



BUKIT SEMBAWANG
ESTATES LIMITED

A photograph of two tall, modern high-rise apartment buildings with glass facades and balconies. In the foreground, there is a large, blue swimming pool with a wooden deck and lounge chairs. The sky is blue with some clouds.

HOMES for every GENERATION

ANNUAL REPORT 2016



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Corporate Profile

“As a leading property developer, we are committed to designing and building fine quality homes that satisfy the aspirations and lifestyles of our customers, for generations to come.”



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 are Parc Mondrian, Verdure, Paterson Suites, The Vermont on Cairnhill, which were completed, and Skyline Residences and Paterson Collection which have been recently completed.

Our commitment to continually deliver well-designed quality homes has won us awards and accolades. We have been accorded BCA ISO 9001:2008 Certification in Project Management Services since 2000 and have won BCA Construction Excellence Awards and numerous Green Mark awards for our various projects. We were awarded the BCI Asia Top Ten 2013 Developers Awards which is a coveted award for the Asian building and design industry. In March 2015, we have been awarded the Green Mark Gold Plus and Platinum certification by BCA for Luxus Hills Phase 8 and 9 respectively. In May 2015, The Vermont on Cairnhill was presented as one of the winners for the Residential Development (Singapore) Category in the Asia Pacific Property Awards 2015. In November 2015, we won the FIABCI-Singapore Property awards for our two projects: The Vermont on Cairnhill and Paterson Suites.

In November 2015, we were one of the 50 companies in Singapore honoured with the Singapore Golden Jubilee Business Awards in recognition of our achievements and contributions over the decades.



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



Skyline Residences, a freehold development located in Telok Blangah with three 24-storey towers, comprising of 283 units with a selection of 1, 2, 3, 3+1, 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. *The units are ready for immediate occupation.*

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



Unparalleled Views



Projects for Sale

Luxus Hills Phase 6



Artist's Impression

Luxus Hills Phase 6 is located along Luxus Hill Avenue off Ang Mo Kio Avenue 5. It features 36 beautifully-crafted 3-storey semi-detached and terrace houses that offer a cozy life of comfort in a 999-year leasehold development. *The units are ready for immediate occupation.*

Luxus Hills Phase 6 is located near good schools with other amenities and conveniences close by to cater to family's needs. More than a home, it is truly an heirloom kept for the next generation.



*A New Family Life
Begins Here*



Artist's Impression



Projects for Sale

Luxus Hills Phase 7



Artist's Impression

Luxus Hills Phase 7 is located along Luxus Hill Avenue off Ang Mo Kio Avenue 5. It features 32 elegantly-crafted 3-storey semi-detached and terrace houses with en-suite bedrooms.

Each of these 999-year leasehold houses is designed to provide spacious interiors complete with designer fittings and marble floorings. Situated in close 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.



*A New Family Life
Begins Here*



Artist's Impression



Upcoming Launches

Luxus Hills Phase 8



Artist's Impression

Luxus Hills Phase 8 is located along Luxus Hill Drive off Ang Mo Kio Avenue 5. It features 46 tastefully-crafted 3-storey semi-detached and terrace houses with en-suite bedrooms.

Each of these 999-year leasehold houses comes with three spacious storeys and charming roof terrace, family gathering can take place as often as you desire, not just on special occasions. 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.



*A Lifetime of
Family Joy*

Upcoming Launches

Watercove



Seafront Living by the Park

Artist's Impression

Watercove in the North-Eastern edge of Sembawang is an 80-unit strata property that comprises of 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's colonial black-and-white bungalows, the architecture boasts high ceilings and numerous windows for good ventilation. Its resort-style trimmings are coupled with a wide variety of facilities including a swimming pool, recreational pool, outdoor lounge, lounging garden and children's playground.



Artist's Impression



Artist's Impression



Artist's Impression

New Projects

St Thomas Walk



Contemporary City Living

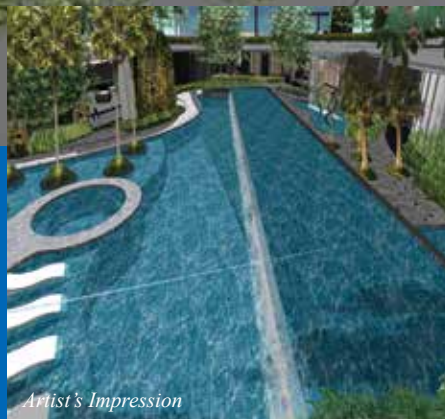
Artist's Impression

St Thomas Walk is located in Prime District 9 at River Valley Road and comprises of 250 freehold units spread across two towers of 35 and 36 storeys. Featuring a selection of 1, 2, 3 & 4 bedroom units and penthouses with spacious interiors complete with premium fittings and finishes. Each tower boasts a beautiful façade housing 5 sky gardens and 6 sky terraces respectively, complete with lounge areas, gourmet kitchens, reading areas and jacuzzi spaces.

