



BRITISH AND MALAYAN
HOLDINGS LIMITED

Security
Integrity
Value

ANNUAL REPORT
2017



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British and Malayan Holdings Limited, 100% wholly owned subsidiary is British and Malayan Trustees Limited which has been providing trust services to families, companies, financial institutions, charities and high net worth individuals from its home in Singapore since 1924. As a pioneer member of the Singapore Stock Exchange, we are uniquely positioned as a licensed independent trust company offering the stability and flexibility to meet bespoke needs of clients. We are a full service Singapore based trust company assisting clients globally.

Examples of Current Service Offerings:

Family Services

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

Estates

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

Charities

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

Real Estate Services

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

Corporate

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

Funds; Asset Structuring

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

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|--|----|
| Introduction | 2 |
| Contents | 3 |
| Financial Calendar | 4 |
| Corporate Information – British and Malayan Holdings Limited | 5 |
| Corporate Information – British and Malayan Trustees Limited | 6 |
| Notice of Annual General Meeting | 7 |
| Chairman’s Statement | 12 |
| Corporate Governance Statement | 13 |
| Board of Directors | 33 |
| Key Management Staff | 34 |
| British and Malayan Trustees Limited Annual Financial Statements – 30 June 2017 | 35 |
| British and Malayan Holdings Limited Annual Financial Statements – 30 June 2017 (Unaudited) | 80 |
| Shareholding Statistics | 86 |
| Proxy Form | |

Financial Year End

30 June 2017

Announcement of 2016 – 2017 Results

Full-Year Results 23 August 2017

Annual General Meeting

23 October 2017

Payment of 2016 – 2017 Dividend

– Interim : 10 March 2017

BOARD OF DIRECTORS

Mr Colin Lee Yung Shih (Chairman)
Mr Lee Boon Huat
Mr Ng Kwan Meng
Mr Soh Chung Hian

AUDIT AND RISK COMMITTEE

Mr Soh Chung Hian (Chairman)
Mr Colin Lee Yung Shih
Mr Lee Boon Huat
Mr Ng Kwan Meng

NOMINATING COMMITTEE

Mr Lee Boon Huat (Chairman)
Mr Colin Lee Yung Shih
Mr Ng Kwan Meng
Mr Soh Chung Hian

REMUNERATION COMMITTEE

Mr Ng Kwan Meng (Chairman)
Mr Colin Lee Yung Shih
Mr Lee Boon Huat
Mr Soh Chung Hian

COMPANY SECRETARIES

Mr. Paul Martin Pavey
Ms. Angela Ho Wei Ling
Mr. Teo Meng Keong

**REGISTERED OFFICE
& SHAREHOLDER SERVICES FOR ORDINARY SHARES**

1 Coleman Street
#08-01 The Adelphi
Singapore 179803
Tel : (65) 6535 4922
Fax : (65) 6535 1258
Email : enquiry@bmtrust.com

AUDITORS

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

BOARD OF DIRECTORS

Mr Colin Lee Yung Shih (Chairman)
Mr Lee Boon Huat
Mr Ng Kwan Meng
Mr Soh Chung Hian
Mr James William Cox

AUDIT AND RISK COMMITTEE

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Mr Ng Kwan Meng
Mr Soh Chung Hian
Mr James William Cox

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AUDITORS

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

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

► Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the Company will be held at the Board Room of British And Malayan Holdings Limited at 1 Coleman Street, #08-01 The Adelphi, Singapore 179803 on 23 October 2017 at 2:30 p.m. for the purpose of transacting the following business:-

AS ORDINARY BUSINESS

1. To receive and adopt the Unaudited Financial Statements of British and Malayan Holdings Limited for the financial period ended 30 June 2017 together with the Directors' Statement thereon. **(Resolution 1)**
2. To re-elect the following Directors retiring pursuant to Article 100 of the Company's Constitution:-
 - (a) Mr Lee Yung-Shih Colin **(Resolution 2)**
[See Explanatory Note (i)]
 - (b) Mr Lee Boon Huat **(Resolution 3)**
[See Explanatory Note (ii)]
 - (c) Mr Ng Kwan Meng **(Resolution 4)**
[See Explanatory Note (iii)]
 - (d) Mr Soh Chung Hian **(Resolution 5)**
[See Explanatory Note (iv)]
3. To approve the payment of Directors' fees of S\$150,000 for the financial year ending 30 June 2018, to be paid quarterly in arrears. **(Resolution 6)**
4. To re-appoint Messrs Ernst & Young LLP as Auditors and to authorise the Directors to fix their remuneration. **(Resolution 7)**

AS SPECIAL BUSINESS

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

5. To receive and adopt the Audited Financial Statements of British and Malayan Trustees Limited for the financial year ended 30 June 2017 together with the Directors' Statement and the Independent Auditor's Report thereon. **(Resolution 8)**
6. Authority to issue shares **(Resolution 9)**

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

▶ Notice of Annual General Meeting

- (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;
- (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, “**Instruments**”) including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;
- (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues;

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

- (a) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments, made or granted pursuant to this Resolution) does not exceed fifty per centum (50%) of the Company’s total number of issued shares (excluding treasury shares and shares (if any) held by a subsidiary), of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued other than on a pro-rata basis to shareholders of the Company does not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares and shares (if any) held by a subsidiary), and for the purpose of this Resolution, the total number of issued shares (excluding treasury shares and shares (if any) held by a subsidiary) shall be the Company’s total number of issued shares (excluding treasury shares and shares (if any) held by a subsidiary) at the time this Resolution is passed, after adjusting for:
 - (i) new shares arising from the conversion or exercise of convertible securities; or
 - (ii) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this Resolution is passed; and
 - (iii) any subsequent bonus issue, consolidation or subdivision of the Company’s shares; and
- (b) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.”

[See Explanatory Note (v)]

▶ Notice of Annual General Meeting

7. **Authority to allot and issue shares under the British and Malayan Holdings Employee Share Option Scheme 2017 and the British and Malayan Holdings Performance Share Plan 2017 (Resolution 10)**

“That, authority be and is hereby given to the Directors of the Company to offer and grant options in accordance with the rules of the British and Malayan Holdings Employee Share Option Scheme 2017 (“**ESOS**”) and/or grant awards in accordance with the rules of the British and Malayan Holdings Performance Share Plan 2017 (“**PSP**” and together with the ESOS, the “**Schemes**”), and to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options under the ESOS and/or such number of fully paid shares as may be required to be issued pursuant to the vesting of awards under the PSP, provided always that the aggregate number of additional shares to be allotted and issued pursuant to the Schemes shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and shares (if any) held by a subsidiary) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, 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 earlier.”

[See Explanatory Note (vi)]

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

BY ORDER OF THE BOARD

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

Singapore,
6 October 2017

► Notice of Annual General Meeting

Explanatory Notes:

- (i) Mr Lee Yung-Shih Colin will, upon re-election as Director of the Company, remain as the Chairman of the Board and a member of Audit Committee, Nominating Committee and Remuneration Committee. Mr Colin Lee is a non-independent non-executive Director and will not be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. Key information on Mr Colin Lee can be found on page 33 of the Annual Report 2017. Please also refer to page 37 of the Annual Report 2017 for Mr Colin Lee's shareholding interest in the Company.
- (ii) Mr Lee Boon Huat will, upon re-election as Director of the Company, remain as the Chairman of Nominating Committee and a member of Audit Committee and Remuneration Committee. Mr Lee is considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. Key information on Mr Lee can be found on page 33 of the Annual Report 2017. There are no relationships (including family relationship) between Mr Lee and the other Directors or the Company or its 10% shareholders.
- (iii) Mr Ng Kwan Meng will, upon re-election as Director of the Company, remain as the Chairman of Remuneration Committee and a member of Audit Committee and Nominating Committee. Mr Ng is considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. Key information on Mr Ng can be found on page 33 of the Annual Report 2017. There are no relationships (including family relationship) between Mr Ng and the other Directors or the Company or its 10% shareholders.
- (iv) Mr Soh Chung Hian, will upon re-election as Director of the Company, remain as the Chairman of Audit Committee and a member of Nominating Committee and Remuneration Committee. Mr Soh is considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. Key information on Mr Soh can be found on page 33 of the Annual Report 2017. There are no relationships (including family relationship) between Mr Soh and the other Directors or the Company or its 10% shareholders.
- (v) Ordinary Resolution 9 proposed above, if passed, will empower the Directors of the Company, from the date of the passing of Ordinary Resolution 9 until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier, to issue shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to an amount not exceeding in total 50% of the issued shares (excluding treasury shares and shares (if any) held by a subsidiary) in the capital of the Company, with a sub-limit of 20% of the issued shares (excluding treasury shares and shares (if any) held by a subsidiary) for issues other than on a pro rata basis to shareholders.
- (vi) Ordinary Resolution 10 proposed above, if passed, will empower the Directors of the Company, from the date of the passing of Ordinary Resolution 10 until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier, to offer and grant options in accordance with the rules of the ESOS and/or grant awards in accordance with the rules of the PSP, and to allot and issue shares in the Company of up to a number not exceeding in total fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and shares (if any) held by a subsidiary) in the capital of the Company from time to time pursuant to the exercise of options under the ESOS and the vesting of awards under the PSP.

Notes:

- (a) A member of the Company may appoint not more than two proxies to attend and vote at the general meeting of the Company. A proxy need not be a member of the Company.
- (b) Where a member appoints more than one (1) proxy, he/she should specify the proportion of his/her shareholding (expressed as a percentage as a whole) to be represented by each proxy and if no percentage is specified, the first named proxy shall be treated as representing 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
- (c) A member who is a Relevant Intermediary* is entitled to appoint more than two proxies to attend and vote at the meeting. He shall specify the proportion of his shares (expressed as a percentage of the whole) to be represented by each proxy.

► Notice of Annual General Meeting

*Relevant Intermediary is:

- (i) a banking corporation licensed under the Banking Act (Cap.19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who hold shares in that capacity; or
 - (ii) a person holding a capital markets services license to provide a custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
 - (iii) the Central Provident Fund Board established by the Central Provident Fund Act (Cap.36), in respect of shares purchased on behalf of CPF investors.
- (d) A corporation which is a member may appoint an authorised representative or representatives in accordance with Section 179 of the Companies Act, Cap. 50 of Singapore to attend and vote for and on behalf of such corporation.
 - (e) The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or signed on its behalf by an officer or attorney duly authorised in writing.
 - (f) Where an instrument appointing a proxy is signed on behalf of the appointor by the attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
 - (g) The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 1 Coleman Street, #08-01 The Adelphi, Singapore 179803, not less than seventy-two (72) hours before the time appointed for holding the Annual General Meeting.
 - (h) In the case of joint shareholders, all shareholders must sign the instrument appointing a proxy or proxies.
 - (i) Completion and return of this instrument 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 Annual General Meeting in person, and in such event, the Company reserves the right to refuse the admission of any person or persons appointed under the instrument of proxy, to the Annual General Meeting.
 - (j) The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such member(s) are not shown to have shares entered against his/her/their name(s) in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.
 - (k) A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his/her name appears on the Depository Register 72 hours before the time appointed for the Annual General Meeting.

PERSONAL DATA PRIVACY

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

FY17 was a watershed year for British and Malayan Trustees Limited (the "Company") as it completed its corporate restructuring by way of a scheme or arrangement in July 2017. Pursuant to the Restructuring, a new holding company, British and Malayan Holdings ("BMH") has been interposed between the shareholders of the Company and the Company.

