BUKIT SEMBAWANG
ESTATES LIMITED

2021 ANNUAL REPORT

CONTENTS

BUKIT SEMBAWANG ESTATES LIMITED

BUILDING QUALITY 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,

2020 was a year marked by disruption, resilience and reinvention. The COVID-19 pandemic persisted through the year and created extended periods of uncertainty and difficulties for individuals, communities and nations. This unprecedented global crisis has underscored the importance of resilience and adaptability as we navigate these challenging times together. Against this backdrop, we have reaffirmed our commitment to building strength, flexibility and innovation into the very foundations of our business, as we continue to stay true to our mission of creating quality homes for generations to come.

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 $189.4 million for FY2021.

The Group's revenue for the financial year ended 31 March 2021 ("**FY2021**") increased to $581.0 million, up 57% from FY2020. Gross profit increased by 36% to $243.4 million, mainly due to higher 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 FY2021. In FY2021, profits were recognised mainly from the sales of Luxus Hills (Signature Collection), Luxus Hills (Contemporary Collection), Nim Collection Phases 1 and 2, and 8 St Thomas.

Profit before tax stood at $227.4 million, an increase of 122% compared with $102.3 million for FY2020. This was due to higher revenue as well as lower other operating expenses and finance costs. Other operating expenses decreased by 91% from $57.6 million in FY2020 to $5.1 million in FY2021. This was mainly due to absence of impairment loss on property, plant and equipment relating to Fraser Residence Orchard, Singapore of $44.1 million. The decrease was also attributed to lower maintenance charges and property tax arising from lesser unsold units of completed development properties and lower development costs expensed off for development projects pending development. The decrease in finance costs was mainly due to lower borrowing costs on loan relating to The Atelier and LIV @ MB.

Total equity stood at $1.5 billion.

This year, BSEL adopted a measured approach in managing our portfolio of properties. This strategy focused on strengthening our sales and marketing efforts to support our suite of completed projects like 8 St Thomas, as well as new launches such as The Atelier.

The Company has also implemented a hybrid customer-centric approach to ensure potential homebuyers can attend our previews in safety and comfort. By blending physical and virtual features, the Company was able to organise exclusive previews and launches for potential homebuyers that adhered to COVID-19 safety measures, while offering an authentic and warm BSEL experience. These features included online appointment booking portals, virtual walk-throughs, automated check-in systems and other crowd control measures to ensure that potential buyers were still able to view and select units while minimising the need for physical visits. Throughout the course of the year, we continued to upgrade our solutions to create a safer and more convenient experience for our customers.

As at 21 June 2021, a total of 249 freehold homes or 99.6% of 250 units have been sold at 8 St Thomas.

Fraser Residence Orchard, Singapore, the Group's luxury serviced apartments at Paterson Road, continues to operate with an average occupancy of 70%, comparable with the occupancy rate achieved by other serviced apartments within the vicinity, in view of the economic aftermath resulting from COVID-19. As travel restrictions came into place and persisted over the past year, the fully furnished property continues to serve many long-stay occupants. With the gradual resumption of business travel, we are also optimistic about the incremental return of short-term stays.

Current Year's Prospects

Singapore's economy was hit hard by the pandemic in 2020, as its Gross Domestic Product (GDP) shrank by 5.8 per cent[1]. In spite of this, the residential property market demonstrated greater resilience as compared to various other sectors – highlighting its strong fundamentals and continued demand amongst the majority local homebuyer market. As hybrid viewing options grow in acceptance and travel restrictions ease gradually, we also expect to see the return of more foreign homebuyers.

With the Singapore economy growing faster than expected at 1.3% in the first quarter of 2021, and despite the recent resurgence in COVID-19 infections, we are cautiously optimistic that demand for residential properties will remain resilient in the year ahead, provided there are no new property cooling measures imposed by the Singapore

[1] *"Singapore's GDP Contracted by 3.8 Per Cent in the Fourth Quarter of 2020". Retrieved from: https://www.singstat.gov.sg/-/media/files/news/advgdp4q2020.pdf*

government. The Group will continue to adopt a prudent and measured stance as we assess the new-launch market in the upcoming year. The Group remains quietly confident as we have, over the years, built resilience into the core of our business and kept our focus on creating long-term value and sustainability through our diversified portfolio of properties, substantial landbank and forward-looking strategies.

Current Year's Plans

In the year ahead, we will continue to dedicate ourselves to developing and building BSEL's award-winning portfolio of distinctive landed properties and luxury condominiums in Singapore. At the same time, we will continue to strengthen our operations and marketing efforts through the continued application of innovative and meaningful technology to better enhance the customer journey.

On the back of strong demand for our last few launches in the landed segment, with Nim Collection and Luxus Hills, we will be releasing a collection of 99-year homes along Ang Mo Kio Avenue 5 at the end of 2021. In keeping with our forward-looking development philosophy, these homes will be designed with the current and future needs of homeowners in mind, and feature thoughtfully designed elements for greater comfort and privacy.

In the luxury condominium segment, projects in the Group's pipeline include The Atelier, a 120-unit freehold condominium on the former site of Makeway View in prime District 9 and LIV @ MB, a 298-unit 99-year leasehold exclusive condominium on the site of the former Katong Park Towers off Mountbatten Road in prime District 15.

The Group remains confident in the value and quality of our projects in the pipeline and will adjust our launch timelines accordingly through the careful monitoring and assessment of buyer demand and the overall economic environment. Even in the midst of a crisis, there is a need to continue looking forward toward long-term, sustainable growth. As such, the Group continues to be on the lookout for suitable opportunities to supplement our land bank where appropriate.

Dividends

For FY2021, the Company did not declare any interim dividend.

In view of the pandemic's impact on earnings and to conserve financial resources, the Board recommends a final dividend of 4 cents and a special dividend of 29 cents per ordinary share, totalling 33 cents, which is 3 times of the total dividend paid last year. The total dividend payout ratio is 0.45.

The dividend payment, which amounts to $85.4 million, is subject to shareholders' approval at the 55th Annual General Meeting ("**AGM**") to be held on 28 July 2021.

Changes to Board and Management

Pursuant to the Company's Constitution, Mr Lee Chien Shih, Ms Fam Lee San and Mr Chng Kiong Huat shall be retiring at the forthcoming AGM. Being eligible, Mr Lee Chien Shih, Ms Fam Lee San and Mr Chng Kiong Huat have consented to continue office and have offered themselves for re-election.

In FY2021, we also welcomed Mr Charles Chow as Chief Operating Officer of the Company from 1 February 2021. We would also like to thank Mr Ooi Chee Eng for his service as Acting CEO and Chief Financial Officer whose last day of service was 17 February 2021.

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 unwavering commitment and trust. With your continued support, I am confident that the Group will continue to build on our strong foundation and achieve greater heights in the years ahead.

Koh Poh Tiong
Chairman
21 June 2021

FIVE-YEAR FINANCIAL SUMMARY

Consolidated Statements of Financial Position

As at 31 March	2021	2020	2019	2018	2017
	$'000	$'000	$'000	$'000	$'000
				* Restated	
Non-Current Assets					
Investment Property	**3,323**	3,485	3,649	3,811	3,973
Property, Plant and Equipment	**204,052**	210,777	258,277	241,284	102
Deferred Tax Assets	**10,903**	11,287	2,461	16,516	23,760
Current Assets	**1,733,117**	1,612,224	1,517,163	1,069,541	1,386,892
Current Liabilities	**(119,789)**	(159,732)	(78,894)	(78,453)	(137,523)
Non-Current Liabilities	**(347,099)**	(354,489)	(398,123)	(2,853)	(355)
	1,484,507	1,323,552	1,304,533	1,249,846	1,276,849
Share Capital	**631,801**	631,801	631,801	631,801	631,801
Reserves	**852,706**	691,751	672,732	618,045	645,048
Total Equity	**1,484,507**	1,323,552	1,304,533	1,249,846	1,276,849

Consolidated Statements of Comprehensive Income

For the year ended 31 March					
Revenue	**580,961**	369,720	357,855	98,135	143,395
Profit Before Tax	**227,365**	102,260	128,483	59,957	79,732
Tax Expense	**(37,930)**	(26,179)	(27,192)	(9,239)	(7,274)
Profit After Tax	**189,435**	76,081	101,291	50,718	72,458

GROUP FINANCIAL HIGHLIGHTS

For the year ended 31 March	2021 $'000	2020 $'000
Revenue	**580,961**	369,720
Profit Before Tax	**227,365**	102,260
Profit After Tax	**189,435**	76,081
Net Dividends paid	**-**	28,480
Net Dividends (proposed)	**85,440**	-
Share Capital	**631,801**	631,801
Total Equity	**1,484,507**	1,323,552
Net Return on Total Equity	**12.76%**	5.75%
Earnings Per Ordinary Share		
Basic earnings per share	**$0.73**	$0.29
Diluted earnings per share	**$0.73**	$0.29
Dividends Per Ordinary Share		
Gross	**$0.33**	$0.11
Net	**$0.33**	$0.11
Cover	**2.22 times**	2.67 times
Net Tangible Assets Per Ordinary Share	**$5.73**	$5.11

FINANCIAL CALENDAR

Financial Year ended 31 March 2021	
Announcement of Half-year Results	10 November 2020
Announcement of Full-year Results	25 May 2021
Annual General Meeting	28 July 2021

Financial Year ending 31 March 2022	
Announcement of Half-year Results	November 2021
Announcement of Full-year Results	May 2022

8 ST THOMAS

District 9 | River Valley | Freehold | 250 Residences


Actual Photo


Actual Photo


Actual Photo

The bespoke masterpiece. The luxury of possibilities.

8 St Thomas stands pride of place in the prestigious and coveted District 9. Winner of multiple international awards, 8 St Thomas is the paragon of thoughtful planning, outstanding design, fine detailing, and quality finishing. The freehold development is designed for the global cosmopolitan citizen who is accustomed only to the very finest in luxury living. Two towers that harmoniously blend sophistication and elegance rise above the Orchard area. Eleven magnificent sky terraces and a splendour of luxurious facilities await to pamper amid refined landscaping.

For the discerning owners, 8 St Thomas offers gracious 1-bedroom units to generous 4-bedroom units and penthouses, with stylishly furnished designer show suites that are move-in ready.

THE ATELIER

District 9 | Newton | Freehold | 120 Residences

Artist's Impression

Artist's Impression

Artist's Impression

For the ones who dance to a different rhythm and who never settle. And for those who simply refuse to accept the ordinary and wear their individuality on their sleeves – there now exists a residence that is a natural extension of those values – The Atelier. A 120-unit, 22-storey freehold residential development, situated in prime District 9, next to Newton MRT. Surrounded by prestigious schools and close to the famous Orchard Road shopping belt, The Atelier is a highly sought-after development offering a combination of larger living spaces, exclusivity, privacy, and connectivity.

