BUKIT SEMBAWANG ESTATES LIMITED

Homes For Every Generation

Annual Report 2008

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Notice of **Annual General Meeting**

NOTICE IS HEREBY GIVEN that the 42nd Annual General Meeting of the Company will be held at 65 Chulia Street, #50-00 OCBC Centre, Singapore 049513, on Friday, 18 July 2008 at 10.30am to transact the following business :-

As Ordinary Business

1. To receive the Directors' Report and Accounts for the year ended 31 March 2008 and, if approved to pass them.
2. To declare a final dividend of 7 cents per share tax exempt (one-tier) in respect of the financial year ended 31 March 2008.
3. To re-elect the following Directors retiring under the provisions of the Articles of Association of the Company :-
   (i) Mr Lee Chien Shih (Retiring by rotation pursuant to Article 94)
   (ii) Mr Samuel Guok Chin Huat (Retiring pursuant to Article 76)
4. To consider and, if thought fit, to pass the following resolutions :-
   (i) "That pursuant to Section 153(6) of the Companies Act, Chapter 50, Mr Cecil Vivian Richard Wong be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting of the Company".
   Note: Mr Cecil Vivian Richard Wong, if re-appointed, will continue as a member of the Audit Committee and will be considered an independent director.
   (ii) "That pursuant to Section 153(6) of the Companies Act, Chapter 50, Mr Michael Wong Pakshong be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting of the Company".
   Note: Mr Michael Wong Pakshong, if re-appointed, will continue as a member of the Audit Committee and will be considered an independent director.
5. To approve the increase in Directors' Fees to $393,000 (2007 : $342,000).
6. To re-appoint Messrs KPMG as Auditors of the Company and authorise the Directors to fix their remuneration.
7. To transact any other ordinary business that may be transacted at an Annual General Meeting.

As Special Business

8. To consider and, if thought fit, to pass, with or without amendments, the following resolution as an Ordinary Resolution :-
   "That pursuant to Section 161 of the Companies Act, Chapter 50 and the rules of the listing manual ("Listing Manual") of the 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) :-
   (i) issue additional Instruments as adjustments in accordance with the terms and conditions of the Instruments made or granted by the Directors while this Resolution was in force; and

(ii) allot and issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force or in pursuant of such additional Instruments referred to in (b)(i) above,

provided always 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 any treasury shares (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 20% of the total number of issued Shares excluding treasury shares (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 at the time of the passing of this Resolution, after adjusting for:

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

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

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

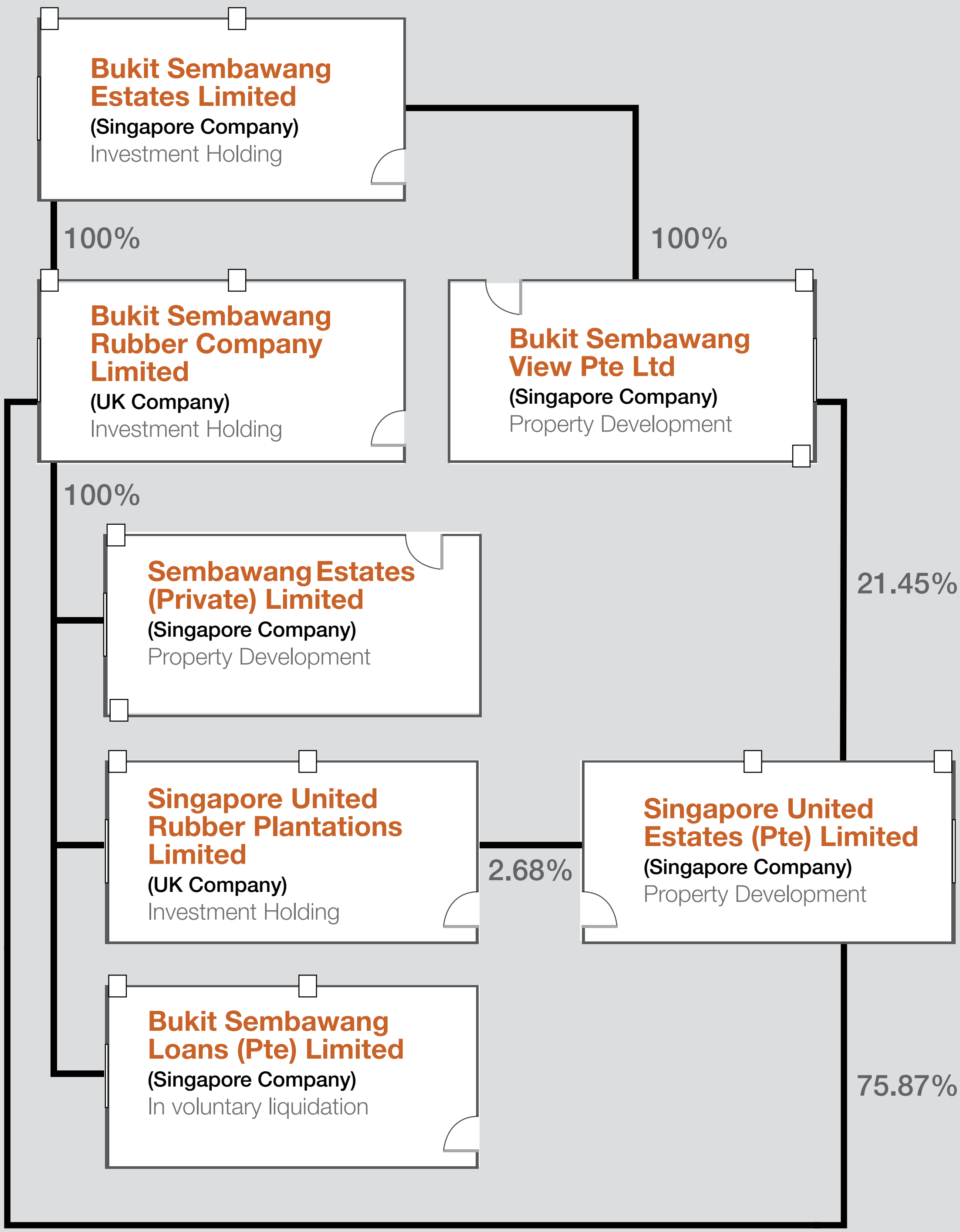
(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held,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

By Order of the Board
TAN SIM PENG
Secretary
30 June 2008
Singapore

Notes:

1. A member of the Company entitled to attend and vote at the above Meeting is entitled to appoint one proxy or two proxies to attend and vote in his stead. Such proxy need not be a member of the Company and, where there are two proxies, the number of shares to be represented by each proxy must be stated.
2. The instrument or form appointing a proxy must be signed by the appointer or his duly authorised attorney or, if the appointer is a body corporate, signed by an officer or attorney duly authorised or the common seal must be affixed thereto.
3. The instrument or form appointing a proxy, duly executed, must be deposited at the Company's registered office at 65 Chulia Street, #49-05 OCBC centre, Singapore 049513 not less than 48 hours before the time of holding the above Meeting.
4. **Statement pursuant to Article 12(2) of the Company's Articles of Association**
   The ordinary resolution in Item 8 is to authorise the directors of the Company to allot and issue shares and convertible securities up to 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company of which up to 20% of the total number of issued shares excluding treasury shares may be issued other than on a pro-rata basis to shareholders of the Company. For 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 number of issued shares in the capital of the Company at the time that this Resolution is passed, after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

Group Structure



Chairman's **Statement**

The Group profit before tax for the year under review was $80.8 million. This is an increase of 133% over the previous year's profit of $35 million. The results are much better than expected because of the one-time capital gain of $46.5 million arising from the sale of HSBC Holdings plc shares.

The Group's development profit consists of the recognition of revenue (based on percentage of completion method) for the housing units sold at Mimosa Terrace Phases 4 and 6, Parc Mondrian and Paterson Suites.

For the financial year ended 31 March 2008, the Group acquired one collective sale property namely Fairways at Telok Blangah Road for residential development.

DIVIDEND DECLARED

During the financial year ended 31 March 2008, the Company paid an interim tax-exempt (one-tier) dividend of 5 cents per share in December 2007.

The Directors now recommend for shareholders' approval the payment of a final tax-exempt (one-tier) dividend of 7 cents per share. Together with the interim dividend, the total dividend payout will be 12 cents per share amounting to $12,948 million based on the enlarged 107,899,514 issued shares.

CURRENT YEAR'S PROSPECT

The Singapore economy is expected to grow at a moderate pace of 4 - 6% this year. However, the current sentiment in the residential property market remains cautious amidst the uncertainties in global financial markets and slowing US economy. It is therefore anticipated that profit for the current year ending 31 March 2009 will be lower than that of the previous year.

PROPERTY REPORT

Lot 13764N Mk 18 (Mimosa Terrace) at Mimosa Road/Saraca Road

Phase 1	–	*72 units of terrace houses and 2 units of semi-detached houses*
Phase 2	–	*30 units of terrace houses*
Phase 3	–	*40 units of terrace houses*
Phase 4	–	*39 units of terrace houses*
Phase 5	–	*35 units of terrace houses and 2 units of semi-detached houses*
Phase 6	–	*42 units of terrace houses and 2 units of semi-detached houses*

All houses under the above phases have been sold. Construction of Phase 6 development has reached an advanced stage and is expected to be completed in the current financial year.

Lots 2104X and 2271N to 2275M Mk 19 (Straits Gardens) at Sembawang Road/ Andrews Avenue - 61 units of terrace houses and 6 units of semi-detached houses (Total: 67 units)

All houses have been sold.

Lots 5313M and 9645K Mk 17 (Parc Mondrian) at Woodleigh Close - 100 units of apartments

All the 100 apartment units have been sold. The main construction work commenced in November 2007 and will be completed in 2010.

Lots 364 to 369, 389 to 392, 397 to 399, 400 to 415, 416 part, 906 and 907 TS 21 (Paterson Suites) at Paterson Road/Lengkok Angsa - 102 units of apartments

The development project has been soft launched. To-date, 20 apartment units have been sold. The main construction work commenced in October 2007 and will be completed in 2010.

Lots 715L, 716C part, 717M part and 780L TS 27 (The Vermont on Cairnhill) at Cairnhill Rise - 123 units of apartments

Approvals have been granted for the development and sale of the 123 units of apartments comprising this project.