We believe that this new structure will present opportunities for BMH in the medium to long term as it looks to engage in potential new business opportunities to diversify its revenue and income streams from BMT's historic trust business.

Review of the year

For the year ended 30 June 2017, the Company's total revenue was \$2,573,000 (2016: \$2,846,000). The decrease of 10% results from lower fee income after the maturity of a number of corporate trust financing transactions, lower fee income from the private trust division and lower other income received.

The Company incurred an operating loss before tax for the year of \$1,632,000 (2016: loss \$1,780,000). The reduction in the loss from the prior year is mainly due to lower costs such as rental and staffing costs pursuant to the implementation of the Company's Strategic Plan.

The trust business in Singapore is challenging, one that continues to see weak pricing and strong competitive pressures, while constantly evolving regulatory demands has resulted in higher costs. Though much effort has gone into containing our costs in a responsible manner, the solution going forward has to stem from developing or acquiring new profitable business opportunities.

Dividend

During the year an interim tax exempt dividend of 1.50 cents was paid in March 2017 by the Company. BMH will continue to review and manage its capital requirements with the aim of maintaining an optimal capital base that will support its long term growth plans as well as providing sustainable dividends to its shareholders.

Outlook

The Singapore economy continues to face challenges on many fronts, both domestically, regionally and globally, evidenced by the sub-par growth experienced by its stalwart corporates as well as its trade partners around the world. Singapore, like BMT/BM Holdings, has to evolve in order to survive and thrive in the current deflationary environment. Costs must come down, productivity has to increase, future growth areas have to be identified and developed, and partnerships with comparable mindsets and integrity have to be forged. During this evolution, a strong balance sheet coupled with capable management is necessary to withstand the headwinds of change, in order to emerge stronger as lesser competitors fall by the wayside. BMT and BM Holdings, with the admirable effort from management and staff, has spent considerable effort and resources over the last 3 years priming itself for the challenges and opportunities that lay ahead. The change in controlling ownership, the modernisation of operational systems and corporate restructuring into a holding structure is only the beginning. We look forward to forming accretive relationships and alliances with like-minded but complimentary specialists to create a synergistic entity that will provide both existing and potential clients with a wider range of quality services that is compliant to modern regulatory demands. This will foster an environment to attract talent, foster growth and create value for both our clients, stakeholders and staff.

▶ Corporate Governance Statement

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

The Company has completed the proposed corporate restructuring by way of a scheme of arrangement in accordance with Section 210 of the Companies Act, Chapter 50 of Singapore on 25 July 2017 (the “**Restructuring**”). Pursuant to the Restructuring, a new holding company, British and Malayan Holdings Limited (“**BMH**”), has been interposed between the shareholders of the Company and the Company through the acquisition by BMH of all the issued and paid-up capital ordinary shares in the capital of the Company in exchange for new ordinary shares in BMH on a one-for-one basis.

Following the completion of the Restructuring on 28 July 2017, the Company has become a wholly-owned subsidiary of BMH and delisted from the Official List of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), followed by the listing and quotation of BMH shares on the Mainboard of the SGX-ST.

This Corporate Governance Report (the “**Report**”) describes the Company’s corporate governance practices that were in place during the financial year ended 30 June 2017 (“FY2017”) with specific reference to the Principles of the Code of Corporate Governance 2012 (the “**Code**”) and the practices to be adopted by BMH after the Restructuring. The Board confirmed that the Company has, for the FY2017, generally adhered to the principles and guidelines as set out in the Code. Where there are deviations from the Code, appropriate explanations are provided under the relevant sections of this Report.

Board Matters

THE BOARD’S CONDUCT OF AFFAIRS

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

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

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

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

Delegation by the Board

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

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

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

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

Board Approval

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

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

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

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

► Corporate Governance Report

The number of Board and Board Committee meetings held and the attendance of each Director for FY2017 where relevant are as follows:

| | Board Committee | | | |
|---------------------------------------|--------------------------|--------------------------|------------------------|----------------------|
| | Board | Audit and Risk Committee | Remuneration Committee | Nominating Committee |
| No. of Meetings Held | 5 | 4 | 2 | 2 |
| | No. of Meetings Attended | | | |
| Mr Colin Lee Yung-Shih ⁽¹⁾ | 5 | 4 | 2 | 2 |
| Mr Nigel David Stead ⁽²⁾ | 2 | 2 | 1 | 1 |
| Ms Roxanne Davies ⁽³⁾ | 1 | 1 | 1 | 1 |
| Mr Lee Boon Huat | 3 | 3 | 1 | 1 |
| Mr James William Cox ⁽⁴⁾ | 5 | 4 | 2 | 2 |
| Mr Ng Kwan Meng ⁽⁵⁾ | 2 | 2 | 1 | 1 |
| Mr Soh Chung Hian ⁽⁶⁾ | 2 | 2 | 1 | 1 |

Notes:

- (1) Mr Colin Lee Yung-Shih was appointed as a member of the Remuneration and Nominating Committees with effect from 1 December 2016.
- (2) Mr Nigel David Stead retired from the Board on 28 October 2016.
- (3) Ms Roxanne Davies resigned from the Board on 19 October 2016.
- (4) Mr James William Cox was appointed as a member of the Nominating Committee with effect from 1 December 2016.
- (5) Mr Ng Kwan Meng was appointed as an Independent Non-Executive Director, Chairman of the Remuneration Committee and a member of the Audit & Risk Committee and the Nominating Committee with effect from 1 December 2016.
- (6) Mr Soh Chung Hian was appointed as an Independent Non-Executive Director, Chairman of the Audit & Risk Committee and a member of the Nominating Committee and the Remuneration Committee with effect from 1 December 2016.

Induction of Directors

The Directors have access to the Company Secretaries and Management. They may also seek independent professional advice concerning the Company's affairs at the Company's expense when necessary. Prior to their respective appointments to the Board, each of the Directors was given an orientation and induction programme, so as to familiarize themselves with the Company's business activities, strategic directions and policies. In addition, newly appointed directors are also introduced to the senior Management team. The Company does not provide a formal appointment letter detailing the duties and obligations of the incoming new directors as this is discussed verbally with each director prior to his appointment.

Training of Directors

The Company Secretaries and auditors provide regular updates on the latest governance, listing rules and financial reporting standards during Board meetings, as and when required. All Directors are updated regularly concerning any changes in company policies. During the year, the Board was briefed and/or updated on the following: (1) Current issues in corporate governance; (2) The new auditor's report and other information; (3) Overview of the changes in accounting standards, laws and regulations; (4) changes to the regulatory environment and requirements in both Singapore and other jurisdictions; and (5) Prevention of money laundering and countering the financing of terrorism.

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

BOARD COMPOSITION AND GUIDANCE

Principle 2: Strong and independent element on the Board

The Board consists of five (5) Directors, comprising one (1) Executive Director and four (4) Non-Executive Directors. Of the Non-Executive Directors, three (3) of them are Independent Directors. The Company has adopted the Code's definition of "Independent Director" and its guidance in respect of relationships which would deem a Director to be regarded as non-independent.

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

Each year, the Board's composition is reviewed by the NC to ensure that the Board has the appropriate mix of expertise and experience. The NC is of the view that the current Board comprises persons whose diverse skills, experience and attributes provide for an effective Board.

The Board in concurrence with the NC is of the view that the current Board and Board Committees comprises an appropriate balance and diversity of skills, experience and knowledge of the company which provides broad diversity of expertise such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge who as a group provide core competencies necessary to meet the Company's requirements. Further details on the key information and the profile of the Directors including their academic and professional qualification, and other directorship in other listed companies are set out on page 20 in this Annual Report.

The Non-Executive Directors provide constructive views and assist the Board to facilitate and develop proposals on strategy and monitor the performance of the Management in meeting agreed objectives. The Non-Executive Directors have full access to and co-operation from the Company's Management and officers. They have full discretion to have separate meetings without the presence of Management and to invite any Directors or officers to the meetings as and when warranted.

To facilitate a more effective review the Non-Executive Directors meet as and when necessary and at least once a year with Auditors without the presence of the Management.

The Board and Management fully appreciate that an effective and robust Board whose members engage in open and constructive debate and challenge Management on its assumptions and proposal is a fundamental to good corporate governance. The Company has adopted initiatives to put in place processes to ensure that the non-executive directors are well supported by accurate, complete and timely information, have unrestricted access to management and have sufficient time and resources to discharge their oversight function effectively. These initiatives include informal meetings for management to brief the directors on prospective deals and providing the Board with regular updates on projects and initiatives at early stage, circulation of relevant information on business initiatives on matters in relation to the Company and the industries in which it operates to keep the board abreast of the business developments.

Directors' independent review

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

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

None of the Independent Directors has served on the Board beyond nine (9) years from their respective date of appointment.

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

Mr Colin Lee Yung-Shih is the Non-Executive Chairman, while Mr James William Cox is Executive Director and the CEO of the Company.

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

In addition, the Chairman monitors communications and relations between the Company and its shareholders and between the Board and Management with a view to encourage constructive relations and dialogues amongst them. Also, the Chairman works to facilitate the effective contribution of directors and assists to ensure procedures are in accordance with the Company's guidelines on corporate governance.

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

Taking into account the relatively small size of the Board and that Independent Non-Executive Directors make up more than half of the Board, the Board is of the view that there is currently no need to appoint one of them as the Lead Independent Director. The Chairman of each Board Committee will provide feedback to the Chairman after the meeting. Shareholders can channel any concerns they may have to any one of the Independent Non-Executive Directors.

The board's size, composition and diversity of skills and experiences are considered appropriate for the Company to ensure that the board will make independent decisions. Matters requiring the board's approval are discussed and deliberated with participation from each member of the board and collective decisions ensure that no individual influences or dominates the decision-making process. The board will constantly review the contribution of its directors to ensure a strong and independent element of the Board.

BOARD MEMBERSHIP

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

The NC comprises five (5) Directors, a majority of whom, including the Chairman of the NC, are Independent Non-Executive Directors:

- (i) Mr Lee Boon Huat (Chairman)
- (ii) Mr Colin Lee Yung-Shih (appointed as a member on 1 December 2016)
- (iii) Mr James William Cox (appointed as a member on 1 December 2016)
- (iv) Mr Ng Kwan Meng (appointed as a member on 1 December 2016)
- (v) Mr Soh Chung Hian (appointed as a member on 1 December 2016)

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

- (a) nominates directors (including Independent Directors) taking into consideration each Director's contribution, performance and ability to provide valuable insights and strategic networking to enhance the businesses of the Company;
- (b) reviews and recommends to the Board the composition of the ARC, and RC;
- (c) re-nominates directors for re-election in accordance with the Constitution at each annual general meeting ("AGM") having regard to the director's contribution and performance;
- (d) determines annually whether or not a director of the Company is independent;
- (e) decides whether or not a director is able to and has been adequately carrying out his duties as a director;
- (f) assesses the performance of the Board as a whole and the contribution of each director to the effectiveness of the Board;
- (g) reviews and recommends succession plans for directors, in particular, the Chairman and for the CEO; and
- (h) reviews and recommends training and professional development programs for the Board.

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

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

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

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

Following the completion of the Restructuring which took effect on 25 July 2017, the Company has been delisted from the Mainboard of SGX-ST while BMH shares have been admitted into and listed on the Main board of SGX-ST. Hence, the Directors of BMH shall be subject for re-election at the forthcoming AGM of BMH.

Pursuant to Article 100 of BMH's Constitution, any person so appointed by the Directors shall hold office only until the next annual general meeting. He shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting. Under Article 94 of BMH's Constitution, at each annual general meeting, one-third of the Directors for the time being (of, if their number is not multiple of three, the number nearest to but not less than one-third), selected in accordance with Article 95, shall retire from office by rotation.

