed.

Our commitment to continually deliver well-designed quality homes has won us awards and accolades. We have won BCA Construction Excellence Awards and numerous Green Mark awards for our various projects. Our recent awards include the following:

COMPANY OVERALL		<ul style="list-style-type: none"> • Singapore Golden Jubilee Business Awards • BCI Asia Top Ten 2017 Developers Awards 	<p>November 2015</p> <p>February 2017</p>
LUXUS HILLS PHASE 8		<ul style="list-style-type: none"> • BCA Green Mark Gold ^{PLUS} 	<p>March 2015</p>
LUXUS HILLS PHASE 9		<ul style="list-style-type: none"> • BCA Green Mark Platinum 	<p>March 2015</p>
THE VERMONT ON CAIRNHILL		<ul style="list-style-type: none"> • Highly Commended Residential Development (Singapore) Category in Asia Pacific Property Awards • FIABCI-SINGAPORE <i>Singapore Property Awards</i> 	<p>May 2015</p> <p>November 2015</p>
PATERSON SUITES		<ul style="list-style-type: none"> • FIABCI-SINGAPORE <i>Singapore Property Awards</i> • Best Residential High Rise (Singapore) Category in Asia Pacific Property Awards 	<p>November 2015</p> <p>May 2017</p>
LUXUS HILLS PHASES 1 TO 5		<ul style="list-style-type: none"> • FIABCI-SINGAPORE <i>Singapore Property Awards</i> 	<p>October 2016</p>
SKYLINE RESIDENCES		<ul style="list-style-type: none"> • FIABCI-SINGAPORE <i>Singapore Property Awards</i> 	<p>October 2016</p>
LUXUS HILLS PHASE 5		<ul style="list-style-type: none"> • Best Residential (Singapore) Category in Asia Pacific Property Awards 	<p>May 2017</p>

We have also aligned our operations to ISO standards since 2000 when we were accorded BCA ISO 9001:2008. In March 2017, we were accorded the ISO 9001:2015 for Quality Management Systems and the ISO 14001:2015 for Environmental Management System for Provision of Property Development and Management Services.

Bukit Sembawang Group, one of the pioneers in residential property development, has established a reputation as a trusted developer in building homes by continually delivering well-designed quality homes which are sought after, generation after generation.



PROJECTS
FOR SALE



SKYLINE RESIDENCES

Unparalleled Views

Skyline Residences, a freehold development located in Telok Blangah with three 24-storey towers, comprising 283 units with a selection of 1 to 4 bedroom units and penthouses, including a wide variety of facilities. Perched on top a lush landscape deck, it offers views of the sea, Keppel Golf Course, Labrador Park and Mount Faber Park.

It is conveniently located within walking distance to Telok Blangah MRT and close to Universal Studios, Resorts World Sentosa, as well as dining and shopping choices at VivoCity and Harbourfront Centre.



Artist's Impression



Artist's Impression



Artist's Impression



Artist's Impression

**PROJECTS
FOR SALE**

WATERCOVE

Seafront Living by the Park

Watercove in the North-Eastern edge of Sembawang is a freehold 80-unit strata property that comprises 76 terrace and 4 semi-detached houses, each designed with 5 bedrooms, spread across a basement, 3 levels of living space and an attic.

Inspired by Sembawang colonial black and white bungalows, the architecture boasts high ceilings and numerous window for good ventilation and bring in the refreshing sea breeze. Its resort-style trimmings are coupled with a wide variety of facilities including a swimming pool, stream and cascading water feature, aromatheutic garden, reflexology pool with spa beds, a jacuzzi and onsen, and a water play area for children.



UPCOMING
LAUNCHES

LUXUS HILLS PHASE 9

A Lifetime of Family Joy

Luxus Hills Phase 9 is located along Luxus Hill Drive off Ang Mo Kio Avenue 5. It comprises 28 terrace and 4 semi-detached houses with en-suite bedrooms.

Each of these 999-year leasehold houses is designed to provide spacious interiors complete with designer fittings and marble flooring. It comes with three spacious storeys and charming roof terrace, family gathering can take place as often as you desire, not just on special occasions.

The development is located near good schools with other amenities and conveniences close by to cater to family's needs. It's a home to share and a joy to own, a home built for every generation. Make every day special with unforgettable times together.



Artist's Impression



**UPCOMING
LAUNCHES**

LANDED DEVELOPMENT ALONG NIM ROAD

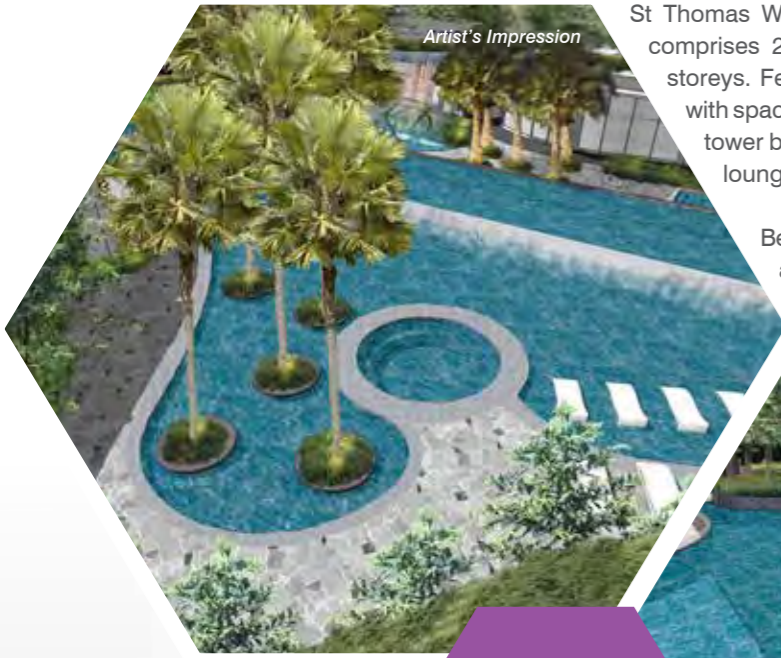
A New Family Life Begins Here

This new development is located along Ang Mo Kio Avenue 5 off Nim Road. It comprises 45 terrace and 2 semi-detached houses with en-suite bedrooms that offer a cozy life of comfort.

Situated within proximity to shopping centres like AMK Hub, Greenwich V, The Seletar Mall and major expressways, it offers the entire family a life of unparalleled convenience. A lifetime of family joy begins here, in a home built for every generation.

ST THOMAS WALK

Contemporary City Living



Artist's Impression

St Thomas Walk is located in Prime District 9 at River Valley Road and comprises 250 freehold units spread across two towers of 35 and 36 storeys. Featuring a selection of 1 to 4 bedroom units and penthouses with spacious interiors complete with premium fittings and finishes. Each tower boasts a beautiful façade housing 5 sky gardens, complete with lounge areas, gourmet kitchens and jacuzzi spaces.

Being minutes' drive away to Singapore's Central Business District and close to Orchard Road shopping belt, it provides sheer convenience to residents with everything within easy reach.



Artist's Impression

NEW PROJECTS



Artist's Impression

PATERSON COLLECTION

The Epitome of Luxury Living

Paterson Collection, located in Prime District 9 at Paterson Road, comprises 85 units. It offers the ultimate in luxury living amidst two 19-storey towers with a selection of spacious 2 & 3 bedroom units and penthouses with full-height glass offering panoramic views of Orchard Road.

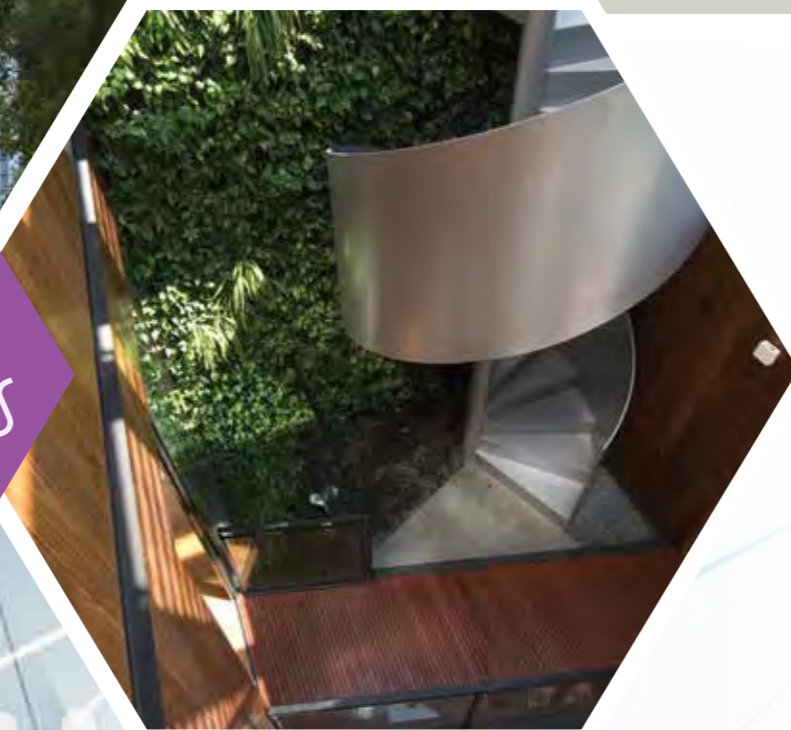
The development features wide variety of facilities such as gymnasium, jacuzzi, 50m swimming pool, outdoor dining areas and sky terrace with lush landscaping. Coupled with the Orchard Road shopping belt just minutes' walk away, it truly offers the best of both worlds at one of the most prestigious addresses in Singapore.

NEW
PROJECTS





NEW
PROJECTS



2 SEMI-DETACHED HOUSES ALONG LENGKOK ANGSA

Tropical Paradise in the City

Located in Prime District 9 at Lengkok Angsa, these 2 exclusive semi-detached houses off Paterson Road are within walking distance to the bustling Orchard Road shopping belt.

Designed with a tropical inspired theme, it features a large cantilevered roof above the courtyard that allows natural light to penetrate 3 storeys. Natural timber cladding, suspended bridges, green walls, water features and roof garden amplify the tropical living with an urban environment.

CHAIRMAN'S STATEMENT

REVIEW OF PAST YEAR'S PERFORMANCE

The Group's profit before tax for the financial year ended 31 March 2017 (FY2017) was \$79.7 million, a decrease of 25.4% as compared to \$106.9 million for FY2016. The Group's profit after tax for FY2017 was \$72.5 million, a decrease of 21.2% as compared to \$92.0 million for FY2016. We have consistently maintained a healthy balance sheet, with zero gearing, during the year.

The Group's development profit for FY2017 consisted of the recognition of revenue and profits (based on percentage of completion method) for the housing units sold at Skyline Residences and Luxus Hills Phases 6 and 7.

Both Luxus Hills Phases 6 and 7 have been completely sold. During the year, we also sold additional units of Skyline Residences. By the end of the financial year, we have sold 98% of Skyline Residences.

During the year, we obtained TOP (Temporary Occupation Permit) for Luxus Hills Phase 7 (September 2016). We also obtained CSC (Certificate of Statutory Completion) for Luxus Hills Phases 6 and 7 (June 2016 and October 2016 respectively).

CURRENT YEAR'S PROSPECTS

According to URA real estate statistics, the overall private residential property prices decreased by 0.4% in the 1st quarter 2017, compared to 0.5% decline in the previous quarter. This was the fourteenth consecutive quarter of decline in private residential property prices. The number of new residential units sold in 1st quarter 2017 was 2,962 units, an increase from the 2,316 units sold in the previous quarter.

The residential property market conditions continue to remain challenging in the current year with the property measures still in place and slowing economic growth.

CURRENT YEAR'S PLANS

For this forthcoming year, we will continue to focus on our core business of developing landed properties which will be the major contributor to our revenue sources.

Our highlight will be the launch of Watercove, an 80-unit cluster housing project in the Sembawang area. We expect this freehold project with sea-facing units to contribute to the profits for the year.

We have unlocked the potential value of Lot 12949 MK 18 in the Ang Mo Kio area, an agricultural land with title restriction, by converting it into a 99-year leasehold residential development to enhance its land use and development value. Phases 1 and 2 of the construction works have commenced and the project will be launched in phases.

We also expect to obtain TOP for the condominium project at St Thomas Walk and landed development for Luxus Hills Phases 8 and 9.

DIVIDENDS

During the financial year 2017, the Company did not pay any interim dividend.

The Board is recommending a final dividend of 4 cents and a special dividend of 29 cents per ordinary share.

The dividend payment, which amounts to \$85.4 million, is subject to shareholders' approval at the 51st Annual General Meeting ("AGM").

DIRECTORATE

It gives me great pleasure to welcome Mr Koh Poh Tiong to our board, following his appointment as a non-executive and independent director on 1st February 2017. Mr Koh also serves as director in a few other listed companies. He brings added diversity and renewal with his expertise and experience and we are confident that Mr Koh will be a strong addition to the board.

Pursuant to the Company's Constitution, Mr Eddie Tang and I shall be retiring by rotation at the forthcoming AGM. Being eligible, Mr Tang has consented to continue office as a director and has offered himself for re-election.

I shall not be seeking re-election as a director at the forthcoming AGM. Accordingly, I will retire as a director and cease as Chairman of the Board upon conclusion of the forthcoming AGM. Having served the Group for nine years, it is a good time for me to retire and hand this role to a successor.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to thank the management and the staff for their continued dedication and efforts. I would also like to thank my fellow Directors for their commitment and wise counsel during my term as Chairman. Last, but not least, I would like to thank our customers, our business partners, and our shareholders for their continued support and confidence.

