BUKIT SEMBAWANG
ESTATES LIMITED

ANNUAL REPORT 2023

CONTENTS

CORPORATE PROFILE

BUKIT SEMBAWANG ESTATES LIMITED

HOMES FOR EVERY GENERATION

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

OUR MISSION

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

OUR MILESTONES

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

OUR COMMITMENT

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

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

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 $34.4 million for financial year ended 31 March 2023 ("**FY2023**").

While the past year saw border restrictions around the world lifting with more people freely travelling again, and economies starting to normalise, the real estate industry nonetheless continued to experience headwinds due to disruptive global geopolitical tensions that have led to greater inflation, high interest rates, increased development costs and uncertain economic conditions.

Although faced with difficulties, the Group remains dedicated to delivering top-notch products and had persisted in generating innovative ideas and producing superior quality products so as to provide the best value propositions to both our customers and the Company.

The Group's revenue for FY2023 was $197.1 million, a decline of 32%, compared to $288.2 million for FY2022. Gross profit declined by 66% to $34.1 million, mainly due to lower profit recognised on development projects and the cycle of development and sales. In FY2023, profits were recognised mainly from the sales of 8 St Thomas, Luxus Hills (Contemporary Collection), Nim Collection Phase 2, LIV @ MB and The Atelier.

The Group recorded a profit before tax of $37.5 million for FY2023, a decrease of 61%, as compared with $95.3 million for FY2022 mainly due to lower revenue recognised. Other operating income of $7.7 million included a write-back of impairment loss on property, plant and equipment relating to Fraser Residence Orchard, Singapore of $5.0 million and a reversal of allowance for foreseeable losses on development properties of $6.3 million. The decrease in finance costs was mainly due to repayment of bank loan.

Total equity stood at $1.5 billion.

Despite the economic uncertainties over the past year, the Group achieved several significant milestones. In May 2022, we introduced LIV @ MB, which was very well received by the market with an 88.2% sales rate achieved so far. The successful launch was indicative of how well our product, lifestyle and facilities catered to our customers' needs.

The Group has established a unique BSEL Landed Homes Flagship Gallery to promote and exhibit our collection of bespoke landed homes and is marketing the Pollen Collection with its in-house team of sales consultants. In November 2022, we released a limited batch of 24 landed homes at Pollen Collection, and another batch of 21 units in March 2023. This marketing approach provided a more personalised experience for our customers and the ability to individually customise their preferences. We had also successfully secured a government land sales parcel at Bukit Timah Link in November 2022 that will add to our land bank and expand our portfolio of bespoke lifestyle-centric private residences.

For the Group's current portfolio of developments for sale, as of 21 June 2023, we have sold 100% of Nim Collection Phase 2, 100% of Luxus Hills, 88.2% of LIV @ MB, and 91.6% of The Atelier. Out of 34% of Pollen Collection that was released for sale, 44.4% have been sold.

At the Fraser Residence Orchard, Singapore, the Group's luxury serviced apartments at Paterson Road, the property managed to achieve an average room rate of $342 and an average occupancy of 87.7% that are comparable with the numbers achieved by other serviced apartments within the competition set. The property continued to maintain its position as the preferred choice for both long and short-term guests looking for a premium location in the Orchard Road vicinity.

CURRENT YEAR'S PROSPECTS

Private home prices in Singapore increased by 3.3% in the first quarter of 2023, according to URA's Real Estate Statistics. The real estate sector expanded by 9.2% year-on-year, slowing from the 15.2% growth in the fourth quarter of 2022, according to Ministry of Trade and Industry ("**MTI**"). This growth was partially supported by the private residential property segment. However, with higher borrowing and construction costs, a projected weak economic growth, slower growth in Housing and Development Board ("**HDB**") resale prices and the recent cooling measures, private residential prices are expected to rise only moderately this financial year.

As a result of the April 2023 cooling measures, the demand from foreigners and entities is expected to fall, and the market would need to pivot and focus primarily on local residents to support the sales demand. High end developments targeting foreigners would be challenged, but developments which focus more on Singaporeans and Permanent Residents would be lesser impacted. Hence,

CHAIRMAN'S STATEMENT

developments that are well designed with clear product offerings to suit the needs of the target market segment will be key to generate sales demand.

With the Group's core philosophy of building homes that will stand the test of time and its diverse portfolio of bespoke private residences and landed properties, we will remain relevant to the industry as we continue to create high-value lifestyle private homes for our discerning homebuyers.

CURRENT YEAR'S PLANS

The main focus this year will be The Atelier, LIV @ MB, Pollen Collection, and the launch of the recently purchased residential site at Bukit Timah Link. Construction works for the three developments are progressing steadily, with The Atelier expected to obtain Temporary Occupation Permit ("**TOP**") by the first half of 2024.

Within the next twelve months, the Group expects to sell out all the units at The Atelier and LIV @ MB. As one of the very few developers of landed housing in Singapore, the Group is confident that the well-designed Pollen Collection will be well received by customers aspiring to own a landed home and who have a need for more space and multigenerational living. For our new development at Bukit Timah Link, we are planning a development that is suitable for both investors and end users with a hillside-resort themed lifestyle with complementary facilities within a 20-storey development.

The Group remains committed to creating value for our customers and to maintaining the quality of our products. By constantly evolving our approach and keeping a close eye on customers' expectations, overall demand and ever-changing economic trends, we will be able to fulfil these commitments in our upcoming developments. Finally, the Group will continue to take a forward-looking approach to achieve sustainable growth while actively seeking opportunities to supplement our land bank and to build upon our solid foundation.

DIVIDENDS

For FY2023, the Company did not declare any interim dividend.

In view of the current economic situation and its impact on earnings, and to conserve financial resources, the Board recommends a final dividend of 4 cents and a special dividend of 6 cents per ordinary share, totalling 10 cents. The total dividend pay-out ratio is 0.8.

The dividend payment, which amounts to $25.9 million, is subject to shareholders' approval at the 57th Annual General Meeting ("**AGM**") to be held on 28 July 2023.

DIRECTORATE

The Board had announced that Mr Chng Kiong Huat ("**Mr Chng**") has stepped down as a Director of the Company with effect from 3 February 2023. Mr Chng was a Non-Executive Director of the Company for 7 years, prior to his redesignation to Executive Director and Chief Executive Officer with effect from 1 October 2022. In order to preserve the same level of independence for the Board, and to provide Management with sufficient resources by streamlining Mr Chng's workload, it was decided that he will focus on his role as Chief Executive Officer to meet the management and operational needs of the Company in its property development business.

On behalf of the Board, I would like to extend a warm welcome to Mr Chu Leong Tho who was appointed as an Alternate Director to Ms Fam Lee San with effect from 28 March 2023.

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

ACKNOWLEDGEMENTS

On behalf of the Board and Management, I would like to express my heartfelt gratitude to Mr Chng for his contributions during his tenure as a member of the Board, and our esteemed customers, shareholders, strategic partners, and our staff for their unwavering commitment and trust. We are confident that under Mr Chng's capable leadership as Chief Executive Officer and with your steadfast support, the Group will continue to build upon its strong foundation and strive towards greater heights in the years to come. Once again, we express our heartfelt appreciation and look forward to a bright future ahead.

Koh Poh Tiong
Chairman
21 June 2023

FIVE-YEAR FINANCIAL SUMMARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION					
As at 31 March	2023	2022	2021	2020	2019
	$'000	$'000	$'000	$'000	$'000
Non-Current Assets					
Investment Property	**2,998**	3,160	3,323	3,485	3,649
Property, Plant and Equipment	**212,411**	212,355	204,052	210,777	258,277
Deferred Tax Assets	**13,019**	12,404	10,903	11,287	2,461
Current Assets	**1,350,154**	1,445,444	1,733,117	1,612,224	1,517,163
Current Liabilities	**(102,925)**	(59,566)	(119,789)	(159,732)	(78,894)
Non-Current Liabilities	**(697)**	(131,812)	(347,099)	(354,489)	(398,123)
	1,474,960	1,481,985	1,484,507	1,323,552	1,304,533
Share Capital	**631,801**	631,801	631,801	631,801	631,801
Reserves	**843,159**	850,184	852,706	691,751	672,732
Total Equity	**1,474,960**	1,481,985	1,484,507	1,323,552	1,304,533

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME					
For the year ended 31 March					
Revenue	**197,126**	288,229	580,961	369,720	357,855
Profit Before Tax	**37,478**	95,335	227,365	102,260	128,483
Tax Expense	**(3,078)**	(12,417)	(37,930)	(26,179)	(27,192)
Profit After Tax	**34,400**	82,918	189,435	76,081	101,291


Artist's Impression

GROUP FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDED 31 MARCH	2023 $'000	2022 $'000
Revenue	**197,126**	288,229
Profit Before Tax	**37,478**	95,335
Profit After Tax	**34,400**	82,918
Net Dividends paid	**-**	41,425
Net Dividends (proposed)	**25,891**	-
Share Capital	**631,801**	631,801
Total Equity	**1,474,960**	1,481,985
Net Return on Total Equity	**2.33%**	5.60%
Earnings Per Ordinary Share		
Basic earnings per share	**$0.13**	$0.32
Diluted earnings per share	**$0.13**	$0.32
Dividends Per Ordinary Share		
Gross	**$0.10**	$0.16
Net	**$0.10**	$0.16
Cover	**1.33 times**	2.00 times
Net Tangible Assets Per Ordinary Share	**$5.70**	$5.72

FINANCIAL CALENDAR

FINANCIAL YEAR ENDED 31 MARCH 2023	
Announcement of Half-year Results	10 November 2022
Announcement of Full-year Results	22 May 2023
Annual General Meeting	28 July 2023

FINANCIAL YEAR ENDING 31 MARCH 2024	
Announcement of Half-year Results	November 2023
Announcement of Full-year Results	May 2024

LIV @ MB

Artist's Impression

A heritage of luxury living within the coveted Mountbatten conservation enclave

LIV @ MB is the exclusive development conceptualised by President's Design Award-winning architects Khoo Peng Beng and Belinda Huang of Arc Studio Architecture + Urbanism Pte Ltd. Nestled within the coveted Mountbatten conservation enclave of District 15, LIV @ MB is surrounded by the vibrant enclaves of Kallang, Marine Parade, Katong and Joo Chiat. Its enviable location boasts a mere 3-minute walk to the upcoming Katong Park MRT Station, providing residents with excellent accessibility to the bustling Central Business District, world-class entertainment at Marina Bay Sands and beyond.

Within the unparalleled comfort of their homes, residents can enjoy panoramic views of the vibrant city skyline and the surrounding Mountbatten landed housing enclave. LIV @ MB spans a sprawling 140,000 sq ft site, where 80% of the space is dedicated to nature and recreation, featuring 57 lifestyle facilities spread across 3 landscaped decks. The remaining 20% of the site is reserved for residential use, ensuring comfortable living spaces for discerning homeowners. Residents also get to enjoy ultimate convenience with the range of smart home and community features provided, along with complimentary^ concierge services.


Artist's Impression

Inspired by seafront bungalows, LIV @ MB's clubhouses are a collection of 5 distinctive pavilions set along the "shoreline" of the main pool, and together with its other facilities such as the water gym, main pool, jacuzzi pool, playground, beach villa, study lounge, sky grill, sky villa, and The Mountbatten Hall, provides luxury and rejuvenation to residents of all ages.

Families will find peace of mind when planning for the future with LIV @ MB's proximity to East Coast Park and esteemed educational institutions such as Tao Nan Primary, Kong Hwa Primary, Dunman High, and Chung Cheng High. Estimated to obtain its TOP in fourth quarter of 2024, LIV @ MB promises to offer the pinnacle of urban living, tailored for those with discerning tastes and a penchant for the finer things in life.

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

All distances and travelling times are approximates only.

^ Concierge services are complimentary, and a gesture of goodwill provided by the developer for a period of 24 months from TOP or up to 1st AGM, whichever is earlier.

The Atelier

Artist's Impression

The notion of luxury in the coveted District 9 neighbourhood

Artist's Impression

Nestled in the coveted District 9, The Atelier is a bespoke freehold residential development designed by award-winning architect, Ong & Ong Pte Ltd, comprising 22 storeys and 120 units. Its prime location, a mere 8-minute walk to Newton MRT Station (interchange) and within 1-kilometre* radius of distinguished schools such as Anglo Chinese School (Junior and Primary), St. Joseph's Institution Junior and St. Margaret's Primary, offers priority# opportunity for school admission. This makes The Atelier the perfect home for perpetuating one's familial legacy.

The Atelier's ideal location and connectivity bring convenience to the next level with a short 5-minute drive to Orchard Road. Being surrounded by diverse shopping and dining options, lifestyle amenities, and the upcoming Health City Novena, makes it a wise investment both for owner-occupancy and rental purposes.

An abundance of facilities awaits at The Atelier, interwoven across three landscaped decks, designed to encourage relaxation and social interactions. The luxurious living spaces feature a 48-metre lap pool nestled amidst verdant greenery, study pods, serenity fitness gym and tree top adventure play areas, catering to individuals of all ages and providing an optimal environment to live, work, and play.

Residents will enjoy convenience and comfort with the range of smart home and community features included, along with complimentary^ concierge services. A limited 120 units means The Atelier offers an unparalleled degree of exclusivity and privacy. The selection of 1 to 4 bedroom units are thoughtfully designed with the luxury of space and flexible layouts, catering to the lifestyle needs of individuals, couples and families. The development is estimated to obtain its TOP in first quarter of 2024.

- **District 9**
- **Newton**
- **Freehold**
- **120 Residences**

*All distances and travelling times are approximates only. * Source: onemap.gov.sg*
 # For more information, visit Ministry of Education's Website.
^ Concierge services are complimentary, and a gesture of goodwill provided by the developer for a period of 24 months from Temporary Occupation Permit (TOP) or up to 1st AGM, whichever is earlier.

PROJECTS FOR SALE

Pollen Collection

Artist's Impression

A prized collection of brand-new contemporary landed homes, for the privileged few

Designed by Mok Wei Wei of W Architects Pte Ltd, winner of the President's Design Award, Pollen Collection presents a prized collection of 132 three-storey terrace houses and semi-detached homes that are distinctive for their bold and textured facades accentuated by light-filled, airy and spacious interiors.

Pollen Collection landed homes are thoughtfully designed with 6-metre high ceilings at the spacious living and dining areas to elevate your living experience. The future-ready car porch provides ample space to house up to three cars, complete with isolator points which facilitate the installation of electric car chargers.

Multi-generational living has never been more comfortable, as each home has 5 bedrooms with its own private bathrooms and an electric home lift for effortless accessibility. The smart home system is also provided for residents to enjoy daily convenience at their fingertips.

The seamless connection between indoor and outdoor areas makes alfresco dining on the terrace a breeze. A select few houses even come with a private swimming pool, perfect for indulging in utmost privacy. Pollen Collection is estimated to obtain its TOP in 2026.

Artist's Impression

Realise the aspiration of luxury landed living at Pollen Collection, where life flourishes.

- **District 28**
- **Seletar**
- **99-Year Leasehold**
- **132 Landed Houses**

New Development at Bukit Timah Link

Artist's Impression

The upcoming development at Bukit Timah Link will be designed by the President's Design Award winner, Khoo Peng Beng and Belinda Huang of Arc Studio Architecture + Urbanism Pte Ltd. The residential development is located at the heart of the vibrant Beauty World precinct, a gentrifying urban village framed by the lush foothills of Bukit Timah, the bygone industrial factories of the early 20th century, the former Malayan Railway, and the residential Good Class Bungalow enclave at King Albert Park.

Artist's Impression

The exclusive development's strategic location is a mere 2-minute walk from Beauty World MRT Station, offering quick access to the Central Business District and Marina Bay Sands. At the centre of the Beauty World neighbourhood, amenities and malls are within easy reach.

Residents can also embrace the great outdoors, with the development's proximity to an abundance of recreation options including Bukit Timah Nature Reserve, Rifle Range Nature Park and The Rail Corridor, and enjoy the convenience of planning for their children's education at Bukit Timah Link. Additionally, it is located within 1-kilometre* radius of Pei Hwa Presbyterian Primary School and conveniently accessible to renowned schools along Bukit Timah Road.

A holistic range of facilities are available, catering to residents of all ages. With a selection of 1 to 4 bedroom layouts thoughtfully designed to meet different lifestyle needs, the development seeks to create a future vision for a flexible and sustainable lifestyle, blending cosmopolitan vibes with its tropical industrial heritage.