The main construction contract has been awarded and the construction work will be completed in 2011.

Lots 2135L, 2136C and 2802X TS 2 (Verdure) at Holland Road - 69 units of apartments and 6 units of strata titled semi-detached houses

Approvals have been granted for the development and sale of the 69 units of residential apartments and 6 units of strata titled semi-detached houses comprising this project.

Remaining Land at Seletar Hills and Sembawang Areas

Proposals for the development of the remaining land have been submitted and are being processed by the relevant government authorities.

In respect of Lot 12949 Mk 18, Singapore Land Authority requires us to apply for lifting of building restriction in the title. The Group has replied that the building restriction does not apply and the issue is still pending.

DIRECTORATE

It is with much regret that I record the sudden passing of our Director, Mr Tan Eng Heng, on 21 March 2008. Mr Tan was appointed to the Board in 1989 and had served the Group for 19 years. His guidance, advice and support were of tremendous value to the Group throughout his years as a Director.

Under the provisions of the Memorandum & Articles of Association, Mr Lee Chien Shih retires by rotation and offers himself for re-election.

I would also like to welcome to the Board, Mr Guok Chin Huat Samuel, who joined the Board on 3 March 2008. He is serving as an independent member in the Audit Committee. Under Article 76 of the Articles of Association, he retires and offers himself for re-election, as a Director of the Company.

I wish to place on record the Board's appreciation of the continued loyal dedication of Management and Staff. I thank my fellow directors for their contributions and commitment. Last but not least, my sincere thanks to all our clients and our shareholders for their continued support and confidence.

CECIL VIVIAN RICHARD WONG
Chairman
23 May 2008

Five-Year **Financial Summary**

	2008 $'000	2007 $'000	2006 $'000	2005 $'000	2004 $'000
Consolidated Balance Sheets as at 31 March					
Investment Property [1]	5,228	5,388	-	-	-
Property, Plant and Equipment	288	20	5,568	5,729	5,941
Available-for-Sale Financial Assets	38,136	100,926	94,121	13,180	13,230
Mortgage Receivables	-	12	35	57	78
Deferred Tax Assets	-	539	896	-	-
Net Current Assets	446,697	243,391	207,867	170,068	173,805
Deferred Taxation	(1,497)	(1,412)	(4,270)	(2,065)	(7,412)
	488,852	348,864	304,217	186,969	185,642
Share Capital	286,832	102,433	84,000	24,000	24,000
Reserves	202,020	246,431	220,217	162,969	161,642
Total Equity	488,852	348,864	304,217	186,969	185,642
Consolidated Income Statements for the year ended 31 March					
Revenue	75,620	57,979	88,771	18,548	31,022
Profit Before Income Tax	80,781	34,699	52,007	12,494	20,062
Income Tax Expense	(5,912)	(1,283)	(10,412)	(2,527)	(3,651)
Profit After Tax	74,869	33,416	41,595	9,967	16,411
Dealt with as follows :-					
Dividends (Net)	12,948	69,892	68,640	8,640	8,544
Capital Reserve	46,715	45	34	33	29
Revenue Reserve	15,206	(36,521)	(27,079)	1,294	7,838
Total	74,869	33,416	41,595	9,967	16,411

(1) With the Group's adoption of FRS 40 Investment Property in 2008, investment property, which was previously included in property, plant and equipment, is separately classified on the balance sheet. The financial information for 2007 has been restated to reflect the reclassification, but no reclassification has been made in the financial information for 2006 and earlier years.

Group **Financial Highlights**

For the year ended 31 March 2008

	2008 $'000	2007 $'000
Revenue	75,620	57,979
Profit Before Income Tax	80,781	34,699
Profit After Income Tax	74,869	33,416
Net Dividends	12,948	69,892
Share Capital	286,832	102,433
Total Equity	488,852	348,864
Net Return on Total Equity	15.32%	9.58%
Earnings Per Ordinary Share	$0.72	$0.46
Dividends Per Ordinary Share		
Gross	$0.12	$1.20
Net	$0.12	$0.96
Cover	5.78 times	0.48 times
Net Tangible Assets Per Ordinary Share	$4.53	$4.64

Financial **Calendar**

Financial Year ended 31 March 2008

Announcement of First Quarter Results	10 August 2007
Announcement of Half-year Results	12 November 2007
Announcement of Third Quarter Results	13 February 2008
Announcement of Full-year Results	23 May 2008
Annual General Meeting	18 July 2008
Book Closure Dates	28 July, 5pm to 29 July 2008
Proposed Payment of 2008 Final Dividend	7 August 2008

Financial Year ended 31 March 2009

Announcement of First Quarter Results	August 2008
Announcement of Half-year Results	November 2008
Announcement of Third Quarter Results	February 2009
Announcement of Full-year Results	May 2009

Board of **Directors**

CECIL VIVIAN RICHARD WONG

Mr Cecil Vivian Richard Wong is the Chairman of the Board. He is also Chairman of the Audit Committee and member of the Nominating Committee and Remuneration Committee. He was appointed to the Board on 27 July 1979.

Mr Wong is a retired partner of Ernst & Young International, after spending more than 30 years there and in its predecessor companies. He sits on the Board of several other listed companies and continues to be involved in social work, serving as Council Member of several non-profit organisations. In recognition of his contribution to the country, he was awarded the Public Service Medal and Public Service Star by the President of Singapore in 1992 and 2000 respectively.

Mr Wong holds a degree from Cambridge University and is a member of the Institute of Certified Public Accountants of Singapore.

MICHAEL WONG PAKSHONG

Mr Michael Wong Pakshong is Chairman of the Nominating Committee and Remuneration Committee. He is also a member of the Audit Committee. He was appointed to the Board on 4 June 1991.

Mr Wong is also a director of WBL Corporation Limited. He retired as director of Oversea-Chinese Banking Corporation Limited, Great Eastern Holdings Limited and The Straits Trading Company Limited in April 2008.

Mr Wong holds a Bachelor of Arts with Honours and an Honorary L.L.D. from the University of Bristol, UK. He is also a Fellow of the Institute of Chartered Accountants in England and Wales, and a member of the Institute of Certified Public Accountants of Singapore.

TEO KIM YAM

Mr Teo was appointed to the Board on 12 August 1994. He is a Director of the Lee Rubber Group of Companies & Lee Foundation, Singapore.

He holds a Bachelor of Accountancy from University of Singapore and is a member of the Institute of Certified Public Accountants of Singapore.

LEE CHIEN SHIH

Mr Lee was appointed to the Board on 1 October 1999. He is a Director of the Lee Rubber Group of Companies, Lee Foundation, Singapore and Great Eastern Holdings Ltd.

Mr Lee holds a MBBS from the National University of Singapore.

NG CHEE SENG

Mr Ng was appointed to the Board on 19 April 2007. Mr Ng joined the Group in 1994. He is currently the Chief Executive Officer ("CEO") of the Group.

He has a Bachelor of Architecture Degree and a Master Degree in Property Management from the University of Singapore. He is a member of the Singapore Institute of Architects and Conservation Advisory Panel and is also the Assistant Honorary Treasurer of the Real Estate Developers' Association of Singapore.

SAMUEL GUOK CHIN HUAT

Mr Samuel Guok Chin Huat was appointed to the Board on 3rd March 2008. He is a member of the Audit Committee.

He is presently a Director of Japan Land Ltd, Singxpress Ltd, Star Health Pte Ltd and Campelltown Asia Pte Ltd. He graduated from Boston University with Majors in Finance and International Economics, Minor in Chemistry.

Key Management **Staff**

TAN SIM PENG

Mr Tan Sim Peng is the Group Secretary and Accountant. He joined the Group in 1980. He is responsible for the Group's corporate secretarial, corporate finance and accounting matters.

Mr Tan holds a Bachelor of Accountancy Degree from the University of Singapore. He is a Fellow of the Institute of Certified Public Accountants of Singapore, CPA (Australia) and Association of Chartered Certified Accountants (UK).

DAPHNI LIM BEE NGOR

Ms Daphni Lim joined the Group in July 2005 and is currently the Senior Marketing Manager. She is heading the Marketing Department and is responsible for the Group's marketing activities.

Prior to joining the Group, she was with CapitaLand Residential as a Marketing Manager handling various residential projects. Ms Daphni Lim had also worked in DBS Land and Ban Hin Leong Group, where she handled leasing, sales and marketing of residential and commercial properties.

JUSTIN HO NGIAM CHAN

Mr Justin Ho joined the Group in March 2001. He currently holds the position of Senior Project Manager in charge of the Group's residential housing developments and site maintenance management.

Prior to joining the Group, he was with Keppel Land International Ltd for seven years handling their local residential developments.

Mr Justin Ho holds a Master in Business Administration from the University of Leeds (UK) and a Bachelor of Engineering (Civil & Structural) from the National University of Singapore.

YEOW SENG TECK

Mr Yeow Seng Teck joined the Group in April 2007 as a Senior Project Manager. He is responsible for the Group's residential projects and property management activities.

He has over 18 years of project and property management experience, having worked with Wing Tai Property Management, Centrepoint Properties Limited and hospitality-based Raffles Holdings.

Mr Yeow holds a Master of Science (Project Management) degree and a Bachelor of Engineering (Civil & Structural) degree from the National University of Singapore.

Directorate and **Other Corporate Information**

DIRECTORS

Cecil Vivian Richard Wong *(Chairman)*
Michael Wong Pakshong
Teo Kim Yam
Lee Chien Shih
Ng Chee Seng *(CEO)*
Samuel Guok Chin Huat

AUDIT COMMITTEE

Cecil Vivian Richard Wong *(Chairman)*
Michael Wong Pakshong
Samuel Guok Chin Huat

NOMINATING COMMITTEE

Michael Wong Pakshong *(Chairman)*
Cecil Vivian Richard Wong
Lee Chien Shih

REMUNERATION COMMITTEE

Michael Wong Pakshong *(Chairman)*
Cecil Vivian Richard Wong
Lee Chien Shih

COMPANY SECRETARY

Tan Sim Peng

REGISTERED OFFICE

65 Chulia Street #49-05
OCBC Centre
Singapore 049513
Telephone : +65 6890 0333
Facsimile : +65 6536 1858
Website: www.bukitsembawang.sg

AUDITORS

KPMG
Public Accountants & Certified Public Accountants
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Partner in charge of audit:
Lo Mun Wai (Year of Appointment – 2007)

REGISTRAR

M & C Services Private Limited
138 Robinson Road #17-00
The Corporate Office
Singapore 068906
Telephone : +65 6227 6660 / +65 6228 0507
Facsimile : +65 6225 1452

BANKERS

Oversea-Chinese Banking Corporation Limited
The Hong Kong & Shanghai Banking Corporation Limited
DBS Bank Limited
Malayan Banking Berhad
United Overseas Bank Limited

SOLICITORS

Rodyk & Davidson
Lee & Lee
Harry Elias Partnership
Mallal & Namazie
Wong Partnership

Bukit Sembawang Estates Limited (The Group) is committed to high standards of corporate governance. The Board believes that good governance is necessary to maintain the Group's business performance and protect shareholders' interest.