GUOK CHIN HUAT SAMUEL

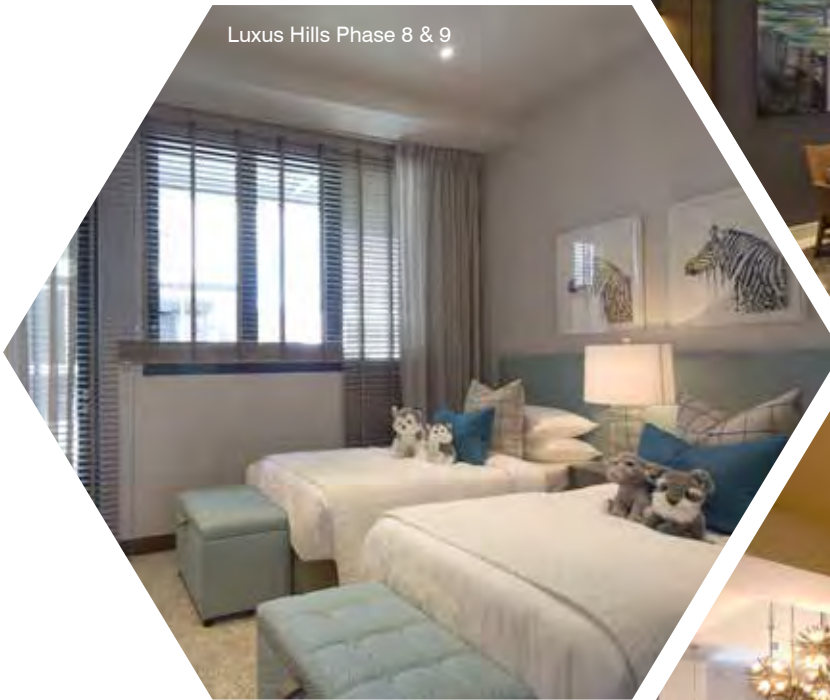
Chairman

12 June 2017

Luxus Hills Phase 8 & 9



Luxus Hills Phase 8 & 9



Luxus Hills Phase 8 & 9



GROUP STRUCTURE

BUKIT SEMBAWANG ESTATES LIMITED INVESTMENT HOLDING

Skyline Residences



100%

Sembawang Estates (Private) Limited

100%

Paterson One Pte. Ltd.

100%

Paterson Collection Pte. Ltd.

100%

Singapore United Estates (Private) Limited

100%

Bukit Sembawang View Pte. Ltd.

All companies are incorporated in Singapore

DIRECTORATE & OTHER CORPORATE INFORMATION

DIRECTORS

Guok Chin Huat Samuel
(Chairman, Non-Executive, Independent)

Lee Chien Shih
(Non-Executive, Non-Independent)

Ng Chee Seng
(CEO, Executive)

Eddie Tang
(Non-Executive, Independent)

Tan Swee Siong
(Non-Executive, Independent)

Fam Lee San
(Non-Executive, Non-Independent)

Chng Kiong Huat
(Non-Executive, Non-Independent)

Koh Poh Tiong
(Non-Executive, Independent)

AUDIT COMMITTEE

Guok Chin Huat Samuel (Chairman)
Eddie Tang
Tan Swee Siong

NOMINATING COMMITTEE

Eddie Tang (Chairman)
Guok Chin Huat Samuel
Lee Chien Shih
Tan Swee Siong

REMUNERATION COMMITTEE

Lee Chien Shih (Chairman)
Guok Chin Huat Samuel
Eddie Tang

PROJECT DEVELOPMENT COMMITTEE

Chng Kiong Huat (Chairman)
Guok Chin Huat Samuel
Ng Chee Seng
Eddie Tang
Tan Swee Siong

COMPANY SECRETARY

Dennis Loh Siew Keen

REGISTERED OFFICE

250 Tanjong Pagar Road
#09-01 St Andrew's Centre
Singapore 088541
Telephone : +65 6890 0333
Facsimile : +65 6536 1858
Website : www.bukitsembawang.sg

COMPANY REGISTRATION NUMBER

196700177M

AUDITORS

KPMG LLP
Public Accountants and Chartered Accountants
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581
Partner in charge : Lo Mun Wai
(With effect from financial year ended 31 March 2016)

SHARE REGISTRAR

M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902
Telephone : +65 6227 6660 / +65 6228 0507
Facsimile : +65 6225 1452

BANKERS

Oversea-Chinese Banking Corporation Limited
Malayan Banking Berhad
CIMB Bank Berhad
United Overseas Bank Limited
DBS Bank Ltd



FIVE-YEAR FINANCIAL SUMMARY

	2017 \$'000	2016 \$'000	2015 \$'000	2014 \$'000	2013 \$'000
Consolidated Statements of Financial Position As at 31 March					
Investment Property	3,973	4,135	4,202	4,362	4,522
Property, Plant and Equipment	102	79	132	204	268
Deferred Tax Assets	23,760	7,324	3,388	244	244
Net Current Assets	1,249,369	1,284,208	1,281,318	1,237,590	1,167,550
Deferred Taxation	(355)	(5,914)	(5,746)	(10,422)	(13,027)
	<u>1,276,849</u>	<u>1,289,832</u>	<u>1,283,294</u>	<u>1,231,978</u>	<u>1,159,557</u>
Share Capital	631,801	631,801	631,801	631,801	631,801
Reserves	645,048	658,031	651,493	600,177	527,756
Total Equity	<u>1,276,849</u>	<u>1,289,832</u>	<u>1,283,294</u>	<u>1,231,978</u>	<u>1,159,557</u>

Consolidated Statements of Comprehensive Income For the year ended 31 March

Revenue	<u>143,395</u>	<u>281,997</u>	<u>382,655</u>	<u>408,289</u>	<u>354,658</u>
Profit Before Tax	79,732	106,901	109,055	133,324	142,960
Tax Expense	(7,274)	(14,922)	(16,313)	(22,066)	(28,316)
Profit After Tax	<u>72,458</u>	<u>91,979</u>	<u>92,742</u>	<u>111,258</u>	<u>114,644</u>



GROUP FINANCIAL HIGHLIGHTS

	2017 \$'000	2016 \$'000
FOR THE YEAR ENDED 31 MARCH		
Revenue	143,395	281,997
Profit Before Tax	79,732	106,901
Profit After Tax	72,458	91,979
Net Dividends (proposed)	85,441	85,441
Share Capital	631,801	631,801
Total Equity	1,276,849	1,289,832
Net Return on Total Equity	5.67%	7.13%
Earnings Per Ordinary Share		
Basic earnings per share	\$0.28	\$0.36
Diluted earnings per share	\$0.28	\$0.36
Dividends Per Ordinary Share		
Gross	\$0.33	\$0.33
Net	\$0.33	\$0.33
Cover	0.85 times	1.08 times
Net Tangible Assets Per Ordinary Share	\$4.93	\$4.98

FINANCIAL CALENDAR

FINANCIAL YEAR ENDED 31 MARCH 2017

Announcement of First Quarter Results	11 August 2016
Announcement of Half-year Results	11 November 2016
Announcement of Third Quarter Results	10 February 2017
Announcement of Full-year Results	26 May 2017
Annual General Meeting	27 July 2017

FINANCIAL YEAR ENDED 31 MARCH 2018

Announcement of First Quarter Results	August 2017
Announcement of Half-year Results	November 2017
Announcement of Third Quarter Results	February 2018
Announcement of Full-year Results	May 2018



Paterson Collection

BOARD OF DIRECTORS

GUOK CHIN HUAT SAMUEL

**Chairman and
Independent Director**

Mr Guok Chin Huat Samuel was appointed to the Board on 3 March 2008 and was appointed Chairman of the Board on 21 July 2011. He is also Chairman of the Audit Committee, and a member of the Nominating Committee, Remuneration Committee and Project Development Committee.

Mr Guok also serves as Independent Director on three other SGX-listed companies and one company listed on Taiwan Stock Exchange. He graduated from Boston University with Majors in Finance and International Economics, Minor in Chemistry.

Date of first appointment as a Director: 3 March 2008

Date of last re-election as a Director: 25 July 2014

Present Directorships of listed companies:

Global Palm Resources Holdings Limited
Redwood Group Limited
Datapulse Technology Limited
Asiatravel.com Holdings Ltd

Past Directorships of listed companies

over preceding 3 years: Nil

LEE CHIEN SHIH

**Non-Executive and
Non-Independent Director**

Mr Lee Chien Shih was appointed to the Board on 1 October 1999. He is Chairman of the Remuneration Committee and a member of the Nominating Committee.

Mr Lee is a Director of the Lee Rubber Group of Companies, Lee Foundation Singapore and Lee Foundation Malaysia. He holds a MBBS from the National University of Singapore.

Date of first appointment as a Director: 1 October 1999

Date of last re-election as a Director: 27 July 2016

Past Directorships of listed companies over preceding 3 years:

Great Eastern Holdings Limited

NG CHEE SENG

**Executive Director
Chief Executive Officer**

Mr Ng Chee Seng joined the Group in 1994 and he is the Chief Executive Officer of the Group. He was appointed to the Board on 19 April 2007. He is a member of the Project Development Committee.

Mr Ng holds a Bachelor of Architecture degree and a Master degree in Property and Maintenance Management from the National University of Singapore. He is a member of the Singapore Institute of Architects and Conservation Advisory Panel.

Date of first appointment as a Director: 19 April 2007

Date of last re-election as a Director: 23 July 2015

Past Directorships of listed companies

over preceding 3 years: Nil

EDDIE TANG

**Non-Executive and
Independent Director**

Mr Eddie Tang was appointed to the Board on 22 May 2009. He is Chairman of the Nominating Committee, and a member of the Audit Committee, Remuneration Committee and Project Development Committee.

After retiring from banking, Mr Tang is now CEO/Director of Medvance Pte Ltd.

Mr Tang holds a degree in Psychology from the University of Queensland and Master's degrees in Asian Studies and Banking/Finance from Australia and UK respectively. He was awarded a PhD Scholarship from the Australian National University and an Honorary Doctorate of Economics by the University of Queensland.

Date of first appointment as a Director: 22 May 2009

Date of last re-election as a Director: 23 July 2015

Past Directorships of listed companies over preceding 3 years:

Nil

BOARD OF DIRECTORS

TAN SWEE SIONG Non-Executive and Independent Director

Mr Tan Swee Siong was appointed to the Board on 1 August 2011. He is a member of the Audit Committee, Nominating Committee and Project Development Committee.

Mr Tan is currently the Head of Real Estate with the Tolaram Group.

Mr Tan holds a B.Eng (Hons) from the National University of Singapore and MBA from the Melbourne Business School.

Date of first appointment as a Director: 1 August 2011
Date of last re-election as a Director: 23 July 2015

**Past Directorships of listed companies
over preceding 3 years:** Nil

FAM LEE SAN Non-Executive and Non-Independent Director

Ms Fam Lee San was appointed as Director of the Company on 25 July 2014.

Ms Fam is currently the Financial Controller of Kallang Development (Pte) Limited, a subsidiary of Lee Rubber Company Pte Ltd. She is also a Director of various companies in the Lee Rubber Group.

Ms Fam holds a Bachelor of Accountancy degree from the National University of Singapore and is a member of the Institute of Singapore Chartered Accountants.

Date of first appointment as a Director: 25 July 2014
Date of last re-election as a Director: 27 July 2016

**Past Directorships of listed companies
over preceding 3 years:** Nil

CHNG KIONG HUAT Non-Executive and Non-Independent Director

Mr Chng Kiong Huat was appointed to the Board on 24 July 2015. He is Chairman of the Project Development Committee.

Mr Chng is an Executive Director of Kallang Development (Pte) Limited, and a Director of FEO Hospitality Asset Management Pte. Ltd.

Mr Chng holds a Bachelor of Arts (Architecture Studies) degree and a Bachelor of Architecture (Hons) degree from the National University of Singapore, and a LLB (Hons) degree from the University of London. In 2012, he attended the Stanford Executive Program at Stanford University. He is a registered architect with the Singapore Board of Architects.

Date of first appointment as a Director: 24 July 2015
Date of last re-election as a Director: 27 July 2016

**Past Directorships of listed companies
over preceding 3 years:** Nil

KOH POH TIONG Non-Executive and Independent Director

Mr Koh Poh Tiong was appointed to the Board on 1 February 2017.

Mr Koh is currently Board Director and Adviser of Fraser and Neave, Limited. Previously, he was the Chief Executive Officer (Food & Beverage Division) of Fraser and Neave, Limited and the Chief Executive Officer of Asia Pacific Breweries Limited.

He is also Chairman of the National Kidney Foundation and The Singapore Kindness Movement.

Mr Koh holds a Bachelor of Science degree from the University of Singapore.

Date of first appointment as a Director: 1 February 2017

Present Directorships of listed companies:
Fraser and Neave, Limited
Delfi Limited
SATS Limited
Raffles Medical Group Limited
United Engineers Limited

**Past Directorships of listed companies
over preceding 3 years:**
Ezra Holdings Limited

KEY MANAGEMENT

DENNIS LOH SIEW KEEN

Mr Dennis Loh is the Head of Finance and Company Secretary of the Group. He joined the Group in 2014. He is responsible for the Group's corporate secretarial, finance, accounting and tax functions. He has more than 20 years of experience in finance and accounting.

Mr Loh holds a Bachelor of Accountancy degree from the University of Singapore and is a Chartered Accountant of Singapore and member of the Institute of Singapore Chartered Accountants.

JUSTIN HO NGIAM CHAN

Mr Justin Ho holds the position of Assistant General Manager (Project and Property Management). He joined the Group in 2001 and is responsible for residential development projects and property management in the Group. He has more than 25 years of project experience.

Mr Ho holds a Master in Business Administration degree from the University of Leeds (UK) and a Bachelor of Engineering degree (Civil & Structural) from the National University of Singapore.

KATHARINE KUM LAI HOONG

Ms Katharine Kum holds the position of Assistant General Manager (Design and Development Management). She joined the Group in 2007 and is responsible for the design and development of the Group's properties. She has more than 15 years of project experience.

Ms Kum holds a Bachelor of Architecture degree (Hons) and a Bachelor of Environmental Design degree from the University of Western Australia. She is a member of the Singapore Institute of Architects and the Singapore Institute of Arbitrators.

