BUKIT SEMBAWANG ESTATES LIMITED

ANNUAL REPORT 2022

CONTENTS

CORPORATE PROFILE

BUKIT SEMBAWANG ESTATES LIMITED

HOMES FOR EVERY GENERATION

Bukit Sembawang Estates Limited ("**BSEL**") started developing landed properties in the 1950s and was incorporated in Singapore in 1967. It is one of the pioneer companies that obtained public-listing on SGX Mainboard in 1968. BSEL now also focuses on property development, investments and other property-related activities.

OUR MISSION

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

OUR MILESTONES

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

OUR COMMITMENT

We value every customer, every family, and we shall remain dedicated to creating quality homes that property owners will love, cherish, and appreciate — for generation after generation.

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

2021 saw the world move into the second year of the COVID-19 pandemic. Collectively, battle-hardened individuals, businesses and governments learnt to embrace change, strengthen our resolve, and operate with a deft combination of flexibility and caution. It was a year that continued to surface constant challenges and much uncertainty; however, it also highlighted opportunities for innovation and the redesign of traditional approaches. At Bukit Sembawang Estates Limited, this challenging climate has reinforced our commitment to delivering quality experiences and practices across the entire value chain. These challenges have functioned as a driving force to reimagine and reshape the way homes are designed and built in Singapore - to create resilience not only in our business operations, but also at the heart of the homes that we build.

REVIEW OF PAST YEAR'S PERFORMANCE

On behalf of the Board of Directors, I am pleased to report that Bukit Sembawang Estates Limited ("**BSEL**", "**the Company**" or together with its subsidiaries, "**the Group**") has achieved net profit of $82.9 million for FY2022.

The Group's revenue for the financial year ended 31 March 2022 ("**FY2022**") decreased to $288.2 million, a decline of 50% from FY2021. Gross profit decreased by 59% to $100.3 million, mainly due to lower profit recognised on development projects and the cycle of development and sales, wherein many of the units at Luxus Hills and 8 St Thomas were sold on deferred payment schemes with the sales completed in FY2022. In FY2022, profits were recognised mainly from the sales of Luxus Hills (Signature Collection), Luxus Hills (Contemporary Collection), Nim Collection Phase 2, 8 St Thomas and The Atelier.

The Group's profit before tax for FY2022 stood at $95.3 million, a decrease of 58%, as compared with $227.4 million for FY2021. This was mainly due to lower revenue. Other operating income of $6.0 million includes a write-back of impairment loss on property, plant and equipment relating to Fraser Residence Orchard, Singapore of $13.4 million, offset against net allowance for foreseeable losses on development properties of $0.7 million. The decrease in finance costs was mainly due to repayment of bank loan.

Total equity stood at $1.5 billion.

With persisting uncertainties over the past year, BSEL maintained a carefully calibrated approach in managing our diverse portfolio of properties. We retained focus on three distinct properties across segments and localities - The Atelier, LIV @ MB and Pollen Collection.

Over the course of the year, we worked hard to ensure a safe, enjoyable and personalised experience for our visitors to our sales gallery at The Atelier. Even as on-ground measures pertaining to the COVID-19 situation remained fluid, we continued to adapt and upgrade our use of technology to cater to the demands and safety of potential homebuyers. A hybrid approach that offered both in-person and virtual options for viewing was implemented for all viewings, allowing our customers to have the peace of mind and the necessary reassurances when viewing the property. These features and services will continue to feature in our property launches moving forward, to provide a greater suite of options for homebuyers even beyond the pandemic years.

As at 21 June 2022, we have sold 100% of Nim Collection Phase 2; 12% of The Atelier; and 79% of LIV @ MB.

Fraser Residence Orchard, Singapore, the Group's luxury serviced apartments at Paterson Road, continues to operate with an average occupancy of 79%, comparable with the occupancy rate achieved by other serviced apartments within the vicinity. With the continued reopening of borders, we remain prudently optimistic with regards to the increase of both long and short-stay occupants to the property.

CURRENT YEAR'S PROSPECTS

First quarter of 2022 saw a slowdown in property transactions, due to the slew of property cooling measures introduced in December 2021, as well as the uncertain geopolitical climate sparked by the war in Ukraine. At the same time, the reduction in new-launch housing stock in the months of January and February 2022 also played a large part in the lower transaction figures. Prior to this, demand in the residential property sector continued to show resilience and a healthy demand even amidst the economic slowdown brought about by the COVID-19 pandemic. In spite of this, the domestic property market started to show encouraging signs of recovery as we hit the second quarter of 2022.

Singapore's Gross Domestic Product ("**GDP**") projected to grow at a rate between 3 and 5 per cent[1], with growth likely to come in at the lower half of the forecast range. This is attributed to Singapore's high vaccination rates, the full reopening of our borders and the easing of Safe Management Measures in a decisive move to live with an endemic COVID-19.

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[1] *"Singapore's GDP" - Retrieved from: https://www.singstat.gov.sg/-/media/files/news/gdp1q2022.ashx*

CHAIRMAN'S STATEMENT

Against this backdrop of economic recovery, we continue to be cautiously optimistic that the demand for quality homes will strengthen in the months ahead. Across our diverse portfolio of luxury condominium and landed properties, we will continue to adopt a measured approach in assessing new launches in the upcoming year, as we continue our marketing efforts for developments already in the market. Anchored on Bukit Sembawang's core philosophy of building quality homes that stand the test of time, the Group firmly believes that we will continue to forge ahead as we always have and continue to offer distinct and high-value properties for discerning homebuyers.

CURRENT YEAR'S PLANS

In the year ahead, BSEL will continue to focus its efforts on our newly launched and upcoming developments, LIV @ MB and Pollen Collection.

Previewed and launched in May 2022, LIV @ MB saw a strong response from the market with 235 out of 298 units (79%) sold as of 21 June 2022. LIV @ MB is a 99-year leasehold luxury condominium in the prime District 15. Marked by its strong ties to the rich history of the Mountbatten area, LIV @ MB honours the cultural heritage of Singapore's first Millionaire's Row and situates its residents amidst a peaceful yet well-connected home just a three-minute walk from the future Katong Park MRT Station. Designed by Arc Studio, winner of the President's Design Award, the development perfectly embodies Bukit Sembawang's attention-to-detail and resident-centric design philosophy, sitting on a sprawling 140,000 square feet of land. Prioritising the privacy and comfort of residents, LIV @ MB offers an abundance of space, with an 80 to 20 ratio of recreation against residential space and a myriad of facilities for all members of the family.

Pollen Collection is the next addition to our coveted portfolio of landed homes, planned for launch in Q3/4 of 2022. Pollen Collection consists of 132 three-storey terraced and semi-detached houses. Designed by the distinguished W Architects, also a winner of the President's Design Award, each home is designed for multi-generational living. All homes come with five bedrooms equipped with ensuite bathrooms, high ceilings, high-quality finishings and state-of-the-art fixtures for families to create their own unique legacies in. With the rarity of landed homes in Singapore and BSEL's strong track record in the landed home segment, Pollen Collection is a unique opportunity for buyers to own a space that will cater to the entire family.

With each of our carefully curated developments, the Group remains confident in the value and quality of our projects as we continue to evolve our approach to meet the needs of today's homebuyers. Through the careful monitoring and assessment of overall demand and the shifting economic climate, we will launch our upcoming developments in a calibrated and measured manner. Beyond these developments, BSEL continues to adopt a forward-looking approach to achieving sustainable growth while building on our strong foundations, and thus, will maintain a lookout for suitable opportunities to supplement our land bank where appropriate.

DIVIDENDS

For FY2022, the Company did not declare any interim dividend.

In consideration of the uncertainties arising from the COVID-19 pandemic's lingering impact as well as the economic outlook clouded by high inflationary pressures and protracted supply chain disruptions, the Board recommends a final dividend of 4 cents and a special dividend of 12 cents per ordinary share, totalling 16 cents. The total dividend payout ratio is 0.5.

The dividend payment, which amounts to $41.4 million, is subject to shareholders' approval at the 56th Annual General Meeting ("**AGM**") to be held on 28 July 2022.

DIRECTORATE

Pursuant to the Company's Constitution, Mr Koh Poh Tiong and Mr Ong Sim Ho shall be retiring at the forthcoming AGM. Being eligible, Mr Koh Poh Tiong and Mr Ong Sim Ho have consented to continue office and have offered themselves for re-election.

ACKNOWLEDGEMENTS

On behalf of the Board and Management, I would like to express my heartfelt gratitude to our customers, shareholders, strategic partners, and our staff for their abiding commitment and trust. With your unwavering support, I am confident that the Group will continue to build on our strong foundation and strive to achieve greater heights in the years ahead.

KOH POH TIONG
Chairman
21 June 2022

FIVE-YEAR FINANCIAL SUMMARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION					
As at 31 March	**2022**	2021	2020	2019	2018
	$'000	$'000	$'000	$'000	$'000
					* Restated
Non-Current Assets					
Investment Property	**3,160**	3,323	3,485	3,649	3,811
Property, Plant and Equipment	**212,355**	204,052	210,777	258,277	241,284
Deferred Tax Assets	**12,404**	10,903	11,287	2,461	16,516
Current Assets	**1,445,444**	1,733,117	1,612,224	1,517,163	1,069,541
Current Liabilities	**(59,566)**	(119,789)	(159,732)	(78,894)	(78,453)
Non-Current Liabilities	**(131,812)**	(347,099)	(354,489)	(398,123)	(2,853)
	1,481,985	1,484,507	1,323,552	1,304,533	1,249,846
Share Capital	**631,801**	631,801	631,801	631,801	631,801
Reserves	**850,184**	852,706	691,751	672,732	618,045
Total Equity	**1,481,985**	1,484,507	1,323,552	1,304,533	1,249,846

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME					
For the year ended 31 March					
Revenue	**288,229**	580,961	369,720	357,855	98,135
Profit Before Tax	**95,335**	227,365	102,260	128,483	59,957
Tax Expense	**(12,417)**	(37,930)	(26,179)	(27,192)	(9,239)
Profit After Tax	**82,918**	189,435	76,081	101,291	50,718

Artist's Impression

GROUP FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDED 31 MARCH	2022 $'000	2021 $'000
Revenue	**288,229**	580,961
Profit Before Tax	**95,335**	227,365
Profit After Tax	**82,918**	189,435
Net Dividends paid	**-**	85,440
Net Dividends (proposed)	**41,425**	-
Share Capital	**631,801**	631,801
Total Equity	**1,481,985**	1,484,507
Net Return on Total Equity	**5.60%**	12.76%
Earnings Per Ordinary Share		
Basic earnings per share	**$0.32**	$0.73
Diluted earnings per share	**$0.32**	$0.73
Dividends Per Ordinary Share		
Gross	**$0.16**	$0.33
Net	**$0.16**	$0.33
Cover	**2.00 times**	2.22 times
Net Tangible Assets Per Ordinary Share	**$5.72**	$5.73

FINANCIAL CALENDAR

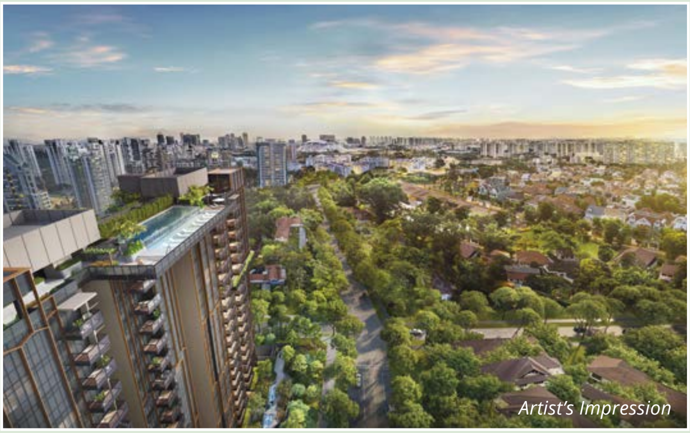
FINANCIAL YEAR ENDED 31 MARCH 2022	
Announcement of Half-year Results	13 November 2021
Announcement of Full-year Results	27 May 2022
Annual General Meeting	28 July 2022

FINANCIAL YEAR ENDING 31 MARCH 2023	
Announcement of Half-year Results	November 2022
Announcement of Full-year Results	May 2023

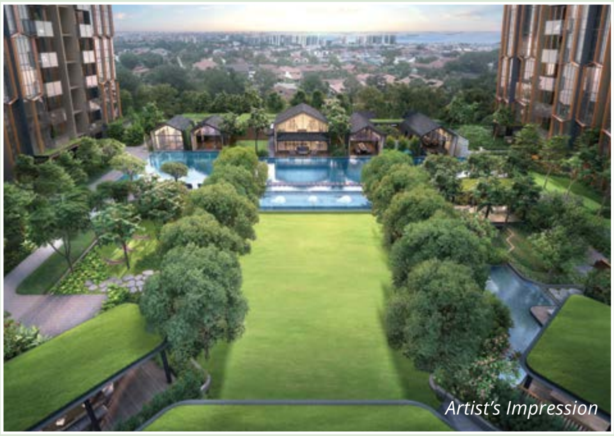
PROJECTS FOR SALE

LIV @ MB

Artist's Impression



Artist's Impression



Artist's Impression

Elevated luxury living in the coveted Mountbatten conservation enclave

Located in the conservation enclave of District 15, LIV @ MB in Mountbatten is surrounded by the vibrant enclaves of Kallang, Marine Parade, Katong and Joo Chiat. The exclusive development is located just 3 minutes' walk from the upcoming Katong Park MRT Station, 5 train stops to world-class entertainment at Marina Bay Sands and mere minutes' drive to the Central Business District (CBD).

Nestled amidst a peaceful landed housing enclave, residents will enjoy panoramic views of the city and landed estate. Sitting on a sprawling 140,000 sq ft site, LIV @ MB offers an abundance of space with 80% of the development dedicated to nature and recreation, including 57 facilities spread across 3 landscaped decks, while the remaining 20% of the site will be residential. The clubhouses are inspired by seafront bungalows with facilities such as The Water Gym, Main Pool, Beach Villa, Study Lounge, Sky Grill, Sky Villa and The Mountbatten Hall which are designed for all ages to rejuvenate and luxuriate.

With prestigious schools such as Tao Nan Primary, Kong Hwa Primary, Dunman High and Chung Cheng High located in close proximity, LIV @ MB is an ideal place for families to live and grow in. The development is estimated to complete in 2024.

District 15

Mountbatten

99-Year Leasehold

298
Residences

PROJECTS FOR SALE

The Atelier

Artist's Impression

Artist's Impression

Artist's Impression

A bespoke freehold development in District 9, Newton-Novena enclave

The Atelier is a 120-unit, 22-storey freehold residential development, situated in prime District 9. It is 10 minutes' walk to Newton MRT Station and within 1 km to prestigious schools such as Anglo-Chinese School (ACS) Junior and Barker, St. Joseph's Institution (SJI) Junior and St. Margaret's Primary, making it an ideal legacy home to pass down generations.

Surrounded by shopping and dining options, lifestyle amenities and the upcoming Health City Novena, its convenient location and well-connectivity ensures it is a smart investment for both owner-occupation and rental.

The Atelier offers a myriad of facilities interspersed across three landscaped decks for relaxation and social interactions. These holistic living spaces feature a 48-metre lap pool set amid lush greenery, Study Pods and Tree Top Adventure play areas that are conducive for all ages to live, work and play.

The development is equipped with smart home and community features plus complimentary concierge services. With only 120 units, it offers the ultimate exclusivity and privacy. A selection of 1- to 4- bedroom units are thoughtfully conceptualised to suit the lifestyle and needs of individuals, couples and families. The development is estimated to complete in 2024.

District 9

Newton

Freehold

120
Residences

UPCOMING PROJECTS

Pollen Collection


Artist's Impression

Pollen Collection offers 132 three-storey terrace houses and semi-detached houses. Designed by the distinguished W Architects Pte Ltd, winner of the President's Design Award, Pollen Collection homes are characterised by bold and textured facades complemented with light-filled and airy interiors.

Pollen Collection landed homes are designed with spacious living and dining rooms featuring luxury double-volume high ceilings, smart home system, and a private car porch with ample space to park two cars. It also comes equipped with isolator points for the installation of electric car chargers.

Bringing unparalleled comfort to every home are 5 bedrooms with ensuite bathrooms and private lifts which are an exclusive signature of Pollen Collection for multigeneration living. For the discerning few, some houses even come with its own private swimming pool.

With seamless connections between the indoors and outdoors, residents can directly access their outdoor terrace or garden from the living and dining spaces or walk into the open terraces brimming with light and air from their bedrooms. Here, the luxury of space extends to the outdoors – every home has its own garden, perfect for family bonding, urban farming, social gathering and more.

A Pollen Collection landed home presents a highly desired lifestyle that is only for the discerning few and is truly a precious and coveted asset in our land-scarce city.


Artist's Impression

District 28

Seletar

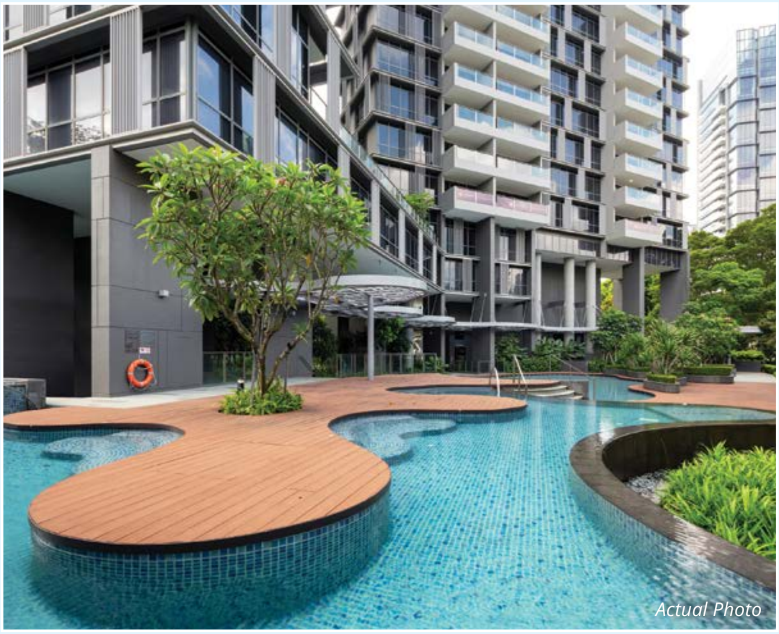
99-Year Leasehold

132

Landed Houses

OPERATION OF SERVICED APARTMENTS

Fraser Residence Orchard, Singapore



Developed by Bukit Sembawang Estates Limited and managed by international hospitality provider, Frasers Hospitality, the fully-furnished Gold Standard serviced apartments was awarded the coveted title of the World's Leading Serviced Apartment at the World Travel Awards 2020.

In addition to its 115 luxuriously designed rooms, each with a well-equipped kitchen, Fraser Residence Orchard, Singapore is tailored for discerning extended stay clientele who appreciate the lush, landscaped oasis amidst the bustling prime commercial and shopping district. With panoramic views of the city centre skyline, residents can also enjoy the multiple outdoor swimming pools, fully equipped gym and yoga room, sky terraces, dining, and relaxation spaces within the sprawling grounds.