Designed to be the perfect home for current and future generations, the development comes equipped with thoughtful Smart Home and Community features, as well as holistic living spaces such as The Atelier Clubhouse and Study Pods that effectively meld the needs of hybrid work arrangements and recreation.

Where independence isn't just a state of mind, it's home.

POLLEN COLLECTION

District 28 | Seletar | 99-Year Leasehold | 132 Houses

Artist's Impression

The Pollen Collection's concept of "Grow and Flourish" epitomises the discerning owners' aspiration to grow and enrich every moment from generation to generation. It recognises and celebrates the abundance, multitude, and flexibility of spaces for families to grow and flourish.

The concept of "Grow and Flourish" has always been fundamental to the mission statement of Bukit Sembawang Estates Limited in its endeavour to "Build Quality Homes For Every Generation", where it now continues with Pollen Collection, the upcoming bespoke collection of landed homes in the Seletar area.

Pollen Collection offers 132 three-storey terrace houses and semi-detached houses. Designed by President's Design Award-winning W Architects Pte Ltd, Pollen Collection features monolithic concrete façade contrasted with stacked terracing aluminium screens and paired with the repetition of the terrace houses to give a rhythmic character to the estate.

LIV @ MB

District 15 | Mountbatten | 99-Year Leasehold | 298 Residences

Artist's Impression

Artist's Impression

Artist's Impression

LIV @ MB's distinctive architecture reinterprets contemporary design elements with a nostalgic hint of Katong's heritage, inspired by the coastal living lifestyle and a mix of occidental and oriental heritage.

Nestled in the esteemed landed residential enclave of Meyer and Mountbatten estate in prime District 15, LIV @ MB is located at the junction of Arthur Road and Mountbatten Road. Enjoy panoramic views of the city skyline towards Marina Bay Sands and the surrounding Mountbatten estate that evokes a warm nostalgia with its rich heritage, unique architecture, and long-standing culinary gems.

The 298 bespoke residences are primely located in a family-centric area near the upcoming Katong Park MRT Station, offering access to a variety of family activities, shopping and dining, the great outdoors at East Coast Park and Gardens by the Bay, and a full suite of educational institutions.

FRASER RESIDENCE ORCHARD, SINGAPORE

District 9 | Orchard | Freehold | 115 Rooms

Actual Photo

Actual Photo

Actual Photo

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 after only a year of operation.

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.

AWARDS & ACCOLADES
2017 – 2021

2021

PROJECT	AWARD NAME
8 St Thomas	FIABCI World Prix d'Excellence Awards *World Silver Winner – Residential (High Rise) Category*

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
2017 – 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*

2017

PROJECT	AWARD NAME
Bukit Sembawang Estates Limited	BCI Asia Awards *Top Ten Developers 2017*
14 & 16 Lengkok Angsa	Hong Kong Design Council – DFA Design for Asia Awards *Silver*
	German Design Council – Iconic Awards 2017 *Winner – Architecture with the Distinction*
Luxus Hills Phase 5	Asia Pacific Property Awards *Best Residential Development (Singapore) Category*
Luxus Hills Phase 6 & 7	FIABCI-SINGAPORE Singapore Property Awards *Winner – Residential (Low Rise) Category*
Paterson Suites	Asia Pacific Property Awards *Best Residential High-Rise Development (Singapore) Category*
Watercove	BCA Green Mark Award *Gold PLUS*

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*
#Subsequent to the financial year, these companies were struck off

BOARD OF DIRECTORS

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 Chairman of BeerCo Limited, Times Publishing Limited, Saigon Beer Alcohol Beverage Corporation and Singapore Kindness Movement, and a Director of Asia Breweries Limited, Delfi Limited, Raffles Medical Group Ltd, 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 and SATS Ltd. He was also Chairman of Yunnan Yulinquan Liquor Co. Ltd and the National Kidney Foundation.

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 was appointed Chairman of the Audit and Risk Management Committee on 24 July 2020 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

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

Date of first appointment as a Director:
1 October 1999

Date of last re-election as a Director:
26 July 2019

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:
26 July 2019

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.

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

Mr Chng was also formerly a Director of FEO Hospitality Asset Management Pte. Ltd. (as manager of Far East Hospitality Trust).

Date of first appointment as a Director:
24 July 2015

Date of last re-election as a Director:
26 July 2019

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) 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 25 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 (*with effect from 25 May 2021*)

COMPANY SECRETARY

Lotus Isabella Lim Mei Hua

REGISTERED OFFICE

2 Bukit Merah Central
#13-01
Singapore 159835

Telephone : +65 6890 0333
Facsimile : +65 6536 1858
Website : bsel.sg
Email Address : bsel@bukitsembawang.sg

COMPANY REGISTRATION NUMBER

196700177M

AUDITORS

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
Facsimile : +65 6225 1452

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 2021 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 principle 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.

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 approval:-

- Review and approve results announcements;
- Approval of the Annual Reports and year-end financial statements;
- Convening of Shareholders' Meetings;
- Approval of Corporate Strategies;
- Material Acquisitions and Disposal of assets;
- Approval of 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. Cap. 50;
- Review of Board Assurance Framework;
- Corporate or financial restructuring;
- Review and approve 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.

Director's 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.

The Company funds Directors' participation at industry conferences, seminars or any training programme in connection with their duties as Directors.

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. Newly appointed Directors are also briefed on the business activities of the Group and its strategic directions. Upon appointment, the Company will provide each newly appointed Director with a formal letter and will provide a briefing by senior management of the Company to the new Directors on the business activities of the Group and its strategic directions, as well as setting out their duties and responsibilities as Directors. They are also provided with relevant information on the Company's policies and procedures. There would be an orientation program 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 and seek additional information if required. Directors may, at any time, in the furtherance of their duties, request for independent professional advice at the Company's expense.

The Company Secretary attends all Board meetings and assists the Chairman in ensuring that the Board procedures, 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 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 calibre, experience, stature 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 Non-Executive Directors including the Independent Directors 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 reporting of performance. The Non-Executive Directors including the Independent Directors will meet without the presence of the Management so as to facilitate a more effective check on Management.

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.

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 talent. The Company seeks to maintain a Board comprised of 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 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 Alternate Director, and was thereafter appointed 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, 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.

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 (CEO)

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 ("**CEO**") 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 CEO 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 is an Independent Director. Mr Ooi Chee Eng resigned as the Acting CEO and his last day with the Group was 17 February 2021. Mr Charles Chow Kim Ghee was appointed the Chief Operating Officer ("**COO**") on 1 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 and goals of the Company and the nature and size of the Group's operations.

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 include factors such as Director's attendance, preparedness for meetings, participation level and contribution at meetings, analytical skills, knowledge/insight and strategic planning as well as overall contribution to the Board and the Board Committees, as appropriate.

The 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 dominate 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 Lee Chien Shih, Ms Fam Lee San and Mr Chng Kiong Huat will be retiring by rotation pursuant to Regulation 94 of the Company's Constitution.

Mr Lee Chien Shih, Ms Fam Lee San and Mr Chng Kiong Huat, 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 36 to 41 of this Annual Report.

Directors' Attendance at Board and Committee Meetings from 1 April 2020 to 31 March 2021					
	Board	Audit and Risk Management Committee	Remuneration Committee	Nominating Committee	Project Development Committee
Number of Meetings Held	**4**	**5**	**1**	**1**	**5**
Mr Koh Poh Tiong [1]	4	5	1	1	5
Mr Lee Chien Shih [2]	4	–	1	1	–
Mr Tan Swee Siong [3]	1	1	1	1	1
Ms Fam Lee San [4]	4	3	–	–	–
Mr Chng Kiong Huat	4	–	–	–	5
Mr Ong Sim Ho [5]	4	5	0	0	–

1 Mr Koh Poh Tiong was appointed as Chairman of the Remuneration Committee and continues as member of the Audit and Risk Management Committee with Mr Ong Sim Ho appointed as Chairman of the Audit and Risk Management Committee on 24 July 2020.

2 Mr Lee Chien Shih continues as member of the Remuneration Committee with Mr Koh Poh Tiong appointed as Chairman of the Remuneration Committee on 24 July 2020.

3 Mr Tan Swee Siong ceased as Director, Chairman of the Investment Committee, and member of the Audit and Risk Management Committee, Remuneration Committee, Nominating Committee and Project Development Committee on 24 July 2020.

4 Ms Fam Lee San was appointed as member of the Audit and Risk Management Committee on 24 July 2020.

5 Mr Ong Sim Ho was appointed as Chairman of the Audit and Risk Management Committee, member of the Remuneration Committee and Nominating Committee on 24 July 2020, and member of the Project Development Committee on 25 May 2021.

The Company did not hold any Investment Committee meeting during the financial year as there was no acquisitions or disposals. The Investment Committee has been dissolved at the conclusion of our last AGM on 24 July 2020.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6 *– The Board has a formal and transparent procedure for developing policies on director and executive 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, a 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 2021, 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 executive's compensation are carried out by the RC to ensure that the remuneration packages of the CEO and senior management are commensurate with their performance and that of the Company, having regard to the financial and commercial health and business needs of the Group, and in line with industry norms.

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 CEO 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 2021, 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 Director 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	135,000	135,000	-	-
Mr Lee Chien Shih	59,300	59,300	-	-
Mr Tan Swee Siong [2]	25,500	25,500	-	-
Ms Fam Lee San [3]	63,000	63,000	-	-
Mr Chng Kiong Huat [3]	94,000	94,000	-	-
Mr Ong Sim Ho	82,700	82,700	-	-
Total	459,500	459,500	-	-

1 Includes employer's CPF contribution.
2 Mr Tan Swee Siong retired on 24 July 2020.
3 Payable to Kallang Development (Pte) Limited.

The above proposed total fees of $459,500 (2020: $442,600) for Independent and Non-Executive Directors is subject to shareholders' approval at the AGM to be held on 28 July 2021.

Remuneration of Key Executives

The breakdown of the remuneration of each of the top five key executives including Acting CEO who is not a Director for the financial year ended 31 March 2021 is shown in the table below. The aggregate remuneration paid to the key executives including bonus payable to them for the financial year is $1,212,000 (2020: $1,377,000).

Total Remuneration Bands	Total (%)	Salary [1] (%)	Bonus [1] (%)	Other Benefits (%)
$250,000 to $500,000				
Mr Ooi Chee Eng [2] Acting CEO, Chief Financial Officer and Company Secretary	100	76	0	24
Ms Ho Jenny General Manager (Marketing)	100	51	37	12
Below $250,000				
Mr Charles Chow Kim Ghee [3] Chief Operating Officer	100	87	0	13
Ms Jacqueline Chang [4] Financial Controller	100	62	36	2
Mr McDonald Low Hoong Chiong [5] Head of Project	100	65	31	4
Mr Michael Chan Lim Huat Head of Property Management	100	72	22	6

1 Includes employer's CPF contribution.
2 Appointed Acting CEO in September 2019 and resigned as Acting CEO, CFO and Company Secretary in February 2021.
3 Appointed Chief Operating Officer in February 2021.
4 Promoted to Financial Controller in December 2020.
5 Promoted to Head of Project in June 2020.