BOARD'S CONDUCT OF ITS AFFAIRS (PRINCIPLE 1)

Board of Directors

The Company is headed by a Board of Directors to lead and control its operations and affairs. The principal functions of the Board are :-

1. Approving the broad policies, property development strategies and financial objectives of the Company and Group and monitoring the performance of management;

2. Overseeing and evaluating the adequacy of internal controls, risk management, financial reporting in compliance with statutory requirements and best corporate governance practices;

3. Approving the nominations of board directors and appointment of key personnel;

4. Approving annual budgets, major funding proposals and investments;

5. Set dividend policy and declare dividends; and

6. Set Company values and standards and ensure that obligations to shareholders and others are understood and met.

The Board meets at least four times a year, with additional meetings convened as and when necessary. The attendance of the directors at meetings of the Board and Board committees, as well as the frequency of such meetings, is disclosed in this Report.

Training for Directors

Newly appointed directors are required to familiarise themselves with the Group's operations. All Directors are encouraged to participate in seminars and/or discussion groups to keep abreast of the latest corporate and property development issues.

BOARD COMPOSITION AND BALANCE (PRINCIPLE 2)

The Board is comprised of six directors, of whom three are independent and non-executive. The names of the directors of the Company in office are set out in the Directors' Report. Particulars of their direct and indirect interests in the Company's shares are also shown in the Directors' Report.

While the Company's Articles allow for the appointment of a maximum of 10 directors, the Board is of the view that the current board size of 6 directors with their experience and expertise is appropriate, taking into account the nature and scope of the Company's operations.

ROLE OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER (CEO) (PRINCIPLE 3)

The Company has a separate Chairman and CEO. The Chairman is a non-executive and independent director whilst the CEO is an executive director.

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

The Chairman ensures that board meetings are held when necessary and sets the board meeting agenda in consultation with the CEO and Company Secretary. The Chairman reviews board papers before they are presented to the Board and ensures that board members are provided with complete, adequate and timely information. As a general rule, board papers are sent to directors at least a week in advance in order for directors to be adequately prepared for the meeting.

ACCESS TO INFORMATION (PRINCIPLE 6)

In order to ensure that the Board is able to fulfill its responsibilities, management provides the board members with the monthly financial, operational and budget reports and other management statements within 12 days after the month-end. Analysts' reports on the Company are forwarded to the directors on an on-going basis as and when available. The directors are provided with the phone numbers and particulars of the Company's senior management and Company Secretary to facilitate access.

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

The Company Secretary attends all board meetings and is responsible to ensure that the Board procedures are followed. It is the Company Secretary's responsibility to ensure that the Company complies with the requirements of the Companies Act. Together with the other management staff of the Company, the Company Secretary is also responsible for compliance with all other rules and regulations which are applicable to the Company.

ACCOUNTABILITY (PRINCIPLE 10)

In presenting the periodic announcements of the results of the Company and the Group, it is the aim of the Board to provide shareholders with a balanced and comprehensible assessment of the Group's performance, position and prospects on a quarterly basis.

To ensure that the Board is able to fulfill its responsibilities, Management provides the Board with monthly reports on the operations and significant events that took place in the respective companies during the month.

The Board is accountable to the shareholders while Management is accountable to the Board.

AUDIT COMMITTEE (AC) (PRINCIPLE 11)

The AC comprises of three members, all of whom are independent non-executive directors. The Chairman and the other members of the AC have vast experience in managerial positions in the property and finance industry and are therefore capable of discharging the AC's functions. They are as follows :-

Mr Cecil Vivian Richard Wong *(Chairman)*
Mr Michael Wong Pakshong
Mr Samuel Guok Chin Huat *(Appointed 3rd March 2008)*

The AC performs the following functions in accordance with Section 201B(5) of the Companies Act, Cap 50, the Listing Manual, and the Code of Corporate Governance 2005 :-

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

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

3. Reviews the quarterly, half-yearly and annual financial statements, including announcements to shareholders and the SGX-ST prior to submission to the Board;

4. Makes recommendations to the Board on the appointment of external auditors, their remunerations and reviews the cost effectiveness, independence and objectivity of external auditors.

5. Reviews interested person transactions that may arise within the Company and the Group to ensure compliance with Chapter 9 of the Listing Manual of the SGX-ST and to ensure that the terms of such transactions are :
   - based on normal commercial terms; and
   - not prejudicial to the interests of the shareholders of the Company

6. Reports actions and minutes of the AC meetings to the Board of Directors with such recommendations as the AC considers appropriate.

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

The AC has power to conduct or authorise investigations into any matters within its terms of reference.

The AC meets with the external and internal auditors, without the presence of management.

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

The Committee recommended that KPMG be nominated for re-appointment as auditors at the forthcoming Annual General Meeting to be held on 18th July 2008. KPMG has indicated their willingness to accept re-appointment.

INTERNAL CONTROLS (PRINCIPLE 12)

During the year, the Committee reviewed the effectiveness of the Group's internal controls, including financial, operational and compliance controls, and risk management. The Committee in reviewing the effectiveness of the system of internal controls and risk management included discussions with Management, external and internal auditors on the risks identified and review of significant issues arising from internal and external audits.

The Board, through the Audit Committee, monitors the Group's system of internal control. The Directors set policies and seek regular assurance that the system of internal controls is operating effectively. However, the Directors are also aware that such a system can only provide reasonable assurance against material misstatement or loss. Based on the results of the internal and external audits, the Directors are of the opinion that, the system of internal controls is operating satisfactorily. The Directors are also satisfied that problems are identified on a timely basis and follow-up actions are promptly implemented to minimise lapses. Nothing has come to the attention of the Directors to indicate that any material breakdown in the controls has occurred during the year under review.

INTERNAL AUDIT (IA) (PRINCIPLE 13)

The internal audit function is outsourced to Ernst & Young, who reports directly to the Audit Committee.

The internal auditor reviews the Group's main business processes, the activities in each of the Group's key business segments and the Group companies responsible for these business activities and processes.

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

NOMINATING COMMITTEE (NC)

BOARD MEMBERSHIP (PRINCIPLE 4)

BOARD PERFORMANCE (PRINCIPLE 5)

The NC comprises of 3 non-executive directors, a majority of whom are independent :-

Mr Michael Wong Pakshong *(Chairman)*
Mr Cecil Vivian Richard Wong
Mr Lee Chien Shih *(Appointed on 3rd March 2008)*

The main Terms of Reference of the NC are to :-

(a) make recommendations 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;
(b) determine annually whether a director is independent and whether he is able to carry out his duties as a director; and
(c) assess the effectiveness of the Board as a whole and the contribution by each individual director to the effectiveness of the Board.

DIRECTORS' ATTENDANCE AT BOARD, AUDIT COMMITTEE, REMUNERATION COMMITTEE, NOMINATING COMMITTEE MEETINGS - *1 April 2007 to 31 March 2008*

Board Members	Board Meeting		Audit Committee Meeting		Remuneration Committee Meeting		Nominating Committee Meeting	
	No. of Meeting	Attendance	No. of Meeting	Attendance	No. of Meeting	Attendance	No. of Meeting	Attendance
Mr Cecil Vivian Richard Wong	5	5	5	5	-	-	1	1
Mr Michael Wong Pakshong	5	5	5	5	2	2	1	1
Mr Teo Kim Yam	5	5	-	-	-	-	-	-
Mr Lee Chien Shih	5	4	-	-	2	2	-	-
* Mr Tan Eng Heng (Deceased)	5	3	5	3	2	1	1	-
+ Mr Ng Chee Seng	5	4	-	-	-	-	-	-
^ Mr Samuel Guok Chin Huat	-	-	-	-	-	-	-	-

^ Appointed on 3rd March 2008
+ Appointed on 19th April 2007
* Vacated on 21 March 2008

The NC considered and recommended the appointment of Mr Samuel Guok Chin Huat to the Board as an independent, non-executive director of the Company. The Board accepted the NC's recommendation. Mr Samuel Guok Chin Huat 's appointment took effect on 3rd March 2008.

The NC, in considering the re-appointment of any director, assesses the director's contribution to the Board including attendance record at meetings of the Board and Board committees and the quality of participation at meetings.

The NC evaluates the Board's performance as a whole. The assessment criteria adopted include both a quantitative and qualitative evaluation.

The independence of each director is reviewed annually by the NC. The NC adopts the Code's definition of what constitutes an independent director in its review. As a result of the NC's review of the independence of each director for this financial year, the NC is of the view that Mr Cecil Vivian Richard Wong, Mr Michael Wong Pakshong and Mr Samuel Guok Chin Huat are independent directors and that, further, no individual or group of individuals dominate the Board's decision-making process. The NC met once to discuss this matter.

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 Group with assistance from Management, who provides complete and timely information on a regular basis for effective discharge of his duties as well as a comprehensive schedule of events drawn up in consultation with the relevant Director.

The NC assessed and recommended to the Board, the Directors to be re-appointed pursuant to Section 153(6) of the Companies Act, Cap 50 and re-elected pursuant to Articles 76 and 94 of the Company's Articles of Association, at the Annual General Meeting. Each NC member abstained from participating in deliberations in respect of himself.

REMUNERATION COMMITTEE (RC)

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES (PRINCIPLE 7)

LEVEL AND MIX OF REMUNERATION (PRINCIPLE 8)

DISCLOSURE ON REMUNERATION (PRINCIPLE 9)

The RC comprises of three non-executive directors, a majority of whom are independent.