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



Artist's Impression



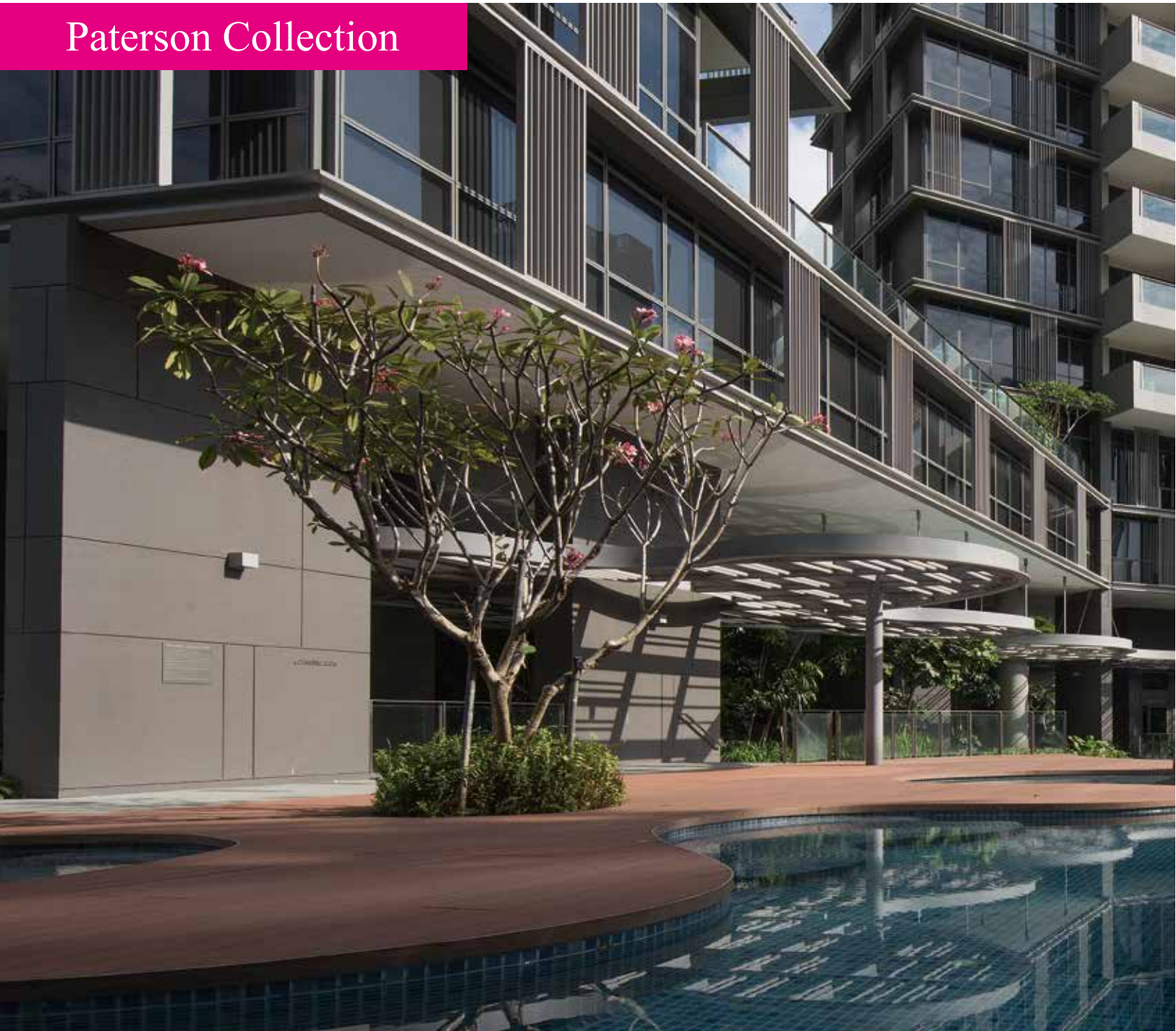
Artist's Impression



Artist's Impression

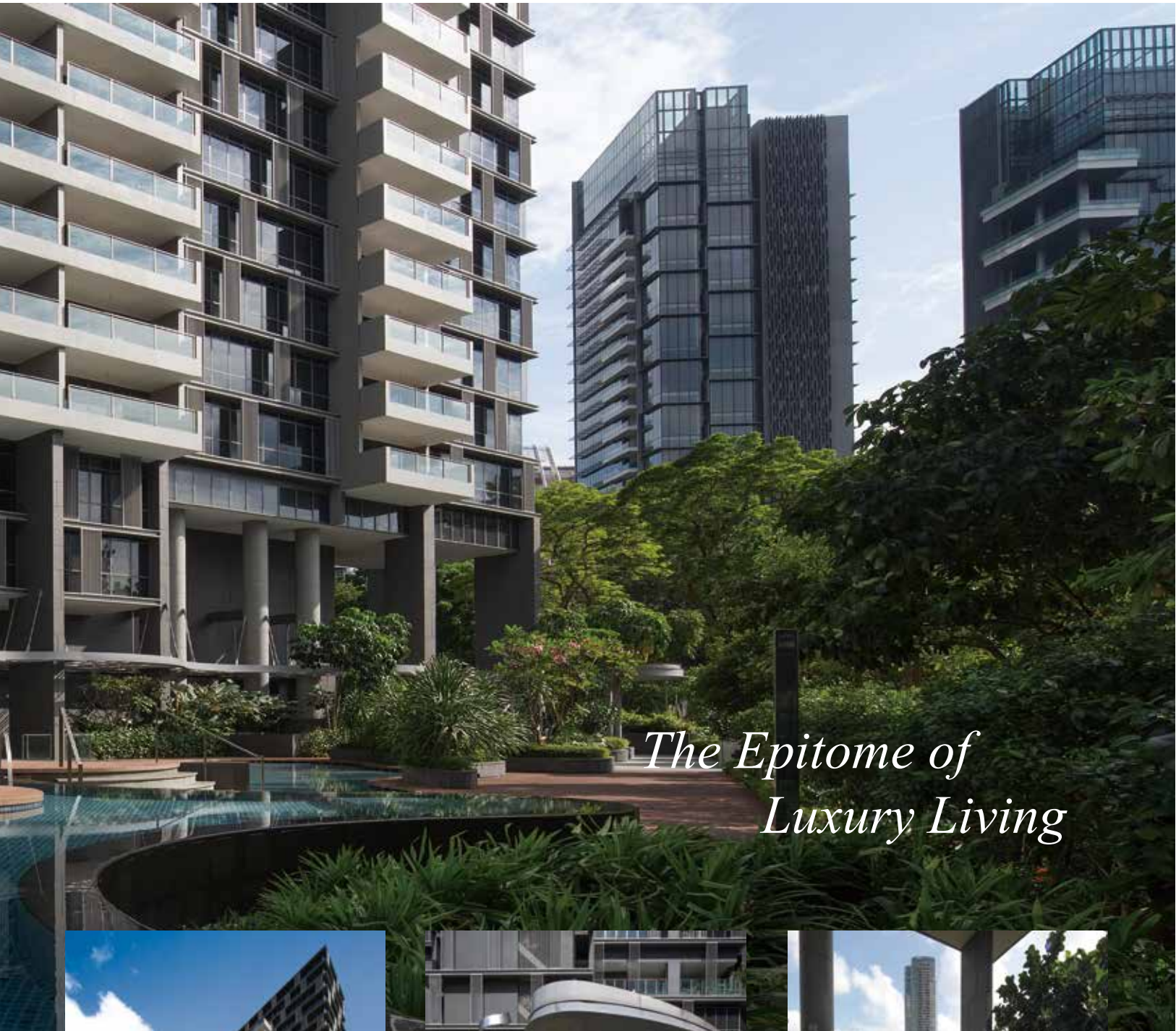
New Projects

Paterson Collection



Paterson Collection, located in Prime District 9 at Paterson Road, and comprises of 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.

With a wide variety of facilities such as a club house, jacuzzi, sky terrace and more, 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.



*The Epitome of
Luxury Living*



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 a stone's throw away from the bustling Orchard Road shopping belt.

Designed with an eco-inspired theme, it features a large cantilevered roof that allows natural light to penetrate 3 storeys down with an open roof terrace for outdoor living spaces to take in the expansive urban cityscape.



Chairman's Statement



Skyline Residences

REVIEW OF PAST YEAR'S PERFORMANCE

The Group's profit before tax for the financial year ended 31 March 2016 (FY2016) was \$106.9 million, a slight decrease of 2.0% as compared to \$109.1 million for FY2015. The Group's profit after tax for FY2016 was \$92.0 million, similar to the profit of \$92.7 million for FY2015. We have maintained a healthy balance sheet, with zero gearing, during the year.

The Group's development profit for FY2016 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. We also recognised revenue and profits from the sale of the penthouse at Paterson Suites and a unit of The Vermont on Cairnhill.

Luxus Hills Phase 6, which was launched in October 2013, is 92% sold. We launched Luxus Hills Phase 7 in July 2015, and as at the end of the financial year, we have sold 62% of this project. During the year, we also sold additional units of Skyline Residences, bringing the project to be 83% sold at the end of the financial year.

We obtained TOP (Temporary Occupation Permit) for quite a number of projects during the year. These are, the 2 semi-detached houses at 14 & 16 Lengkok Angsa (TOP in June and July 2015), Skyline Residences (TOP in August 2015), Paterson Collection (TOP in October 2015), and Luxus Hills Phase 6 (TOP in December 2015). We also obtained CSC (Certificate of Statutory Completion) for Luxus Hills Phase 5 in May 2015 and Skyline Residences in April 2016.

CURRENT YEAR'S PROSPECTS

According to URA real estate statistics, overall private residential property prices decreased by 0.7% in the 1st quarter 2016, compared to 0.5% decrease in the previous quarter. This was the tenth consecutive quarter of decline in private residential property



prices. The number of new private residential units sold in 1st quarter 2016 was 1,419 units, compared to 1,603 units in the previous quarter.