Remuneration of Immediate Family Members of Directors/Substantial Shareholders

There is no employee who is an immediate family member of any Director, CEO or Substantial shareholder of the Company, whose remuneration exceeds S$100,000 during the financial year ended 31 March 2021.

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 controls 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 controls 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 CEO 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 and 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 CEO 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, the Board has received assurance from the Chief Operating Officer, Financial Controller and other key management personnel which includes General Manager (Marketing), 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 2021 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.

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 controls 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 regards to the risk management and internal control system.

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 auditors, their audit plan, evaluation of the accounting controls, audit reports and any matters which the external auditors wish to discuss;

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

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

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

5. Reviews the co-operation given by our management to our external auditors and internal auditors;

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 auditors, their remuneration and reviews the cost effectiveness, independence and objectivity of the external auditors;

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; and

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 auditors and has discretion to invite any Director or executive officer to attend its meetings. All major findings and recommendations are brought to the attention of the Board.

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 auditors is set out in Note 19 on page 92 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 auditors and other professionals.

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 Ernst & Young Advisory Pte Ltd as the internal auditor of the Company. The internal auditor had 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 its 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 internal audit function. The ARMC is satisfied that the internal audit 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 companies responsible for these business activities and processes. The internal auditor carried out its function according to the standards set by International Standards for the Professional Practice of Internal Auditing, established by the Institute of Internal Auditors.

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 2021. 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, victimization 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.

We believe 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 at to keep shareholders informed of all significant corporate developments.

We support 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 dispatched 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.

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 2021 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 and 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, Cap 50 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, Cap.19, 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, Cap 289 and holds shares in that capacity; or

3. the Central Provident Fund Board established by the Central Provident Fund Act, Cap 36, 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, Cap 50, all resolutions are voted upon separately at each general meeting and are single item resolutions.

The Directors, the External Auditors, 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 endeavors 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 2021. 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, we value open dialogue and frequently engage with stakeholders through various methods to understand and address their needs and expectations.

We strive 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. We identify 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 2021 on pages 42 to 52 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 (with effect from 25 May 2021)

The primary functions 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.

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, 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 (Chapter 289) 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 2021. 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 Executive Officer, any Director or controlling shareholder, either still subsisting at the end of the financial year ended 31 March 2021 or if not then subsisting, entered into since the end of the previous financial year ended 31 March 2020.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Lee Chien Shih, Ms Fam Lee San and Mr Chng Kiong Huat are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 28 July 2021 ("**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	Lee Chien Shih	Fam Lee San	Chng Kiong Huat
Date of Appointment	1 October 1999	25 July 2014	24 July 2015
Date of last re-appointment	26 July 2019	26 July 2019	26 July 2019
Age	61	54	59
Country of principal residence	Singapore	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 Lee Chien Shih for re-appointment as a Non-Executive Director of the Company. The Board has reviewed and concluded that Mr Lee Chien Shih 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 Ms Fam Lee San for re-appointment as a Non-Executive Director of the Company. The Board has reviewed and concluded that Ms Fam Lee San 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 Chng Kiong Huat for re-appointment as a Non-Executive Director of the Company. The Board has reviewed and concluded that Mr Chng Kiong Huat 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	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Director and member of the Remuneration Committee and Nominating Committee	Non-Executive Director and member of the Audit and Risk Management Committee	Non-Executive Director and Chairman of the Project Development Committee

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Lee Chien Shih	Fam Lee San	Chng Kiong Huat
Professional qualifications	Bachelor of Medicine and Bachelor of Surgery from the National University of Singapore	Bachelor of Accountancy Degree from the National University of Singapore Member of the Institute of Singapore Chartered Accountants Chartered Accountant of Singapore	Bachelor of Arts (Architecture Studies) and Bachelor of Architecture (Hons) degree from the National University of Singapore Bachelor of Laws (Hons) from the University of London Registered architect with the Singapore Board of Architects
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	None
Conflict of interest (including any competing business)	None	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	Yes
Working experience and occupation(s) during the past 10 years	Mr Lee is a Director of the Lee Rubber Group of Companies, Lee Foundation Singapore and Lee Foundation Malaysia.	Ms Fam is currently the Chief Financial Officer of Kallang Development (Pte) Limited, a subsidiary of Lee Rubber Company Pte Ltd. She is also a Director of various companies in the Lee Rubber Group.	Mr Chng is an Executive Director of Kallang Development (Pte) Limited and had been an Executive Director of Far East Organization.
Shareholding interest in the listed issuer and its subsidiaries	Yes	No	Yes
Shareholding details	542,900 Ordinary Shares	Nil	10,000 Deemed Interest
Other Principal Commitments Including Directorships			
Past (for the last 5 years)	Nil	1. Tropical Warehousing Co. Pte Ltd.	1. Chng Consulting Group Pte. Ltd. 2. FEO Hospitality Asset Management Pte. Ltd.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Lee Chien Shih	Fam Lee San	Chng Kiong Huat
Present	1. Lee Rubber Co. (Pte) Ltd 2. Selat (Pte) Ltd (Alternate) 3. Singapore Investments (Pte) Ltd (Alternate) 4. Lee Foundation, Singapore 5. Lee Foundation, States of Malaya 6. Lee Latex (Pte) Limited	1. Casuarina Properties Pte Ltd 2. Cyber City Trading Pte Ltd 3. Cyberhub Capital Pte Ltd 4. Cyberpoint Capital Pte Ltd 5. Cyberport Capital Pte Ltd 6. Capital Intelligence Pte Ltd 7. Kallang Development (Pte) Limited 8. Kota Development Pte Ltd 9. SE Alliance Management Pte Ltd 10. Tropical Produce Co. Pte Ltd 11. Bio East Pte. Ltd 12. Enviro East Pte. Ltd 13. Pulau Properties Pte Ltd 14. Firwood Investments Pte. Ltd. 15. Joneswick Pte Ltd	1. Kallang Development (Pte) Limited 2. Pulau Properties (Pte) Ltd 3. Casuarina Properties Pte Ltd 4. Adat Pertama Sdn. Bhd. 5. Amber Heights Sdn Bhd. 6. Bio East Pte. Ltd. 7. Enviro East Pte. Ltd. 8. Gunung Impian Development Sdn Bhd 9. SE Alliance Management Pte Ltd
(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	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Lee Chien Shih	Fam Lee San	Chng Kiong Huat
(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?	No	No	No
(c) Whether there is any unsatisfied judgment against him/her?	No	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	No
(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	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Lee Chien Shih	Fam Lee San	Chng Kiong Huat
(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	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	No
(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	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	No

Name of Director	Lee Chien Shih	Fam Lee San	Chng Kiong Huat
(j) Whether he/she has ever, to his/her 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	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	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	No
(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	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	No

SUSTAINABILITY REPORT

1. Our Sustainability Journey

Bukit Sembawang Estates Limited ("**the Group**") started as a leading rubber company in 1911 and diversified into landed property development before being incorporated in Singapore in 1967. Listed on the Singapore Stock Exchange ("**SGX**") in 1968, our business activities encompass property development, investment and other property-related activities across the island nation. Our portfolio includes some of Singapore's most notable residential developments, such as more than 1,800 residential units in the prime areas of Districts 9 and 10, and more than 4,600 landed homes across Seletar and Sembawang. [102-1][102-2][102-3][102-4][102-5]

As one of Singapore's pioneers in residential property development, we have established a reputation as trusted developers prioritising the delivery of quality and value in our products and services. We endeavour to uphold this reputation and acknowledge the need for sustainability in our business. As such, we have developed this Sustainability Report ("**the Report**") to disclose our environmental, social and governance ("**ESG**") journey and progress. [102-6]

1.1. Board Statement

Dear valued stakeholders,

Our Board of Directors ("**the Board**") and management team are pleased to present to you our FY2021 Sustainability Report. As we navigated through the unprecedented times of the COVID-19 pandemic, we were faced with socioeconomic and climate change uncertainty. This has reinforced the importance of business sustainability and resilience, and we stand together to take the challenges head on and to safeguard the well-being of our stakeholders. The Report showcases our efforts across the three ESG pillars, as part of our sustainability journey.

The Group is committed to embedding a sustainability agenda within its business objectives and strategic formulation. In view of the COVID-19 pandemic, customer and employee health and safety were of paramount importance to us, concurrent with ensuring business continuity and compliance to local government regulations. We leveraged on digitalisation and our IT infrastructure to integrate sales, finance, project management and property management services to enable remote communication and to minimise workflow interruption.

The Sustainability Steering Committee ("**SSC**") and Sustainability Task Force ("**STF**"), formed by senior management, are the main drivers of the sustainability agenda across the Group. The Board oversees the overall sustainability direction and application of material sustainability-related factors on the business, ensuring that they are appropriately monitored and managed.

The Group aims to continue upholding and integrating sustainability into our business. We aspire to pursue new initiatives to deliver long-term economic value as well as make positive socioeconomic and environmental impacts in the communities we operate in. [102-14]

1.2. 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 performance with information and data from the period of 1 April 2020 to 31 March 2021 ("**FY2021**"), unless stated otherwise. The Report covers the listed entity, Bukit Sembawang Estates Limited, its 36 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 our 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 level.

Materiality

The material issues disclosed in this Report were identified through internal discussions within management. These topics selected are determined to have the most significant impact on business.

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. However, we may consider having our Sustainability Report verified by an independent third-party in the near future. [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
E-mail address: bsel@bukitsembawang.sg
[102-53]

1.3. External Charters and Principles

Bukit Sembawang Estates Limited is regulated by the Securities and Futures Act, Chapter 289 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]

2. Our Sustainability Approach

What does sustainability mean to us?

1. Sustainable Economic Performance
   Sustainability issues help us to mitigate risks and bring about new opportunities to our business.

2. Care for the Environment
   We strive to minimise our environmental footprint so that future generations can enjoy the same quality of environment in the times to come.

3. Employees
   A diverse, collaborative and competent workforce is essential for our long-term business growth.

4. Give Back to the Community
   Building a stable, friendly and appreciative relationship with the community can help us to build our reputation and fulfil our corporate social responsibility.

5. License to Operate
   We comply with environmental, socioeconomic (including anti-corruption) and marketing laws and regulations to maintain our license to operate.