- **District 21**
- **Upper Bukit Timah**
- **99-Year Leasehold**
- **155 Residences**

*All distances and travelling times are approximates only. * Source: onemap.gov.sg*

Fraser Residence Orchard, Singapore

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

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

- **District 9**
- **Orchard**
- **Freehold**
- **115 Rooms**

AWARDS & ACCOLADES 2019 – 2022

2022

PROJECT	AWARD NAME
LIV @ MB	**EdgeProp Excellence Awards** *Design Excellence Award*
	EdgeProp Excellence Awards *Marketing Excellence Award*
	EdgeProp Excellence Awards *Showflat Excellence Award*
	PropertyGuru Asia Property Awards *Best Premium Condo Development*
	PropertyGuru Asia Property Awards *Best Premium Condo Interior Design*

2021

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

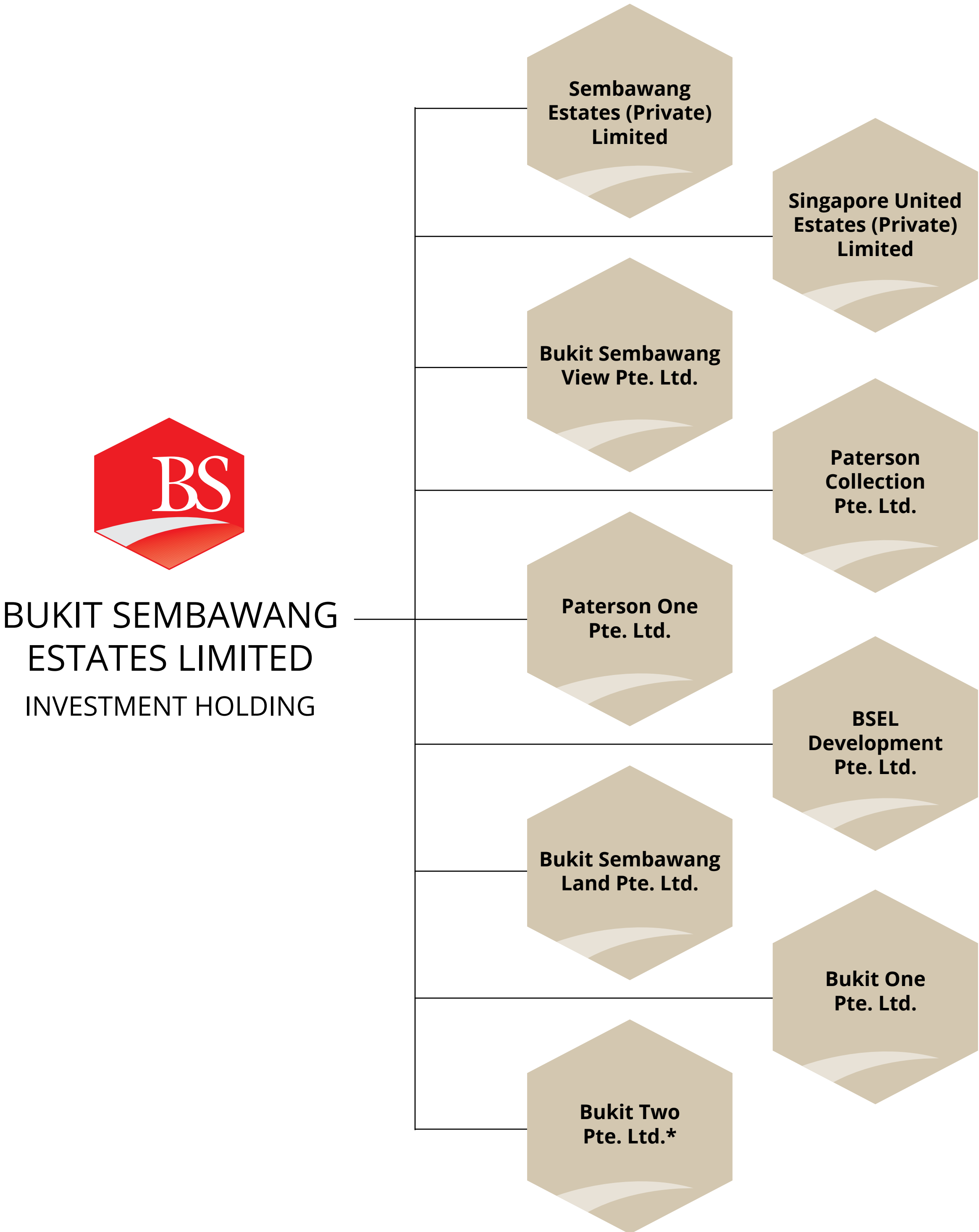
2020

PROJECT	AWARD NAME
Bukit Sembawang Estates Limited	**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	**The Edge Billion Dollar Club** *Best-Performing Stock (Properties)*
8 St Thomas	**Global Architecture and Design Awards** *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*
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*

GROUP STRUCTURE



All companies are incorporated in Singapore

**Dormant as of date*

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 Board Executive Committee of Fraser and Neave, Limited, as well as a member of the Executive Committee of Thai Beverage Public Company Limited. He is also Chairman of BeerCo Limited, Times Publishing Limited, and Saigon Beer Alcohol Beverage Corporation, and a Director of Asia Breweries Limited and Cambodia Breweries Pte Ltd.

He was previously Chairman of Yunnan Yulinquan Liquor Co. Ltd, the National Kidney Foundation and Singapore Kindness Movement, Senior Adviser and Director of Raffles Medical Group Limited, and a Director of SATS Ltd, Delfi Limited, Great Eastern Life Assurance (Malaysia) Berhad and Great Eastern General Insurance (Malaysia) Berhad.

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:
28 July 2022

MR ONG SIM HO

Independent Director

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

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

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

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

Date of first appointment as a Director:
5 August 2019

Date of last re-election as a Director:
28 July 2022

BOARD OF DIRECTORS

MR LEE CHIEN SHIH

Non-Executive Director

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

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

Date of first appointment as a Director:
1 October 1999

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

MS FAM LEE SAN

Non-Executive Director

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

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

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

Date of first appointment as a Director:
25 July 2014

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

MR CHU LEONG THO

Alternate Director to Ms Fam Lee San

Mr Chu Leong Tho was appointed as an Alternate Director to Ms Fam Lee San on 28 March 2023.

Mr Chu is currently an Executive Director of SE Alliance Management Pte Ltd and is a Director 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. He has more than 35 years of experience in the real estate industry, mainly in business development and property fund management.

Mr Chu holds a Master of Business Administration from University of Dubuque USA and a Bachelor of Science (Estate Management) degree from the National University of Singapore. He is a Key Executive Officer of Licensed Estate Agent (SE Alliance Management Pte Ltd) under Council Estate Agencies. He is also a member of the Singapore Institute of Surveyors and Valuers.

Date of first appointment as an Alternate Director:
28 March 2023

KEY MANAGEMENT

MR CHNG KIONG HUAT

Mr Chng Kiong Huat was appointed as the Chief Executive Officer of the Group on 1 October 2022. Prior to his current appointment, he had served on the Board as a Non-Executive Director from 24 July 2015, and subsequently stepped down as a Director of the Company on 3 February 2023, but remained as the Chief Executive Officer to focus on the management and operational needs of the Group's property development business in Singapore.

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

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

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

MS JACQUELINE CHANG POH NAH

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

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

MS HO JENNY

Ms Ho Jenny holds the position of General Manager (Marketing & Sales) and heads the Marketing Department. She joined the Group in 2017 with more than 20 years in the real estate industry. Her portfolio includes marketing and sales of the Group's residential properties, public relations and corporate communication.

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

MR MCDONALD LOW HOONG CHIONG

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

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

MR MICHAEL CHAN LIM HUAT

Mr Michael Chan holds the position of Head of Property Management. He joined the Group in 2020 and is responsible for the maintenance and management of all the existing and new properties in the Group. He has been in the construction and property development industry for more than 15 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)*
Chu Leong Tho *(Alternate Director to Fam Lee San)*

AUDIT AND RISK MANAGEMENT COMMITTEE
Ong Sim Ho *(Chairman)*
Koh Poh Tiong
Fam Lee San

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

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

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

COMPANY SECRETARY
Lotus Isabella Lim Mei Hua

REGISTERED OFFICE
2 Bukit Merah Central
#13-01
Singapore 159835
Telephone : +65 6890 0333
Facsimile : +65 6536 1858
Website : bsel.sg
Email Address : bsel@bukitsembawang.sg

COMPANY REGISTRATION NUMBER
196700177M

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

SHARE REGISTRAR
M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902
Telephone : +65 6227 6660 / +65 6228 0507
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 2023 with specific references made in relation to each of the principles of the Code of Corporate Governance 2018 ("**Code**"). During the financial year, the Group has adhered to the principles and guidelines as set out in the Code. Explanations are provided where there are deviations from the Code.

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

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

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

The principal functions of the Board include the following:

1. Set long-term strategic objectives, monitor the progress towards achieving these goals, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
2. Oversee the establishment and operation of an enterprise risk management framework and the review of the adequacy and effectiveness of the Company's risk management and internal control systems, including safeguarding 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 the Chief Executive Officer with considerable expertise and knowledge of the real estate and construction industry.

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

CORPORATE GOVERNANCE REPORT

Matters Requiring Board Approval

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

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

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

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

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

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

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

Directors' Training and Induction

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

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

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

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

All Directors have unrestricted access to the Company's records and information and receive detailed financial and operational reports from Management to enable them to carry out their duties. Directors may also liaise with Management to seek additional information if required. Directors may, at any time, in the furtherance of their duties, request 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 four Non-Executive Directors, of whom two are Independent, and two are Non-Independent as well as an Alternate Non-Independent Director. The Chairman of the Board, Mr Koh Poh Tiong, is an Independent Non-Executive Director.

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

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

CORPORATE GOVERNANCE REPORT

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

Board Diversity

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

In October 2012, Ms Fam Lee San was appointed as an Alternate Director, and was thereafter appointed as a Non-Executive Director of the Company in July 2014. Mr Koh Poh Tiong was appointed as an Independent Non-Executive Director of the Company in February 2017 and thereafter, as Chairman of the Board in August 2017. Mr Koh brings with him many years of experience as a Director of other public listed companies as well as private companies and organisations in a wide variety of industries and sectors. In August 2019, the Board appointed an additional Independent Non-Executive Director, Mr Ong Sim Ho. Mr Ong is an experienced tax and corporate lawyer at Drew & Napier LLC. In March 2023, Mr Chu Leong Tho was appointed an Alternate Director to Ms Fam Lee San. Mr Chu has more than 35 years of experience in real estate (with developers as well as funds) covering various markets in Asia including China, Hong Kong, Japan, South Korea, Malaysia, Singapore, and Australia. These appointments have enhanced the Board's diversity in terms of gender, skill set, experience, expertise, age and perspectives to support the long-term success of the Company.

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

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

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

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

The Chairman, Mr Koh Poh Tiong, is an Independent Director. Mr Chng Kiong Huat was appointed the Chief Executive Officer ("**CEO**") and Executive Director in October 2022. Mr Chng was formerly a Non-Executive Director of the Company prior to his appointment as CEO but has since stepped down as an Executive Director in February 2023.

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

The Chairman encourages constructive 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.

CORPORATE GOVERNANCE REPORT

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

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

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

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

The NC evaluates the Board's performance as a whole, its Board Committees, and the contributions of individual Directors to the effectiveness of the Board. The assessment criteria adopted include both a quantitative and qualitative evaluation. The qualitative criteria for assessing the Board's collective performance include Board size and composition, access to information, processes and accountability, and Board Committees' performance in relation to discharging their responsibilities set out in their respective Terms of Reference, while the quantitative assessment criteria include net profit, return on equity, earnings per share, dividend per share and pay-out ratio, allowing for comparison against industry peers. The assessment criteria for individual Directors 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 themselves 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.

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 and Ms Fam Lee San will be retiring by rotation pursuant to Regulation 94 of the Company's Constitution.

The Nominating Committee has reviewed and is satisfied with their contribution and performance as Directors of the Company and have endorsed their nomination for re-election.

Mr Lee Chien Shih and Ms Fam Lee San, 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 39 to 44 of this Annual Report.

Directors' Attendance at Board and Committee Meetings from 1 April 2022 to 31 March 2023					
	Board	**Audit and Risk Management Committee**	**Remuneration Committee**	**Nominating Committee**	**Project Development Committee**
Number of Meetings Held	**4**	**3**	**1**	**1**	**4**
Mr Koh Poh Tiong	4	3	1	1	4
Mr Lee Chien Shih	4	3#	1	1	4#
Ms Fam Lee San	4	3	-	-	4#
Mr Chng Kiong Huat*	3	3#	-	-	3
Mr Ong Sim Ho	4	3	1	1	4

* Mr Chng was a Non-Executive Director before being appointed as CEO and Executive Director on 1 October 2022. He stepped down as an Executive Director on 3 February 2023.

\# Attendance by invitation.

CORPORATE GOVERNANCE REPORT

Several of our Board Members have multiple listed board representations and other principal commitments, as follows:-

Director	Listed board representation and principal commitments (other than in the Company)
Koh Poh Tiong	Fraser and Neave, Limited Saigon Beer Alcohol Beverage Corporation Thai Beverage Public Company Limited BeerCo Limited Times Publishing Limited Asia Breweries Limited Cambodia Breweries Pte Ltd
Ong Sim Ho	Bluefield Renewable Energy Pte Ltd Bluefield Ventures Pte Ltd AIA Singapore Private Limited 2 Friends Investment Pte Ltd Galini Neuropro Pte Ltd Drew & Napier LLC Bright Vision Hospital Haw Par Corporation Limited Biovail Pte. Ltd.
Lee Chien Shih	Lee Rubber Company (Pte) Limited Lee Foundation, Singapore Lee Foundation, States of Malaya Lee Latex (Pte) Limited Selat (Pte) Limited - Alternate Director Singapore Investments (Pte) Limited - Alternate Director
Fam Lee San	Casuarina Properties (Pte) Ltd Cyber City Trading Pte Ltd Cyberhub Capital Pte Ltd Cyberpoint Capital Pte Ltd Cyberport Capital Pte Ltd Capital Intelligence Pte Ltd Kallang Development (Pte) Limited Kota Development Pte Ltd SE Alliance Management Pte Ltd Tropical Produce Co. Pte Ltd Bio East Pte. Ltd Enviro East Pte. Ltd Pulau Properties (Pte) Ltd Firwood Investments Pte. Ltd. Joneswick Pte Ltd
Chu Leong Tho	Casuarina Properties (Pte) Ltd Firwood Investments Pte. Ltd. Joneswick Pte Ltd Kallang Development (Pte) Limited Pulau Properties (Pte) Ltd SE Alliance Management Pte Ltd True Equity Sdn. Bhd. Adat Pertama Sdn. Bhd. Amber Heights Sdn. Bhd. Gunung Impian Development Sdn Bhd - Alternate Director

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

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

LEVEL AND MIX OF REMUNERATION

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

DISCLOSURE ON REMUNERATION

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

Remuneration Committee ("RC")

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

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

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

The RC is governed by its written Terms of Reference which set out its authority and duties. The key function of the RC is to review and recommend to the Board, in consultation with Management, a framework for all aspects of remuneration such that there is a formal and transparent procedure for fixing the remuneration package of individual Directors. The RC also determines the specific remuneration packages and terms of employment for the CEO 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, in the event that the services of the CEO and key management personnel are terminated, to ensure that contracts of service contain fair and reasonable termination clauses that are not overly generous. The RC aims to be fair and avoid rewarding poor performance.

The RC in reviewing the remuneration packages for the CEO and key management personnel 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 CEO and key management personnel when setting remuneration packages so as to attract, retain and motivate them to run the Group successfully.

The performance of the CEO and key management personnel 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 2023, 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 Directors receive Directors' fees. In determining the quantum of Directors' fees, factors such as effort and time spent for serving on the Board and Board Committees, and responsibilities of the Directors are taken into account. The RC will ensure that Non-Executive Directors will not be overly compensated to the extent that their independence may be compromised.

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

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

Annual appraisals and review of executives' compensation are carried out by the RC to ensure that the remuneration packages of the 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, considering factors such as effort 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 2023, together with a breakdown (in percentage terms) of each Director's remuneration earned through base/fixed salary, variable or performance related income/bonuses, share options granted, and Directors' fees/attendance fees proposed to be paid to each Director subject to the approval of shareholders at the AGM:

	Percentage			
	Remuneration earned through			
Director	**Base/Fixed Salary(3)**	**Variable or performance related income/ bonuses/share options granted(3)**	**Directors' Fees/ Attendance Fees**	**Total (round off to nearest thousand dollars) S$'000(3)**
Koh Poh Tiong	-	-	100%	121
Ong Sim Ho	-	-	100%	104
Lee Chien Shih	-	-	100%	58
Fam Lee San (1)	-	-	100%	63
Chng Kiong Huat (1) (2)	72%	8%	20%	223

1 Payable to Kallang Development (Pte) Limited.
2 Mr Chng was a Non-Executive Director before being appointed as CEO and Executive Director on 1 October 2022. Hence, Director's remuneration is payable for the period 1 April 2022 to 30 September 2022.
3 Includes employer's CPF contribution.

The above proposed total fees of $391,500 (2022: $428,000) for Independent and Non-Executive Directors is subject to shareholders' approval at the AGM to be held on 28 July 2023.

No termination, retirement and post-employment benefits were granted to any Director, or any key management personnel for the financial year ended 31 March 2023.

CORPORATE GOVERNANCE REPORT

Remuneration of Key Executives

A breakdown of the remuneration of each key executive, including the CEO who is not a Director, for the financial year ended 31 March 2023 is shown in the table below. The aggregate remuneration paid to the key executives including the bonus payable to them for the financial year is $1,394,000 (2022: $1,185,000).

Total Remuneration Bands	Total (%)	Salary [1] (%)	Bonus [1] (%)	Other Benefits (%)
$250,000 to $500,000				
Mr Charles Chow Kim Ghee [2] Chief Operating Officer ("**COO**")	100	59	-	41
Ms Ho Jenny General Manager (Marketing & Sales)	100	61	31	8
Mr McDonald Low Hoong Chiong Head of Project	100	69	28	3
Below $250,000				
Mr Chng Kiong Huat [3] Chief Executive Officer	100	85	-	15
Ms Jacqueline Chang Poh Nah Financial Controller	100	68	29	3
Mr Michael Chan Lim Huat Head of Property Management	100	74	20	6

1 Includes employer's CPF contribution.
2 Mr Chow resigned as COO on 10 February 2023.
3 Mr Chng was appointed CEO and Executive Director on 1 October 2022, and ceased as Executive Director on 3 February 2023. Hence, remuneration as key executive is payable for the period 4 February 2023 to 31 March 2023.

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 $100,000 during the financial year ended 31 March 2023.

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

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

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

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

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

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

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

The Company has an established risk identification and management framework developed with the assistance of an external consultant. The ownership of the risks lies with the respective heads of departments and 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, 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.