The Directors who retire in every year shall be those subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

Pursuant to Article 100 of BMH's Constitution, all the Directors are required to retire from office at the first AGM of BMH. The following named Directors will be offering themselves for re-election at the forthcoming AGM of BMH:

1. Mr Colin Lee Yung-Shih
2. Mr Lee Boon Huat
3. Mr Ng Kwan Meng
4. Mr Soh Chung Hian

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

▶ Corporate Governance Report

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

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

| Name of Directors | Date of initial appointment | Date of last re-election | Academic and Professional Qualifications | *Present Directorship or Chairmanship in other listed companies | *Past Directorship or Chairmanship in other listed companies |
|------------------------|-----------------------------|--------------------------|--|---|--|
| Mr Colin Lee Yung-Shih | 16 February 1994 | 30 October 2015 | Bachelor of Science | CAM-GTF Limited | – |
| Mr Lee Boon Huat | 30 June 2014 | 16 October 2014 | Bachelor of Business | Techcom Bank, Viet; Alliance Bank Malaysia Berhad | NIB Bank Pakistan; |
| Mr James William Cox | 16 October 2014 | N.A. | Juris Doctor | – | – |
| Mr Ng Kwan Meng | 1 December 2016 | N.A. | Bachelor of Arts and Social Science | – | – |
| Mr Soh Chung Hian | 1 December 2016 | N.A. | Bachelor of Accountancy | Lum Chang Holdings Limited | Eu Yan Sang International Ltd; QAF Limited |

* Within the past three years

During FY2017, the NC is satisfied that sufficient time and attention was given by the Directors to the affairs of the Company, notwithstanding that some of the directors have multiple board representations there is presently no need to implement internal guidelines to address their competing time commitments. The NC is also of the opinion that the current board size is adequate for the effective functioning of the Board. The NC will continue to review from time to time, the Board representations and other principal commitments to ensure that Directors continue to meet the demands of the Company and are able to discharge their duties adequately.

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

BOARD PERFORMANCE

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

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

A formal review of the Board's performance was undertaken collectively by the Board annually. Each Director undertakes a self-assessment to evaluate their contribution to the Board. This self-assessment process takes into account, amongst other things, the board commitment, standard of conduct, competency, training and development and interaction with the other Directors, Management & Stakeholders. The Board's performance was also being reviewed by the NC with inputs from other Board members. The completed assessment forms are collated by one of the Company Secretaries and the results of the evaluation exercise are subsequently considered by the NC before making recommendations to the Board. The Chairman of the Board will act on the results of the performance evaluation and recommendation, and where appropriate, propose new members to be appointed to the Board or seek resignation of the Directors, in consultation with the NC.

The performance of each individual Director are assessed based on various factors which includes their attendance and participation to the Board and Board Committee Meetings and contributions to the Board in the business strategies including their industry and business knowledge. The performance criteria are not subject to changes annually and where circumstances deem it necessary for any of the criteria to be changed, the onus should be on the Board to justify this decision.

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

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

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

ACCESS TO INFORMATION

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

The Board has separate and independent access to the senior Management of the Company and the Company Secretaries at all times. Requests for information are dealt with promptly by Management. The Board is informed of all material events and transactions as and when they occur. The Management consults Board members as necessary and appropriate. Detailed board paper agenda and related material, background or explanatory information relating to matters to be discussed such as quarterly and yearly financial results, progress reports of the Company's operations, corporate developments, business developments, budgets, capital expenditure, shares price movements and shareholders trading transactions, HR matters and relevant regulatory updates are sent out to the Directors prior to each meeting so that all Directors may better understand the issues beforehand, allowing more time at such meetings for questions and deliberations that the Directors may have.

Management's proposals to the Board for approval provide background and explanatory information such as facts, resources needed, risk analysis and mitigation strategies, financial impact, regulatory implications, expected outcomes, conclusions and recommendations. Employees who can provide additional insight into matters to be discussed will be present at the relevant time during the Board and Board Committee meetings. In order to keep the Directors abreast of the Group's operations, the Directors are also updated on initiatives and developments on the Group's business as soon as practicable and/or possible and on an on-going basis.

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

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

REMUNERATION MATTERS

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

The RC comprises the following four (4) Non-Executive Directors, a majority of whom including the Chairman are Independent Directors:

- (i) Mr Ng Kwan Meng (Appointed as Chairman on 1 December 2016)
- (ii) Mr Colin Lee Yung-Shih (Appointed as a member on 1 December 2016)
- (iii) Mr Lee Boon Huat
- (iv) Mr Soh Chung Hian (Appointed as member on 1 December 2016)

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

- (a) recommends to the Board a framework of remuneration for the directors and key management personnel;
- (b) determines specific remuneration packages for each executive director and key management personnel;
- (c) reviews annually the remuneration of employees related to the directors and substantial shareholders to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities; and
- (d) performs such other acts as may be required by the SGX-ST and the Code from time to time.

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

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

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

► Corporate Governance Report

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

When necessary, the RC will consult external professionals on remuneration matters of Directors and key management personnel. In FY 2017, the Company did not engage any consultant to deal with the remuneration of the Directors.

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

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

At the extraordinary general meeting of the Company held on 4 July 2017, the shareholders of the Company approved the adoption of BMH Employee Share Option Scheme 2017 (“**BMH ESOS**”) and Performance Share Plan 2017 (“**BMH PSP**”). The RC of BMH would oversee the administration of the BMH ESOS and BMH PSP upon the rules as defined in the BMH ESOS and BMH PSP. Both BMH ESOS and BMH PSP were established on 4 July 2017 with a 10 year tenure commencing on the establishment date.

The Executive Director does not receive director’s fee but is remunerated as member of Management. The remuneration for the Executive Director and key management personnel comprises fixed and variable components under their respective service agreements. The fixed component is in the form of monthly salary whereas the variable component is linked to the performance of the Company and individual. In addition, short term and long term incentives such as BMH ESOS and BMH PSP, are in place to strengthen the pay-for-performance framework by rewarding and recognizing the key executives’ contributions to the growth of BMH. This is designed to align remuneration with the interests of shareholders and link rewards to corporate and individual performance so as to promote the long term growth of BMH.

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

The RC ensures that the remuneration of the Non-Executive Directors is appropriate to their level of contribution taking into account factors such as effort and time spent, as well as their responsibilities and obligations. The RC also ensures that the Non-Executive Directors should not be over-compensated to the extent that their independence may be compromised. Each member of the RC abstains from voting on any resolution, participating in any deliberation of the RC, and making any recommendation in respect of his remuneration.

The Non-Executive Directors receive a basic fixed fee and the Directors’ fees will be subject to shareholders’ approval at the AGM.

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

The remuneration of the directors and the Top Two Key Management Personnel, who are not Directors or the CEO of the Company, for FY2017, are disclosed below. The disclosure is to enable investors to understand the link between remuneration paid to Directors and Key Management Personnel, and performance.

| Name of Director | Directors' Fees S\$ | Salary S\$ | Bonus S\$ | Allowance S\$ | Total S\$ |
|---------------------------------------|------------------------|---------------|--------------|------------------|--------------|
| Mr Colin Lee Yung-Shih ⁽¹⁾ | 37,500 | – | – | – | 37,500 |
| Mr Nigel David Stead ⁽²⁾ | 12,228 | – | – | – | 12,228 |
| Ms Roxanne Davies ⁽³⁾ | 11,311 | – | – | – | 11,311 |
| Mr Lee Boon Huat | 37,500 | – | – | – | 37,500 |
| Mr James William Cox ⁽⁴⁾ | – | 360,000 | 15,000 | – | 375,000 |
| Mr Soh Chung Hian ⁽⁵⁾ | 21,909 | – | – | – | 21,909 |
| Mr Ng Kwan Meng ⁽⁶⁾ | 21,909 | – | – | – | 21,909 |

Notes:

- (1) Mr Colin Lee Yung-Shih was appointed as a member of the Remuneration and Nominating Committees with effect from 1 December 2016.
- (2) Mr Nigel David Stead retired from the Board on 28 October 2016.
- (3) Ms Roxanne Davies resigned from the Board on 19 October 2016.
- (4) Mr James William Cox was appointed as a member of the Nominating Committee with effect from 1 December 2016.
- (5) Mr Ng Kwan Meng was appointed as an Independent Non-Executive Director, Chairman of the Remuneration Committee and a member of the Audit & Risk Committee and the Nominating Committee with effect from 1 December 2016.
- (6) Mr Soh Chung Hian was appointed as an Independent Non-Executive Director, Chairman of the Audit & Risk Committee and a member of the Nominating Committee and the Remuneration Committee with effect from 1 December 2016.

| Name of Key Management | Designation | Salary* S\$ | Bonuses S\$ | Allowance S\$ | Total S\$ |
|------------------------|---|----------------|----------------|------------------|--------------|
| Mr Paul Martin Pavey | Chief Operating Officer and Chief Financial Officer ("CFO") | 292,240 | 23,333 | – | 315,573 |
| Ms Angela Ho Wei Ling | Financial Controller | 227,844 | 15,515 | – | 243,359 |

* Salary includes Central Provident Fund employer contributions

Notwithstanding Guidelines 9.3 of the Code, the Company is disclosing the remuneration of only two Key Management Personnel because the Company had only such a number of Key Management Personnel (who were not also directors) during FY2017.

The annual aggregate remuneration paid to all the above mentioned Key Management Personnel (who were not also directors) of the Company in FY2017 was S\$558,932.

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

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

There are no termination, retirement and/or post-employment benefits granted to Directors or Key Management Personnel during FY2017.

ACCOUNTABILITY AND AUDIT

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

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

The Board takes steps to ensure compliance with legislative and regulatory requirements, including requirements under the Listing Manual, where appropriate. The Independent Directors in consultation with Management will request for Management's consideration for establishment of written policies for any particular matter that is deemed to be essential to form part of Management control.

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

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

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

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

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

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

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

Every year, the Company appoints Internal Auditors to carry out a review of the adequacy and effectiveness of the Company's key internal controls, including financial, operational, compliance and information technology controls as well as risk management systems to the extent of their scope as laid out in their audit plan.

It is the opinion of the Board that the system of internal controls maintained by the Company's Management that was in place throughout the financial year and up to the date of this Report, provides reasonable assurance against material financial misstatements or losses, and includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulations and best practices, and the identification and containment of financial, operational and compliance and information technology risks.

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

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

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

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

The ARC comprises the following four (4) Non-Executive Directors, a majority of whom including the Chairman are Independent Directors:

- (i) Mr Soh Chung Hian (appointed as Chairman on 1 December 2016)
- (ii) Mr Colin Lee Yung-Shih
- (iii) Mr Lee Boon Huat
- (iv) Mr Ng Kwan Meng (appointed as a member on 1 December 2016)

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

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

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

- (b) to provide a channel of communication between the Board, the management team and the external auditors on matters relating to the audit;
- (c) to monitor management's commitment to the establishment and maintenance of a satisfactory control environment and an effective system of internal controls (including any arrangements for internal audit);
- (d) to monitor and review the scope and results of external audit, its cost effectiveness and the independence and objectivity of the external auditors.