14 & 16 Lengkok Angsa



CORPORATE GOVERNANCE REPORT

Bukit Sembawang Estates Limited (Company) is committed to ensuring a high standard of corporate governance within the Company and its subsidiaries (Group). This Report describes the corporate governance practices and activities of the Group for the financial year ended 31 March 2017 in relation to each of the principles of the Code of Corporate Governance 2012 (Code), and deviations are explained. Unless otherwise stated, the corporate governance processes were in place during the financial year.

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1 – *Every Company should be headed by an 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 Management remains accountable to the Board.*

The Board provides strategic direction to the Company and the Group and its principal role and functions include the following:

1. Approving the broad policies, property development strategies and financial objectives of the Company and the Group, and monitoring the performance of Management;
2. Overseeing and evaluating the adequacy of internal controls and risk management based on best corporate governance practices, and financial reporting in compliance with statutory requirements;
3. Approving the nominations and re-nominations to the Board and appointment of key personnel;
4. Approving annual budgets, major funding proposals and investments;
5. Setting the Company's dividend policy and recommending dividends; and
6. Setting the Company's values and standards and ensuring that obligations to shareholders and others are understood and met.

In the discharge of its functions, the Board is supported by Board Committees, comprising the Audit, Remuneration, Nominating and Project Development Committees, which provide independent oversight of Management, and which also serve to ensure that there are appropriate checks and balances. Information on these committees and their activities during the year under review is described in this Report.

The Board is accountable to shareholders while Management is accountable to the Board. The Company has in place financial authorisation limits for operating and capital budgets, procurement of goods and services, and cheque signatory arrangements. Approval sub-limits are also provided at Management level to facilitate operational efficiency. Matters that are specifically reserved for the Board's decision include material acquisitions and disposals of assets, corporate or financial restructuring, share issuances and dividend payments to shareholders, main contracts, marketing proposals, land acquisitions and other transactions or events of a material nature requiring announcement under the listing rules of Singapore Exchange Securities Trading Limited (SGX-ST).

The Board meets at least four times a year, with additional meetings convened as and when necessary. The attendance of the Directors at meetings of the Board and Board Committees, as well as the frequency of such meetings, is disclosed in this Report.

CORPORATE GOVERNANCE REPORT

At the request of Directors, the Company will fund Directors' participation at industry conferences, seminars or any training programme in connection with their duties as Directors of the Company. The Company Secretary will bring to the Directors' attention, information on seminars that may be of relevance or use to them. Induction and orientation are provided to new Directors.

Upon appointment of a new Director, the Company will provide a formal letter to the Director, setting out the Director's duties and obligations.

BOARD COMPOSITION AND GUIDANCE

***Principle 2** – There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders¹. No individual or small group of individuals should be allowed to dominate the Board's decision making.*

The Board currently comprises eight Directors, of whom four are independent and non-executive. The names of the Directors in office are set out in the Directors' Statement. Particulars of their direct and indirect interests in the Company's shares are also shown in the Directors' Statement.

While the Company's Constitution allow for the appointment of a maximum of 10 Directors, the Board is of the view that a Board size of eight Directors with their experience and expertise is appropriate, taking into account the nature and scope of the Company's operations.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER (CEO)

***Principle 3** – There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Company's business. No one individual should represent a considerable concentration of power.*

The Company has a separate Chairman and CEO. The Chairman is a non-executive and independent Director whilst the CEO is an executive Director.

The CEO is the Chief Executive in the Company and bears executive responsibility for the Company's main property business, while the Chairman bears responsibility for the workings of the Board. The Chairman and the CEO are not related.

The Chairman encourages constructive relations among members of the Board and between the Board and Management and facilitates contributions of the non-executive Directors. The Chairman ensures that Board meetings are held when necessary and sets the Board meeting agenda in consultation with the CEO and Company Secretary. The Chairman reviews Board papers before they are presented to the Board and ensures that Board members are provided with complete, adequate and timely information. As a general rule, Board papers are sent to Directors at least a week in advance in order for Directors to be adequately prepared for the meeting.

¹ A "10% shareholder" is a person who has an interest or interests in one or more voting shares in the Company and the total votes attached to that share or those shares is not less than 10% of the total votes attached to all the voting shares in the Company. "Voting shares" exclude treasury shares.

CORPORATE GOVERNANCE REPORT

BOARD MEMBERSHIP

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

BOARD PERFORMANCE

Principle 5 – There should be a 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.

Nominating Committee (NC)

The NC comprises four non-executive Directors, the majority of whom, including the NC Chairman, are independent:

Mr Eddie Tang (Chairman)
Mr Guok Chin Huat Samuel
Mr Lee Chien Shih
Mr Tan Swee Siong

The NC's written Terms of Reference are approved and subject to periodic review by the Board. The key terms of reference of the NC are to:

1. Recommend to the Board on all Board and Board Committees appointments and re-nominations, including recommending the Chairman for the Board and for each Board Committee;
2. Engage in succession planning for the positions of Chairman, Directors and senior executives;
3. Determine annually and, as and when circumstances require, if a Director is independent and whether he is able to carry out his duties as a Director and make its recommendations to the Board;
4. Assess annually the effectiveness of the Board as a whole, its Board Committees, and the contribution by each individual Director to the effectiveness of the Board; and
5. Recommend to the Board on relevant matters relating to the review of training and professional development programs for the Board.

The NC, in considering the nomination of any Director for re-appointment, assesses the Director's contribution to the Board including attendance record at meetings of the Board and Board Committees and the quality of participation at meetings.

The NC evaluates the Board's performance as a whole, its Board Committees, and the contributions of individual Directors to the effectiveness of the Board. The assessment criteria adopted include both a quantitative and qualitative evaluation. The qualitative criteria for assessing the Board's collective performance include Board size and composition, access to information, processes and accountability and Board Committees' performance in relation to discharging their responsibilities set out in their respective terms of reference, while the quantitative assessment criteria include net profit, return on equity, earnings per share, dividend per share and pay-out ratio, allowing for comparison against industry peers. The assessment criteria for individual Directors include factors such as Director's attendance, preparedness for meetings, participation level and contribution at meetings, analytical skills, knowledge/insight and strategic planning as well as overall contribution to the Board and the Board Committees, as appropriate.

CORPORATE GOVERNANCE REPORT

The four independent Directors currently represents 50% of the Board. The independence of each Director is reviewed annually by the NC. The NC, in reviewing the independence of each Director, adopts the Code's definition of what constitutes an independent Director. A Director is required to inform the NC of any relationships or circumstances which arise that are likely to affect, or could appear to affect, his independence. The Board, after taking into consideration the NC's review of the independence of each Director for this financial year, is of the view that Mr Guok Chin Huat Samuel, Mr Eddie Tang, Mr Tan Swee Siong, and Mr Koh Poh Tiong are independent Directors, and that no individual or group of individuals dominate the Board's decision-making process. Although Mr Guok Chin Huat Samuel has served nine years as a Director from the date of his first appointment, the NC has subject his independence to a particularly rigorous review. Despite his long service, the NC has found that he has, at all Board meetings and all times, expressed his views objectively and independently. The Board agreed with the NC assessment that Mr Guok Chin Huat Samuel remains independent. Each Director abstained from all deliberations by the NC and the Board on their own respective independence.

When a Director serves on multiple Boards, that Director is required to ensure that sufficient time and effort is allocated to the affairs of the Company with assistance from Management, which provides complete and timely information on a regular basis for effective discharge of the Director's duties as well as a comprehensive schedule of events drawn up in consultation with the relevant Director. Accordingly, the Board has not set a maximum number of other listed company directorships which a Director may concurrently hold.

At present new Directors are appointed by way of a board resolution, upon NC's interview and approval of their appointments.

The NC assessed and recommended to the Board, the Directors to be put forward for re-election at the Company's AGMs. Article 94 of the Company's Constitution requires one-third of the Directors to retire by rotation from office at every AGM provided that all Directors must retire at least once every three years. In addition, Article 76 of the Company's Constitution provides that newly appointed Directors must retire at the next AGM following their appointment. All retiring Directors are eligible for re-election. At the forthcoming AGM, Mr Guok Chin Huat Samuel and Mr Eddie Tang will be retiring by rotation pursuant to Article 94 of the Company's Constitution. Mr Koh Poh Tiong who was appointed by the Board during the year will be retiring at the forthcoming AGM pursuant to Article 76 of the Company's Constitution. Mr Eddie Tang and Mr Koh Poh Tiong, being eligible and having given their consents for re-election, will be put forward for re-election at the forthcoming AGM. Mr Guok Chin Huat Samuel will not be seeking re-election and will retire after the forthcoming AGM. Upon his retirement, Mr Guok Chin Huat Samuel will cease as Chairman of the Board and also relinquish his positions as Chairman of the Audit Committee, a member of the Remuneration Committee, the Nominating Committee and the Project Development Committee.

The NC identifies, evaluates and selects suitable candidates for new directorships. The NC considers factors such as the ability of the prospective candidates to contribute to discussions, the structure, size and composition of the Board including mix of expertise, skills and attributes to the existing Directors so as to identify needed and/or desired competencies to supplement the Board's existing attributes.

The selection of candidates for new appointments to the Board as part of the Board's renewal process will also depend on factors such as the current and mid-term needs and goals of the Company and the nature and size of the Group's operations.

CORPORATE GOVERNANCE REPORT

Directors' Attendance at Board and Committee Meetings from 1 April 2016 to 31 March 2017					
	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nominating Committee Meeting	Project Development Committee Meeting
Number of Meetings Held	4	4	1	2	6
Name of Director					
Mr Guok Chin Huat Samuel	4	4	1	2	6
Mr Lee Chien Shih	4	–	1	2	–
Mr Ng Chee Seng	4	–	–	–	6
Mr Eddie Tang	4	4	1	2	6
Mr Tan Swee Siong	4	4	–	2	5
Ms Fam Lee San	4	–	–	–	–
Mr Chng Kiong Huat	4	–	–	–	6
Mr Koh Poh Tiong ¹	1	–	–	–	–

¹ Mr Koh Poh Tiong was appointed Director on 1 February 2017.

ACCESS TO INFORMATION

Principle 6 – *In order to fulfil their responsibilities, Directors should be provided with complete, adequate and timely information prior to Board meetings and on an ongoing basis so as to enable them to make informed decisions to discharge their duties and responsibilities.*

In order to ensure that the Board is able to fulfil its responsibilities, Management provides the Board members with the monthly financial, operational and budget reports and other management statements within 12 days after the month-end. Analysts' reports on the Company are forwarded to the Directors on an ongoing basis as and when available. The Directors are provided with the phone numbers and particulars of the Company's senior management and Company Secretary to facilitate access.

All Directors have unrestricted access to the Company's records and information and receive detailed financial and operational reports from Management to enable them to carry out their duties. Directors may also liaise with Management and seek additional information if required. Directors may, at any time, in the furtherance of their duties, request for independent professional advice at the Company's expense.

The Company Secretary attends all Board meetings and assists the Chairman in ensuring that the Board procedures are followed. The Company Secretary is also responsible for communicating changes in listing rules or other regulations affecting corporate governance and compliance where applicable, to the Board and the Company.

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 7 – There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. No Director should be involved in deciding his own remuneration.

LEVEL AND MIX OF REMUNERATION

Principle 8 – The level and structure 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.

DISCLOSURE ON REMUNERATION

Principle 9 – Every Company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the Company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to Directors and key management personnel, and performance.

Remuneration Committee (RC)

The RC comprises three non-executive Directors, a majority of whom are independent:

Mr Lee Chien Shih (Chairman)
Mr Guok Chin Huat Samuel
Mr Eddie Tang

To minimise the risk of potential conflicts of interest, all the members of the RC, including the Chairman of the RC, are independent from Management. The Board considers it appropriate for Mr Lee Chien Shih (a non-independent Director) to head the RC as this is in keeping with the Board's objective that remuneration policies should be in alignment with the long-term interests of the Company and of all stakeholders.

The RC's written Terms of Reference are approved and subject to periodic review by the Board. The key terms of reference of the RC are to:

1. Recommend to the Board base salary levels, benefits and incentive opportunities, and identify components of salary which can be best used to focus management staff on achieving corporate objectives;
2. Approve the structure of Directors' fees and senior management's compensation programme to ensure that the programme is competitive and sufficient to attract, retain and motivate senior management of the required quality to run the Company successfully; and
3. Review Directors' fees and senior management's compensation annually and determine appropriate adjustments.

CORPORATE GOVERNANCE REPORT

The Company adopts an overall remuneration policy for staff comprising a fixed component in the form of a base salary. The variable component is in the form of a bonus that is linked to the Company's and the individual's performance, and is tied to the extent to which certain key financial and operational performance indicators, such as return on equity and the creation of shareholder wealth, are achieved. Compensation packages and revisions of senior management's remuneration are subject to the review and approval of the RC. Presently, the Company does not have any share option or share award scheme.

Annual appraisals and review of executive's compensation are carried out by the RC to ensure that the remuneration packages of the CEO and senior management are commensurate with their performance and that of the Company, having regard to the financial and commercial health and business needs of the Group, and in line with industry norms.

Directors' fees are set in accordance with a remuneration framework comprising basic fees, attendance fees and additional fees for serving on Board Committees. Directors' fees are approved by shareholders at the AGM before they are paid. Executive Directors do not receive Directors' fees.

Annual Remuneration Report

The Company has decided against the inclusion of an annual remuneration report in this Report as the matters required to be disclosed therein have been disclosed in this Report, the Directors' Statement and the notes to the financial statements. The Board responds to queries from shareholders at AGMs on matters pertaining to remuneration policies and Directors' remuneration.

The Directors, the CEO and other key management personnel are remunerated on an earned basis. There was no termination, retirement and post-employment benefits that are granted over and above what has been disclosed.