2.1. Sustainability Governance

Bukit Sembawang Estates Limited is committed to being a socially responsible organisation by embedding sustainability into the Group's strategy, operations and business objectives. We adopt a holistic approach to manage ESG risks and opportunities and seek to deliver a stable economic return to our investors and stakeholders. [102-16]

Under Board oversight, the SSC and STF were formed by the Group's senior management to drive the sustainability agenda across the Group. The SSC is chaired by the Chief Operating Officer ("**COO**"), who reports to the Board regularly, and is supported by the STF, which consists of senior management representatives from various Group 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. [102-11] [102-18]

The Group expects all vendors, suppliers, and third-party service providers to comply with our business conduct rules. These parties are also subjected to due diligence checks and risk assessments as part of our effort to remain in compliance with the Monetary Authority of Singapore ("**MAS**") guidelines. In FY2021, there were no significant changes to our supply chain, including supply chain structure, nature and location of operations, location of suppliers, or share capital structure. [102-9][102-10]

Green buildings and occupational health and safety are important values of the Group. We are committed to continuously achieving the Building and Construction Authority's ("**BCA**") Green Mark award and Quality Mark certification for our existing and future developments. We work closely with our contractors and suppliers to ensure all construction work sites are safe and compliant with relevant regulations. [102-12]

2.2. Stakeholder Engagement

The Group recognises the vital role stakeholders play in ensuring business sustainability in the long-term. We are committed to maintaining open communication channels with our stakeholders to understand and address their concerns and to build an impactful partnership. The following table details our engagement activities with our key stakeholders. [102-40][102-42][102-43][102-44]

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 existing 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

2.3. Materiality Assessment

Aligning to GRI Standards' materiality approach, the Group has appointed an external consultant to conduct a materiality assessment exercise with our senior management for the reporting year. Nine material topics were identified and approved by the Board for our Sustainability Report disclosures [102-47]:

Category	Topic	Disclosure sub-topic	Impact
Economic & Governance	Economic Performance	GRI 201-1 Direct economic value generated and distributed	Within the organisation
	Anti-corruption	GRI 205-2 Communication and training about anti-corruption policies and procedures	Within the organisation
		GRI 205-3 Communication and training about anti-corruption policies and procedures	
	Supplier Assessment	GRI 308-1 New suppliers that were screened using environmental criteria	Within the organisation
		GRI 414-1 New suppliers that were screened using social criteria	
Environmental	Energy	GRI 302-1 Energy consumption	Within the organisation
		GRI 302-3 Energy intensity	
	Emissions	GRI 305-2 Energy indirect (Scope 2) GHG emissions	Within the organisation
		GRI 305-4 GHG emissions intensity	
Social	Training and Education	GRI 404-1 Average hours of training per year per employee	Within the organisation
		GRI 404-3 Percentage of employees receiving regular performance and career development reviews	
	Local Communities	GRI 413-1 Operations with local community engagement, impact assessments and development programs	Outside the organisation
	Customer Privacy	GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Within the organisation
	Socioeconomic Compliance	GRI 419-1 Non-compliance with laws and regulations in the social and economic area	Within the organisation

The material ESG topics disclosed in the previous reporting year remain relevant for FY2021. Two material topics, "Green Buildings" and "Occupational Health & Safety", are disclosed within the "Sustainability Governance" section of the Report.

3. Our Sustainability Focus

3.1. Environmental

The Group recognises the urgent threat of climate change and emphasises environmental stewardship in our operations and practices. We are committed to identifying and responding to environmental risks and their impacts by delivering high-quality, sustainable housing developments and realising the benefits of green practices. We embed environmental consciousness values in our employees and strive to reduce our carbon footprint.

Recognition from Building and Construction Authority ("BCA") and Singapore Environment Council ("SEC")

Since 2008, we have been in alignment with BCA's Green Building Master plan. All our developments have received Green Mark Awards and Quality Mark Certifications by BCA, in recognition of our stellar performance and efforts in environmental design in areas such as:

- Reduction in energy, water and material resource usage;
- Reduction in potential environmental impact; and
- Improvement of indoor environmental quality for better health and well-being

We received BCA Green Mark Platinum and Gold Plus Development accreditation for Luxus Hills (Signature Collection) and BCA Green Mark Gold Plus for Luxus Hills (Contemporary Collection), thus meeting our annual target of at least BCA Green Mark Gold Awards for all homes built. BCA Green Mark Gold Plus accreditations were also received for Phases 1 and 2 of our Nim Collection and Watercove projects. We aim to maintain our target for FY2022.

In FY2021, we were awarded with the SEC Eco Office Award (Champion), valid for 2 years from 25 March 2021 to 24 March 2023. This award is part of the SEC Eco Office programme that guides offices in Singapore in implementing effective environmentally friendly practices.

Environmental Management System ("EMS")

Our EMS is ISO 14001:2015 certified and is led by an appointed ISO Management Representative. EMS governs the objectives, policies and procedures on environment using a comprehensive set of managerial tools. An annual internal and surveillance audit of the EMS is conducted to ensure effective operations and corrective actions are carried out when necessary. Our EMS is also re-certified every 3 years and performance is communicated annually during the Management Review Meeting.

Environment Sustainability Committee ("ESC")

We established the ESC 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. ESC also discusses various environmental and green issues of the corporate office to seek new improvement initiatives actively.

The Group values sustainable consumption and we strive to reduce our consumption volume through alignment to the Principle of 4Rs (Reduce, Reuse, Recycle and Rethink). The ESC runs awareness-building programmes to educate our employees about green practices surrounding the 4Rs, such as printing only when necessary. All computers are set to print double-sided, grayscale and with reduced paper margins. We also set up recycling bins in our office and have encouraged administration procedures to go paperless. Both paper and electricity usage are closely monitored by the ESC and data on the amount of paper reams used is tracked and reported monthly.

The Group's efforts towards environmental sustainability:

1. Energy-efficient workspaces: We use energy-efficient LED lights, occupancy sensors, and sub-area automatic control switches for light usage and electricity optimisation.
2. Green office: We were awarded the Eco-Office (Champion) certification (valid until 2023) by the Singapore Environment Council in recognition of our continued commitment to sustainability.
3. Responsible sourcing: We procure office supplies from sustainable suppliers or those with an accredited environmental or green label, such as the Green Label Singapore, FSC (Forest Stewardship Council) and PEFC (Programs for the Endorsement of Forest Certification). Other procurement initiatives include preference towards recycled paper products and avoiding bleached paper with high chlorine content.

The Group's commitments towards environmental sustainability:

1. At the office, maintain electricity consumption per staff at a monthly average of not more than 176 kWh and reduce electricity consumption per staff by 2% by the end of FY2022.

2. At the office, maintain paper consumption per staff per month at 2.4 reams.

3. In FY2022, plant 40 trees to offset 880 kg of carbon dioxide generated and at an increment of 5 trees every year thereafter.

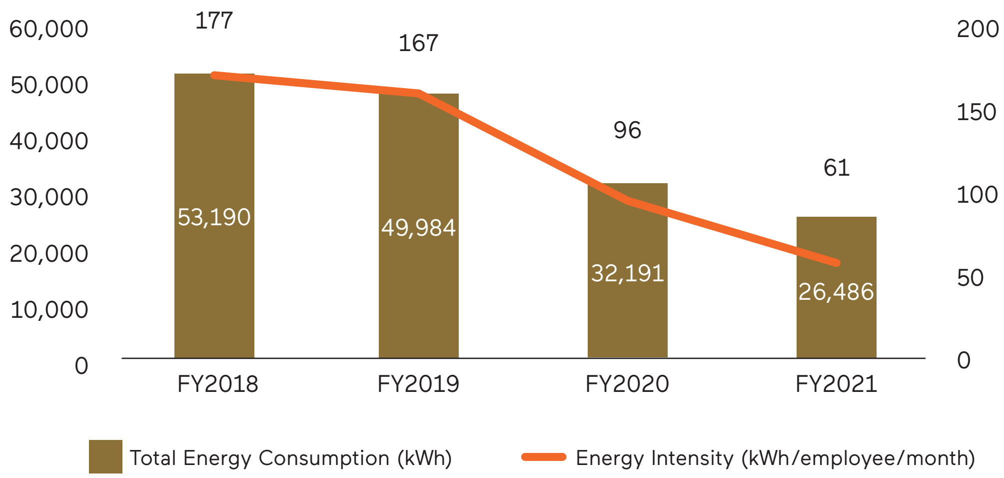
3.1.1. Energy and Emissions

The Group understands that its business activities have an impact on the environment. In consciousness of our environmental footprint, we are committed to improving our energy efficiency and lowering our greenhouse gas emissions.

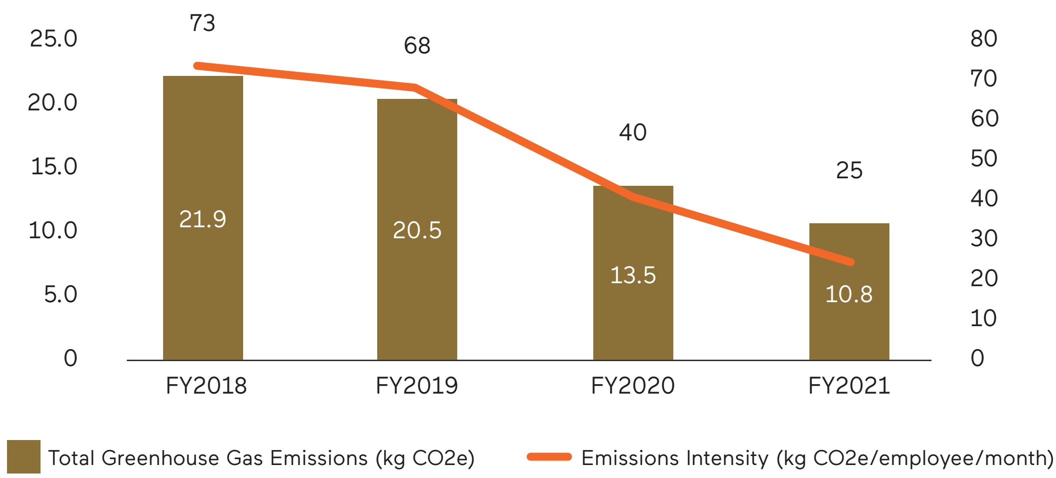
The following graphs illustrate our FY2021 energy and emissions performance. [302-1][302-3][305-2][305-4]

For FY2021, our energy consumption data was derived from our electricity usage measured in kilowatt-hours (kWh) while our Scope 2 greenhouse gas (GHG) emissions data was calculated by applying the Singapore Energy Market Authority's emissions factor on electricity usage data. As shown in the graphs below, our energy intensity and emissions intensity decreased by 36.5% and 37.5% respectively. We attribute this to conducting our operations over virtual platforms and the closure of physical show flats, in compliance with the COVID-19 prevention and control measures implemented by the government.

Total Energy Consumption and Energy Intensity



Total Greenhouse Gas Emissions and Emissions Intensity



3.2. Social

We are committed to fostering and maintaining an empowering and purposeful relationship with our employees and the communities in which we operate.