Mr Michael Wong Pakshong (*Chairman)*
Mr Cecil Vivian Richard Wong *(Appointed on 3rd March 2008)*
Mr Lee Chien Shih

The principal responsibilities of RC are to :-

1. Recommend to the Board base salary levels, benefits and incentive opportunities, and identify components of salary which can be best used to focus management staff on achieving corporate objectives;

2. Approve the structure of directors' fees and senior management compensation programme to ensure that the programme is competitive and sufficient to attract, retain and motivate senior management of the required quality to run the Company successfully; and

3. Review Directors' fees and senior management's compensation annually and determine appropriate adjustments.

The RC met twice to review, discuss and approve the compensation of the senior executives of the Group. Presently, the Company does not have any share option scheme.

The following table reflects the breakdown of Directors' Fees of the Group for the year ended 31st March 2008 :-

	Mr Cecil V R Wong		Mr Michael Wong Pakshong		Mr Teo Kim Yam		Mr Lee Chien Shih		^ Mr Samuel Guok Chin Huat		Mr Tan Eng Heng (Deceased)	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	%	%	%	%	%	%	%	%	%	%	%	%
Salary	-	-	-	-	-	-	-	-	-	-	-	-
Bonus	-	-	-	-	-	-	-	-	-	-	-	-
Employee CPF	-	-	-	-	-	-	-	-	-	-	-	-
Directors' Fees	100	100	100	100	*100	*100	100	100	100	-	100	100
Total	100	100	100	100	*100	*100	100	100	100	-	100	100

* Paid to Lee Rubber Co (Pte) Ltd

^ Appointed on 3rd March 2008

Remuneration of Directors' Immediate Family

During the financial year ended 31 March 2008, none of the Directors had immediate family members who were employees of the Company.

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 transactions. For this financial year, there were no interested person transactions nor any material contracts entered between the Company and its subsidiaries involving the interests of the chief executive officer, director or controlling shareholders of the Company.

COMMUNICATION WITH SHAREHOLDERS

PROMOTION OF GREATER PARTICIPATION BY SHAREHOLDERS (PRINCIPLE 14)

In line with continuous disclosure obligations of the Company, pursuant to the SGX-ST Listing Rules and the Companies Act, the Board's policy is that shareholders be informed promptly of all major developments that impact the Company and its subsidiaries.

Quarterly/Half-yearly and Final results are published on the Company's website and announced to SGX-ST via SGXNET and news releases. All information on the Company's new initiatives will be first disseminated through the Company's website and SGXNET.

The Company does not practise selective disclosure. Price sensitive information is first publicly released, either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Quarterly financial statements and annual reports are announced or issued within the mandatory period.

All shareholders of the Company are sent a copy of the annual report and notice of AGM. The notice which is despatched at least 14 days before the Meeting is also advertised in a prominent newspaper. At AGMs, shareholders are given the opportunity to air their views and ask Directors, management or the external auditor questions regarding the Company.

The Articles allow a shareholder of the Company to appoint one or two proxies to attend and vote at all general meetings.

Risk Management

The AC has reviewed the Group's risk management process and is satisfied that there are adequate internal controls in place to manage the significant risks identified.

The senior managers continuously evaluate and monitor the significant risks. The internal auditor reviews all significant control policies and procedures and highlights these matters to the Audit Committee.

Best Practices Guide – Dealing in Securities

The Company has issued a policy on dealings in the securities of the Company to its Directors and Management, setting out the implications of insider trading and guidance on such dealings. It has adopted the Best Practices Guide on Dealings in Securities issued by the Singapore Exchange Securities Trading Limited to provide further guidance to directors and employees dealing in the Company's shares. In line with the guidelines, directors and key executives of the Group who have access to price-sensitive and confidential information are not permitted to deal in the Company's securities during the period commencing two weeks before the announcement of the Group's first and third quarter financial statements and one month before the Group's half-year and full-year financial statements and ending on the respective announcement date.

Directors are required to report to the Company Secretary whenever they deal in the Company's shares and the latter will make the necessary announcements in accordance with the requirements of SGX-ST.

OTHER DIRECTORSHIPS

Name of Director	Other Directorship/ Chairmanship of Listed Companies *(Present / Past over preceding 3 years)*	Date of Last Election	Directors due for Re-Election
Cecil Vivian Richard Wong	*Present* Chairman – British & Malayan Trustees Ltd Director – C K Tang Ltd Director – Pan United Corporation Ltd Director – Venture Manufacturing Ltd *Past* Director – Sincere Watch Ltd	20 July 2007	Retirement pursuant to Section 153(6) Companies Act Cap 50
Michael Wong Pakshong	*Present* Director – WBL Corporation Ltd *Past* Chairman – Robinson & Co Ltd Group Director – Jaya Holdings Ltd Chairman – Great Eastern Holdings Ltd Group Director – Oversea-Chinese Banking Corporation Ltd Director – The Straits Trading Co Ltd	20 July 2007	Retirement pursuant to Section 153(6) Companies Act Cap 50
Teo Kim Yam	-	20 July 2007	-
Lee Chien Shih	*Present* Director – Great Eastern Holdings Ltd *Past* Director – Fraser Centrepoint Limited	11 July 2006	Retirement by rotation (Article 94)
Ng Chee Seng	-	20 July 2007	-
Samuel Guok Chin Huat	*Present* Director – Singxpress Ltd Director – Japan Land Ltd *Past* NIL	-	Retirement pursuant to Article 76

Directors' Report and **Financial Statements**

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Proxy Form (attached)

Directors' **Report**

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 March 2008.

Directors

The directors in office at the date of this report are as follows:

Cecil Vivian Richard Wong
Michael Wong Pakshong
Teo Kim Yam
Lee Chien Shih
Ng Chee Seng *(Appointed on 19 April 2007)*
Guok Chin Huat, Samuel *(Appointed on 3 March 2008)*

Pursuant to Section 153(6) of the Companies Act, Chapter 50 (the Act), Messrs Cecil Vivian Richard Wong and Michael Wong Pakshong retire and offer themselves for re-election to hold office until the next Annual General Meeting.

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (the Act), particulars of interests of directors who held office at the end of the financial year in shares and warrants in the Company 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/date of appointment**	**At end of the year**	**At beginning of the year/date of appointment**	**At end of the year**
The Company				
Ordinary shares fully paid				
Cecil Vivian Richard Wong	10,000	15,000	–	–
Michael Wong Pakshong	15,000	23,000	–	–
Lee Chien Shih	36,000	57,000	–	150,000
Ng Chee Seng	–	–	–	8,000
Warrants to subscribe for ordinary shares				
Cecil Vivian Richard Wong	5,000	–	–	–
Michael Wong Pakshong	8,000	–	–	–
Lee Chien Shih	18,000	–	–	–

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

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 April 2008.

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 in the Company or any other body corporate.

Except for salaries, bonuses and fees and those benefits that are disclosed in this report and in note 18 to the financial statements, since the end of the last financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member or with a company in which he has a substantial financial interest.

Share options

During the financial year, there were:

(i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and

(ii) no shares issued by virtue of any exercise of options to take up unissued shares of the Company or its subsidiaries under options.

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

Audit committee

The members of the Audit Committee during the year and at the date of this report are:

- Cecil Vivian Richard Wong (Chairman), independent and non-executive director
- Michael Wong Pakshong, independent and non-executive director
- Guok Chin Huat, Samuel, independent and non-executive director (Appointed on 3 March 2008)

The Audit Committee performs the functions specified in Section 201B of the Companies Act, the Listing Manual and the Best Practices Guide of the Singapore Exchange, and the Code of Corporate Governance.

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

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange).

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

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

Auditors

The auditors, KPMG, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Cecil Vivian Richard Wong
Director

Michael Wong Pakshong
Director

23 May 2008

Statement by **Directors**

In our opinion:

(a) the financial statements set out on pages 28 to 66 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2008 and the results, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors

Cecil Vivian Richard Wong
Director

Michael Wong Pakshong
Director

23 May 2008

Independent **Auditors' Report**

Members of the Company
Bukit Sembawang Estates Limited

We have audited the financial statements of Bukit Sembawang Estates Limited (the Company) and its subsidiaries (the Group), which comprise the balance sheets of the Group and the Company as at 31 March 2008, the income statement, statement of changes in equity and cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 28 to 66.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards. This responsibility includes:

(a) 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 income statement and balance sheets and to maintain accountability of assets;

(b) selecting and applying appropriate accounting policies; and

(c) making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

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

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

Members of the Company
Bukit Sembawang Estates Limited

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

Opinion

In our opinion:

(a) the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2008 and the results, changes in equity and cash flows of the Group for the year ended on that date; and

(b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

KPMG
Public Accountants and
Certified Public Accountants

Singapore
23 May 2008

Balance Sheets
As at 31 March 2008

	Note	Group 2008 $'000	Group 2007 $'000	Company 2008 $'000	Company 2007 $'000
Non-current assets					
Investment property	3	5,228	5,388	–	–
Property, plant and equipment	4	288	20	–	–
Investments in subsidiaries	5	–	–	80,294	75,294
Mortgage receivables	6	–	12	–	–
Available-for-sale financial assets	7	38,136	100,926	38,136	100,926
Deferred tax assets	14	–	539	–	–
		43,652	106,885	118,430	176,220
Current assets					
Development properties	8	1,119,790	850,872	–	–
Trade and other receivables	9	23,720	9,056	570,268	382,066
Cash and cash equivalents	11	30,679	20,866	1,898	12,039
		1,174,189	880,794	572,166	394,105
Total assets		1,217,841	987,679	690,596	570,325
Equity attributable to share holders of the Company					
Share capital	12	286,832	102,433	286,832	102,433
Reserves	13	202,020	246,431	260,267	324,762
Total equity		488,852	348,864	547,099	427,195
Non-current liabilities					
Deferred tax liabilities	14	1,497	1,412	6	80
Current liabilities					
Trade and other payables	15	19,171	20,664	143,491	143,050
Interest-bearing bank loans	16	702,430	610,010	–	–
Current tax payable		5,891	6,729	–	–
		727,492	637,403	143,491	143,050
Total liabilities		728,989	638,815	143,497	143,130
Total equity and liabilities		1,217,841	987,679	690,596	570,325