District 9

Orchard

Freehold

115
Rooms

AWARDS & ACCOLADES 2018 – 2021

2021

PROJECT	AWARD NAME
8 St Thomas	**FIABCI World Prix d'Excellence Awards** *World Silver Winner - Residential (High Rise) Category*
Nim Collection	**PropertyGuru Asia Property Awards** *Winner - Best Housing Development (Singapore)*
	PropertyGuru Asia Property Awards *Winner - Best Landed Housing Development*
The Atelier	**PropertyGuru Asia Property Awards** *Highly Commended - Best Luxury Condo Development*

2020

PROJECT	AWARD NAME
Bukit Sembawang Estates Limited	**BCA** *Top 10 Developers*
	PropertyGuru Asia Property Awards *Best Landed Developer*
Fraser Residence Orchard, Singapore	**World Travel Awards** *World's Leading Serviced Apartments 2020*
Luxus Hills Contemporary Collection	**PropertyGuru Asia Property Awards** *Best Landed Housing Development*
	PropertyGuru Asia Property Awards *Best Housing Development (Singapore)*
Nim Collection	**EdgeProp Excellence Awards** *Top Landed Development*
Nim Collection Phase 1 & 2	**BCA Quality Mark Award** *Merit*
Watercove	**Asia Pacific Property Awards** *Architecture Multiple Units*

2019

PROJECT	AWARD NAME
Bukit Sembawang Estates Limited	**BCA** *Top 10 Developers*
	The Edge Billion Dollar Club *Best-Performing Stock (Properties)*
8 St Thomas	**Global Architecture and Design Awards 2019** *Third Award - Housing More than 5 Floors (Built)*
	FIABCI-SINGAPORE Singapore Property Awards *Winner - Residential (High Rise) Category*
	Asia Pacific Property Awards *Best Apartment/Condominium Singapore 2019-2020*
	China Real Estate Design Award (CREDAWARD) *Silver - High-End Residence Category*
Luxus Hills	**PropertyGuru Asia Property Awards Grand Final** *Best Housing Architectural Design (Singapore)*
	PropertyGuru Asia Property Awards Grand Final *Best Housing Interior Design (Singapore)*
	PropertyGuru Asia Property Awards *Winner - Best Landed Housing Architectural Design*
	PropertyGuru Asia Property Awards *Winner - Best Landed Housing Development*
	PropertyGuru Asia Property Awards *Winner - Best Landed Housing Interior Design*

PROJECT	AWARD NAME
Luxus Hills Phase 16	**BCA Green Mark Award** *Gold PLUS*
Luxus Hills Phase 8 & 9	**BCA Quality Mark Award** *Certified*
Skyline Residences	**Asia Pacific Property Awards** *Winner – Residential High-rise Development Singapore 2019-2020*
Watercove	**BCA Quality Mark Award** *Star*
	PropertyGuru Asia Property Awards Grand Final *Best Residential Green Development (Asia)*
	PropertyGuru Asia Property Awards Grand Final *Best Housing Development (Singapore)*
	PropertyGuru Asia Property Awards Grand Final *Best Housing Architectural Design (Singapore)*
	PropertyGuru Asia Property Awards *Winner - Best Strata Housing Development*
	PropertyGuru Asia Property Awards *Winner - Best Strata Housing Architectural Design*
	PropertyGuru Asia Property Awards *Winner - Best Housing Development (Singapore)*
	PropertyGuru Asia Property Awards *Winner - Best Residential Green Development*

AWARDS & ACCOLADES 2018 – 2021

2018

PROJECT	AWARD NAME
8 St Thomas	**BCA Quality Mark Award** *Excellent*
	New York Design Awards *Gold - Architecture – Residential – International Category*
	PropertyGuru Asia Property Awards *Winner - Best Luxury Condo Development (Singapore)*
	PropertyGuru Asia Property Awards *Winner - Best Luxury Condo Architectural Design (Singapore)*
	PropertyGuru Asia Property Awards *Highly Commended - Best Luxury Condo Interior Design (Singapore)*
Luxus Hills Phase 6 & 7	**BCA Quality Mark Award** *Merit*
	Asia Pacific Property Awards *Award Winner - Residential Development (Singapore) Category*
	FIABCI World Prix d'Excellence Awards *World Silver Winner - Residential (Low Rise) Category*
Nim Collection Phase 1 & 2	**PropertyGuru Asia Property Awards** *Winner - Best Housing Architectural Design (Asia)*
	PropertyGuru Asia Property Awards *Winner - Best Housing Architectural Design (Singapore)*
	PropertyGuru Asia Property Awards *Highly Commended - Best Residential Green Development (Singapore)*
	PropertyGuru Asia Property Awards *Highly Commended - Best Universal Design Development (Singapore)*
	PropertyGuru Asia Property Awards *Highly Commended - Best Landed Development (Singapore)*
	BCA Green Mark Award *Gold PLUS*
Verdure	**FIABCI-SINGAPORE Singapore Property Awards** *Winner - Residential (Low Rise) Category*
Watercove	**EdgeProp Singapore Excellence Awards** *Top Boutique Development Excellence Award*

GROUP STRUCTURE

BUKIT SEMBAWANG ESTATES LIMITED

INVESTMENT HOLDING

- Sembawang Estates (Private) Limited
- Singapore United Estates (Private) Limited
- Bukit Sembawang View Pte. Ltd.
- Paterson Collection Pte. Ltd.
- Paterson One Pte. Ltd.
- BSEL Development Pte. Ltd.
- Bukit Sembawang Land Pte. Ltd.
- Bukit One Pte. Ltd.*
- Bukit Two Pte. Ltd.*
- Bukit Three Pte. Ltd.#
- Bukit Four Pte. Ltd.#

All companies are incorporated in Singapore

**Dormant as of date*

#These companies were struck off during the financial year

MR KOH POH TIONG
Chairman and Independent Director

Mr Koh Poh Tiong was appointed to the Board as an Independent Director on 1 February 2017, and thereafter appointed Independent Non-Executive Chairman of the Board on 4 August 2017. Mr Koh also chairs the Nominating Committee and Remuneration Committee, and is also a member of the Audit and Risk Management Committee and Project Development Committee.

Mr Koh is currently an Adviser, Director and Chairman of the Executive Committee of Fraser and Neave, Limited, as well as Senior Adviser of Raffles Medical Group Limited. He is also Chairman of BeerCo Limited, Times Publishing Limited, and Saigon Beer Alcohol Beverage Corporation, and a Director of Asia Breweries Limited, Delfi Limited, Great Eastern Life Assurance (Malaysia) Berhad and Great Eastern General Insurance (Malaysia) Berhad.

He was previously Senior Advisor and Chairman of Ezra Holdings Limited and a Director of United Engineers Limited, SATS Ltd and Raffles Medical Group Limited. He was also Chairman of Yunnan Yulinquan Liquor Co. Ltd, the National Kidney Foundation and Singapore Kindness Movement.

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

Date of first appointment as a Director:
1 February 2017

Date of last re-election as a Director:
24 July 2020

MR ONG SIM HO
Independent Director

Mr Ong Sim Ho was appointed to the Board of our Company on 5 August 2019 as an Independent Director. He also chairs the Audit and Risk Management Committee and is a member of our Nominating Committee, Remuneration Committee and Project Development Committee.

Mr Ong is presently Managing Director of the Corporate and Finance department of Drew & Napier LLC.

Mr Ong is a barrister of England and Wales, called by Lincoln's Inn, and an Advocate and Solicitor of the Supreme Court of Singapore. He is also a Fellow Chartered Accountant in Singapore, and a member of the Singapore Institute of Directors, as well as an Accredited Tax Advisor for Income Tax and GST of the Singapore Chartered Tax Professionals.

Amongst his several board memberships, Mr Ong is also currently a Director of AIA Singapore Private Limited.

Date of first appointment as a Director:
5 August 2019

Date of last re-election as a Director:
24 July 2020

BOARD OF DIRECTORS

MR LEE CHIEN SHIH
Non-Executive Director

Mr Lee Chien Shih was appointed as a Non-Executive Director to the Board on 1 October 1999 and is also a member of the Nominating Committee and Remuneration Committee.

Mr Lee is a Director of Lee Rubber (Pte) Limited, Lee Latex (Pte) Limited, Lee Foundation Singapore and Lee Foundation Malaysia. He holds a MBBS from the National University of Singapore.

Date of first appointment as a Director:
1 October 1999

Date of last re-election as a Director:
28 July 2021

MS FAM LEE SAN
Non-Executive Director

Ms Fam Lee San was appointed as a Non-Executive Director of the Company on 25 July 2014, and is a member of the Audit and Risk Management Committee.

Ms Fam is currently the Chief Financial Officer of Kallang Development (Pte) Limited, a subsidiary of Lee Rubber Company (Pte) Limited, as well as a Director of various companies in the Lee Rubber Group.

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

Date of first appointment as a Director:
25 July 2014

Date of last re-election as a Director:
28 July 2021

MR CHNG KIONG HUAT
Non-Executive Director

Mr Chng Kiong Huat was appointed to the Board as a Non-Executive Director on 24 July 2015. He also chairs the Project Development Committee.

Mr Chng is an Executive Director of Kallang Development (Pte) Limited. Prior to joining Kallang Development, he was an Executive Director of Far East Organization. He was also formerly a Director of FEO Hospitality Asset Management Pte. Ltd. (as manager of Far East Hospitality Trust).

Mr Chng is experienced in product development, project management, property sales, property leasing, property management, and customer management. With more than 30 years of experience in the real estate industry, he has overseen and managed the development of multiple landed and high-rise residential buildings, serviced apartments, hotels, office buildings, shopping complexes, industrial buildings, and mixed developments.

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

Date of first appointment as a Director:
24 July 2015

Date of last re-election as a Director:
28 July 2021

KEY MANAGEMENT

MR CHARLES CHOW KIM GHEE

Mr Charles Chow is the Chief Operating Officer of the Group. He joined the Group in 2021. He is responsible for leading and overseeing the day-to-day operations of the Group's business. He has more than 20 years of experience in project management and property development.

Mr Chow holds a Bachelor of Applied Science (Construction Management) with Honours from the Royal Melbourne Institute of Technology and a Master of Business Administration from Queen Margaret University.

MS JACQUELINE CHANG POH NAH

Ms Jacqueline Chang holds the position of Financial Controller. She joined the Group in 2014. She is responsible for the Group's finance, accounting and tax matters. She has more than 20 years of experience in finance and accounting.

Ms Chang is a graduate of the Association of Chartered Certified Accountants. She is a Chartered Accountant of Singapore and member of the Institute of Singapore Chartered Accountants.

MS HO JENNY

Ms Ho Jenny holds the position of General Manager (Marketing & Sales) and heads the Marketing Department. She joined the Group in 2017 with more than 18 years in the real estate industry. Her portfolio includes marketing and sales of the Group's residential properties, public relation and corporate communication.

Ms Ho holds a Bachelor of Real Estate Management from Oxford Brookes University.

MR MCDONALD LOW HOONG CHIONG

Mr McDonald Low holds the position of Head of Project. He joined the Group in 2015 and is responsible for the project management of the Group's development projects. He has more than 30 years of experience in project management and property development.

Mr Low holds a Master of Science in International Construction Management from the Nanyang Technological University. He is a member of The Society of Project Managers, a BCA Certified Green Mark Manager, and a BCA Certified Construction Productivity Professional (Honorary).

MR MICHAEL CHAN LIM HUAT

Mr Michael Chan holds the position of Head of Property Management. He joined the Group in 2020 and is responsible for the maintenance and management of all the existing and new properties in the Group. He has been in the construction and property development industry for more than 12 years.

Mr Chan holds a Diploma in Manufacturing Engineering from Singapore Polytechnic.

DIRECTORATE & OTHER CORPORATE INFORMATION

DIRECTORS

Koh Poh Tiong (*Chairman, Independent*)
Ong Sim Ho (*Independent*)
Lee Chien Shih (*Non-Executive*)
Fam Lee San (*Non-Executive*)
Chng Kiong Huat (*Non-Executive*)

AUDIT AND RISK MANAGEMENT COMMITTEE

Ong Sim Ho (*Chairman*)
Koh Poh Tiong
Fam Lee San

NOMINATING COMMITTEE

Koh Poh Tiong (*Chairman*)
Lee Chien Shih
Ong Sim Ho

REMUNERATION COMMITTEE

Koh Poh Tiong (*Chairman*)
Lee Chien Shih
Ong Sim Ho

PROJECT DEVELOPMENT COMMITTEE

Chng Kiong Huat (*Chairman*)
Koh Poh Tiong
Ong Sim Ho

COMPANY SECRETARY

Lotus Isabella Lim Mei Hua

REGISTERED OFFICE

2 Bukit Merah Central
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COMPANY REGISTRATION NUMBER

196700177M

AUDITOR

Deloitte & Touche LLP
Public Accountants and Chartered Accountants
6 Shenton Way, OUE Downtown 2 #33-00
Singapore 068809
Partner in charge : Lee Boon Teck
(With effect from financial year ended 31 March 2021)

SHARE REGISTRAR

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

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

CORPORATE GOVERNANCE REPORT

The Board of Directors of Bukit Sembawang Estates Limited ("**Company**") is committed to ensure good standards of corporate governance are practised throughout the Company and its subsidiaries (the "**Group**") as a fundamental part of its responsibilities to protect and enhance shareholder value as well as to enhance corporate performance and accountability.

The Board recognises the need to keep balance with accountability in creating and preserving shareholder value and achieving its corporate vision for the Company and the Group. This Report describes the corporate governance practices and activities of the Group for the financial year ended 31 March 2022 with specific references made in relation to each of the principles of the Code of Corporate Governance 2018 ("**Code**"). During the financial year, the Group has adhered to the principles and guidelines as set out in the Code. Explanations are provided where there are deviations from the Code.

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1 *– The Company is headed by an effective Board which is collectively responsible and works with Management for long-term success of the Company.*

The Board holds meetings on a regular basis throughout the year to approve the Group's key strategic plans as well as major investments, disposals and funding decisions. The Board is also responsible for the overall corporate governance of the Group.

The principal functions of the Board include the following:

1. Set long-term strategic objectives, monitor the progress towards achieving these goals, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
2. Oversee the establishment and operation of an enterprise risk management framework and the review of the adequacy and effectiveness of the Company's risk management and internal control systems, including safeguarding of shareholders' interests and the Company's assets;
3. Establish with Management the strategies and financial objectives to be implemented and monitor the performance of Management;
4. Identify the key stakeholder groups to understand and consider their key focus areas;
5. Set the Company's culture and ethical standards;
6. Consider sustainability issues, including environmental, social and governance factors, when formulating the Company's strategies.

All Directors objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company. The Board also sets appropriate tone from the top and the desired organisational culture, in areas of code of conduct and ethics, and ensures proper accountability within the Company. All Directors objectively discharge their duties and responsibilities, act in good faith and act in the best interests of the Group at all times.

To assist the Board in the execution of its responsibilities, the Board is supported by four (4) sub-committees namely, the Audit and Risk Management, Nominating, Remuneration and Project Development Committees (collectively, the "**Board Committees**"), the details of which are set out below. These Board Committees have been formed with clear written Terms of Reference which clearly set out its objectives, scope of duties and responsibilities, rules and regulations, and procedures governing the manner in which each operates and how decisions are to be taken, assist the Board in carrying out and discharging its duties and responsibilities efficiently and effectively. The Audit and Risk Management, Nominating and Remuneration Board Committees are each chaired by an Independent Director. The Project Development Committee is chaired by a Non-Executive Director with considerable expertise and knowledge of the construction industry.

The Board Committees play an important role in ensuring good corporate governance in the Company and within the Group. Nonetheless, the ultimate responsibility for the final decision on all matters lies with the entire Board.

CORPORATE GOVERNANCE REPORT

Matters Requiring Board Approval

The Board has identified a number of areas for which the Board has direct responsibility for decision making. Interested Person Transactions (**"IPT"**) and the Group's internal control procedures are also reviewed by the Board.

The Board also meets to consider the following corporate matters that require Board's review and approval:

- Results Announcements;
- Annual Reports and Year-end Financial Statements;
- Convening of Shareholders' Meetings;
- Corporate Strategies;
- Material Acquisitions and Disposal of Assets;
- Annual Business Plan and Annual Budget;
- Reports of the Board Committees;
- Conflict of Interest and IPT Register;
- Disclosure of Directors' interests pursuant to Sections 156/165 of the Companies Act 1967;
- Board Assurance Framework;
- Corporate or Financial Restructuring; and
- Major Investments, Divestments, and Funding Decisions.

A formal Delegation of Authority document, setting approval delegations from the Board to Management, is in place and was approved by the Board.

The Board is accountable to shareholders while Management is accountable to the Board. The Group has in place financial authorisation limits for operating and capital budgets, procurement of goods and services, and cheque signatory arrangements. Approval sub-limits are also provided at Management level to facilitate operational efficiency.

Internal guidelines have been established which require all Board members who have a conflict of interest in a particular agenda item to abstain from participating in the relevant Board discussion.

The Board conducts regular scheduled meetings and meets at least four times in a year, with additional meetings convened as and when necessary. The Board and Board Committees may also make decisions through circulating resolutions. The attendance of the Directors at meetings of the Board and Board Committees, as well as the frequency of such meetings, is disclosed in this Report.

Directors' Training and Induction

All Directors are updated regularly concerning any changes in the Company's policies, risks management, key changes in the relevant laws, regulations, regulatory requirements and accounting standards. The Company also provides ongoing education on Board processes, governance and best practices.

At the request of Directors, the Company will arrange and fund Directors' participation at industry conferences, seminars or any training programme in connection with their duties as Directors of the Company and on changes in the relevant new laws and regulations and changing commercial risks to enable them to make well-informed decisions. The Company Secretary will also bring to the Directors' attention, information on conferences and seminars that may be of relevance or use to them. Induction and orientation are provided to new Directors. Detailed information on the Company is made available to new Directors.

Newly appointed Directors with no prior experience as a Director of a listed issuer on the Singapore Stock Exchange will undergo training in the roles and responsibilities of a Director of a listed issuer as prescribed by the Exchange. Upon appointment, the Company will provide each newly appointed Director with a formal letter and will undergo an orientation programme where they will receive a briefing by senior management on the business activities of the Group and its strategic directions, relevant information on the Company's policies and procedures as well as their duties and responsibilities as Directors to ensure that newly appointed Directors are familiar with the Group's business and governance practices. The Company will also provide training in areas such as accounting, legal and industry-specific knowledge as appropriate for Directors who have no prior experience as a Director of a listed company.

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

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

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

The Company's Constitution provides for the Directors to participate in the meetings of the Board and Board Committees by means of telephonic conference or in such manner as the Board may determine to facilitate Board participation.

BOARD COMPOSITION AND GUIDANCE

***Principle 2** – The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.*

The Board currently comprises two Independent Non-Executive Directors and three Non-Executive Directors. The Chairman of the Board, Mr Koh Poh Tiong, is an Independent Non-Executive Director.

The independence of each Director is reviewed annually by the Nominating Committee in accordance with the Code's definition of independence to ensure that the Board is capable of exercising objective judgment on the corporate affairs of the Group. The Nominating Committee has reviewed the "Confirmation of Independence" forms completed by each Independent Director, and is of the view that the two Independent Directors are independent in accordance with the definition of independence in the Code and the Listing Rule 210 (5)(d)(i) and (ii). The Independent Directors have confirmed that they do not have any relationship with the Company, its related companies, its officers or its 5% shareholders that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment. The appointment of each Director is based on his stature, calibre, knowledge, skills, experience and potential contribution to the Company and its businesses. Our current Directors are respected individuals with diverse expertise and good track record in their respective fields.

The Board members participate actively during Board meetings, constructively challenge and help develop proposals on strategy, review the performance of Management in achieving the agreed goals and objectives, and monitor the performance of the Company. They will also meet without the presence of the Management so as to facilitate a more effective check on Management.

CORPORATE GOVERNANCE REPORT

The Nominating Committee is of the view that the current Board is capable of providing the necessary expertise to meet the Board's objectives and that no individual or small group of individuals dominates the Board's decision-making process.

Board Diversity

The Company believes in diversity and values the benefits that diversity can bring to its Board. Diversity promotes the inclusion of different perspectives and ideas, mitigates against groupthink and ensures that the Company has the opportunity to benefit from all available talents. The Company seeks to maintain a Board which comprises talented and dedicated directors with a diverse mix of expertise, experience, skills and background. The skills and background collectively represented on the Board should reflect the diverse nature of the business environment in which the Company operates. For the purpose of Board composition, diversity includes but is not limited to, business experience, geography, age, gender and ethnicity.

In October 2012, Ms Fam Lee San was appointed as an Alternate Director, and was thereafter appointed as a Non-Executive Director of the Company in July 2014. Mr Koh Poh Tiong was appointed as an Independent Non-Executive Director of the Company in February 2017 and thereafter, as Chairman of the Board in August 2017. Mr Koh brings with him many years of experience as a Director of other public listed companies as well as private companies and organisations in a wide variety of industries and sectors. In August 2019, the Board appointed an additional Independent Non-Executive Director, Mr Ong Sim Ho. Mr Ong is an experienced tax and corporate lawyer at Drew & Napier LLC. These appointments have enhanced the Board's diversity in terms of gender, skill set, experience, expertise, age and perspectives to support the long-term success of the Company.

The Board will continue to pay close attention to the recommendations, guidelines and provisions of the Code on diversity, and remains committed to promote diversity in the boardroom and to further improve the quality of its disclosure through policy development, representation and transparency.

While the Company's Constitution allows for the appointment of a maximum of 15 Directors, the Board is of the view that the current Board size with their experience and expertise is appropriate, taking into account the nature and scope of the Group's operations. The Nominating Committee assesses the effectiveness of the Board as a whole and the contribution of each Director annually.

The names of the Directors in office are set out in the Directors' Statement. Particulars of their direct and indirect interests in the Company's shares are set out in the Directors' Statement.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3 *– There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.*

The positions of Chairman and Chief Executive Officer are held by separate persons. This is to ensure that there is an appropriate balance of power and authority with clear divisions of responsibility and accountability. Such separation of roles between the Chairman and Chief Executive Officer promotes robust deliberation. The Chairman ensures that the Directors receive accurate, clear and timely information, encourages constructive relations between Board and Management, as well as between Board members, ensures effective communication with shareholders and promotes high standards of corporate governance.

The Chairman, Mr Koh Poh Tiong, is an Independent Director. Mr Charles Chow Kim Ghee was appointed the Chief Operating Officer ("**COO**") in February 2021.

The COO bears executive responsibility for the Company's main property business, while the Chairman bears responsibility for the workings of the Board. The Chairman and the COO are not related.

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

The Company is not required to appoint a Lead Independent Director as the Chairman is an Independent Director.

There were no dissenting views on the Chairman's statement to the Shareholders for the financial year under review.

BOARD MEMBERSHIP

Principle 4 *– The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.*

BOARD PERFORMANCE

Principle 5 *– The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.*

Nominating Committee ("NC")

The NC comprises three Non-Executive Directors, the majority of whom, including the NC Chairman, are independent:

Mr Koh Poh Tiong (Chairman)
Mr Lee Chien Shih
Mr Ong Sim Ho

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

1. Recommend to the Board on all Board and Board Committees appointments and re-nominations, including recommending the Chairman for the Board and for each Board Committee;

2. Engage in succession planning for the positions of Chairman, Directors and senior executives;

3. Determine annually, and as and when circumstances require, if a Director is independent and whether he is able to carry out his duties as a Director and make its recommendations to the Board;

4. Assess annually the effectiveness of the Board as a whole, its Board Committees, and the contribution by each individual Director to the effectiveness of the Board; and

5. Recommend to the Board on relevant matters relating to the review of training and professional development programs for the Board.

In the nomination and selection process, the NC reviews the composition of the Board by taking into consideration the mix of expertise, skills and attributes of existing Board members to identify desirable competencies for a particular appointment. In so doing, it will source for candidates who possess the experience, core competency, industry knowledge and general ability that will contribute to the Board's proceedings and the strategic business areas of the Group. Newly appointed Directors are, however, required to submit themselves for re-election at the next Annual General Meeting of the Company ("**AGM**").

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

We believe that Board renewal must be an ongoing process, to both ensure good governance and maintain relevance to the changing needs of the Company and business. Our Constitution requires at least one-third of our Directors to retire and subject themselves to re-election by shareholders at every AGM and no Director stays in office for more than three years without being re-elected by shareholders.

A retiring Director shall be eligible for re-election. In recommending that a Director be nominated for re-election, the NC assesses each candidate's suitability for re-appointment prior to making its recommendation, carefully taking into consideration factors such as the Director's record of attendance and participation, his/her candour, performance and overall contribution to the Board and the Group, as well as his/her ability to adequately carry out the duties expected while performing his/her roles in other companies or in other appointments. Each member of the NC will abstain from voting on any resolution and making any resolutions and/or participating in any deliberations of the NC in respect of the assessment of his performance or nomination for re-election as a Director.