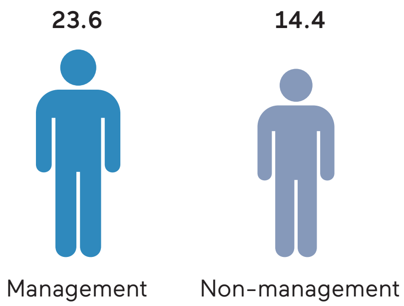
3.2.1. Training and Education

The Group recognises that our employees play an important role as drivers and enablers in the business. We focus on creating a collaborative and safe working environment for them through competitive welfare packages and training programmes. The Group engages in knowledge sharing sessions organised by external regulatory and educational bodies (listed below) to enable employees to remain updated on industry developments.

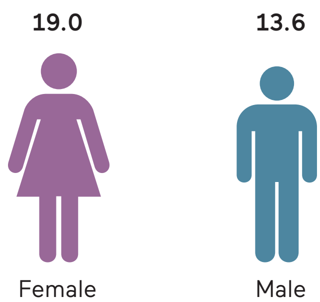
- Allen & Gledhill Regulatory & Compliance Pte. Ltd.
- NTUC LearningHub
- Rajah & Tann Singapore LLP
- Real Estate Developers' Association of Singapore (REDAS)
- Singapore Institute of Surveyors and Valuers (SISV)
- Singapore National Employers Federation (SNEF)

Prioritising our human capital and valuing professional development, we provide all employees with training and development opportunities. In FY2021, the total number of training hours undertaken by employees was 609 hours. [404-1]

FY2021 Average training hours by Employee category



FY2021 Average training hours by Gender



We also achieved a 100% rate of conducting career development and performance reviews for all our employees during the FY2021 reporting period. [404-3]

3.2.2. Local Communities

The Group and its employees are actively involved in giving back to surrounding local communities through community engagement activities. We believe in the importance of creating social value as a business and have established the Corporate Social Responsibility ("**CSR**") Committee, which plans and manages our community engagement endeavours. The CSR Committee conducts Corporate Community Involvement ("**CCI**") activities in line with the Group's CCI guideline. In order to encourage employee participation, we have in place CSR-related key performance indicators at the management level. The CSR Committee also gathers feedback on CCI activities held to continuously fine-tune initiatives for future improvement. [413-1]

Mr Desmond Lee, Minister for National Development and MP for West Coast GRC at the opening of the Community Shop @ Boon Lay. (Photo credited to Food From The Heart)

In FY2021, our employees delivered groceries to Food from The Heart's Community Shop in Mountbatten during the height of the COVID-19 pandemic. This Community Shop provides the underprivileged with the option of "shopping for free" food items that they require instead of receiving standard food packages. The simple act of "shopping for free" empowers the underprivileged to make their own choices and returns their dignity of choice. During the project, teams of 2 BSEL employees delivered monthly grocery boxes instead of activating courier delivery.

We also sponsored a display chiller for the launch of a new Community Shop in Boon Lay. The Group will continue to engage with Food From The Heart in setting up new community shops in the future.

The display chiller contributed by BSEL to the Community Shop @ Boon Lay.

The Group also gives back to the community by providing financial support for local charities at the end of every financial year. We aim to support local charitable organisations in reaching out to the underprivileged and disabled. Below is the list of registered charities and organisations that the Group contributed to financially during the reporting year:

- 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 of the Physically Disabled")
- VSA Singapore

On 19 February 2021, we held our annual "Plant-A-Tree" event at Luxus Hills Park, Singapore. Our employees planted a total of 35 trees, and this was carried out in adherence to COVID-19 safe distancing measures. This initiative began in 2015 and has been a part of the Group's efforts towards offsetting our carbon emissions and caring for the environment. We target to plant 40 trees in FY2022, with a planned target increment of 5 trees every year.

3.3. Governance

Understanding the importance of effective corporate governance contributes to the long-term success of our sustainability strategy and overall development, and we are committed to transparent and effective governance. We ensure that our operations and practices are aligned with environmental and socioeconomic rules and regulations through a structured and robust governance. At the same time, we are equally diligent in screening our suppliers to meet acceptable environmental and social sustainability standards.

3.3.1. COVID-19 Responses

Throughout the reporting year, the COVID-19 pandemic affected the way we operate, and we continuously adapted to the "new normal".

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

We maintained adherence to all safe-distancing measures set out by the government. Employees were provided with face masks and hand sanitisers were made available at sanitisation stations set up across office common areas. Temperature screening was conducted on all personnel entering our office compound. Employees were required to install and use the TraceTogether app for ease of contact tracing. During the Circuit Breaker ("**CB**") period from 7 April to 1 June 2020, we referred to our Business Continuity Plan ("**BCP**") and its key department operation components to maintain our business operations. We followed a list of action plans in the BCP to respond to the COVID-19 outbreak and CB.

The safety of our customers remains our utmost priority. To ensure the continuity of our marketing and sales efforts, a range of initiatives such as virtual tours and galleries were facilitated on our website and relevant online platforms. In order to safeguard the well-being of our customers, all viewings were conducted by appointment basis and a slew of measures such as the implementation of TraceTogether-only SafeEntry at show galleries and compliance on regulations imposed by authorities were enforced. At project sites, all contractors were expected to comply with COVID-19 safe-distancing measures. Sanitisation stations were in place; wearing face masks and temperature screening were mandated practices.

During the pandemic, we took the opportunity to focus on developing our Information Technology ("**IT**") systems to identify and better manage cyber security risks. All show flats were locked down and access to public was restricted throughout the pandemic. Leveraging on our improved IT infrastructure, we enabled virtual tours to replace physical viewing of show flats and are also in the process of going fully digital for all sales-related documents. The Group continues to stay vigilant to keep customers, suppliers and employees safe.

3.3.2. Compliance

The Group is committed to ensuring that our business operations and internal processes remain in compliance with relevant laws and regulations. We uphold high standards of corporate governance within the organisation and adopt a zero-tolerance stance towards any form of corruption or ethical misconduct.

We have a set of procedural manuals, accessible to all employees via the company shared drive, that outlines the Group's expectation of employees regarding ethics and compliance practices. A whistleblowing channel has also been established to provide all employees with a platform to raise any issues. All employees are required to complete a declaration of any conflict of interest upon employment. [205-2]

The Group observes a stringent Standard Operating Procedure ("**SOP**") for all project developments by ensuring all authority requirements are met prior to project launches. We engage only accredited consultants for the application of required licenses. Any non-compliance or litigation incidences are reported to the highest management level for transparent accountability at all times.

We have a data protection policy that defines how personal data is collected, used, and stored. The Group's Data Protection Officers ("**DPOs**") helm the management and enforcement of data protection practices within the Group. A data protection clause and consent option are also provided where personal information is requested from stakeholders. We place a strong emphasis on protecting the confidentiality of our database and customer information. We adhere to Singapore's Employment Act and Personal Data Protection Act ("**PDPA**"). The Group's DPOs review all corporate communication materials to mitigate risks of non-compliance.

A Group-wide framework, as part of the Environmental Management System ("**EMS**"), disseminates information for employees to be informed of regulation updates across environmental aspects such as water, air, noise, hazardous substances, and toxic industrial waste. Internal evaluation of compliance to the EMS is evaluated quarterly.

In FY2021, there were zero known incidences of corruption, socioeconomic non-compliance or customer data breaches. We aim to maintain this record in subsequent reporting years. [205-3][418-1][419-1]

3.3.3. Supplier Assessment

Before awarding main building contracts, potential contractors are subject to environmental, social and safety assessment criteria, in line with industry best practices. Internal policies and processes are in place to ensure we engage with contractors and suppliers that comply with BCA Green Mark requirements, such as sourcing for sustainable and non-hazardous building materials. We also track safety records and certifications, such as BCA Construction Quality Assessment System ("**CONQUAS**") and BCA Quality Mark.

Other screening criteria include the ISO 9001 and ISO 14001 certifications, OHS certification, and compliance with our EMS Procedures for Environment, Pollution Control, Waste Management, Resource Conservation and Sustainability. We conduct regular checks to verify that environmental sustainability practices, as per the Principle of 4Rs (Reduce, Reuse, Recycle and Rethink), are observed as documented in our Environmental Sustainability E-manual. Occupational health and safety matters are regularly monitored and discussed during site meetings and Management discussions.

In FY2021, a total of 6 new suppliers were onboarded, out of which 100% were subject to environmental and social screening criteria. [308-1][414-1]

4. GRI Content Index

GRI 102: GENERAL DISCLOSURES

General Standard	GRI Disclosure	Page Number(s)	Remark(s)
ORGANISATIONAL PROFILE			
GRI 102: General Disclosures	102-1 Name of the organisation	42	
	102-2 Activities, brands, products and services	42	
	102-3 Location of headquarters	42	
	102-4 Location of operations	42	
	102-5 Ownership and legal form	42	
	102-6 Markets served	42	
	102-7 Scale of the organisation	42	
	102-8 Information on employees and other workers	42	
	102-9 Supply chain	43	
	102-10 Significant changes to the organisation and its supply chain	43	
	102-11 Precautionary principle or approach	43	
	102-12 External initiatives	43	
	102-13 Membership of associations	43	
STRATEGY			
GRI 102: General Disclosures	102-14 Statement from senior decision-maker	42	
ETHICS AND INTEGRITY			
GRI 102: General Disclosures	102-16 Values, principles, standards and norms of behaviour	43	
GOVERNANCE			
GRI 102: General Disclosures	102-18 Governance structure	43	
STAKEHOLDER ENGAGEMENT			
GRI 102: General Disclosures	102-40 List of stakeholder groups	44	
	102-41 Collective bargaining agreements	Not Applicable	
	102-42 Identifying and selecting stakeholders	44	
	102-43 Approach to stakeholder engagement	44	
	102-44 Key topics and concerns raised	44	

GRI 102: GENERAL DISCLOSURES

General Standard	GRI Disclosure	Page Number(s)	Remark(s)
REPORTING PRACTICE			
GRI 102: General Disclosures	102-45 Entities included in the consolidated financial statements	Refer to Annual Report	
	102-46 Defining report content and topic Boundaries	42	
	102-47 List of material topics	44	
	102-48 Restatements of information	Not Applicable	
	102-49 Changes in reporting	Not Applicable	
	102-50 Reporting period	42	
	102-51 Date of most recent report	Annual Report FY2020 (June 2020)	
	102-52 Reporting cycle	Annual	
	102-53 Contact point for questions regarding the report	43	
	102-54 Claims of reporting in accordance with the GRI Standards	42	
	102-55 Content Index	50	
	102-56 External assurance	43	

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 205	49
		GRI 302	46
		GRI 305	46
		GRI 308	49
		GRI 404	47
		GRI 413	47
		GRI 414	49
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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 205: Anti-Corruption	205-2 Communication and training about anti-corruption policies and procedures	49	
	205-3 Confirmed incidents of corruption and actions taken	49	
CATEGORY: ENVIRONMENTAL			
GRI 302: Energy	302-1 Energy consumption within the organisation	46	
	302-3 Energy intensity	46	
GRI 305: Emissions	305-2 Direct (Scope 2) GHG emissions	46	
	305-4 GHG emissions intensity	46	
GRI 308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	49	
CATEGORY: SOCIAL			
GRI 404: Training and Education	404-1 Average hours of training per year per employee	47	
	404-3 Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	47	
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programmes	47	
GRI 414: Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	49	
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	49	
GRI 419: Socioeconomic Compliance	419-1 Non-compliance with laws and regulations in the social and economic area	49	

[102-55]

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, 2021.