Remuneration of Directors

The remuneration of each Director is shown in the table below:

Name of Director	Total Remuneration \$'000	Fees \$'000	Salary ¹ \$'000	Bonus ¹ \$'000	Benefits-in-kind \$'000
Non-Executive Directors					
Mr Guok Chin Huat Samuel	133	133	–	–	–
Mr Lee Chien Shih	48	48	–	–	–
Mr Eddie Tang	80	80	–	–	–
Mr Tan Swee Siong	74	74	–	–	–
Ms Fam Lee San ²	40	40	–	–	–
Mr Chng Kiong Huat ²	54	54	–	–	–
Mr Koh Poh Tiong ³	10	10	–	–	–
Total	439	439	–	–	–
Executive Director					
Mr Ng Chee Seng ⁴	486	–	297	173	16

¹ Includes employer's CPF contribution.

² Payable to Kallang Development (Pte) Limited.

³ Mr Koh Poh Tiong was appointed Director on 1 February 2017.

⁴ Mr Ng Chee Seng is also the CEO.

CORPORATE GOVERNANCE REPORT

The above proposed total fees of \$439,000 (2016: \$467,000) for non-executive Directors is subject to shareholders' approval at the AGM on 27 July 2017.

Remuneration of Key Executives

The Group currently has three key executives (who are not also Directors or the CEO). The remuneration of each of the key executives is within the band of \$250,000 for the financial year ended 31 March 2017 and a breakdown is shown in the table below. The aggregate remuneration paid to the key executives including bonus payable to them for the financial year is \$643,000.

Name of Key Executive and Designation	Total (%)	Salary ¹ (%)	Bonus ¹ (%)	Benefits-in-kind (%)
Mr Dennis Loh Siew Keen Head of Finance and Company Secretary	100	74	26	0
Mr Justin Ho Ngiam Chan Assistant General Manager (Project and Property Management)	100	74	25	1
Ms Katharine Kum Lai Hoong Assistant General Manager (Design and Development Management)	100	66	33	1

¹ Includes employer's CPF contribution.

Remuneration of Directors' Immediate Family

During the financial year ended 31 March 2017, none of the Directors had immediate family members who were employees of the Company.

ACCOUNTABILITY AND AUDIT

ACCOUNTABILITY

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

In presenting the periodic announcements of the results of the Company and the Group, it is the aim of the Board to provide a balanced and comprehensible assessment of the Group's performance, position and prospects on a quarterly basis.

To ensure that the Board is able to fulfil its responsibilities, Management provides the Board with monthly reports on the operations and significant events that took place in the respective companies during the month.

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11 – *The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.*

The Company believes that it has in place an effective system of internal controls addressing material financial, operational, compliance and information technology risks to safeguard shareholders' interests and the Group's assets, and also to manage risks.

The Audit Committee (AC) is responsible for making the necessary recommendation to the Board such that an opinion or comment regarding the adequacy and effectiveness of the risk management and internal control systems of the Group can be made by the Board in the annual report of the Company according to the Listing Manual of the SGX-ST and the Code.

The Company has an established risk identification and management framework developed with the assistance of an external consultant. The ownership of the risks lies with the respective heads of departments and CEO with stewardship residing with the Board. The AC assists the Board to oversee Management in the formulation, updating and maintenance of an adequate and effective risk management framework and while the AC reviews the adequacy and effectiveness of the risk management and internal control systems.

The Company maintains a risk register which identifies the material risks facing the Group and the internal controls in place to manage or mitigate those risks. Heads of departments and CEO review and update the risk register regularly. The risk register is reviewed annually by the AC and the Board.

Internal and external auditors conduct audits that involve testing the effectiveness of the material internal controls in the Group. Any material non-compliance or lapses in internal controls together with corrective measures recommended by internal and external auditors are reported to the AC. The effectiveness of the measures taken by Management in response to the recommendations made by the internal and external auditors is also reviewed by the AC. The system of risk management and internal controls is continually being refined by Management, the AC and the Board.

The Board has received assurance from the CEO and the Head of Finance that:

- (a) the financial records of the Group have been properly maintained and the financial statements for the year ended 31 March 2017 give a true and fair view of the Group's operations and finances; and
- (b) the system of risk management and internal controls in place within the Group is adequate and effective in addressing the material risks in the Group in its current business environment including material financial, operational, compliance and information technology risks.

Based on the framework established and the reviews conducted by Management and both the internal and external auditors, the Board, with the concurrence of the AC, is of the opinion that the system of internal controls, including financial, operational compliance and information technology controls and risk management systems, were adequate as at 31 March 2017 to address the risks which the Group considers relevant and material to its operations.

The Board notes that the system of risk management and internal controls established by the Company provides reasonable, but not absolute, assurance that the Group will not be significantly affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of risk management and internal controls can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE

Principle 12 – *The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.*

The AC comprises three members, all of whom are independent non-executive Directors. The Chairman and the other members of the AC have vast experience in managerial positions in the property and finance industry, and are therefore capable of discharging the AC's functions. They are as follows:

Mr Guok Chin Huat Samuel (Chairman)
Mr Eddie Tang
Mr Tan Swee Siong

The AC's written Terms of Reference are approved and subject to periodic review by the Board.

The AC performs the following functions in accordance with Section 201B(5) of the Companies Act, the SGX-ST's Listing Manual and the Code:

1. Reviews with the external auditors, their audit plan, evaluation of the accounting controls, audit reports and any matters which the external auditors wish to discuss;
2. Reviews with the internal auditors, the scope and the results of internal audit function and their evaluation of the overall internal control systems;
3. Reviews the quarterly, half-yearly and full-year results, and annual financial statements, including announcements to shareholders and the SGX-ST prior to submission to the Board;
4. Makes recommendations to the Board on the appointment of external auditors, their remuneration and reviews the cost effectiveness, independence and objectivity of the external auditors;
5. Reviews interested person transactions that may arise within the Company and the Group to ensure compliance with Chapter 9 of the SGX-ST's Listing Manual and to ensure that the terms of such transactions are:
 - on normal commercial terms; and
 - not prejudicial to the interests of the Company and its minority shareholders;
6. Reports actions and minutes of the AC meetings to the Board with such recommendations as the AC considers appropriate; and
7. Reviews reports received, if any, pursuant to the provisions of the Company's Whistle-blowing Policy and undertakes the proceedings as prescribed.

The AC has power to conduct or authorise investigations into any matters within its terms of reference.

The AC meets with the external auditors at least annually and with internal auditors at least once every two years, without the presence of Management.

CORPORATE GOVERNANCE REPORT

In discharging its functions, the AC is provided with sufficient resources, has access to and co-operation of Management and internal auditors and has discretion to invite any Director or executive officer to attend its meetings. All major findings and recommendations are brought to the attention of the Board.

The Company has put in place a whistle-blowing framework, endorsed by the AC, under which employees of the Group may, in confidence, raise concerns about possible corporate irregularities in matters of financial reporting or other matters.

The AC has undertaken a review of all non-audit services provided by the external auditors during the financial year, and is of the view that they would not affect the independence of the external auditors.

The AC has recommended that KPMG LLP be nominated for re-appointment as external auditors at the AGM to be held on 27 July 2017. KPMG LLP has indicated their willingness to accept re-appointment.

The AC members keep abreast of changes to accounting standards and issues which have a direct impact on financial statements by attending training sessions and talks by the external auditors and other professionals.

INTERNAL AUDIT (IA)

Principle 13 – *The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.*

The IA function is outsourced to Ernst & Young Advisory Pte Ltd, who reports directly to the AC. The AC reviews at least annually, the adequacy and effectiveness of the outsourced internal audit function.

The internal auditor reviews once every two years the Group's main business processes, the activities in each of the Group's key business segments and the Group companies responsible for these business activities and processes. The internal auditor carried out its function according to the standards set by International Standards for the Professional Practice of Internal Auditing, established by the Institute of Internal Auditors.

Having an IA function assures the Board of the adequacy and maintenance of proper accounting records, and the reliability of the information used within or published by the Company.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

SHAREHOLDER RIGHTS

Principle 14 – *Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.*

The Company treats all its shareholders fairly and equitably and keeps all its shareholders informed of its corporate activities, including changes in the Company or its business which would be likely to materially affect the price or value of its shares, on a timely and consistent basis.

The Company ensures that shareholders have the opportunity to participate effectively and vote at general meetings of shareholders and informs shareholders of the rules, including voting procedures, governing such meetings. In addition, for transparency, the Company discloses proxies received by the Company directing the Chairman to vote (as proxy for members) for or against the motions at the general meetings.

CORPORATE GOVERNANCE REPORT

COMMUNICATION WITH SHAREHOLDERS

Principle 15 – Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

CONDUCT OF SHAREHOLDER MEETINGS

Principle 16 – Companies should encourage greater shareholders' participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the Company.

In line with continuous disclosure obligations of the Company, pursuant to the SGX-ST's Listing Manual and the Securities and Futures Act, Chapter 289 of Singapore (SFA), the Board's policy is that shareholders be informed promptly of all major developments that impact the Company and its subsidiaries.

Quarterly, half-year and full-year results are published on the Company's website and announced to SGX-ST via SGXNET. All information on the Company's new initiatives is first disseminated through the Company's website and SGXNET.

Price sensitive information is first publicly released, either before the Company meets with any group of investors or analysts or simultaneously (if after close of trading) with such meetings. Quarterly, half-year and full-year financial statements and annual reports are announced or issued within the mandatory period.

All shareholders of the Company are sent a copy of the Annual Report and Notice of AGM. The Notice which is despatched at least 14 days before the AGM, is also advertised in a prominent English language newspaper. At AGMs, shareholders are given the opportunity to air their views and ask questions. The Directors, Management and external auditors will be present and available to address shareholders' questions germane to the AGM.

The Articles allow a shareholder of the Company to appoint one or two proxies to attend and vote at all general meetings. Voting for all resolutions passed at shareholders' meetings were conducted by electronic poll voting since 2016 for efficiency and transparency and would continue to be so at the forthcoming AGM. Voting results of the general meetings, including the total number of votes cast for or against each resolution, are released via SGXNET on the same day. The Company also maintained minutes of general meetings.

PROJECT DEVELOPMENT MATTERS

Project Development Committee (PDC)

The PDC comprises the following members:

Mr Chng Kiong Huat (Chairman)
 Mr Guok Chin Huat Samuel
 Mr Ng Chee Seng
 Mr Eddie Tang
 Mr Tan Swee Siang

The principal responsibilities of PDC are to oversee matters such as approving vendor lists, minor work contracts, supply and maintenance contracts and nominated sub-contracts.

CORPORATE GOVERNANCE REPORT

BEST PRACTICES POLICIES

Dealing in Securities

The Company has issued a policy on dealings in the securities of the Company to its Directors and Management, setting out the implications of insider trading and guidance on such dealings. It has adopted the best practices recommendations of the SGX-ST on Dealing in Securities to provide further guidance to Directors and employees dealing in the Company's securities. Pursuant to the guidelines, Directors and key executives of the Group who have access to price-sensitive and confidential information are not permitted to deal in the Company's securities during the period commencing two weeks before the announcement of the Group's results for each of the first three quarters of the financial year and one month before the Group's full-year results and ending on the respective announcement date. In addition, Directors and key executives are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. They are also discouraged from dealing in the Company's securities on short-term considerations.

Directors are required to report to the Company Secretary whenever they deal in the Company's shares and the necessary announcements are made in accordance with the notification requirements under the Securities and Futures Act (Chapter 289) of Singapore.

Interested Person Transactions (IPT)

The Company has an internal policy in respect of any transactions with interested persons and has in place a process to review and approve any IPT. For this financial year, there were no IPT nor any material contracts entered between the Company and its subsidiaries involving the interests of the Chief Executive Officer, Directors or controlling shareholders of the Company.

SUSTAINABILITY REPORT



Planting trees for the environment (Tree Planting Day - 15 August 2016)

Bukit Sembawang Estates Limited and its subsidiaries (Group) is committed to achieving sustainability benefits for the environment, our people and the community and in the process, safeguard the well-being and interests of its diverse stakeholders. This Report describes the sustainability practices of the Group during the financial year ended 31 March 2017 in the areas of environmental, social and governance aspects of business and strategy.

ENVIRONMENT AND GREEN PRACTICES

The Environment and Green Practice Committee (EGC) promotes Green initiatives and encourages staff to be conscientious about the saving of electricity and recycling to preserve the planet for a better tomorrow. Activities and efforts such as recycling, reducing paper usage, using energy saving light bulbs and refillable ink pens, spring cleaning conducted periodically to reduce waste and switching off electricity at all power points after office hours have become regular/daily habits in the office. The Green Mailer is emailed to all staff on regular basis to reiterate the importance of reducing consumption of natural resources to benefit future generations.



During the year, the Group supported Earth Hour on 22 April 2017. The EGC in emphasizing the importance of our Environment and Green Practice Policy has collated green tips into an e-manual in November 2015 as an educational reading for all staff so as to encourage them to commit towards environmental sustainability.

The Group was first granted the Eco Office Label by the Singapore Environment Council in May 2015, which was valid for 2 years. The Label was renewed on 14 May 2017 for another 3 years to 13 May 2020. This is in recognition of the Group's green office practices.

SUSTAINABILITY REPORT

SUSTAINABLE DEVELOPMENTS

The Group is committed in its efforts to include environmentally sustainable features in its property developments. The Group has obtained many Green Mark awards by the Building and Construction Authority (BCA) since 2008 for its development projects for constructing environment-friendly buildings and promoting sustainability in the built environment from project conceptualisation and design, as well as during construction stage.

The Group was awarded the Green Mark Gold Plus and Platinum certification by BCA for Luxus Hills Phase 8 and 9 respectively in 2015.

The Group also won the BCI Asia “Top Ten 2017 Developers Awards”. The awards are bestowed on developers that will shape the built environment of tomorrow. The award recognises the developers with greatest value of construction projects by the extent of their Green Building ratings and early incorporation of Green design efforts, and contribution to sustainability of their property development.

ENVIRONMENTAL PROTECTION

The Group is committed to contribute to green and environmentally friendly living surroundings. As in the previous financial year, the EGC organised a tree planting day during the year, which was held on 15 August 2016, and in which almost all the staff participated. 18 trees were planted on the Luxus Hills open space area along Ang Mo Kio Avenue 5. This marked the significance of the Group’s policy to pursue Green initiatives.