The Singapore residential property market sentiment is expected to remain weak due to continuing effects of government cooling measures. The operating environment continues to be challenging in the current financial year with the subdued economic outlook.

MOVING FORWARD

2016 will be a challenging year for the residential property market. We shall continue to focus on our core business in the landed property segment to generate recurring income from developing the next phases of Luxus Hills.

We have also commenced development on Watercove, an 80-unit cluster housing project in the Sembawang area.

We are unlocking the potential value of Lot 12949 Mk 18, an agricultural land, by converting it into a 99-year leasehold residential development, as enhancement of its land use and development value.

DIVIDENDS

During the financial year, 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 (2015: final

dividend of 4 cents and a special dividend of 29 cents per ordinary share).

The dividend payment, which amounts to \$85.4 million (2015: \$85.4 million) is subject to shareholders' approval at the 50th Annual General Meeting ("AGM").

DIRECTORATE

We welcome on board Mr Chng Kiong Huat as a non-executive director in July 2015. Mr Chng brings with him many years of experience in the property sector.

Pursuant to the Company's Constitution, Mr Lee Chien Shih and Ms Fam Lee San shall be retiring by rotation. Both these directors, being eligible, offer themselves for re-election at the forthcoming AGM.

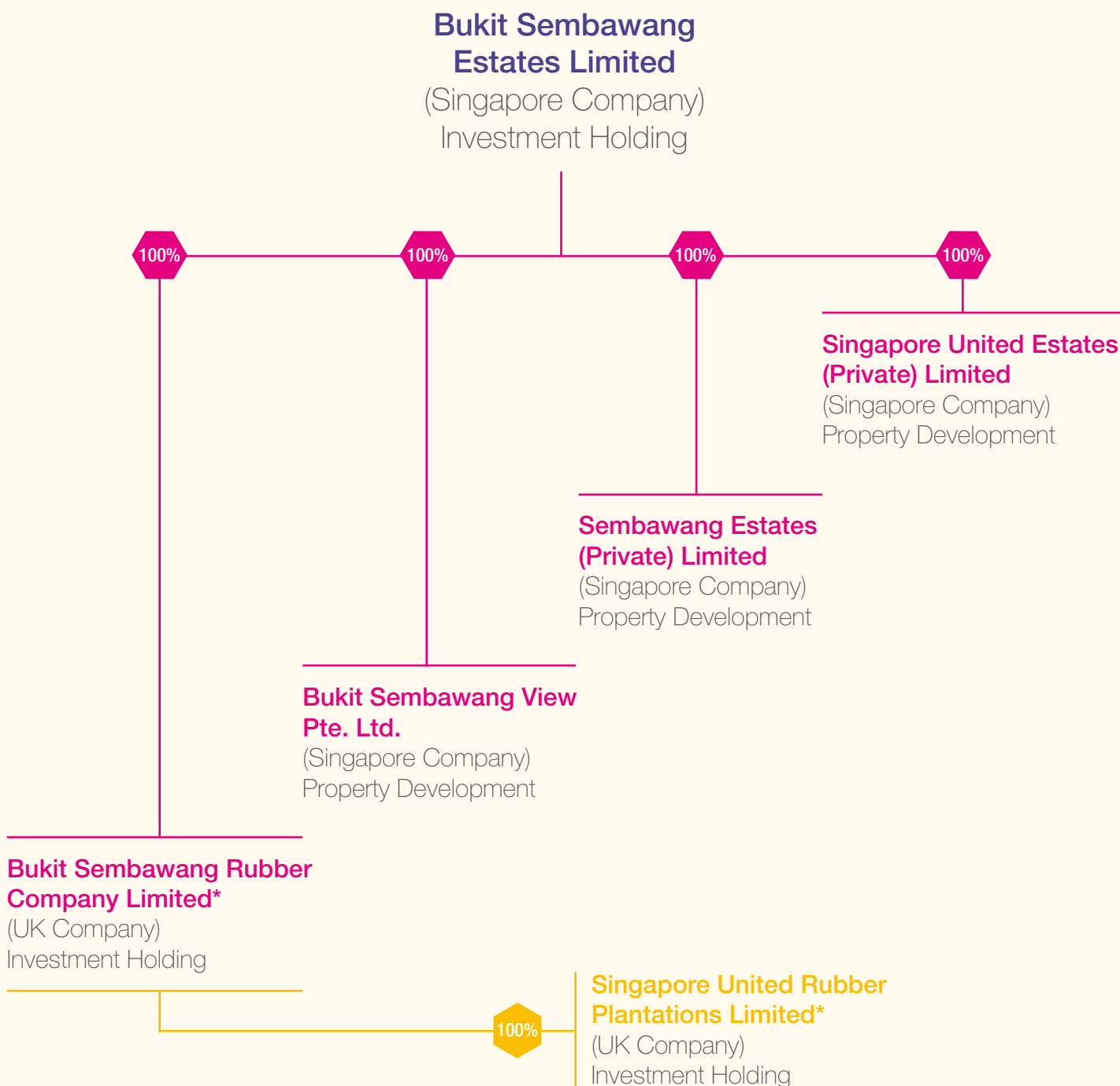
ACKNOWLEDGEMENTS

On behalf of the Board, I extend our appreciation to the continued dedication and efforts of management and the staff. I would like to thank my fellow Directors for their contributions and commitment. I would also like to thank our customers, our business associates and our shareholders for their continued support and confidence.

Guok Chin Huat Samuel

Chairman
13 June 2016

Group Structure



* Under members' voluntary winding up

Directorate & Other Corporate Information



DIRECTORS

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

Lee Chien Shih
(Non-Executive)

Ng Chee Seng
(CEO, Executive)

Eddie Tang
(Non-Executive, Independent)

Tan Swee Siong
(Non-Executive, Independent)

Fam Lee San
(Non-Executive)

Chng Kiong Huat
(Non-Executive)

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

Loh Siew Keen Dennis

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

	2016 \$'000	2015 \$'000	2014 \$'000	2013 \$'000	2012 \$'000
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH					
Investment Property	4,135	4,202	4,362	4,522	4,683
Property, Plant and Equipment	79	132	204	268	119
Deferred Tax Assets	7,324	3,388	244	244	250
Net Current Assets	1,284,208	1,281,318	1,237,590	1,167,550	1,096,147
Deferred Taxation	(5,914)	(5,746)	(10,422)	(13,027)	(9,682)
	<u>1,289,832</u>	<u>1,283,294</u>	<u>1,231,978</u>	<u>1,159,557</u>	<u>1,091,517</u>
Share Capital	631,801	631,801	631,801	631,801	631,801
Reserves	658,031	651,493	600,177	527,756	459,716
Total Equity	<u>1,289,832</u>	<u>1,283,294</u>	<u>1,231,978</u>	<u>1,159,557</u>	<u>1,091,517</u>

	2016 \$'000	2015 \$'000	2014 \$'000	2013 \$'000	2012 \$'000
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH					
Revenue	<u>281,997</u>	<u>382,655</u>	<u>408,289</u>	<u>354,658</u>	<u>390,574</u>
Profit Before Tax	106,901	109,055	133,324	142,960	206,888
Tax Expense	(14,922)	(16,313)	(22,066)	(28,316)	(23,983)
Profit After Tax	<u>91,979</u>	<u>92,742</u>	<u>111,258</u>	<u>114,644</u>	<u>182,905</u>