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

The two Independent Directors currently represent more than one-third of the Board. The independence of each Director is reviewed annually by the NC. The NC, in reviewing the independence of each Director, takes into account the provisions in the listing manual of the SGX-ST and the Code relating to what constitutes an Independent Director. A Director is required to inform the NC of any relationships or circumstances which arise that are likely to affect, or could appear to affect, his independence. The Board, after taking into consideration the NC's review of the independence of each Director for this financial year, is of the view that Mr Koh Poh Tiong and Mr Ong Sim Ho are Independent Directors, and that no individual or group of individuals dominates the Board's decision-making process. Each Director abstained from all deliberations by the NC and the Board on their own respective independence.

When a Director serves on multiple Boards, that Director is required to ensure that sufficient time and effort is allocated to the affairs of the Company with assistance from Management, which provides complete and timely information on a regular basis for effective discharge of the Director's duties as well as a comprehensive schedule of events drawn up in consultation with the relevant Director. Although some of the Board members have multiple board representations and other principal commitments, the NC is satisfied that the Directors have devoted sufficient time and attention to the Group. The Board does not see any reason to set the maximum number of listed board representations that any Director may hold as all the Directors are able to devote to the Company's affairs in light of their other commitments. Accordingly, the Board has not set a maximum number of other listed Company Directorships which a Director may concurrently hold.

The Company does not have any Alternate Director.

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

At the forthcoming AGM, Mr Koh Poh Tiong and Mr Ong Sim Ho will be retiring by rotation pursuant to Regulation 94 of the Company's Constitution.

Mr Koh Poh Tiong and Mr Ong Sim Ho, being eligible and having given their consents, will be seeking re-election at the forthcoming AGM.

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information set out in Appendix 7.4.1 relating to the above Directors standing for re-election at the forthcoming AGM is disclosed on pages 35 to 41 of this Annual Report.

Directors' Attendance at Board and Committee Meetings from 1 April 2021 to 31 March 2022					
	Board	**Audit and Risk Management Committee**	**Remuneration Committee**	**Nominating Committee**	**Project Development Committee**
Number of Meetings Held	**4**	**2**	**1**	**1**	**4**
Mr Koh Poh Tiong	4	2	1	1	4
Mr Lee Chien Shih	4	-	1	1	-
Ms Fam Lee San	4	2	-	-	-
Mr Chng Kiong Huat	4	-	-	-	4
Mr Ong Sim Ho	4	2	1	1	4

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

***Principle 6** – The Board has a formal and transparent procedure for developing policies on directors' and executives' remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.*

LEVEL AND MIX OF REMUNERATION

***Principle 7** – The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.*

DISCLOSURE ON REMUNERATION

***Principle 8** – The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.*

Remuneration Committee ("RC")

The RC comprises three Non-Executive Directors, the majority of whom are independent:

Mr Koh Poh Tiong (Chairman)
Mr Lee Chien Shih
Mr Ong Sim Ho

To minimise the risk of potential conflicts of interest, all the members of the RC, including the Chairman of the RC, are independent from Management.

The RC is governed by its written Terms of Reference which set out its authority and duties. The key function of the RC is to review and recommend to the Board, in consultation with Management, a framework for all aspects of remuneration such that there is a formal and transparent procedure for fixing the remuneration package of individual Directors. The RC also determines the specific remuneration packages and terms of employment for Executive Directors as well as senior executives. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind are covered by the RC. Each member of the RC abstains from voting on any resolutions and making any recommendations and/or participating in any deliberations in respect of his/her remuneration package.

The RC has authority to engage expert professional advice on human resource matters whenever there is a need to consult externally. The RC will, in its deliberations for such, take into consideration industry practices and norms in compensation in addition to the Company's relative performance and the performance of the individual Directors. No expert advice was sought during the financial year.

The RC will review the Company's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and avoid rewarding poor performance.

The RC reviews the remuneration packages for the Executive Directors and key management personnel. In its review, the RC takes into consideration the pay and employment conditions within the industry and comparable companies, as well as the Company's relative performance and the performance of the individual Director and key management personnel when setting remuneration packages so as to attract, retain and motivate them to run the Group successfully.

The Executive Directors and key management personnel's performance is annually assessed against set performance criteria (including leadership competencies, core values, personal development and commitment). This assessment is taken into account in determining their remuneration. The Company's performance is measured based on a balanced set of financial and non-financial criteria including operational performance, financial performance and customer satisfaction. For the financial year ended 31 March 2022, the RC was of the view that performance conditions were met.

The RC has ensured that the level and structure of remuneration are aligned with the risk policies and long-term interests of the Company.

The Non-Executive Independent Directors and Non-Executive Non-Independent Directors receive Directors' fees. In determining the quantum of Directors' fees, factors such as effort and time spent for serving on the Board and Board Committees, and responsibilities of the Directors are taken into account. The RC will ensure that Non-Executive Directors will not be overly compensated to the extent that their independence may be compromised.

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

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

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

The remuneration of Non-Executive Directors shall be determined by his/her contribution to the Company, taking into account factors such as efforts and time spent as well as his/her responsibilities on the Board. Generally, Directors who undertake additional duties as Chairman and/or members of the Board Committees will receive higher fees because of their additional responsibilities. The Board will recommend the remuneration of the Non-Executive Directors for shareholders' approval at the AGM.

Annual Remuneration Report

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

The Directors, the Chief Executive Officer and other key management personnel are remunerated on an earned basis.

Remuneration of Directors

The following table sets out the quantum of Directors' Remuneration for the financial year ended 31 March 2022, together with a breakdown (in percentage terms) of each Director's remuneration earned through base/ fixed salary, variable or performance related income/bonuses, share options granted, and Directors' fees/ attendance fees proposed to be paid to each Director subject to the approval of shareholders at the AGM:

Name of Director	Total Remuneration $	Fees $	Salary [1] $	Other Benefits $
Independent/Non-Executive Directors				
Mr Koh Poh Tiong	118,000	118,000	-	-
Mr Lee Chien Shih	58,000	58,000	-	-
Ms Fam Lee San [2]	60,000	60,000	-	-
Mr Chng Kiong Huat [2]	91,000	91,000	-	-
Mr Ong Sim Ho	101,000	101,000	-	-
Total	428,000	428,000	-	-

1 Includes employer's CPF contribution.
2 Payable to Kallang Development (Pte) Limited.

The above proposed total fees of $428,000 (2021: $459,500) for Independent and Non-Executive Directors is subject to shareholders' approval at the AGM to be held on 28 July 2022.

CORPORATE GOVERNANCE REPORT

Remuneration of Key Executives

The breakdown of the remuneration of each of the top five key executives including the COO who is not a Director for the financial year ended 31 March 2022 is shown in the table below. The aggregate remuneration paid to the key executives including bonus payable to them for the financial year is $1,185,000 (2021: $1,212,000).

Total Remuneration Bands	Total (%)	Salary [1] (%)	Bonus [1] (%)	Other Benefits (%)
$250,000 to $500,000				
Ms Ho Jenny General Manager (Marketing & Sales)	100	60	31	9
Mr McDonald Low Hoong Chiong Head of Project	100	67	29	4
Below $250,000				
Mr Charles Chow Kim Ghee Chief Operating Officer	100	92	0	8
Ms Jacqueline Chang Poh Nah Financial Controller	100	69	29	2
Mr Michael Chan Lim Huat Head of Property Management	100	73	22	5

[1] Includes employer's CPF contribution.

Remuneration of Immediate Family Members of Directors/Substantial Shareholders

There is no employee who is an immediate family member of any Director, Chief Executive Officer or Substantial shareholder of the Company, whose remuneration exceeds $100,000 during the financial year ended 31 March 2022.

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9 *– The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls to safeguard the interests of the Company and its shareholders.*

The Board has ultimate responsibility for maintaining a sound system of internal controls to safeguard shareholders' investment and the Group's assets. The system of internal controls is intended to provide reasonable but not absolute assurance against material misstatement or loss, and include the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practices, and the identification and containment of business risk.

The Company has in place an adequate and effective system of risk management and internal controls addressing material financial, operational, compliance and information technology risks to safeguard the interests of the Company and its shareholders.

The Audit and Risk Management Committee ("**ARMC**") assists the Board in overseeing the risk governance in the Company to ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interest and the Company's assets. The ARMC's functions in this area include the following:

1. Review and report to the Board the risk profile or risk tolerance the Company undertakes to achieve its business goals and strategies;

2. Review the risk management framework, policies, monitoring, measurements and reporting within the spectrum of Enterprise Risk Management of the Group;

3. Review and report to the Board at least annually, the adequacy and effectiveness of the Company's risk management and internal control systems in addressing significant risks including financial, operational, compliance and information technology risks; and

4. Recommend to the Board the opinion and disclosure in the Annual Report on the adequacy and effectiveness of the Company's risk management and internal control systems in accordance with the Listing Manual of the Singapore Exchange Securities Trading Limited ("**Listing Manual**") and Code of Corporate Governance.

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

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

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

As the Company does not currently have a Chief Executive Officer or a Chief Financial Officer ("**CFO**"), the Board has received assurance from the COO, Financial Controller and other key management personnel which include General Manager (Marketing & Sales), Head of Project and Head of Property Management that:

(a) the financial records of the Group have been properly maintained and the financial statements for the financial year ended 31 March 2022 give a true and fair view of the Group's operations and finances;
(b) risk management systems and internal control systems were properly maintained;
(c) material information relating to the Company was disclosed on a timely basis for the purposes of preparing financial statements; and
(d) the Company's risk management systems and internal control systems (including financial, operational, compliance and information technology controls) were adequate and effective as at the end of the financial year.

The Board notes that the system of internal controls provides reasonable, but not absolute, assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives.

CORPORATE GOVERNANCE REPORT

Based on the internal and external auditors' findings, the Board with the concurrence of the ARMC is satisfied that the Group's risk management and internal control systems, including financial, operational, compliance and information technology controls, are adequate and effective and provide reasonable (though not absolute) assurance against material financial misstatements and loss, and safeguard the Group's assets. The internal controls ensure the Group's maintenance of proper accounting records, compliance with applicable regulations and best practices, and timely identification and containment of financial, operational and compliance risks. The ARMC is also satisfied that there were no material weaknesses identified with regard to the risk management and internal control systems.

AUDIT AND RISK MANAGEMENT COMMITTEE ("ARMC")

Principle 10 *– The Board has an Audit Committee which discharges its duties objectively.*

The ARMC comprises three members, the majority of whom are Independent Directors. The Chairman and the other members of the ARMC have vast experience in managerial positions in the property and finance industry, and are therefore capable of discharging the ARMC's functions. They are as follows:

Mr Ong Sim Ho (Chairman)
Mr Koh Poh Tiong
Ms Fam Lee San

The Board is satisfied that the ARMC members, including the Committee's Chairman, have relevant accounting and related financial management expertise or experience and are appropriately qualified to discharge their responsibilities.

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

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

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

1. Reviews with the External Auditor, their audit plan, evaluation of the accounting controls, audit reports and any matters which the External Auditor wishes to discuss;

2. Reviews with the Internal Auditor, the scope and the results of internal audit function and their evaluation of the overall internal control systems;

3. Reviews at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;

4. Reviews assurance from Chief Executive Officer and CFO on financial records and financial statements. For the current year, the assurance was provided by the COO and the Financial Controller;

5. Reviews the co-operation given by our Management to the External Auditor and Internal Auditor;

6. Reviews the half-year and full-year financial results, and annual financial statements, including announcements to shareholders and the SGX-ST prior to submission to the Board;

7. Makes recommendations to the Board on the appointment of External Auditor, their remuneration and reviews the cost effectiveness, independence and objectivity of the External Auditor;

8. Reviews the Group's compliance with such functions and duties as may be required under the relevant statutes or the Listing Manual, and by such amendments made thereto from time to time;

9. Reviews interested person transactions that may arise within the Company and the Group to ensure compliance with Chapter 9 of the SGX-ST's Listing Manual and to ensure that the terms of such transactions are:

   - on normal commercial terms; and

   - not prejudicial to the interests of the Company and its minority shareholders;

10. Reports actions and minutes of the ARMC meetings to the Board with such recommendations as the ARMC considers appropriate; and

11. Reviews reports received, if any, pursuant to the provisions of the Company's Whistle-blowing Policy and undertakes the proceedings as prescribed.

The ARMC has explicit authority to investigate any matter within its Terms of Reference, full access to and co-operation by Management, full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

In addition to the above, the ARMC is empowered to commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which are or is likely to have a material impact on our Group's operating results and/or financial position.

The ARMC also met with the External as well as the Internal Auditors during the year, without the presence of Management, and have received assurances from both the External and Internal Auditors that they have been accorded full cooperation from all employees of the Group and its subsidiaries and have been given full access to all documents as and when required.

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

Pursuant to Rule 1207 (6)(b) and (6)(c) of the Listing Manual, the ARMC undertook the review of the independence and objectivity of the auditors as well as reviewing the non-audit services provided by the External Auditor, and the aggregate amount of audit fees paid to them. The ARMC is satisfied that neither their independence nor their objectivity is put at risk, and that they are still able to meet the audit requirements and statutory obligations of the Company. Accordingly, the ARMC has recommended the re-appointment of Deloitte & Touche LLP as External Auditor at the forthcoming AGM of the Company. In recommending the re-appointment of the External Auditor, the ARMC considered and reviewed a variety of factors including adequacy of resources, experience of supervisory and professional staff to be assigned to the audit, and size and complexity of the Group, its businesses and operations.

In appointing our auditors for the Company and subsidiaries, we have complied with the requirements of Rules 712 and 715 of the SGX Listing Manual.

Pursuant to Rule 1207 (6)(a), the fees payable to auditor are set out in Note 19 on page 99 of this Annual Report.

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

CORPORATE GOVERNANCE REPORT

The ARMC's responsibility in overseeing that the Company's risk management system and internal controls are adequate is complemented by the Company's appointment of BDO LLP as the Internal Auditor of the Company. The Internal Auditor has adopted the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The Internal Auditor reports directly to the Chairman of the ARMC on audit matters. The Internal Auditor will plan its audit work in consultation with, but independent of, Management, and its annual Internal Audit ("**IA**") plan will be submitted to the ARMC for approval at the beginning of each year. The Internal Auditor will report to the ARMC on their findings. The ARMC will meet the Internal Auditor on an annual basis, without the presence of Management. The Internal Auditor has full access to all the Company's documents, records, properties and personnel including access to the ARMC.

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

The ARMC reviews at least annually, the independence, adequacy and effectiveness of the outsourced IA function. The ARMC is satisfied that the IA function of the Company is independent, effective and adequately resourced.

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

Based on the framework established and the reviews conducted by Management and both the Internal and External Auditors, the Board, with the concurrence of the ARMC, is of the opinion that there are adequate internal controls and risk management systems to address the financial, operational and compliance risks of the Group in its current business environment. In addition, the Board, with the concurrence of the ARMC, is of the view that the Group's internal controls addressing financial, operational, compliance and information technology risk as well as the Group's risk management systems are effective and adequate as at 31 March 2022. The Board and ARMC did not identify any major concern on the Group's internal controls or risk management systems for the financial year under review.

The system of internal controls provides reasonable assurance against material financial misstatements or loss and includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practices and the identification and management of business risks. However, the Board acknowledges that no system of internal controls can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, fraud or other irregularities.

Whistle-Blowing Policy

A Whistle-Blowing Policy is also in place to provide an avenue through which employees may report or communicate, in good faith and in confidence, any concerns relating to financial and other matters, so that independent investigation of such matters can be conducted and appropriate follow-up action taken. The ARMC Chairman is in charge of managing this specific area. The Whistle-Blowing Policy has been reviewed by the ARMC to ensure that it has been properly implemented.

The Whistle-Blowing procedure is intended to be used for serious and sensitive issues. Serious concerns relating to financial reporting, unethical or illegal conduct should be reported to the Chairman of the ARMC via a designated email. The action to be taken will depend on the nature of the concern. Initial inquiries will be made by the Chairman of the ARMC to determine whether an investigation is appropriate, and the form that it should take. Some concerns may be resolved by agreed action without the need for investigation. If investigation is necessary, the ARMC will direct an independent investigation to be conducted on complaint received. The Board of Directors will receive a report stating the complaint received and findings of investigation, as well as a follow-up report on actions taken by the ARMC. The Company will update the complainant of the actions taken in respect of the complaint in two weeks. Subject to any legal constraints, the complainant will be notified about the outcome of any investigations.

The Company shall maintain the confidentiality of the whistle-blower(s) to the fullest extent reasonably practicable within the legitimate needs of the law and any ensuing evaluation or investigation. Complainant(s) who make a report in good faith will be protected from reprisals, victimisation or harassment.

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

***Principle 11** – The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.*

***Principle 12** – Engagement with stakeholders*

The Board is mindful of its obligations to provide timely and fair disclosure of material information in compliance with statutory reporting requirements. Price sensitive information is first publicly released, either before the Company meets with any group of investors or analysts, or simultaneously with such meetings. Financial results and annual reports will be announced or issued within the mandatory period.

The Company believes in regular and timely communication with shareholders as part of the Group's effort to help our shareholders understand our business better.

In line with the continuous obligations of the Company pursuant to the Listing Manual and the Companies Act, it is the Board's policy that all shareholders should be equally and timely informed of all major developments that will have an impact on the Company or the Group. It is also the Board's policy that all corporate news, strategies and announcements are promptly disseminated through SGXNET, press releases as well as various media. The Company does not practise selective disclosure. The Company maintains a dedicated investor relations segment on its website to keep shareholders informed of all significant corporate developments.

The Company supports the Code's principle to encourage shareholder participation. Shareholders are encouraged to attend the AGM to ensure a high level of accountability and to stay informed of the Company's strategy and goals. Notice of the AGM is despatched to shareholders, together with explanatory notes or a circular on items of special business (if necessary), at least 14 days before the meeting. Corporations which provide nominee or custodial services are allowed to appoint more than two proxies so that shareholders who hold shares through such corporations can attend and participate in general meetings as proxies. The shareholders are instructed on the meeting procedures, including voting procedures, which govern general meetings of shareholders at the start of the meetings. The Board welcomes questions from shareholders, who will have an opportunity to raise issues either formally or informally before or at the AGM.

All resolutions at general meetings are put to vote by poll which is verified by a polling agent and an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages is made on the day of the general meeting.

As a result of the amendments to Rule 705(2) of the Listing Manual of Singapore Exchange Securities Trading Limited, which took effect from 7 February 2020, the Company has changed from quarterly to half-yearly reporting from 2020. Nonetheless, the Board continues to meet on a quarterly basis to be apprised of the operational and financial performance of the Company and also to discuss and approve any matters as required. The Company will continue to provide updates in compliance with its continuing disclosure obligations, as and when appropriate.

The proceedings of the annual general meeting and extraordinary general meeting (if any) are properly recorded, including all comments or queries raised by Shareholders relating to the agenda of the meeting and responses from the Board and Management. All minutes of general meetings are published on the website of the Singapore Exchange Limited within one month from the date of the meeting.

CORPORATE GOVERNANCE REPORT

In view of the current COVID-19 situation, the Annual Report, Notice of AGM and Proxy form in respect of the forthcoming AGM to be held on 28 July 2022 will be made available to shareholders solely by electronic means via publication on SGXNET and our corporate website (bsel.sg). Our coming AGM will be held by way of electronic means. Shareholders may submit questions in advance of the AGM, or appoint the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the AGM.

Shareholders are encouraged to attend all shareholders' meeting, through published notices and reports or circulars sent to all shareholders, to ensure a high level of accountability by the Company and for shareholders to stay informed of the Company's strategy and goals. The general meeting procedures provide the shareholders with opportunities to raise questions relating to each resolution tabled for approval. Shareholders are given the opportunity to participate, engage and openly communicate their views on matters relating to the Company to the Directors. Shareholders are also informed of the rules, including voting procedures, governing shareholders' meeting.

All individual shareholders who are unable to attend and vote in person are entitled to appoint a proxy to attend and vote on their behalf. All shareholders are therefore given the opportunity to vote, either in person or by proxy at all shareholders' meetings. In addition, all relevant intermediaries as defined under Section 181 of the Companies Act 1967 are also given the opportunity to appoint one or more proxies to attend and vote at all general meetings. A relevant intermediary is defined as follows:

1. a banking corporation defined under the Banking Act 1970, or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;

2. a capital market services license holder which provides custodial services for securities under the Securities and Futures Act 2001 and holds shares in that capacity; or

3. the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased on behalf of investor.

Pursuant to SGX Listing Rule 730A, all resolutions are put to the vote by poll at shareholders' meetings to ensure greater transparency in the voting process. An independent party is appointed as scrutineer to count and validate the votes at the AGMs. Detailed results of the number of votes cast for and against each resolution and the respective percentages are announced for each resolution.

In compliance with the requirements of the Companies Act 1967, all resolutions are voted upon separately at each general meeting and are single item resolutions.

The Directors, the External Auditor, Management and legal advisors (where necessary) are present at all shareholders' meetings to address shareholders' queries.

Minutes of shareholders' meeting include details of questions raised and the responses from the Company as a permanent record. In addition, hard copies of the minutes are made available to all shareholders of the Company upon request and are also published on SGXNET shortly after each AGM.

The Company's website is updated in a timely manner with the Group's corporate and business information. All information on the Company's new initiatives is first disseminated through the Company's website and SGXNET.

The Company also maintains a feedback column on its website through which investors and shareholders can submit their queries.

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

Dividend Policy

The Company's dividend policy endeavours to balance dividend return to shareholders with the need for long-term sustainable growth whilst aiming for an efficient capital structure. The Company strives to provide shareholders with sustainable ordinary dividend on an annual basis.

The Company has declared a final dividend for the financial year ended 31 March 2022. Any payouts are communicated to shareholders via an announcement on SGXNET when the Company discloses its financial results.

MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

Principle 13 *- The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.*

The Company understands that stakeholders play a critical role in determining a business long-term viability. Thus, the Company values open dialogue and frequently engages with stakeholders through various methods to understand and address their needs and expectations.