ISO 14001:2015

Our office has obtained ISO 14001:2015 from TUV SUVPSB on 14 March 2017.

HUMAN CAPITAL

The Group is committed to developing the full potential of its employees with training programmes. Our employees have attended seminars, workshops and skills programmes to improve their levels of skills and knowledge and enhance their expertise. The training enable employees to increase work place productivity and help them in their personal development. New employees are provided with on-the-job training and are orientated on the Group’s businesses, policies, corporate culture and core values. Succession planning for key positions is put in place for the sustainability of the Company’s business and performance.

WORKPLACE SAFETY AND HEALTH

The Group promotes a strong safety culture in the workplace to achieve a safe working environment. The Group has an established Workplace Safety and Health policy manual for staff to adhere to recommended safety standards and practices.

The Group strives to fully integrate health and safety into all aspects of its activities through a continuous improvement of process. Matters relating to health and safety at the workplace are regularly assessed and deliberated during management meetings. Safety planning and management is diligently practised through the various stages of our projects from design inception, development, construction and property management.

Risk assessments are carried out to identify hazards. The Group has established a Risk Assessment team for this purpose. The risks involved are analysed and adequate controls are put in place to minimise or eliminate these exposures. These are updated regularly, as and when new risks arise.

COMMUNITY AND SOCIETY

Donations to Charitable Organisations: Donations are made to various charitable organisations annually with the recommendation by the Corporate Social Responsibility (CSR) Committee. During the year, donations were made to 12 charitable organisations.

Community Involvement: Led by the CSR Committee, the Group reaches out to the community by making meaningful contributions.



Sharing Christmas joy with the residents at Lions Home for the Elders (14 December 2016)

SUSTAINABILITY REPORT



Visit to the Lions Home for the Elders (30 June 2016)

During the year, the CSR Committee organised four outreach programs to the community:

- **30 June 2016:**
Birthday celebration with the elderly at Lions Home for the Elders
- **26 September 2016:**
Mid-autumn celebration with the residents at Bright Hill Evergreen Home
- **14 December 2016:**
Christmas celebration with the elderly at Lions Home for the Elders
- **7 February 2017:**
Chinese New Year celebration with the residents at Bright Hill Evergreen Home

In the above activities, the staff and management of the Group interacted with the residents, and distributed gifts to them. The activities were well received by all participants.



Chinese New Year celebration with the residents at Bright Hill Evergreen Home (7 February 2017)



Luxus Hills Phase 8 & 9



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DIRECTORS' STATEMENT

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 March 2017.

In our opinion:

- (a) the financial statements set out on pages 49 to 84 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2017 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards; 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.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

Guok Chin Huat Samuel
 Lee Chien Shih
 Ng Chee Seng
 Eddie Tang
 Tan Swee Siong
 Fam Lee San
 Chng Kiong Huat
 Koh Poh Tiong (Appointed on 1 February 2017)

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Act, particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Holdings in the name of the director		Other holdings in which the director is deemed to have an interest	
	At beginning of the year	At end of the year	At beginning of the year	At end of the year

The Company

Ordinary shares fully paid

Lee Chien Shih	528,000	528,000	–	–
Ng Chee Seng	–	–	24,000	24,000
Chng Kiong Huat	–	–	10,000	10,000

DIRECTORS' STATEMENT

Directors' interests (cont'd)

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options 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.

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 April 2017.

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 objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

Share options

During the financial year, there were:

- (i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries under options.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under options.

Audit Committee

The members of the Audit Committee at the date of this statement are:

- Guok Chin Huat Samuel (Chairman)
- Eddie Tang
- Tan Swee Siong

All the members of the Audit Committee are non-executive directors of the Company who are independent of the Group and Company's management.

The Audit Committee performs the functions specified in Section 201B of the Companies Act, the Listing Manual and the Best Practices Guide of the Singapore Exchange, and the Code of Corporate Governance.

The Audit Committee has held four meetings since the last directors' statement. In performing its functions, the Audit Committee met the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

DIRECTORS' STATEMENT

Audit Committee (cont'd)

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

The Company is in compliance with Rules 712 and 715 of the SGX-ST Listing Manual in respect of the appointment of auditors for the Company and its subsidiaries.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Guok Chin Huat Samuel

Director

Ng Chee Seng

Director

12 June 2017

INDEPENDENT AUDITORS' REPORT

Members of the Company
Bukit Sembawang Estates Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Bukit Sembawang Estates Limited ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2017, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 49 to 84.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 ("the Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the financial statements' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of development properties

(Refer to Note 8 to the financial statements)

Risk

The Group has residential development properties in Singapore with a carrying amount of \$997 million as at 31 March 2017. Development properties represent the largest category of assets on the statement of financial position; and are measured at the lower of cost and net realisable value ("NRV"). NRV represents the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated selling expenses. The determination of the NRV of development properties is dependent on business cycles, moderated by prevailing government regulations.

The residential development projects are therefore subject to risk of foreseeable losses, if the estimated selling prices fall below the estimated total construction costs.

INDEPENDENT AUDITORS' REPORT

Members of the Company
Bukit Sembawang Estates Limited

Our response

We focused on development projects with slower-than-expected sales or low margins as well as projects where foreseeable losses were previously recognised.

We assessed the reasonableness of the selling prices estimated by the external valuers or management by comparing to recent transacted prices for the same project and/or comparable properties in the vicinity of the properties, taking into consideration the prevailing market trends and the Group's selling plans for these properties.

We evaluated the Group's estimated total development costs for the selected projects by comparing the costs to contracts and agreements, taking into consideration the costs incurred to-date, status of construction progress and deviation in design plans or cost overruns, if any.

Our findings

We found the Group's measurement of the development properties at the lower of cost and NRV to be cautious. The extent of allowance for foreseeable losses recognised has also factored in the Group's selling plans for the development properties.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon. We have obtained all other information prior to the date of this auditors' report except for the Shareholding Statistics ("the Report") which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of management and directors 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 Act and FRSs, 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.

INDEPENDENT AUDITORS' REPORT

Members of the Company
Bukit Sembawang Estates Limited

Responsibilities of management and directors for the financial statements (cont'd)

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit 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 Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

Members of the Company
Bukit Sembawang Estates Limited

Auditors' responsibilities for the audit of the financial statements (cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Lo Mun Wai.

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

12 June 2017

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2017

	Note	Group		Company	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Non-current assets					
Investment property	4	3,973	4,135	–	–
Property, plant and equipment	5	102	79	–	–
Investments in subsidiaries	6	–	–	310,000	310,000
Deferred tax assets	7	23,760	7,324	–	–
		27,835	11,538	310,000	310,000
Current assets					
Development properties	8	997,020	941,883	–	–
Trade and other receivables	9	24,494	92,366	208,235	294,797
Cash and cash equivalents	10	365,378	411,908	345,246	355,253
		1,386,892	1,446,157	553,481	650,050
Total assets		1,414,727	1,457,695	863,481	960,050
Equity attributable to shareholders of the Company					
Share capital	11	631,801	631,801	631,801	631,801
Reserves	12	645,048	658,031	170,945	167,494
Total equity		1,276,849	1,289,832	802,746	799,295
Non-current liabilities					
Deferred tax liabilities	7	355	5,914	355	14
Current liabilities					
Trade and other payables	13	111,810	141,048	59,850	160,225
Current tax payable		25,713	20,901	530	516
		137,523	161,949	60,380	160,741
Total liabilities		137,878	167,863	60,735	160,755
Total equity and liabilities		1,414,727	1,457,695	863,481	960,050

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2017

	Note	2017 \$'000	2016 \$'000
Revenue	14	143,395	281,997
Cost of sales		(53,796)	(169,998)
Gross profit		89,599	111,999
Other income		142	832
Administrative expenses		(3,912)	(3,445)
Other operating expenses		(11,264)	(6,210)
Profit from operations	15	74,565	103,176
Finance income	16	5,167	3,725
Profit before tax		79,732	106,901
Tax expense	17	(7,274)	(14,922)
Profit and total comprehensive income for the year		72,458	91,979
Earnings per share			
Basic and diluted earnings per share (cents)	18	27.99	35.53

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2017

	Note	Share capital \$'000	Capital reserve \$'000	Accumulated profits \$'000	Total \$'000
Group					
At 1 April 2015		631,801	60,714	590,779	1,283,294
Total comprehensive income for the year					
Profit for the year		–	–	91,979	91,979
Transactions with owners, recorded directly in equity					
Contributions by and distributions to equity holders					
Dividends paid	19	–	–	(85,441)	(85,441)
Total contributions by and distributions to equity holders		–	–	(85,441)	(85,441)
Total transactions with owners		–	–	(85,441)	(85,441)
At 31 March 2016		631,801	60,714	597,317	1,289,832

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2017

	Note	Share capital \$'000	Capital reserve \$'000	Accumulated profits \$'000	Total \$'000
Group					
At 1 April 2016		631,801	60,714	597,317	1,289,832
Total comprehensive income for the year					
Profit for the year		–	–	72,458	72,458
Transactions with owners, recorded directly in equity					
Contributions by and distributions to equity holders					
Dividends paid	19	–	–	(85,441)	(85,441)
Total contributions by and distributions to equity holders		–	–	(85,441)	(85,441)
Changes in ownership interests in subsidiaries					
Liquidation of subsidiaries		–	(3,806)	3,806	–
Total changes in ownership interests in subsidiaries		–	(3,806)	3,806	–
Total transactions with owners		–	(3,806)	(81,635)	(85,441)
At 31 March 2017		631,801	56,908	588,140	1,276,849

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2017

	Note	2017 \$'000	2016 \$'000
Cash flows from operating activities			
Profit before tax		79,732	106,901
Adjustments for:			
Depreciation of investment property		162	162
Depreciation of property, plant and equipment		133	73
Finance income		(5,167)	(3,725)
Allowance for foreseeable losses on development properties		5,039	503
		79,899	103,914
Changes in:			
Development properties		(60,176)	98,331
Trade and other receivables		69,700	(77,276)
Trade and other payables		(29,238)	66,266
Cash generated from operations		60,185	191,235
Interest received		3,339	3,950
Taxes paid		(24,457)	(27,142)
Net cash from operating activities		39,067	168,043
Cash flows from investing activities			
Capital expenditure on investment property		-	(95)
Purchase of property, plant and equipment		(156)	(20)
Net cash used in investing activities		(156)	(115)
Cash flows from financing activity			
Dividends paid to owners of the Company		(85,441)	(85,441)
Net cash used in financing activity		(85,441)	(85,441)
Net (decrease)/increase in cash and cash equivalents		(46,530)	82,487
Cash and cash equivalents at beginning of the year		411,908	329,421
Cash and cash equivalents at end of the year	10	365,378	411,908

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 12 June 2017.

1 Domicile and activities

Bukit Sembawang Estates Limited (the Company) is incorporated in the Republic of Singapore and has its registered office at 250 Tanjong Pagar Road, #09-01 St Andrew's Centre, Singapore 088541.

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

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the Group).

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (FRSs).

2.2 Basis of measurement

The financial statements are prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements, and assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year, are described in the following notes:

- Note 8 – measurement of profit attributable to properties under development and allowance for foreseeable losses
- Note 17 – estimation of provisions for current and deferred taxation

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

2 Basis of preparation (cont'd)

2.4 Use of estimates and judgements (cont'd)

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Executive Officer.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as independent valuers' report, is used to measure fair values, then the finance team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of FRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is 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 (with Level 3 being the lowest).

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

3.1 Basis of consolidation

Business combinations

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combinations* as at the date of acquisition, which is the date on which control is transferred to the Group.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

3 Significant accounting policies (cont'd)

3.1 Basis of consolidation (cont'd)

Business combinations (cont'd)

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree, over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of the subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Subsidiaries in the separate financial statements

Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

3 Significant accounting policies (cont'd)

3.2 Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

3.3 Investment property

Investment property is property held either to earn rental income or capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes.

Investment property is stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Depreciation on investment property is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of the investment property.

The estimated useful lives are as follows:

Freehold office premises	50 years
Furniture and fittings	3 to 5 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

3.4 Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal with the carrying amount of the item) is recognised in profit or loss.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Depreciation is recognised from the date that the property, plant and equipment are installed and ready for use.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

3 Significant accounting policies (cont'd)

3.4 Property, plant and equipment (cont'd)

The estimated useful lives for the current and comparative years are as follows:

Furniture, fittings and equipment	3 to 5 years
Motor vehicles	5 years
Computers	1 year

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

3.5 Development properties

Development properties are measured at the lower of cost and net realisable value. Cost includes acquisition costs, development expenditure, capitalised borrowing costs and other costs directly attributable to the development activities. Cost includes an appropriate share of development overheads allocated based on normal capacity.

Borrowing costs that are directly attributable to the acquisition and development of the development property are capitalised as part of development property during the period of development.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

The aggregated costs incurred together with attributable profits and net of progress billings are presented as development properties in the statement of financial position. If progress billings exceed costs incurred plus recognised profits, the balance is presented as deferred income.

3.6 Financial instruments

Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: loans and receivables.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

3 Significant accounting policies (cont'd)

3.6 Financial instruments (cont'd)

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables and cash and cash equivalents.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

Non-derivative financial liabilities

The Group initially recognises financial liabilities on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities in the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise trade and other payables.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

3 Significant accounting policies (cont'd)

3.7 Impairment

Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, economic conditions that correlate with defaults or the disappearance of an active market of a security.

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment property, deferred tax assets and development properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

3 Significant accounting policies (cont'd)

3.7 Impairment (cont'd)

Non-financial assets (cont'd)

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.8 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Levies

A provision for levies is recognised when the condition that triggers the payment of the levy as specified in the relevant legislation is met. If a levy obligation is subject to a minimum activity threshold so that the obligating event is reaching a minimum activity, then a provision is recognised when that minimum activity threshold is reached.