Group Financial Highlights



Skyline Residences

FOR THE YEAR ENDED 31 MARCH	2016	2015
	\$'000	\$'000
Revenue	281,997	382,655
Profit Before Tax	106,901	109,055
Profit After Tax	91,979	92,742
Net Dividends (proposed)	85,441	85,441
Share Capital	631,801	631,801
Total Equity	1,289,832	1,283,294
Net Return on Total Equity	7.13%	7.23%
Earnings Per Ordinary Share		
Basic earnings per share	\$0.36	\$0.36
Diluted earnings per share	\$0.36	\$0.36
Dividends Per Ordinary Share		
Gross	\$0.33	\$0.33
Net	\$0.33	\$0.33
Cover	1.08 times	1.09 times
Net Tangible Assets Per Ordinary Share	\$4.98	\$4.96

Financial Calendar

Financial Year ended 31 March 2016	
Announcement of First Quarter Results	13 August 2015
Announcement of Half-year Results	12 November 2015
Announcement of Third Quarter Results	12 February 2016
Announcement of Full-year Results	26 May 2016
Annual General Meeting	27 July 2016
Financial Year ended 31 March 2017	
Announcement of First Quarter Results	August 2016
Announcement of Half-year Results	November 2016
Announcement of Third Quarter Results	February 2017
Announcement of Full-year Results	May 2017

Board of Directors



GUOK CHIN HUAT SAMUEL

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 two 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

Past Directorships of listed companies over preceding 3 years:
Nil

LEE CHIEN SHIH

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 and Lee Foundation. 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:
25 July 2014

Past Directorships of listed companies over preceding 3 years:
Great Eastern Holdings Limited

Board of Directors

NG CHEE SENG

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

EDDIE TANG

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

TAN SWEE SIONG

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

FAM LEE SAN

Ms Fam Lee San ceased as Alternate Director to Mr Teo Kim Yam, and was subsequently appointed as Director at the Annual General Meeting of the Company held 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

CHNG KIONG HUAT

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

Key Management



2 Semi-Detached Houses along Lengkok Angsa

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 20 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.

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 2016 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.

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.

Corporate Governance Report

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% shareholders*. No individual or small group of individuals should be allowed to dominate the Board's decision making.*

The Board is currently comprised of seven Directors, of whom three 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 seven 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.

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 of 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

* 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

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.

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 and Mr Tan Swee Siong are independent Directors and that, further, no individual or group of individuals dominate the Board's decision-making process.

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.

The NC assessed and recommended to the Board, the Directors to be put forward for re-election at the Company's annual general meeting (AGM). Article 94 of the Company's Constitution requires one-third of the Directors to retire by rotation at the AGM provided that all Directors must retire at least once every three years. In addition, Article 76 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 Lee Chien Shih and Ms Fam Lee San will be retiring by rotation pursuant to Article 94 of the Company's Constitution. Both Directors, being eligible and having offered themselves for re-election, will be subject to re-election at the AGM. As member of the NC, Mr Lee abstained from participating in deliberations in respect of himself.

Corporate Governance Report

The NC also considers the structure, size and composition of the Board. The selection of candidates for new appointments to the Board as part of the Board's renewal process will 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. A candidate would be evaluated on relevant expertise and potential contributions to the Board.

Directors' Attendance at Board and Committee Meetings from 1 April 2015 to 31 March 2016					
Name of Director	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nominating Committee Meeting	Project Development Committee Meeting
Mr Guok Chin Huat Samuel	5	4	1	3	4
Mr Lee Chien Shih ¹	5	-	1	3	4
Mr Ng Chee Seng	5	-	-	-	4
Mr Eddie Tang	5	4	1	3	4
Mr Tan Swee Siong ²	5	4	-	-	4
Ms Fam Lee San ³	5	-	-	-	3
Mr Chng Kiong Huat ⁴	3	-	-	-	2
Mr Tan Chwee Huat ⁵	-	-	-	-	-
Number of Meetings Held	5	4	1	3	4

¹ Mr Lee Chien Shih resigned from the Project Development Committee on 14 April 2016.

² Mr Tan Swee Siong was appointed as member of the Nominating Committee on 12 November 2015.

³ Ms Fam Lee San resigned from the Project Development Committee on 21 April 2016.

⁴ Mr Chng Kiong Huat was appointed Director on 24 July 2015, and Chairman of the Project Development Committee on 12 November 2015.

⁵ Mr Tan Chwee Huat ceased as Alternate Director to Mr Lee Chien Shih on 24 July 2015.

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 on-going 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 on-going 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 of 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.

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.

Corporate Governance Report

Annual appraisals and review of executive's compensation is 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 are 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	141	141	-	-	-
Mr Lee Chien Shih	68	68	-	-	-
Mr Eddie Tang	88	88	-	-	-
Mr Tan Swee Siong	79	79	-	-	-
Ms Fam Lee San ²	56	56	-	-	-
Mr Chng Kiong Huat ²	35	35	-	-	-
Total	467	467	-	-	-
Executive Director					
Mr Ng Chee Seng ³	500	-	293	195	12

¹ Includes employer's CPF contribution.

² Payable to Kallang Development (Pte) Limited.

³ Mr Ng Chee Seng is also the CEO.

The above proposed total fees of \$467,000 (2015: \$409,000) for non-executive Directors is subject to shareholders' approval at the AGM on 27 July 2016.

Corporate Governance Report

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 2016 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 \$657,000.

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	71	29	-
Mr Justin Ho Ngiam Chan Assistant General Manager (Project and Property Management)	100	69	30	1
Ms Katharine Kum Lai Hoong Assistant General Manager (Design and Development Management)	100	64	35	1

¹ Includes employer's CPF contribution.

Remuneration of Directors' Immediate Family

During the financial year ended 31 March 2016, 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.

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.

Corporate Governance Report

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 2016 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 2016 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.

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 of 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.

Corporate Governance Report

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.

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 2016. 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.

Corporate Governance Report

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.

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.

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.

Corporate Governance Report

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.

PROJECT DEVELOPMENT MATTERS

Project Development Committee (PDC)

The PDC comprises of the following members:

Mr Chng Kiong Huat (Chairman)
Mr Guok Chin Huat Samuel
Mr Lee Chien Shih (resigned 14 April 2016)
Mr Ng Chee Seng
Mr Eddie Tang
Mr Tan Swee Siong
Ms Fam Lee San (resigned 21 April 2016)

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.

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

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 efforts of the Group during the financial year ended 31 March 2016 in the areas of environmental, social and governance aspects of business and strategy.

Green Office Practices

The Environmental Sustainability Committee (ESC) 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/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. 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, spring cleaning exercises were conducted quarterly. The Group also supported Earth Hour on 19 March 2016. The ESC in emphasizing the importance of our Environmental Sustainability 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 granted the Eco Office label by the Singapore Environment Council in May 2015, which is valid for 2 years. This is in recognition of the Group's green office practices.

Sustainable Development

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 in 2015.

Environmental Protection

The Group is committed to contribute to green and environmentally friendly living surroundings. As in the previous financial year, the ESC organised a tree planting day during the year, which was held on 25 November 2015, and in which almost all the staff participated. More than 25 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.



Tree Planting Day

Sustainability Report

Human Capital – Learning & Development

The Group provides opportunities for staff to improve their levels of skills and knowledge to increase workplace productivity and to help them in their personal development. Our employees are encouraged to attend seminars, workshops and skills programmes to enhance their expertise and perform to their full potential. When new employees first join the company, they are provided with on-the-job training and are orientated on the Group's businesses, policies, corporate culture and core values.