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

- (a) review with the external auditors the audit plans, their evaluation of the systems of internal controls, their management letter and the management's response thereto;
- (b) review with the internal auditors the internal audit plans and their evaluation of the adequacy of the Company's internal controls and accounting system before submission of the results of such review to the Company's Board for approval;
- (c) review quarterly and annual financial statements and results announcements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Listing Manual and any other relevant statutory or regulatory requirements;
- (d) review the internal controls and procedures and ensure co-ordination between the external auditors and the management, review the assistance given by management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of management where necessary);
- (e) review and consider the appointment or re-appointment of the external auditors and matters relating to resignation or dismissal of the auditors;
- (f) review interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual;
- (g) review the Company's hedging policies, procedures and activities (if any) and monitor the implementation of the hedging procedure/policies, including reviewing the instruments, processes and practices in accordance with any hedging policies approved by the Board;
- (h) review potential conflicts of interest, if any, and to set out a framework to resolve or mitigate such potential conflicts of interests;
- (i) undertakes such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the ARC;
- (j) review and discusses with investigators, any suspected fraud, irregularity, or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and the management's response thereto;

- (k) generally to undertake such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time;
- (l) review the effectiveness and adequacy of the administrative, operating, internal accounting and financial control procedures;
- (m) review the key financial risk areas, with a view to providing an independent oversight of the Company's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, to be immediately announced via SGXNET;
- (n) review arrangements by which the staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matters and for appropriate follow-up; and
- (o) The ARC approves the hiring, removal, evaluation and compensation of the internal audit service provider.

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

The ARC has been given full access to and is provided with the co-operation of the Company's management. In addition, the ARC has independent access to the external auditors. Both the external auditors and internal auditors report directly to the ARC in respect of their findings and recommendations. The ARC also has full discretion to invite any director or executive officer to attend the meetings, and has been given reasonable resources to enable the discharge of its functions. Each member of ARC shall abstain from voting on any resolutions in respect of matters in which he is interested.

As at the Report date, the ARC has:

- (a) reviewed the scope of work of the external auditors;
- (b) reviewed the audit plans and discussed the results of the respective findings and their evaluation of the Company's system of internal accounting controls;
- (c) reviewed the interested person transactions of the Company;
- (d) met with the Company's external auditors and internal auditors at least annually without the presence of the management;
- (e) reviewed the external auditors' independence and objectivity; and
- (f) reviewed the Company's procedures for detecting fraud and whistle-blowing matters and to ensure that arrangements are in place by which any employee, may in confidence, raise concerns about improprieties in matters of financial reporting, financial control, or any other matters. A report is presented to the ARC on quarterly basis wherever there is a whistle-blowing issue.
- (g) ARC meetings are held quarterly to review the financial statements of the Company before recommending to the Board for approval of the release of the financial results. In the process, the ARC also reviewed significant financial reporting matters and judgements to ensure that the appropriate disclosure and accounting policies are applied.

The ARC has reviewed the external auditors' non-audit services and is satisfied that the nature and extent of such services have not prejudiced the independence and objectivity of the external auditors. The ARC recognizes the need to maintain a balance between the independence and objectivity of the external auditors and the work carried out by the external auditors based on value for money consideration. The aggregate amount of fees paid to Ernst & Young LLP for FY2017 was S\$151,300 comprising of audit fees of S\$105,000 and non-audit fees of S\$46,300.

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

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

The Chairman of the ARC is a retired former partner of the Company's existing auditing firm, Ernst & Young LLP. The NC reviewed this issue and decided based on the fact that he had no involvement in the audit of the Company while he was employed by EY and that he retired in December 2012 that sufficient time had passed from his employment for him to be considered not conflicted by his prior employment. As such based on their review the NC considered he was independent.

The AC is kept abreast by the external auditors of changes to accounting standards, SGX-ST Listing Rules and other regulations which could have an impact on the Company's business and financial statements.

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

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

The Board recognizes the importance of maintaining a system of internal controls, procedures and processes for safeguarding the shareholders' investments and Company's assets. The Company has outsourced the internal audit function to BDO LLP, who adopts the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

BDO LLP is an international accounting firm and they provide outsourced internal audit services through their Risk Advisory Services division. BDO Risk Advisory Services comprises dedicated internal audit professionals who are mostly accountancy graduates or who might have relevant professional qualifications such as Chartered Accountant or Certified Internal Auditor certifications and they conduct outsourced internal audits based on the BDO Global Internal audit Methodology which is consistent with the International Professional Practice Framework established by the Institute of Internal Auditors. The Engagement Partner has more than 20 years of auditing experience and is a Chartered Accountant (Singapore), Certified Internal Auditor and a Certified Information System Auditor. He also has a Certification in Risk Management Assurance and he is a Practising Management Consultant.

The internal auditor's primary reporting line is to the Chairman of the ARC and administratively to the CEO. The internal auditor has unfettered access to all the Company's documents, records, properties and personnel including access to the ARC.

The ARC approves the hiring, removal, evaluation and compensation of BDO LLP to which the internal audit functions is outsourced. The ARC also reviews and approved the annual internal audit plan and ensures that the internal auditor has adequate resources to perform its functions. The ARC also reviews the results of the internal audits and management's actions in resolving any audit issues reported. The ARC is satisfied with the suitability of the internal auditors and is of the view that the internal audit function is adequately resourced and has effectively performed its functions, and has appropriate standing within the Company.

The Company has implemented an ERM Framework to perform risk assessment reviews on areas of significant business risks as well as appropriate measures to control and mitigate these risks.

The internal auditors conduct audits based on the standards set by internationally recognized profession bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The internal audit plan is submitted to the ARC for approval prior to the commencement of the internal audit work. The internal auditors review the effectiveness of key internal controls in accordance with the internal audit plan. The internal auditors have a direct and primary reporting line to the ARC and assist the ARC in overseeing and monitoring the implementation and improvements required on internal control weaknesses identified. The internal auditor has unrestricted access to documents, records, properties and personnel of the Company. The ARC will review the adequacy and effectiveness of the internal audit function annually.

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

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

SHAREHOLDERS RIGHTS AND RESPONSIBILITIES

Principle 14: Companies should engage in regular, effective and fair communication with shareholders.

Principle 15: Companies should encourage greater shareholder participation at AGMs, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

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

The Company is committed to regular and open communication with its shareholders. In line with the continuous obligations of the Company pursuant to the Listing Manual and the Singapore Companies Act, the Board's policy is that all shareholders should be equally informed of all major developments and any material or price-sensitive information impacting the Company in a clear, detailed and timely manner. The Company ensures that it does not practice selective disclosure of information to any particular group of persons. In the event that unpublished material information is inadvertently disclosed to any selected group in the course of the Company's interactions with investing community, a media release or announcement will be released to the public via SGXNet.

Information is disseminated to shareholders on a timely basis through:

- SGXNET announcements;
- Annual Reports prepared and issued to all shareholders;
- Letters and circulars to shareholders;
- quarterly and Annual Financial Statements containing a summary of the financial information and affairs of the Company for the period; and
- Notice of general meetings.

The Company strongly encourages shareholders' participation during the AGM which will be held in a central location in Singapore. At the AGM, the Company ensures that shareholders are given the opportunity to voice their views and seek clarification on questions regarding the Company. Shareholders are able to proactively engage the Board and the Management on the Company's business activities, financial performance and other business related matters through dialogue sessions. The Company believes in regular, effective and fair communication with shareholders and is committed to hearing shareholders' view and addressing their concerns. The Directors, Management and the external auditors will be present at the AGM to address shareholders' queries. Shareholders are also informed of the rules and voting procedures governing such meetings.

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

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

Resolutions are, as far as possible, structured separately and may be voted on independently.

The Company fully supports the Code's principle to encourage shareholders' participation in and vote at all the general meetings. The Company's Constitution allows the appointment of one or two proxies by shareholders, to attend the AGM and vote in his/her place. The Company and BMH, however, have not implemented measures to allow shareholders who are unable to vote in person at the Company's AGM the option to vote in absentia, such as via mail, electronic mail or facsimile transactions as the authentication of shareholder indemnity information and other related security issues still remain a concern.

The Company Secretaries prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meetings and responses from the Board and Management, and to make these minutes, subsequently approved by the Board, available to shareholders at the registered office of the Company at 1 Coleman Street, #08-01 Singapore 179803 during normal business hours upon written request.

For greater transparency, the Company has adopted the voting of all its resolutions by poll at all the general meetings where shareholders are accorded rights proportionate to their shareholding and all votes counted. The detailed results of the number of votes cast for and against for each resolution and the respective percentage are announced at the meeting and via announcements made on the same day.

The Company does not have a formal dividend policy. The Board considers, inter alia, the Company's capital structure, cash requirements, expansion plans and other factors that the Board may deem appropriate in declaring dividend for each year. Any dividend payouts are clearly communicated to shareholders in public announcements and via announcements on SGXNET when the Company discloses its financial results. Barring any unforeseen circumstances, the Company will endeavor to declare dividends at sustainable rates.

Dealing in Securities

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

Material Contracts

There were no material contracts of the Company, including loans, involving the interests of any Director, CEO or the controlling shareholders during FY2017.

Risk Management

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

Interested Person Transactions

The ARC reviewed the Company's Interested Party Transaction ("IPT") to ensure transactions were carried out on normal commercial terms and are not prejudicial to the interests of the Company or its non-controlling shareholders. On a quarterly basis, Management reports to the ARC the IPT, if any. There were no IPT for FY2017. The ARC is satisfied that the internal controls over the identification, evaluation, review, approval and reporting of the IPTs was effective.

Mr Colin Lee Yung-Shih

Chairman

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

Mr Lee Boon Huat

Director

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

Mr Ng Kwan Meng

Director

Mr Ng Kwan Meng joined the Board in 1 December 2016. Mr Ng holds a Bachelor of Social Science (Honours) from the National University of Singapore. Mr Ng retired in August 2013 as Managing Director and Head, Group Global Markets at United Overseas Bank after serving 30 years with the bank. He was also an Executive Director and Chief Executive Officer of UOB Bullion and Futures Ltd. Mr Ng was involved in the promotion of the forex and debt capital markets in Singapore. He was a member of the Singapore Foreign Exchange Market Committee, the working group on Financial Industry Competency Standards and National Integration Working Group for the Community

Mr Soh Chung Hian

Director

Daniel was appointed to the Board in 1 December 2016. He is the chairman of the Audit Committee. Daniel graduated from the then University of Singapore with a degree in Bachelor of Accountancy in 1977. He also holds an MBA from the International Management Centre in the United Kingdom. Upon graduation, he joined Ernst & Young in 1977 and was admitted to the partnership in 1990 until his retirement in 2012. Throughout his career in Ernst & Young, he was involved in the audits of many publicly listed companies. Being effectively bilingual, he looked after the China Desk of the firm in the early 90s.

Mr James William Cox

Executive Director

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

▶ Key Management Staff

Mr James William Cox

Chief Executive Officer, Executive Director

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

Mr Paul Martin Pavey

Chief Financial Officer, Chief Operating Officer and Company Secretary

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

Ms Angela Ho Wei Ling

Financial Controller, Company Secretary

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

Company Registration No. 192400010M

Annual Financial Statements 30 June 2017

| | |
|-----------------------------------|----|
| Directors' Report | 36 |
| Independent Auditors' Report | 40 |
| Income Statement | 44 |
| Statement of Comprehensive Income | 45 |
| Balance Sheet | 46 |
| Statement of Changes in Equity | 47 |
| Cash Flow Statement | 48 |
| Notes to the Financial Statements | 49 |

▶ Directors' Statement

The directors are pleased to present their statement to the members together with the audited financial statements of British and Malayan Trustees Limited (the "Company") for the financial year ended 30 June 2017.