The Company strives to maintain open and fair communication with our key stakeholders to understand their views, concerns, and objectives, as well as communicate expectations and support improvement in our continuous engagement to achieve sustainable objectives. The Company identifies stakeholder groups which have a significant influence and interest in our operations and businesses, and engage these stakeholders to understand their ESG expectations.

The key stakeholders identified are the Board of Directors (the "**Board**"), employees, customers, local communities, investors and shareholders.

The Company maintains a corporate website (bsel.sg) to communicate to the public about its latest developments.

The Sustainability Report section of the Annual Report provides more details about the strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.

Please refer to the section on Stakeholder Engagement in the Company's Sustainability Report 2022 on pages 42 to 56 for more information on how the Company manages its stakeholder relationships.

In this way, the Company hopes to have good communication and engagement with all its material stakeholders.

PROJECT DEVELOPMENT MATTERS

Project Development Committee ("PDC")

Although it is not a Corporate Governance requirement, in addition to the ARMC, NC and RC, the Company has also set up a PDC to assist the Board with Project Development matters. The members of the PDC are:

Mr Chng Kiong Huat (Chairman)
Mr Koh Poh Tiong
Mr Ong Sim Ho

The primary function of the PDC is to oversee matters such as approving vendor lists, tender procedures, minor work contracts, supply and maintenance contracts and nominated sub-contracts.

CORPORATE GOVERNANCE REPORT

The responsibilities of the Committee include:

1. Review Management's plans for new project development, design review and other project related businesses in accordance with the Company's strategic objectives.

2. Review all new project proposal and recommendations based on the project criteria set by the Board.

3. Review performance objectives and valuation assumptions used by Management to evaluate such new projects.

4. Consider the appointment of the external consultants, main contractors and sub-contractors.

5. Review and recommend for approval to the Board from time to time the project development strategies.

6. Report to the Board at regular intervals on project development progress in comparison to relevant milestones/timelines/benchmarks as the Board may select and approve.

The PDC meets at least four times in a year, with additional meetings convened as and when necessary.

DEALING IN SECURITIES

The Company has issued a policy on dealings in the securities of the Company to its Directors and Management, setting out the implications of insider trading and guidance on such dealings. Directors and key executives of the Group who have access to price-sensitive and confidential information are not permitted to deal in the Company's securities during the period commencing one month before the announcement of the Group's half-year financial results and one month before the Group's full-year financial results and ending on the respective announcement date. In addition, Directors and key executives are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. They are informed not to deal in the Company's securities on short-term considerations.

Directors are required to report to the Company Secretary whenever they deal in the Company's shares and the necessary announcements are made in accordance with the notification requirements under the Securities and Futures Act 2001 of Singapore.

INTERESTED PERSON TRANSACTIONS

The Company has an internal policy in respect of any transactions with interested persons and has in place a process to review and approve any interested person transaction ("**IPT**").

There were no interested party transactions for the financial year ended 31 March 2022. The Company does not have a general mandate from shareholders pursuant to Rule 920 of the SGX-ST Listing Manual.

MATERIAL CONTRACTS

There were no material contracts entered into by the Company or any of its subsidiaries involving the interest of the Chief Operating Officer, any Director or controlling shareholder, either still subsisting at the end of the financial year ended 31 March 2022 or if not then subsisting, entered into since the end of the previous financial year ended 31 March 2021.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Koh Poh Tiong and Mr Ong Sim Ho are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 28 July 2022 ("**AGM**") (collectively, the "**Retiring Directors**" and each a "**Retiring Director**").

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Directors standing for re-election as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

Name of Director	Koh Poh Tiong	Ong Sim Ho
Date of Appointment	1 February 2017	5 August 2019
Date of last re-appointment	24 July 2020	24 July 2020
Age	75	53
Country of principal residence	Singapore	Singapore
The Board's comments on this re-election (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("**NC**") and has reviewed and considered the qualification, work experiences, contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Koh Poh Tiong for re-appointment as an Independent Director of the Company. The Board has reviewed and concluded that Mr Koh Poh Tiong possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("**NC**") and has reviewed and considered the qualification, work experiences, contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Ong Sim Ho for re-appointment as an Independent Director of the Company. The Board has reviewed and concluded that Mr Ong Sim Ho possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Chairman of the Board, Chairman of the Nominating Committee and the Remuneration Committee, and a member of the Audit and Risk Management Committee and the Project Development Committee.	Independent Director and Chairman of the Audit and Risk Management Committee, and member of the Nominating Committee, the Remuneration Committee and the Project Development Committee.
Professional qualifications	Bachelor of Science degree from the University of Singapore	Bachelor of Accountancy (Hons) from the Nanyang Technological University (Nanyang Business School) Bachelor of Laws (Hons) University of London

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Koh Poh Tiong	Ong Sim Ho
		Fellow of the Institute of Singapore Chartered Accountant Barrister-At-Law of Lincoln's Inn, England & Wales Advocate & Solicitor of the Supreme Court of Singapore Member of the Singapore Institute of Directors
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None.	None.
Conflict of interest (including any competing business)	None.	None.
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes.	Yes.
Working experience and occupation(s) during the past 10 years	Mr Koh is currently an Adviser, Director and Chairman of the Executive Committee of Fraser and Neave, Limited, as well as Senior Adviser of Raffles Medical Group Limited. He is also Chairman of BeerCo Limited, Times Publishing Limited, and Saigon Beer Alcohol Beverage Corporation, and a Director of Asia Breweries Limited, Delfi Limited, Great Eastern Life Assurance (Malaysia) Berhad and Great Eastern General Insurance (Malaysia) Berhad. He was previously Senior Advisor and Chairman of Ezra Holdings Limited and a Director of United Engineers Limited, SATS Ltd and Raffles Medical Group Limited. He was also Chairman of Yunnan Yulinquan Liquor Co. Ltd, the National Kidney Foundation and Singapore Kindness Movement.	Mr Ong is a tax and corporate lawyer of 23 years standing. He is presently Managing Director of the Corporate and Finance department of Drew & Napier LLC. Amongst his several board memberships, Mr Ong is also currently a Director of AIA Singapore Private Limited.
Shareholding interest in the listed issuer and its subsidiaries	No.	No.
Shareholding details	Nil.	Nil.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Koh Poh Tiong	Ong Sim Ho
Other Principal Commitments Including Directorships		
Past (for the last 5 years)	1. SATS Limited 2. United Engineers Limited 3. Great Eastern Life Assurance Company Ltd 4. Yunnan Yulinquan Liquor Co, Ltd 5. National Kidney Foundation (Chairman) 6. Singapore Kindness Movement (Chairman) 7. Raffles Medical Group Limited	1. The Place Holdings Limited 2. Tokio Marine Life Insurance Singapore Ltd. 3. Tokio Marine Insurance Singapore Ltd. 4. Centre For Fathering Limited 5. Emirates National Oil Company (Singapore) Private Limited 6. Sunningdale Tech Ltd
Present	1. Fraser and Neave, Limited 2. Delfi Limited 3. Saigon Beer-Alcohol-Beverage Corporation (Chairman) 4. Times Publishing Limited (Chairman) 5. Great Eastern Life Assurance (Malaysia) Berhad 6. Great Eastern General Insurance (Malaysia) Berhad 7. BeerCo Limited (Chairman) 8. Asia Breweries Limited	1. Bluefield Ventures Pte. Ltd. 2. Bluefield Renewable Energy Pte. Ltd 3. AIA Singapore Private Limited 4. 2 Friends Investment Pte. Ltd. 5. Ong Sim Ho LLC 6. Drew & Napier LLC 7. Bright Vision Hospital 8. Advance Micro Foundry Pte Ltd 9. Haw Par Corporation Limited
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him/her or against a partnership of which he/she was a partner at the time when he/she was a partner or at any time within two years from the date he/she ceased to be a partner?	No.	No.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Koh Poh Tiong	Ong Sim Ho
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he/she was a director or an equivalent person or a key executive, at the time when he/she was a director or an equivalent person or a key executive of that entity or at any time within two years from the date he/she ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	Yes. I stepped down as Non-executive Chairman and Senior Advisor of Ezra Holdings Limited on 31 January 2016. Ezra Holdings Limited filed voluntary petitions for reorganisation under Chapter 11 of the US Bankruptcy Code on 18 March 2017.	No.
(c) Whether there is any unsatisfied judgment against him/her?	No.	No.
(d) Whether he/she has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he/she is aware) for such purpose?	No.	No.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Koh Poh Tiong	Ong Sim Ho
(e) Whether he/she has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he/she is aware) for such breach?	No.	No.
(f) Whether at any time during the last 10 years, judgment has been entered against him/her in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his/her part, or he/she has been the subject of any civil proceedings (including any pending civil proceedings of which he/she is aware) involving an allegation of fraud, misrepresentation or dishonesty on his/her part?	No.	No.
(g) Whether he/she has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No.	No.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Koh Poh Tiong	Ong Sim Ho
(h) Whether he/she has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No.	No.
(i) Whether he/she has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him/her from engaging in any type of business practice or activity?	No.	No.
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of : —		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No.	No.
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No.	No.
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No.	No.

Name of Director	Koh Poh Tiong	Ong Sim Ho
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere.	No.	No.
(k) Whether he/she has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No.	No.

SUSTAINABILITY REPORT

OUR SUSTAINABILITY JOURNEY

Started off as a leading rubber company in 1911, Bukit Sembawang Estates Limited ("**the Group**") diversified into landed property development and was incorporated in Singapore in 1967. Listed on the Singapore Stock Exchange ("**SGX**"), the Group's business focuses on property development, investment and other property-related activities. The Group developed some of Singapore's most notable residential projects, including building over 1,800 residential units in the prime areas of Districts 9 and 10, and more than 4,600 landed homes across Seletar and Sembawang. Besides developing and selling property units, the Group also owns a serviced apartment and office units under our property portfolio. [102-1][102-2][102-3][102-4][102-5]

Having established a reputation as a trusted developer, we place strong emphasis on delivering fine quality homes with great value. We endeavour to uphold this reputation by creating sustainable homes and neighbourhood. Our environmental, social and governance ("**ESG**") achievements are summarised in this Sustainability Report ("**the Report**"). [102-6]

BOARD STATEMENT

Bukit Sembawang Estates Limited's Board of Directors (the "**Board**") is committed to ensuring our operations can achieve the highest quality and good customer satisfaction. Seeing sustainability as an integral part of future business development, the Board is responsible for setting strategic objectives for the Group's sustainability journey and determining material ESG factors. The Board manages and monitors the identified material sustainability issues through strategy development and regular reviews. As part of our regular reporting controls, the Board also oversees the report development processes and approves the Company's annual sustainability report. [102-14]

ABOUT THIS REPORT

We aspire to develop a Report that provides a holistic view of our sustainability journey from our year-on-year efforts to our commitments to sustainable growth. As such, this Report addresses the Group's sustainability-related practices and performances with information and data from the period of 1 April 2021 to 31 March 2022 ("**FY2022**"), unless stated otherwise. The Report covers the listed entity, Bukit Sembawang Estates Limited, its 35 full-time employees and its group of companies. [102-7][102-8][102-50]

The Report is prepared in accordance with the Global Reporting Initiative ("**GRI**") Standards: Core option, the internationally recognised standard for reporting of ESG issues. This Report's content and material ESG topics were defined by applying the four reporting principles established by the GRI Standards [102-46][102-54]:

Stakeholder Inclusiveness

The content and context of this Report were determined through internal discussions within Management and engagement with various stakeholders. This ensures a comprehensive coverage of expectations and interests of all stakeholders.

Sustainability Context

Our business operations and performance were presented in the context of ESG landscape requirements at the local, regional, and global levels.

Materiality

The material issues disclosed in this Report were identified through external stakeholder engagement surveys and internal discussions within Management. The results were also approved by the Board. Guided by a double-materiality concept, these topics selected are determined to reflect issues with the most significant impact on business, environment, and the wider society.

Completeness

This Report covers various aspects of the material topics, including implications, initiatives and boundaries of datapoints, within the reporting period.

We have not sought external assurance for this Report. The Group will continue to enhance its data collection and sustainability reporting processes. Moving forward, as our sustainability reporting becomes more developed, the Group may consider obtaining independent assurance. [102-56]

For any queries or to deliver feedback about this Report, kindly contact:

Charles Chow Kim Ghee
Chief Operating Officer
Bukit Sembawang Estates Limited
2 Bukit Merah Central
#13-01 Singapore 159835
Email Address: bsel@bukitsembawang.sg
[102-53]

EXTERNAL CHARTERS AND PRINCIPLES

Bukit Sembawang Estates Limited is regulated by the Securities and Futures Act 2001 of Singapore ("**SFA**"), the SGX-ST Listing Manual and other relevant regulations. This Report is developed in alignment with the Sustainability Reporting Guide set out in the SGX-ST Mainboard Listing Rules 711(A) and 711(B) of the SGX-ST Listing Manual. [102-13]

OUR SUSTAINABILITY APPROACH

SUSTAINABILITY GOVERNANCE

We recognise the importance of practising good governance as part of our core values to look after and enhance our shareholders' values and performance of the Group. We will ensure our compliance with environmental, socioeconomic (including anti-corruption) and authority's rules and regulations (where applicable) through structured, robust and transparent governance. We will be equally diligent in screening our suppliers to meet the acceptable environmental and social sustainability standards. [102-16]

Sustainability Steering Committee ("**SSC**") chaired by the COO, reports to the Board on a regular basis. SSC is supported by the Sustainability Task Force ("**STF**"), which includes senior management executives from various functions.

The SSC is responsible for the development and implementation of the Group's sustainability strategy, determining the materiality of ESG issues vis-à-vis stakeholders' concerns and relevance to business operations, and monitoring of sustainability-related risks and opportunities. Concurrently, we actively identify and address other material and critical risks to our business in the key areas of environmental stewardship, social engagement, and corporate governance.

Our Environment Sustainability Committee ("**ESC**") is responsible to spearhead green initiatives and promote green consciousness in our office. They broadcast information on environmental sustainability to all employees monthly via Green E-Mailer. The ESC also actively discusses various environmental and green issues of the corporate office to seek new improvement initiatives. [102-11][103-18]

STAKEHOLDER ENGAGEMENT

Over the years, BSEL acknowledges the importance of stakeholder engagement in business strategy formulation. Stakeholder inclusiveness through ongoing communication with highest level of transparency is a top priority for BSEL. The engagements demonstrate BSEL's acknowledgement of reasonable expectations and valuing the interests of our stakeholders. In line with our commitment, we strive to build and maintain good relationships with our employees, and the communities that we operate in.

BSEL believes that multi-stakeholders engagement is important to obtain and understand their perspectives on how our business activities might affect them. Our key stakeholders comprise BSEL's internal workforce, customers, local communities, government regulators, investors and contractors.

The communication with our stakeholders was done through multiple channels such as through emails, outreach initiative programmes and surveys. Continuous engagement with our stakeholders enables us to understand their concerns, evaluate risks and opportunities, and identify material ESG matters.

SUSTAINABILITY REPORT

The following table details our engagement activities with our key stakeholders.

Key Stakeholders	Engagement Methods	Frequency	Key Issues (GRI Topics)
Government / Regulators	• Participation in government initiatives and policy working groups	Ad hoc basis	• Anti-corruption • Environmental compliance
Employees	• Performance appraisals • Annual staff events • Staff orientation for new employees • Training course options for employees	Annually / Ad hoc basis	• Training and education
Investors	• Annual General Meetings ("**AGMs**") • Annual Reports • Notices, Circulars, and Announcements	Annually	• Economic performance • Anti-corruption • Socioeconomic compliance
Customers	• Face-to-face meetings	Ad hoc basis	• Customer privacy
Contractors	• Periodic consultant and site meetings • Contractor / suppliers evaluation exercises	Ad hoc basis	• Supplier screening and assessments
Local Communities	• Corporate Social Responsibility ("**CSR**") initiatives	Ad hoc basis	• Corporate social responsibility
Media	• Media announcements	Ad hoc basis	• Compliance • Corporate social responsibility

Table 1: List of Key Stakeholders and Engagement Methods

OUR MEMBERSHIP:

Associations we support are as follows:

- Real Estate Developers' Association of Singapore
- Singapore Green Building Council
- Singapore National Employers Federation
- Singapore Business Federation

MATERIALITY ASSESSMENT

This year, BSEL engaged a third-party consultant to conduct a materiality assessment and identify ESG topics that are material to our businesses and stakeholders. The materiality assessment followed SGX's four-step approach and the GRI Standards' materiality requirements.

The identification process involved distributing survey questionnaires to internal and external stakeholders to evaluate ESG topics that are material to them, and how these topics affect BSEL's business operations. Guided by a double-materiality approach, the survey took into consideration both financial and non-financial impacts. Feedback from stakeholders were then reviewed and analysed to identify priority ESG topics. From our stakeholders' engagement survey, thirteen ESG topics were identified that are material to our business operations.

A peer benchmarking exercise was also conducted to validate our materiality results. Two additional topics, namely energy management and community development, were added to the list of material ESG topics. The list of 15 material topics[1] and its determination process was approved by the Board for our Sustainability Report disclosures.

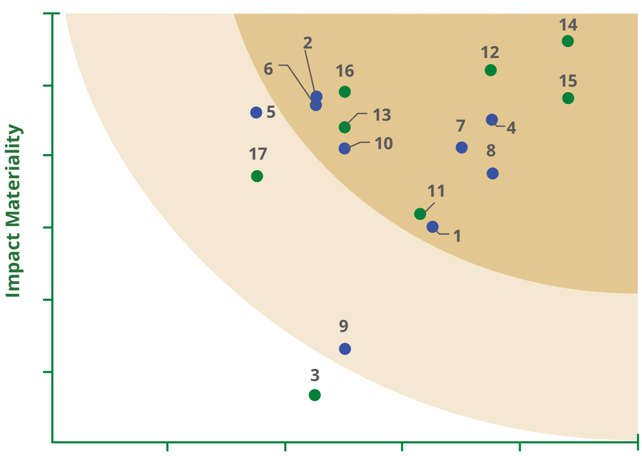

Figure 1: Materiality Matrix

[1] Non material ESG topics covered by the stakeholder engagement survey include (3) Supply chain management and (9) Biodiversity. [102-9][102-10]

Materiality Number	Material ESG Topic	Our Target
1	Economic performance	• Create quality homes that property owners will love, cherish and appreciate – for generation after generation
2	Economic contribution to society	• Create indirect economic and societal impact throughout our business operations
4	Corporate governance	• Maintain the record of zero known incidences of corruption and customer data breaches
5	Energy management	• Achieve the average energy consumption goal of equal to or less than 158kWh per month
6	Climate change and emission	• Reduce Greenhouse gas to below 27kg CO_2e/employee/month at main headquarters
7	Water management	• Increase awareness on prudent water consumption at office
8	Waste management	• Further reduce our paper usage for FY2023 by 20% based on FY2019 baseline which had an average consumption of 1.96 reams of paper per employee per month. • Implement e-signing for documents approval company-wide
10	Sustainable building	• Maintain the existing design and construction approach to achieve BCA Green Mark certification for future projects
11	Employment practices	• Conduct regular performance assessment to all our employees
12	Occupational health and safety	• Zero incidents related to injury and fatalities • No incidents in non-compliance with regulation or voluntary codes regarding health and safety
13	Training and development	• Achieve 18 hours of average training hours per employee
14	Non-discrimination, diversity & inclusion	• Ensure equal opportunities in hiring and employment • No discrimination incidents
15	Human rights	• Uphold the right of our employees • No breach of human rights incidents
16	Customer relation	• Zero incident on non-compliance with regulation or voluntary codes regarding the health and safety of its products/services
17	Community development	• Maintain our efforts and initiatives to continue helping charities with our resources • Plant 45 trees in FY2023, with a planned target increment of 5 trees every year

Table 2: List of Material ESG Topics and Our Targets

OUR SUSTAINABILITY FOCUS – ENVIRONMENTAL

SUSTAINABLE BUILDING

At BSEL, we seek to conduct our business operations as a responsible brand towards our valued stakeholders while taking into consideration the importance of upholding environmental integrity. We achieve so by embedding sustainable design thinking in our project planning and development to limit the carbon footprint of our projects during construction and throughout its operational period.

This sustainability approach has been applied since 2008 with BSEL aligning to the Building and Construction Authority ("**BCA**") Green Building Master plan. BSEL refers to ISO 14001:2015 Environmental Management System Manual 01 to improve environmental performance throughout its business operations. Several sustainability features in BSEL property developments include:

Nim Collection Phase 1 & 2	Luxus Hills Phase 16
	
Building Orientation	Building Orientation
Good Ventilation	Energy & Water Savings
Efficient AC System	Efficient AC System
EcoPlugs	EcoPlugs
Electric Car Chargers	Electric Car Chargers
Renewable Energy	Renewable Energy
Water Efficient Products	Heat Recovery System
Indoor Environment Quality	Rainwater Harvesting Tank
High SRI Values Paint	Clothes Drying Facilities
Water Efficient Fittings	Environmental Protection
	Indoor Air Quality

Table 3: List of Sustainable Features for Selected Residential Developments

To us, delivering sustainable products is our responsibility to our end-users. We are grateful to have our projects awarded Green Mark certifications, indicating our commitment towards being a sustainable brand. Our Luxus Hills (Signature Collection) received a Green Mark Platinum and Gold Plus certification while Luxus Hills (Contemporary Collection) project was certified as Green Mark Gold Plus. Both Nim Collection (Phase 1 and 2) and Watercove projects were also certified as Green Mark Gold Plus by BCA.

The Luxus Hills project has an estimated energy savings of 236,322.25kWh/year and water savings of 3,513.13m^3/year. Whereas our Watercove project has an estimated savings of 427,909.17kWh/year and 11,775.81m^3/year for both electricity and water usage respectively.

In FY2021, we received the Singapore Environment Council ("**SEC**") Eco Office award for our office. The SEC enhanced Eco Office programme was first introduced in 2018 with a tier system that aims to help participating companies improve their sustainability practices at offices. There are three tiers which start with Premium, and ascend to Champion, and Elite. We were awarded the SEC Eco Office Champion award which is valid for two years from 25 March 2021 to 24 March 2023.