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 practiced through the various stages of our projects from design inception, development, construction and property management. During the year, a major briefing and update on workplace safety and health was conducted.

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.



Enjoying Gardens by the Bay with the residents of Hong Kah North Day Care Centre



Interacting with patients of Bright Vision Hospital on Fathers' Day



God of Prosperity at Bright Hill Evergreen Home

Sustainability Report

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.

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

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

- 17 June 2015: Fathers' Day celebration with patients at Bright Vision Hospital
- 21 August 2015: Trip to Gardens by the Bay-Flower Dome for residents of Hong Kah North Day Care Centre
- 18 December 2015: Christmas celebration with the elderly from THK Bedok Radiance Senior Activity Centre
- 1 February 2016: Chinese New Year celebration with the residents from Bright Hill Evergreen Home

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



Christmas celebration at THK Bedok Radiance Senior Activity Centre

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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 2016.

In our opinion:

- (a) the financial statements set out on pages 47 to 79 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 2016 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 (Appointed on 24 July 2015)

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 ¹	10,000

¹ Date of appointment.

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 2016.

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

13 June 2016

Independent Auditors' Report

Members of the Company
Bukit Sembawang Estates Limited

Report on the financial statements

We have audited the accompanying financial statements of Bukit Sembawang Estates Limited (the Company) and its subsidiaries (the Group), which comprise the statements of financial position of the Group and the Company as at 31 March 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 47 to 79.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Independent Auditors' Report

Members of the Company
Bukit Sembawang Estates Limited

Opinion

In our opinion, the 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 Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company 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.

KPMG LLP

Public Accountants and
Chartered Accountants

Singapore

13 June 2016

Statements of Financial Position

As at 31 March 2016

	Note	Group		Company	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Non-current assets					
Investment property	4	4,135	4,202	–	–
Property, plant and equipment	5	79	132	–	–
Investments in subsidiaries	6	–	–	310,000	80,294
Deferred tax assets	7	7,324	3,388	–	–
		11,538	7,722	310,000	80,294
Current assets					
Development properties	8	941,883	1,040,717	–	–
Trade and other receivables	9	92,366	15,316	294,797	743,573
Cash and cash equivalents	10	411,908	329,421	355,253	228,570
		1,446,157	1,385,454	650,050	972,143
Total assets		1,457,695	1,393,176	960,050	1,052,437
Equity attributable to shareholders of the Company					
Share capital	11	631,801	631,801	631,801	631,801
Reserves	12	658,031	651,493	167,494	187,311
Total equity		1,289,832	1,283,294	799,295	819,112
Non-current liabilities					
Deferred tax liabilities	7	5,914	5,746	14	14
Current liabilities					
Trade and other payables	13	141,048	74,783	160,225	233,311
Current tax payable		20,901	29,353	516	–
		161,949	104,136	160,741	233,311
Total liabilities		167,863	109,882	160,755	233,325
Total equity and liabilities		1,457,695	1,393,176	960,050	1,052,437

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

Consolidated Statement of Comprehensive Income

Year ended 31 March 2016

	Note	2016 \$'000	2015 \$'000
Revenue	14	281,997	382,655
Cost of sales		(169,998)	(254,036)
Gross profit		111,999	128,619
Other income		832	1,005
Administrative expenses		(3,445)	(3,681)
Other operating expenses		(6,210)	(18,712)
Profit from operations	15	103,176	107,231
Finance income	16	3,725	1,824
Profit before tax		106,901	109,055
Tax expense	17	(14,922)	(16,313)
Profit and total comprehensive income for the year		91,979	92,742
Earnings per share			
Basic and diluted earnings per share (cents)	18	35.53	35.82

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

Consolidated Statement of Changes in Equity

Year ended 31 March 2016

	Note	Share capital \$'000	Capital reserve \$'000	Accumulated profits \$'000	Dividend reserve \$'000	Total \$'000
Group						
At 1 April 2014		631,801	60,714	498,037	41,426	1,231,978
Total comprehensive income for the year						
Profit for the year		-	-	92,742	-	92,742
Transactions with owners, recorded directly in equity						
Dividends to equity holders:	19					
- final and special dividends for the previous year, paid		-	-	-	(41,426)	(41,426)
Total transactions with owners		-	-	-	(41,426)	(41,426)
At 31 March 2015		631,801	60,714	590,779	-	1,283,294

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

Consolidated Statement of Changes in Equity

Year ended 31 March 2016

	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					
Dividends to equity holders:	19				
- final and special dividends for the previous year, paid		–	–	(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 Cash Flows

Year ended 31 March 2016

	Note	2016 \$'000	2015 \$'000
Cash flows from operating activities			
Profit before tax		106,901	109,055
Adjustments for:			
Depreciation of investment property		162	160
Depreciation of property, plant and equipment		73	100
Finance income		(3,725)	(1,824)
Allowance for foreseeable losses on development properties		503	13,331
		<u>103,914</u>	<u>120,822</u>
Changes in:			
Development properties		98,331	64,397
Trade and other receivables		(77,276)	(9,284)
Trade and other payables		66,266	9,037
Cash generated from operations		<u>191,235</u>	<u>184,972</u>
Interest received		3,950	1,401
Taxes paid		(27,142)	(20,394)
Net cash from operating activities		<u>168,043</u>	<u>165,979</u>
Cash flows from investing activities			
Capital expenditure on investment property		(95)	-
Purchase of property, plant and equipment		(20)	(28)
Net cash used in investing activities		<u>(115)</u>	<u>(28)</u>
Cash flows from financing activity			
Dividends paid to owners of the Company		(85,441)	(41,426)
Net cash used in financing activity		<u>(85,441)</u>	<u>(41,426)</u>
Net increase in cash and cash equivalents		82,487	124,525
Cash and cash equivalents at beginning of the year		<u>329,421</u>	204,896
Cash and cash equivalents at end of the year	10	<u>411,908</u>	<u>329,421</u>

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

Notes to the Financial Statements

Year ended 31 March 2016

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 13 June 2016.

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.

Notes to the Financial Statements

Year ended 31 March 2016

2 Basis of preparation (cont'd)

2.4 Use of estimates and judgements (cont'd)

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 3.11 – measurement of profit attributable to properties under development
- Note 6 – measurement of recoverable amount of investments in subsidiaries
- Note 8 – estimation of the percentage of completion, construction costs, attributable profits and allowance for foreseeable losses
- Note 17 – estimation of provisions for current and deferred taxation

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).

Notes to the Financial Statements

Year ended 31 March 2016

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.

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, 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 2016

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.

Notes to the Financial Statements

Year ended 31 March 2016

3 Significant accounting policies (cont'd)

3.4 Property, plant and equipment (cont'd)

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.

The estimated useful lives 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 2016

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 plus 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.

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.

Notes to the Financial Statements

Year ended 31 March 2016

3 Significant accounting policies (cont'd)

3.7 Impairment (cont'd)

Non-derivative financial assets (cont'd)

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, and 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.

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.

Notes to the Financial Statements

Year ended 31 March 2016

3 Significant accounting policies (cont'd)

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. 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.

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.

Notes to the Financial Statements

Year ended 31 March 2016

3 Significant accounting policies (cont'd)

3.11 Revenue

Sale of development properties

Revenue from sales of development properties is recognised by reference to the state 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.