Opinion of the directors

In the opinion of the directors,

- (a) the accompanying income statement, statement of comprehensive income, balance sheet, statement of changes in equity and cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the financial position of the Company as at 30 June 2017 and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Mr Colin Lee Yung Shih (Chairman)
Mr James William Cox
Mr Lee Boon Huat
Mr Ng Kwan Meng
Mr Soh Chung Hian

Arrangements to enable directors to acquire shares or debentures

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

▶ Directors' Statement

Directors' interests in shares or debentures

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

| Name of director | Holdings registered in name of director or nominee | | Holdings in which a director is deemed to have an interest | |
|---------------------------------------|---|-------------|---|-------------|
| | At 30.06.17 | At 30.06.16 | At 30.06.17 | At 30.06.16 |
| Ordinary shares of the Company | | | | |
| Colin Lee Yung Shih | – | – | 6,161,694 | 6,390,720 |

Lee Yung Shih Colin is deemed interested in the shares held by The Nyalas Rubber Estates Limited (6,147,294) and Lee Thor Seng (14,400).

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

Options

During the financial year, there was:

- (a) no option granted by the Company to any person to take up unissued shares of the Company; and
- (b) no share issued by virtue of the exercise of options to take up unissued shares of the Company.

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

Audit and risk committee

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

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

Mr Soh Chung Hian (Chairman)
Mr Colin Lee Yung Shih
Mr Lee Boon Huat
Mr Ng Kwan Meng

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

Audit and risk committee (cont'd)

The Audit and Risk Committee held four meetings during the year and performs the following functions:

- (a) reviewed the audit plans and findings of both the external and internal audit work, the results of their examination and evaluation of the Company's system of accounting and internal controls, and management's response to their recommendations;
- (b) reviewed the Company's quarterly and annual results announcements, the statutory financial statements of the Company in conjunction with the external auditor's comments thereon prior to their submissions to the directors for approval;
- (c) reviewed the assistance and co-operation given by the Company's officers to the personnel performing the external and internal audit work;
- (d) recommended to the board of directors the external auditor to be nominated, approves the compensation of the external auditor and reviews the scope and results of the audit;
- (e) reviewed interested persons transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual; and
- (f) reviewed the nature and extent of non-audit services provided by external auditor.

In performing its function, the Audit and Risk Committee met and reviewed findings of the auditors and the assistance given to them by management. During the financial year ended 30 June 2017, the Audit and Risk Committee has reviewed the independence of the external auditors, including the scope of the non-audit services performed and has formed the view that the external auditors are independent.

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

Board's opinion on internal controls

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

▶ Directors' Statement

Auditor

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

On behalf of the Board of Directors:

Colin Lee Yung Shih
Director

Soh Chung Hian
Director

Singapore
18 August 2017

► Independent Auditor's Report

For the financial year ended 30 June 2017
To the members of British and Malayan Trustees Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of British and Malayan Trustees Limited (the "Company"), which comprise the balance sheet of the Company as at 30 June 2017, and the income statement, statement of comprehensive income, statement of changes in equity and the cash flow statement of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 30 June 2017 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for opinion

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

Key audit matters

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

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

► Independent Auditor's Report

For the financial year ended 30 June 2017
To the members of British and Malayan Trustees Limited

Provision for restructuring

As at 30 June 2017, restructuring provisions amounted to S\$434,848 as disclosed under other liabilities in Note 13. These provisions are material to the financial statements. We identified the recognition of these provisions as a key audit matter due to the quantitative magnitude of the provisions recognised and the significant judgment applied in determining the provisions.

As part of our audit procedures, we addressed the appropriateness and timely recognition of costs and provisions in accordance with FRS 37 – Provisions, Contingent Liabilities and Contingent Assets. We assessed and tested the assumptions made by management concerning their calculations of the restructuring provision against supporting documentation such as correspondences with relevant parties, invoices and subsequent payments, sending out confirmations to relevant parties and re-computation of the provision of restructuring to verify mathematical accuracy. We further evaluated on the presentation and adequacy of the disclosures on the Company's disclosures on provision for restructuring which are included in Note 3 and Note 24.

Information other than the financial statements and auditor's report thereon

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

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

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

Responsibilities of management and directors for the financial statements

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

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

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

► Independent Auditor's Report

For the financial year ended 30 June 2017
To the members of British and Malayan Trustees Limited

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

► Independent Auditor's Report

For the financial year ended 30 June 2017
To the members of British and Malayan Trustees Limited

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

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

Report on other legal and regulatory requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Brian Thung.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
18 August 2017

► Income Statement

For the financial year ended 30 June 2017

| | Note | 2017 S\$ | 2016 S\$ |
|--|------|-------------|-------------|
| Revenue | 4 | 2,269,656 | 2,509,800 |
| Other items of income | | | |
| Interest income | | 33,686 | 62,213 |
| Dividend income | | 151,665 | 147,901 |
| Net foreign exchange gain | | 2,055 | – |
| Other income | | 116,853 | 126,174 |
| Items of expense | | | |
| Employee benefits expense | 5 | (2,161,822) | (2,832,135) |
| Depreciation expense | | (212,545) | (213,420) |
| Other expenses | 6 | (1,811,599) | (1,576,914) |
| Loss on disposal/sale fixed asset | | – | (1,484) |
| Plant and equipment written off | | (18,988) | – |
| Net foreign exchange loss | | – | (1,870) |
| Loss before tax | | (1,631,039) | (1,779,735) |
| Income tax credit/(expense) | 7 | 7,096 | (3,299) |
| Loss for the year | | (1,623,943) | (1,783,034) |
| | | | |
| Loss per share (dollars per share) - basic and diluted | 8 | (0.19) | (0.20) |

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

▶ Statement of Comprehensive Income

For the financial year ended 30 June 2017

| | Note | 2017 S\$ | 2016 S\$ |
|---|------|--------------------|--------------------|
| Loss for the year | | (1,623,943) | (1,783,034) |
| Other comprehensive income | | | |
| Item that may be reclassified subsequently to profit or loss | | | |
| Net gain/(loss) on fair value changes of AFS financial assets | 16 | 201,101 | (8,482) |
| Other comprehensive income for the year | | 201,101 | (8,482) |
| Total comprehensive income for the year | | <u>(1,422,842)</u> | <u>(1,791,516)</u> |

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

► Balance Sheet

As at 30 June 2017

| | Note | 2017 S\$ | 2016 S\$ |
|---|------|-------------------|-------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 9 | 3,339,733 | 3,558,659 |
| | | <u>3,339,733</u> | <u>3,558,659</u> |
| Current assets | | | |
| Prepayments | | 118,266 | 129,286 |
| Available-for-sale ("AFS") financial assets | 10 | 2,566,632 | 2,356,514 |
| Trade and other receivables | 11 | 343,957 | 361,388 |
| Cash and short-term deposits | 12 | 6,703,914 | 8,255,853 |
| | | <u>9,732,769</u> | <u>11,103,041</u> |
| Total assets | | <u>13,072,502</u> | <u>14,661,700</u> |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Deferred tax liability | 14 | – | 4,213 |
| Current liabilities | | | |
| Advanced trustee services billings | | 257,655 | 283,828 |
| Other liabilities | 13 | 966,288 | 970,887 |
| | | <u>1,223,943</u> | <u>1,254,715</u> |
| Total liabilities | | <u>1,223,943</u> | <u>1,258,928</u> |
| Net current assets | | <u>8,508,826</u> | <u>9,848,326</u> |
| Net assets | | <u>11,848,559</u> | <u>13,402,772</u> |
| Equity attributable to equity holders of the Company | | | |
| Share capital | 15 | 2,736,900 | 2,736,900 |
| Fair value reserve | 16 | 1,517,301 | 1,316,200 |
| Retained earnings | | 7,594,358 | 9,349,672 |
| Total equity | | <u>11,848,559</u> | <u>13,402,772</u> |
| Total equity and liabilities | | <u>13,072,502</u> | <u>14,661,700</u> |

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

► Statement of Changes in Equity

For the financial year ended 30 June 2017

| | Note | Share capital S\$ | Fair value reserve S\$ | Retained earnings S\$ | Total equity S\$ |
|---|------|-------------------------|------------------------------|-----------------------------|------------------------|
| Balance at 1 July 2015 | | 2,736,900 | 1,324,682 | 13,690,065 | 17,751,647 |
| Loss for the year | | – | – | (1,783,034) | (1,783,034) |
| Other comprehensive income | | – | (8,482) | – | (8,482) |
| Total comprehensive income | | – | (8,482) | (1,783,034) | (1,791,516) |
| Final dividends relating to 2015 | 17 | – | – | (2,425,988) | (2,425,988) |
| Interim dividends relating to 2016 | 17 | – | – | (131,371) | (131,371) |
| Balance at 30 June 2016 and at 1 July 2016 | | 2,736,900 | 1,316,200 | 9,349,672 | 13,402,772 |
| Loss for the year | | – | – | (1,623,943) | (1,623,943) |
| Other comprehensive income | | – | 201,101 | – | 201,101 |
| Total comprehensive income | | – | 201,101 | (1,623,943) | (1,422,842) |
| Interim dividends relating to 2017 | 17 | – | – | (131,371) | (131,371) |
| Balance at 30 June 2017 | | 2,736,900 | 1,517,301 | 7,594,358 | 11,848,559 |

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

► Cash Flow Statement

For the financial year ended 30 June 2017

| | Note | 2017 S\$ | 2016 S\$ |
|--|------|--------------------|--------------------|
| Cash flows from operating activities | | | |
| Loss before tax | | (1,631,039) | (1,779,735) |
| Adjustments for: | | | |
| Depreciation expense | 9 | 212,545 | 213,420 |
| Interest income | | (33,686) | (62,213) |
| Dividend income | | (151,665) | (147,901) |
| Plant and equipment written-off | | 18,988 | – |
| Loss on sale of property, plant and equipment | | – | 1,484 |
| Operating loss before changes in working capital | | (1,584,857) | (1,774,945) |
| Changes in working capital | | | |
| Decrease in trade and other receivables and prepayments | | 22,862 | 759,634 |
| Decrease in other liabilities and advanced trustee services billings | | (30,772) | (133,406) |
| Cash flows used in operating activities | | (1,592,767) | (1,148,717) |
| Net income tax received/(paid) | | 2,883 | (3,299) |
| Net cash flows used in operating activities | | (1,589,884) | (1,152,016) |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 9 | (12,607) | (273,782) |
| Proceeds from sale of property, plant and equipment | | – | 2,196 |
| Interest received | | 39,275 | 58,103 |
| Dividends received | | 142,648 | 139,212 |
| Net cash flows generated from/(used in) investing activities | | 169,316 | (74,271) |
| Cash flows from financing activity | | | |
| Dividends paid | 17 | (131,371) | (2,557,359) |
| Net cash flows used in financing activity | | (131,371) | (2,557,359) |
| Net decrease in cash and cash equivalents | | (1,551,939) | (3,783,646) |
| Cash and cash equivalents at beginning of year | | 8,255,853 | 12,039,499 |
| Cash and cash equivalents at end of year | 12 | 6,703,914 | 8,255,853 |
| Supplementary non-cash transactions: | | | |
| Scrip dividend received | | 9,017 | 8,689 |

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

1. CORPORATE INFORMATION

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with the Singapore Financial Reporting Standards (“FRS”) and on the historical cost basis except as disclosed in the accounting policies below.