ENERGY AND EMISSIONS

At BSEL, we acknowledge the importance to practice prudent energy usage in our business operations to limit the Company's carbon footprint. The Group understands the significant impact that its operations have on the environment. We manage and track our electricity consumption via monthly electricity bills and make sure our energy usage does not exceed 158kWh per month per staff in accordance with ISO 14001:2015 standards. [MA 302]

With the implementation of the COVID-19 circuit breaker, most of BSEL's employees were working from home, as such the Company was able to limit its energy consumption[2] and recorded only a slight increase of 8% in energy intensity and emission intensity throughout the reporting year. Our energy intensity registered a reading of 66kWh/employee/month and the latter 27kg CO_2e/employee/month[3]. The following diagram illustrates the Company's energy usage and Scope 2 carbon emission for the past five years. [302-1, 302-3, 305-2, 305-4]

[2] *The energy consumption disclosure excludes Scope 1 direct emission, which is currently not recorded and reports on the electricity consumption of indirect Scope 2 emission from our office operations only. All residential units for sale are excluded from the reporting scope because we no longer have financial ownership and operational control over the property units. Development projects are also excluded as we do not have operational control over the construction work. In future, the Group will consider expanding the reporting scope to cover energy consumption figures related to its Scope 1 emission and its serviced apartment.*

[3] *To calculate the GHG emissions from our purchased electricity, we adopted the average Operating Margin ("**OM**") Electricity Grid Emission Factor from Energy Market Authority ("**EMA**").*

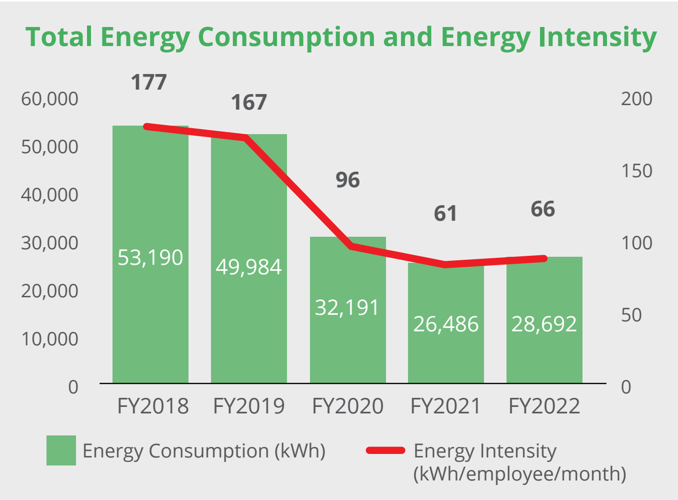

Figure 2: Total Energy Consumption and Energy Intensity

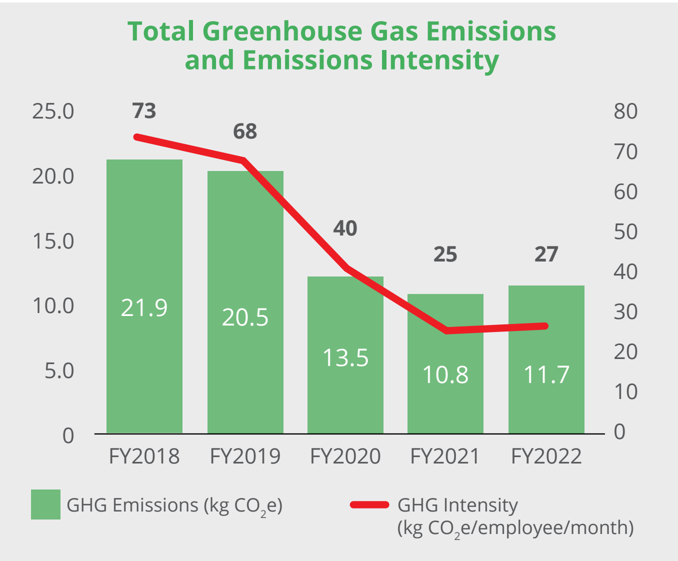

Figure 3: Total Greenhouse Gas Emissions and Emissions Intensity

RESOURCE AND WASTE MANAGEMENT

With natural resources now becoming more limited, we do our best to conserve natural resources to maintain a balanced ecosystem. The Group has in place an Environmental Management System ("**EMS**") to manage the interactions and impacts our activities have on the environment. The EMS delineates a structured communication approach to remind employees on regulation updates across environmental aspects including water, air, noise, hazardous substances and toxic material waste. Compliance review to the EMS is done internally on a quarterly basis. The next re-certification period for ISO 14001:2015 is expected to be done in March 2024.

Echoing the importance of preserving natural resources, we began planting trees with the aim to offset the carbon emission generated from our business operations. The Group planted 40 trees in FY2022 to remove 800kg of CO_2 generated. We will annually increase the number of trees planted by five, moving forward. In the case with water usage[4], we make sure our staff practise prudent water usage at our offices by placing notice reminders next to water taps to remind staff to turn off the tap. At water closets within our office, there are sensors that automatically turn off the water taps, limiting water wastage.

To preserve water quality and mitigate pollution, all developments under construction are required to obtain approval for Earth Control Measures to ensure silty water discharged from construction activities are treated appropriately before entering public drains. [303-2]

We have also placed recycling bins within the vicinity of our office to encourage the separation of recyclables such as for paper, plastic, and general waste. In addition to this, the Group introduced a company policy that encourages its employees to use paper prudently. For FY2022, our employees are allowed to use no more than 2.2 reams of paper per month. This is a decrease from the previous year's 2.4 reams allocation per employee per month. Our employees are encouraged to print internal documents on recycled paper whenever possible. Among other approaches taken to manage our paper consumption include:

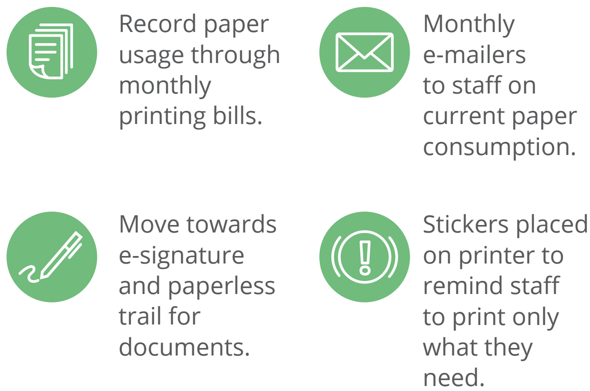

Figure 4: Key Initiatives to Promote Responsible Consumption of Paper

Our recorded paper consumption till the date of reporting is 1.97 metric tonnes. We will endeavour to further reduce our paper consumption for FY2023 by 20% based on FY2019 baseline which had an average consumption of 1.96 reams of paper per employee per month. [306-3]

[4] *Water consumption figures were not recorded since the rented office area is not separately metered. In future, the Group will consider expanding the reporting scope to cover water consumption figures in its serviced apartment.*

OUR SUSTAINABILITY FOCUS – SOCIAL

EMPLOYMENT

We recognise that human capital is key to the long-term success of our business. We have taken steps to encourage the development of our employees by giving them opportunities to realise their fullest potential. In BSEL, we recognise our employees as our core asset in driving and fostering the Company's vision and mission. We are committed to providing a safe and secure working environment, attractive remuneration and benefits packages, training and learning opportunities, and work-life balance as part of the retention program.

In ensuring our employees' growth and development, we conduct annual performance assessments for all our employees to monitor and keep track of their performance. These assessments enable us to help our employees improve their knowledge and skills.

The employee turnover will be evaluated and reviewed by Management to identify the root cause of it. BSEL will continuously review its employee benefits for any necessary improvements and updates. As part of our initiative to improve staff engagement, we appoint a third party to conduct an employee survey to learn about employees' points of view and commitment to the Company.

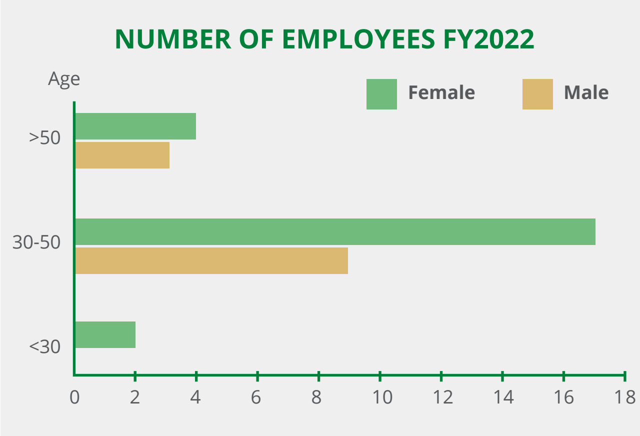

Figure 5: Number of BSEL Employees by Age Group

Figure 6: Group's Employee Hiring and Turnover Rate

DIVERSITY AND INCLUSION

BSEL is committed to equal employment opportunity where we promote diversity and inclusiveness as part of our work culture to maintain a diverse working environment. We believe diversity and inclusiveness in workplace can bring value to our Company and create an environment where our employees feel valued and respected. This indirectly reduces employee turnover. During the recruitment process, we ensure that equal opportunity is given to all applicants regardless of race, ethnicity, gender, age, or physical status.

As of 31 March 2022, our Board consists of 80% Male and 20% Female, whilst our employees consist of 66% Female and 34% Male. [405-1]

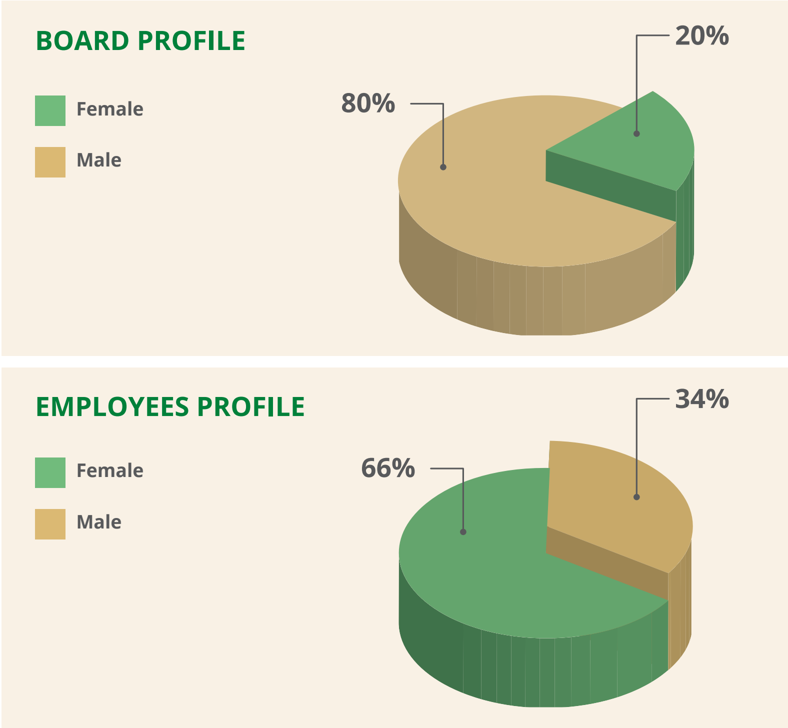

Figure 7: Group's Employee and Board Profile by Gender

BSEL DIVERSITY BY AGE				
Category / Age (years)	Board Members	Managerial	Executive	Non-Executive
<30	0.0%	0.0%	9.1%	0.0%
30-50	0.0%	77.8%	81.8%	25.0%
>50	100.0%	22.2%	9.1%	75.0%

BSEL DIVERSITY BY GENDER				
Category / Gender	Board Members	Managerial	Executive	Non-Executive
Female	20.0%	55.6%	63.6%	100.0%
Male	80.0%	44.4%	36.4%	0.0%

Table 4: Employee Diversity Composition

HUMAN RIGHTS

At BSEL, we respect and uphold the rights of our employees. We are committed to eliminate any form of discrimination where all our employees will be given fair treatment and equal employment practices regardless of race, religion, and gender. From our employee handbook, our employees acknowledge that we emphasise mutual respect and are against any form of harassment or discrimination at all times. The employee handbook is always accessible to all existing and new employees.

We established a channel for employees to raise any issues relating to human rights where our employees could express their concerns confidentially.

During the reporting period, there were zero incidents of discrimination within the organisation.

To ensure all our employees are constantly aware of BSEL's commitment to upholding utmost respect for human rights, non-discrimination, fair treatment, and fight against any form of harassment, we will conduct human rights-related training for our employees, moving forward.

SUSTAINABILITY REPORT

TRAINING AND EDUCATION

Employees are both drivers and enablers in businesses. Hence, nurturing our talent is integral to BSEL's long-term business success. The Group devotes resources and efforts to ensure our employees receive both role-specific training that improves their performance and all-rounded learning opportunities that can help them advance their career goals.

To ensure the training we provide can meet the needs of our employees, our human resource department conducts learning needs analysis every year and uses the result to monitor our staff training plan. The Group encourages employees to attend knowledge-sharing sessions organised by external regulatory and educational bodies (listed below) to keep them abreast of the latest industry developments.

- Real Estate Developers' Association of Singapore (REDAS)
- Institute of Estate Agents (IEA)
- BCA Academy
- Institute of Singapore Chartered Accountants (ISCA)
- Singapore National Employers Federation (SNEF)
- Singapore Business Federation (SBF)
- Data Protection Excellence (DPEX) Network
- Sim Mong Teck & Partners (SMT&P)
- PropertyGuru Singapore

In FY2021, we recorded an average of 22 training hours per employee, exceeding the target of 14 hours set for the year. In the coming financial year, we plan to raise our targets on average training hours to 18 hours per employee.

FY2022 Average Training Hours

By Employee Category

28.6 Management

19.9 Non-management

By Gender

Female **17.4**

Male **31.4**

Table 5: Number of Employee Training Hours by Gender and Employment

HEALTH AND SAFETY

Health and safety are our greatest priority and we are committed to providing a safe working environment for all our employees as well as to overseeing the safety measures taken by our appointed contractors. All our employees are covered with insurance plans where hospitalisation and surgical charges, outpatient treatment and consultation fees incurred are covered. BSEL's newly hired employees are required to attend Fire Drill Exercise Briefing conducted by Fire Warden. We will send our employees to attend relevant training on Workplace Safety and Health ("**WSH**") to avoid incidents within BSEL's operations and equip employees with the knowledge to react to emergencies. Our employees will also be sent to attend Fire Safety, First Aid, and CPR-AED training courses. [403-1, 403-3, 403-5, 403-6]

BSEL will ensure safety and health measures within our construction sites by our appointed contractors are in place, complying with applicable and relevant laws and regulations including WSH Act, and Work Injury Compensation Act. Prior to any appointment of contractors, pre-qualification information from potential contractors will be gathered as part of due diligence process where the level of safety and health practices top the list of review. BSEL's main contractors are occupiers of the sites and are fully responsible for the safety and health of the workers at site. Our appointed main contractors are certified with ISO 9001:2015 and ISO 45001:2018. As per the WSH Act, main contractors will appoint Safety Officer, Environmental Control Officer and Building Construction Safety Supervisors, and form WSH committees as part of complying with safety and health regulations. In Fortnightly Site Meetings and Progress Reports, main contractors will highlight to BSEL's Management the safety compliances to WSH Act and discuss any incidents that happen within the construction sites. The Consultant Team, BSEL Project Managers and Resident Engineers / Resident Technical Officers will also bring up any safety and health violations for main contractors to rectify and comply during site meetings. Any contravening of safety and health regulation as per the WSH Act as well as incidents recorded will be brought up during Monthly Management Meetings for further discussion to prevent recurrence. [403-2, 403-4]

As a precaution and to make sure the workplace is safe and healthy, BSEL will engage a Design for Safety Consultant either through our principal consultant or qualified third-party Safety Coordinators to conduct the hazard identification, risk assessment, risk control and audit meetings. [403-2, 403-3]

In compliance with the regulation, safety audits at construction sites will be conducted every six months by qualified external safety auditors engaged by main contractors. The safety audit visits and evaluations will give insights to BSEL and the main contractors on safety measures and practices that need to be improved within the construction sites. Continuous training for construction workers will be conducted to ensure safer workplace environment which will eventually reduce risks of accidents and injuries at project sites. At BSEL, we actively communicate and give reminders on good health and safety practices to our main contractors by sending out monthly workplace health, safety, and welfare control communication. [403-7]

EMPLOYEES		NON-EMPLOYEES[5]	
Number of fatalities	0	Number of fatalities	0
Rate of fatalities	0	Rate of fatalities	0
Number of high consequences	0	Number of high consequences	0
Rate of high consequences	0	Rate of high consequences	0
Number of recordable work-related injuries	0	Number of recordable work-related injuries	0
Rate of recordable work-related injuries	0	Rate of recordable work-related injuries	0
Number of working hours	75,087	Number of working hours	2,080

Table 6: Number and Rate of Safety Incidents

In FY2022, the Company has identified no non-compliance with regulation or voluntary codes regarding the health and safety of its products/services. [406-1]

[5] Data exclude construction workers. Data disclosed only office despatch contractor.

OUR SUSTAINABILITY FOCUS – ECONOMIC

CONTRIBUTION TO SOCIETY

Creating Sustainable Value

BSEL prides itself on providing high quality property development to thousands of families, now called home. Through our property development and investment, we strive to create sustainable economic value for homeowners, our shareholders and stakeholders. Please refer to pages 65 and 66 of our Annual Report for detailed information regarding the Group's financial performance. [201-1]

Direct economic value generated and distributed	
Direct Economic Value Generated: Revenues	$288 million
Economic Value Distributed	$225 million
Economic Value Retained	$63 million

Table 7: Direct Economic Value Generated and Distributed

Besides generating direct economic value, the Group strives to create indirect economic and societal impact throughout our business operations. As our property developments are aligned with sustainable building requirements, we help improve the environment of our society and contribute to the sustainable urban development in the country. We also actively monitor the construction works of our contractors to minimise the negative impacts and disturbances brought upon the public. [203-2]

Our Community Efforts

Through our community engagement activities, the Group and its employees are devoted to giving back to our community in Singapore. We have established a Corporate Social Responsibility ("**CSR**") Committee to plan and coordinate our community engagement plans. The CSR Committee conducts Corporate Community Involvement ("**CCI**") activities in line with the Group's CCI guidelines. The CSR Committee regularly gathers feedback on community engagement activities conducted for further improvements. We have incorporated CSR-related key performance indicators at the management level to encourage employee participation in community activities.

At the height of the COVID-19 pandemic, our employees continued to support charitable causes and organised donation events to gather used furniture and kitchen appliances, and IT equipment to be donated to charity. BSEL will endeavour to maintain its efforts and initiatives in helping charity organisations. [203-2]

SUSTAINABILITY REPORT

Case Study:
Furniture and kitchen appliances donations

In FY2022, our employees arranged a donation event to give away functioning furniture and kitchen appliances that were in good condition. Furnitures like coffee tables, tv consoles, dining tables, chairs, etc. and kitchen appliances like integrated fridge freezer, integrated dishwasher, gas hob, water heater, etc. were donated.

Our employees approached charities, including Bethesda Cathedral, Bright Hill Evergreen Home, Dementia Singapore (formerly known as Alzheimer's Disease Association), and Moral Home for the Aged Sick, with a list of furniture and kitchen appliances to be donated. Upon the charities' confirmation, our employees helped arrange the collection of the furniture and appliances needed.

Representative from the Moral Home for the Aged Sick Limited during the collection of furniture and kitchen appliances donations. (Photo courtesy of Moral Home for the Aged Sick Limited)

The Group also contributes back to the community through the provision of financial aid to local charities and organisations at the end of every financial year. We support local charities and organisations that reach out to the underprivileged and disabled. Below is the list of registered charities and organisations that the Group has provided financial aid to during the reporting year [203-2]:

- Dementia Singapore (formerly known as Alzheimer's Disease Association)
- Autism Resource Centre (Singapore)
- Blossom Seeds
- Bright Hill Evergreen Home
- Bright Vision Hospital
- Cerebral Palsy Alliance Singapore
- Chen Su Lan Methodist Children's Home
- Dover Park Hospice
- Guide Dog Singapore
- Lions Home for the Elders
- Movement for the Intellectually Disabled of Singapore (MINDS)
- The National Kidney Foundation
- Singapore Association for the Deaf
- Singapore Association of the Visually Handicapped
- SPD (formerly known as Society for the Physically Disabled)
- Very Special Arts Singapore

We held our annual "Plant-A-Tree" event on 21 January 2022 at Luxus Hills Park, Singapore. Our employees planted a total of 40 trees, and this was carried out in line with COVID-19 safe distancing measures at the time. This initiative began in 2015 and has been part of the Group's Environmental Policy objective towards offsetting our carbon emissions and caring for the environment. We target to plant 45 trees in FY2023, with a planned increment of 5 trees for each coming year.

Figure 8: BSEL employees participating in the annual "Plant-A-Tree" event

For the first time, the Environmental Sustainability Committee organised litter picking at the East Coast Beach on 26 November 2021. The Group recognises our responsibility in keeping our public spaces clean and safe for everyone. This beach cleanup made our employees more mindful of how they dispose of their plastics and play a stronger role in preserving our ecosystem.

Figure 9: BSEL employees participating in the Costal Clean up event

CORPORATE GOVERNANCE

BSEL is committed to ensuring that our business operations and internal processes remain in compliance with relevant laws and regulations. Within the top-down management of business ethics and anti-corruption, we adhere to high standards of corporate governance, business integrity, ethics, and transparency. We adopt a zero-tolerance stance to prevent any form of corruption and unethical behaviour.

Anti-corruption

A string of guidelines has been formulated to outline the Group's expectation of employees regarding ethics and compliance practices. In the employee handbook which is applicable to the whole Group, bribery and acceptance of gifts are well defined. Employees are advised to clarify with the Management about necessary action when receiving gifts from external parties.