The accompanying notes form an integral part of these financial statements

Consolidated **Income Statement**
Year ended 31 March 2008

	Note	2008 $'000	2007 $'000
Revenue	17	75,620	57,979
Cost of sales		(37,814)	(22,488)
Gross profit		37,806	35,491
Other income		49,825	4,731
Administrative expenses		(2,463)	(2,609)
Other operating expenses		(1,917)	(1,718)
Profit from operations	18	83,251	35,895
Finance income		1,221	854
Finance expense		(3,691)	(2,050)
Net finance costs	19	(2,470)	(1,196)
Profit before income tax		80,781	34,699
Income tax expense	20	(5,912)	(1,283)
Profit for the year attributable to equity holders of the Company		74,869	33,416
Earnings per share			
Basic earnings per share ($)	21	0.72	0.46
Diluted earnings per share ($)	21	0.72	0.37

The accompanying notes form an integral part of these financial statements

Consolidated Statement of **Changes in Equity**

Year ended 31 March 2008

Group	Note	Share capital $'000	Warrant reserve $'000	Capital reserve $'000	Fair value reserve $'000	Accumulated profits $'000	Dividend reserve $'000	Total $'000
At 1 April 2006		84,000	–	5,186	80,453	125,938	8,640	304,217
Change in fair value of available-for-sale financial assets		–	–	–	6,821	–	–	6,821
Gain recognised directly in equity		–	–	–	6,821	–	–	6,821
Profit for the year		–	–	–	–	33,416	–	33,416
Total recognised income and expenses for the year		–	–	–	6,821	33,416	–	40,237
Transfers from accumulated profits to capital reserve - unclaimed dividends written back		–	–	45	–	(45)	–	–
Issue of warrants		–	59,400	–	–	–	–	59,400
Shares issued pursuant to conversion of warrants		18,433	(5,383)	–	–	–	–	13,050
Dividends								
- final dividends for the previous year, paid	22	–	–	–	–	–	(8,640)	(8,640)
- bonus dividends for the year, paid	22	–	–	–	–	(59,400)	–	(59,400)
- final dividends for the year, proposed	22	–	–	–	–	(10,492)	10,492	–
At 31 March 2007		102,433	54,017	5,231	87,274	89,417	10,492	348,864

The accompanying notes form an integral part of these financial statements

Consolidated Statement of **Changes in Equity (cont'd)**

Year ended 31 March 2008

Group	Note	Share capital $'000	Warrant reserve $'000	Capital reserve $'000	Fair value reserve $'000	Accumulated profits $'000	Dividend reserve $'000	Total $'000
At 1 April 2007		102,433	54,017	5,231	87,274	89,417	10,492	348,864
Change in fair value of available-for-sale financial assets		–	–	–	(2,148)	–	–	(2,148)
Fair value reserve transferred to the income statement on disposal of available-for-sale financial assets		–	–	–	(43,957)	–	–	(43,957)
Losses recognised directly in equity		–	–	–	(46,105)	–	–	(46,105)
Profit for the year		–	–	–	–	74,869	–	74,869
Total recognised income and expenses for the year		–	–	–	(46,105)	74,869	–	28,764
Transfers from accumulated profits to capital reserve								
- surplus on disposal of available-for-sale financial assets		–	–	46,676	–	(46,676)	–	–
- unclaimed dividends written back		–	–	39	–	(39)	–	–
Shares issued pursuant to conversion of warrants		184,399	(53,851)	–	–	–	–	130,548
Transfer from warrant reserve to accumulated profits upon expiry of warrants		–	(166)	–	–	166	–	–
Dividends								
- final dividends for the previous year, paid	22	–	–	–	–	(3,437)	(10,492)	(13,929)
- interim dividends for the year, paid	22	–	–	–	–	(5,395)	–	(5,395)
- final dividends for the year, proposed	22	–	–	–	–	(7,553)	7,553	–
At 31 March 2008		286,832	–	51,946	41,169	101,352	7,553	488,852

The accompanying notes form an integral part of these financial statements

Consolidated **Cash Flow Statement**

Year ended 31 March 2008

	Note	2008 $'000	2007 $'000
Operating activities			
Profit before income tax		80,781	34,699
Adjustments for:			
Depreciation of investment property		160	158
Depreciation of property, plant and equipment		43	22
Gain on disposal of property, plant and equipment		(28)	–
Gain on disposal of available-for-sale financial assets		(46,676)	–
Dividend income from available-for-sale financial assets		(2,929)	(4,596)
Interest income		(1,221)	(685)
Interest expense		1,590	72
Mark-to-market loss on derivative financial instruments		2,101	1,809
Operating profit before working capital changes		33,821	31,479
Changes in working capital:			
Development properties		(247,794)	(399,892)
Trade and other receivables		(16,196)	(498)
Trade and other payables		(1,289)	(203)
Cash used in operations		(231,458)	(369,114)
Mortgage receipts		34	22
Interest received		1,221	685
Income taxes paid		(6,157)	(9,078)
Cash flows from operating activities		(236,360)	(377,485)
Investing activities			
Dividends received		4,299	4,379
Proceeds from capital reduction in available-for-sale financial assets		104	51
Proceeds from disposal of available-for-sale financial assets		63,258	–
Purchase of property, plant and equipment		(323)	(20)
Proceeds from sale of property, plant and equipment		40	–
Purchase of available-for-sale financial assets		(1)	(35)
Cash flows from investing activities		67,377	4,375
Financing activities			
Proceeds from issue of warrants		–	59,400
Proceeds from conversion of warrants		130,548	13,050
Proceeds from short-term bank loans		333,220	403,460
Repayments of short-term bank loans		(240,800)	(7,300)
Dividends paid		(19,324)	(69,178)
Interest paid		(24,848)	(11,770)
Cash flows from financing activities		178,796	387,662
Net increase in cash and cash equivalents		9,813	14,552
Cash and cash equivalents at beginning of year		20,866	6,314
Cash and cash equivalents at end of year	11	30,679	20,866

The accompanying notes form an integral part of these financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 23 May 2008.

1 Domicile and activities

Bukit Sembawang Estates Limited (the Company) is incorporated in the Republic of Singapore and has its registered office at 65 Chulia Street #49-05 OCBC Centre, Singapore 049513.

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

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

2 Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The financial statements are prepared on the historical cost basis except for the revaluation of an investment in a subsidiary and certain financial assets and financial liabilities which are stated at fair value.

The financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information has been rounded to the nearest thousand, unless otherwise stated.

The preparation of financial statements in conformity with FRS 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.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in note 2.13 relating to measurement of profit attributable to properties under development and note 24 relating to the valuation of financial instruments.

Except as set out in note 2.4, the accounting policies set out below have been applied consistently to all periods presented in these financial statements.

2 Summary of significant accounting policies (cont'd)

2.2 Consolidation

Business combinations

Business combinations are accounted for under the purchase method. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

The excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is credited to the income statement in the period of the acquisition.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights presently exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

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.

Accounting for subsidiaries by the Company

Investments in subsidiaries are stated in the Company's balance sheet at cost or directors' valuation less accumulated impairment losses.

2.3 Foreign currency transactions

Transactions in foreign currencies are translated at the respective functional currencies of Group entities at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date on which the fair value was determined. Foreign currency differences arising on retranslation are recognised in the income statement, except for differences arising on the retranslation of available-for-sale equity instruments (see note 2.7).

2 Summary of significant accounting policies (cont'd)

2.4 Investment property

Investment property is property held either to earn rental income or capital appreciation or both. It does not include properties for sale in the ordinary course of business, used in the production or supply of goods or services, or for administrative purposes. Rental income from investment property is accounted for in the manner described in note 2.13.

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

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

The estimated useful lives are as follows:

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

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

Change in accounting policy

The Group adopted FRS 40 *Investment Property* on 1 April 2007. On adoption of FRS 40, the Group reclassified the carrying values of its investment property and related furniture and fittings to investment property. However, the property continues to be stated at cost less accumulated depreciation and impairment losses, which was the policy in use before 1 April 2007, when investment property and related furniture and fittings were accounted for under FRS 16 *Property, Plant and Equipment*.

The change in accounting policy, which in the current financial statements was limited to a change in the description of the property, has been applied retrospectively in accordance with FRS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

Except as disclosed above, the change in accounting policy had no impact on the opening accumulated profits of the Group, other financial statement line items and earnings per share.

2.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

2 Summary of significant accounting policies (cont'd)

2.5 Property, plant and equipment (cont'd)

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives are as follows:

Furniture, fittings and equipment	3 to 5 years
Motor vehicles	5 years
Computers	1 year

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

2.6 Development properties

Development properties are properties which are held with the intention of development and sale in the ordinary course of business. They are stated at the lower of cost plus, where appropriate, a portion of attributable profit, and estimated net realisable value, net of progress billings. Net realisable value represents the estimated selling price less costs to be incurred in selling the properties.

The cost of properties under development comprise specifically identified costs, including acquisition costs, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding a development property are also capitalised, on a specific identification basis, as part of the cost of the development property until the completion of development.

2.7 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise available-for-sale financial assets, trade and other receivables, cash and cash equivalents, trade and other payables and interest-bearing bank loans.

Non-derivative financial instruments are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

2 Summary of significant accounting policies (cont'd)

2.7 Financial instruments (cont'd)

Non-derivative financial instruments (cont'd)

Cash and cash equivalents comprise cash balances and bank deposits.

Available-for-sale financial assets

The Group's investments in equity securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than for impairment losses, and foreign exchange gains and losses on available-for-sale monetary items (see note 2.3), are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to the income statement.

Other

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

Derivative financial instruments and hedging activities

Derivative financial instruments are used to manage exposures to interest rate risk. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially at fair value; attributable transaction costs are recognised in the income statement when incurred. Subsequent to initial recognition, derivative financial instruments are remeasured at fair value, and changes therein are recognised in the income statement.

Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

2 Summary of significant accounting policies (cont'd)

2.7 Financial instruments (cont'd)

Impairment of financial assets (cont'd)

All impairment losses are recognised in the income statement. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to the income statement.

An impairment loss is reversed if the reversal can be related objectively to an event occuring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in the income statement. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

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.

2.8 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

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, if no impairment loss had been recognised.