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

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards and Interpretations of FRS that are effective for annual periods beginning on or after 1 July 2016. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards issued but not yet effective

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

| Description | Effective for annual periods beginning on or after |
|--|--|
| Amendments to FRS 7 <i>Disclosure Initiative</i> | 1 January 2017 |
| Amendments to FRS 12 <i>Recognition of Deferred Tax Asset for Unrealised Losses</i> | 1 January 2017 |
| Improvements to FRSs (December 2016) | |
| –Amendments to FRS 112 <i>Classification and Measurement of Shared-Based Payment Transactions</i> | 1 January 2017 |
| –Amendments to FRS 28 <i>Measuring an Associate or Joint Venture at Fair Value</i> | 1 January 2018 |
| FRS 115 <i>Revenue from Contracts with Customers</i> | 1 January 2018 |
| FRS 109 <i>Financial Instruments</i> | 1 January 2018 |
| Amendments to FRS 102 <i>Classification and Measurement of Share-Based Payment Transactions</i> | 1 January 2018 |
| Amendments to FRS 40 <i>Transfers of Investment Property</i> | 1 January 2018 |
| INT FRS 122 <i>Foreign Currency Transactions and Advance Consideration</i> | 1 January 2018 |
| Amendments to FRS 104 <i>Applying FRS 109 Financial Instruments with FRS 104 Insurance Contracts</i> | 1 January 2018 |
| FRS 116 <i>Leases</i> | 1 January 2019 |

Except for FRS 109, FRS 115 and FRS 116, the directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 109, FRS 115 and FRS 116 are described below.

FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

Classification and measurement

Financial assets are classified and measured based on their business models and contractual cash flow characteristics. Classification and measurement of the Company's financial instruments are expected to remain substantially unchanged under FRS 109.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards issued but not yet effective (cont'd)

FRS 109 Financial Instruments (cont'd)

Impairment

FRS 109 requires the Company to record expected credit losses on all of its loans and receivables, either on a 12-month or lifetime basis. The Company expects to apply the simplified approach and record lifetime expected losses on all receivables as they are mostly short term in nature.

Transition

The Company plans to adopt the new standard on the required effective date without restating prior periods' information and recognises any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings.

Adoption of the new standard is not expected to have a significant impact on the Company's financial statements.

FRS 115 Revenue from Contracts with Customers

FRS 115 requires revenue to be recognised when control of a good or service is transferred. Control is transferred when the transferee is able to direct the use of, and obtain substantially all of the remaining benefits from the good or service. The amount of revenue recognised represents the consideration to which an entity expects to be entitled in exchange for the good or service transferred. Subject to meeting the specified criteria, costs of obtaining and fulfilling a contract are recognised as assets and amortised over the contractual terms. Adoption of the new standard is not expected to have a significant impact on the Company's financial statements.

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees - leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Company has assessed the impact of the new standard and the adoption of the new standard is not expected to have a significant impact on the Company's financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Foreign currencies

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

Transactions and balances

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

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

2.5 Property, plant and equipment

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Property, plant and equipment (cont'd)

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

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

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

2.6 Impairment of non-financial assets

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Financial assets

Initial recognition and measurement

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

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

Subsequent measurement

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

(a) Loans and receivables

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

Loans and receivables comprise trade and other receivables and cash and short-term deposits.

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Financial assets (cont'd)

Derecognition

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

2.8 Impairment of financial assets

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

(a) *Financial assets carried at amortised cost*

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Impairment of financial assets (cont'd)

(b) *AFS financial assets*

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

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

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

2.9 Cash and cash equivalents

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

2.10 Provisions

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

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

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

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

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

(b) Other financial liabilities

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

Other financial liabilities comprise other liabilities.

Derecognition

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Employee benefits

Defined contribution plans

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

2.13 Leases

As lessee

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

2.14 Revenue

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

(a) *Commission income*

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

(b) *Trustee fees*

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

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

(c) *Interest income*

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

(d) *Dividend income*

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Taxes

(a) *Current income tax*

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

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

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

(b) *Deferred tax*

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

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

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Taxes (cont'd)

(b) *Deferred tax (cont'd)*

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

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

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

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

(c) *Sales tax*

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

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Segment reporting

For management purposes, the Company is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charges. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 23 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.17 Share capital and share issue expenses

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

2.18 Dividends

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

2.19 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Company or of a parent of the Company.

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements made in applying accounting policies

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Key sources of estimation uncertainty

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

Provision for restructuring

As part of the identification and measurement of liabilities, the Company has recognised a provision for restructuring. In determining the fair value of the provision, assumptions and estimates are made in relation to the expected timing and amount of those costs.

Assumptions are made by management to determine the quantitative magnitude of the provisions recognised which is dependent on the amount of the probable outflow of economic resources required to settle the present obligation of the Company as a result of the restructuring.

The carrying amount of the provision recognised as at 30 June 2017 was S\$434,848 (2016: S\$356,690).

4. REVENUE

| | 2017 S\$ | 2016 S\$ |
|----------------------|------------------|------------------|
| Trustee fees | 2,050,003 | 2,281,173 |
| Other service fees | 219,653 | 228,627 |
| Total revenue | 2,269,656 | 2,509,800 |

► Notes to the Financial Statements

5. EMPLOYEE BENEFITS EXPENSE

| | 2017 S\$ | 2016 S\$ |
|---|------------------|------------------|
| Wages and salaries | 2,000,044 | 2,624,881 |
| Employer's contribution to defined contribution plan: –CPF contributions | 161,778 | 207,254 |
| | <u>2,161,822</u> | <u>2,832,135</u> |

6. OTHER EXPENSES

| | 2017 S\$ | 2016 S\$ |
|---|------------------|------------------|
| Non-audit fees paid to: | | |
| –Auditor's of the Company | 46,300 | 40,600 |
| –Other auditors | 53,000 | 43,000 |
| Professional fees | 360,530 | 97,888 |
| Audit fees | 105,000 | 105,000 |
| Insurance expense | 198,573 | 196,589 |
| Building and office maintenance and repairs | 270,142 | 289,932 |
| Advertising expense | 104,779 | 4,169 |
| Recruitment fees | 35,249 | – |
| Directors' fees | 142,357 | 150,000 |
| Printing and stationery | 29,150 | 23,331 |
| Rental expense | 22,322 | 202,529 |
| Training fees | 34,455 | 38,164 |
| General expenses | 155,153 | 101,560 |
| Other expenses | 254,589 | 284,152 |
| | <u>1,811,599</u> | <u>1,576,914</u> |

► Notes to the Financial Statements

7. TAXATION

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

The major components of income tax (credit)/expense for the financial years ended 30 June 2017 and 2016 are:

| | 2017 S\$ | 2016 S\$ |
|--|----------------|--------------|
| Statement of comprehensive income: | | |
| (Over)/underprovision in respect of previous years | (2,883) | 3,299 |
| Deferred income tax (Note 14) | (4,213) | – |
| Income tax (credit)/expense recognised in profit or loss | <u>(7,096)</u> | <u>3,299</u> |

(b) Relationship between tax expense and accounting profit

A reconciliation between the tax (credit)/expense and the product of accounting profit multiplied by the application tax rate for the financial years ended 30 June 2017 and 2016 is as follows:

| | 2017 S\$ | 2016 S\$ |
|--|--------------------|--------------------|
| Loss before tax | <u>(1,631,039)</u> | <u>(1,779,735)</u> |
| Tax at statutory tax rate of 17% (2016: 17%) | (277,277) | (302,555) |
| Adjustments: | | |
| Non-deductible expenses | 89,504 | 65,173 |
| Income not subject to taxation ⁽¹⁾ | (25,952) | (19,916) |
| Deferred tax asset not recognised | 209,539 | 256,955 |
| (Over)/underprovision in respect of previous years | (2,883) | 3,299 |
| Others | (27) | 343 |
| Income tax (credit)/expense recognised in profit or loss | <u>(7,096)</u> | <u>3,299</u> |

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

At the end of the reporting period, the Company has unutilised tax losses of S\$3,682,430 (2016: S\$2,559,865) that are available for offset against future taxable profits of the Company and no deferred tax asset is recognised due to uncertainty of its recoverability. The Company has unutilised tax losses of S\$843,634 carried forward from the year ended 30 June 2015. There were changes in the shareholders and control of the Company due to the pre-conditional mandatory general cash offer, and the Company has applied for a waiver of the shareholding test for these unutilised tax losses. The Inland Revenue Authority of Singapore has approved the waiver of the shareholding test on 17 August 2017.

► Notes to the Financial Statements

8. (LOSS)/EARNINGS PER SHARE

| | 2017 S\$ | 2016 S\$ |
|---|---------------------|---------------------|
| Net loss attributable to members of the Company | (1,623,943) | (1,783,034) |
| Weighted average number of ordinary shares in issue | 8,758,080 | 8,758,080 |
| Loss per share (basis and diluted) | (0.19) per share | (0.20) per share |

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

9. PROPERTY, PLANT AND EQUIPMENT

| | Leasehold properties S\$ | Leasehold improve- ments S\$ | Furniture and fittings S\$ | Office equipment S\$ | Computer equipment S\$ | Total S\$ |
|------------------------------------|--------------------------------|---------------------------------------|-------------------------------------|----------------------------|------------------------------|--------------|
| Cost | | | | | | |
| At 1 July 2015 | 4,656,986 | 76,255 | 54,534 | 47,750 | 380,841 | 5,216,366 |
| Additions | – | 5,030 | 12,092 | – | 256,660 | 273,782 |
| Write-offs | – | – | – | (3,390) | (136,145) | (139,535) |
| Disposal | – | – | (5,950) | – | – | (5,950) |
| At 30 June 2016 and at 1 July 2016 | 4,656,986 | 81,285 | 60,676 | 44,360 | 501,356 | 5,344,663 |
| Additions | – | – | 3,084 | – | 9,523 | 12,607 |
| Write-offs | – | (18,530) | (16,279) | – | – | (34,809) |
| At 30 June 2017 | 4,656,986 | 62,755 | 47,481 | 44,360 | 510,879 | 5,322,461 |
| Accumulated depreciation | | | | | | |
| At 1 July 2015 | 1,303,957 | 44,869 | 18,143 | 24,080 | 323,340 | 1,714,389 |
| Depreciation charge for 2016 | 93,140 | 13,166 | 12,115 | 8,313 | 86,686 | 213,420 |
| Write-offs | – | – | – | (3,390) | (136,145) | (139,535) |
| Disposal | – | – | (2,270) | – | – | (2,270) |
| At 30 June 2016 and at 1 July 2016 | 1,397,097 | 58,035 | 27,988 | 29,003 | 273,881 | 1,786,004 |
| Depreciation charge for 2017 | 93,140 | 5,574 | 9,307 | 6,098 | 98,426 | 212,545 |
| Write-offs | – | (7,804) | (8,017) | – | – | (15,821) |
| At 30 June 2017 | 1,490,237 | 55,805 | 29,278 | 35,101 | 372,307 | 1,982,728 |
| Net carrying amount | | | | | | |
| At 30 June 2016 | 3,259,889 | 23,250 | 32,688 | 15,357 | 227,475 | 3,558,659 |
| At 30 June 2017 | 3,166,749 | 6,950 | 18,203 | 9,259 | 138,572 | 3,339,733 |

► Notes to the Financial Statements

9. PROPERTY, PLANT AND EQUIPMENT

| Description of leasehold property | Unexpired term of lease (years) | | Net floor area sq. m. | Existing use |
|---|---------------------------------|---------------|-----------------------|--------------|
| | 30 June 2017 | 30 June 2016 | | |
| An office unit located in The Adelphi, a 10-storey commercial building at 1 Coleman Street, Singapore | 809 Leasehold | 810 Leasehold | 391 | Office |

The Company engaged Edmund Tie & Company (SEA) Pte Ltd (formally known as DTZ Debenham Tie Leung (SEA) Pte Ltd), an independent valuer to determine the fair value of the freehold land and buildings. The valuation technique used was market comparables. The unit was valued at S\$9,500,000 (2016: S\$9,500,000) as at 30 June 2017 (2016: 31 May 2016).