CORPORATE GOVERNANCE REPORT

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

1. the financial records of the Group have been properly maintained and the financial statements for the financial year ended 31 March 2023 give a true and fair view of the Group's operations and finances;

2. risk management systems and internal control systems were properly maintained;

3. material information relating to the Company was disclosed on a timely basis for the purposes of preparing financial statements; and

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

AUDIT AND RISK MANAGEMENT COMMITTEE ("ARMC")

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

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

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

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

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

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

The ARMC performs the following functions in accordance with Section 201B(5) of the Companies Act 1967, the SGX-ST's Listing Manual and the Code:

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

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

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

4. Reviews assurance from the CEO and FC on financial records and financial statements;

5. Reviews the cooperation given by our Management to the External Auditor and Internal Auditor;

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

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

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

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

   - on normal commercial terms; and

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

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

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

The ARMC has explicit authority to investigate any matter within its Terms of Reference, full access to and cooperation 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.

CORPORATE GOVERNANCE REPORT

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

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

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

Pursuant to Rule 1207 (6)(a), the fees payable to auditor are set out in Note 19 on page 105 of this Annual Report.

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

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

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

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

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

Based on the framework established and the reviews conducted by Management and both the Internal and External Auditors, the Board, with the concurrence of the ARMC, is of the opinion that there are adequate internal controls and risk management systems to address the financial, operational and compliance risks of the Group in its current business environment. In addition, the Board, with the concurrence of the ARMC, is of the view that the Group's internal controls addressing financial, operational, compliance and information technology risk as well as the Group's risk management systems are effective and adequate as of 31 March 2023. 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. Information on our Whistle-blowing policy can be found on our corporate website. A dedicated communication channel has been established, and whistle-blowers may submit the written report to the ARMC by sending an email to whistleblowing@bukitsembawang.sg.

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 the findings of the investigation, as well as a follow-up report on actions taken by the ARMC. The Company will update the complainant on the actions taken in respect of the complaint within two weeks. Subject to any legal constraints, the complainant will be notified about the outcome of any investigations.

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

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

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

Principle 12 *– Engagement with stakeholders*

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

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

CORPORATE GOVERNANCE REPORT

In line with the continuous obligations of the Company pursuant to the Listing Manual and the Companies Act 1967, it is the Board's policy that all shareholders should be informed of all major developments that will have an impact on the Company or the Group. It is also the Board's policy that all corporate news, strategies, and announcements are promptly disseminated through SGXNET, press releases as well as various media. The Company does not practise selective disclosure. The Company maintains a dedicated investor relations segment on its website to keep shareholders informed of all significant corporate developments.

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

All resolutions at general meetings are put to vote by poll which is verified by a scrutineer 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.

Our Annual General Meeting, to be held on 28 July 2023, will be a physical meeting. Shareholders may submit questions in advance of the AGM, during the AGM, or appoint the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the AGM.

Shareholders are informed to attend the 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 apprised of the Company's strategy and goals. The general meeting procedures provide the shareholders with opportunities to raise questions relating to each resolution tabled for approval. Shareholders are given the opportunity to participate, engage and openly communicate their views on matters relating to the Company to the Directors. Shareholders are also informed of the rules, including voting procedures, governing shareholders' meeting.

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

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

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

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

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

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

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

Minutes of the shareholders' meeting include details of relevant and substantive 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 within one month after each general meeting.

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

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

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

Dividend Policy

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

The Company has declared a final dividend for the financial year ended 31 March 2023. Any payouts are communicated to shareholders via an announcement on SGXNET when the Company discloses its financial results.

CORPORATE GOVERNANCE REPORT

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 the long term viability of a business. Thus, the Company values open dialogue and frequently engages with stakeholders through various methods to understand and address their needs and expectations.

The Company strives to maintain an open and fair communication channel with our key stakeholders to understand their views, concerns, and objectives, as well as communicate expectations and support improvement in our continuous engagement to achieve sustainable objectives. The Company identifies stakeholder groups which have a significant influence and interest in our operations and business and engages these stakeholders to understand their environmental, social, and governance ("**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) which is updated with its latest business developments, as and when they occur, to keep members of the public abreast with the progress of the Group.

Sustainability reporting

The Board recognises that one of the keys to building a sustainable business involves finding a balance between addressing its business needs and the needs of the society and the environment in which the Group operates. The Board strongly believes that to grow sustainably as a forward-looking corporate entity, the Group has to regularly reach out and work together with all its stakeholders, from its employees to the community, and be responsible stewards of its natural environment.

The Board is aware that, pursuant to Rule 711B with effect from 1 January 2022, the Company must provide climate-related disclosures consistent with the recommendations of the Task Force on Climate-related Financial Disclosures on a 'comply or explain' basis in their sustainability report. Pursuant to Rule 711A, for the financial year ended 31 March 2023, the Board has ensured internal review of the Company's sustainability report, which is released in this Annual Report.

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 2023 on pages 45 to 64 for more information on how the Company manages its stakeholder relationships.

In this way, the Company hopes to maintain an open and clear communication channel with all its 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. Members of the PDC are:

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

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

The responsibilities of the Committee include:

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

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

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

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

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

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

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

DEALING IN SECURITIES

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

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

CORPORATE GOVERNANCE REPORT

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**").

The Company does not have a general mandate from shareholders pursuant to Rule 920 of the SGX-ST Listing Manual.

During the year, the following interested person transactions took place:-

No.	Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) $'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) $'000
1.	Mr Jordan Chng Wen Juin (held in trust by Mr Chng Kiong Huat)	Son of Mr Chng Kiong Huat [1]	1,780	Nil
2.	Mr Chng Kiong Choon	Brother of Mr Chng Kiong Huat [1]	1,788	Nil
3.	Ms Sheryl Chng Wen Hui	Daughter of Mr Chng Kiong Huat [1]	1,796	Nil

1 Mr Chng Kiong Huat was appointed CEO of the Company on 1 October 2022 and had stepped down as an Executive Director of the Company on 3 February 2023. Pursuant to Rule 904 of the Listing Rules of SGX, sales of apartment units by a subsidiary constitute interested person transactions.

MATERIAL CONTRACTS

There were no material contracts entered into by the Company or any of its subsidiaries involving the interest of the CEO, any Director or controlling shareholder, either still subsisting at the end of the financial year ended 31 March 2023 or if not then subsisting, entered into since the end of the previous financial year ended 31 March 2022.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Lee Chien Shih and Ms Fam Lee San are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 28 July 2023 ("**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
Date of Appointment	1 October 1999	25 July 2014
Date of last re-appointment	28 July 2021	28 July 2021
Age	63	56
Country of principal residence	Singapore	Singapore
The Board's comments on this re-election (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the 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 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.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Director and member of the Remuneration Committee and Nominating Committee	Non-Executive Director and member of the Audit and Risk Management Committee
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

CORPORATE GOVERNANCE REPORT

Name of Director	Lee Chien Shih	Fam Lee San
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	None
Conflict of interest (including any competing business)	None	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Working experience and occupation(s) during the past 10 years	Mr Lee is a Director of Lee Rubber Company (Pte) Limited, Lee Latex (Pte) Limited, 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) Limited, as well as a Director of various companies in the Lee Rubber Group.
Shareholding interest in the listed issuer and its subsidiaries	Yes	No
Shareholding details	542,900 Ordinary Shares	Nil
Other Principal Commitments Including Directorships		
Past (for the last 5 years)	Nil	Nil
Present	1. Lee Rubber Company (Pte) Limited 2. Lee Foundation, Singapore 3. Lee Foundation, States of Malaya 4. Lee Latex (Pte) Limited 5. Selat (Pte) Limited - Alternate Director 6. Singapore Investments (Pte) Limited - Alternate Director	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

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

CORPORATE GOVERNANCE REPORT

Name of Director	Lee Chien Shih	Fam Lee San
(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
(e) Whether he/she has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he/she is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him/her in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his/her part, or he/she has been the subject of any civil proceedings (including any pending civil proceedings of which he/she is aware) involving an allegation of fraud, misrepresentation or dishonesty on his/her part?	No	No

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

CORPORATE GOVERNANCE REPORT

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

SUSTAINABILITY REPORT

Sustainability at Bukit Sembawang Estates Limited

About Bukit Sembawang Estates Limited

BSEL began as a leading rubber manufacturer in 1911 and has evolved into becoming a property developer well known for its residential developments. A listed company on the Singapore Stock Exchange ("**SGX**") and incorporated in 1967, the Group's business is focused on property development, investment, and other property-related operations. The Group built some of Singapore's most prominent residential developments, including over 1,800 residential apartments in the prime districts of Districts 9 and 10 and over 4,600 landed properties in Seletar and Sembawang. In addition to building and selling property units, the Group owns a serviced apartment and office units as part of our property portfolio.

As a reputable developer, we prioritise providing high-quality homes with excellent value. We are committed to maintaining this reputation by constructing sustainable homes and neighbourhoods. To this end, we have compiled our accomplishments in the areas of ESG in this Sustainability Report ("**the Report**").

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.

MILESTONES

BSEL has built many of Singapore's renowned and established residential developments comprising landed homes, private residences, and serviced apartments for over half a century.

COMMITMENT

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

About this Report

We aim to present a comprehensive outlook of our sustainability journey, encompassing our yearly progress and dedication to sustainable expansion. Therefore, this Report covers the sustainability-related practices and achievements of the Group, utilising information and data from the period between 1 April 2022 and 31 March 2023 ("**FY2023**"), unless mentioned otherwise. The Report covers the listed entity, BSEL, its 40 full-time employees and its group of companies. In this Report, references to "BSEL", "the Group", "the Company", and "we" refer to Bukit Sembawang Estates Limited and its group of companies.

The Report is prepared in accordance with the Global Reporting Initiative ("**GRI**") Standards 2021. We based our sustainability report on the GRI standards as it is a globally recognised sustainability reporting standard that allows for a uniform and comparable data reporting that meets the needs of stakeholders. Our climate disclosures are aligned with the Task Force on Climate-related Financial Disclosures ("**TCFD**"). As this is our first time aligning with TCFD, the Company will progressively expand its climate disclosures to include climate scenario analysis and the associated mitigation plans. The Company has appointed BDO Advisory Pte Ltd as the Internal Auditor of the Company who will do internal review to ensure the report disclosures are in order.

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

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

Chng Kiong Huat
Chief Executive Officer
Bukit Sembawang Estates Limited
2 Bukit Merah Central
#13-01
Singapore 159835
Email address: bsel@bukitsembawang.sg

External Charters and Principles

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

Our Membership

The Associations that we support are as follows:

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

SUSTAINABILITY REPORT

Board Statement

Dear Stakeholders,

Throughout FY2023, we have witnessed global political, economic, and socio-cultural developments that have significantly impacted people's lives worldwide. Even as many nations shift to an endemic environment, the repercussions of the pandemic continue to resound across communities. Climate effects continue to intensify, with severe weather phenomena increasing in frequency and scientists issuing an urgent warning of a "narrowing window for action" to mitigate climate change in the Intergovernmental Panel on Climate Change ("**IPCC**") Sixth Assessment Report. With the founding of the International Sustainability Standards Board ("**ISSB**") in November 2021 and the World Bank giving a record US$31.7 billion in fiscal year 2022 to aid nations, global climate action and integration efforts are ramping up.

The Board of Directors is committed to upholding its responsibilities to identify, oversee, and monitor the ESG issues significant to the Group. These responsibilities include acting as a sounding board to establish strategic direction and overseeing the standards, management procedures, and initiatives required to achieve these objectives. We continue to evaluate the Group's sustainability strategy and risks as part of the Board's mandate to expedite the development of sustainable practices across the Group. As part of our standard reporting measures, the Board oversees the development and endorses the Company's annual Sustainability Report.

The Group anticipates that organisations like ours will need to take on a more significant role in addressing stakeholders' concerns and sustainability issues as the global ESG landscape continues to change. As the Group continues its sustainability journey to generate sustainable value and create a positive impact for all stakeholders, we thank you for your continued support.

Our Efforts to Create Sustainable Value

Stakeholder Engagement

We recognise that our stakeholders are a fundamental component that determines the long-term success of the Group. Hence, communication and good relationships are critical for evaluating the needs of all stakeholders. By addressing challenges crucial to the Group's business and stakeholders, BSEL will be stronger positioned to build long-term sustainable value.

BSEL understands the significance of stakeholder engagement in business strategy creation. As such, BSEL emphasises stakeholder inclusivity through regular interaction with the highest level of transparency. Engaging stakeholders is critical to understanding their perspectives on key ESG matters and how our business operations may influence them. Our key stakeholders comprise BSEL's internal workforce, customers, local communities, government regulators, investors, and contractors.

We communicate with our stakeholders through various methods, including emails, community outreach programs, and surveys. By consistently communicating with our stakeholders, we can identify their concerns, assess risks and opportunities, and recognise significant ESG matters. The following table details our engagement activities with our key stakeholders.

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

Materiality Assessment

In FY2022, BSEL engaged a third-party consultant to conduct a materiality assessment and identify ESG topics that are material to our businesses and stakeholders. The materiality assessment followed SGX's four-step approach and the double materiality approach. We have, for FY2023, determined that our existing list of 15 material topics[1] remains relevant to the Group's business strategy and operations and has received the endorsement from our Board of Directors to be included in this year's Sustainability Report.

No.	Material ESG Topic	Our FY2023 Target	Our FY2023 Progress	Our FY2024 Target
1.	Economic performance	• Create quality homes that property owners will love, cherish and appreciate – generation after generation	• Maintained economic value for shareholders and stakeholders through quality developments and investments that are valued by property purchasers and owners	• Maintain economic value for shareholders and stakeholders through quality developments and investments that are valued by property purchasers and owners
2.	Economic contribution to society	• Create indirect economic and societal impact throughout our business operations	• Maintained transparent financial practices and comply with relevant regulations to foster economic trust and stability	• Maintain transparent financial practices and comply with relevant regulations to foster economic trust and stability
3.	Corporate governance	• Maintain the record of zero known incidents of corruption and customer data breaches	• Recorded zero incidents of corruption and customer data breach	• Maintain the record of zero known incidents of corruption and customer data breaches
4.	Energy management	• Achieve the average energy consumption goal of equal to or less than 158 kWh per month	• Energy intensity recorded to be 71 kWh/employee/month	• Maintain the average energy consumption goal of equal to or less than 158 kWh per month
5.	Climate change and emission	• Reduce greenhouse gas to below 27 kg CO_2e/employee/month at the headquarters	• Greenhouse gas intensity recorded to be 29 kg CO_2e/employee/month due to 100% of employees returning to the headquarters	• Maintain greenhouse gas to below 30 kg CO_2e/employee/month at the headquarters
6.	Water management	• Increase awareness of prudent water consumption at the office	• Displayed reminders for prudent water usage	• Continue to increase awareness of prudent water consumption at the office
7.	Waste management	• Reduce our paper usage further for FY2023 by 20% based on the FY2019 baseline, which had an average monthly consumption of 1.96 reams of paper per employee • Implement e-signing for documents approval company-wide	• Consumed 0.62 reams of paper per employee per month • Moving towards e-signature and paperless trail for documents	• Maintain an average monthly consumption of 1.57 reams of paper per employee • Continue with e-signing for documents approval company-wide
8.	Sustainable building	• Maintain the existing design and construction approach to achieve BCA Green Mark certification for future projects	• Maintained the approach to achieve BCA Green Mark certification for future projects	• Maintain the approach to achieve BCA Green Mark certification for future projects

[1] *Non-material ESG topics covered by the stakeholder engagement survey include Biodiversity and Supply chain management.*

No.	Material ESG Topic	Our FY2023 Target	Our FY2023 Progress	Our FY2024 Target
9.	Employment practices	• Conduct regular performance assessments for all our employees	• 100% of our employees received regular performance assessments	• Maintain regular performance assessments for all our employees
10.	Occupational health & safety	• Zero incidents related to injury and fatalities • No incidents of non-compliance with regulations or voluntary codes regarding health and safety	• Recorded zero incidents related to injury and fatalities • Recorded no incidents of non-compliance with regulations or voluntary codes regarding health and safety	• Maintain zero incidents related to injury and fatalities • Maintain no incidents of non-compliance with regulations or voluntary codes regarding health and safety
11.	Training and development	• Achieve 18 hours of average training hours per employee	• Recorded an average of 21.2 training hours per employee	• To achieve 19 hours of average training hours per employee
12.	Non-discrimination, diversity & inclusion	• Ensure equal opportunities in hiring & employment • No discrimination incidents	• Recorded no incidents of discrimination	• Maintain equal opportunities in hiring & employment • Maintain zero incidents relating to discrimination
13.	Human rights	• Uphold the rights of our employees • No breach of human rights incidents	• Recorded no breach of human rights incidents	• Maintain zero incidents relating to breach of human rights
14.	Customer relations	• Zero incidents of non-compliance with regulations or voluntary codes regarding the health and safety of its products/services	• Identified 1 incident of non-compliance	• Target zero incidents of non-compliance with regulations or voluntary codes regarding the health and safety of its products/services
15.	Community development	• Maintain our efforts and initiatives to help charities with our resources • Plant 45 trees in FY2023, with a planned target increment of 5 trees every year	• Donated a total of $63,500 to 17 charities in FY2023 • In FY2023, we planted 40 trees. We regret that we are unable to execute our target of planting 45 trees in FY2023, due to overcrowding issue highlighted by National Parks Board ("**NParks**"). Nevertheless, we remain committed and will continue to maintain the trees that were planted in previous years	• Maintain our efforts and initiatives to help charities with our resources • Continue to maintain the trees that were planted in previous years

Upholding Sound Corporate Governance Practices

The Group's corporate ethics and governance standards serve as an established foundation. In this respect, the Board establishes the Company's ethical standards, while BSEL's systems, processes, procedures, and policies have been developed to promote ethical behaviour within our organisation.

Governance on Sustainability Practices

The Board is dedicated to ensuring our operations meet the highest quality and stakeholder satisfaction standards. The Board is responsible for establishing strategic goals for the Group's sustainability journey and evaluating material ESG topics. It recognises sustainability as a fundamental aspect of future company development. The Board monitors the identified material sustainability challenges through strategy formulation and regular reviews. The

Board oversees the report preparation procedures and endorses the Company's annual sustainability reports as part of our regular reporting controls.