We ensure that the Group's expectation on anti-corruption is communicated to every management and non-management employees. If employees have any doubts about a particular situation, he/she should consult the Head of Department. A whistleblowing channel has also been established to allow concerns about plausible improprieties in matters of business ethics to be raised by any complainant. [205-2]

All employees are required to declare any conflict of interest on a yearly basis. As of 31 March 2022, one staff member attended external training on anti-corruption and business ethics. We have ensured all employees, including the Management, are informed of the anti-corruption guidelines. Training on integrity and business ethics will be conducted across the Group. We also plan to send more staff for anti-corruption and business ethics training in FY2023.

In FY2022, there were zero known incidences of corruption in any form. [205-3]

Total number of confirmed incidents of corruption	Total number of confirmed incidents in which employees were dismissed or disciplined for corruption
0	0
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	**Public legal cases regarding corruption brought against the organisation or its employees during the reporting period and the outcomes of such cases**
0	0

Table 8: Number of Corruption Incidents Recorded

DATA PRIVACY PROTECTION

We adhere to Singapore's Employment Act and Personal Data Protection Act ("**PDPA**"). A set of policies including Privacy Policy, Personal Data Protection Policy and Guidelines have been formulated following the regulations. We define clearly how personal data is collected, used, and stored. A data protection clause and consent option are also provided when personal information is requested from stakeholders. Moreover, a Data Breach Management Plan is in place to guide and ensure timely response to any data breach occurrences. The Group's Data Protection Officers ("**DPOs**") helm the Management and enforcement of data protection practices within the Group and review corporate communication materials to mitigate risks of non-compliance.

We place a strong emphasis on protecting the confidentiality of our database and customer information. BSEL engaged third party to provide a set of data protection assessments and audit questionnaires to review BSEL's data protection practices in all departments. The assessments and audit questionnaires guide us to improve implementation of data privacy practices across the Group. We broadcast information and news monthly to raise employees' awareness and attention to the importance of complying with the PDPA. A third party was engaged this year to provide PDPA training that includes topics such as PDPA policy guidelines, legal document templates on PDPA matters, PDPA assessment and audit, etc. to all employees.

In FY2022, the Group did not receive any complaints concerning breaches of customer privacy or loss of customer data. [418-1]

For all project developments, we ensure all authority requirements are met in accordance with the Group's standard operating procedures ("**SOP**") prior to project launch. For transparency and accountability, any non-compliance or litigation will be reported to the highest management level within the Company.

GRI CONTENT INDEX

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	102-9 Supply chain	44	Refer to Annual Report
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	102-11 Precautionary principle or approach	43	
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	102-49 Changes in reporting	Not Applicable	
	102-50 Reporting period	42	
	102-51 Date of most recent report	Annual Report FY2021 (June 2021)	
	102-52 Reporting cycle	Annual	
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GRI 103: MANAGEMENT APPROACH

General Standard	GRI Disclosure	Page Number(s)	
MANAGEMENT APPROACH			
GRI 103: Management Approach	103-1 Explanation of the material topic and its boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	GRI 201	Refer to Annual Report
		GRI 203	51 & 52
		GRI 205	53
		GRI 302	46
		GRI 303	47
		GRI 305	46
		GRI 306	47
		GRI 401	48
		GRI 403	50 & 51
		GRI 404	48
		GRI 405	49
		GRI 406	51
		GRI 412	49
		GRI 413	51
		GRI 416	50
		GRI 418	53

SUSTAINABILITY REPORT

SPECIFIC DISCLOSURES

General Standard	GRI Disclosure	Page Number(s)	Remark(s)
CATEGORY: ECONOMIC			
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	Refer to Annual Report	
GRI 203: Indirect Economic Impacts	203-2 Significant indirect economic impacts	51	
GRI 205: Anti-Corruption	205-2 Communication and training about anti-corruption policies and procedures	53	
	205-3 Confirmed incidents of corruption and actions taken	53	
CATEGORY: ENVIRONMENTAL			
GRI 302: Energy	302-1 Energy consumption within the organisation	46	
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GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	47	
	305-2 Indirect (Scope 2) GHG emissions	47	
	305-4 GHG emissions intensity	47	
GRI 306: Waste	306-3 Waste generated	47	
CATEGORY: SOCIAL			
GRI 401: Employment	401-1 New employee hires and employee turnover	48	
GRI 403: Occupational Health and Safety	403-1 Occupational health and safety management system 403-2 Hazard identification, risk assessment, and incident investigation 403-3 Occupational health services 403-4 Worker participation, consultation, and communication on occupational health and safety 403-5 Worker training on occupational health and safety 403-6 Promotion of worker health 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships 403-9 Work-related injuries	50 50 50 50 50 50 51 51	
GRI 404: Training and Education	404-1 Average hours of training per year per employee	50	
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	49	
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	51	
GRI 412: Human Rights Assessment	412-2 Employee training on human rights policies or procedures	49	
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments and development programs	51 - 53	
GRI 416: Customer health and safety	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	51	
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	54	

FINANCIAL CONTENTS

DIRECTORS' STATEMENT

The directors present their statement together with the audited consolidated financial statements of the Group and statement of financial position of the Company for the financial year ended March 31, 2022.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position of the Company as set out on pages 65 to 113 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at March 31, 2022, and the financial performance, changes in equity and cash flows of the Group for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

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

Koh Poh Tiong
Lee Chien Shih
Fam Lee San
Chng Kiong Huat
Ong Sim Ho

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND 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 objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act 1967, particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

	Holdings in the name of the director		Other holdings in which the director is deemed to have an interest	
Name of director and corporation in which interests are held	**At beginning of the year**	**At end of the year**	**At beginning of the year**	**At end of the year**
The Company				
Ordinary shares fully paid				
Lee Chien Shih	542,900	542,900	–	–
Chng Kiong Huat	–	–	10,000	10,000

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

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

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and April 21, 2022.

4 SHARE OPTIONS

(a) Options to take up unissued shares

During the financial year, no option to take up unissued shares of the Company or its subsidiaries was granted.

(b) Options exercised

During the financial year, there were no shares of the Company or its subsidiaries issued by virtue of the exercise of an option to take up unissued shares.

(c) Unissued shares under option

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

5 AUDIT AND RISK MANAGEMENT COMMITTEE

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

- Ong Sim Ho (Chairman and Independent Director)
- Koh Poh Tiong (Independent Director)
- Fam Lee San (Non-Executive Director)

The Audit and Risk Management Committee performs the functions specified in Section 201B of the Singapore Companies Act 1967, the Listing Manual and the Best Practices Guide of the Singapore Exchange Securities Trading Limited ("SGX-ST"), and the Code of Corporate Governance.

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

5 AUDIT AND RISK MANAGEMENT COMMITTEE (CONT'D)

The Audit and Risk Management Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- the half-yearly and full year announcements of the results and financial position of the Group and the Company and, financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX-ST Listing Manual).

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

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

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

6 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

....
Koh Poh Tiong
Director

....
Chng Kiong Huat
Director

June 21, 2022

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bukit Sembawang Estates Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at March 31, 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 65 to 113.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at March 31, 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

<u>Valuation of development properties</u>

The Group has residential development properties in Singapore with a carrying amount of $910 million as at March 31, 2022. Development properties represent the most significant category of assets on the statement of financial position and are measured at the lower of cost and net realisable value ("NRV"). We focus on properties under development with lower margins within development properties as at March 31, 2022. The Group estimates the NRV of these properties under development based on valuations carried out by professional independent valuers using the direct comparison method. The direct comparison method takes into consideration recent transacted prices of the units and prices of similar properties in the surrounding location.

The valuers have indicated that the COVID-19 pandemic has created unprecedented economic uncertainty which increase the difficulty to predict the impact COVID-19 has on the future valuation of real estate. More frequent reviews on the market value should be undertaken.

Key Audit Matters (Cont'd)

Valuation of development properties (Cont'd)

Our audit performed and responses thereon

Our audit procedures included considering the appropriateness of the valuation techniques used by the independent external valuers, understanding management's process in selecting the independent external valuers with the appropriate knowledge and experience and how the valuation reports are used in determining the estimated selling prices for the development project used in the assessment of NRV. We discussed with the independent external valuers on the results of their work, and whether their assumptions are consistent with current market environment and the valuers have considered any impact arising from COVID-19 including the timing of the valuation exercise. We also evaluated the competency and qualifications of the independent external valuers. The above are also disclosed in Note 8 to the financial statements.

Valuation of property, plant and equipment

The carrying amount of the property, plant and equipment of the Group is $212 million as at March 31, 2022. Property, plant and equipment comprises mainly serviced apartment units.

The Group carried out an impairment assessment of its serviced apartment units based on recoverable value obtained from external valuation carried out by an independent external valuer. The valuer had indicated in its valuation report that the real estate market is being impacted by the uncertainty that the COVID-19 outbreak has caused. The valuation is current as at the date of valuation only and that the value assessed may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the particular property). The valuation is sensitive to key assumptions applied and a change in the key assumptions may have an impact on the recoverable amount.

Our audit performed and responses thereon

Our audit procedures included understanding management's process in selecting the independent external valuers with the appropriate knowledge and experience and how the valuation report is used in determining the recoverable value of the serviced apartment units. We evaluated the qualifications and competence of the independent external valuers.

We involved our valuation specialists to understand the valuation methodology used and the underlying assumptions and tested the key inputs used, including room and occupancy rates, and also held discussions with the external valuers to understand the capitalisation, discount and terminal yield rates and how they have considered the impact of COVID-19 and any judgements and key estimates used in the valuation.

We noted that the valuation methodology is in line with generally accepted market practices and the key assumptions applied are consistent with currently observable market data and environment. The assumptions are disclosed in Note 5 to the financial statements.

Information other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the 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.

We have obtained all other information prior to the date of this auditor's report except for the Shareholding Statistics (the "Report") which is expected to be made available after that date.

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

Information other than the Financial Statements and Auditor's Report Thereon (Cont'd)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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:

(a) 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.

(b) 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 Group's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Group to cease to continue as a going concern.

(e) 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.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lee Boon Teck.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

June 21, 2022

STATEMENTS OF FINANCIAL POSITION
As at March 31, 2022

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Non-current assets					
Investment property	4	3,160	3,323	–	–
Property, plant and equipment	5	212,355	204,052	–	–
Investments in subsidiaries	6	–	–	313,000	313,000
Deferred tax assets	7	12,404	10,903	–	–
		227,919	218,278	313,000	313,000
Current assets					
Development properties	8	910,161	963,624	–	–
Contract costs	9	1,853	6,705	–	–
Contract assets	10	–	30,728	–	–
Trade and other receivables	11	3,320	3,089	794,266	469,416
Cash and cash equivalents	12	530,110	728,971	492,547	670,382
		1,445,444	1,733,117	1,286,813	1,139,798
Total assets		1,673,363	1,951,395	1,599,813	1,452,798
Equity attributable to shareholders of the Company					
Share capital	13	631,801	631,801	631,801	631,801
Reserves	14	850,184	852,706	57,079	107,248
Total equity		1,481,985	1,484,507	688,880	739,049
Non-current liabilities					
Borrowings	15	130,858	337,859	–	–
Lease liabilities	16	772	396	–	–
Other payables	17	–	3,692	–	–
Provisions		146	145	–	–
Deferred tax liabilities	7	36	5,007	36	59
		131,812	347,099	36	59
Current liabilities					
Trade and other payables	17	36,432	82,155	910,623	713,382
Lease liabilities	16	481	374	–	–
Contract liabilities	10	3,339	–	–	–
Current tax payable		19,314	37,260	274	308
		59,566	119,789	910,897	713,690
Total liabilities		191,378	466,888	910,933	713,749
Total equity and liabilities		1,673,363	1,951,395	1,599,813	1,452,798

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended March 31, 2022

	Note	2022	2021
		$'000	$'000
Revenue	18	288,229	580,961
Cost of sales		(187,925)	(337,599)
Gross profit		100,304	243,362
Other income		1,357	1,655
Administrative expenses		(8,979)	(8,155)
Other operating income/(expenses)		6,019	(5,141)
Profit from operations	19	98,701	231,721
Finance income		1,670	2,086
Finance costs		(5,036)	(6,442)
Net finance costs	20	(3,366)	(4,356)
Profit before tax		95,335	227,365
Tax expense	21	(12,417)	(37,930)
Profit for the year representing total comprehensive income for the year		82,918	189,435
Earnings per share			
Basic and diluted earnings per share (cents)	22	32.03	73.17

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended March 31, 2022

	Note	Share capital	Accumulated profits	Total
		$'000	$'000	$'000
<u>**Group**</u>				
At April 1, 2020		631,801	691,751	1,323,552
Total comprehensive income for the year				
Profit for the year		–	189,435	189,435
Transactions with owners, recorded directly in equity				
Contributions by and distributions to equity holders				
Dividends paid	23	–	(28,480)	(28,480)
Total contributions by and distributions to equity holders		–	(28,480)	(28,480)
Total transactions with owners		–	(28,480)	(28,480)
At March 31, 2021		631,801	852,706	1,484,507
Total comprehensive income for the year				
Profit for the year		–	82,918	82,918
Transactions with owners, recorded directly in equity				
Contributions by and distributions to equity holders				
Dividends paid	23	–	(85,440)	(85,440)
Total contributions by and distributions to equity holders		–	(85,440)	(85,440)
Total transactions with owners		–	(85,440)	(85,440)
At March 31, 2022		631,801	850,184	1,481,985

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended March 31, 2022

	Note	2022	2021
		$'000	$'000
Cash flows from operating activities			
Profit before tax		95,335	227,365
Adjustments for:			
Depreciation of investment property	4	163	162
Depreciation of property, plant and equipment	5	6,320	6,322
Impairment loss on property, plant and equipment written back	5	(13,358)	–
Allowance for foreseeable losses on development properties recognised/(written back)	8	724	(2,280)
Interest income	20	(1,670)	(2,086)
Finance costs	20	5,036	6,442
		92,550	235,925
Changes in:			
Consumable stocks		–	441
Development properties		52,739	284,612
Contract costs		4,852	1,745
Contract assets		30,728	5,399
Trade and other receivables		(633)	18,072
Trade and other payables		(48,543)	(38,731)
Contract liabilities		3,339	535
Cash generated from operations		135,032	507,998
Interest received		1,805	1,955
Taxes paid		(36,835)	(45,361)
Net cash generated from operating activities		100,002	464,592
Cash flows from investing activities			
Additions to property, plant and equipment		(270)	(606)
Net cash used in investing activities		(270)	(606)
Cash flows from financing activities			
Repayment of borrowings		(207,600)	–
Dividends paid to owners of the Company	23	(85,440)	(28,480)
Interest paid		(5,041)	(5,979)
Payments for lease liabilities	15	(512)	(466)
Net cash used in financing activities		(298,593)	(34,925)
Net (decrease)/increase in cash and cash equivalents		(198,861)	429,061
Cash and cash equivalents at beginning of the year		728,971	299,910
Cash and cash equivalents at end of the year	12	530,110	728,971

See accompanying notes to financial statements.

1 GENERAL

Bukit Sembawang Estates Limited (the "Company") is incorporated in the Republic of Singapore and has its registered office at 2 Bukit Merah Central, #13-01, Singapore 159835. The Company is listed on the Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore dollars, which is the Company's functional currency. All financial information has been rounded to the nearest thousand, unless otherwise stated.

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

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

The consolidated financial statements of the Group and statement of financial position of the Company for the year ended March 31, 2022 were authorised for issue by the Board of Directors on June 21, 2022.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements are prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards (International) ("SFRS(I)s").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

Measurement of fair values

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

ADOPTION OF NEW AND REVISED STANDARDS – The Group and the Company adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations and effective for annual periods beginning on or after April 1, 2021. The adoption of these new/revised SFRS(I) pronouncements does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior years except as discussed below:

<u>Impact of the initial application of Interest Rate Benchmark Reform</u>

In the current year, the Group adopted the Phase 2 amendments Interest Rate Benchmark Reform: *Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7*. Adopting these amendments enables the Group to reflect the effects of transitioning from interbank offered rates ("IBOR") to alternative benchmark interest rates (also referred to as 'risk free rates' or RFRs) without giving rise to accounting impacts that would not provide useful information to users of financial statements.

As a result of Phase 2 amendments, when the contractual terms of the Group's bank borrowings are amended as a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the basis immediately preceding the change, the Group changes the basis for determining the contractual cash flows prospectively by revising the effective interest rate. If additional changes are made, which are not directly related to the reform, the applicable requirements of SFRS(I) 9 are applied to the other changes.

The Group has floating rate debt linked to SGD Swap Offered Rate and will be able to apply the practical expedient available under the Interest Rate Benchmark Reform - Phase 2 amendments to allow for modifications required by the reform as a direct consequence and made on an economically equivalent basis to be accounted for by updating the effective interest rate prospectively. The Group will transition its significant exposures to RFRs by June 30, 2023. The Group expects that there are no significant impact to those contracts that referenced to SOR.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

At the date of authorisation of these financial statements, the following amendments and annual improvements to SFRS(I) that are relevant to the Group and the Company were issued but not effective during the financial year:

Effective for annual periods beginning on or after April 1, 2022

- Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*
- Annual improvements to SFRS(I)s 2018-2020
- Amendments to SFRS(I) 1-16: *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to SFRS(I) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract*

Effective for annual periods beginning on or after April 1, 2023

- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*
- Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The above amendments and improvements are not expected to have a significant impact on the Group and Company.

BASIS OF CONSOLIDATION – The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

Subsidiaries

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

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

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Subsidiaries in the separate financial statements

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

BUSINESS COMBINATIONS – The Group accounts for business combinations using the acquisition method when control is transferred to the Group.

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

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

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

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

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

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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

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

The estimated useful lives are as follows:

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

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

PROPERTY, PLANT AND EQUIPMENT – Property, plant and equipment are stated at cost, less accumulated depreciation and any accumulated impairment loss where the recoverable amount of the asset is estimated to be lower than its carrying amount.

Recognition and measurement

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Renovation in-progress is not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives are as follows:

Freehold properties	50 years
Right-of-use assets (Leased properties)	2 to 9 years
Furniture, fittings and equipment	3 to 10 years
Plant and machinery	5 to 10 years
Motor vehicles	5 years
Computers	3 years

Residual values are ascribed to the core component of the freehold properties which takes into consideration the freehold tenure of the site on which the properties are located.

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

LEASES – Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

When a contract includes lease and non-lease components, the Group applies SFRS(I) 15 *Revenue from Contracts with Customers* to allocate the consideration under the contract to each component.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

As a lessee, the Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise of the following, where applicable:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The carrying amount of the lease liability includes interest on the lease liability (computed using the effective interest method) and the carrying amount will be reduced when the lease payments are made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The right-of-use assets are presented as part of property, plant and equipment in the statement of financial position.

The Group applies SFRS(I) 1-36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

DEVELOPMENT PROPERTIES – Development properties are measured at the lower of cost and net realisable value. Cost includes acquisition costs, development expenditure and other costs directly attributable to the development activities.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. The write-down to net realisable value is presented as allowance for foreseeable losses.

CONTRACT COSTS – Incremental costs of obtaining a contract for the sale of a development property are capitalised as contract costs only if (a) these costs relate directly to a contract or an anticipated contract which the Group can specifically identify; (b) these costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue on the contract. An impairment loss is recognised in the profit or loss to the extent that the carrying amount of capitalised contract costs exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

CONTRACT ASSETS – Contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on construction of development properties. Contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

CONTRACT LIABILITIES – Contract liabilities primarily relate to:

- advance consideration received from customers; and
- progress billings issued in excess of the Group's rights to the consideration.

FINANCIAL INSTRUMENTS – Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

<u>Recognition and initial measurement</u>

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost.

These financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of ownership of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or when they expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

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

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

Share capital

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

IMPAIRMENT OF ASSETS – At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss.

Non-derivative financial assets and contract assets

The Group recognises loss allowances for expected credit losses ("ECL") on:

- financial assets measured at amortised cost; and
- contract assets (as defined in SFRS(I) 15).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECL: these are ECL that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or

- Lifetime ECL: these are ECL that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECL for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECL.

General approach

The Group applies the general approach to provide for ECL on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECL at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECL.

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The Group considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECL are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due from the entity in accordance with the contract and the cash flows that the Group expects to receive). ECL are discounted at the effective interest rate of the financial asset.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Non-financial assets

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

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

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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

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

Levies

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

Restoration costs

A provision for restoration costs is recognised when the Group enters into a lease agreement for the premises. It includes the estimated cost of demolishing and removing all the leasehold improvements made by the Group to the premises. The premises shall be reinstated to the condition set out in the lease agreements upon the expiration of the lease agreements.

EMPLOYEE BENEFITS – The Group has both defined contribution plans and short-term benefits for the employees.

Defined contribution plans

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Short-term benefits

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

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

REVENUE RECOGNITION – Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

Sale of development properties

The Group develops and sells residential development projects to customers through fixed-price contracts. Revenue is recognised when the control over a development property has been transferred to the customer. At contract inception, the Group assesses whether the Group transfers control of the residential project over time or at a point in time by determining if (a) its performance does not create an asset with an alternative use to the Group; and (b) the Group has an enforceable right to payment for performance completed to date.

Where a development property has no alternative use for the Group due to contractual restriction, and the Group has enforceable rights to payment for performance completed to date arising from the contractual terms, revenue is recognised over time by reference to the Group's progress towards completing the construction of the development property. The measure of progress is determined based on the stage of completion of construction certified by quantity surveyors. Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

In respect of contracts where the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised only when the completed property is delivered to the customer and the customer has accepted it in accordance with the sales contract.

Revenue is measured at the transaction price agreed under the contract entered into with customers. Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The customer is invoiced based on a payment schedule which is typically triggered upon achievement of specified construction milestones. If the value of the goods transferred by the Group exceeds the payments, a contract asset is recognised. If the payments exceed the value of the goods transferred, a contract liability is recognised. The accounting policy for contract assets and contract liabilities is set out above.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Hospitality income

Revenue from serviced apartment operations is recognised at the point when the accommodation and related services are rendered.