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.

Notes to the Financial Statements

Year ended 31 March 2016

3 Significant accounting policies (cont'd)

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.

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.

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.

Notes to the Financial Statements

Year ended 31 March 2016

3 Significant accounting policies (cont'd)

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 Group'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, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2015, and have not been applied in preparing these financial statements.

These new standards include, among others, FRS 115 *Revenue from Contracts with Customers* and FRS 109 *Financial Instruments* which are mandatory for adoption by the Company on 1 April 2018.

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

As FRS 115 and FRS 109, when effective, will change the existing accounting standards and guidance applied by the Group in accounting for revenue and financial instruments. These standards are expected to be relevant to the Group.

In addition, Singapore-incorporated companies listed on the Singapore Exchange ("SGX") will apply a new financial reporting framework identical to the International Financial Reporting Standards ("IFRS") for financial year ending 31 December 2018 onwards. Singapore-incorporated companies listed on SGX will have to assess the impact of IFRS 1: *First-time adoption of IFRS* when transitioning to the new reporting framework.

The Group does not plan to adopt these standards early and is currently assessing the potential impact of adopting these new standards and interpretations, on the financial statements of the Group and the Company.

Notes to the Financial Statements

Year ended 31 March 2016

4 Investment property

	\$'000
Group	
Cost	
At 1 April 2014 and 31 March 2015	8,094
Additions	95
At 31 March 2016	<u>8,189</u>
Accumulated depreciation	
At 1 April 2014	3,732
Depreciation charge for the year	160
At 31 March 2015	<u>3,892</u>
Depreciation charge for the year	162
At 31 March 2016	<u>4,054</u>
Carrying amounts	
At 1 April 2014	4,362
At 31 March 2015	<u>4,202</u>
At 31 March 2016	<u>4,135</u>
Fair value	
At 31 March 2014	15,350
At 31 March 2015	<u>16,840</u>
At 31 March 2016	<u>16,500</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 \$484,400 (2015: \$426,000) 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, the property market, in particular, the office sector, 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 2016

5 Property, plant and equipment

	Furniture, fittings and equipment \$'000	Motor vehicles \$'000	Computers \$'000	Total \$'000
Group				
Cost				
At 1 April 2014	199	434	153	786
Additions	–	–	28	28
Written off	–	–	(4)	(4)
At 31 March 2015	199	434	177	810
Additions	3	–	17	20
Disposals	(9)	–	(55)	(64)
At 31 March 2016	193	434	139	766
Accumulated depreciation				
At 1 April 2014	166	278	138	582
Depreciation charge for the year	27	45	28	100
Written off	–	–	(4)	(4)
At 31 March 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
Carrying amounts				
At 1 April 2014	33	156	15	204
At 31 March 2015	6	111	15	132
At 31 March 2016	4	66	9	79

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

Notes to the Financial Statements

Year ended 31 March 2016

6 Investments in subsidiaries

	Company	
	2016 \$'000	2015 \$'000
Equity investments, at cost	310,000	80,294

During the year:

- 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 (2015: Nil) 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	
		2016 %	2015 %
Direct subsidiaries of the Company			
Bukit Sembawang View Pte. Ltd.	Singapore	100	100
Bukit Sembawang Rubber Company Limited ⁽¹⁾	England and Wales	100	100
Singapore United Estates (Private) Limited	Singapore	100⁽²⁾	–
Sembawang Estates (Private) Limited	Singapore	100⁽²⁾	–
Indirect subsidiaries of the Company			
Singapore United Estates (Private) Limited	Singapore	– ⁽²⁾	100
Sembawang Estates (Private) Limited	Singapore	– ⁽²⁾	100
Singapore United Rubber Plantations Limited ⁽¹⁾	England and Wales	100	100
Paterson Collection Pte. Ltd. ⁽³⁾	Singapore	100	–

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

⁽¹⁾ The subsidiaries were placed under voluntary liquidation during the year.

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

⁽³⁾ Dormant

Notes to the Financial Statements

Year ended 31 March 2016

7 Deferred tax assets/(liabilities)

Movements in deferred tax assets and liabilities during the year are as follows:

	At 1/4/2014 \$'000	Recognised in profit or loss (note 17) \$'000	At 31/3/2015 \$'000	Recognised in profit or loss (note 17) \$'000	At 31/3/2016 \$'000
Group					
Deferred tax assets					
Property, plant and equipment	–	(4)	(4)	(14)	(18)
Trade and other receivables	–	(2)	(2)	2	–
Development properties	–	2,718	2,718	3,182	5,900
Trade and other payables	155	348	503	294	797
Tax losses	89	84	173	472	645
	244	3,144	3,388	3,936	7,324
Deferred tax liabilities					
Property, plant and equipment	(4)	4	–	–	–
Trade and other receivables	(14)	(18)	(32)	3	(29)
Development properties	(10,404)	4,198	(6,206)	(643)	(6,849)
Trade and other payables	–	492	492	472	964
	(10,422)	4,676	(5,746)	(168)	(5,914)
	(10,178)	7,820	(2,358)	3,768	1,410
Company					
Deferred tax liabilities					
Trade and other receivables	(14)	–	(14)	–	(14)

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 2016

8 Development properties

	Group	
	2016 \$'000	2015 \$'000
Properties in the course of development		
Cost	548,655	1,165,411
Allowance for foreseeable losses on development properties	–	(30,825)
	548,655	1,134,586
Attributable profit	104,057	162,584
Progress billings	(26,823)	(273,169)
	625,889	1,024,001
Completed units		
Cost	347,322	16,716
Allowance for foreseeable losses on development properties	(31,328)	–
	315,994	16,716
Total development properties	941,883	1,040,717

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

Allowance for foreseeable losses of \$503,000 (2015: \$13,331,000) 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 a firm of 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 written down 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 2016

9 Trade and other receivables

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Accrued receivables	90,698	–	–	–
Trade receivables	1,186	14,589	–	–
	91,884	14,589	–	–
Deposits	128	162	–	–
Other receivables	319	557	262	453
Amounts due from subsidiaries	–	–	294,523	743,120
	92,331	15,308	294,785	743,573
Prepayments	35	8	12	–
	92,366	15,316	294,797	743,573

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	
	2016 \$'000	2015 \$'000
Group		
Not past due	–	14,589
Past due 31 – 120 days	661	–
Past due more than 120 days	525	–
	1,186	14,589

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 2016

10 Cash and cash equivalents

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Amounts held under "Project Account Rules – 1997 Ed."	42,543	77,691	–	–
Fixed deposits placed with financial institutions	352,537	222,807	352,537	222,807
Cash at banks and in hand	16,828	28,923	2,716	5,763
	411,908	329,421	355,253	228,570

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

As at 31 March 2015, amounts held under the "Project Account Rules – 1997 Ed." included \$62,000,000 held in fixed deposits placed with financial institutions.

11 Share capital

	2016		2015	
	Number of shares '000	\$'000	Number of shares '000	\$'000
Issued and fully-paid:				
Ordinary shares				
At 1 April and 31 March	258,911	631,801	258,911	631,801

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	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Capital reserve:				
- distributable	60,714	60,714	56,908	56,908
- non-distributable	–	–	5,000	5,000
	60,714	60,714	61,908	61,908
Accumulated profits	597,317	590,779	105,586	125,403
	658,031	651,493	167,494	187,311

The distributable capital reserve of the Group and of the Company comprises mainly profits from disposal of quoted investments. The non-distributable capital reserve of the Company comprises the surplus arising from a one-off revaluation of the investment in a subsidiary in prior years.