2 Summary of significant accounting policies (cont'd)

2.9 Provisions

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

2.10 Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

Short-term benefits

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

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

2.11 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 on 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 balance sheet 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.

2.12 Warrants

The proceeds received from the subscription price for the issue of warrants are credited to the warrant reserve. As and when the warrants are exercised, the subscription price for the warrants exercised will be transferred from warrant reserve to share capital. Upon the expiry of the warrants, the balance of the warrant reserve representing the proceeds from the issuance of the warrants not exercised will be taken to accumulated profits.

2 Summary of significant accounting policies (cont'd)

2.13 Revenue recognition

Development properties

The Group recognises income on property development projects when the risks and rewards of ownership have been transferred to the buyer through either the transfer of legal title or equitable interest in a property. In cases where the Group is obliged to perform any significant acts after the transfer of legal title or equitable interest, revenue is recognised as the acts are performed based on the percentage of completion method under Recommended Accounting Practice 11 *Pre-completion Contracts for the Sale of Development Property* (RAP 11) issued by the Institute of Certified Public Accountants of Singapore in October 2005.

Under RAP 11, when (a) construction is beyond a preliminary stage, (b) minimum down payment criterion is met, (c) sale prices are collectible, and (d) aggregate sale proceeds and costs can be reasonably estimated, the percentage of completion method is an allowed alternative. If any of the above criteria are not met, pre-completion proceeds received are accounted for as deposits until such criteria are met.

Under the percentage of completion method, profit is brought into the financial statements only in respect of sales procured and to the extent that such profit relates to the progress of construction work. The progress of construction work is determined based on the stage of completion certified by an architect or a quantity surveyor.

The Group's current policy of recognising revenue using the percentage of completion method on its development properties is an allowed alternative under RAP 11. The impact on the financial statements, had revenue on the development properties been recognised using the completion of construction method, is as follows:

	Group	
	2008	2007
	$'000	$'000
(Decrease)/Increase in revenue	(16,181)	1,789
(Decrease)/Increase in profit for the year	(3,951)	55
Decrease in opening balance of accumulated profits	(11,375)	(11,430)
Decrease in development properties as at beginning of year	(21,648)	(17,673)
Decrease in development properties as at end of year	(17,399)	(21,648)

Dividends

Dividend income is recognised in the income statement when the shareholder's right to receive payment is established.

Rental income

Rental income (net of any lease incentives) is recognised on a straight-line basis over the term of lease agreement.

2 Summary of significant accounting policies (cont'd)

2.14 Finance income and expense

Finance income

Finance income comprises mainly interest income on funds invested and derivative instruments and mark-to-market gain on derivative instruments that are recognised in the income statement. Interest income is recognised as it accrues, using the effective interest method.

Finance expense

Finance expense comprises interest expense on borrowings and derivative instruments and mark-to-market loss on derivative instruments that are recognised in the income statement. All borrowing costs are recognised in the income statement using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

2.15 Operating leases

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in the income statement on a straight-line basis over the term of the lease.

2.16 Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for 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 the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the forseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the 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 income taxes levied by the same tax authority on the same taxable entity.

2 Summary of significant accounting policies (cont'd)

2.16 Income tax expense (cont'd)

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.17 Segment reporting

A segment is a distinguishable component of the Group that is engaged in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segment, is based on the Group's management and internal reporting structure.

Inter-segment pricing is determined on mutually agreed terms.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise tax expense and tax related assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Business segments

The main business segments of the Group comprise the development of properties for sale, property mortgage financing and investment holding.

Geographical segments

Geographical segment reporting has not been prepared as the Group operates predominantly in Singapore.

3 Investment property

	Freehold office premises $'000	Furniture and fittings $'000	Total $'000
Group			
Cost			
At 1 April 2006, as previously reported	–	–	–
Effect of adopting FRS 40	7,920	76	7,996
At 1 April 2006 and 31 March 2007, restated	7,920	76	7,996
At 1 April 2007, as previously reported	–	–	–
Effect of adopting FRS 40	7,920	76	7,996
At 1 April 2007, restated and 31 March 2008	7,920	76	7,996
Accumulated depreciation			
At 1 April 2006, as previously reported	–	–	–
Effect of adopting FRS 40	2,374	76	2,450
At 1 April 2006, restated	2,374	76	2,450
Depreciation charge for the year	158	–	158
At 31 March 2007, restated	2,532	76	2,608
At 1 April 2007, as previously reported	–	–	–
Effect of adopting FRS 40	2,532	76	2,608
At 1 April 2007, restated	2,532	76	2,608
Depreciation charge for the year	160	–	160
At 31 March 2008	2,692	76	2,768
Carrying amount			
At 1 April 2006, restated	5,546	–	5,546
At 31 March 2007	5,388	–	5,388
At 31 March 2008	5,228	–	5,228
Fair value			
At 31 March 2007			12,760,000
At 31 March 2008			11,484,000

The depreciation charge is included in cost of sales in the income statement.

Investment property comprises office premises that are leased to external customers. Generally, each of the leases is fixed for a period of 3 years, and subsequent renewals are negotiated at prevailing market rate and terms.

3 Investment property (cont'd)

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

4 Property, plant and equipment

Group	Freehold office premises $'000	Furniture, fittings and equipment $'000	Motor vehicles $'000	Computers $'000	Total $'000
Cost					
At 1 April 2006, as previously reported	7,920	485	303	70	8,778
Effect of adopting FRS 40	(7,920)	(76)	–	–	(7,996)
At 1 April 2006, restated	–	409	303	70	782
Additions	–	9	–	11	20
Written-off/Disposals	–	(15)	–	–	(15)
At 31 March 2007, restated	–	403	303	81	787
At 1 April 2007, as previously reported	7,920	479	303	81	8,783
Effect of adopting FRS 40	(7,920)	(76)	–	–	(7,996)
At 1 April 2007, restated	–	403	303	81	787
Additions	–	188	135	–	323
Written-off/Disposals	–	(312)	(137)	(15)	(464)
At 31 March 2008	–	279	301	66	646
Accumulated depreciation					
At 1 April 2006, as previously reported	2,374	463	303	70	3,210
Effect of adopting FRS 40	(2,374)	(76)	–	–	(2,450)
At 1 April 2006, restated	–	387	303	70	760
Additions	–	11	–	11	22
Written-off/Disposals	–	(15)	–	–	(15)
At 31 March 2007, restated	–	383	303	81	767

4 Property, plant and equipment (cont'd)

Group	Freehold office premises $'000	Furniture, fittings and equipment $'000	Motor vehicles $'000	Computers $'000	Total $'000
At 1 April 2007, as previously reported	2,532	459	303	81	3,375
Effect of adopting FRS 40	(2,532)	(76)	–	–	(2,608)
At 1 April 2007, restated	–	383	303	81	767
Depreciation charge for the year	–	25	18	–	43
Written-off/Disposals	–	(300)	(137)	(15)	(452)
At 31 March 2008	–	108	184	66	358
Carrying amount					
At 1 April 2006, restated	–	22	–	–	22
At 31 March 2007	–	20	–	–	20
At 31 March 2008	–	171	117	–	288

The depreciation charge is included in administrative expenses in the income statement.

5 Investments in subsidiaries

	Company 2008 $'000	Company 2007 $'000
Investments in subsidiaries		
At 1989 directors' valuation	55,294	55,294
At cost	25,000	25,000
	80,294	80,294
Impairment losses	–	(5,000)
	80,294	75,294

During the year, the Company assessed the recoverable amount of its investments in subsidiaries. The recoverable amount is based on the value-in-use method using management's estimates of the future underlying cash flows in the subsidiaries in the expected future. Following the improvement in the Singapore property market, an impairment loss of $5,000,000 (2007: $Nil) previously recognised on a subsidiary was reversed.

5 Investments in subsidiaries (cont'd)

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Effective equity held by the Group 2008 %	Effective equity held by the Group 2007 %
Bukit Sembawang Rubber Company Limited	England and Wales	100	100
Bukit Sembawang View Pte Ltd	Singapore	100	100
Bukit Sembawang Loans (Private) Limited	Singapore	100	100
Sembawang Estates (Private) Limited	Singapore	100	100
Singapore United Rubber Plantations Limited	England and Wales	100	100
Singapore United Estates (Private) Limited	Singapore	100	100

KPMG Singapore is the auditor of all Singapore-incorporated subsidiaries. A member firm of KPMG International is the auditor of the foreign incorporated subsidiaries.

6 Mortgage receivables

	Note	Group 2008 $'000	Group 2007 $'000
Mortgage receivables		–	38
Unearned interest		–	(2)
		–	36
Receivable:			
Within 12 months	9	–	24
After 12 months		–	12
		–	36

7 Available-for-sale financial assets

	Group and Company 2008 $'000	Group and Company 2007 $'000
Quoted equity securities, at fair value	38,136	100,926

8 Development properties

	Group 2008 $'000	Group 2007 $'000
Properties in the course of development, at cost		
Cost	1,150,272	848,829
Attributable profit	17,015	13,873
Progress billings	(47,497)	(14,375)
	1,119,790	848,327
Completed properties held for sale	–	2,545
	1,119,790	850,872

During the financial year, interest expense capitalised as cost under properties in the course of development amounted to:

	Note	Group 2008 $'000	Group 2007 $'000
Interest paid and payable to banks	19	21,124	17,887

Interest expense has been capitalised at rates ranging from 1.94% to 4.38% (2007: 2.61% to 4.35%) per annum for development properties.

The Group uses the percentage of completion method to recognise revenue on its development projects. The impact on the financial statements, had revenue on the development projects been recognised using the completion of construction method, is set out in note 2.13.

9 Trade and other receivables

		Group		Company	
	Note	2008	2007	2008	2007
		$'000	$'000	$'000	$'000
Trade receivables		2,636	6,023	–	–
Mortgage receivables	6	–	24	–	–
Deposits, prepayments and other receivables	10	20,702	2,489	325	1,695
Fair value derivatives		–	169	–	–
Amounts due from subsidiaries (non-trade)		–	–	569,561	380,020
Tax recoverable		382	351	382	351
		23,720	9,056	570,268	382,066

Trade receivables relates to amounts due from buyers of development properties and are not past due. Based on historical default rates, the Group believes that no impairment allowance is necessary in respect of trade receivables not past due.