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 61 to 106 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, 2021, 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 Act, particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

	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

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, 2021.

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 Companies Act, the Listing Manual and the Best Practices Guide of the Singapore Exchange, and the Code of Corporate Governance.

The Audit and Risk Management Committee has held five 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.

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 Listing Manual of the Singapore Exchange).

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.

DIRECTORS' STATEMENT

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, 2021

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, 2021, 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 61 to 106.

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 Companies Act, Chapter 50 (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, 2021 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.

Valuation of development properties

The Group has residential development properties in Singapore with a carrying amount of $964 million as at March 31, 2021. 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. 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 $204 million as at March 31, 2021. 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.

Other Matter

The financial statements of the Group and the Company for the year ended March 31, 2020, were audited by another auditor who expressed an unmodified opinion on June 18, 2020.

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 auditors' 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.

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.

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

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

(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 auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

June 21, 2021

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2021

	Note	Group		Company	
		2021	**2020**	**2021**	**2020**
		$'000	**$'000**	**$'000**	**$'000**
Non-current assets					
Investment property	4	3,323	3,485	–	–
Property, plant and equipment	5	204,052	210,777	–	–
Investments in subsidiaries	6	–	–	313,000	313,000
Deferred tax assets	7	10,903	11,287	–	–
		218,278	225,549	313,000	313,000
Current assets					
Consumable stocks		–	441	–	–
Development properties	8	963,624	1,245,956	–	–
Contract costs	9	6,705	8,450	–	–
Contract assets	10	30,728	36,127	–	–
Trade and other receivables	11	3,089	21,340	469,416	440,047
Cash and cash equivalents	12	728,971	299,910	670,382	254,092
		1,733,117	1,612,224	1,139,798	694,139
Total assets		1,951,395	1,837,773	1,452,798	1,007,139
Equity attributable to shareholders of the Company					
Share capital	13	631,801	631,801	631,801	631,801
Reserves	14	852,706	691,751	107,248	75,213
Total equity		1,484,507	1,323,552	739,049	707,014
Non-current liabilities					
Borrowings	15	337,859	337,560	–	–
Lease liabilities	16	396	782	–	–
Other payables	17	3,692	10,757	–	–
Provisions		145	142	–	–
Deferred tax liabilities	7	5,007	5,248	59	36
		347,099	354,489	59	36
Current liabilities					
Trade and other payables	17	82,155	113,929	713,382	299,801
Lease liabilities	16	374	496	–	–
Contract liabilities	10	–	474	–	–
Current tax payable		37,260	44,833	308	288
		119,789	159,732	713,690	300,089
Total liabilities		466,888	514,221	713,749	300,125
Total equity and liabilities		1,951,395	1,837,773	1,452,798	1,007,139

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED MARCH 31, 2021

	Note	2021 $'000	2020 $'000
Revenue	18	580,961	369,720
Cost of sales		(337,599)	(190,336)
Gross profit		243,362	179,384
Other income		1,655	48
Administrative expenses		(8,155)	(9,410)
Other operating expenses		(5,141)	(57,574)
Profit from operations	19	231,721	112,448
Finance income		2,086	2,256
Finance costs		(6,442)	(12,444)
Net finance costs	20	(4,356)	(10,188)
Profit before tax		227,365	102,260
Tax expense	21	(37,930)	(26,179)
Profit for the year representing total comprehensive income for the year		189,435	76,081
Earnings per share			
Basic and diluted earnings per share (cents)	22	73.17	29.38

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED MARCH 31, 2021

	Note	Share capital $'000	Capital reserve $'000	Accumulated profits $'000	Total $'000
Group					
At April 1, 2019		631,801	10,304	662,428	1,304,533
Adjustment on initial application of SFRS(I) 16		–	–	(102)	(102)
Adjusted balance at April 1, 2019		631,801	10,304	662,326	1,304,431
Total comprehensive income for the year					
Profit for the year		–	–	76,081	76,081
Transactions with owners, recorded directly in equity					
Contributions by and distributions to equity holders					
Dividends paid	23	–	(10,304)	(46,656)	(56,960)
Total contributions by and distributions to equity holders		–	(10,304)	(46,656)	(56,960)
Total transactions with owners		–	(10,304)	(46,656)	(56,960)
At March 31, 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

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2021

	Note	2021 $'000	2020 $'000
Cash flows from operating activities			
Profit before tax		227,365	102,260
Adjustments for:			
Depreciation of investment property	4	162	164
Depreciation of property, plant and equipment	5	6,322	5,934
Impairment loss on property, plant and equipment	5	–	44,109
Gain on disposal of property, plant and equipment		–	(3)
Allowance for foreseeable losses on development properties written back	8	(2,280)	(2,110)
Net finance costs	20	4,356	10,188
		235,925	160,542
Changes in:			
Consumable stocks		441	(217)
Development properties		284,612	60,283
Contract costs		1,745	(8,087)
Contract assets		5,399	88,172
Trade and other receivables		18,072	(5,856)
Trade and other payables		(38,731)	46,672
Contract liabilities		535	474
Cash generated from operations		507,998	341,983
Interest received		1,955	2,059
Taxes paid		(45,361)	(1,027)
Net cash generated from operating activities		464,592	343,015
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		–	110
Additions to property, plant and equipment		(606)	(1,139)
Net cash used in investing activities		(606)	(1,029)
Cash flows from financing activities			
Proceeds from borrowings		–	137,796
Repayment of borrowings		–	(183,196)
Dividends paid to owners of the Company	23	(28,480)	(56,960)
Interest paid		(5,979)	(11,609)
Payments for lease liabilities	15	(466)	(326)
Net cash used in financing activities		(34,925)	(114,295)
Net increase in cash and cash equivalents		429,061	227,691
Cash and cash equivalents at beginning of the year		299,910	72,219
Cash and cash equivalents at end of the year	12	728,971	299,910

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 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, 2021 were authorised for issue by the Board of Directors on June 21, 2021.

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*.

<u>Measurement of fair values</u>

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, 2020. 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.

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:

- Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16: *Interest Rate Benchmark Reform – Phase 2*
- Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*
- 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*
- Annual Improvements to SFRS(I)s 2018-2021
- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

<u>Recognition and measurement</u>

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
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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

Recognition and initial measurement

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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).

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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, 2019 and March 31, 2020 and 2021	8,189
Accumulated depreciation	
At April 1, 2019	4,540
Depreciation charge for the year	164
At March 31, 2020	4,704
Depreciation charge for the year	162
At March 31, 2021	4,866
Carrying amounts	
At March 31, 2020	3,485
At March 31, 2021	3,323
Fair value	
At March 31, 2020	20,600
At March 31, 2021	20,600

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 $492,000 (2020: $490,000) 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 2 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, 2019	243,679	16,432	7,345	248	627	757	269,088
Additions	400	600	–	–	139	986	2,125
Reclassification	(4,503)	(7,004)	11,507	–	–	–	–
Written off	(57)	–	–	–	(25)	–	(82)
Disposal	–	–	–	(189)	–	–	(189)
At March 31, 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
Accumulated depreciation and impairment loss							
At April 1, 2019	9,672	77	–	99	279	102	10,229
Depreciation charge for the year	1,400	1,055	2,947	27	169	336	5,934
Impairment loss	44,109	–	–	–	–	–	44,109
Written off	–	–	–	–	(25)	–	(25)
Disposal	–	–	–	(82)	–	–	(82)
At March 31, 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
Carrying amounts							
At March 31, 2020	184,338	8,896	15,905	15	318	1,305	210,777
At March 31, 2021	182,597	7,530	12,958	1	201	765	204,052

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 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, 2020, as the Group had previously recognised impairment losses on certain serviced apartment units and with the COVID-19 pandemic outbreak, the Group undertook an impairment assessment of the serviced apartment units. The recoverable amount as at March 31, 2020 of $205,100,000 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. Based on the assessment, the Group recognised an impairment loss of $44,109,000 on the serviced apartment units. 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 impairment loss was included in other operating expenses in the consolidated statement of comprehensive income and the hospitality segment (Note 27).

No further impairment is noted based on an external independent professional valuation as at March 31, 2021.

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% (2020: 4.5%) • Terminal yield rate: 3% (2020: 3%) • Average room rate in year 1: $282 (2020: $284) • Average room rate growth rate: <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 <u>2020</u> Year 1 and year 2: 0% growth Year 3 to year 6: 5.0% growth Year 7 to year 10: 3.0% growth • Occupancy rate <u>2021</u> Year 1: 70% Year 2: 80% Year 3: 85% Year 4 onwards: 88% <u>2020</u> Year 1: 62% Year 2: 70% Year 3 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	
	2021	2020
	$'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	
	2021	2020
	$'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 2021 %	2020 %
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	100
Bukit Four Pte. Ltd. (1)	Singapore	100	100

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

(1) Subsequent to the financial year, these companies were struck off.

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, 2019	Recognised in profit or loss (Note 21)	At March 31, 2020	Recognised in profit or loss (Note 21)	At March 31, 2021
	$'000	$'000	$'000	$'000	$'000
Group					
Deferred tax assets					
Development properties	–	8,411	8,411	(122)	8,289
Trade and other payables	2,653	493	3,146	(1,035)	2,111
Tax losses	3,924	(3,692)	232	743	975
	6,577	5,212	11,789	(414)	11,375
Deferred tax liabilities					
Property, plant and equipment	(33)	(139)	(172)	157	(15)
Development properties	(20,057)	14,515	(5,542)	137	(5,405)
Trade and other receivables	(2)	(34)	(36)	(23)	(59)
	(20,092)	14,342	(5,750)	271	(5,479)

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

	Group	
	2021	2020
	$'000	$'000
Deferred tax assets	10,903	11,287
Deferred tax liabilities	(5,007)	(5,248)

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

	At April 1, 2019	Recognised in profit or loss	At March 31, 2020	Recognised in profit or loss	At March 31, 2021
	$'000	$'000	$'000	$'000	$'000
Company					
Deferred tax liabilities					
Trade and other receivables	(2)	(34)	(36)	(23)	(59)

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	
	2021	2020
	$'000	$'000
Deductible temporary differences	14,267	15,641
Tax losses	6,304	4,023
	20,571	19,664

8 DEVELOPMENT PROPERTIES

	Group	
	2021	2020
	$'000	$'000
Properties under development	774,403	737,194
Completed units	194,785	516,606
	969,188	1,253,800
Allowance for foreseeable losses	(5,564)	(7,844)
Total development properties	963,624	1,245,956

Development properties recognised as "cost of sales" amounted to $322,326,000 (2020: $182,919,000) during the year.