3.9 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the period during which related services are rendered by employees.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

3 Significant accounting policies (cont'd)

3.10 Financial guarantee contracts

Financial guarantees are financial instruments issued by the Group that requires the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment, when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are accounted for as insurance contracts. A provision is recognised based on the Group's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contracts.

3.11 Revenue

Sale of development properties

Revenue from sales of development properties is recognised by reference to the stage of completion using the percentage of completion method when the Group determines that (a) control and the significant risks and rewards of ownership of the work-in-progress transfer to the buyer in its current state as construction progresses, (b) sales price is fixed and collectible, (c) the percentage of completion can be measured reliably, (d) there is no significant uncertainty as to the ability of the Group to complete the development, and (e) costs incurred or to be incurred can be measured reliably.

In all other instances, revenue from sales of development properties is only recognised upon the transfer of control and significant risks and rewards of ownership of the property to the buyer. This generally coincides with the point in time when the development unit is delivered to the buyer. No revenue is recognised when there is significant uncertainty as to the collectability of consideration due or the possible return of units sold.

The percentage of completion is measured by reference to the work performed, based on the ratio of costs incurred to date to the estimated total construction costs. Profits are recognised only in respect of finalised sales contracts to the extent that such profits relate to the progress of the construction work.

Dividends

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

3.12 Finance income

Finance income comprises mainly interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

3 Significant accounting policies (cont'd)

3.13 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

3.14 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investment in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

3 Significant accounting policies (cont'd)

3.15 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.16 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Company's Board of Directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and investment property.

3.17 New standards and interpretations not adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 April 2016 and earlier application is permitted; however, the Group has not early applied the following new or amended standards in preparing these statements.

For those new standards and amendments to standards that are expected to have an effect on the financial statements of the Group and the Company in future financial periods, the Group is assessing the transition options and the potential impact on its financial statements. The Group does not plan to adopt these standards early.

Below is the summary of the requirements for new standards and their potential impact on the financial statements based on an initial assessment undertaken by the Group.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

3 Significant accounting policies (cont'd)

3.17 New standards and interpretations not adopted (cont'd)

Applicable to financial statements for the year ending 31 March 2019

FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 *Revenue*, FRS 11 *Construction Contracts*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for the Construction of Real Estate*, INT FRS 118 *Transfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services*.

FRS 115 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. FRS 115 offers a range of transition options including full retrospective adoption where an entity can choose to apply the standard to its historical transactions and retrospectively adjust each comparative period presented in its 2018 financial statements. When applying the full retrospective method, an entity may also elect to use a series of practical expedients to ease transition.

Potential impact on the financial statements

Method of measuring stage of completion and cost accounting for development properties using the percentage of completion method

The Group currently recognises sale of development properties using the percentage of completion method (POC). Measurement of POC is described in the Group's significant accounting policy Note 3.11.

On adoption of FRS 115, the Group expects to continue to recognise revenue on its development properties over time. Under FRS 115, revenue that is recognised over time is measured using either an input or an output measure that depicts performance. Cost on the other hand, is recognised in the profit or loss as incurred unless they qualify to be capitalised as another asset under another standard or they relate to incremental cost to obtain the contract or future performance.

The Group is currently assessing the method of measuring progress to be adopted and the types of costs to be capitalised and quantifying the impact on transition.

Sales commission

The Group pays sales commission for secured sales contracts. The Group currently recognises the sales commission as an expense in profit or loss when incurred. Under FRS 115, an entity capitalises incremental costs to obtain a contract with a customer if these costs are recoverable. The capitalised costs will be amortised to match the transfer of the development property to the customer under the contract.

Transition

The Group plans to adopt the standard when it becomes effective in 2018 using the full retrospective approach. The Group is currently performing a detailed analysis under FRS 115 to determine its election of the practical expedients and to quantify the transition adjustments on its financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

3 Significant accounting policies (cont'd)

3.17 New standards and interpretations not adopted (cont'd)

Applicable to financial statements for the year ending 31 March 2019 (cont'd)

FRS 109 *Financial Instruments*

FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from FRS 39.

FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. Retrospective application is generally required, except for hedge accounting. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. Restatement of comparative information is not mandatory. If comparative information is not restated, the cumulative effect is recorded in opening equity as at 1 January 2018.

Potential impact on the financial statements

Classification and measurement

The Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under FRS 109.

Loans and receivables that are currently accounted for at amortised cost will continue to be accounted for using amortised cost model under FRS 109.

Impairment

The Group is evaluating the approach to adopt in respect of recording expected impairment losses on trade receivables. On adoption of FRS 109, the Group does not expect a significant increase to its impairment loss allowance.

Transition

The Group plans to adopt the standard when it becomes effective on 2018 without restating comparative information.

Convergence with International Financial Reporting Standards (IFRS)

In addition to the above, Singapore-incorporated companies listed on the Singapore Exchange (SGX) will apply a new financial reporting framework identical to the International Financial Reporting Standards (referred to as SG-IFRS in these financial statements) for the financial year ending 31 December 2018 onwards.

The Group has performed a preliminary assessment of the impact of SG-IFRS 1 *First-time adoption of International Financial Reporting Standards* for the transition to the new reporting framework. Based on the Group's preliminary assessment, the Group expects that the impact on adoption of SG-IFRS 15 *Revenue from Contracts with Customers* and SG-IFRS 9 *Financial Instruments* will be similar to adopting FRS 115 and FRS 109 as described above.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

3 Significant accounting policies (cont'd)

3.17 New standards and interpretations not adopted (cont'd)

Applicable to financial statements for the year ending 31 March 2019 (cont'd)

Convergence with International Financial Reporting Standards (IFRS) (cont'd)

Other than arising from the adoption of new and revised standards, the Group does not expect to change its existing accounting policies on adoption of the new framework.

The Group is currently performing a detailed analysis of the available policy choices, transitional optional exemptions and transitional mandatory exceptions under SG-IFRS 1 and the preliminary assessment may be subject to changes arising from the detailed analysis.

Applicable to financial statements for the year ending 31 March 2020

FRS 116 Leases

FRS 116 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

FRS 116 substantially carries forward the lessor accounting requirements in FRS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, FRS 116 requires more extensive disclosures to be provided by a lessor.

When effective, FRS 116 replaces existing lease accounting guidance, including FRS 17, INT FRS 104 *Determining whether an Arrangement contains a Lease*; INT FRS 15 *Operating Leases-Incentives*; and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

Potential impact on the financial statements

The Group has performed an initial assessment of the new standard on its existing operating lease arrangements as a lessee (refer to Note 21). Based on the assessment, the Company expects these operating leases to be recognised as ROU assets with corresponding lease liabilities under the new standard. The operating lease commitments on an undiscounted basis are not material, relative to the Group's total assets and total liabilities.

The Group plans to adopt the standard when it becomes effective. The Group will perform a detailed analysis of the standard, including the transition options and practical expedients. The Group expects that the impact on adoption of SG-IFRS 16 *Leases* to be similar to adopting FRS 116 after transition to SG-IFRS in 2019 as described above.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

4 Investment property

	\$'000
Group	
Cost	
At 1 April 2015	8,094
Additions	95
At 31 March 2016 and 31 March 2017	<u>8,189</u>
Accumulated depreciation	
At 1 April 2015	3,892
Depreciation charge for the year	162
At 31 March 2016	4,054
Depreciation charge for the year	162
At 31 March 2017	<u>4,216</u>
Carrying amounts	
At 1 April 2015	4,202
At 31 March 2016	4,135
At 31 March 2017	<u>3,973</u>
Fair value	
At 31 March 2015	16,840
At 31 March 2016	16,500
At 31 March 2017	<u>17,864</u>

Investment property comprises office premises that are leased to external customers. Generally, each of the leases is fixed for a period of 3 to 4 years, and subsequent renewals are negotiated at prevailing market rate and terms. None of the leases contain any contingent rent arrangements. Rental income of \$488,000 (2016: \$484,000) was derived from the investment property during the year.

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

The fair value measurement for investment property has been categorised as a Level 2 fair value based on the inputs to the valuation technique used (see note 2.4).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

5 Property, plant and equipment

	Furniture, fittings and equipment \$'000	Motor vehicles \$'000	Computers \$'000	Total \$'000
Group				
Cost				
At 1 April 2015	199	434	177	810
Additions	3	–	17	20
Disposals	(9)	–	(55)	(64)
At 31 March 2016	193	434	139	766
Additions	–	59	97	156
Disposals	(1)	(72)	(18)	(91)
At 31 March 2017	192	421	218	831
Accumulated depreciation				
At 1 April 2015	193	323	162	678
Depreciation charge for the year	5	45	23	73
Disposals	(9)	–	(55)	(64)
At 31 March 2016	189	368	130	687
Depreciation charge for the year	3	56	74	133
Disposals	(1)	(72)	(18)	(91)
At 31 March 2017	191	352	186	729
Carrying amounts				
At 1 April 2015	6	111	15	132
At 31 March 2016	4	66	9	79
At 31 March 2017	1	69	32	102

The depreciation charge is included in administrative expenses in consolidated statement of comprehensive income.

6 Investments in subsidiaries

	Company	
	2017 \$'000	2016 \$'000
Equity investments, at cost	310,000	310,000

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

6 Investments in subsidiaries (cont'd)

In 2016:

- Shares of Singapore United Estates (Private) Limited owned by Bukit Sembawang Rubber Company Limited ("BSRCL") and Singapore United Rubber Plantations Limited were transferred to the Company.
- Shares of Sembawang Estates (Private) Limited owned by BSRCL were transferred to the Company.
- An impairment loss of \$48,181,000 was recognised by the Company on its investment in BSRCL as a result of decline in the recoverable amount of BSRCL, following the distribution of its assets to the Company. The recoverable amount was estimated using the fair value less costs to sell approach, taking into consideration the estimated realisable values of the underlying assets and the underlying liabilities to be settled in BSRCL. BSRCL was placed under voluntary liquidation thereafter.

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Effective equity held by the Group	
		2017 %	2016 %
<u>Direct subsidiaries of the Company</u>			
Bukit Sembawang View Pte. Ltd.	Singapore	100	100
Bukit Sembawang Rubber Company Limited ⁽¹⁾	England and Wales	–	100
Singapore United Estates (Private) Limited	Singapore	100	100
Sembawang Estates (Private) Limited	Singapore	100	100
Paterson Collection Pte. Ltd. ⁽³⁾	Singapore	100 ⁽²⁾	–
Paterson One Pte. Ltd. ⁽³⁾	Singapore	100	–
<u>Indirect subsidiaries of the Company</u>			
Singapore United Rubber Plantations Limited ⁽¹⁾	England and Wales	–	100
Paterson Collection Pte. Ltd. ⁽³⁾	Singapore	– ⁽²⁾	100

KPMG LLP are the auditors of all Singapore-incorporated subsidiaries.

⁽¹⁾ The subsidiaries commenced their voluntary liquidation process in 2016 and were liquidated in 2017.

⁽²⁾ The shares in the company were transferred by a subsidiary to the Company during the year.

⁽³⁾ Dormant

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

7 Deferred tax assets/(liabilities)

Movements in deferred tax assets and liabilities of the Group (prior to offsetting of balances) during the year are as follows:

	At 1/4/2015 \$'000	Recognised in profit or loss (note 17) \$'000	At 31/3/2016 \$'000	Recognised in profit or loss (note 17) \$'000	At 31/3/2017 \$'000
Group					
Deferred tax assets					
Development properties	2,718	3,182	5,900	16,826	22,726
Trade and other payables	995	766	1,761	(1,729)	32
Tax losses	173	472	645	378	1,023
	<u>3,886</u>	<u>4,420</u>	<u>8,306</u>	<u>15,475</u>	<u>23,781</u>
Deferred tax liabilities					
Property, plant and equipment	(4)	(14)	(18)	(3)	(21)
Trade and other receivables	(34)	5	(29)	(326)	(355)
Development properties	(6,206)	(643)	(6,849)	6,849	–
	<u>(6,244)</u>	<u>(652)</u>	<u>(6,896)</u>	<u>6,520</u>	<u>(376)</u>

The amounts determined after appropriate offsetting are included in the statement of financial position as follows:

	Group	
	2017	2016
	\$'000	\$'000
Deferred tax assets	23,760	7,324
Deferred tax liabilities	(355)	(5,914)

Movements in deferred tax liabilities of the Company during the year are as follows:

	At 1/4/2015 \$'000	Recognised in profit or loss \$'000	At 31/3/2016 \$'000	Recognised in profit or loss \$'000	At 31/3/2017 \$'000
Company					
Deferred tax liabilities					
Trade and other receivables	(14)	–	(14)	(341)	(355)

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

8 Development properties

	Group	
	2017	2016
	\$'000	\$'000
Properties in the course of development		
Cost	751,246	634,984
Attributable profit	-	18,835
Progress billings	-	(26,823)
	751,246	626,996
Completed units		
Cost	282,141	346,215
Allowance for foreseeable losses on development properties	(36,367)	(31,328)
	245,774	314,887
Total development properties	997,020	941,883

The Group did not incur any borrowing costs during the financial year.

Development properties recognised as “cost of sales” amounted to \$47,046,000 (2016: \$163,252,000) during the year.

Allowance for foreseeable losses of \$5,039,000 (2016: \$503,000) was recognised on certain projects of the Group during the year due to the weak market conditions. The allowance for foreseeable losses was determined taking into consideration the expected selling prices for the projects, which were based on external independent professional valuations undertaken. The valuations were undertaken by independent professional valuers who have appropriate recognised professional qualifications and recent experience in the location and category of the development properties being valued. The valuations were based on the comparable sales method. The valuation method used involves making estimates of the selling prices of the development properties, taking into consideration the recent selling prices for comparable properties and prevailing property market conditions. Market conditions may, however, change which may affect the future selling prices of the remaining unsold units of development properties and accordingly, the carrying value of development properties may have to be adjusted in future periods.

The allowance for foreseeable losses is included in “other operating expenses”.