The CEO chairs the Sustainability Steering Committee ("**SSC**"), which reports to the Board regularly. The Sustainability Task Force ("**STF**"), comprising senior management executives from diverse disciplines, supports the SSC. The SSC is primarily responsible for developing and implementing the Group's sustainability strategy, mapping the material ESG matters to stakeholders' concerns and relevance to business operations, as well as monitoring sustainability-related risks and opportunities. At the same time, we are proactively recognising and reducing potential major risks to our Company in the fundamental aspects of environmental responsibility, social engagement, and corporate governance.

The primary duty of our Environment Sustainability Committee ("**ESC**") is to lead green initiatives and encourage ecological consciousness within our office. They share information on environmental sustainability with all staff monthly through the Green E-Mailer. As part of its ongoing efforts to find new ways to improve our environmental initiatives, the ESC also actively addresses numerous environmental and green topics at the corporate headquarters.

We acknowledge the importance of practising good governance as part of our core principles to safeguard our shareholders' interests and ensure the Group's success. We strive to uphold compliance with the relevant environmental, socioeconomic and authority norms and regulations through systematic, robust, and transparent governance procedures.

Upholding Ethical Conduct [MA 205, 205-2,205-3]

At BSEL, we adhere to all relevant laws and regulations in our business practices and internal procedures. We endeavour to sustain elevated levels of business integrity, corporate governance, transparency, and ethics through a top-down management approach. At no point do we tolerate any corrupt or unethical behaviour.

The Group has included a series of regulations in the employee handbook to specify its ethical and compliance requirements for its workforce. The employee handbook is relevant to all Group employees and mentions explicit guidelines on accepting gifts and anti-bribery policies. We advise our employees to seek management clarification before accepting gifts from outside sources.

The Company's expectations on anti-corruption are communicated to every working level regardless if they are management or non-management personnel. In case of any uncertainty, employees should seek guidance from their respective Heads of Departments. Additionally, we have created a whistleblowing channel to enable anyone to report any possible breaches of business ethics. We also ensure that all management and non-management employees know the Group's anti-corruption policies through regular communication and reminders.

Upon employment, all new employees are required to complete a declaration of any conflict of interest. As of 31 March 2023, 100% of our employees, comprising Management and Non-management staff, were given internal training on anti-corruption and business ethics. In FY2023, there were zero known incidences of corruption in any form.

Confirmed incidents of corruption

0
Total number of confirmed incidents of corruption

NA
Nature of confirmed incidents of corruption

0
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption

0
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption

0
Public legal cases regarding corruption brought against the organisation or its employees during the reporting period and the outcomes of such cases

Protecting Data Privacy [MA 418, 418-1]

We comply with Singapore's Employment and Personal Data Protection Act ("**PDPA**"). Following the regulations, we have formulated a set of policies, including a Privacy Policy, Personal Data Protection Policy and Guidelines, Do Not Call Policy, and Data Breach Management Plan. A data protection clause and consent option are also provided whenever stakeholders are asked for personal information. Additionally, we have created a data inventory outlining personal data collection, use, and storage. The Group's Data Protection Officers ("**DPOs**") manage and enforce data protection practices across the Group.

Safeguarding the security of our database and customer information is our top priority. To this end, BSEL has engaged a third party to design a series of data protection assessments and audit questionnaires to assess the data protection processes of all departments. Using these assessments and questionnaires can improve the Group's implementation of data privacy procedures. We promote employee awareness of PDPA compliance by regularly sharing information and news. Additionally, we have implemented a Data Breach Management Plan to ensure that any data breaches are promptly addressed.

SUSTAINABILITY REPORT

Before launching any project, we take great care to ensure that we meet all the necessary authority requirements in accordance with the Group's standard operating procedures ("**SOP**"). Accordingly, we report any such non-compliance or litigation incident to the highest levels of management within the Company. By doing so, we strive to uphold our commitment to ethical and responsible business practices while safeguarding the interests of our stakeholders and being transparent.

In FY2023, our DPO conducted two PDPA training for all employees, covering personal data processing, personal data consent, storage and disposal, and employees' roles in data protection. For FY2023, the Group received zero complaints concerning personal data breaches or business data loss.

Generating Sustainable Economic Value [MA 201, 201-1]

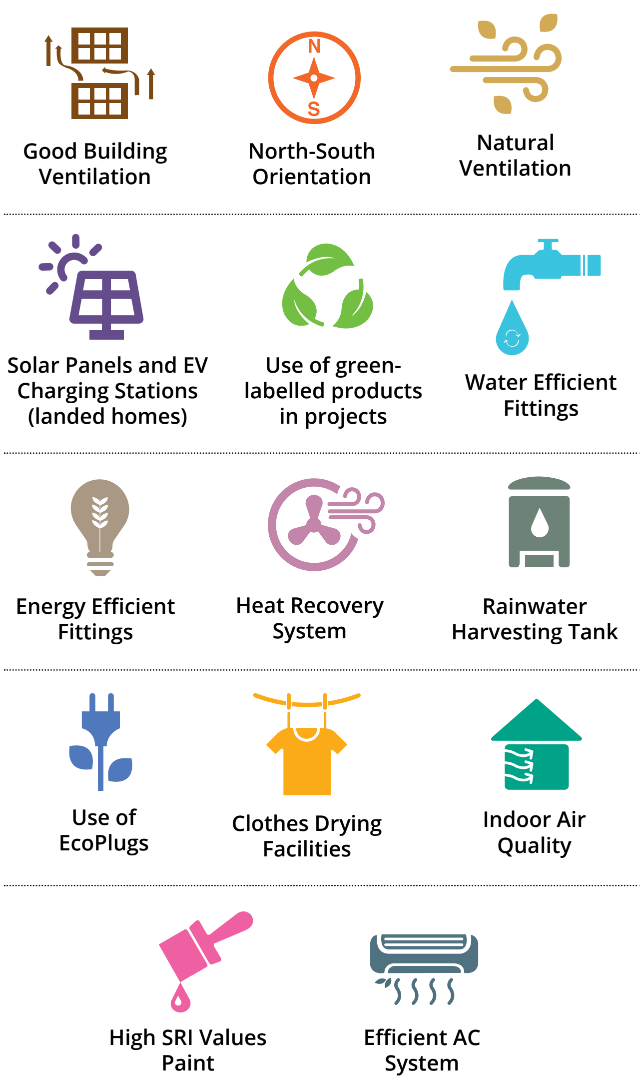
BSEL is dedicated to providing high-quality property development to numerous households and takes great pride in doing so. We aim to create a long-term economic advantage for homeowners, shareholders, and stakeholders through property development and investment. For additional information regarding the Group's financial performance, please refer to pages 73 and 74 of our Annual Report.

Direct economic value generated and distributed	FY2022	FY2023
Direct Economic Value Generated: Revenues	$288 million	$197 million
Economic Value Distributed	$225 million	$108 million
Economic Value Retained	$63 million	$89 million

Managing Our Environmental Impacts

Building Sustainably for Long-Term

We are committed to conducting our property development business responsibly and aligning with our sustainability values to benefit all our stakeholders. To this end, we have integrated sustainable design principles into our project planning and development to reduce the carbon footprint of our projects during both the construction process and their operational lifetimes. Since 2008, we have followed the Building and Construction Authority's ("**BCA**") Green Building Master Plan as a key component of our project sustainability strategy. Furthermore, to improve our environmental performance across our operations, we reference the ISO 14001:2015 Environmental Management System Manual 01. Numerous sustainability features are incorporated into BSEL's property developments, including:

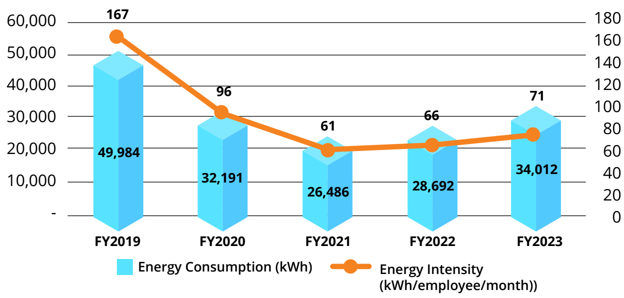


Our office was honoured with the Eco Office award from the Singapore Environment Council ("**SEC**") for the fiscal year 2021. The SEC launched the Eco Office program in 2018 and used a tiered system, i.e., Premium, then ascending to Champion and finally, Elite, to support and encourage companies to adopt sustainable office practices. We received the SEC Eco Office Champion award, and this recognition is valid for two years, from 17 March 2023 to 16 March 2025.

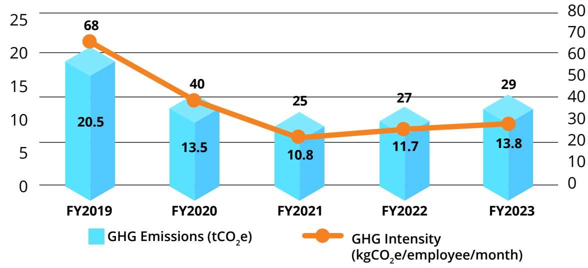
Energy Consumption and Greenhouse Gas Emissions [MA 302, 302-1, 302-3, MA 305, 305-2, 305-4]

The Group recognises the importance of responsible energy consumption in reducing our carbon footprint. We are conscious of the significant environmental impact of our operations and, thus, adhere to ISO 14001:2015 standards by monitoring and regulating monthly electricity consumption to ensure it does not exceed 158 kWh per person. There is an increase of close to 19% in the electricity consumption[2] from 28,692 kWh in FY2022 to about 34,012 kWh in FY2023. The increase is due to the cessation of working from home and 100% return to the office for all employees in FY2023. Our energy intensity registered a reading of 71 kWh/employee/month. We will continue to maintain the trees that were planted in previous years to offset our carbon emissions. The following diagram illustrates the Company's energy usage and Scope 2 carbon emissions[3] for the past five (5) years.

Total Energy Consumption and Energy Intensity



Total Greenhouse Gas Emissions and Emissions Intensity[4]



Addressing Climate Change [MA 305]

BSEL recognises the positive and negative consequences of climate change on our business operations and overall growth. In compliance with the SGX Listing Rules for the real estate sector, we acknowledge our responsibility to begin disclosing climate-related information. For FY2023, we initiated an effort to disclose pertinent information related to climate change by identifying the relevant climate risks and opportunities while raising internal awareness of its impacts. In future years, we are committed to further disclosing climate-related information to enhance transparency and promote sustainable growth.

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

*[3] To calculate the GHG emissions from our purchased electricity, we adopted the average Operating Margin ("**OM**") Electricity Grid Emission Factor of 0.4057 $kgCO_2$/kWh from Energy Market Authority ("**EMA**").*

[4] There was a slight error in the units measurement used to report the GHG emissions data. The above chart presents the correct GHG emissions data in tCO_2e and emission intensity in $kgCO_2e$/employee/month.

SUSTAINABILITY REPORT

Governance

BSEL's climate risk governance is integrated into its wider sustainability governance framework. Currently, the STF, comprising senior management executives with diverse expertise, is responsible for monitoring sustainability-related risks and opportunities, including climate-related ones. The SSC regularly reports the working progress and performance of sustainability to the Board, and the Board oversees and monitors the identified material sustainability challenges and the associated disclosures. In preparation for the coming mandatory climate-related reporting and the need to provide our governance bodies with insights into the associated impacts on our business, we have launched a specific training program on the TCFD framework and its recommendations. All Board members have attended the training. Discussions related to climate matters will be conducted at least once a year during Board meetings.

Strategy

We have, in FY2023, conducted a TCFD disclosure benchmarking exercise on our industry peers to establish the foundations of our TCFD analysis and disclosures. This exercise allowed us to understand the current state of climate reporting in the industry and identify what our stakeholders are most concerned about regarding climate change. Through internal research and analysis, we identified ten climate-related risks, including physical and transition risks, and seven opportunities for our business operations at the Group level. We then ranked the risks and opportunities to prioritise our mitigation efforts that will be developed gradually.

BSEL intends to broaden the climate mitigation engagement efforts with a wider audience, including external stakeholders, to understand better the climate-related risks and opportunities we face. We will progressively embark on climate scenario analysis (for short-, medium-, and long-term scenarios) and financial impact assessment of such risks and opportunities. The following describes the five (5) prioritised climate risks and opportunities and their potential impacts.

Identified Risk Item and Potential Implications and Impacts

Exposure to litigation *Negative impact on Company's reputation*	**Type:** Transition **Sub-Category:** Policy and Legal
Changes in customer behaviour *Additional costs incurred in responding to litigation*	**Type:** Transition **Sub-Category:** Market
Increased stakeholders' concern *Decreased revenue due to reduced demand for goods and services as a result of changes in consumer preferences and loss of trust*	**Type:** Transition **Sub-Category:** Market
Increased severity of extreme weather events such as intense precipitation, storm, floods and heatwaves *Increased costs to facilitate stakeholder communications and respond to their concerns*	**Type:** Physical **Sub-Category:** Acute
Rising mean temperatures *Additional construction costs and delivery delays due to construction disruption*	**Type:** Physical **Sub-Category:** Chronic

Identified Opportunities and Potential Implications and Impacts

Market demand for green finance *Increased capital availability (e.g. as more investors favour lower-emissions producers)*	**Type:** Transition **Sub-Category:** Market
Raw material re-usage *Increased diversification of financial assets (e.g. green bonds and infrastructure)*	**Type:** Transition **Sub-Category:** Products and Services
Climate transition leadership *The monetisation of reusable construction materials creates an additional revenue stream*	**Type:** Transition **Sub-Category:** Knowledge
Use of public-sector incentives *Lower construction cost with the incorporation of reusable raw materials in the construction of new real estate properties*	**Type:** Transition **Sub-Category:** Market
Use of lower emission sources of energy *First mover leverage to knowledge and resources revolving around climate action within the real estate industry*	**Type:** Transition **Sub-Category:** Energy Source

BSEL has undertaken measures to bolster its long-term strategy and enhance its residential projects' resilience to climate-related risks and opportunities. The Group has implemented various initiatives, such as incorporating solar panels within its buildings to minimise reliance on fossil fuel energy sources and reduce grid energy consumption by homeowners. Additionally, BSEL has begun exploring the potential of deploying Integrated Digital Delivery ("**IDD**") for its construction projects to optimise product design, manage resource utilisation, and minimise waste generation whilst maintaining great product quality standards.

Risk Management

BSEL's Enterprise Risk Management ("**ERM**") framework included ESG risks in the overall risk management processes, categorising them as strategic risks. As BSEL begins adopting TCFD reporting, we recognise Sustainability-related risks as a new challenge to our risk management efforts. Sustainability-related risks, as the significant ESG risks, were also covered by our ERM Framework.

We proceeded with the risk assessment through identification, analysis and evaluation processes. Initially, we relied on external sources, including peer company concerns and TCFD recommendations, to identify and incorporate climate-related risks and opportunities into our business practices. These risks and opportunities were then ranked based on their potential impact on the Group's operations.

Climate-related risks will be reviewed and reported annually to the Audit and Risk Management Committee ("**ARMC**") and the Board. Moving forward, we will develop a more comprehensive approach to identify and develop climate-related risk mitigation procedures and integrate them into our overall risk review process and business functions self-assessment.

Metrics and Targets

We actively monitor our electricity consumption, indirect (Scope 2) GHG emissions and intensities at our headquarters (*see details in Energy Consumption and Greenhouse Gas Emissions*). Our ongoing targets for environmental metrics is to reduce GHG emissions to below 30 kg CO_2e per employee per month and maintain energy usage of no more than 158 kWh per employee per month by ISO 14001:2015 standards.

Managing Use of Resource and Waste Production

[MA 303, 303-2, MA 306, 306-3]

With natural resources becoming increasingly scarce, we must manage our resource consumption to achieve a sustainable environment. As such, the Group has implemented an Environmental Management System ("**EMS**") to monitor our activities' interactions and environmental impacts. The EMS outlines a systematic communication approach for updating employees on water, air, noise, hazardous compounds, and toxic material waste regulatory changes. The EMS compliance is reviewed internally every quarter. The next ISO 14000 re-certification phase is scheduled for March 2024.

To protect water quality and minimise pollution at our new developments, approval on Earth Control Measures ("**ECM**") must be sought to ensure silty water discharged from construction operations is properly treated before entering public drains. During the reporting period, we work closely with the authority to ensure our ECM comply with their requirements. We engage a Qualified Erosion Control Professional ("**QECP**") and Resident Technical Officer ("**RTO**") to oversee all ECM matters. We ensure there are monitoring systems, such as CCTVs, to monitor the silt discharge from our project sites. Further, we ensure that our employees use water[5] wisely by displaying notice reminders near water taps to remind them to use water prudently. Sensors in our office's water closets automatically switch off the water taps, reducing water waste.

The Group has implemented measures to promote responsible waste management within our office. Recycling bins have been placed within our premises to separate recyclable wastes, such as paper, plastic and general waste. Additionally, we have introduced a company policy to encourage the prudent use of paper among our employees. We set a limit of 1.96 reams of paper use per employee per month for FY2023, representing a significant reduction from the previous year's allocation of 2.2 reams. Our employees are encouraged to print internal documents on recycled paper whenever feasible to promote sustainability further.

In addition to this, we have also engaged a recycling company, Gee Hoe Seng Pte Ltd, to collect and quantify our recyclables quarterly. We have designated bins and storage locations for unwanted printed papers, newspapers and magazines. Employees are encouraged to contribute their unwanted newspapers and magazines from home, and regular reminders are sent to all employees before the recyclable collection.