Rental income

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

GOVERNMENT GRANTS – Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

FINANCE INCOME AND COSTS – The Group's finance income comprises interest income on cash balances and finance costs comprises interest expense on leases and borrowings and amortisation of transaction costs on borrowings.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

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

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and

- temporary differences related to investment in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

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

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

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

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

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

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

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

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

3 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in Note 5 – classification of property as property, plant and equipment.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year, are described in the following notes:

- Note 2 – estimation of provisions for current and deferred taxation
- Note 5 – impairment assessment of property, plant and equipment
- Note 8 – allowance for foreseeable losses on development properties

4 INVESTMENT PROPERTY

	$'000
Group	
Cost	
At April 1, 2020 and March 31, 2021 and 2022	8,189
Accumulated depreciation	
At April 1, 2020	4,704
Depreciation charge for the year	162
At March 31, 2021	4,866
Depreciation charge for the year	163
At March 31, 2022	5,029
Carrying amounts	
At March 31, 2021	3,323
At March 31, 2022	3,160
Fair value	
At March 31, 2021	20,600
At March 31, 2022	21,500

Investment property comprises office premises that are leased to external customers. Generally, each of the leases is fixed for a period of 3 years, and subsequent renewals are negotiated at prevailing market rate and terms. None of the leases contain any contingent rent arrangements. Rental income of $381,000 (2021: $492,000) was derived from the investment property during the year.

4 INVESTMENT PROPERTY (CONT'D)

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

The fair value measurement for investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

5 PROPERTY, PLANT AND EQUIPMENT

	Freehold properties	Furniture, fittings and equipment	Plant and machinery	Motor vehicles	Computers	Right-of-use assets (Note 25)	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group							
Cost							
At April 1, 2020	239,519	10,028	18,852	59	741	1,743	270,942
Additions	285	257	–	–	64	–	606
Reversals	(460)	(549)	–	–	–	–	(1,009)
At March 31, 2021	239,344	9,736	18,852	59	805	1,743	270,539
Additions	201	34	–	–	35	995	1,265
At March 31, 2022	239,545	9,770	18,852	59	840	2,738	271,804
Accumulated depreciation and impairment loss							
At April 1, 2020	55,181	1,132	2,947	44	423	438	60,165
Depreciation charge for the year	1,566	1,074	2,947	14	181	540	6,322
At March 31, 2021	56,747	2,206	5,894	58	604	978	66,487
Depreciation charge for the year	1,611	1,056	2,947	1	177	528	6,320
Reversal of impairment	(13,358)	–	–	–	–	–	(13,358)
At March 31, 2022	45,000	3,262	8,841	59	781	1,506	59,449
Carrying amounts							
At March 31, 2021	182,597	7,530	12,958	1	201	765	204,052
At March 31, 2022	194,545	6,508	10,011	–	59	1,232	212,355

5 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Residual values are ascribed to the core component of the freehold properties which takes into consideration the freehold tenure of the site on which the properties are located. The depreciation charge recognised on property, plant and equipment is included in cost of sales and administrative expenses in the consolidated statement of comprehensive income.

Classification of property, plant and equipment

In assessing whether a property (service apartment and apartment units) is classified as property, plant and equipment, the Group takes into consideration several factors including, but not limited to, the business model of the said property, the extent of ancillary services provided, the power that the Group has to make significant operating and financing decisions regarding the operations of the property and the significance of its exposure to variations in the net cash flows of the property. The factors above are considered collectively in determining the classification of property.

Impairment assessment

During the year ended March 31, 2022, the Group carried out a review of the recoverable amount of its serviced apartment units. The review led to the reversal of an impairment loss of $13,358,000 in view of the improvements in operating environment. The recoverable amount as at March 31, 2022 of $207,300,000 was estimated using the fair value less costs to sell approach based on the discounted cash flow method as adopted by an external independent professional valuer engaged by the Group. The valuer has indicated in its valuation report that the real estate market is being impacted by the uncertainty that the COVID-19 outbreak has caused, that the valuation was current at the date of valuation only and that the value assessed may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the particular property). The reversal of impairment loss is included in other operating income in the consolidated statement of comprehensive income and the hospitality segment (Note 27).

The fair value measurement was categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Judgement is involved in the impairment assessment, including determining the key assumptions applied in arriving at the recoverable amount. Changes to the assumptions applied could impact the recoverable amount in future periods.

5 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The following table shows the key unobservable inputs used in estimating the recoverable amount:

Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and recoverable amount
Discounted cash flow method	• Discount rate: 4.5% (2021: 4.5%) • Terminal yield rate: 3.0% (2021: 3.0%) • Average room rate in year 1: $285 (2021: $282) • Average room rate growth rate: <u>2022</u> Year 1: 0% growth Year 2 to year 5: 5.0% growth Year 6 to year 10: 3.0% growth <u>2021</u> Year 1: 0% growth Year 2: 1.0% growth Year 3 to year 6: 5.0% growth Year 7 to year 10: 3.0% growth • Occupancy rate <u>2022</u> Year 1: 80% Year 2: 85% Year 3 onwards: 88% <u>2021</u> Year 1: 70% Year 2: 80% Year 3: 85% Year 4 onwards: 88%	The estimated recoverable amount would increase/(decrease) if: • discount rate and terminal yield rate were lower (higher). • Average room rate, average room rate growth rate and occupancy rate were higher (lower).

6 INVESTMENTS IN SUBSIDIARIES

	Company	
	2022	2021
	$'000	$'000
Unquoted equity shares, at cost	315,200	315,200
Accumulated impairment losses	(2,200)	(2,200)
	313,000	313,000

Impairment losses

The movements in impairment losses in respect of investments in subsidiaries during the year are as follows:

	Company	
	2022	2021
	$'000	$'000
At the beginning and end of the financial year	2,200	2,200

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal place of business/Country of incorporation	Effective equity held by the Group	
		2022	2021
		%	%
Direct subsidiaries of the Company			
Bukit Sembawang View Pte. Ltd.	Singapore	100	100
Singapore United Estates (Private) Limited	Singapore	100	100
Sembawang Estates (Private) Limited	Singapore	100	100
Paterson Collection Pte. Ltd.	Singapore	100	100
Paterson One Pte. Ltd.	Singapore	100	100
BSEL Development Pte. Ltd.	Singapore	100	100
Bukit Sembawang Land Pte. Ltd.	Singapore	100	100
Bukit One Pte. Ltd.	Singapore	100	100
Bukit Two Pte. Ltd.	Singapore	100	100
Bukit Three Pte. Ltd. (1)	Singapore	–	100
Bukit Four Pte. Ltd. (1)	Singapore	–	100

Deloitte & Touche LLP, Singapore are the auditors of all Singapore-incorporated subsidiaries.

(1) These companies were struck off during the financial year.

7 DEFERRED TAX ASSETS/(LIABILITIES)

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

	At April 1, 2020	Recognised in profit or loss (Note 21)	At March 31, 2021	Recognised in profit or loss (Note 21)	At March 31, 2022
	$'000	$'000	$'000	$'000	$'000
Group					
Deferred tax assets					
Development properties	8,411	(122)	8,289	1,513	9,802
Trade and other payables	3,146	(1,035)	2,111	(628)	1,483
Tax losses	232	743	975	149	1,124
	11,789	(414)	11,375	1,034	12,409
Deferred tax liabilities					
Property, plant and equipment	(172)	157	(15)	10	(5)
Development properties	(5,542)	137	(5,405)	5,405	–
Trade and other receivables	(36)	(23)	(59)	23	(36)
	(5,750)	271	(5,479)	5,438	(41)

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

	Group	
	2022	2021
	$'000	$'000
Deferred tax assets	12,404	10,903
Deferred tax liabilities	(36)	(5,007)

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

	At April 1, 2020	Recognised in profit or loss	At March 31, 2021	Recognised in profit or loss	At March 31, 2022
	$'000	$'000	$'000	$'000	$'000
Company					
Deferred tax liabilities					
Trade and other receivables	(36)	(23)	(59)	23	(36)

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

7 DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

	Group	
	2022	2021
	$'000	$'000
Deductible temporary differences	15,005	12,290
Tax losses	2,265	2,964
	17,270	15,254

8 DEVELOPMENT PROPERTIES

	Group	
	2022	2021
	$'000	$'000
Properties under development	888,738	774,403
Completed units	27,711	194,785
	916,449	969,188
Allowance for foreseeable losses	(6,288)	(5,564)
Total development properties	910,161	963,624

Development properties recognised as "cost of sales" amounted to $161,291,000 (2021: $322,326,000) during the year.

Movements in allowance for foreseeable losses are as follows:

	Group	
	2022	2021
	$'000	$'000
At the beginning of the financial year	5,564	7,844
Allowance recognised/(written back)	724	(2,280)
At the end of the financial year	6,288	5,564

Development properties are stated at lower of cost and estimated net realisable value, assessed on each property basis. When it is probable that the total development costs will exceed the total projected revenue, the amount in excess of net realisable value is recognised as an expense immediately. The process of evaluating the net realisable value of each property is subject to management judgement and the effect of assumptions in respect of development plans, timing of sale and the prevailing market conditions. Management performs cost studies for each property, taking into account the costs incurred to date, the development status and costs to complete each development property. Any future variation in plans, assumptions and estimates can potentially impact the carrying amounts of the respective properties.

8 DEVELOPMENT PROPERTIES (CONT'D)

The allowance for foreseeable losses involves significant judgement and estimates and was determined taking into consideration the expected selling prices for the projects, which were estimated based on external independent professional valuations undertaken and management's judgement and estimates to derive the net realisable value as disclosed above. The valuations were undertaken by independent professional valuers who have appropriate recognised professional qualifications and recent experience in the location and category of the development properties being valued. The valuations were based on the comparable sales method. The valuation method used involves making estimates of the selling prices of the development properties, taking into consideration the recent selling prices for comparable properties and prevailing property market conditions as at reporting date. Market conditions may, however, change which may affect the estimated future selling prices and accordingly, the carrying value of development properties may have to be adjusted in future periods.

The allowance for foreseeable losses on development properties recognised/(written back) is included in "other operating expenses/(income)".

9 CONTRACT COSTS

The amount relates to commission fees incurred to property agents for securing sale contracts for the Group's development properties. During the year, $5,609,979 (2021: $17,922,000) of commission fees incurred were capitalised as contract costs.

Capitalised commission fees are amortised when the related revenue is recognised. During the year, $10,462,334 (2021: $19,667,000) was recognised in profit or loss.

10 CONTRACT ASSETS/(LIABILITIES)

		Group	
	Note	**2022**	**2021**
		$'000	**$'000**
Contract assets	(i)	–	30,728
Contract liabilities	(ii)	(3,339)	–

(i) Contract assets

Contract assets relate primarily to the Group's right to consideration for work completed but not billed at the reporting date in respect of its property development business. Contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

Contract assets decreased during 2022 and 2021 due to the timing differences between the agreed payment schedule and the progress of the construction work.

10 CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(ii) Contract liabilities

Contract liabilities relate primarily to:

- advance consideration received from customers; and
- progress billings issued in excess of the Group's rights to the consideration.

Contract liabilities are recognised as revenue when the Group fulfils its performance obligation under the contract with the customer.

Contract liabilities increased during 2022 due to the timing differences between the agreed payment schedule and the progress of the construction work.

The significant changes in contract assets and contract liabilities during the year are as follows:

	Group	
	2022	2021
	$'000	$'000
Contract assets reclassified to trade receivables	(30,728)	(36,127)
Changes in measurement of progress	–	30,728
Contract liabilities at the beginning of the year recognised as revenue during the year	–	474
Increases due to cash received, excluding amounts recognised as revenue during the year	3,339	–

11 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Trade receivables	1,065	891	–	–
Deposits	1,231	742	–	–
Interest receivable	211	346	211	346
Grant receivable	–	181	–	–
Other receivables	192	113	–	1
Amounts due from subsidiaries	–	–	868,788	553,978
Impairment losses recognised	–	–	(74,777)	(84,951)
	–	–	794,011	469,027
	2,699	2,273	794,222	469,374
Prepayments	621	816	44	42
	3,320	3,089	794,266	469,416

11 TRADE AND OTHER RECEIVABLES (CONT'D)

As at March 31, 2022, the Group is eligible for the Job Support Scheme ("JSS"), a Singapore government grant announced to provide wage support to employers to help them retain their local employees (Singapore citizens and Permanent Residents) during the period of economic uncertainty caused by the COVID-19 pandemic. The Group has fulfilled the conditions to receive the grant, hence a grant receivable was recognised as at the end of the reporting period.

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

12 CASH AND CASH EQUIVALENTS

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Amounts held under "Project Account Rules - 1997 Ed."	7,925	11,766	–	–
Fixed deposits placed with financial institutions	480,790	574,536	480,790	574,536
Cash at banks and in hand	41,395	142,669	11,757	95,846
	530,110	728,971	492,547	670,382

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

In 2021, amounts held under the "Project Account Rules - 1997 Ed." includes $5,000,000 held in fixed deposits placed with financial institutions. The fixed deposits have maturity periods of 33 days from the end of the financial year.

13 SHARE CAPITAL

	2022		2021	
	Number of shares		**Number of shares**	
	'000	**$'000**	**'000**	**$'000**
Issued and fully-paid ordinary shares with no par value				
At beginning and end of the year	258,911	631,801	258,911	631,801

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

14 RESERVES

The reserves of the Group and of the Company comprise accumulated profits.

15 BORROWINGS

	Group	
	2022	2021
	$'000	$'000
Non-current liabilities		
- Unsecured bank loans	130,858	337,859

The bank loans bore interest at rates ranging from 0.93% to 2.83%% (2021: 0.84% to 2.83%) per annum during the year.

Reconciliation of movements of financial liabilities to cash flows arising from financing activities

	Liabilities			Assets	
	Bank loans	Accrued interest payable	Lease liabilities[1]	Prepayment[2]	Total
	$'000	$'000	$'000	$'000	$'000
Balance at April 1, 2021	337,859	876	770	(655)	338,850
Changes from financing cash flows					
Repayment of borrowings	(207,600)	–	–	–	(207,600)
Payment for lease liabilities	–	–	(512)	–	(512)
Interest paid	–	(5,013)	(28)	–	(5,041)
Total changes from financing cash flows	(207,600)	(5,013)	(540)	–	(213,153)
Other changes					
New leases	–	–	995	–	995
Amortisation of transaction costs	599	–	–	233	832
Interest expense	–	4,142	28	34	4,204
Total non-cash changes	599	4,142	1,023	267	6,031
Balance at March 31, 2022	130,858	5	1,253	(388)	131,728

15 BORROWINGS (CONT'D)

	Liabilities			Assets	
	Bank loans	Accrued interest payable	Lease liabilities[1]	Prepayment[2]	Total
	$'000	$'000	$'000	$'000	$'000
Balance at April 1, 2020	337,560	1,023	1,278	(1,008)	338,853
Changes from financing cash flows					
Payment for lease liabilities	–	–	(466)	–	(466)
Interest paid	–	(5,946)	(33)	–	(5,979)
Total changes from financing cash flows	–	(5,946)	(499)	–	(6,445)
Other changes					
Amortisation of transaction costs	299	–	(42)	353	610
Interest expense	–	5,799	33	–	5,832
Total non-cash changes	299	5,799	(9)	353	6,442
Balance at March 31, 2021	337,859	876	770	(655)	338,850

(1) Refer to Note 25.
(2) Relates to prepaid bank guarantee commissions and transaction costs for loan facilities not yet utilised.

16 LEASE LIABILITIES

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Lease liabilities				
- Non-current	772	396	–	–
- Current	481	374	–	–
	1,253	770	–	–

The incremental borrowing rate of the Group's lease liabilities is 2.83% (2021: 3.05%) per annum at the reporting date.

Information about the Group's exposure to liquidity risk is included in Note 26.

17 TRADE AND OTHER PAYABLES

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Current				
Trade payables	1,247	2,228	502	421
Retention sums payable	3,232	6,309	–	–
Accrued development costs	14,474	23,835	–	–
Accrued operating expenses	3,514	3,775	625	652
Accrued interest payable	5	876	–	–
Sundry payables	1,324	1,781	–	–
Deferred income	12,636	43,351	–	–
Amounts due to subsidiaries	–	–	909,496	712,309
	36,432	82,155	910,623	713,382
Non-current				
Deferred income	–	3,692	–	–

Deferred income relates to the non-refundable deposits received in respect of units in completed development properties sold under deferred payment schemes.

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

18 REVENUE

	Group	
	2022	2021
	$'000	$'000
Development properties for which revenue is:		
- recognised over time	5,169	–
- recognised at a point in time	272,998	572,721
Hospitality income	9,477	7,533
Rental and related income	585	707
	288,229	580,961

19 PROFIT FROM OPERATIONS

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

	Note	Group 2022 $'000	Group 2021 $'000
Allowance for foreseeable losses on development properties recognised/(written back)*	8	724	(2,280)
Depreciation of investment property	4	163	162
Depreciation of property, plant and equipment	5	6,320	6,322
Direct operating expenses arising from rental of investment property (excluding depreciation)		132	124
Fees paid to auditors of the Company:			
- Audit		196	196
- Non-audit fees		66	66
Impairment loss on property, plant and equipment written back*	5	(13,358)	–
Grant income		(1,130)	(1,360)
Staff costs		5,473	4,941
Contributions to defined contribution plans (included in staff costs)		524	385

* Included in other operating expenses/(income) in the consolidated statement of comprehensive income.

The Group received wage support for local employees under the Jobs Support Scheme ("JSS") from the Singapore Government as part of the Government's measures to support businesses during the period of economic uncertainty impacted by COVID-19. The Group assessed that there is reasonable assurance that it will comply with the conditions attached to the grants. Government grant income of $111,000 (2021: $919,000) was recognised in profit or loss as other income during the year, on a systematic basis over the period of uncertainty in which the related salary costs for which the grant is intended to compensate is recognised as expenses.

During the financial year, the Group received cash grant amounting to $896,000 for its serviced apartment units in Singapore. In 2021, the Group received property tax rebate and cash grant amounting to $397,000 for its lease of office premise and serviced apartment units in Singapore.

In 2021, the Group received property tax rebate and cash grant from the Singapore Government as part of the Singapore Government's relief measures to help businesses deal with the impact from COVID-19 amounting to $50,000 for its commercial properties in Singapore. The full amount was passed on to the tenants as required. In addition, the Group is required to waive up to two months of rental for eligible tenants of its commercial properties under the Rental Relief Framework as mandated by the Singapore Government.

20 NET FINANCE COSTS

	Group	
	2022	2021
	$'000	$'000
Finance income		
Interest income:		
- Fixed deposits	1,643	2,057
- Cash at bank	27	29
Total interest income arising from financial assets measured at amortised cost	1,670	2,086
Finance costs		
Amortisation of transaction costs on borrowings	(832)	(610)
Interest expense on:		
- lease liabilities	(28)	(33)
- borrowings	(4,176)	(5,799)
Interest expense on financial liabilities measured at amortised cost	(5,036)	(6,442)
Net finance costs	(3,366)	(4,356)

21 TAX EXPENSE

	Group	
	2022	2021
	$'000	$'000
Current tax expense		
Current year	19,315	37,260
(Over)/Under provision in respect of prior years	(426)	527
	18,889	37,787
Deferred tax (credit)/expense		
Origination and reversal of temporary differences	(6,602)	143
Under provision in respect of prior years	130	–
	(6,472)	143
Tax expense	12,417	37,930

Reconciliation of effective tax rate

Profit before tax	95,335	227,365
Tax calculated using Singapore tax rate of 17% (2021: 17%)	16,207	38,652
Non-taxable income	(3,151)	(3,103)
Effect of taxable temporary differences	-	1,700
Changes in unrecognised temporary differences	(343)	154
(Over)/Under provision in respect of prior years	(296)	527
	12,417	37,930

22 EARNINGS PER SHARE

Details of the basic and diluted earnings per share are as follows:

	Group	
	2022	2021
	$'000	$'000
Basic and diluted earnings per share is based on:		
Profit for the year	82,918	189,435

	Number of shares '000	Number of shares '000
Weighted average number of ordinary shares	258,911	258,911

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

23 DIVIDENDS

The following dividends were declared and paid by the Company:

	Company	
	2022	2021
	$'000	$'000
Final dividend paid of $0.04 per share in respect of 2021	10,356	–
Special dividend paid of $0.29 per share in respect of 2021	75,084	–
Final dividend paid of $0.04 per share in respect of 2020	–	10,356
Special dividend paid of $0.07 per share in respect of 2020	–	18,124
	85,440	28,480

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

	Company	
	2022	2021
	$'000	$'000
Final dividend paid of $0.04 per share in respect of 2022	10,356	–
Special dividend paid of $0.12 per share in respect of 2022	31,069	–
Final dividend proposed of $0.04 per share in respect of 2021	–	10,356
Special dividend proposed of $0.29 per share in respect of 2021	–	75,084
	41,425	85,440

24 RELATED PARTIES

Transactions with key management personnel

	Group	
	2022	2021
	$'000	$'000
Key management personnel compensation comprised:		
Directors' fees	428	460
Short-term employee benefits	1,113	1,135
Contributions to defined contribution plans	72	78
	1,613	1,673

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

25 LEASES

Leases as lessee

The Group leases an office premise, a residential unit and office equipment. The leases typically run for periods ranging from 2 to 9 years, with options to renew the lease after the lease expiry date for certain leases. For certain leases, the Group is restricted from entering into any sub-lease arrangements.

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment (see Note 5).

	Leased properties	Furniture, fittings and equipment	Total
	$'000	$'000	$'000
Balance at April 1, 2020	1,287	18	1,305
Depreciation charge for the year	(536)	(4)	(540)
Balance at March 31, 2021	751	14	765
Additions	944	51	995
Depreciation charge for the year	(524)	(4)	(528)
Balance at March 31, 2022	1,171	61	1,232

Amounts recognised in profit or loss

	Group	
	2022	2021
	$'000	$'000
Interest on lease liabilities	28	33

25 LEASES (CONT'D)

Amounts recognised in statement of cash flows

	Group	
	2022	**2021**
	$'000	**$'000**
Interest paid	28	33
Repayment of lease liabilities	512	466
	540	499

Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liabilities of $720,000 (2021: $720,000).