The amounts due from subsidiaries are unsecured, interest-free and repayable on demand. There is no allowance for doubtful debts arising from the outstanding balances.

10 Deposits, prepayments and other receivables

	Group		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Deposits	20,307	549	–	–
Prepayments and other receivables	70	245	–	–
Dividends receivable from quoted equity securities	325	1,695	325	1,695
	20,702	2,489	325	1,695

Included in deposits is an amount of $20,217,000 (2007: $500,000) deposit placed for a tender for a property.

11 Cash and cash equivalents

	Group		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Amounts held under "Project Account Rules – 1997 Ed."	1,323	1,459	–	–
Fixed deposits placed with financial institutions	26,700	14,800	–	8,600
Cash at banks and in hand	2,656	4,607	1,898	3,439
	30,679	20,866	1,898	12,039

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

The fixed deposits have maturity periods of 7 days to 1 month (2007: 7 days to 1 month) from the end of the year. The weighted average effective interest rate of these deposits as at 31 March 2008 is 1.03% (2007: 3.10%) per annum.

12 Share capital

	Company	
	2008	2007
	No. of shares	No. of shares
	'000	'000
Issued and fully-paid:		
Ordinary shares		
At 1 April	75,262	36,000
Share split	–	36,000
Issue of shares pursuant to conversion of warrants	32,637	3,262
At 31 March	107,899	75,262

On 31 October 2006, the Company issued 36,000,000 bonus warrants, which were subsequently listed on the official list of the Singapore Exchange Securities Trading Limited. Each bonus warrant carried the right to subscribe in cash for one new split share of $4.00.

During the financial year, the Company issued 32,637,051 (2007: 3,262,463) new ordinary shares arising from the exercise of subscription rights by bonus warrant holders. As at 31 March 2008, the number of ordinary shares that may be issued on conversion of all outstanding bonus warrants is Nil (2007: 32,737,537) ordinary shares.

12 Share capital (cont'd)

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.

Capital management

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.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There were no changes in the Group's approach to capital management during the year.

The Company and its subsidiaries are not subject to externally imposed capital requirements.

13 Reserves

	Group		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Warrant reserve	–	54,017	–	54,017
Capital reserve:				
- distributable	51,946	5,231	56,552	9,792
- non-distributable	–	–	5,000	5,000
	51,946	5,231	61,552	14,792
Fair value reserve	41,169	87,274	32,665	78,770
Accumulated profits	101,352	89,417	158,497	166,691
Dividend reserve	7,553	10,492	7,553	10,492
	202,020	246,431	260,267	324,762

The warrant reserve comprises proceeds from the issue of warrants after deducting the amount relating to those warrants which have been converted to ordinary shares.

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

13 Reserves (cont'd)

The fair value reserve includes the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised.

The dividend reserve includes the final tax exempt dividends of $0.07 per share amounting to $7,553,000 (2007: final dividend of $0.17 per share less tax at 18% amounting to $10,492,000) proposed by the directors.

14 Deferred tax liabilities

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

Group	At 1/4/2006 $'000	(Charged)/ Credited to income statement (note 20) $'000	At 1/4/2007 $'000	(Charged)/ Credited to income statement (note 20) $'000	At 31/3/2008 $'000
Deferred tax assets					
Property, plant and equipment	1	(2)	(1)	–	(1)
Trade and other payables	228	8	236	289	525
	229	6	235	289	524
Deferred tax liabilities					
Trade and other receivables	(1,576)	1,496	(80)	74	(6)
Development properties	(1,695)	667	(1,028)	(987)	(2,015)
Other items	(332)	332	–	–	–
	(3,603)	2,495	(1,108)	(913)	(2,021)
Net	(3,374)	2,501	(873)	(624)	(1,497)
Company					
Deferred tax liabilities					
Trade and other receivables	(1,576)	1,496	(80)	74	(6)

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. The amounts determined after appropriate offsetting are as follows:

	Group 2008 $'000	Group 2007 $'000	Company 2008 $'000	Company 2007 $'000
Deferred tax assets	–	539	–	–
Deferred tax liabilities	(1,497)	(1,412)	(6)	(80)
	(1,497)	(873)	(6)	(80)

14 Deferred tax liabilities (cont'd)

The following temporary differences have not been recognised:

	Group		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Tax losses	–	1,523	–	–

The tax losses are subject to agreement by the Comptroller of Income Tax and compliance with the provisions of Section 37 of the Singapore Income Tax Act, Chapter 134. Deferred tax assets were not recognised in respect of these items because it was not probable that future taxable profit would be available against which the Group can utilise the benefits.

15 Trade and other payables

	Group		Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Trade payables	39	847	–	–
Accrued operating expenses and development costs	10,888	11,383	1,588	1,862
Accrued interest payable	4,902	7,036	–	–
Sundry payables	148	134	–	–
Fair value derivatives	3,194	1,264	–	–
Amounts due to subsidiaries (non-trade)	–	–	141,903	141,188
	19,171	20,664	143,491	143,050

The amounts due to subsidiaries are unsecured, non-interest bearing and repayable on demand.

16 Interest-bearing bank loans

	Group	
	2008	2007
	$'000	$'000
Current liabilities		
Unsecured bank loans	702,430	610,010

16 Interest-bearing bank loans (cont'd)

Interest on the loans was capitalised as part of development properties for sale.

The floating rate bank loans bore interest ranging from 1.94% to 4.38% (2007: 2.61% to 4.35%) per annum during the year.

The effective interest rate of the bank loans at the balance date was 2.51% to 2.57% (2007: 3.37% to 4.48%) per annum.

The assets of the Group are subject to a negative pledge in respect of banking facilities granted to the Group. The banking facilities granted to certain subsidiaries are supported by corporate guarantees issued by the Company (see note 24).

17 Revenue

	Group	
	2008	2007
	$'000	$'000
Sale of development properties	75,092	57,553
Rental and related income	526	423
Interest income from mortgage financing	2	3
	75,620	57,979

18 Profit from operations

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

	Group	
	2008	2007
	$'000	$'000
Accrued development expenses written back	1,894	4,435
Contributions to defined contribution plans (included in staff costs)	(129)	(110)
Staff costs	(1,675)	(1,476)
Direct operating expenses arising from rental of investment property (excluding depreciation)	(64)	(47)
Non-audit fees paid to auditors of the Company	(62)	(62)
Operating lease expense	(322)	(176)
Gain on disposal of available-for-sale financial assets	46,676	–
Gain on disposal of property, plant and equipment	28	–
Dividend income from available-for-sale financial assets	2,929	4,596
Unclaimed dividends written back	39	45
Transactions with key management personnel		
Short-term employee benefits	(839)	(792)

Short-term employee benefits of $446,000 (2007: $450,000) are included in staff costs.

19 Finance income and expense

	Note	Group 2008 $'000	Group 2007 $'000
Interest income			
Interest income from fixed deposits		1,125	153
Interest income from derivative instruments		96	532
Mark-to-market gain on derivative instruments		–	169
		1,221	854
Interest expense			
Mark-to-market loss on derivative instruments		(2,101)	(1,978)
Interest expense on derivative instruments		(1,590)	(72)
Interest expense on bank loans		(21,124)	(17,887)
Borrowing costs capitalised under properties in the course of development	8	21,124	17,887
		(3,691)	(2,050)
Net finance costs		(2,470)	(1,196)

20 Income taxes

	Group 2008 $'000	Group 2007 $'000
Current tax expense		
Current year	5,729	6,165
Overprovision in respect of prior years	(441)	(2,422)
Irrecoverable foreign withholding tax	–	41
	5,288	3,784
Deferred tax expense		
Origination and reversal of temporary differences	251	(488)
Reduction in tax rate	–	(151)
Under/(Over) provision in respect of prior years	373	(1,862)
	624	(2,501)
Income tax expense	5,912	1,283

20 Income taxes (cont'd)

Reconciliation of effective tax rate

Profit before income tax	80,781	34,699
Tax calculated using Singapore tax rate of 18% (2007: 18%)	14,541	6,246
Effect of reduction in tax rate	–	(151)
Expenses not deductible for tax purposes	671	259
Income not subject to tax	(8,958)	(1,076)
Recognition of previously unrecognised deferred tax assets	(274)	–
Overprovision in respect of prior years	(68)	(4,284)
Deferred tax benefit not recognised	–	248
Irrecoverable foreign withholding tax	–	41
	5,912	1,283

21 Earnings per share

(a) Basic earnings per share

	Group	
	2008	2007
	$'000	$'000
Basic earnings per share is based on:		
Profit for the year	74,869	33,416

	No. of shares 2008 '000	No. of shares 2007 '000
Weighted average number of ordinary shares outstanding during the year	97,003	72,399
Bonus element of warrants exercised during the year	7,291	126
Weighted average number of ordinary shares	104,294	72,525

(b) Diluted earnings per share

	Group	
	2008	2007
	$'000	$'000
Diluted earnings per share is based on:		
Profit for the year	74,869	33,416

21 Earnings per share (cont'd)

For the purpose of calculating the diluted earnings per ordinary share, the weighted average number of ordinary shares adjusted for the effects of all ordinary shares with dilutive potential is determined as follows:

	Group	
	2008	2007
	No. of shares	No. of shares
	'000	'000
Weighted average number of ordinary shares used in the calculation of basic earnings per share	104,294	72,525
Bonus element of bonus warrants outstanding during the year	–	17,546
Weighted average number of ordinary issued and potential shares assuming full conversion	104,294	90,071

22 Dividends

	Group and Company	
	2008	2007
	$'000	$'000
Final dividend paid of $0.30 per share less tax at 20% in respect of year 2006	–	8,640
Bonus dividend paid of $1.03 per share less tax at 20% in respect of year 2007	–	59,400
Final dividend proposed of $0.17 per share less tax at 18% in respect of year 2007	–	10,492
Final dividend paid of $0.17 per share less tax at 18% in respect of year 2007	13,929	–
Tax-exempt interim dividend paid of $0.05 per share in respect of year 2008	5,395	–
Tax-exempt final dividend proposed of $0.07 per share in respect of year 2008	7,553	–

23 Commitments

	Group	
	2008	2007
	$'000	$'000
Development expenditure:		
Approved and contracted for	188,306	22,375

23 Commitments (cont'd)

As at 31 March 2008, the Group had commitments for future minimum lease payments under non-cancellable operating leases as follows:

	Group	
	2008	2007
	$'000	$'000
Payable:		
Within 1 year	474	154
After 1 year but within 5 years	770	–
	1,244	154

The Group leases an office under operating lease. The lease runs for an initial period of 3 years, with an option to renew the lease after that date.