We recorded a paper consumption of 0.75 metric tonnes during the reporting period, representing a more than 60% reduction compared to our paper consumption in

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

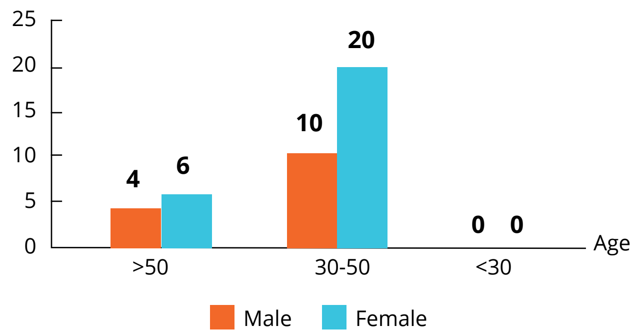
FY2022. On average, we consumed 0.62 reams of paper per employee per month, which is below our target to reduce average paper consumption by 20% based on our FY2019 baseline of 1.96 reams of paper per employee per month. Therefore, we have achieved our reduction target for paper consumption prior to the FY2023 targeted timeline.

Supporting Our People

Hiring and Developing Our Workforce [MA 401, 401-1]

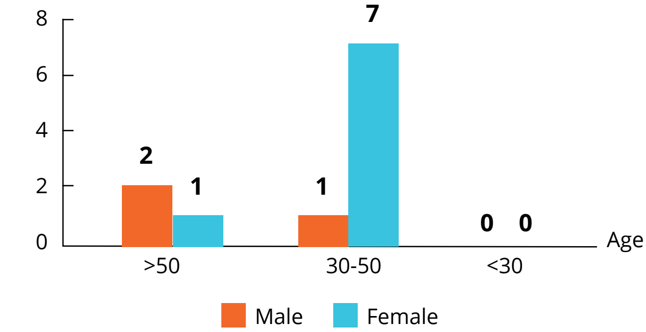
We acknowledge that our workforce plays a critical role in driving our business growth and achieving our objectives. Thus, we prioritise providing a secure and safe work environment, competitive compensation packages, continuous learning and development opportunities, and promoting work-life balance. We regularly evaluate employee benefits to ensure they remain relevant and competitive in attracting top talent. Our organisation advocates for a workplace culture that values inclusivity, respect, diversity, and equity. Furthermore, we strive to provide equal career opportunities to all employees[6], encouraging them to explore and enhance their skill sets. To foster better employee engagement, we engaged an external party to conduct periodic employee surveys to gather insights into their perspectives and commitment to our organisation.

Number of Employees FY2023

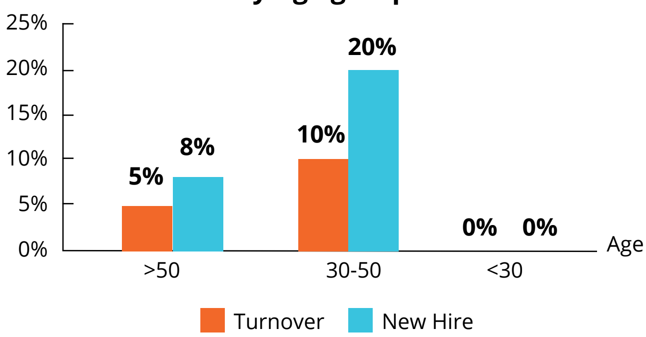


The health and well-being of our employees are crucial to the long-term success and prosperity of our Company. By fostering a secure and supportive work environment, we aim to safeguard the welfare of our staff. We acknowledge that a workplace culture that values well-being can enhance employee performance, ensuring a motivated and productive workforce. In FY2023, we recruited 11 new employees, resulting in a 28% new hire rate. Our ability to attract, retain, and develop our workforce is critical to the Company's success. Nevertheless, employee turnover is an inevitable aspect of any organisation and BSEL management will analyse employee turnover to identify its underlying causes. During the reporting year, we experienced 6 employee turnovers and reduced our turnover rate to 15%.

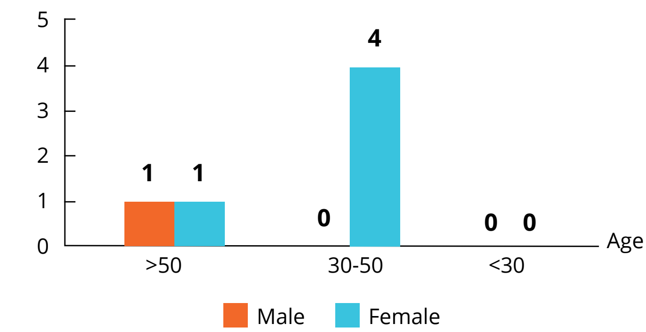
Number of New Employees Hired



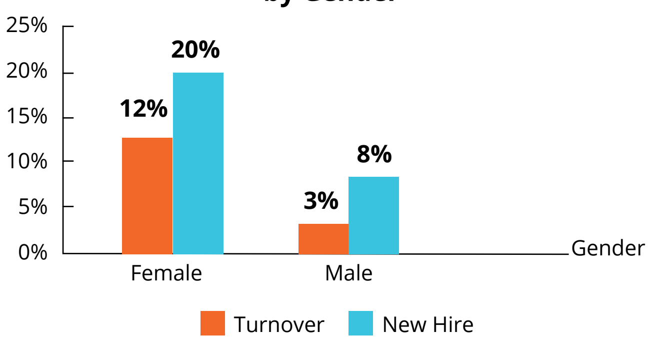
New Hire and Turnover Rate by Age group



Number of Employees Turnover



New Hire and Turnover Rate by Gender

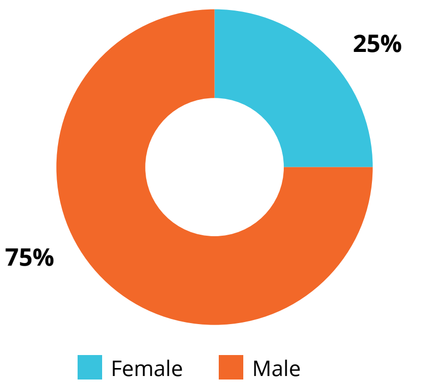


[6] *All 40 individuals under BSEL's employment are full-time with 30 permanent employees and 10 contractual employees.*

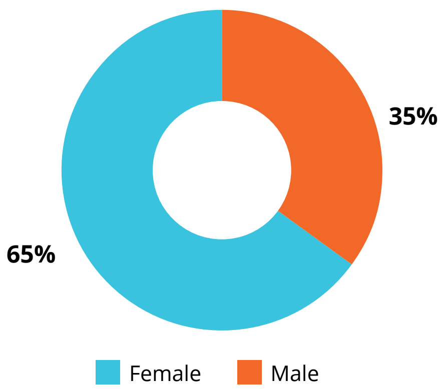
Fostering Diversity and Inclusion at Workplace [MA 405, 405-1]

As an integral aspect of our organisational ethos, we are dedicated to preserving diversity and promoting inclusivity within our workplace, fostering a culture of equality to create a harmonious and accepting work environment. To this end, our recruitment practices are grounded in providing opportunities for all, irrespective of their race, ethnicity, gender, age, or physical ability. We firmly believe that fostering a diverse and inclusive workplace is a valuable asset for our Company, creating a culture of respect and cooperation among all employees and stakeholders. The same is also reflected in the Group's Board composition. The objective is to give the Board a good range of perspectives, capabilities, qualifications, experience, and knowledge to enhance the Board composition to fulfil the Company's ambitions and strategic goals.

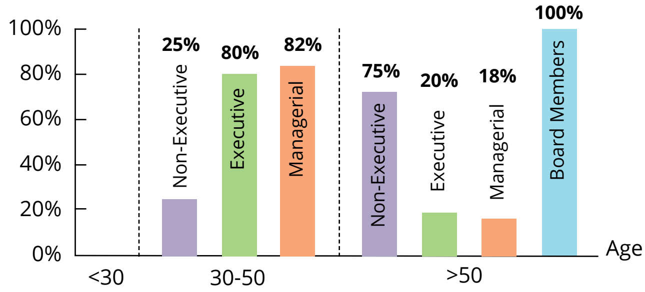
Board Profile



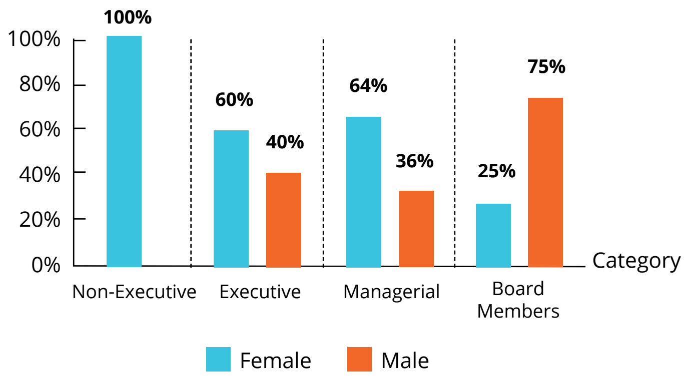
Employee Profile



BSEL Diversity by Age



BSEL Diversity by Gender



Upholding Human Rights [MA 406, 406-1]

As an ethical employer, BSEL upholds the rights of its employees by ensuring fair treatment and equal opportunities for all while eliminating all forms of discrimination. We have made it clear in our employee handbook that mutual respect is a core value of our Company and that we have a zero-tolerance policy towards harassment and discrimination in the workplace. We provide all employees with access to the handbook to ensure that they understand our values and policies. Additionally, to promote transparency and protect whistleblowers, we have established a confidential communication channel where employees can report any concerns related to human rights violations without fear of retaliation.

Throughout the reporting period, no incidents of discrimination were reported within the organisation. To ensure that our employees are fully informed of our unwavering dedication to upholding human rights, non-discrimination, and fair treatment, as well as our fight against all forms of harassment, we regularly disseminate the Human Rights Circular to all employees as a reminder of our Company's values and commitment.

Career Development and Upskilling [MA 404, 404-1]

Our employees are essential contributors to and facilitators of our business operations. It is our commitment to foster the growth and development of our employees, given their crucial role in our long-term business success. To promote our employees' career development, we have implemented several initiatives that offer them opportunities to reach their full potential. We focus on

SUSTAINABILITY REPORT

investing in our employees' growth and development by providing role-specific training that enhances their performance and learning opportunities that enable them to achieve their career aspirations. Additionally, we conduct annual performance assessments for all employees to monitor and track their performance, enabling us to assist our employees in improving their knowledge and skills.

Each year, our Human Resources department analyses the learning requirements of our employees. This helps us formulate our employee training plan and ensure that our training aligns with their career development objectives. To keep our employees informed about the latest industry developments, we encourage them to participate in knowledge exchange events organised by external regulatory and educational bodies:

Real Estate Developers' Association of Singapore (REDAS)

Institute of Estate Agents (IEA)

BCA Academy

Institute of Singapore Chartered Accountants (ISCA)

Singapore National Employers Federation (SNEF)

Singapore Business Federation (SBF)

Data Protection Excellence (DPEX) Network

Real Centre Network (RCN)

Urban Redevelopment Authority (URA)

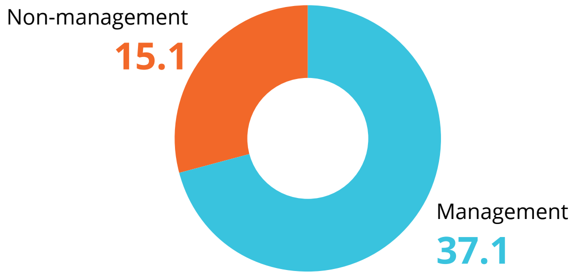
Tripartite Alliance for Fair & Progressive Employment Practices (TAFEP)

Singapore Green Building Council (SGBC)

In FY2023, we recorded an average of 21.2 training hours per employee, exceeding the target of 18 hours set for the year. In the coming financial year, we plan to raise our targets on average training hours to 19 hours per employee.

FY2023 Average Training Hours

By Employee Category



By Gender

Practising Good Workplace Health and Safety [MA 403, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9]

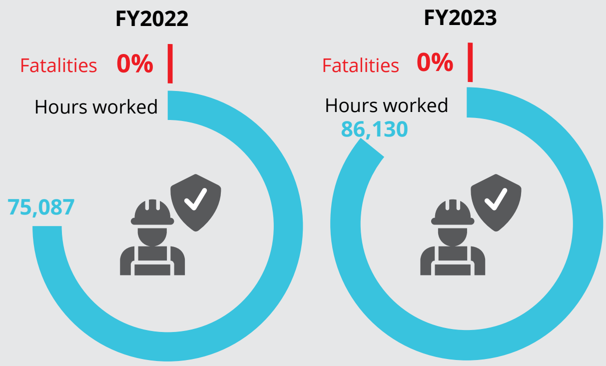
At BSEL, we consider the health and safety of our employees seriously. We are dedicated to ensuring a secure work environment for all, including overseeing the safety protocols implemented by our contractors. We provide our employees with comprehensive insurance policies covering hospitalisation, surgery, outpatient therapy, and consultation expenses. We also offer pre-employment check-ups to all new employees and re-employment check-ups for employees who are rehired. Furthermore, we subsidise voluntary annual health screenings for managerial employees and plan to provide voluntary health screenings to all employees in FY2024. In addition, all newly hired workers must undergo a Fire Warden-led Fire Drill Exercise Briefing to prepare them for potential emergencies. We provide Workplace Safety and Health ("**WSH**") training, including fire safety, first aid, and CPR-AED, to prevent accidents within our operations and equip employees with crisis response capabilities.

BSEL, as a responsible employer, is dedicated to ensuring that all safety and health measures on our construction site, implemented by our nominated contractors, are in accordance with relevant laws and regulations such as WSH Act and the Work Injuries Compensation Act. Before any contractor appointment, pre-qualification information will be acquired, emphasising safety and health procedures as part of the due diligence process. The principal contractor assigned by BSEL will oversee the site and assume full responsibility for the safety and health of workers. Our selected major contractors hold certifications for ISO 9001:2015 Quality Management Systems and ISO 45001:2018 Health and Safety, ensuring compliance with international standards. In compliance with the WSH Act, the main contractor will appoint a Safety Officer, Environmental Control Officer, and Building Construction Safety Supervisors and form a WSH committee to ensure adherence to safety and health regulations.

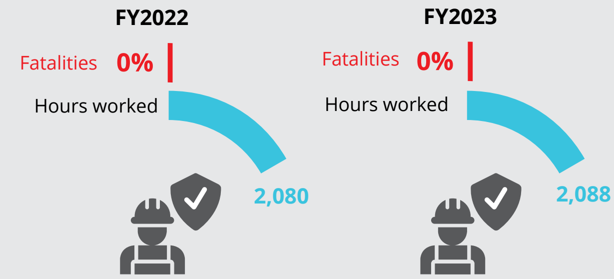
The main contractor submits regular WSH safety compliance reports to BSEL management at fortnightly site gatherings and progress updates. Any safety concerns or incidents at the site are also discussed with the management. During these meetings, the Consultant Team, BSEL Project Manager, Resident Engineers and Resident Technical Officers, may also raise any safety or health breaches that require the primary contractor's attention. If there are any violations of the WSH Act, such incidents are deliberated during Monthly Management Meetings to prevent future occurrences. To guarantee the well-being and security of our staff, BSEL contracts a Design for Safety Consultant, either through our primary consultant or trained third-party Safety Coordinators, to identify hazards, assess risks, control risks, and hold frequent meetings as a preventive measure.

Per the safety regulation, a licensed independent safety inspector hired by the main contractor carries out safety inspections at construction sites twice a year. This safety appraisal process furnishes BSEL and the primary contractor with information on safety steps and practices that can be enhanced at the construction site. We organise frequent training programs for construction workers to decrease the chances of mishaps and wounds when working at construction sites. Furthermore, BSEL communicates and reminds our principal contractors of the importance of proper health and safety measures by sending monthly notices on workplace health, safety and welfare control.

Employees	FY2022	FY2023
Number of fatalities	0	0
Rate of fatalities	0	0
Number of high consequences	0	0
Rate of high consequences	0	0
Number of recordable work-related injuries	0	0
Rate of recordable work-related injuries	0	0
Number of working hours	75,087	86,130[7]



Non-employees[8]	FY2022	FY2023
Number of fatalities	0	0
Rate of fatalities	0	0
Number of high consequences	0	0
Rate of high consequences	0	0
Number of recordable work-related injuries	0	0
Rate of recordable work-related injuries	0	0
Number of working hours	2,080	2,088



CARING FOR THE COMMUNITIES AROUND US

Giving Back to the Community [MA 203, 203-2, MA 413, 413-1]

The Company and its employees are committed to giving back to the Singapore community through our community engagement programmes. To develop and organise our community participation efforts, we have formed a Corporate Social Responsibility ("**CSR**") Committee that carries out our Corporate Community Involvement ("**CCI**") initiatives in accordance with the CCI criteria established by the Group. The CSR Committee regularly collects feedback on community engagement initiatives to make further improvements. We have also implemented CSR-related key performance metrics at the management

[7] *Accounts for the total number of employees to date (40 people), with a working arrangement of 8.25 hours per day, 21.75 working days per month*
[8] *Data exclude construction workers but account for an office despatch worker, with a working arrangement of 8 hours per day, 21.75 working days per month*

level to promote employee engagement in community activities.

In FY2023, along with our employees, we contributed to the "Heart on Wheels" food donation drive organised by Food from the Heart. Our employees donated more than 350 kg of food, and the Company made monetary donations to support this food donation drive to help needy communities. The Company also donated desktops to support the "Be the Light" initiative organised by KGS Pte Ltd in collaboration with SGBono to help underprivileged families in Singapore.

The Company also gives back to the community by providing monetary assistance to nearby non-profit groups and organisations annually. We endorse local non-profit groups and organisations that assist the less fortunate and handicapped. Here is the list of registered non-profit groups and organisations to which the Company has granted financial aid throughout the fiscal year.