Leases as lessor

The Group leases out its investment property consisting of its owned commercial properties (see Note 4). All leases are classified as operating leases from a lessor perspective.

Operating lease

The Group leases out its investment property. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 4 sets out information about the operating leases of investment property.

Rental income from investment property recognised by the Group during 2022 was $381,000 (2021: $492,000).

The following table sets out a maturity analysis of lease rental receivables, showing the undiscounted lease payments to be received after the reporting date.

	Group	
	2022	**2021**
	$'000	**$'000**
Less than one year	132	473
One to two years	11	132
Two to three years	–	11
Total	143	616

26 FINANCIAL RISK MANAGEMENT

Overview

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

- credit risk
- liquidity risk
- market risk

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

Risk management framework

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

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

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

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

At the reporting date, there was no significant concentration of credit risk for the Group. At the reporting date, the amounts due from subsidiaries of $794,011,000 (2021: $469,027,000) represent a significant portion of the Company's financial assets. Except as disclosed, there is no significant concentration of credit risk for the Company and the Group. The carrying amount of financial assets and contract assets represent the maximum credit exposure to credit risk, before taking into account any collateral held.

26 FINANCIAL RISK MANAGEMENT (CONT'D)

Trade and other receivables and contract assets

For trade receivables and unbilled revenue from sale of development properties, the Group collects deposits from purchasers of the properties. If a purchaser defaults on payments, the Group may enforce payments via legal proceedings or if the purchaser is assessed to be insolvent, the Group may resume possession of the units, retain a portion of the purchaser's deposits from payments made to date, and resell the property.

For trade receivables from rental debtors, the Group typically collects deposits or banker's guarantees as collateral. Late payments (if any) are monitored closely.

Exposure to credit risk

The maximum exposure to credit risk for trade and other receivables and contract assets at the reporting date by business segment is set out below:

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Property development	1,908	32,204	–	–
Hospitality	580	451	–	–
Investment holding	211	346	794,222	469,374
	2,699	33,001	794,222	469,374

Expected credit loss assessment

The Group uses an allowance matrix to measure the ECL of trade receivables and contract assets from individual customers, which comprise a very large number of small balances.

Loss rates are based on actual credit loss experience over the past 3 years (2021: 3 years). These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. The exposure to credit risk and ECL for trade receivables and contract assets as at March 31, 2022 and March 31, 2021 is insignificant.

The following table provides information about the exposure to credit risk for trade receivables and contract assets as at March 31, 2022 and March 31, 2021:

	Group	
	2022	2021
	$'000	$'000
Not past due	1,053	31,386
Past due 1 - 30 days	–	161
Past due 31 - 60 days	8	29
Past due 61 - 90 days	4	43
	1,065	31,619

26 FINANCIAL RISK MANAGEMENT (CONT'D)

Non-trade amounts due from subsidiaries

The Company held non-trade receivables from its subsidiaries which were lent to subsidiaries to meet their funding requirements. Impairment on these balances has been measured on the 12-month or lifetime expected loss basis, as appropriate. During the year, an impairment loss of $10,174,000 was written back (2021: $2,720,000 impairment loss recognised) on amounts due from certain subsidiaries (Note 11) due to an improve (2021: decline) in the financial positions of the subsidiaries.

The movements in the allowance for impairment in respect of amounts due from subsidiaries during the year are as follows:

	Company
	Lifetime ECL
	$'000
At April 1, 2020	82,231
Impairment losses recognised	2,720
At March 31, 2021	84,951
Impairment losses written back	(10,174)
At March 31, 2022	74,777

Cash and cash equivalents

The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturity of the exposure. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents as at March 31, 2022 and March 31, 2021 was negligible.

Liquidity risk

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

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

26 FINANCIAL RISK MANAGEMENT (CONT'D)

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

			Cash flows		
	Carrying amount	Contractual cash flows	Within 1 year	Between 1 to 5 years	After 5 years
	$'000	$'000	$'000	$'000	$'000
Group					
March 31, 2022					
Non-derivative financial liabilities					
Borrowings	130,858	(137,250)	(3,355)	(133,895)	–
Lease liabilities	1,253	(1,319)	(509)	(810)	–
Trade and other payables*	23,796	(23,796)	(21,354)	(2,442)	–
	155,907	(162,365)	(25,218)	(137,147)	–
March 31, 2021					
Non-derivative financial liabilities					
Borrowings	337,859	(363,253)	(9,078)	(354,175)	–
Lease liabilities	770	(829)	(394)	(435)	–
Trade and other payables*	38,804	(38,804)	(37,083)	(1,721)	–
	377,433	(402,886)	(46,555)	(356,331)	–
Company					
March 31, 2022					
Non-derivative financial liabilities					
Trade and other payables	910,623	(910,623)	(910,623)	–	–
March 31, 2021					
Non-derivative financial liabilities					
Trade and other payables	713,382	(713,382)	(713,382)	–	–

* *Excludes deferred income*.

Market risk

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

NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2022

26 FINANCIAL RISK MANAGEMENT (CONT'D)

Interest rate risk

Exposure to interest rate risk

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

	Group		Company	
	Nominal amount		Nominal amount	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Fixed rate instruments				
Borrowings	–	(120,000)	–	–
Variable rate instruments				
Fixed deposits	480,790	579,536	480,790	574,536
Borrowings	(131,100)	(218,700)	–	–
	349,690	360,836	480,790	574,536

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial liabilities at FVTPL. Therefore, in respect of the fixed rate instruments, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 50 (2021: 50) basis points in interest rates at the reporting date would have increased/(decreased) profit or loss (before any tax effect) by the amounts shown below. This analysis assumes that all other variables remain constant and does not take into account the effect of qualifying borrowing costs allowed for capitalisation and the associated tax effects. The analysis is performed on the same basis for 2021.

	Group		Company	
	Profit or loss		Profit or loss	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
	$'000	$'000	$'000	$'000
2022				
Cash flow sensitivity	1,748	(1,748)	2,404	(2,404)
2021				
Cash flow sensitivity	1,804	(1,804)	2,873	(2,873)

26 FINANCIAL RISK MANAGEMENT (CONT'D)

Capital management policy

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

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

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

Accounting classifications and fair values

The carrying amounts of financial assets and financial liabilities including their levels in the fair value hierarchy are set out below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount			Fair value
	Note	Amortised cost	Other financial liabilities	Total	Level 2
		$'000	$'000	$'000	$'000
Group					
March 31, 2022					
Financial assets not measured at fair value					
Trade and other receivables*	11	2,699	–	2,699	
Cash and cash equivalents	12	530,110	–	530,110	
		532,809	–	532,809	
Financial liabilities not measured at fair value					
Borrowings	15	–	(130,858)	(130,858)	(130,858)
Trade and other payables#	17	–	(23,796)	(23,796)	
		–	(154,654)	(154,654)	

* *Excludes prepayments.*
\# *Excludes deferred income.*

26 FINANCIAL RISK MANAGEMENT (CONT'D)

	Note	Carrying amount			Fair value
		Amortised cost	Other financial liabilities	Total	Level 2
		$'000	$'000	$'000	$'000
Group					
March 31, 2021					
Financial assets not measured at fair value					
Trade and other receivables*	11	2,273	–	2,273	
Cash and cash equivalents	12	728,971	–	728,971	
		731,244	–	731,244	
Financial liabilities not measured at fair value					
Borrowings	15	–	(337,859)	(337,859)	(339,856)
Trade and other payables#	17	–	(38,804)	(38,804)	
		–	(376,663)	(376,663)	

* *Excludes prepayments.*
\# *Excludes deferred income.*

	Note	Amortised cost	Other financial liabilities	Total carrying amount
		$'000	$'000	$'000
Company				
March 31, 2022				
Financial assets not measured at fair value				
Trade and other receivables*	11	794,222	–	794,222
Cash and cash equivalents	12	492,547	–	492,547
		1,286,769	–	1,286,769
Financial liabilities not measured at fair value				
Trade and other payables	17	–	(910,623)	(910,623)
March 31, 2021				
Financial assets not measured at fair value				
Trade and other receivables*	11	469,374	–	469,374
Cash and cash equivalents	12	670,382	–	670,382
		1,139,756	–	1,139,756
Financial liabilities not measured at fair value				
Trade and other payables	17	–	(713,382)	(713,382)

* *Excludes prepayments.*

26 FINANCIAL RISK MANAGEMENT (CONT'D)

Valuation techniques

The fair value of borrowings disclosed is derived using the discounted cash flow method which considers the present value of expected payments, discounted using a risk-adjusted discount rate.

27 OPERATING SEGMENTS

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

- Property development: Development of residential properties for sale.
- Investment holding: Holding and management of office building and investments.
- Hospitality: Owner of serviced apartment units.

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

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

27 OPERATING SEGMENTS (CONT'D)

Information about reportable segments

	Property development		Investment holding		Hospitality		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Total revenue	281,668	575,988	811	895	9,477	7,533	291,956	584,416
Inter-segment revenue	(3,402)	(3,140)	(325)	(315)	–	–	(3,727)	(3,455)
External revenue	278,266	572,848	486	580	9,477	7,533	288,229	580,961
Finance income	3	9	1,667	2,077	–	–	1,670	2,086
Finance costs	(5,024)	(6,428)	–	–	(12)	(14)	(5,036)	(6,442)
Depreciation	(695)	(721)	(163)	(162)	(5,625)	(5,601)	(6,483)	(6,484)
Reportable segment profit/(loss) before tax	83,249	227,681	1,009	1,452	11,077	(1,768)	95,335	227,365
Tax expense							(12,417)	(37,930)
Profit for the year							82,918	189,435
Material non-cash items:								
- Allowance for foreseeable losses on development properties (recognised)/ written back	(724)	2,280	–	–	–	–	(724)	2,280
- Impairment of property, plant and equipment written back	–	–	–	–	13,358	–	13,358	–
Other segment information:								
- Capital expenditure	(30)	(94)	–	–	(240)	(512)	(270)	(606)

27 OPERATING SEGMENTS (CONT'D)

	Property development		Investment holding		Hospitality		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Segment Assets	942,246	1,054,792	499,122	671,466	219,591	214,234	1,660,959	1,940,492
Deferred tax assets	–	–	–	–	–	–	12,404	10,903
Total assets as at 31 March	942,246	1,054,792	499,122	671,466	219,591	214,234	1,673,363	1,951,395
Segment Liabilities	168,072	420,876	1,125	1,073	2,831	2,672	172,028	424,621
Current tax payable	–	–	–	–	–	–	19,314	37,260
Deferred tax liabilities	–	–	–	–	–	–	36	5,007
Total liabilities as at 31 March	168,072	420,876	1,125	1,073	2,831	2,672	191,378	466,888

28 IMPACT OF COVID-19

The COVID-19 pandemic has created a high level of uncertainty to the near-term global economic prospects. The implementation of stricter movement control, including city lockdowns, has led to a substantial decline in the number of travellers, thereby impacting the demand for serviced apartments. The outbreak has also created uncertainty on the residential property market including market demand and selling prices.

As the global COVID-19 situation remains very fluid as at the date on which the financial statements were authorised for issue, the Group continues to monitor the progress of construction and adopt prudent and measured approaches to calibrate appropriate timing for residential project launches.

PROPERTIES OF THE GROUP

Year ended 31 March 2022

The properties of the Group as at 31 March 2022 are as follows:

Location	Tenure	Site Area (Sq M)	Gross Floor Area (Sq M)	% of Completion	Expected Date of Completion	Group's Effective Interest in Property (%)	Description
Land in Seletar Hills Area							
Lots 9425C, 251N, 3310V & 5353N MK 18 at Yio Chu Kang Road/Ang Mo Kio Avenue 5/ Seletar Road					-	100%	Written Permission has been granted for the proposed 437 units of landed housing development. Phase 1 - 9 and 16.
Phase 8 Phase 9 Phase 16	999-year lease commencing January 1879	9,288 7,210 11,462	10,328 7,181 10,002	100% 100% 100%			Building plans have been approved for: - Phase 8 (46 units) Phase 9 (32 units) Phase 16 (39 units) Phase 8 – main building works were completed in October 2018. Phase 9 – main building works were completed in June 2018. Phase 16 – main building works were completed in January 2020.
Lots MK18-18513M & MK18-18512C at Yio Chu Kang Road/Ang Mo Kio Avenue 5/Seletar Road						100%	
Remaining phases (Phase 10, 11 and 12)	999-year lease commencing January 1879	117,179	95,690	-	-		
		145,139	123,201				

Location	Tenure	Site Area (Sq M)	Gross Floor Area (Sq M)	% of Completion	Expected Date of Completion	Group's Effective Interest in Property (%)	Description
Land in Seletar Hills Area (Cont'd)							
Lot 18257X MK 18 at Nim Road/Ang Mo Kio Avenue 5/ CTE						100%	
Phase 1 Phase 2	*99-year lease commencing October 2016	18,626 10,833	13,229 14,053	100% 100%	- -		Phase 1 – main building works were completed in January 2020. Phase 2 – main building works were completed in January 2020.
Lots 18633M, 18634W (formerly known as 18415A-PT MK 18)/18416K-PT MK18/16449W-PT MK 18 at Nim Road/Ang Mo Kio Avenue 5/CTE							
Phase 3	**99-year lease commencing December 2019	38,779	^35,478	-	3Q 2025	100%	Building plans has been approved for the proposed 132 units of landed housing development (Phase 3).
Future phases	***999-year lease commencing January 1879	48,857	-	-	-	100%	Vacant non-residential rural land for future residential development.
Lot 9934W MK 18 at Ang Mo Kio Avenue 5/Nim Road/CTE	Statutory grant	19,094	3,850	-	-	100%	Vacant non-residential rural land for future residential development.

* The Singapore Land Authority (SLA) granted approval for developing Lot 12949A part MK 18 agricultural land into Phase 1 and 2 (total 98 units) of landed housing and re-issued a fresh 99-year lease without building restriction.

** The Singapore Land Authority (SLA) granted approval for developing Lot 18633M (formerly known as Lot 18415A part MK 18) agricultural land into Phase 3 (total 132 units) of landed housing and re-issued a fresh 99-year lease without building restriction.

*** Differential premium is payable for conversion of agricultural land into landed housing with fresh 99-year lease for the remaining phases of future development.

^ Based on Written Permission granted on 20 December 2021.

PROPERTIES OF THE GROUP

Year ended 31 March 2022

Location	Tenure	Site Area (Sq M)	Gross Floor Area (Sq M)	% of Completion	Expected Date of Completion	Group's Effective Interest in Property (%)	Description
Residential Apartment Sites							
Lots 689T, 445M & 444C TS 21 at 8, 10 & 12 St Thomas Walk	Freehold	9,245	23,500	100%	-	100%	Main building works were completed in January 2018.
Lot 00792X TS28 at 2 Makeway Avenue	Freehold	3,864	10,817	18%	4Q 2023	100%	Main building works are in progress.
Lot 4343V MK 25 at 114A, 114B, 114C & 114D Arthur Road	99 Years from 23 November 2021	13,077	27,461	9%	4Q 2024	100%	Main building works are in progress.

Location	Tenure	Floor Area (Sq M)	Description
Investment Property in Orchard Road			
7th Storey Tong Building	Freehold	638	Office premises for lease.
Property Owner			
Lot 01549N TS21 at Paterson Road/Lengkok Angsa	Freehold	10,981	Operation of serviced apartments since 1 April 2019.

SHAREHOLDING STATISTICS

As at 21 June 2022

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

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 to 99	353	5.37	4,066	0.00
100 to 1,000	1,368	20.79	1,124,061	0.44
1,001 to 10,000	3,629	55.16	15,622,927	6.03
10,001 to 1,000,000	1,203	18.29	56,181,125	21.70
1,000,001 and above	26	0.39	185,979,147	71.83
Total	6,579	100.00	258,911,326	100.00

Based on the Registers of Shareholders and to the best knowledge of the Company, approximately 58.53% of the issued shares of the Company are held by the public. Accordingly, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

TWENTY LARGEST SHAREHOLDERS

No.	Name Of Shareholders	No. Of Shares	%
1	SINGAPORE INVESTMENTS PTE LTD	34,633,008	13.38
2	CITIBANK NOMINEES SINGAPORE PTE LTD	30,038,443	11.60
3	SELAT PTE LIMITED	29,478,664	11.39
4	LEE RUBBER COMPANY PTE LTD	21,955,968	8.48
5	KALLANG DEVELOPMENT (PTE) LIMITED	11,875,192	4.59
6	DBS NOMINEES PTE LTD	10,447,747	4.03
7	GREAT EASTERN LIFE ASSURANCE CO LTD - PARTICIPATING FUND	6,171,184	2.38
8	LEE LATEX PTE LIMITED	5,271,400	2.04
9	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	3,394,100	1.31
10	BPSS NOMINEES SINGAPORE (PTE.) LTD.	3,207,700	1.24
11	RAFFLES NOMINEES (PTE) LIMITED	2,995,124	1.16
12	LEE FOUNDATION	2,963,130	1.14
13	ISLAND INVESTMENT COMPANY PTE LTD	2,829,600	1.09
14	HSBC (SINGAPORE) NOMINEES PTE LTD	2,792,046	1.08
15	LEE FOUNDATION STATES OF MALAYA	2,711,300	1.05
16	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	2,204,600	0.85
17	YEO REALTY & INVESTMENTS (PTE) LTD	1,603,000	0.62
18	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,559,776	0.60
19	LEE PLANTATIONS PTE LIMITED	1,533,600	0.59
20	PHILLIP SECURITIES PTE LTD	1,378,848	0.53
	Total	**179,044,430**	**69.15**

SHAREHOLDING STATISTICS

As at 21 June 2022

SUBSTANTIAL SHAREHOLDERS
(as shown in the Register of Substantial Shareholders)

Shareholders	Direct Interest	Deemed Interest
Singapore Investments Pte Ltd	34,633,008	2,829,600[1]
Selat Pte Limited	29,478,664	-
Lee Rubber Company (Pte) Limited	21,955,968	14,099,992[2]
Kallang Development (Pte) Limited	11,875,192	1,533,600[3]
Lee Pineapple Company (Pte) Ltd	864,000	37,462,608[4]

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

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

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

[4] 34,633,008 shares owned by Singapore Investments Pte Ltd and 2,829,600 shares owned by Island Investment Company Pte Ltd.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 56th Annual General Meeting of the Company will be convened and held by way of electronic means on Thursday, 28 July 2022 at 10.30 a.m. to transact the business as set out below.

This Notice has been made available on SGXNET and the Company's website at www.bsel.sg/agm2022. A printed copy of this Notice will not be despatched to members.

As Ordinary Business

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 March 2022 and the Auditor's Report thereon. **(Resolution 1)**

2. To approve and declare a final dividend of 4 cents per share and a special dividend of 12 cents per share for the financial year ended 31 March 2022. **(Resolution 2)**

3. To re-elect Mr Koh Poh Tiong, who is retiring by rotation pursuant to Regulation 94 of the Company's Constitution, as Director of the Company. **(Resolution 3)**

   Mr Koh Poh Tiong, if re-elected, will remain as Independent Non-Executive Chairman of the Board, Chairman of the Nominating and Remuneration Committees, as well as a Member of the Audit and Risk Management Committee and Project Development Committee, and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

4. To re-elect Mr Ong Sim Ho, who is retiring by rotation pursuant to Regulation 94 of the Company's Constitution, as Director of the Company. **(Resolution 4)**

   Mr Ong Sim Ho, if re-elected, will remain as the Chairman of the Audit and Risk Management Committee, and a member of the Nominating, Remuneration and Project Development Committees, and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

5. To approve the payment of Directors' fees of $428,000 (2021: $459,500) for the financial year ended 31 March 2022. **(Resolution 5)**

6. To re-appoint Deloitte & Touche LLP as the Auditor of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

As Special Business

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

   <u>General authority to allot and issue new shares in the capital of the Company</u>

   That pursuant to Section 161 of the Companies Act 1967 of Singapore and the Listing Manual of Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:

   (a) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible or exchangeable into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

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

provided that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares, excluding treasury shares, in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 10% of the total number of issued shares, excluding treasury shares, in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST), for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued shares, excluding treasury shares, shall be based on the total number of issued shares, excluding treasury shares, in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

   (a) new Shares arising from the conversion or exercise of any convertible securities or from the exercise of share options or vesting of share awards which were issued and are outstanding or subsisting at the time of the passing of this Resolution; and

   (b) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.
[See Explanatory Note (a)] **(Resolution 7)**

By Order of the Board

LOTUS ISABELLA LIM MEI HUA
Company Secretary

6 July 2022
Singapore

Explanatory Notes:

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

Notes:

1. This Annual General Meeting ("**AGM**") is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.

2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the Company's announcement dated 6 July 2022 which has been uploaded together with this Notice of AGM on SGXNET on the same day. This announcement may also be accessed at the Company's website at www.bsel.sg/agm2022.

3. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

   CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 18 July 2022.

4. The Chairman of the Meeting, as proxy, need not be a member of the Company.

5. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

   - if submitted electronically, be submitted via email to the Company's Share Registrar, M & C Services Private Limited at gpa@mncsingapore.com;

   - if submitted by post, be deposited at M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902; or

   - Members can also submit their proxy forms via the pre-registration website when they register for the webcast.

   in any case, by 10.30 a.m. on 25 July 2022.

   A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

6. The Proxy Form and Annual Report 2022 have been made available on SGXNET and the Company's website at www.bsel.sg/agm2022. Printed copies of these documents will not be despatched to members.

7. By (a) submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, (b) completing the pre-registration in accordance with the Company's announcement dated 6 July 2022, or (c) submitting any question prior to the AGM in accordance with the Company's announcement dated 6 July 2022, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes: (i) processing, administration and analysis by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the Meeting as proxy for the AGM (including any adjournment thereof); (ii) processing of the pre-registration for purposes of granting access to members to the live audio-visual webcast or live audio-only stream of the AGM proceedings; (iii) addressing substantial and relevant questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions; (iv) preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and (v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

BUKIT SEMBAWANG
ESTATES LIMITED

Company Registration No. 196700177M

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