10. AFS FINANCIAL ASSETS

| | 2017 S\$ | 2016 S\$ |
|-----------------------------|-------------|-------------|
| Equity instruments (quoted) | 2,566,632 | 2,356,514 |

As at 30 June 2017, quoted investments denominated in Hong Kong dollars amounted to S\$727,457 (2016: S\$697,949).

► Notes to the Financial Statements

11. TRADE AND OTHER RECEIVABLES

| | 2017 S\$ | 2016 S\$ |
|--|-------------|-------------|
| Trade receivables | 336,362 | 318,043 |
| Accrued interest on fixed deposits and debt securities | 2,641 | 8,230 |
| Refundable deposits | 910 | 35,115 |
| Tax refund receivable | 4,044 | – |
| | 343,957 | 361,388 |

(a) **Trade receivables**

Trade receivables were non-interest bearing and were generally on 30 days' terms. They were recognised at their original invoiced amounts which represent their fair values on initial recognition.

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

The Company has no trade receivables that were past due as at the end of the 30 June 2017 and 2016 but not impaired.

12. CASH AND SHORT-TERM DEPOSITS

| | 2017 S\$ | 2016 S\$ |
|---------------------------|-------------|-------------|
| Fixed deposits with banks | 5,551,361 | 7,236,838 |
| Cash at bank and on hand | 1,152,553 | 1,019,015 |
| | 6,703,914 | 8,255,853 |

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits were made for varying periods of between one month and three months depending on the immediate cash requirements of the Company and earn interests at the respective short-term deposit rates. The weighted average effective interest rates as at 30 June 2017 for the Company were 0.44% (2016: 0.68%).

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

| | 2017 S\$ | 2016 S\$ |
|-----------------------|-------------|-------------|
| United States dollars | 180,395 | 173,867 |

▶ Notes to the Financial Statements

13. OTHER LIABILITIES

| | 2017 S\$ | 2016 S\$ |
|-------------------------------|-------------|-------------|
| Accrued operating expenses | 493,397 | 459,651 |
| Provision for restructuring | 434,848 | 356,690 |
| Provision for directors' fees | 37,500 | 150,000 |
| Other payables | 543 | 4,546 |
| | 966,288 | 970,887 |

14. DEFERRED TAX

Deferred tax as at 30 June relates to the following:

| | 2017 S\$ | 2016 S\$ |
|--|-------------|-------------|
| <i>Deferred tax liabilities</i> | | |
| At 1 January | 4,213 | 4,213 |
| Charged to profit or loss (Note 7(a)) | (4,213) | – |
| Balance at end of year | – | 4,213 |

15. SHARE CAPITAL

| | 2017 | | 2016 | |
|--|---------------|-----------|---------------|-----------|
| | No. of shares | S\$ | No. of shares | S\$ |
| <i>Issued and fully paid ordinary shares:</i> | | | | |
| At beginning and end of year | 8,758,080 | 2,736,900 | 8,758,080 | 2,736,900 |

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

► Notes to the Financial Statements

16. FAIR VALUE RESERVE - NON-DISTRIBUTABLE

| | 2017 S\$ | 2016 S\$ |
|---------------------------|-------------|-------------|
| At beginning of year | 1,316,200 | 1,324,682 |
| AFS financial assets: | | |
| –Net change in fair value | 201,101 | (8,482) |
| At end of year | 1,517,301 | 1,316,200 |

Fair value reserve represents the cumulative fair value changes of AFS financial assets until they were disposed of or impaired.

17. DIVIDENDS

| | 2017 S\$ | 2016 S\$ |
|---|-------------|-------------|
| <i>Declared and paid during the year:</i> | | |
| Dividends on ordinary shares: | | |
| –Final exempt (one-tier) dividends for 2016: Nil cents (2015: 2.70 cents) per share | – | 236,468 |
| –Special exempt (one-tier) dividends for 2016: Nil cents (2015: 25.00 cents) per share | – | 2,189,520 |
| –Interim exempt (one-tier) dividends for 2017: 1.50 cents (2016: 1.50 cents) per share | 131,371 | 131,371 |
| | 131,371 | 2,557,359 |

18. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

Key management personnel compensation is as follows:

| | 2017 S\$ | 2016 S\$ |
|---|-------------|-------------|
| Total compensation to directors - directors' fees | 142,357 | 150,000 |
| Other key management personnel compensation: | | |
| –Salaries and other short-term employee benefits | 907,412 | 908,604 |
| –Central Provident Fund contributions | 26,520 | 30,300 |
| | 933,932 | 938,904 |
| | 1,076,289 | 1,088,904 |

19. OPERATING LEASE COMMITMENTS

Operating lease commitments - as lessee

The Company had entered into a commercial property lease from 1 July 2014. This lease has been terminated with effect from 10 August 2016.

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

| | 2017 S\$ | 2016 S\$ |
|-------------------------|-------------|-------------|
| Not later than one year | – | 22,322 |

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) *Determination of fair value*

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

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

(ii) *Trade and other receivables and other liabilities (Notes 11 and 13), advanced trustee services billings and cash and short-term deposits (Note 12)*

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

(b) *Fair value hierarchy*

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

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

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

20. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

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

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

| 2017 | Quoted prices in active markets for identical instruments (Level 1) | Significant other observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total S\$ |
|----------------------|---|--|--|-------------------|
| | S\$ | S\$ | S\$ | |
| Assets | | | | |
| Quoted equities – | | | | |
| AFS financial assets | 2,566,632 | – | – | 2,566,632 |
| Leasehold property | – | – | 9,500,000 | 9,500,000 |
| Total | 2,566,632 | – | 9,500,000 | 12,066,632 |
| 2016 | | | | |
| Assets | | | | |
| Quoted equities – | | | | |
| AFS financial assets | 2,356,514 | – | – | 2,356,514 |
| Leasehold property | – | – | 9,500,000 | 9,500,000 |
| | 2,356,514 | – | 9,500,000 | 11,856,514 |

There was no transfer between the different levels in 2017 and 2016.

► Notes to the Financial Statements

20. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

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

| 2017 | AFS financial assets S\$ | Loans and receivables S\$ | Amortised cost S\$ | Total carrying amount S\$ |
|------------------------------------|--------------------------------|---------------------------------|-----------------------|---------------------------------|
| Financial assets | | | | |
| AFS financial assets | 2,566,632 | – | – | 2,566,632 |
| Trade and other receivables | – | 343,957 | – | 343,957 |
| Cash and short-term deposits | – | 6,703,914 | – | 6,703,914 |
| | 2,566,632 | 7,047,871 | – | 9,614,503 |
| Financial liabilities | | | | |
| Advanced trustee services billings | – | – | 257,655 | 257,655 |
| Other liabilities | – | – | 966,288 | 966,288 |
| | – | – | 1,223,943 | 1,223,943 |
| 2016 | | | | |
| Financial assets | | | | |
| AFS financial assets | 2,356,514 | – | – | 2,356,514 |
| Trade and other receivables | – | 361,388 | – | 361,388 |
| Cash and short-term deposits | – | 8,255,853 | – | 8,255,853 |
| | 2,356,514 | 8,617,241 | – | 10,973,755 |
| Financial liabilities | | | | |
| Advanced trustee services billings | – | – | 283,828 | 283,828 |
| Other liabilities | – | – | 970,887 | 970,887 |
| | – | – | 1,254,715 | 1,254,715 |

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

(a) ***Credit risk***

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets like cash and cash equivalents, the Company minimises credit risk by dealing with a selection of highly rated counterparties.

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

Cash and cash equivalents are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

(i) ***Exposure to credit risk***

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

► Notes to the Financial Statements

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) **Credit risk (cont'd)**

(ii) *Credit risk concentration profile*

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

| By profile | 2017 | | 2016 | |
|--------------------|--------|------------|--------|------------|
| | S\$ | % of total | S\$ | % of total |
| Individual clients | 88,211 | 100 | 67,380 | 100 |

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

| Credit Rating by Moody's | 2017 | | 2016 | |
|--------------------------|------------------|------------|------------------|------------|
| | S\$ | % of total | S\$ | % of total |
| Aa1 | 6,339,606 | 95% | 5,726,995 | 69% |
| Aa3 | – | – | 2,528,146 | 31% |
| A1 | 363,603 | 5% | – | – |
| | <u>6,703,209</u> | | <u>8,255,141</u> | |

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

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

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

There are no financial assets that are either past due or impaired.

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) **Liquidity risk**

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

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

(c) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from their fixed deposits. All of the Company's financial assets and liabilities at floating rates are contractually re-priced at intervals of less than 6 months (2016: less than 6 months) from the end of the reporting period.

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

(d) **Foreign currency risk**

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

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

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(e) *Market price risk*

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

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

Sensitivity analysis for equity price risk

The Company has investments in quoted equity securities listed in Singapore. At the end of the reporting period, if equity prices had been higher/lower by 5% with all other variables held constant, the Company's equity will increase/decrease by S\$128,332 (2016: S\$117,826).

22. CAPITAL MANAGEMENT

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

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividends payment to shareholders, return capital to shareholders or issue new shares. No change was made in the objectives, policies or processes during the financial years ended 30 June 2017 and 30 June 2016.

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

The Company is subjected to externally imposed financial requirements for the financial years ended 30 June 2017 and 2016.

► Notes to the Financial Statements

23. SEGMENT INFORMATION

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

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

| | Trustee activities | | Investment activities | | Total | |
|--|--------------------|-------------|-----------------------|-----------|-------------|-------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ |
| Revenue | | | | | | |
| External customers | 2,269,656 | 2,509,800 | – | – | 2,269,656 | 2,509,800 |
| Results | | | | | | |
| Interest income | – | – | 33,686 | 62,213 | 33,686 | 62,213 |
| Dividends income | – | – | 151,665 | 147,901 | 151,665 | 147,901 |
| Other income | 51,636 | 95,437 | 65,217 | 30,737 | 116,853 | 126,174 |
| Loss on sale of property, plant and equipment | – | – | – | (1,484) | – | (1,484) |
| Employee benefits expense | (2,161,822) | (2,832,135) | – | – | (2,161,822) | (2,832,135) |
| Depreciation expense | (193,263) | (195,461) | (19,282) | (17,959) | (212,545) | (213,420) |
| Other expenses | (1,656,614) | (1,458,073) | (154,985) | (118,841) | (1,811,599) | (1,576,914) |
| Plant and equipment written off | – | – | (18,988) | – | (18,988) | – |
| Net foreign exchange gain/(loss) | 1,855 | (1,712) | 200 | (158) | 2,055 | (1,870) |
| Income tax credit/ (expense) | 6,405 | (3,020) | 691 | (279) | 7,096 | (3,299) |
| Segment (loss)/profit | (1,682,147) | (1,885,164) | 58,204 | 102,130 | (1,623,943) | (1,783,034) |
| Segment assets and total assets | | | | | | |
| | 4,949,185 | 4,774,342 | 8,123,317 | 9,887,358 | 13,072,502 | 14,661,700 |
| Segment liabilities and total liabilities | | | | | | |
| | 1,223,943 | 1,258,928 | – | – | 1,223,943 | 1,258,928 |
| Supplementary non-cash transactions: | | | | | | |
| Scrip dividend received | – | – | 9,017 | 8,689 | 9,017 | 8,689 |

Information about major customers

Revenue from two major customers, each of which accounts for more than 10% of the Company's total revenue, amounts to S\$620,783 and S\$453,768 (2016: S\$606,143 and S\$473,375), respectively. The revenue from the two major customers arises from provision of trustee services in Singapore.