Movements in allowance for foreseeable losses are as follows:

	Group	
	2021	2020
	$'000	$'000
At the beginning of the financial year	7,844	9,954
Allowance written back	(2,280)	(2,110)
At the end of the financial year	5,564	7,844

The allowance for foreseeable losses was determined taking into consideration the expected selling prices for the projects, which were based on external independent professional valuations undertaken. The valuations were undertaken by independent professional valuers who have appropriate recognised professional qualifications and recent experience in the location and category of the development properties being valued. The valuations were based on the comparable sales method. The valuation method used involves making estimates of the selling prices of the development properties, taking into consideration the recent selling prices for comparable properties and prevailing property market conditions. Market conditions may, however, change which may affect the 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 written back is included in "other operating expenses".

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, $17,922,000 (2020: $15,802,000) of commission fees incurred were capitalised as contract costs.

Capitalised commission fees are amortised when the related revenue is recognised. During the year, $19,667,000 (2020: $7,715,000) was amortised. There was no impairment loss in relation to such costs capitalised.

10 CONTRACT ASSETS/(LIABILITIES)

	Note	Group 2021 $'000	Group 2020 $'000
Contract assets	(i)	30,728	36,127
Contract liabilities	(ii)	–	(474)

(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 2021 due to the timing differences between the agreed payment schedule and the progress of the construction work.

(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.

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

	Group 2021 $'000	Group 2020 $'000
Contract assets reclassified to trade receivables	(36,127)	(124,299)
Changes in measurement of progress	30,728	36,127
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	–	474

11 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Trade receivables	891	18,184	–	–
Deposits	742	1,272	–	–
Interest receivable	346	215	346	214
Grant receivable	181	–	–	–
Other receivables	113	280	1	–
Amounts due from subsidiaries	–	–	553,978	522,041
Impairment losses	–	–	(84,951)	(82,231)
	–	–	469,027	439,810
	2,273	19,951	469,374	440,024
Prepayments	816	1,389	42	23
	3,089	21,340	469,416	440,047

As at March 31, 2021, 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	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Amounts held under "Project Account Rules - 1997 Ed."	11,766	19,687	–	–
Fixed deposits placed with financial institutions	574,536	246,826	574,536	246,826
Cash at banks and in hand	142,669	33,397	95,846	7,266
	728,971	299,910	670,382	254,092

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

Amounts held under the "Project Account Rules - 1997 Ed." includes $5,000,000 (2020: $11,000,000) held in fixed deposits placed with financial institutions. The fixed deposits have maturity periods of 33 days (2020: 17 days to 30 days) from the end of the financial year.

13 SHARE CAPITAL

	2021		2020	
	Number of shares '000	$'000	Number of shares '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	
	2021 $'000	2020 $'000
Non-current liabilities		
- Unsecured bank loans	337,859	337,560

The bank loans bore interest at rates ranging from 0.84% to 2.83% (2020: 2.15% to 3.05%) per annum during the year.

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

	Liabilities			Assets	
	Bank loans $'000	Accrued interest payable $'000	Lease liabilities[1] $'000	Prepayment[2] $'000	Total $'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

15 BORROWINGS (CONT'D)

	Liabilities			Assets	
	Bank loans $'000	Accrued interest payable $'000	Lease liabilities[1] $'000	Prepayment[2] $'000	Total $'000
At April 1, 2019	382,642	1,151	674	(1,650)	382,817
Changes from financing cash flows					
Proceeds from borrowings	137,796	–	–	–	137,796
Repayment of borrowings	(183,196)	–	–	–	(183,196)
Payment for lease liabilities	–	–	(326)	–	(326)
Interest paid	(353)	(11,108)	(31)	(117)	(11,609)
Total changes from financing cash flows	(45,753)	(11,108)	(357)	(117)	(57,335)
Other changes					
New leases	–	–	930	–	930
Amortisation of transaction costs	671	–	–	759	1,430
Interest expense	–	10,980	31	–	11,011
Total non-cash changes	671	10,980	961	759	13,371
Balance at March 31, 2020	337,560	1,023	1,278	(1,008)	338,853

(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	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Lease liabilities				
- Non-current	396	782	–	–
- Current	374	496	–	–
	770	1,278	–	–

The incremental borrowing rate of the Group's lease liabilities is 3.05% (2020: 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	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Current				
Trade payables	2,228	833	421	–
Retention sums payable	6,309	11,499	–	–
Accrued development costs	23,835	31,389	–	–
Accrued operating expenses	3,775	7,179	652	1,136
Accrued interest payable	861	1,023	–	–
Sundry payables	1,796	1,895	–	–
Deferred income	43,351	60,111	–	–
Amounts due to subsidiaries	–	–	712,309	298,665
	82,155	113,929	713,382	299,801
Non-current				
Deferred income	3,692	10,757	–	–

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	
	2021	2020
	$'000	$'000
Development properties for which revenue is:		
- recognised over time	–	158,011
- recognised at a point in time	572,721	203,047
Hospitality income	7,533	7,825
Rental and related income	707	837
	580,961	369,720

19 PROFIT FROM OPERATIONS

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

		Group	
	Note	2021	2020
		$'000	$'000
Allowance for foreseeable losses on development properties written back	8	(2,280)	(2,110)
Depreciation of investment property	4	162	164
Depreciation of property, plant and equipment	5	6,322	5,934
Direct operating expenses arising from rental of investment property (excluding depreciation)		124	161
Fees paid to auditors of the Company:			
- Audit		196	206
- Non-audit fees		66	96
Gain on disposal of property, plant and equipment		–	(3)
Impairment loss on property, plant and equipment	5	–	44,109
Grant income		(1,360)	–
Staff costs		4,941	5,826
Contributions to defined contribution plans (included in staff costs)		385	597

The Group received wage support for local employees under the Jobs Support Scheme ("JSS") from the Singapore Government in 2020, 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 $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. Management has determined the period of uncertainty to be 17 months commencing from April 2020.

The Group received property tax rebate and cash grant from the Singapore Government in 2020 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. 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.

20 NET FINANCE COSTS

	Group 2021 $'000	Group 2020 $'000
Finance income		
Interest income:		
- Fixed deposits	2,057	2,181
- Cash at bank	29	75
Total interest income arising from financial assets measured at amortised cost	2,086	2,256
Finance costs		
Amortisation of transaction costs on borrowings	(610)	(1,430)
Interest expense on:		
- lease liabilities	(33)	(31)
- borrowings	(5,799)	(10,980)
Others	–	(3)
Interest expense on financial liabilities measured at amortised cost	(6,442)	(12,444)
Net finance costs	(4,356)	(10,188)

21 TAX EXPENSE

	Group 2021 $'000	Group 2020 $'000
Current tax expense		
Current year	37,260	44,833
Under provision in respect of prior years	527	900
	37,787	45,733
Deferred tax expense/(credit)		
Origination and reversal of temporary differences	143	(19,798)
Under provision in respect of prior years	–	244
	143	(19,554)
Tax expense	37,930	26,179

Reconciliation of effective tax rate

	Group 2021 $'000	Group 2020 $'000
Profit before tax	227,365	102,260
Tax calculated using Singapore tax rate of 17% (2020: 17%)	38,652	17,384
Non-deductible expenses	730	8,298
Non-taxable income	(3,833)	(83)
Effect of taxable temporary differences	1,700	–
Changes in unrecognised temporary differences	154	(1,121)
Current year losses for which no deferred tax asset is recognised	–	557
Under provision in respect of prior years	527	1,144
	37,930	26,179

22 EARNINGS PER SHARE

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

	Group	
	2021	**2020**
	$'000	**$'000**
Basic and diluted earnings per share is based on:		
Profit for the year	189,435	76,081
	Number of shares	**Number of shares**
	'000	**'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	
	2021	**2020**
	$'000	**$'000**
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	–
Final dividend paid of $0.04 per share in respect of 2019	–	10,356
Special dividend paid of $0.18 per share in respect of 2019	–	46,604
	28,480	56,960

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

	Company	
	2021	**2020**
	$'000	**$'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 proposed of $0.04 per share in respect of 2020	–	10,356
Special dividend proposed of $0.07 per share in respect of 2020	–	18,124
	85,440	28,480

24 RELATED PARTIES

Transactions with key management personnel

	Group 2021 $'000	Group 2020 $'000
Key management personnel compensation comprised:		
Directors' fees	460	443
Short-term employee benefits	1,135	1,607
Contributions to defined contribution plans	78	73
	1,673	2,123
Sale of motor vehicle to a former key management personnel	–	110

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 $'000	Furniture, fittings and equipment $'000	Total $'000
Balance at April 1, 2019	632	23	655
Depreciation charge for the year	(331)	(5)	(336)
Additions to right-of-use assets	986	–	986
Balance at March 31, 2020	1,287	18	1,305
Depreciation charge for the year	(536)	(4)	(540)
Balance at March 31, 2021	751	14	765

Amounts recognised in profit or loss

	Group 2021 $'000	Group 2020 $'000
Interest on lease liabilities	33	31

25 LEASES (CONT'D)

Amounts recognised in statement of cash flows

	Group	
	2021	2020
	$'000	$'000
Interest paid	33	31
Repayment of lease liabilities	466	326
	499	357

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.

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 2021 was $492,000 (2020: $490,000).

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	
	2021	2020
	$'000	$'000
Less than one year	473	586
One to two years	132	473
Two to three years	11	132
Three to four years	–	11
Total	616	1,202

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 $469,027,000 (2020: $439,810,000) 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	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Property development	32,204	55,357	–	–
Hospitality	451	507	–	–
Investment holding	346	214	469,374	440,024
	33,001	56,078	469,374	440,024

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 (2020: 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, 2021 and March 31, 2020 is insignificant.

The following table provides information about the exposure to credit risk for trade receivables and contract assets as at March 31, 2021 and March 31, 2020:

	Group	
	2021	**2020**
	$'000	**$'000**
Not past due	31,386	49,926
Past due 1 - 30 days	161	2,728
Past due 31 - 60 days	29	243
Past due 61 - 90 days	43	–
Past due more than 90 days	–	1,414
	31,619	54,311

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 $2,720,000 (2020: $53,823,000) was recognised on amounts due from certain subsidiaries (Note 11) due to a 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, 2019	28,408
Impairment losses recognised	53,823
At March 31, 2020	82,231
Impairment losses recognised	2,720
At March 31, 2021	84,951

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, 2021 and March 31, 2020 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)

Liquidity risk (Cont'd)

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

	Carrying amount $'000	Contractual cash flows $'000	Cash flows Within 1 year $'000	Cash flows Between 1 to 5 years $'000	Cash flows After 5 years $'000
Group					
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)	–
March 31, 2020					
Non-derivative financial liabilities					
Borrowings	337,560	(372,331)	(9,078)	(363,253)	–
Lease liabilities	1,278	(1,367)	(538)	(600)	(229)
Trade and other payables*	53,818	(53,818)	(48,900)	(4,918)	–
	392,656	(427,516)	(58,516)	(368,771)	(229)
Company					
March 31, 2021					
Non-derivative financial liabilities					
Trade and other payables	713,382	(713,382)	(713,382)	–	–
March 31, 2020					
Non-derivative financial liabilities					
Trade and other payables	299,801	(299,801)	(299,801)	–	–

* *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.