Notes to the Financial Statements

Year ended 31 March 2016

13 Trade and other payables

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Trade payables	5,925	2,801	1	1
Retention sums payable	19,554	21,893	–	–
Accrued development costs	112,417	45,381	–	–
Accrued operation expenses	2,381	3,176	1,069	746
Sundry payables	771	1,532	–	–
Amounts due to subsidiaries	–	–	159,155	232,564
	141,048	74,783	160,225	233,311

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

14 Revenue

	Group	
	2016 \$'000	2015 \$'000
Sale of development properties	281,253	381,973
Rental and related income	744	682
	281,997	382,655

15 Profit from operations

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

	Group	
	2016 \$'000	2015 \$'000
Allowance for foreseeable losses on development properties	503	13,331
Fees paid to auditors of the Company:		
- Audit	155	147
- Non-audit fees	50	51
Contributions to defined contribution plans (included in staff costs)	225	219
Direct operating expenses arising from rental of investment property (excluding depreciation)	147	173
Operating lease expenses	161	158
Staff costs	2,565	2,695

Notes to the Financial Statements

Year ended 31 March 2016

16 Finance income

	Group	
	2016 \$'000	2015 \$'000
Interest income		
- Fixed deposit	3,707	1,812
- Cash at bank	18	12
	3,725	1,824

17 Tax expense

	Group	
	2016 \$'000	2015 \$'000
Current tax expense		
Current year	21,706	26,164
Over provision in respect of prior years	(3,016)	(2,031)
	18,690	24,133
Deferred tax credit		
Origination and reversal of temporary differences	(3,272)	(1,816)
Over provision in respect of prior years	(496)	(6,004)
	(3,768)	(7,820)
Tax expense	14,922	16,313
Reconciliation of effective tax rate		
Profit before tax	106,901	109,055
Tax calculated using Singapore tax rate of 17%	18,173	18,539
Expenses not deductible for tax purposes	431	6,014
Income not subject to tax	(170)	(205)
Over provision in respect of prior years	(3,512)	(8,035)
	14,922	16,313

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 many 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 provisions in the period in which such determination is made.

Notes to the Financial Statements

Year ended 31 March 2016

18 Earnings per share

Basic and diluted earnings per share

	Group	
	2016 \$'000	2015 \$'000
Basic and diluted earnings per share is based on:		
Profit for the year	<u>91,979</u>	<u>92,742</u>
	Number of shares '000	Number of shares '000
Weighted average number of ordinary shares	<u>258,911</u>	<u>258,911</u>

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	
	2016 \$'000	2015 \$'000
Tax-exempt final dividend paid of \$0.04 (2015: \$0.04) per share in respect of 2015 and 2014	10,356	10,356
Tax-exempt special final dividend paid of \$0.29 (2015: \$0.12) per share in respect of 2015 and 2014	75,085	31,070
	85,441	41,426

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

	Group and Company	
	2016 \$'000	2015 \$'000
Tax-exempt final dividend proposed of \$0.04 (2015: \$0.04) per share in respect of 2016 and 2015	10,356	10,356
Tax-exempt special final dividend proposed of \$0.29 (2015: \$0.29) per share in respect of 2016 and 2015	75,085	75,085
	85,441	85,441

Notes to the Financial Statements

Year ended 31 March 2016

20 Related parties

	2016 \$'000	2015 \$'000
Transactions with key management personnel		
Key management personnel compensation comprised		
Short-term employee benefits	1,573	1,473
Contributions to defined contribution plans	51	50
	<u>1,624</u>	<u>1,523</u>

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	
	2016 \$'000	2015 \$'000
Payable:		
Within 1 year	170	118
After 1 year but within 5 years	297	–
	<u>467</u>	<u>118</u>

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	
	2016 \$'000	2015 \$'000
Receivable:		
Within 1 year	574	569
After 1 year but within 5 years	1,147	1,232
	<u>1,721</u>	<u>1,801</u>

Notes to the Financial Statements

Year ended 31 March 2016

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:

		Group		Company	
	Note	Carrying amount		Carrying amount	
		2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000
Trade and other receivables*	9	92,331	15,308	294,785	743,573
Cash and cash equivalents	10	411,908	329,421	355,253	228,570
		504,239	344,729	650,038	972,143

* Excludes prepayments.

Notes to the Financial Statements

Year ended 31 March 2016

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				
2016				
Non-derivative financial liabilities				
Trade and other payables	141,048	(141,048)	(141,048)	–
2015				
Non-derivative financial liabilities				
Trade and other payables	74,783	(74,783)	(74,783)	–
Company				
2016				
Non-derivative financial liabilities				
Trade and other payables	160,225	(160,225)	(160,225)	–
2015				
Non-derivative financial liabilities				
Trade and other payables	233,311	(233,311)	(233,311)	–

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices, 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.

Notes to the Financial Statements

Year ended 31 March 2016

22 Financial risk management (cont'd)

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	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Variable rate instruments				
Fixed deposits	352,537	284,807	352,537	222,807

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 2015.

	Profit or loss	
	50 bp increase	50 bp decrease
	\$'000	\$'000
Group		
2016		
Fixed deposits	1,763	(1,763)
2015		
Fixed deposits	1,424	(1,424)
Company		
2016		
Fixed deposits	1,763	(1,763)
2015		
Fixed deposits	1,114	(1,114)

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.

Notes to the Financial Statements

Year ended 31 March 2016

22 Financial risk management (cont'd)

Interest rate risk (cont'd)

Capital management policy (cont'd)

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 7.13% for the year ended 31 March 2016 compared to 7.23% for the year ended 31 March 2015. 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				
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)
2015				
Financial assets not measured at fair value				
Trade and other receivables*	9	15,308	–	15,308
Cash and cash equivalents	10	329,421	–	329,421
		<u>344,729</u>	<u>–</u>	<u>344,729</u>
Financial liabilities not measured at fair value				
Trade and other payables	13	–	(74,783)	(74,783)

Notes to the Financial Statements

Year ended 31 March 2016

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
Company				
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)
2015				
Financial assets not measured at fair value				
Trade and other receivables*	9	743,573	–	743,573
Cash and cash equivalents	10	228,570	–	228,570
		<u>972,143</u>	<u>–</u>	<u>972,143</u>
Financial liabilities not measured at fair value				
Trade and other payables	13	–	(233,311)	(233,311)

* 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 owing to the short period to maturity.

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.