24. EVENTS OCCURRING AFTER THE REPORTING PERIOD

(a) ***Sale of available-for-sale assets***

Post balance sheet date, the Company disposed all of its holdings in AFS assets for a net proceeds of S\$2,527,460.

(b) ***Corporate restructuring of the Company by way of a scheme of arrangement under Section 210 of the Companies Act, Chapter 50 of Singapore***

The scheme was completed post balance sheet date.

25. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements of the Company for the financial year ended 30 June 2017 were authorised for issue in accordance with a resolution of the directors on 18 August 2017.

Company Registration No. 201632914Z

Annual Financial Statements 30 June 2017 (Unaudited)

| | |
|-----------------------------------|----|
| Directors' Statement | 81 |
| Notes to the Financial Statements | 83 |
| Income Statement | 84 |
| Balance Sheet | 85 |

▶ Directors' Statement

The directors are pleased to present their statement to the members together with the unaudited financial statements of British and Malayan Holdings Limited (the "Company") for the financial year ended 30 June 2017.

Opinion of the directors

In the opinion of the directors,

- (a) the accompanying income statement and balance sheet are drawn up so as to give a true and fair view of the financial position of the Company as at 30 June 2017; 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.

Directors

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

Mr Colin Lee Yung Shih (Chairman) (Appointed on 10 February 2017)

Mr Lee Boon Huat (Appointed on 10 February 2017)

Mr Soh Chung Hian (Appointed on 10 February 2017)

Mr Ng Kwan Meng (Appointed on 10 February 2017)

Arrangements to enable directors to acquire shares or debentures

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

▶ Directors' Statement

Directors' interests in shares or debentures

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

| Name of director | Holdings registered in name of director or nominee | | Holdings in which a director is deemed to have an interest | |
|--|---|-------------|---|-------------|
| | At 30.06.17 | At 30.06.16 | At 30.06.17 | At 30.06.16 |
| <i>Ordinary shares of the Company</i> | | | | |
| Not applicable | – | – | – | – |

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

Options

During the financial year, there was:

- (a) no option granted by the Company to any person to take up unissued shares of the Company; and
- (b) no share issued by virtue of the exercise of options to take up unissued shares of the Company.

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

1. CORPORATE INFORMATION

British and Malayan Holdings Limited (the “Company”) is a public company limited by shares and was incorporated in Singapore on 2 December 2016 and is domiciled in Singapore.

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

The principal activity of the Company is a holding Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company have been prepared on the historical cost basis.

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

The Company has been dormant since its inception and there has not been any accounting transactions since that date.

The Directors of the Company have no interest in the shares of the Company.

▶ Income Statement

For the period 2 December 2016 to 30 June 2017

| | <u>S\$</u> |
|----------------------------|------------|
| Revenue | - |
| Expenses | <u>-</u> |
| Profit before tax | - |
| Income tax expense | <u>-</u> |
| Profit for the year | <u>-</u> |

▶ Balance Sheet

As at 30 June 2017

| | Jun-17 S\$ |
|--|-----------------------------|
| ASSETS | |
| <u>Current Assets</u> | |
| Amount due from Shareholder | 2 |
| | <u>2</u> |
| Total assets | <u>2</u> |
| <u>Equity attributable to equity holders of the company</u> | |
| Share Capital | 2 |
| Retained earnings | – |
| Total Equity | <u>2</u> |
| Total equity and liabilities | <u>2</u> |

► Shareholding Statistics

As at 12 September 2017

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

DISTRIBUTION OF SHAREHOLDERS

| Size of Shareholdings | Number of Shareholders | Percentage of Shareholders (%) | Number of Shares Held | Percentage of Shares Held (%) |
|-----------------------|------------------------|--------------------------------|-----------------------|-------------------------------|
| 1 – 99 | 6 | 6 | 240 | 0.00 |
| 100 – 1,000 | 48 | 51 | 25,160 | 0.28 |
| 1,001 – 10,000 | 24 | 26 | 85,504 | 0.98 |
| 10,001 – 1,000,000 | 14 | 15 | 900,170 | 10.28 |
| 1,000,001 – and above | 2 | 2 | 7,747,006 | 88.46 |
| Total | 94 | 100 | 8,758,080 | 100.00 |

TWENTY LARGEST SHAREHOLDERS

| | Name of Shareholders | Number of Shares | Percentage of Shareholdings (%) |
|----|---|------------------|---------------------------------|
| 1 | The Nyalas Rubber Estates Ltd | 6,147,294 | 70.19 |
| 2 | Estate of Sat Alsagoff, Deceased | 1,599,712 | 18.27 |
| 3 | Chan Wing Cheng | 262,742 | 3.00 |
| 4 | Estate of Lim Chin Him Alfred Aka Lim Chin Hin, Dcd | 230,400 | 2.63 |
| 5 | Catzevalos Peter John | 96,000 | 1.10 |
| 6 | Lee Ah Bah @ Ong Kee | 86,400 | 0.99 |
| 7 | Teo Guat Hui | 43,500 | 0.50 |
| 8 | Hood Yew Lee Alfred | 32,000 | 0.37 |
| 9 | Tan Hin Jin | 32,000 | 0.37 |
| 10 | Alwee Alkaff | 28,800 | 0.33 |
| 11 | Khoo Sin Hock Victor | 21,600 | 0.25 |
| 12 | Cecil V R Wong | 16,128 | 0.18 |
| 13 | Lee Thor Seng | 14,400 | 0.16 |
| 14 | Tan Hiang Lee | 14,400 | 0.16 |
| 15 | Tan Sieu Lee Amelia | 14,400 | 0.16 |
| 16 | Khoo Thomas Clive Khoo | 12,000 | 0.14 |
| 17 | HL Bank Nominees (S) Pte Ltd | 8,900 | 0.10 |
| 18 | Clive Heng Boon Hwee | 6,000 | 0.07 |
| 19 | Tan Beng Chuan Frederick | 6,000 | 0.07 |
| 20 | Citibank Noms Singapore Pte Ltd | 5,600 | 0.06 |
| | | 8,678,276 | 99.10 |

► Shareholding Statistics

As at 12 September 2017

SUBSTANTIAL SHAREHOLDERS

| Name of Shareholders | Direct Interest | | Deemed Interest | |
|----------------------------------|--------------------------|----------------|--------------------------|----------------|
| | No. of Shares | Percentage (%) | No. of Shares | Percentage (%) |
| The Nyalas Rubber Estates Ltd | 6,147,294 ⁽¹⁾ | 70.19 | – | – |
| Estate of Sat Alsagoff, Deceased | 1,599,712 | 18.27 | – | – |
| Lee Yung Shih Colin | – | – | 6,161,694 ⁽²⁾ | 70.35 |
| Lee Chung Shih Justin | – | – | 6,161,694 ⁽³⁾ | 70.35 |

Note:

(1) *The Nyalas Rubber Estates Ltd. acquired all of the Shares previously owned by BMT Investment Holdings Pte Ltd (and held on their behalf by Citibank Noms Singapore Pte Ltd) pursuant to a share purchase agreement dated 13 May 2016, and the transfer upon completion thereof was recorded by the Registrar of the Company on 23 September 2016.*

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

(3) *Mr Lee Chung Shih Justin is deemed interested in the shares held by The Nyalas Rubber Estates Ltd and Mr Lee Thor Seng.*

PUBLIC FLOAT

Based on Shareholders' Information as at 12 September 2017 and to the best knowledge of the Directors, approximately 11.38% of the total numbers of issued ordinary shares of the Company is held by the public.



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BRITISH AND MALAYAN HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

Company Registration No.: 201632914Z

PROXY FORM

*I/We _____ (Name)

of _____ (Address)

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

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

*and/or (delete as appropriate)

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

or failing *him/her, the Chairman of the Meeting as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Annual General Meeting of the Company to be held at the Board Room of British and Malayan Holdings Limited at 1 Coleman Street, #08-01 The Adelphi, Singapore 179803 on Monday, 23 October 2017 at 2:30 p.m. and at any adjournment thereof.

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

| No. | Ordinary Resolutions | For [#] | Against [#] |
|-----|--|------------------|----------------------|
| 1. | To receive and adopt the Unaudited Financial Statements of British and Malayan Holdings Limited for the financial period ended 30 June 2017 together with the Directors' Statement thereon. | | |
| 2. | To re- elect Mr Lee Yung-Shih Colin as Director. | | |
| 3. | To re-elect Mr Lee Boon Huat as Director. | | |
| 4. | To re-elect Mr Ng Kwan Meng as Director. | | |
| 5. | To re-elect Mr Soh Chung Hian as Director. | | |
| 6. | To approve the payment of Directors' fees of S\$ 150,000 for the financial year ending 30 June 2018, to be paid quarterly in arrears. | | |
| 7. | To re-appoint Messrs Ernst & Young LLP as Auditors and to authorise the Directors to fix their remuneration. | | |
| 8. | To receive and adopt the Audited Financial Statements of British and Malayan Trustees Limited for the financial year ended 30 June 2017 together with the Directors' Statement and the Independent Auditor's Report thereon. | | |
| 9. | To authorise Directors to allot and issue shares. | | |
| 10. | To authorise Directors to allot and issue shares under the British and Malayan Holdings Employee Share Option Scheme 2017 and the British and Malayan Holdings Performance Share Plan 2017. | | |

* Delete accordingly

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

Dated this _____ day of _____ 2017

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

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

IMPORTANT. Please read notes overleaf.

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. Where a member appoints two proxies, he shall specify the proportion of his shares (expressed as a percentage of the whole) to be represented by each proxy and if no percentage is specified, the first named proxy shall be treated as representing 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
3. A member who is a **Relevant Intermediary*** is entitled to appoint more than two proxies to attend and vote at the meeting. He shall specify the proportion of his shares (expressed as a percentage of the whole) to be represented by each proxy.

***Relevant Intermediary is:**

- (a) a banking corporation licensed under the Banking Act (Cap.19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who hold shares in that capacity; or
 - (b) a person holding a capital markets services license to provide a custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap.36), in respect of shares purchased on behalf of CPF investors.
4. A corporation which is a member may appoint an authorised representative or representatives in accordance with Section 179 of the Companies Act, Cap. 50 of Singapore to attend and vote for and on behalf of such corporation.
 5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or signed on its behalf by an officer or attorney duly authorised in writing.
 6. Where an instrument appointing a proxy is signed on behalf of the appointor by the attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
 7. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 1 Coleman Street, #08-01 The Adelphi, Singapore 179803, not less than seventy-two (72) hours before the time appointed for holding the Annual General Meeting.
 8. In the case of joint shareholders, all shareholders must sign the instrument appointing a proxy or proxies.
 9. Completion and return of this instrument 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 Annual General Meeting in person, and in such event, the Company reserves the right to refuse the admission of any person or persons appointed under the instrument of proxy, to the Annual General Meeting.
 10. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such member(s) are not shown to have shares entered against his/her/their name(s) in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.
 11. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his/her name appears on the Depository Register 72 hours before the time appointed for the Annual General Meeting.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the members accept and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 6 October 2017.

British and Malayan Holdings Limited
Company Registration Number 201632914Z

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