The Group recognises profit on sale of development properties in the course of development using the percentage of completion method. The stage of completion is measured by reference to the quantity surveyor/architect’s certification of the estimated construction costs incurred to-date to the estimated total construction costs for each project. In estimating the construction costs for each project, management relied on historical experience, contractual agreements with contractors/suppliers and the work of professionals such as quantity surveyors/architects. Any change in the estimates of the construction costs, variations, omissions or the effect of a change in the estimate of the outcome of a contractual agreement could impact the computation of the percentage of completion and the amount of revenue and expenses recognised in profit or loss in the period in which the change is made and in subsequent periods.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

9 Trade and other receivables

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Accrued receivables	–	90,698	–	–
Trade receivables	22,186	1,186	–	–
	22,186	91,884	–	–
Deposits	120	128	–	–
Other receivables	2,104	319	2,090	262
Amounts due from subsidiaries	–	–	206,123	294,523
	24,410	92,331	208,213	294,785
Prepayments	84	35	22	12
	24,494	92,366	208,235	294,797

Accrued receivables relate to the remaining sales consideration not yet billed on completed development properties for sale.

Trade receivables relate mainly to amounts due from buyers of development properties. The ageing of trade receivables at the reporting date is:

	Gross	
	2017 \$'000	2016 \$'000
Group		
Not past due	17,435	–
Past due 1 – 30 days	3,163	–
Past due 31 – 120 days	–	661
Past due more than 120 days	1,588	525
	22,186	1,186

Based on the Group's historical experience and management's assessment of the collectability of trade receivables, the Group believes that no impairment is necessary in respect of trade receivables not past due or past due.

The amounts due from subsidiaries are unsecured, interest-free and repayable on demand. There is no allowance for doubtful debts arising from the outstanding balances.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

10 Cash and cash equivalents

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Amounts held under "Project Account Rules – 1997 Ed."	–	42,543	–	–
Fixed deposits placed with financial institutions	341,134	352,537	341,134	352,537
Cash at banks and in hand	24,244	16,828	4,112	2,716
	365,378	411,908	345,246	355,253

The withdrawals from amounts held under "Project Account Rules – 1997 Ed." are restricted to payments for expenditure incurred on development projects.

11 Share capital

	2017		2016	
	Number of shares		Number of shares	
	'000	\$'000	'000	\$'000

Issued and fully-paid:

Ordinary shares

At 1 April and 31 March	258,911	631,801	258,911	631,801
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The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

12 Reserves

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Capital reserve	56,908	60,714	56,908	61,908
Accumulated profits	588,140	597,317	114,037	105,586
	645,048	658,031	170,945	167,494

The capital reserve of the Group and of the Company comprises mainly profits from disposal of quoted investments which is distributable.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

13 Trade and other payables

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Trade payables	1,336	5,925	1	1
Retention sums payable	21,181	19,554	-	-
Accrued development costs	87,022	112,417	-	-
Accrued operation expenses	1,988	2,381	1,179	1,069
Sundry payables	283	771	-	-
Amounts due to subsidiaries	-	-	58,670	159,155
	111,810	141,048	59,850	160,225

The amounts due to subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand.

14 Revenue

	Group	
	2017 \$'000	2016 \$'000
Sale of development properties	142,647	281,253
Rental and related income	748	744
	143,395	281,997

15 Profit from operations

The following items have been included in arriving at profit from operations:

	Group	
	2017 \$'000	2016 \$'000
Allowance for foreseeable losses on development properties	5,039	503
Fees paid to auditors of the Company:		
– Audit	160	155
– Non-audit fees	38	50
Contributions to defined contribution plans (included in staff costs)	262	225
Direct operating expenses arising from rental of investment property (excluding depreciation)	181	147
Operating lease expenses	182	161
Staff costs	2,701	2,565

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

16 Finance income

	Group	
	2017	2016
	\$'000	\$'000
Interest income		
– Fixed deposits	5,166	3,707
– Cash at bank	1	18
	5,167	3,725

17 Tax expense

	Group	
	2017	2016
	\$'000	\$'000
Current tax expense		
Current year	26,643	21,706
Under/(over)provision in respect of prior years	2,626	(3,016)
	29,269	18,690
Deferred tax credit		
Origination and reversal of temporary differences	(14,003)	(3,272)
Overprovision in respect of prior years	(7,992)	(496)
	(21,995)	(3,768)
Tax expense	7,274	14,922
Reconciliation of effective tax rate		
Profit before tax	79,732	106,901
Tax calculated using Singapore tax rate of 17%	13,554	18,173
Expenses not deductible for tax purposes	99	431
Income not subject to tax	(1,013)	(170)
Overprovision in respect of prior years	(5,366)	(3,512)
	7,274	14,922

Judgement is required in determining the deductibility of certain expenses and taxability of certain income during the estimation of the provision for taxes. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax 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 recorded, such differences will impact the provision for tax and deferred tax provision in the period in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

18 Earnings per share

Basic and diluted earnings per share

	Group	
	2017	2016
	\$'000	\$'000
Basic and diluted earnings per share is based on:		
Profit for the year	72,458	91,979
	Number of shares '000	Number of shares '000
Weighted average number of ordinary shares	258,911	258,911

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

19 Dividends

The following dividends were declared and paid by the Group and the Company:

	Group and Company	
	2017	2016
	\$'000	\$'000
Final dividend paid of \$0.04 (2016: \$0.04) per share in respect of 2016 and 2015	10,356	10,356
Special final dividend paid of \$0.29 (2016: \$0.29) per share in respect of 2016 and 2015	75,085	75,085
	85,441	85,441

After the respective reporting dates, the following dividends were proposed by the directors. These dividends have not been provided for.

	Group and Company	
	2017	2016
	\$'000	\$'000
Final dividend proposed of \$0.04 (2016: \$0.04) per share in respect of 2017 and 2016	10,356	10,356
Special final dividend proposed of \$0.29 (2016: \$0.29) per share in respect of 2017 and 2016	75,085	75,085
	85,441	85,441

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

20 Related parties

Transactions with key management personnel

	2017	2016
	\$'000	\$'000
<hr/>		
Key management personnel compensation comprised		
Short-term employee benefits	1,514	1,573
Contributions to defined contribution plans	54	51
	1,568	1,624

Key management personnel include the directors of the Company and key executives of the Group.

21 Operating leases

Leases as lessee

As at the reporting date, the Group had commitments for future minimum lease payments under non-cancellable operating leases as follows:

	Group	
	2017	2016
	\$'000	\$'000
<hr/>		
Payable:		
Within 1 year	170	170
After 1 year but within 5 years	127	297
	297	467

The Group leases an office under operating lease. The lease runs for an initial period of 3 to 4 years, with an option to renew the lease after that date.

Leases as lessor

The Group leases out its investment property held under operating leases (see note 4). The future minimum lease payments receivable under non-cancellable leases are as follows:

	Group	
	2017	2016
	\$'000	\$'000
<hr/>		
Receivable:		
Within 1 year	574	574
After 1 year but within 5 years	573	1,147
	1,147	1,721

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

22 Financial risk management

Overview

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group's primary exposure to credit risk arises through its trade and other receivables which relate mainly to amounts due from buyers of the Group's development properties. Settlement of such receivables is based on an agreed schedule in the sale and purchase agreements and the historical default rate has been low. Cash is placed with financial institutions with good credit rating.

At the reporting date, there was no significant concentration of credit risk. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	Group		Company	
		Carrying amount		Carrying amount	
		2017	2016	2017	2016
		\$'000	\$'000	\$'000	\$'000
Trade and other receivables*	9	24,410	92,331	208,213	294,785
Cash and cash equivalents	10	365,378	411,908	345,246	355,253
		389,788	504,239	553,459	650,038

* Excludes prepayments.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

22 Financial risk management (cont'd)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligation associated with its financial liabilities that are settled by determining cash or another financial assets.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents, and credit facilities deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount \$'000	Contractual cash flows \$'000	Cash flows	
			Within 1 year \$'000	Within 1 to 5 years \$'000
Group				
2017				
Non-derivative financial liabilities				
Trade and other payables	111,810	(111,810)	(96,152)	(15,658)
2016				
Non-derivative financial liabilities				
Trade and other payables	141,048	(141,048)	(128,578)	(12,470)
Company				
2017				
Non-derivative financial liabilities				
Trade and other payables	59,850	(59,850)	(59,850)	–
2016				
Non-derivative financial liabilities				
Trade and other payables	160,225	(160,225)	(160,225)	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

22 Financial risk management (cont'd)

Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

Exposure to interest rate risk

At the reporting date, the interest rate profile of the interest-bearing financial instruments was as follows:

	Group		Company	
	Carrying amount		Carrying amount	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Variable rate instruments				
Fixed deposits	341,134	352,537	341,134	352,537

Cash flow sensitivity analysis for variable rate instruments

A change of 50 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss (before any tax effect) by the amounts shown below. This analysis assumes that all other variables remain constant and does not take into account the effect of qualifying borrowing costs allowed for capitalisation and the associated tax effects. The analysis is performed on the same basis for 2016.

	Profit or loss	
	50 bp increase	50 bp decrease
	\$'000	\$'000
Group		
2017		
Fixed deposits	1,706	(1,706)
2016		
Fixed deposits	1,763	(1,763)
Company		
2017		
Fixed deposits	1,706	(1,706)
2016		
Fixed deposits	1,763	(1,763)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

22 Financial risk management (cont'd)

Capital management policy

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity. The Board also monitors the level of dividends to ordinary shareholders. For these purposes, the Group defines "capital" as all components of equity.

The Group regularly reviews and manages its capital structure, comprising shareholders' equity and borrowings, to ensure optimal capital structure and shareholders' returns, taking into consideration operating cash flows, capital expenditure, gearing ratio and prevailing market interest rates.

The Group achieved a return on shareholder's equity (based on profit for the year) of 5.67% for the year ended 31 March 2017 compared to 7.13% for the year ended 31 March 2016. There were no changes in the Group's approach to capital management during the year.

Under the Housing Developers (Control and Licensing) Act, in order to qualify for a housing developer's licence, certain subsidiaries of the Company, namely Bukit Sembawang View Pte. Ltd., Sembawang Estates (Private) Limited and Singapore United Estates (Private) Limited, are required to maintain a minimum paid-up capital of \$1,000,000. These entities complied with the requirement throughout the year. Other than as disclosed above, the Company and its subsidiaries are not subject to externally imposed capital requirements.

Accounting classifications and fair values

The carrying amounts of financial assets and financial liabilities, shown in the statement of financial position, are as follows:

	Note	Loans and receivables \$'000	Other financial liabilities at amortised cost \$'000	Total carrying amount \$'000
Group				
2017				
Financial assets not measured at fair value				
Trade and other receivables*	9	24,410	–	24,410
Cash and cash equivalents	10	365,378	–	365,378
		<u>389,788</u>	<u>–</u>	<u>389,788</u>
Financial liabilities not measured at fair value				
Trade and other payables	13	–	(111,810)	(111,810)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

22 Financial risk management (cont'd)

Accounting classifications and fair values (cont'd)

	Note	Loans and receivables \$'000	Other financial liabilities at amortised cost \$'000	Total carrying amount \$'000
Group				
2016				
Financial assets not measured at fair value				
Trade and other receivables*	9	92,331	–	92,331
Cash and cash equivalents	10	411,908	–	411,908
		<u>504,239</u>	<u>–</u>	<u>504,239</u>
Financial liabilities not measured at fair value				
Trade and other payables	13	–	(141,048)	(141,048)
Company				
2017				
Financial assets not measured at fair value				
Trade and other receivables*	9	208,213	–	208,213
Cash and cash equivalents	10	345,246	–	345,246
		<u>553,459</u>	<u>–</u>	<u>553,459</u>
Financial liabilities not measured at fair value				
Trade and other payables	13	–	(59,850)	59,850
2016				
Financial assets not measured at fair value				
Trade and other receivables*	9	294,785	–	294,785
Cash and cash equivalents	10	355,253	–	355,253
		<u>650,038</u>	<u>–</u>	<u>650,038</u>
Financial liabilities not measured at fair value				
Trade and other payables	13	–	(160,225)	(160,225)

* Excludes prepayments.

Fair value information for financial assets and financial liabilities not measured at fair value has not been presented as the carrying amount is a reasonable approximation of fair value.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2017

23 Operating segments

The Group has two reportable segments, as described below, which are the Group's strategic business units. For each of the strategic business units, the Group's Board of Directors reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Property development: Development of residential properties for sale
- Investment holding: Holding and management of office building and investments

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

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

Information about reportable segments

	Property development		Investment holding		Total	
	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	142,820	281,426	575	571	143,395	281,997
Finance income	–	210	5,167	3,515	5,167	3,725
Depreciation	133	73	162	162	295	235
Reportable segment profit before tax	74,622	103,724	5,110	3,177	79,732	106,901
Other material non-cash items:						
– Allowance for foreseeable losses on development properties	5,039	503	–	–	5,039	503
– Capital expenditure	156	20	–	95	156	115

PROPERTIES OF THE GROUP

The properties of the Group as at 31 March 2017 are as follows:

Location	Tenure	Site Area (Sq M)	Gross Floor Area (Sq M)	% of Completion	Expected Date of Completion	Group's Effective Interest in Property (%)	Description
Land in Seletar Hills Area							
Lots 9425C, 251N, 3310V & 5353N MK 18 at Yio Chu Kang Road/Ang Mo Kio Avenue 5/Seletar Road	999-year lease commencing January 1879					100%	Written Permission has been granted for the proposed 944 units of landed housing development. Building plans have been approved for:
Phase 6		209	220	100%	–		Phase 6 (36 units)
Phase 7		418	380	100%	–		Phase 7 (32 units)
Phase 8		9,288	10,322	52%	1Q 2018		Phase 8 (46 units)
Phase 9		7,210	7,716	80%	3Q 2017		Phase 9 (32 units)
Phase 10		6,776	10,003	9%	4Q 2018		Phase 10 (39 units)
Remaining phases		<u>121,056</u>	<u>112,205</u>	–	–		
		144,957	140,846				Phase 6 – main building work was completed in 4Q 2015. Phase 7 – main building work was completed in 3Q 2016. Phase 8 – main building architectural and external works are in progress. Phase 9 – main building architectural and external works are in progress. Phase 10 – main building work commenced in September 2016.
Lot 12949A MK 18 at Nim Road/Ang Mo Kio Avenue 5/CTE	*999-year lease commencing January 1879	87,859	–	–	–	100%	Vacant non-residential Rural land for future residential development.
Phase 1	**99-year lease commencing October 2016	17,034	13,229	11%	4Q 2018	100%	Written Permission has been granted for the proposed 98 units of landed housing development (Phases 1 & 2). Building plans have been approved for:
Phase 2		<u>12,203</u>	<u>14,053</u>	7%	2Q 2019		Phase 1 (47 units) Phase 2 (51 units)
		117,096	27,282				Phase 1 – main building structural work is in progress. Phase 2 – main building work commenced in November 2016.
Lot 9934W MK 18 at Ang Mo Kio Avenue 5/Nim Road/CTE	Statutory Grant	18,589	3,850	–	–	100%	Proposed 65 units of landed housing development.
Land in Sembawang Area							
Lots 2099V & 2277V MK 19 at Sembawang Road/Kampong Wak Hassan	Statutory Grant	20,420	18,790	10%	2Q 2019	100%	Written Permission has been granted for the proposed 80 units of cluster housing development. Main building structural work is in progress.