Notes to the Financial Statements

Year ended 31 March 2016

23 Operating segments (cont'd)

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	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Revenue	281,426	382,146	571	509	281,997	382,655
Finance income	210	147	3,515	1,677	3,725	1,824
Depreciation	73	100	162	160	235	260
Reportable segment profit before tax	103,724	107,581	3,177	1,479	106,901	109,060
Other material non-cash items:						
- Allowance for foreseeable losses on development properties	(503)	(13,331)	-	-	(503)	(13,331)
- Capital expenditure	20	28	95	-	115	28

Reconciliation of reportable segment profit or loss

	2016 \$'000	2015 \$'000
Profit or loss		
Total profit or loss for reportable segments	106,901	109,060
Unallocated amounts	-	(5)
Consolidated profit before tax	106,901	109,055

Properties of the Group

The properties of the Group as at 31 March 2016 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		7,546	7,955	100%	-		Phase 6 (36 units)
Phase 7		7,724	7,030	71%	3Q 2016		Phase 7 (32 units)
Phase 8		9,288	10,322	15%	1Q 2018		Phase 8 (46 units)
Phase 9		7,210	7,716	31%	3Q 2017		Phase 9 (32 units)
Remaining phases		<u>127,832</u>	<u>122,208</u>	-	-		
		159,600	155,231				Phase 6 – main building work was completed in 4Q 2015. Phase 7 – main building architectural and external works are in progress. Phase 8 – main building structural work is in progress. Phase 9 – main building structural and architectural works are in progress.
Lot 12949A MK 18 at Nim Road/Ang Mo Kio Avenue 5/ CTE	*999-year lease commencing January 1879	62,057	45,282	-	-	100%	Proposed 167 units of landed housing development.
		<u>54,806</u>	-	-	-	100%	Vacant non-residential Rural land for future residential development.
		116,863					
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	-	-	100%	Written Permission has been granted for the proposed 80 units of cluster housing development.

* The Singapore Land Authority (SLA) requires the Group to apply for lifting of the building restriction in the title in order to permit development of Lot 12949A MK 18 agricultural land. Planning permission to allow Lot 12949A MK 18 for landed housing development was submitted. SLA requires the Group to surrender the existing 999-year lease for re-issuance of a fresh 99-year lease without building restriction. Differential premium is payable for the intensification of land use prior to issuance of Written Permission.

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	14,382	32,268	100%	-	100%	Main building work was completed in 3Q 2015.
Lots 689T, 445M & 444C TS 21 at 2, 10 & 18 St Thomas Walk	Freehold	9,245	28,126	51%	3Q 2017	100%	Written Permission has been granted for the proposed 250 units of residential development. Main building structural and architectural 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 13 June 2016

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	365	9.44	4,047	0.00
100 to 1,000	742	19.19	629,132	0.24
1,001 to 10,000	1,922	49.72	8,258,139	3.19
10,001 to 1,000,000	816	21.11	46,710,201	18.04
1,000,001 and above	21	0.54	203,309,807	78.53
Total	3,866	100.00	258,911,326	100.00

Based on the Registers of Shareholders and to the best knowledge of the Company, approximately 42% 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	26,743,125	10.33
4	BNP PARIBAS SECURITIES SERVICES	26,243,778	10.14
5	LEE RUBBER COMPANY PTE LTD	21,955,968	8.48
6	RAFFLES NOMINEES (PTE) LTD	16,042,426	6.20
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	3,126,348	1.21
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	UNITED OVERSEAS BANK NOMINEES PTE LTD	2,307,910	0.89
15	HSBC (SINGAPORE) NOMINEES PTE LTD	2,131,846	0.82
16	OVERSEA-CHINESE BANK NOMINEES PTE LTD	1,916,076	0.74
17	YEO REALTY & INVESTMENTS (PTE) LTD	1,603,000	0.62
18	LEE PLANTATIONS PTE LIMITED	1,533,600	0.59
19	DBSN SERVICES PTE LTD	1,514,252	0.58
20	TAN PROPRIETARY (PTE) LTD	1,200,000	0.46
	Total	202,251,807	78.12

Shareholding Statistics

As at 13 June 2016

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	-	28,307,900
Aberdeen Asset Management PLC	-	28,307,900 ⁵
Aberdeen International Fund Managers Limited	-	18,121,000
Aberdeen Global	-	18,121,000
Asia Fountain Investment Company Limited	-	13,845,600
Guoco Group Limited	-	13,845,600 ⁶
GuocoEquity Assets Limited	-	13,845,600 ⁶
GuoLine Overseas Limited	-	13,845,600 ⁶
GuoLine Capital Assets Limited	-	13,845,600 ⁶
Hong Leong Investment Holdings Pte. Ltd.	-	13,845,600 ⁶
Hong Leong Company (Malaysia) Berhad	-	13,845,600 ⁶
HL Holdings Sdn Bhd	-	13,845,600 ⁶
Mr Quek Leng Chan	-	13,845,600 ⁶

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 28,307,900 shares owned (deemed interest) by Aberdeen Asset Management Asia Limited.

⁶ 13,845,600 shares owned (deemed interest) by Asia Fountain Investment Company Limited.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 50th Annual General Meeting of the Company will be held at **M Hotel Singapore, Banquet Suite, Level 10, 81 Anson Road, Singapore 079908** on Wednesday, 27 July 2016 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 2016 and the Auditors' Report thereon. **(Resolution 1)**
2. To approve and declare a final dividend of 4 cents per share tax exempt (one-tier) and a special dividend of 29 cents per share tax exempt (one-tier) for the financial year ended 31 March 2016. **(Resolution 2)**
3. To re-elect the following Directors who are retiring pursuant to the Company's Constitution: [See Explanatory Note (a)]
 - (i) Mr Lee Chien Shih (Article 94) **(Resolution 3a)**
 - (ii) Ms Fam Lee San (Article 94) **(Resolution 3b)**
 - (iii) Mr Chng Kiong Huat (Article 76) **(Resolution 3c)**
4. To approve the payment of Directors' fees of \$467,000 for the financial year ended 31 March 2016 (2015: \$409,000). **(Resolution 4)**
5. To re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**
6. To transact any other business which may properly be transacted at an Annual General Meeting.

As Special Business

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

7. 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

- (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,

Notice of Annual General Meeting

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 6)

By Order of the Board

DENNIS LOH SIEW KEEN

Company Secretary

11 July 2016
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(a), 3(b) and 3(c) above on the Directors standing for re-election at the Annual General Meeting, detailed information on the three Directors can be found on the “Board of Directors” and “Corporate Governance Report” sections of the Annual Report 2016.

Mr Lee Chien Shih, if re-elected, will remain as Non-Executive Director, Chairman of the Remuneration Committee and a member of the Nominating Committee. Mr Lee has an interest of 528,000 ordinary shares in the issued share capital of the Company. Mr Lee is also a Director of the Lee Rubber Group of Companies and Lee Foundation, which are 10% Shareholders of the Company, as listed in the Shareholding Statistics. There are no other relationships including immediate family relationships between Mr Lee and the other Directors and the Company.

Ms Fam Lee San, if re-elected, will remain as Non-Executive Director of the Company. Ms Fam is also a Director of the Lee Rubber Group of Companies, which is a 10% Shareholder of the Company, as listed in the Shareholding Statistics. There are no other relationships including immediate family relationships between Ms Fam and the other Directors and the Company.

Mr Chng Kiong Huat, if re-elected, will remain as Non-Executive Director of the Company. Mr Chng is also an Executive Director of Kallang Development (Pte) Limited, a subsidiary of the Lee Rubber Group of Companies, which is a 10% Shareholder of the Company, as listed in the Shareholding Statistics. There are no other relationships including immediate family relationships between Mr Chng and the other Directors and the Company.

- (b) The Ordinary Resolution 6 in Item 7, 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 2016.

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 50th Annual General Meeting of the Company to be held at M Hotel Singapore, Banquet Suite, Level 10, 81 Anson Road, Singapore 079908 on Wednesday, 27 July 2016 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	(a) Re-election of Mr Lee Chien Shih as Director		
	(b) Re-election of Ms Fam Lee San as Director		
	(c) Re-election of Mr Chng Kiong Huat as Director		
4	Approval of Directors' fees		
5	Re-appointment of KPMG LLP as Auditors		
Special Business			
6	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 _____ 2016

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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