List of communities and organisations the Group provided financial aid during the reporting period:

1. Dementia Singapore (formerly known as Alzheimer's Disease Association)
2. Autism Resource Centre (Singapore)
3. Bright Hill Evergreen Home
4. Bright Vision Hospital
5. Cerebral Palsy Alliance Singapore
6. Chen Su Lan Methodist Children's Home
7. Dover Park Hospice
8. Guide Dogs Singapore
9. Lions Home for the Elders
10. Movement for the Intellectually Disabled of Singapore (MINDS)
11. The National Kidney Foundation
12. Singapore Association for the Deaf
13. Singapore Association of the Visually Handicapped
14. SPD (formerly known as Society for the Physically Disabled)
15. ARTDIS (Singapore) Ltd, formerly known as Very Special Arts Singapore

The Environmental Sustainability Committee organised a farm-to-table indoor culinary class, which is a guided educational farm tour, where our employees learnt

about planting, growing and harvesting. Our employees were introduced to various sustainable farming methods. The event was held on 29 July 2022 and guided by City Sprouts Pte Ltd at Henderson Road, where they have transformed part of the former Henderson Secondary School into an urban farming redevelopment. From the event, the employees have also learnt that locally grown food produces a much smaller carbon footprint as there is less factory farming and less travel, creating access to fresher produce with little or no preservatives.

Promoting Customer Health and Safety [MA 416, 416-2]

The building and construction industry is responsible for promoting the health and safety of customers who use the structures they build. As such, companies in this industry must adopt measures to ensure the safety of their customers, especially post-construction. We ensure that all structures we build comply with relevant health and safety regulations, including building, fire, and electrical safety codes, among others.

Moreover, we prioritise the use of sustainable materials and construction practices that not only meet safety standards but also minimise environmental impacts. A safe and healthy environment for our customers contributes to the overall appreciation of our projects in terms of quality and serviceability. By adopting IDD, we aim to reduce environmental impacts such as dust and other construction hazards that could affect the health and well-being of the communities within the perimeter of our projects.

In FY2023, the Company has identified one non-compliance with the regulation or voluntary codes regarding the health and safety of its products/services by the contractor - one of our construction sites was issued a 'Stop Work Order' by the National Environment Agency ("**NEA**") as it was found to have areas susceptible to breeding mosquitoes. The main contractor then sent an inspection report to NEA indicating that all stagnant water had been cleared, all openings covered, and cooking facilities removed from the project site. The main contractor appointed a supervisor to improve the housekeeping of the entire site. It has also procured advice from a pest control specialist to have a more rigid inspection on site.

GRI Content Index

Statement of Use	BSEL has reported in accordance with the GRI Standards 2021 for the period 1 April 2022 to 31 March 2023
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standards(s)	Not applicable

Disclosure		Page	Omission		
			Requirements Omitted	Reasons	Explanation
GRI 2: General Disclosures 2021					
2-1	Organisational details	45			
2-2	Entities included in the organisation's sustainability reporting	45			
2-3	Reporting period, frequency and contact point	45			
2-4	Restatements of information	51			
2-5	External assurance	45	a, b	Information unavailable/ incomplete	As part of implementing internal controls over its data collection and sustainability reporting processes, the Company has appointed BDO Advisory Pte Ltd as the Internal Auditor of the Company who will do internal review to ensure the report disclosures are in order.
2-6	Activities, value chain and other business relationships	45			
2-7	Employees	45			
2-8	Workers who are not employees		a, b	Not applicable	BSEL engaged a third party that deployed its employee to perform despatch work for BSEL. The person who performs the despatch work is not an employee of BSEL.
2-9	Governance structure and composition	19, 20			
2-10	Nomination and selection of the highest governance body	22			
2-11	Chair of the highest governance body	20			
2-12	Role of the highest governance body in overseeing the management of impacts	48, 49			
2-13	Delegation of responsibility for managing impacts	48, 49			

SUSTAINABILITY REPORT

Disclosure		Page	Omission		
			Requirements Omitted	Reasons	Explanation
2-14	Role of the highest governance body in sustainability reporting	49			
2-15	Conflicts of interest	18			
2-16	Communication of critical concerns	49, 50, 55			
2-17	Collective knowledge of the highest governance body	13, 14			
2-18	Evaluation of the performance of the highest governance body	22			
2-19	Remuneration policies	25, 26			
2-20	Process to determine remuneration	25, 26			
2-21	Annual total compensation ratio		a, b, c	Information unavailable/ incomplete	BSEL currently discloses the annual remuneration of the key management personnel in the Company. BSEL will include the compensation ratio of the highest-paid employee to the median annual compensation of all employees to improve data accessibility and transparency of employee remuneration from FY2024.
2-22	Statement on sustainable development strategy	46			
2-23	Policy commitments	49			
2-24	Embedding policy commitments	49			
2-25	Processes to remediate negative impacts	49, 55			
2-26	Mechanisms for seeking advice and raising concerns	49, 55			
2-27	Compliance with laws and regulations	49			
2-28	Membership associations	45			
2-29	Approach to stakeholder engagement	46			
2-30	Collective bargaining agreements		a, b	Not applicable	BSEL has yet to implement policies on collective bargaining agreements.

GRI Standard	Disclosure	Page	Omission		
			Requirements Omitted	Reasons	Explanation
Material Topic: Economic Performance					
GRI 3: Material Topics 2021	3-3 Management of material topics	50			
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	50			
Material Topic: Economic Contribution to Society					
GRI 3: Material Topics 2021	3-3 Management of material topics	57, 58			
GRI 203: Indirect Economic Impacts	203-2 Significant indirect economic impacts	57, 58			
Material Topic: Corporate Governance					
GRI 3: Material Topics 2021	3-3 Management of material topics	49			
GRI 205: Anti-Corruption	205-2 Communication and training about anti-corruption policies and procedures	49	a	Information unavailable/ incomplete	In FY2023, BSEL's Board members did not receive any direct communication regarding anti-corruption measures, and will attend training about anti-corruption in FY2024.
			c	Information unavailable/ incomplete	While BSEL does not actively communicate the Group's anticorruption policies to its business partners nor incorporate them into contractual agreements, it employs sound governance practices in its business conduct as required by the regulation. BSEL will work further to enhance transparency and accountability within its business partnerships.
			d	Information unavailable/ incomplete	In FY2023, BSEL's Board members did not receive any direct communication regarding anti-corruption measures, and will attend training about anti-corruption in FY2024.
	205-3 Confirmed incidents of corruption and actions taken	49			

GRI Standard	Disclosure	Page	Omission		
			Requirements Omitted	Reasons	Explanation
Material Topic: Energy Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	51			
GRI 302: Energy	302-1 Energy consumption within the organisation	51	a, b	Information unavailable/ incomplete	The energy consumption disclosure excludes Scope 1 direct emission, which is currently not recorded and reports on the electricity consumption of indirect Scope 2 emissions from our office operations only. All residential units for sale are excluded from the reporting scope because we no longer have financial ownership and operational control over the property units. Development projects are also excluded as we do not have operational control over the construction work. The Group will consider expanding the reporting scope to cover energy consumption figures related to its Scope 1 emission and serviced apartment. BSEL has yet to adopt renewable energy sources.
	302-3 Energy intensity	51			
Material Topic: Water Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	53			
GRI 303: Water and Effluents	303-2 Management of water discharge-related impacts	53			
	303-5 Water consumption		a	Information unavailable/ incomplete	Water consumption was not recorded since the rented office area is not separately metered.

GRI Standard	Disclosure	Page	Omission		
			Requirements Omitted	Reasons	Explanation
Material Topic: Climate Change and Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topics	51, 52			
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions		a	Information unavailable/ incomplete	BSEL has yet to track and disclose data for fuel consumption. As such, Scope 1 direct emission is currently not recorded.
	305-2 Direct (Scope 2) GHG emissions	51			
	305-4 GHG emissions intensity	51			
Material Topic: Waste Management					
GRI 3: Material Topics 2021	3-3 Management of material topics	53, 54			
GRI 306: Waste	306-3 Waste generated	53, 54			
Material Topic: Employment Practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	54			
GRI 401 Employment	401-1 New employee hires and employee turnover	54			
Material Topic: Occupational Health and Safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	56, 57			
GRI 403: Occupational Health and Safety	403-1 Occupational health and safety management system	56, 57			
	403-2 Hazard identification, risk assessment, and incident investigation	57			
	403-3 Occupational health services	56, 57			
	403-4 Worker participation, consultation, and communication on occupational health and safety	57			
	403-5 Worker training on occupational health and safety	56, 57			
	403-6 Promotion of worker health	56			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	56, 57			
	403-9 Work-related injuries	57			

SUSTAINABILITY REPORT

GRI Standard	Disclosure	Page	Omission		
			Requirements Omitted	Reasons	Explanation
Material Topic: Training and Development					
GRI 3: Material Topics 2021	3-3 Management of material topics	55, 56			
GRI 404: Training and Education	404-1 Average hours of training per year per employee	56			
Material Topic: Non-discrimination, Diversity and Inclusion					
GRI 3: Material Topics 2021	3-3 Management of material topics	55			
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	55			
GRI 3: Material Topics 2021	3-3 Management of material topics	55			
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	55			
Material Topic: Community Development					
GRI 3: Material Topics 2021	3-3 Management of material topics	57, 58			
GRI 413: Local Communities	GRI 413-1 Operations with local community engagement, impact assessments and development programs	57, 58			
Material Topic: Customer Relations					
GRI 3: Material Topics 2021	3-3 Management of material topics	58			
GRI 416: Customer health and safety	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	58			
GRI 3: Material Topics 2021	3-3 Management of material topics	49, 50			
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	50			

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, 2023.

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 73 to 119 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, 2023, 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
Ong Sim Ho
Chu Leong Tho (Appointed as Alternate Director to Fam Lee San on March 28, 2023)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

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

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

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

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

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

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and April 21, 2023.

4 SHARE OPTIONS

(a) *Options to take up unissued shares*

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

(b) *Options exercised*

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

(c) *Unissued shares under option*

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

5 AUDIT AND RISK MANAGEMENT COMMITTEE

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

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

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

The Audit and Risk Management Committee has held three 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.

DIRECTORS' STATEMENT

5 AUDIT AND RISK MANAGEMENT COMMITTEE (CONT'D)

The Audit and Risk Management Committee also reviewed the following:

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

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

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

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

6 AUDITORS

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

ON BEHALF OF THE DIRECTORS

....
Koh Poh Tiong
Director

....
Fam Lee San
Director

June 21, 2023

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BUKIT SEMBAWANG ESTATES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bukit Sembawang Estates Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at March 31, 2023, 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 73 to 119.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at March 31, 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

<u>Valuation of development properties</u>

The Group has residential development properties in Singapore with a carrying amount of $1,025 million as at March 31, 2023. Development properties represent the most significant category of assets on the statement of financial position and are measured at lower of cost and net realisable value ("NRV"). We focus on properties under development with lower margins within development properties as at March 31, 2023. The Group estimates the NRV of these properties under development based on valuations carried out by professional independent external valuer using direct comparison method, and where applicable, management estimated selling prices. The direct comparison method takes into consideration recent transacted prices of the units.

<u>Our audit performed and responses thereon</u>

Our audit procedures included considering the appropriateness of the valuation techniques used by the professional independent external valuer, understanding management's process in selecting the professional independent external valuer with the appropriate knowledge and experience and how the valuation report is used in determining the estimated selling prices for the development project used in the assessment of NRV. We discussed with the professional independent external valuer on the results of their work, and whether their assumptions are consistent with current market environment including the timing of the valuation exercise.

Valuation of development properties (Cont'd)

Our audit performed and responses thereon (Cont'd)

We also evaluated the competency and qualifications of the professional independent external valuer. We also considered recently transacted prices of the units under development. The above are also disclosed in the relevant notes to the financial statements.

Valuation of property, plant and equipment

The carrying amount of the property, plant and equipment of the Group is $212 million as at March 31, 2023. Property, plant and equipment comprises mainly serviced apartment units.

The Group carried out an impairment assessment of its serviced apartment units based on recoverable amount obtained from valuation carried out by a professional independent external valuer. In undertaking the impairment assessment, the Group takes into consideration several factors, including economic outlook and the trading performance of the serviced apartment units. 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 professional independent external valuer with the appropriate knowledge and experience and how the valuation report is used in determining the recoverable amount of the serviced apartment units. We evaluated the qualifications and competence of the professional independent external valuer.

We involved our internal valuation specialists to understand the valuation methodology used and the underlying assumptions and tested the key inputs used, and also held discussions with the professional independent external valuer to understand the capitalisation, discount and terminal yield rates 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 such as occupancy rates, average room rate growth, discount rates and terminal yield rates are consistent with current observable market data and environment. The assumptions are disclosed in Note 5 to the financial statements.

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

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

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

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

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

(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.

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

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

June 21, 2023

STATEMENTS OF FINANCIAL POSITION
As at March 31, 2023

	Note	Group 2023	Group 2022	Company 2023	Company 2022
		$'000	$'000	$'000	$'000
Non-current assets					
Investment property	4	2,998	3,160	–	–
Property, plant and equipment	5	212,411	212,355	–	–
Investments in subsidiaries	6	–	–	315,000	313,000
Deferred tax assets	7	13,019	12,404	–	–
		228,428	227,919	315,000	313,000
Current assets					
Development properties	8	1,025,183	910,161	–	–
Contract costs	9	16,152	1,853	–	–
Contract assets	10	531	–	–	–
Trade and other receivables	11	14,280	3,320	1,125,806	794,266
Cash and cash equivalents	12	294,008	530,110	159,518	492,547
		1,350,154	1,445,444	1,285,324	1,286,813
Total assets		1,578,582	1,673,363	1,600,324	1,599,813
Equity attributable to shareholders of the Company					
Share capital	13	631,801	631,801	631,801	631,801
Reserves	14	843,159	850,184	71,524	57,079
Total equity		1,474,960	1,481,985	703,325	688,880
Non-current liabilities					
Borrowings	15	–	130,858	–	–
Lease liabilities	16	452	772	–	–
Provisions		146	146	–	–
Deferred tax liabilities	7	99	36	99	36
		697	131,812	99	36
Current liabilities					
Trade and other payables	17	34,695	36,432	895,775	910,623
Borrowings	15	24,980	–	–	–
Lease liabilities	16	497	481	–	–
Contract liabilities	10	39,348	3,339	–	–
Current tax payable		3,405	19,314	1,125	274
		102,925	59,566	896,900	910,897
Total liabilities		103,622	191,378	896,999	910,933
Total equity and liabilities		1,578,582	1,673,363	1,600,324	1,599,813

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended March 31, 2023

	Note	2023	2022
		$'000	$'000
Revenue	18	197,126	288,229
Cost of sales		(163,016)	(187,925)
Gross profit		34,110	100,304
Other income		120	1,357
Administrative expenses		(10,341)	(8,979)
Other operating income		7,728	6,019
Profit from operations	19	31,617	98,701
Finance income		8,745	1,670
Finance costs		(2,884)	(5,036)
Net finance income/(costs)	20	5,861	(3,366)
Profit before tax		37,478	95,335
Tax expense	21	(3,078)	(12,417)
Profit for the year representing total comprehensive income for the year		34,400	82,918
Earnings per share			
Basic and diluted earnings per share (cents)	22	13.29	32.03

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended March 31, 2023

	Note	Share capital	Accumulated profits	Total
		$'000	$'000	$'000
Group				
At April 1, 2021		631,801	852,706	1,484,507
Total comprehensive income for the year				
Profit for the year		–	82,918	82,918
Transactions with owners, recorded directly in equity				
Contributions by and distributions to equity holders				
Dividends paid	23	–	(85,440)	(85,440)
Total contributions by and distributions to equity holders		–	(85,440)	(85,440)
Total transactions with owners		–	(85,440)	(85,440)
At March 31, 2022		631,801	850,184	1,481,985
Total comprehensive income for the year				
Profit for the year		–	34,400	34,400
Transactions with owners, recorded directly in equity				
Contributions by and distributions to equity holders				
Dividends paid	23	–	(41,425)	(41,425)
Total contributions by and distributions to equity holders		–	(41,425)	(41,425)
Total transactions with owners		–	(41,425)	(41,425)
At March 31, 2023		631,801	843,159	1,474,960

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended March 31, 2023

	Note	2023	2022
		$'000	**$'000**
Cash flows from operating activities			
Profit before tax		37,478	95,335
Adjustments for:			
Depreciation of investment property	4	162	163
Depreciation of property, plant and equipment	5	5,628	6,320
Gain on disposal of property, plant and equipment		(1)	–
Impairment loss on property, plant and equipment written back	5	(5,006)	(13,358)
Allowance for foreseeable losses on development properties (written back)/recognised	8	(6,288)	724
Interest income	20	(8,745)	(1,670)
Finance costs	20	2,884	5,036
		26,112	92,550
Changes in:			
Development properties		(108,734)	52,739
Contract costs		(14,299)	4,852
Contract assets		(531)	30,728
Trade and other receivables		(10,567)	(633)
Trade and other payables		(1,738)	(48,543)
Contract liabilities		36,009	3,339
Cash (used in)/generated from operations		(73,748)	135,032
Interest received		8,163	1,805
Taxes paid		(19,539)	(36,835)
Net cash (used in)/generated from operating activities		(85,124)	100,002
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		1	–
Additions to property, plant and equipment		(462)	(270)
Net cash used in investing activities		(461)	(270)
Cash flows from financing activities			
Repayment of borrowings		(106,100)	(207,600)
Dividends paid to owners of the Company	23	(41,425)	(85,440)
Interest paid		(2,472)	(5,041)
Payments for lease liabilities	15	(520)	(512)
Net cash used in financing activities		(150,517)	(298,593)
Net decrease in cash and cash equivalents		(236,102)	(198,861)
Cash and cash equivalents at beginning of the year		530,110	728,971
Cash and cash equivalents at end of the year	12	294,008	530,110

See accompanying notes to financial statements.

1 GENERAL

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

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

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

The consolidated financial statements of the Group and statement of financial position of the Company for the year ended March 31, 2023 were authorised for issue by the Board of Directors on June 21, 2023.