* Differential premium is payable for conversion of agricultural land into landed housing with fresh 99-year lease for the remaining phases of future development.
** The Singapore Land Authority (SLA) granted approval for developing Lot 12949A part MK 18 agricultural land into Phases 1 and 2 (total 98 units) of landed housing and re-issued a fresh 99-year lease without building restriction.

PROPERTIES OF THE GROUP

Location	Tenure	Site Area (Sq M)	Gross Floor Area (Sq M)	% of Completion	Expected Date of Completion	Group's Effective Interest in Property (%)	Description
Residential Apartment Sites							
Lots 370-375, 382-387, 488, 533, 535, 537, 539, 623, 1409 & 1410 TS 21 at 27-41 (odd nos.) Paterson Road & 1-19 (odd nos.) Lengkok Angsa	Freehold	5,791	13,329	100%	–	100%	Main building work was completed in 4Q 2015.
Lots 394 & 395 TS 21 at 14 & 16 Lengkok Angsa	Freehold	463	597	100%	–	100%	Main building work was completed in 3Q 2015.
Lots 1833L & 1603A MK 1 at 610 & 612 Telok Blangah Road	Freehold	–	1,719	100%	–	100%	Main building work was completed in 3Q 2015.
Lots 689T, 445M & 444C TS 21 at 8, 10 & 12 St Thomas Walk	Freehold	9,245	28,126	85%	4Q 2017	100%	Written Permission has been granted for the proposed 250 units of residential development. Main building architectural and external works are in progress.

Location	Tenure	Floor Area (Sq M)	Description
Commercial Property in Orchard Road			
7 th Storey Tong Building	Freehold	638	Office premises for lease.

SHAREHOLDING STATISTICS

As at 12 June 2017

Number of Issued Shares	:	258,911,326
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 to 99	368	7.64	4,130	0.00
100 to 1,000	1,007	20.90	844,971	0.32
1,001 to 10,000	2,521	52.34	10,609,867	4.10
10,001 to 1,000,000	901	18.70	49,211,379	19.01
1,000,001 and above	20	0.42	198,240,979	76.57
Total	4,817	100.00	258,911,326	100.00

Based on the Registers of Shareholders and to the best knowledge of the Company, approximately 50% of the issued shares of the Company are held by the public. Accordingly, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	SINGAPORE INVESTMENTS PTE LTD	34,633,008	13.38
2	SELAT PTE LIMITED	29,478,664	11.39
3	CITIBANK NOMINEES SINGAPORE PTE LTD	28,158,734	10.88
4	LEE RUBBER COMPANY PTE LTD	21,955,968	8.48
5	BNP PARIBAS SECURITIES SERVICES	21,606,966	8.34
6	RAFFLES NOMINEES (PTE) LTD	14,629,800	5.65
7	KALLANG DEVELOPMENT (PTE) LIMITED	11,875,192	4.59
8	GREAT EASTERN LIFE ASSURANCE CO LTD – PARTICIPATING FUND	6,171,184	2.38
9	LEE LATEX PTE LIMITED	5,271,400	2.04
10	DBS NOMINEES PTE LTD	5,140,349	1.99
11	LEE FOUNDATION	2,963,130	1.14
12	ISLAND INVESTMENT COMPANY PTE LTD	2,829,600	1.09
13	LEE FOUNDATION STATES OF MALAYA	2,711,300	1.05
14	HSBC (SINGAPORE) NOMINEES PTE LTD	2,413,346	0.93
15	OVERSEA CHINESE BANK NOMINEES PTE LTD	1,916,076	0.74
16	YEO REALTY & INVESTMENTS (PTE) LTD	1,603,000	0.62
17	LEE PLANTATIONS PTE LIMITED	1,533,600	0.59
18	TAN PROPRIETARY (PTE) LTD	1,200,000	0.46
19	UOB KAY HIAN PTE LTD	1,121,662	0.43
20	LEE HOCK KEE	1,028,000	0.40
	Total	198,240,979	76.57

SHAREHOLDING STATISTICS

As at 12 June 2017

SUBSTANTIAL SHAREHOLDERS

(as shown in the Register of Substantial Shareholders)

Shareholders	Direct Interest	Deemed Interest
Singapore Investments Pte Ltd	34,633,008	–
Selat Pte Limited	29,478,664	2,829,600 ¹
Lee Rubber Company Pte Ltd	21,955,968	14,099,992 ²
Kallang Development (Pte) Limited	11,875,192	1,533,600 ³
Lee Foundation	2,963,130	64,997,272 ⁴
Aberdeen Asset Management Asia Limited	–	23,258,766
Aberdeen Asset Management PLC	–	23,258,766 ⁵
Aberdeen International Fund Managers Limited	–	15,533,400
Aberdeen Global	–	15,533,400

¹ 2,829,600 shares owned by Island Investment Company Pte Ltd.

² 11,875,192 shares owned by Kallang Development (Pte) Limited, 1,533,600 shares owned by Lee Plantations Pte Limited and 691,200 shares owned by Lee Rubber (Selangor) Sdn Bhd.

³ 1,533,600 shares owned by Lee Plantations Pte Limited.

⁴ 29,478,664 shares owned by Selat Pte Limited, 34,633,008 shares owned by Singapore Investments Pte Ltd, 864,000 shares owned by Lee Pineapple Company Pte Ltd and 21,600 shares owned by Lian Hin Rubber Co Sdn Berhad.

⁵ 23,258,766 shares owned (deemed interest) by Aberdeen Asset Management Asia Limited.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 51st Annual General Meeting of the Company will be held at **M Hotel Singapore, Banquet Suite, Level 10, 81 Anson Road, Singapore 079908** on Thursday, 27 July 2017 at 10.30 a.m. to transact the following business:

As Ordinary Business

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 March 2017 and the Auditors' Report thereon. **(Resolution 1)**
2. To approve and declare a final dividend of 4 cents per share and a special dividend of 29 cents per share for the financial year ended 31 March 2017. **(Resolution 2)**
3. To re-elect Mr Koh Poh Tiong, who is retiring pursuant to Article 76 of the Company's Constitution, as Director of the Company. **(Resolution 3)**
[See Explanatory Note (a)]
4. To re-elect Mr Eddie Tang, who is retiring by rotation pursuant to Article 94 of the Company's Constitution, as Director of the Company. **(Resolution 4)**
[See Explanatory Note (a)]
5. To record the retirement of Mr Guok Chin Huat Samuel, a Director retiring by rotation in accordance with Article 94 of the Company's Constitution.
6. To approve the payment of Directors' fees of \$439,000 for the financial year ended 31 March 2017. **(Resolution 5)**
7. To re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**
8. To transact any other business which may properly be transacted at an Annual General Meeting.

As Special Business

To consider and, if thought fit, to pass the following resolution as an ordinary resolution with or without modifications:

9. General authority to allot and issue new shares in the capital of the Company

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and the Listing Manual of Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:

- (a) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible or exchangeable into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

- (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

- (1) 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 50% of the total number of issued shares, excluding treasury shares, in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 10% of the total number of issued shares, excluding treasury shares, in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST), for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued shares, excluding treasury shares, shall be based on the total number of issued shares, excluding treasury shares, in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
- (a) new Shares arising from the conversion or exercise of any convertible securities or from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and
- (b) any subsequent bonus issue, consolidation or subdivision of Shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

[See Explanatory Note (b)]

(Resolution 7)

By Order of the Board

DENNIS LOH SIEW KEEN

Company Secretary

11 July 2017

Singapore

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. (a) *A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.*
- (b) *A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.*

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.

2. *A proxy need not be a member of the Company.*
3. *The instrument appointing a proxy or proxies shall, in the case of an individual, be signed by the appointor or his attorney, and, in the case of a corporation, be either under its common seal or signed by its attorney or by an officer on behalf of the corporation.*
4. *The instrument appointing a proxy or proxies, duly executed, must be deposited at the office of the Company's Share Registrar, M & C Services Private Limited, 112 Robinson Road, #05-01, Singapore 068902, not less than 48 hours before the time of holding the Annual General Meeting.*
5. *By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any 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) for the purpose of the processing and administration by the Company (or its agents) 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) 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), 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) 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.*

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- (a) For ordinary resolutions 3 and 4 above on the Directors standing for re-election at the Annual General Meeting, detailed information on the two Directors can be found on the “Board of Directors” and “Corporate Governance Report” sections of the Annual Report 2017.

Mr Koh Poh Tiong, if re-elected, will remain as an Independent Director of the Company. There are no other relationships including immediate family relationships between Mr Koh and the other Directors, the Company or its 10% shareholders.

Mr Eddie Tang, if re-elected, will remain as an Independent Director, Chairman of the Nominating Committee and a member of the Audit Committee and the Remuneration Committee of the Company. There are no other relationships including immediate family relationships between Mr Tang and the other Directors, the Company or its 10% shareholders.

- (b) The Ordinary Resolution 7 in Item 9, if passed, will empower the Directors of the Company to issue shares in 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 from the date of this Annual General Meeting until the date of the next Annual General Meeting. The aggregate number of shares which the Directors may issue (including shares to be issued pursuant to convertibles) under this ordinary resolution must not exceed 50% of the total number of issued shares, excluding treasury shares, in the capital of the Company with a sub-limit of 10% for issues other than on a pro-rata basis. For the purpose of determining the aggregate number of shares that may be issued, the total number of issued shares, excluding treasury shares, will be calculated based on the total number of issued shares, excluding treasury shares, in the capital of the Company at the time that this ordinary resolution is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or exercise of share options or vesting of share awards which are outstanding or subsisting at the time that this ordinary resolution is passed, and (b) any subsequent bonus issue, consolidation or subdivision of shares. The sub-limit of 10% for issues other than on a pro-rata basis is below the 20% sub-limit permitted by the Listing Manual of the SGX-ST. The Directors believe that the lower sub-limit of 10% would sufficiently address the Company’s present need to maintain flexibility while taking into account shareholders’ concerns against dilution.

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Proxy Form

BUKIT SEMBAWANG ESTATES LIMITED

Company Registration No. 196700177M
(Incorporated in the Republic of Singapore)

IMPORTANT

1. Relevant intermediaries as defined in Section 181 of the Companies Act, Cap. 50 may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF monies to buy shares in Bukit Sembawang Estates Limited, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), a member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 11 July 2017.

I / We _____, NRIC/Passport/Co. Registration No. _____

of _____

being a member / members of Bukit Sembawang Estates Limited, hereby appoint:

Name	Address	NRIC/Passport No.	Number of Shares Represented
and / or (delete as appropriate)			

as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the 51st Annual General Meeting of the Company to be held at M Hotel Singapore, Banquet Suite, Level 10, 81 Anson Road, Singapore 079908 on Thursday, 27 July 2017 at 10.30 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/their discretion, as he/they may on any other matter arising at the Annual General Meeting.

No.	Resolutions	No. of Votes For*	No. of Votes Against*
Ordinary Business			
1	Adoption of Directors' Statement, Audited Financial Statements and the Auditors' Report thereon		
2	Approval and Declaration of Final and Special Dividends		
3	Re-election of Mr Koh Poh Tiong as Director		
4	Re-election of Mr Eddie Tang as Director		
5	Approval of Directors' fees		
6	Re-appointment of KPMG LLP as Auditors		
Special Business			
7	Approval of share issue mandate		

* Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick (✓) within the relevant box provided. Alternatively, if you wish to exercise your votes both "For" and "Against" the relevant resolution, please indicate the number of shares in the boxes provided.

Total Number of Shares Held

Dated this _____ day of _____ 2017

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

IMPORTANT: PLEASE READ NOTES OVERLEAF



BUKIT SEMBAWANG
ESTATES LIMITED

Affix
Postage
Stamp

BUKIT SEMBAWANG ESTATES LIMITED

c/o M & C Services Private Limited

112 Robinson Road

#05-01

Singapore 068902

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NOTES TO PROXY FORM

1. A member should insert the total number of shares held by him. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares entered against his name in the Depository Register and registered in his name in the Register of Members. If the number of shares is not inserted, this form of proxy will be deemed to relate to all the shares held by the member.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.

3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, M & C Services Private Limited, 112 Robinson Road, #05-01, Singapore 068902, not less than 48 hours before the time set for the Meeting.
5. Completion and return of this form appointing a proxy or proxies shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer of the corporation.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an 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.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Cap. 50.
9. 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 (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject an instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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BUKIT SEMBAWANG
ESTATES LIMITED

(Company Registration No. 196700177M)

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Singapore 088541

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