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	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Fixed rate instruments				
Borrowings	(120,000)	(120,000)	–	–
Variable rate instruments				
Fixed deposits	579,536	257,826	574,536	246,826
Borrowings	(218,700)	(218,700)	–	–
	360,836	39,126	574,536	246,826

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 (2020: 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 2020.

	Group		Company	
	Profit or loss		Profit or loss	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
	$'000	$'000	$'000	$'000
2021				
Cash flow sensitivity	1,804	(1,804)	2,873	(2,873)
2020				
Cash flow sensitivity	196	(196)	1,234	(1,234)

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.

The Group achieved a return on shareholder's equity (based on profit for the year) of 12.76% for the year ended March 31, 2021 compared to 5.75% for the year ended March 31, 2020. There were no changes in the Group's approach to capital management during the year.

Under the Housing Developers (Control and Licensing) Act, in order to qualify for a housing developer's licence, certain subsidiaries of the Company 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 $'000	Other financial liabilities $'000	Total $'000	Level 2 $'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.*

26 FINANCIAL RISK MANAGEMENT (CONT'D)

Accounting classifications and fair values (Cont'd)

		Carrying amount			Fair value
	Note	Amortised cost $'000	Other financial liabilities $'000	Total $'000	Level 2 $'000
Group					
March 31, 2020					
Financial assets not measured at fair value					
Trade and other receivables*	11	19,951	–	19,951	
Cash and cash equivalents	12	299,910	–	299,910	
		319,861	–	319,861	
Financial liabilities not measured at fair value					
Borrowings	15	–	(337,560)	(337,560)	(340,382)
Trade and other payables#	17	–	(53,818)	(53,818)	
		–	(391,378)	(391,378)	

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

	Note	Amortised cost $'000	Other financial liabilities $'000	Total carrying amount $'000
Company				
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)
March 31, 2020				
Financial assets not measured at fair value				
Trade and other receivables*	11	440,024	–	440,024
Cash and cash equivalents	12	254,092	–	254,092
		694,116	–	694,116
Financial liabilities not measured at fair value				
Trade and other payables	17	–	(299,801)	(299,801)

* *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	
	2021	2020	2021	2020	2021	2020	2021	2020
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Total revenue	575,988	365,072	895	993	7,533	7,825	584,416	373,890
Inter-segment revenue	(3,140)	(3,754)	(315)	(416)	–	–	(3,455)	(4,170)
External revenue	572,848	361,318	580	577	7,533	7,825	580,961	369,720
Finance income	9	167	2,077	2,089	–	–	2,086	2,256
Finance costs	(6,428)	(12,431)	–	–	(14)	(13)	(6,442)	(12,444)
Depreciation	(721)	(517)	(223)	(164)	(5,540)	(5,417)	(6,484)	(6,098)
Reportable segment profit/(loss) before tax	227,681	147,802	1,492	1,372	(1,808)	(46,914)	227,365	102,260
Material non-cash items:								
- Allowance for foreseeable losses on development properties written back	2,280	2,110	–	–	–	–	2,280	2,110
- Impairment of property, plant and equipment	–	–	–	–	–	(44,109)	–	(44,109)
Other segment information:								
- Capital expenditure	(94)	(145)	–	–	(512)	(994)	(606)	(1,139)

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 proactively manage its business and take the necessary actions to ensure that the long-term business remains robust.

The properties of the Group as at 31 March 2021 are as follows:

Location	Tenure	Site Area (Sq M)	Gross Floor Area (Sq M)	% of Completion	Expected Date of Completion	Group's Effective Interest in Property (%)	Description
Land in Seletar Hills Area							
Lots 9425C, 251N, 3310V & 5353N MK 18 at Yio Chu Kang Road/Ang Mo Kio Avenue 5/ Seletar Road	999-year lease commencing January 1879					100%	Written Permission has been granted for the proposed 437 units of landed housing development. Phase 1 - 9 and 16. Building plans have been approved for: - Phase 8 (46 units) Phase 9 (32 units) Phase 16 (39 units)
Phase 8		9,288	10,328	100%			Phase 8 – main building work was completed in October 2018.
Phase 9		7,210	7,181	100%			Phase 9 – main building work was completed in June 2018.
Phase 16		11,462	10,002	100%			Phase 16 – main building works was completed in January 2020.
Remaining phases (Phase 10, 11 and 12)		117,179	95,690	-	-		
		145,139	123,201				
Lots 17640K, 17641N, 18247W-PT, 18513M, 18510X, 18507X-PT, 18504A-PT, 18508L-PT, 18512C MK18 at Yio Chu Kang Road/Ang Mo Kio Avenue 5/ Seletar Road							
Lot 18257X MK 18 at Nim Road/Ang Mo Kio Avenue 5/ CTE	*99-year lease commencing October 2016					100%	
Phase 1		18,626	13,229	100%	-		Phase 1 – main building work was completed in January 2020.
Phase 2		10,833	14,053	100%	-		Phase 2 – main building work was completed in January 2020.

* 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.

PROPERTIES OF THE GROUP

YEAR ENDED 31 MARCH 2021

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 18415A/ 18416K/16449W MK 18 at Nim Road/ Ang Mo Kio Avenue 5/CTE							
Phase 3	**99-year lease commencing December 2019	38,783	^35,369	-	3Q 2024	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.
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 work was completed in January 2018. Balance units are now held for sale.
Lot 00792X TS28 at Makeway Avenue	Freehold	3,864	10,817	-	2Q 2023	100%	Written Permission and Building Plan approval has been granted for the proposed 120 units of residential flat development.
Lot 4343V MK 25 at 114A Arthur Road	99 Years from 5 April 1982	13,077	27,461	-	2Q 2024	100%	Written Permission approval has been granted for proposed 298 units of condominium development.

** The Singapore Land Authority (SLA) granted approval for developing 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 11 September 2020.

PROPERTIES OF THE GROUP

YEAR ENDED 31 MARCH 2021

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 2021

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	5.30	4,014	0.00
100 to 1,000	1,378	20.67	1,132,073	0.44
1,001 to 10,000	3,674	55.11	15,918,779	6.15
10,001 to 1,000,000	1,236	18.54	57,178,247	22.08
1,000,001 and above	25	0.38	184,678,213	71.33
Total	6,666	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	SELAT PTE LIMITED	29,478,664	11.39
3	CITIBANK NOMINEES SINGAPORE PTE LTD	29,424,109	11.36
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	11,354,582	4.38
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	3,432,500	1.33
10	BPSS NOMINEES SINGAPORE (PTE.) LTD.	3,211,100	1.24
11	LEE FOUNDATION	2,963,130	1.14
12	ISLAND INVESTMENT COMPANY PTE LTD	2,829,600	1.09
13	LEE FOUNDATION STATES OF MALAYA	2,711,300	1.05
14	HSBC (SINGAPORE) NOMINEES PTE LTD	2,586,146	1.00
15	RAFFLES NOMINEES (PTE) LIMITED	2,553,551	0.99
16	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	2,327,200	0.90
17	UOB KAY HIAN PTE LTD	1,900,562	0.73
18	YEO REALTY & INVESTMENTS (PTE) LTD	1,603,000	0.62
19	LEE PLANTATIONS PTE LIMITED	1,533,600	0.59
20	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,291,476	0.50
	Total	179,107,272	69.18

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 Ltd	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 Investments Company Pte Ltd.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 55th Annual General Meeting of the Company will be convened and held by way of electronic means on Wednesday, 28 July 2021 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/agm2021. 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 2021 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 29 cents per share for the financial year ended 31 March 2021. **(Resolution 2)**

3. To re-elect Mr Lee Chien Shih, who is retiring by rotation pursuant to Regulation 94 of the Company's Constitution, as Director of the Company. **(Resolution 3)**
   [See Explanatory Note (a)]

4. To re-elect Ms Fam Lee San, who is retiring by rotation pursuant to Regulation 94 of the Company's Constitution, as Director of the Company. **(Resolution 4)**
   [See Explanatory Note (a)]

5. To re-elect Mr Chng Kiong Huat, who is retiring by rotation pursuant to Regulation 94 of the Company's Constitution, as Director of the Company. **(Resolution 5)**
   [See Explanatory Note (a)]

6. To approve the payment of Directors' fees of $459,500 for the financial year ended 31 March 2021. **(Resolution 6)**

7. To re-appoint Deloitte & Touche LLP as the Auditor of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**

As Special Business

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

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

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

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

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible or exchangeable into Shares,

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

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

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 (b)] **(Resolution 8)**

By Order of the Board

LOTUS ISABELLA LIM MEI HUA
Company Secretary

6 July 2021
Singapore

Explanatory Notes:

(a) For ordinary resolutions 3, 4 and 5 above on the Directors standing for re-election at the Annual General Meeting, detailed information on the three Directors can be found in the sections on "Board of Directors" and "Corporate Governance Report" of the Annual Report 2021.

Mr Lee Chien Shih, if re-elected, will remain as Non-Executive Director of the Company and a member of the Nominating and Remuneration Committees.

Ms Fam Lee San, if re-elected, will remain as Non-Executive Director of the Company and a member of the Audit and Risk Management Committee.

Mr Chng Kiong Huat, if re-elected, will remain as Non-Executive Director of the Company and Chairman of the Project Development Committee.

(b) The ordinary resolution 8 in item 8, 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 2021 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/agm2021.

3. Due to the current Covid-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. 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 15 July 2021.

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 ; or
   - if submitted by post, be deposited at M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902

   in either case, by 10.30 a.m. on 25 July 2021.

   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.

   In view of the current Covid-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

6. The Proxy Form and Annual Report 2021 have been made available on SGXNET and the Company's website at www.bsel.sg/agm2021. 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 2021, or (c) submitting any question prior to the AGM in accordance with the Company's announcement dated 6 July 2021, 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.

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BUKIT SEMBAWANG
ESTATES LIMITED

Company Registration No. 196700177M

2 Bukit Merah Central #13-01, Singapore 159835
Tel: +65 6890 0333 | Fax: +65 6536 1858

Website: bsel.sg

LinkedIn: Bukit Sembawang Estates Limited (BSEL)

WeChat: BSEL_Group