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 1967 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, 2022. 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:

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

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

Effective for annual periods beginning on or after April 1, 2024

- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*
- Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants*
- Amendments to SFRS(I) 16: *Lease Liability in a Sale and Leaseback*

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Loss of control

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

Transactions eliminated on consolidation

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

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	5 years

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

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

Recognition and measurement

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Subsequent costs

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

Depreciation

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

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

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

The estimated useful lives are as follows:

Freehold properties	50 years
Right-of-use assets	2 to 9 years
Furniture, fittings and equipment	5 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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

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

CONTRACT LIABILITIES – Contract liabilities primarily relate to:

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

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

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;

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

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

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

<u>Financial assets at amortised cost</u>

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.

<u>Derecognition</u>

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Offsetting

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

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

Share capital

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

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

Non-derivative financial assets and contract assets

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

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

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

General approach (cont'd)

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

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

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

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

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

Measurement of ECLs

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

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Write-off

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

Non-financial assets

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

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

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

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

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Levies

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

Restoration costs

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

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

Defined contribution plans

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

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Sale of development properties (cont'd)

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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, 2021 and March 31, 2022 and 2023	8,189
Accumulated depreciation	
At April 1, 2021	4,866
Depreciation charge for the year	163
At March 31, 2022	5,029
Depreciation charge for the year	162
At March 31, 2023	5,191
Carrying amounts	
At March 31, 2022	3,160
At March 31, 2023	2,998
Fair value	
At March 31, 2022	21,500
At March 31, 2023	21,700

Investment property comprises office premises that are leased to external customers. Generally, each of the leases is fixed for a period of 3 to 4 years, and subsequent renewals are negotiated at prevailing market rate and terms. None of the leases contain any contingent rent arrangements. Rental income of $266,000 (2022: $381,000) was derived from the investment property during the year.

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

The fair value measurement for investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used. The higher the transacted price of comparable properties, the higher the fair value.

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, 2021	239,344	9,736	18,852	59	805	1,743	270,539
Additions	201	34	–	–	35	995	1,265
At March 31, 2022	239,545	9,770	18,852	59	840	2,738	271,804
Additions	341	78	–	–	43	216	678
Disposal	–	–	–	–	(2)	–	(2)
Written off	–	–	–	–	(43)	–	(43)
At March 31, 2023	239,886	9,848	18,852	59	838	2,954	272,437
Accumulated depreciation and impairment loss							
At April 1, 2021	56,747	2,206	5,894	58	604	978	66,487
Depreciation charge for the year	1,611	1,056	2,947	1	177	528	6,320
Reversal of impairment	(13,358)	–	–	–	–	–	(13,358)
At March 31, 2022	45,000	3,262	8,841	59	781	1,506	59,449
Depreciation charge for the year	1,033	1,062	2,947	–	37	549	5,628
Disposal	–	–	–	–	(2)	–	(2)
Written off	–	–	–	–	(43)	–	(43)
Reversal of impairment	(5,006)	–	–	–	–	–	(5,006)
At March 31, 2023	41,027	4,324	11,788	59	773	2,055	60,026
Carrying amounts							
At March 31, 2022	194,545	6,508	10,011	–	59	1,232	212,355
At March 31, 2023	198,859	5,524	7,064	–	65	899	212,411

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.

5 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Classification of property, plant and equipment

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

Impairment assessment

During the year ended March 31, 2023, the Group carried out a review of the recoverable amount of its serviced apartment units. The review led to the reversal of an impairment loss of $5,006,000 (2022: $13,358,000) in view of the improvements in operating environment. The recoverable amount as at March 31, 2023 of $208,100,000 (2022: $207,300,000) was estimated using the fair value less costs to sell approach based on the discounted cash flow method as adopted by an external independent professional valuer engaged by the Group. The reversal of impairment loss is included in other operating income in the consolidated statement of comprehensive income and the hospitality segment (Note 28).

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.

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% (2022: 4.5%) ● Terminal yield rate: 3.0% (2022: 3.0%) ● Average room rate in year 1: $330 (2022: $285) ● Average room rate growth rate: <u>2023</u> Year 1: 0% growth Year 2 to year 5: 3.0% growth Year 6 to year 10: 3.0% growth <u>2022</u> Year 1: 0% growth Year 2 to year 5: 5.0% growth Year 6 to year 10: 3.0% growth	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).

5 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and recoverable amount
	• Occupancy rate <u>2023</u> Year 1: 85% Year 2 onwards: 88% <u>2022</u> Year 1: 80% Year 2: 85% Year 3 onwards: 88%	

6 INVESTMENTS IN SUBSIDIARIES

	Company	
	2023	2022
	$'000	$'000
Unquoted equity shares, at cost	315,200	315,200
Accumulated impairment losses	(200)	(2,200)
	315,000	313,000

Impairment losses

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

	Company	
	2023	2022
	$'000	$'000
At the beginning of the financial year	2,200	2,200
Reversal of impairment	(2,000)	–
At the end of the financial year	200	2,200

During the year, a reversal of impairment of $2,000,000 was recorded due to increase in the net recoverable amount of the subsidiary.

6 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal place of business/Country of incorporation	Effective equity held by the Group	
		2023	2022
		%	%
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

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

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, 2021	Recognised in profit or loss (Note 21)	At March 31, 2022	Recognised in profit or loss (Note 21)	At March 31, 2023
	$'000	$'000	$'000	$'000	$'000
Group					
Deferred tax assets					
Property, plant and equipment	–	–	–	28	28
Development properties	8,289	1,513	9,802	(156)	9,646
Trade and other payables	2,111	(628)	1,483	(729)	754
Tax losses	975	149	1,124	1,467	2,591
	11,375	1,034	12,409	610	13,019
Deferred tax liabilities					
Property, plant and equipment	(15)	10	(5)	5	–
Development properties	(5,405)	5,405	–	–	–
Trade and other receivables	(59)	23	(36)	(63)	(99)
	(5,479)	5,438	(41)	(58)	(99)

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

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

	Group	
	2023	2022
	$'000	$'000
Deferred tax assets	13,019	12,404
Deferred tax liabilities	(99)	(36)

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

	At April 1, 2021	Recognised in profit or loss	At March 31, 2022	Recognised in profit or loss	At March 31, 2023
	$'000	$'000	$'000	$'000	$'000
Company					
Deferred tax liabilities					
Trade and other receivables	(59)	23	(36)	(63)	(99)

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.

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	
	2023	2022
	$'000	$'000
Deductible temporary differences	6,406	15,005
Tax losses	–	2,265
	6,406	17,270

8 DEVELOPMENT PROPERTIES

	Group	
	2023	2022
	$'000	$'000
Properties under development	1,025,183	888,738
Completed units	–	27,711
	1,025,183	916,449
Allowance for foreseeable losses	–	(6,288)
Total development properties	1,025,183	910,161

8 DEVELOPMENT PROPERTIES (CONT'D)

Development properties recognised as "cost of sales" amounted to $147,042,000 (2022: $161,291,000) during the year.

Movements in allowance for foreseeable losses are as follows:

	Group	
	2023	2022
	$'000	$'000
At the beginning of the financial year	6,288	5,564
Allowance (written back)/recognised	(6,288)	724
At the end of the financial year	–	6,288

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

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

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

9 CONTRACT COSTS

The amount relates to commission fees incurred to property agents for securing sale contracts for the Group's development properties. During the year, $19,704,000 (2022: $5,610,000) of commission fees incurred were capitalised as contract costs.

Capitalised commission fees are amortised when the related revenue is recognised. During the year, $5,405,000 (2022: $10,462,000) was recognised in profit or loss.

10 CONTRACT ASSETS/(LIABILITIES)

	Note	Group 2023 $'000	Group 2022 $'000
Contract assets	(i)	531	–
Contract liabilities	(ii)	(39,348)	(3,339)

(i) Contract assets

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

As at April 1, 2021, the Group has contract assets amounting to $30,728,000. Contract assets increased during 2023 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.

As at April 1, 2021, the Group has contract liabilities amounting to $Nil. Contract liabilities increased during 2023 and 2022 due to the timing differences between the agreed payment schedule and the progress of the construction work.

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

	Group 2023 $'000	Group 2022 $'000
Contract assets reclassified to trade receivables	–	(30,728)
Changes in measurement of progress	531	–
Contract liabilities at the beginning of the year recognised as revenue during the year	3,339	–
Increases due to cash received, excluding amounts recognised as revenue during the year	39,348	3,339

11 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Trade receivables	11,967	1,065	–	–
Deposits	887	1,231	–	–
Interest receivable	793	211	583	211
Other receivables	200	192	–	–
Amounts due from subsidiaries	–	–	1,175,742	868,788
Loss allowance recognised	–	–	(50,566)	(74,777)
	–	–	1,125,176	794,011
	13,847	2,699	1,125,759	794,222
Prepayments	433	621	47	44
	14,280	3,320	1,125,806	794,266

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	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Amounts held under "Project Account Rules - 1997 Ed."	114,729	7,925	–	–
Fixed deposits placed with financial institutions	156,497	480,790	156,497	480,790
Cash at banks and in hand	22,782	41,395	3,021	11,757
	294,008	530,110	159,518	492,547

As at March 31, 2023, the interest rates per annum for cash and cash equivalents of the Group and Company ranged from 0.22% to 4.10% (2022: 0.15% and 0.60%).

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

In 2023, amounts held under the "Project Account Rules - 1997 Ed." includes $83,000,000 (2022: $Nil) held in fixed deposits placed with financial institutions. The fixed deposits have maturity periods of 11 to 68 days from the end of the financial year.

13 SHARE CAPITAL

	2023		2022	
	Number of shares		Number of shares	
	'000	$'000	'000	$'000
Issued and fully-paid ordinary shares with no par value				
At beginning and end of the year	258,911	631,801	258,911	631,801

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

14 RESERVES

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

15 BORROWINGS

	Group	
	2023	2022
	$'000	$'000
Non-current liabilities		
- Unsecured bank loans	–	130,858
Current liabilities		
- Unsecured bank loans	24,980	–
	24,980	130,858

The bank loans bore interest at rates ranging from 1.45% to 4.83% (2022: 0.93% to 2.83%) per annum during the year. During the year, the Group has made a partial repayment of its bank loans.

15 BORROWINGS (CONT'D)

Reconciliation of movements of liabilities and assets to cash flows arising from financing activities

	Liabilities			Assets	
	Bank loans	Accrued interest payable	Lease liabilities[1]	Prepayment[2]	Total
	$'000	$'000	$'000	$'000	$'000
Balance at April 1, 2022	130,858	5	1,253	(388)	131,728
Changes from financing cash flows					
Repayment of borrowings	(106,100)	–	–	–	(106,100)
Payment for lease liabilities	–	–	(520)	–	(520)
Interest paid	–	(2,314)	(29)	(129)	(2,472)
Total changes from financing cash flows	(106,100)	(2,314)	(549)	(129)	(109,092)
Other changes					
New leases	–	–	216	–	216
Amortisation of transaction costs	222	–	–	233	455
Interest expense	–	2,315	29	85	2,429
Total non-cash changes	222	2,315	245	318	3,100
Balance at March 31, 2023	24,980	6	949	(199)	25,736

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

(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	
	2023	2022
	$'000	$'000
Lease liabilities		
- Non-current	452	772
- Current	497	481
	949	1,253

The incremental borrowing rate of the Group's lease liabilities is 2.83% to 4.08% (2022: 2.83%) per annum at the reporting date.

Information about the Group's exposure to liquidity risk is included in Note 27.

17 TRADE AND OTHER PAYABLES

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Current				
Trade payables	4,373	1,247	555	502
Retention sums payable	4,930	3,232	–	–
Accrued development costs	16,821	14,474	–	–
Accrued operating expenses	3,693	3,514	722	625
Accrued interest payable	6	5	–	–
Sundry payables	4,242	1,324	–	–
Deferred income	630	12,636	–	–
Amounts due to subsidiaries	–	–	894,498	909,496
	34,695	36,432	895,775	910,623

Deferred income relates to the non-refundable deposits received in respect of units in completed development properties sold under deferred payment schemes and advance consideration received for serviced apartment stays amounting to $Nil (2022: $12,194,000) and $630,000 (2022: $442,000) respectively.

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

18 REVENUE

	Group 2023 $'000	Group 2022 $'000
Development properties for which revenue is:		
- recognised over time	139,367	5,169
- recognised at a point in time	44,657	272,998
Hospitality income	12,674	9,477
Rental and related income	428	585
	197,126	288,229

19 PROFIT FROM OPERATIONS

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

	Note	Group 2023 $'000	Group 2022 $'000
Allowance for foreseeable losses on development properties (written back)/recognised*	8	(6,288)	724
Depreciation of investment property	4	162	163
Depreciation of property, plant and equipment	5	5,628	6,320
Direct operating expenses arising from rental of investment property (excluding depreciation)		145	132
Fees paid to auditors of the Company:			
- Audit		225	196
- Non-audit fees		95	66
Gain on disposal of property, plant and equipment		(1)	–
Grant income		(55)	(1,130)
Impairment loss on property, plant and equipment written back*	5	(5,006)	(13,358)
Staff costs		6,512	5,473
Contributions to defined contribution plans (included in staff costs)		601	524

* Included in "other operating income" in the consolidated statement of comprehensive income.

In 2022, the Group received wage support for local employees under the Jobs Support Scheme ("JSS") from the Singapore Government as part of the Government's measures to support businesses during the period of economic uncertainty impacted by COVID-19. The Group assessed that there is reasonable assurance that it would comply with the conditions attached to the grants. Government grant income of $111,000 was recognised in profit or loss as other income during the previous financial year, on a systematic basis over the period of uncertainty in which the related salary costs for which the grant was intended to compensate was recognised as expenses.

In 2022, the Group received cash grant amounting to $896,000 for its serviced apartment units in Singapore.

20 NET FINANCE INCOME/(COSTS)

	Group	
	2023	2022
	$'000	$'000
Finance income		
Interest income:		
- Fixed deposits	8,677	1,643
- Cash at bank	68	27
Total interest income arising from financial assets measured at amortised cost	8,745	1,670
Finance costs		
Amortisation of transaction costs on borrowings	(455)	(832)
Interest expense on:		
- lease liabilities	(29)	(28)
- borrowings	(2,400)	(4,176)
Interest expense on financial liabilities measured at amortised cost	(2,884)	(5,036)
Net finance income/(costs)	5,861	(3,366)

21 TAX EXPENSE

	Group	
	2023	2022
	$'000	$'000
Current tax expense		
Current year	3,309	19,315
Under/(Over) provision in respect of prior years	321	(426)
	3,630	18,889
Deferred tax credit		
Origination and reversal of temporary differences	(552)	(6,602)
Under provision in respect of prior years	–	130
	(552)	(6,472)
Tax expense	3,078	12,417

Reconciliation of effective tax rate

	2023	2022
Profit before tax	37,478	95,335
Tax calculated using Singapore tax rate of 17% (2022: 17%)	6,371	16,207
Non-deductible expenses	550	1,241
Non-taxable income	(2,317)	(4,392)
Changes in unrecognised temporary differences	(1,847)	(343)
Under/(Over) provision in respect of prior years	321	(296)
	3,078	12,417

22 EARNINGS PER SHARE

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

	Group	
	2023	2022
	$'000	$'000
Basic and diluted earnings per share is based on:		
Profit for the year	34,400	82,918

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

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

23 DIVIDENDS

The following dividends were declared and paid by the Company:

	Company	
	2023	2022
	$'000	$'000
Final dividend paid of $0.04 per share in respect of 2022	10,356	–
Special dividend paid of $0.12 per share in respect of 2022	31,069	–
Final dividend 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
	41,425	85,440

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

	Company	
	2023	2022
	$'000	$'000
Final dividend proposed of $0.04 per share in respect of 2023	10,356	–
Special dividend proposed of $0.06 per share in respect of 2023	15,535	–
Final dividend paid of $0.04 per share in respect of 2022	–	10,356
Special dividend paid of $0.12 per share in respect of 2022	–	31,069
	25,891	41,425

24 RELATED PARTIES

Transactions with key management personnel

	Group 2023 $'000	Group 2022 $'000
Key management personnel compensation comprised:		
Directors' fees	392	428
Short-term employee benefits	1,482	1,113
Contributions to defined contribution plans	90	72
	1,964	1,613
Revenue recognised from sale of properties under development to persons associated with a key management personnel	1,015	–

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, 2021	751	14	765
Additions	944	51	995
Depreciation charge for the year	(524)	(4)	(528)
Balance at March 31, 2022	1,171	61	1,232
Additions	207	9	216
Depreciation charge for the year	(530)	(19)	(549)
Balance at March 31, 2023	848	51	899

25 LEASES (CONT'D)

Amounts recognised in profit or loss

	Group	
	2023	2022
	$'000	$'000
Interest on lease liabilities	29	28

Amounts recognised in statement of cash flows

	Group	
	2023	2022
	$'000	$'000
Interest paid	29	28
Repayment of lease liabilities	520	512
	549	540

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 $503,000 (2022: $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 2023 was $266,000 (2022: $381,000).

25 LEASES (CONT'D)

Operating lease (cont'd)

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	
	2023	2022
	$'000	$'000
Less than one year	600	132
One to two years	606	11
Two to three years	477	–
Three to four years	251	–
Total	1,934	143

26 CORPORATE GUARANTEE

The Company had provided corporate guarantee to subsidiaries to secure banking facilities which were unutilised as at 31 March 2023.

27 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.

27 FINANCIAL RISK MANAGEMENT (CONT'D)

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 and contract assets 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 $1,125,176,000 (2022: $794,011,000) 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.

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	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Property development	13,244	1,908	–	–
Hospitality	551	580	–	–
Investment holding	583	211	1,125,759	794,222
	14,378	2,699	1,125,759	794,222

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 (2022: 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, 2023 and March 31, 2022 is insignificant.

27 FINANCIAL RISK MANAGEMENT (CONT'D)

Expected credit loss assessment (cont'd)

The following table provides information about the exposure to credit risk for trade receivables and contract assets as at March 31, 2023 and March 31, 2022:

	Group	
	2023	2022
	$'000	$'000
Not past due	12,488	1,053
Past due 31 - 60 days	10	8
Past due 61 - 90 days	–	4
	12,498	1,065

Non-trade amounts due from subsidiaries

The Company held non-trade receivables from its subsidiaries which were advanced to its 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, there is a write-back of loss allowance of $24,211,000 (2022: $10,174,000) on amounts due from certain subsidiaries (Note 11) due to an improvement 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, 2021	84,951
Write-back of loss allowance	(10,174)
At March 31, 2022	74,777
Write-back of loss allowance	(24,211)
At March 31, 2023	50,566

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, 2023 and March 31, 2022 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.

27 FINANCIAL RISK MANAGEMENT (CONT'D)

Liquidity risk (cont'd)

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

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

	Carrying amount	Contractual cash flows	Cash flows Within 1 year	Cash flows Between 1 to 5 years	Cash flows After 5 years
	$'000	$'000	$'000	$'000	$'000
Group					
March 31, 2023					
Non-derivative financial liabilities					
Borrowings	24,980	(25,532)	(25,532)	–	–
Lease liabilities	949	(987)	(517)	(458)	(12)
Trade and other payables*	34,065	(34,065)	(34,065)	–	–
	59,994	(60,584)	(60,114)	(458)	(12)
March 31, 2022					
Non-derivative financial liabilities					
Borrowings	130,858	(137,250)	(3,355)	(133,895)	–
Lease liabilities	1,253	(1,319)	(509)	(810)	–
Trade and other payables*	23,796	(23,796)	(23,796)	–	–
	155,907	(162,365)	(27,660)	(134,705)	–

	Carrying amount	Contractual cash flows	Cash flows Within 1 year	Cash flows Between 1 to 5 years	Cash flows After 5 years
	$'000	$'000	$'000	$'000	$'000
Company					
March 31, 2023					
Non-derivative financial liabilities					
Trade and other payables	895,775	(895,775)	(895,775)	–	–
March 31, 2022					
Non-derivative financial liabilities					
Trade and other payables	910,623	(910,623)	(910,623)	–	–

* *Excludes deferred income.*

27 FINANCIAL RISK MANAGEMENT (CONT'D)

Market risk

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

Interest rate risk

Exposure to interest rate risk

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

	Group		Company	
	Nominal amount		Nominal amount	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Variable rate instruments				
Fixed deposits	239,497	480,790	156,497	480,790
Borrowings	(25,000)	(131,100)	–	–
	214,497	349,690	156,497	480,790

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 (2022: 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 2022.

	Group		Company	
	Profit or loss		Profit or loss	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
	$'000	$'000	$'000	$'000
2023				
Cash flow sensitivity	1,072	(1,072)	782	(782)
2022				
Cash flow sensitivity	1,748	(1,748)	2,404	(2,404)

27 FINANCIAL RISK MANAGEMENT (CONT'D)

Capital management policy

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

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

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

Accounting classifications and fair values

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

		Carrying amount			Fair value
	Note	Amortised cost	Other financial liabilities	Total	Level 2
		$'000	$'000	$'000	$'000
Group					
March 31, 2023					
Financial assets not measured at fair value					
Trade and other receivables*	11	13,847	–	13,847	
Cash and cash equivalents	12	294,008	–	294,008	
		307,855	–	307,855	
Financial liabilities not measured at fair value					
Borrowings	15	–	(24,980)	(24,980)	(24,980)
Lease liabilities	16	–	(949)	(949)	
Trade and other payables#	17	–	(34,065)	(34,065)	
		–	(59,994)	(59,994)	

* *Excludes prepayments.*

\# *Excludes deferred income.*

27 FINANCIAL RISK MANAGEMENT (CONT'D)

	Note	Carrying amount			Fair value
		Amortised cost	Other financial liabilities	Total	Level 2
		$'000	$'000	$'000	$'000
Group					
March 31, 2022					
Financial assets not measured at fair value					
Trade and other receivables*	11	2,699	–	2,699	
Cash and cash equivalents	12	530,110	–	530,110	
		532,809	–	532,809	
Financial liabilities not measured at fair value					
Borrowings	15	–	(130,858)	(130,858)	(130,858)
Lease liabilities	16	–	(1,253)	(1,253)	
Trade and other payables#	17	–	(23,796)	(23,796)	
		–	(155,907)	(155,907)	

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

	Note	Amortised cost	Other financial liabilities	Total carrying amount
		$'000	$'000	$'000
Company				
March 31, 2023				
Financial assets not measured at fair value				
Trade and other receivables*	11	1,125,759	–	1,125,759
Cash and cash equivalents	12	159,518	–	159,518
		1,285,277	–	1,285,277
Financial liabilities not measured at fair value				
Trade and other payables	17	–	(895,775)	(895,775)
March 31, 2022				
Financial assets not measured at fair value				
Trade and other receivables*	11	794,222	–	794,222
Cash and cash equivalents	12	492,547	–	492,547
		1,286,769	–	1,286,769
Financial liabilities not measured at fair value				
Trade and other payables	17	–	(910,623)	(910,623)

* *Excludes prepayments.*

27 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.

28 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.

NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2023

28 OPERATING SEGMENTS (CONT'D)

Information about reportable segments

	Property development		Investment holding		Hospitality		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Total revenue	187,952	281,668	622	811	12,674	9,477	201,248	291,956
Inter-segment revenue	(3,784)	(3,402)	(338)	(325)	–	–	(4,122)	(3,727)
External revenue	184,168	278,266	284	486	12,674	9,477	197,126	288,229
Finance income	1,340	3	7,405	1,667	–	–	8,745	1,670
Finance costs	(2,874)	(5,024)	–	–	(10)	(12)	(2,884)	(5,036)
Depreciation	(682)	(695)	(162)	(163)	(4,946)	(5,625)	(5,790)	(6,483)
Reportable segment profit before tax	25,145	83,249	6,372	1,009	5,961	11,077	37,478	95,335
Tax expense							(3,078)	(12,417)
Profit for the year							34,400	82,918
Material non-cash items:								
- Allowance for foreseeable losses on development properties written back/(recognised)	6,288	(724)	–	–	–	–	6,288	(724)
- Impairment loss on property, plant and equipment written back	–	–	–	–	5,006	13,358	5,006	13,358
Other segment information:								
- Capital expenditure	(32)	(30)	–	–	(430)	(240)	(462)	(270)

28 OPERATING SEGMENTS (CONT'D)

	Property development		Investment holding		Hospitality		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Segment assets	1,181,463	942,246	163,147	499,122	220,953	219,591	1,565,563	1,660,959
Deferred tax assets	–	–	–	–	–	–	13,019	12,404
Total assets as at March 31	1,181,463	942,246	163,147	499,122	220,953	219,591	1,578,582	1,673,363
Segment liabilities	95,314	168,072	1,277	1,125	3,527	2,831	100,118	172,028
Current tax payable	–	–	–	–	–	–	3,405	19,314
Deferred tax liabilities	–	–	–	–	–	–	99	36
Total liabilities as at March 31	95,314	168,072	1,277	1,125	3,527	2,831	103,622	191,378

PROPERTIES OF THE GROUP
Year ended 31 March 2023

The properties of the Group as at 31 March 2023 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 MK18-18513M & MK18-18512C at Yio Chu Kang Road/ Ang Mo Kio Avenue 5/Seletar Road							Infrastructure Written Permission approved for Phase 10 and 11 New Erection Provisional Permission approved for Phase 10
Remaining phases (Phase 10, 11 and 12)	999-year lease commencing January 1879	117,179	95,690	-	-	100%	
Lots 18633M, 18634W (formerly known as 18415A-PT MK 18)/18416K-PT MK18/16449W-PT MK 18 at Nim Road/Ang Mo Kio Avenue 5/CTE							
Phase 3	*99-year lease commencing December 2019	38,779	^35,479	-	4Q 2025	100%	Building plans have been approved for the proposed 132 units of landed housing development (Phase 3).
Future phases	**999-year lease commencing January 1879	48,857	-	-	-	100%	Vacant non-residential rural land for future residential development.
Lot 9934W MK 18 at Ang Mo Kio Avenue 5/Nim Road/CTE	Statutory grant	19,094	3,850	-	-	100%	Vacant non-residential rural land for future residential development.

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

** Land Betterment Charge 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 14 April 2022.

Location	Tenure	Site Area (Sq M)	Gross Floor Area (Sq M)	% of Completion	Expected Date of Completion	Group's Effective Interest in Property (%)	Description
Residential Apartment Sites							
Lot 00792X TS28 at 2 Makeway Avenue	Freehold	3,864	10,817	37%	1Q 2024	100%	Main building works are in progress.
Lot 4343V MK 25 at 114A, 114B, 114C & 114D Arthur Road	99 Years from 23 November 2021	13,077	27,461	19%	4Q 2024	100%	Main building works are in progress.
Lot 02904P MK 16 at Bukit Timah Link	99 Years from 13 February 2023	4,611	-	-	4Q 2027	100%	Planning submission is in progress.

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

SHAREHOLDING STATISTICS
As at 21 June 2023

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	349	5.35	4,027	0.00
100 to 1,000	1,338	20.51	1,091,595	0.42
1,001 to 10,000	3,602	55.22	15,510,577	5.99
10,001 to 1,000,000	1,208	18.52	56,554,480	21.85
1,000,001 and above	26	0.40	185,750,647	71.74
Total	**6,523**	**100.00**	**258,911,326**	**100.00**

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

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	SINGAPORE INVESTMENTS PTE LTD	34,633,008	13.38
2	CITIBANK NOMINEES SINGAPORE PTE LTD	29,794,762	11.51
3	SELAT PTE LIMITED	29,478,664	11.38
4	LEE RUBBER COMPANY (PTE) LIMITED	21,955,968	8.48
5	KALLANG DEVELOPMENT (PTE) LIMITED	11,875,192	4.59
6	DBS NOMINEES (PRIVATE) LIMITED	11,384,749	4.40
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	3,350,100	1.29
10	BPSS NOMINEES SINGAPORE (PTE.) LTD.	3,198,500	1.23
11	LEE FOUNDATION	2,963,130	1.14
12	RAFFLES NOMINEES (PTE.) LIMITED	2,893,181	1.12
13	ISLAND INVESTMENT COMPANY PTE LTD	2,829,600	1.09
14	LEE FOUNDATION STATES OF MALAYA	2,711,300	1.05
15	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	2,142,481	0.83
16	HSBC (SINGAPORE) NOMINEES PTE LTD	1,704,217	0.66
17	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,703,611	0.66
18	YEO REALTY & INVESTMENTS (PTE) LTD	1,603,000	0.62
19	PHILLIP SECURITIES PTE LTD	1,554,675	0.60
20	LEE PLANTATIONS PTE LIMITED	1,533,600	0.59
	Total	**178,752,322**	**69.04**

SHAREHOLDING STATISTICS
As at 21 June 2023

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

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

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

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 57th Annual General Meeting of the Company will be convened and held at the Grand Ballroom, Level 4, Grand Copthorne Waterfront Hotel, 392 Havelock Road, Singapore 169663 on Friday, 28 July 2023 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/agm2023. Printed copies of this Notice will 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 2023 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 6 cents per share for the financial year ended 31 March 2023. **(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)**

   Mr Lee Chien Shih, if re-elected, will remain a Member of the Nominating and Remuneration Committees.

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)**

   Ms Fam Lee San, if re-elected, will remain a Member of the Audit and Risk Management Committee.

5. To approve the payment of Directors' fees of $391,500 (2022: $428,000) for the financial year ended 31 March 2023. **(Resolution 5)**

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

As Special Business

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

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

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

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

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

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

provided that:

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

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

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

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

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

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

By Order of the Board

LOTUS ISABELLA LIM MEI HUA
Company Secretary

6 July 2023
Singapore

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

(a) The ordinary resolution in item 7 above, 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. A member of the Company (other than a member who is a relevant intermediary as defined in Note 2 below) shall not be entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting on his/her/its behalf. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company.

2. Pursuant to Section 181 of the Companies Act 1967 of Singapore, any member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting. Relevant intermediary is either:

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

   (b) a capital markets services licence holder which provides custodial services for securities under the Securities and Futures Act 2001 and holds shares in that capacity; or

   (c) the Central Provident Fund ("**CPF**") Board established by the Central Provident Fund Act 1953, in respect of shares purchased on behalf of CPF investors.

3. The instrument appointing a proxy or proxies shall, in the case of an individual, be signed by the appointor or his attorney, and in case of a corporation, shall be either under the common seal or signed by its attorney or an authorised officer on behalf of the corporation.

   CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 18 July 2023.

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

5. The instrument appointing a proxy or proxies must be submitted to the Company in the following manner:

   - if submitted by post, be deposited with the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902; or

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

   in any case, by 10.30 a.m. on 25 July 2023, being not less than 72 hours before the appointed time for the Annual General Meeting.

6. The Proxy Form and Annual Report 2023 have been made available on SGXNET and the Company's website at www.bsel.sg/agm2023. Printed copies of this Notice and the accompanying proxy form will be sent by post to members.

7. Live voting will be conducted during the Annual General Meeting for members and proxies attending the Annual General Meeting. It is important for members and proxies to bring their own web-browser enabled devices for voting at the Annual General Meeting. Examples of web-browser enabled devices include mobile smartphones, laptops or tablets with internet capabilities. For optimal experience, users should update their devices' operating system and browsers to the latest available versions.

PERSONAL DATA POLICY

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

This page is intentionally left blank.

PROXY FORM

BUKIT SEMBAWANG ESTATES LIMITED

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

This proxy form has been made available on SGXNET and the Company's website at www.bsel.sg/agm2023. Printed copies of this proxy form will be posted to members.

IMPORTANT

1. Please read the notes overleaf which contain instructions on, among others, the appointment of a member's proxy or proxies and/or representative(s) to attend, speak and vote on his/her/its behalf at the Annual General Meeting ("**AGM**")
2. For CPF/SRS investors who have used their CPF/SRS monies to buy shares in Bukit Sembawang Estates Limited, this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks/SRS Operators to submit their votes by 5.00 p.m. on 18 July 2023.
3. By submitting an instrument appointing a proxy or proxies and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 6 July 2023.

I/We ______________________________, NRIC/Passport/Co. Registration No. ____________________

of ____

being a member/members of Bukit Sembawang Estates Limited (the "**Company**"), hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of shareholdings to be represented by proxy (%)

and/or

as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the 57th AGM of the Company to be held at the Grand Ballroom, Level 4, Grand Copthorne Waterfront Hotel, 392 Havelock Road, Singapore 169663 on Friday, 28 July 2023 at 10.30 a.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against or abstain from voting the Ordinary Resolutions to be proposed at the AGM as indicated with an "X" in the spaces provided hereunder.

No.	Resolutions	No. of Votes For	No. of Votes Against	No. of Votes Abstain
Ordinary Business				
1	To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 March 2023 and Auditor's Report thereon			
2	To approve and declare a final dividend of 4 cents per share and a special dividend of 6 cents per share for the financial year ended 31 March 2023			
3	To re-elect Mr Lee Chien Shih as a Director of the Company pursuant to Regulation 94 of the Company's Constitution			
4	To re-elect Ms Fam Lee San as a Director of the Company pursuant to Regulation 94 of the Company's Constitution			
5	To approve Directors' fees of $391,500 for the financial year ended 31 March 2023			
6	To re-appoint Deloitte & Touche LLP as the Auditor of the Company and to authorise the Directors to fix their remuneration			
Special Business				
7	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act 1967			

Note: Voting will be conducted by poll. If you wish your proxy/proxies to exercise all your votes "For" or "Against" the relevant resolution or to abstain from voting on the relevant resolution, please indicate with an "X" in the relevant box provided above. Alternatively, if you wish your proxy/proxies to exercise some of your votes "For" or some of your votes "Against" the relevant resolution, and/or to abstain from voting on the relevant resolution, please insert the relevant number of votes in the relevant boxes provided above. In the absence of specific directions in respect of a resolution, your proxy/proxies will vote or abstain from voting at his/her/their discretion.

Dated this ____________ day of ____________ 2023

Total Number of Shares Held (Note 7)	

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

IMPORTANT: PLEASE READ NOTES OVERLEAF

3rd fold here, glue along the dotted line and fold flap. Do not staple

Affix
postage
stamp

BUKIT SEMBAWANG ESTATES LIMITED
c/o M & C Services Private Limited
112 Robinson Road
#05-01
Singapore 068902

2nd fold here

NOTES TO PROXY FORM

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy, the proportion of his/her/its shareholding concerned to be represented by each proxy shall be specified in the form of proxy. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company's option to treat this Proxy Form as invalid.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

2. A proxy need not be a member of the Company.

3. Where a member of the Company appoints two proxies, he/she/it shall specify the proportion of his/her/its shareholding (expressed as a percentage of the whole) to be represented by each such proxy.

4. The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.

5. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore.

6. The instrument appointing a proxy or proxies must be submitted to the Company in the following manner:

   (a) if submitted by post, be deposited with the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902; or

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

   in each case, not less than 72 hours before the time appointed for holding the AGM, being on or before **10.30 a.m. on 25 July 2023**.

7. A member should insert the total number of shares held. If the member has shares entered against his/her/its name in the Depository Register (as defined in Section 130A of the Companies Act 1967 of Singapore), he/she/it should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members of the Company, he/she/it should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and shares registered in his/her/its name in the Register of Members of the Company, he/she/it should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.

8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

9. A Depositor shall not be regarded as a member of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the AGM.

10. An investor who buys shares using CPF monies ("**CPF Investor**") and/or SRS monies ("**SRS Investor**") (as may be applicable) may attend and cast his/her/its vote(s) at the AGM in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy or proxies and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 6 July 2023.

1st fold here

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
Facebook: fb.com/bsel.sg
Instagram: @bsel.sg
TikTok: @sghomes.bukitsembawang