24 Financial risk management

Overview

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

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

Exposure to credit, market and liquidity risks arise in the normal course of the Group's business. The management of these risks is discussed below:

Credit risk

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

24 Financial risk management (cont'd)

At the balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Market risk

(i) Interest rate risk

The Group's exposure to interest rate risk relates primarily to the Group's debt obligations.

The Group constantly monitors the movements in interest rates. During the year, the Group entered into several interest rate swaps denominated in Singapore dollars to manage its exposure to interest rate volatility.

		Notional amount			
	Effective interest rate	Maturity within 1 year $'000	Maturity between 2 to 5 years $'000	Total $'000	Fair value $'000 (note 9 and 15)
2008					
Interest rate swaps	2.85 – 3.22	128,350	146,000	274,350	(3,194)
2007					
Interest rate swaps	3.20 – 3.70	85,000	156,350	241,350	(1,264)
	2.20 – 2.40	29,650	–	29,650	169
		114,650	156,350	271,000	(1,095)

Sensitivity analysis

For the floating rate bank loans and interest rate swaps, a 100 basis points increase at the balance sheet date would have the impact as shown below. A decrease in 100 basis points in interest rate would have an equal but opposite effect. This analysis, which is based on outstanding balance of the bank loans and interest rate swaps at the balance sheet date, assumes that all other variables, in particular foreign currency rates, remain constant and does not take into account the effect of qualifying borrowing costs allowed for capitalisation and the associated tax effects.

24 Financial risk management (cont'd)

	Group 2008 $'000	Group 2007 $'000
<u>100 basis points increase</u>		
Decrease in profit before income tax (and accumulated profits)	(4,281)	(3,390)

There is no impact on other components of equity.

(ii) *Foreign currency risk*

The majority of the Group's transactions, assets and liabilities are denominated in Singapore dollars. The Group ensures that its exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary.

The exposure of the Group and the Company to foreign currencies are as follows:

	31 March 2008		31 March 2007	
	Sterling Pound $'000	Ringgit Malaysia $'000	Sterling Pound $'000	Ringgit Malaysia $'000
Group				
Available-for-sale financial assets	–	11,514	60,370	11,239

Sensitivity analysis

A 5% strengthening of the following currencies against the functional currency of each of the Group's entities at the reporting date would increase equity (before any tax effect) by the amounts shown below. A 5% weakening of the above currencies would have had the equal but opposite effect. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Increase in equity $'000
Group	
31 March 2008	
Ringgit Malaysia	576

24 Financial risk management (cont'd)

	Increase in equity $'000
Group	
31 March 2007	
Sterling Pound	3,019
Ringgit Malaysia	562
	3,581

The securities have been chosen based on their longer term growth potential and are monitored regularly for performance against expectations.

There is no impact on profit or loss (and accumulated profits).

(iii) *Equity price risk*

The Group has available-for-sale investments in quoted equity securities and is exposed to equity price risk. These securities are listed in Singapore, Malaysia and United Kingdom.

Sensitivity analysis

A 5% increase in the price of the equity securities at the balance sheet date would have the impact as shown below. A 5% decrease in the price would have an equal but opposite effect. This analysis assumes that all other variables, in particular foreign currency rates, remain constant and does not take into account the associated tax effects.

	Group		Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
5% increase				
Equity	1,907	5,046	1,907	5,046

There is no impact on profit or loss (and accumulated profits).

Liquidity risk

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.

24 Financial risk management (cont'd)

The following are the expected contractual undiscounted cash inflows/(outflows) of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Cash flows			
		Contractual cash flows	Within 1 year	Within 1 to 5 years	More than 5 years
	$'000	$'000	$'000	$'000	$'000
Group					
2008					
Non-derivative financial liabilities					
Bank loans	702,430	715,569	715,569	–	–
Trade and other payables*	5,089	5,089	5,089	–	–
	707,519	720,658	720,658	–	–
Derivative financial liabilities					
Interest rate swaps:					
- outflow		(3,406)	(3,406)	–	–
	(3,194)	(3,406)	(3,406)	–	–
2007					
Non-derivative financial liabilities					
Bank loans	610,010	626,514	626,514	–	–
Trade and other payables*	8,017	8,017	8,017	–	–
	618,027	634,531	634,531	–	–
Derivative financial liabilities					
Interest rate swaps:					
- inflow		392	281	111	–
- outflow		(54)	(54)	–	–
	(1,095)	338	227	111	–

* *Excludes accrued operating expenses and development costs, and fair value derivatives.*

24 Financial risk management (cont'd)

	Carrying amount	Cash flows			
		Contractual cash flows	Within 1 year	Within 1 to 5 years	More than 5 years
	$'000	$'000	$'000	$'000	$'000
Company					
2008					
Non-derivative financial liabilities					
Trade and other payables*	141,903	141,903	141,903	–	–
2007					
Non-derivative financial liabilities					
Trade and other payables*	141,188	141,188	141,188	–	–

* *Excludes accrued operating expenses and development costs, and fair value derivatives.*

Fair values

Other investments

The fair values of quoted equity securities are based on the bid prices at the balance sheet date.

Derivatives

Interest rate swaps are marked to market using broker quotes. These quotes are tested for reasonableness by discounting estimated cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

Mortgage receivable

The fair value of mortgage receivables with a maturity of more than one year which are not carried at fair value in the balance sheet as at 31 March is as follows:

	Note	Carrying amount 2008 $'000	Fair value 2008 $'000	Carrying amount 2007 $'000	Fair value 2007 $'000
Financial assets					
Mortgage receivables	6	–	–	36	35
Unrecognised loss			–		(1)

24 Financial risk management (cont'd)

Other financial assets and liabilities

The notional amounts of the financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair value.

Intra-group financial guarantees

Intra-group financial guarantees are eliminated in preparing the consolidated financial statements. Estimates of the Company's obligation arising from financial guarantee contracts may be affected by future events, which cannot be predicted with any certainty. The assumptions made may well vary from actual experience so that the actual liability may vary considerably from the best estimates.

Intra-group financial guarantees comprise guarantees granted by the Company to banks in respect of banking facilities amounting to $702,430,000 (2007: $610,010,000). The financial guarantees expire within a year.

25 Segment information

Business segments

	Development properties $'000	Mortgage financing $'000	Investment holding $'000	Consolidated $'000
Revenue and results				
2008				
Total revenue	75,618	2	–	75,620
Segment results	30,894	(11)	49,898	80,781
Taxation				(5,912)
Profit for the year				74,869
2007				
Total revenue	57,976	3	–	57,979
Segment results	30,836	(11)	3,874	34,699
Taxation				(1,283)
Profit for the year				33,416

25 Segment information (cont'd)

	Development properties $'000	Mortgage financing $'000	Investment holding $'000	Consolidated $'000
Assets and liabilities				
2008				
Segment assets	1,197,019	41	20,399	1,217,459
Unallocated assets - tax				382
Total assets				1,217,841
Segment liabilities	719,979	8	1,614	721,601
Unallocated liabilities – tax				7,388
Total liabilities				728,989
2007				
Segment assets	872,030	70	114,689	986,789
Unallocated assets - tax				351
Total assets				987,140
Segment liabilities	628,780	9	1,885	630,674
Unallocated liabilities - tax				7,602
Total liabilities				638,276
Non-cash expenses				
2008				
Depreciation of investment property	160	–	–	160
Depreciation of property, plant and equipment	43	–	–	43
2007				
Depreciation of investment property	158	–	–	158
Depreciation of property, plant and equipment	22	–	–	22
Capital expenditure				
2008				
Purchase of property, plant and equipment	323	–	–	323
2007				
Purchase of property, plant and equipment	20	–	–	20

The Group's earnings are derived from Singapore.

26 Comparative information

Certain comparative figures have been restated due to the change in accounting policy as detailed in note 2.4. In addition, dividends received in the cash flow statement have been reclassified from operating activities to investing activities to better reflect the substance of the investments undertaken.

27 New accounting standards and interpretations not yet adopted

The Group has not applied the following accounting standards (including its consequential amendments) and interpretations that have been issued as of the balance sheet date but are not yet effective:

- FRS 1 (revised 2008) *Presentation of Financial Statements*
- FRS 23 *Borrowing Costs*
- FRS 108 *Operating Segments*
- INT FRS 112 *Service Concession Arrangements*
- INT FRS 113 *Customer Loyalty Programmes*
- INT FRS 114 *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

FRS 1 (revised 2008) will become effective for the Group's financial statements for the year ending 31 March 2010. The revised standard requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. FRS 1 (revised 2008) does not have any impact on the Group's financial position or results.

FRS 23 will become effective for financial statements for the year ending 31 March 2010. FRS 23 removes the option to expense borrowing costs and requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The Group's current policy is consistent with the FRS 23 requirement to capitalise borrowing costs.

FRS 108 will become effective for financial statements for the year ending 31 March 2010. FRS 108, which replaces FRS 14 *Segment Reporting*, requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segment and to assess its performance.

27 New accounting standards and interpretations not yet adopted (cont'd)

Currently, the Group presents segment information in respect of its business and geographical segments (see note 25). At this juncture, the Group is reviewing the presentation of segment disclosures in respect of operating segments as stipulated under FRS 108. As this is a disclosure standard, it will have no impact on the financial position of the Group when implemented for the year ending 31 March 2010.

Other than the change in disclosures relating to FRS 108, the initial application of these standards (and its consequential amendments) and interpretations is not expected to have any material impact on the Group's financial statements. The Group has not considered the impact of accounting standards issued after the balance sheet date.

Analysis of **Ordinary Shareholdings**
As at 5 June 2008

Issued & Fully-Paid Share Capital	$286,832,000
Class of Shares	Ordinary Shares fully paid
Voting Rights	One Vote per share

Size of Shareholdings			No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1	to	999	485	16.99	72,484	0.07
1,000	to	10,000	1,921	67.28	6,026,606	5.58
10,001	to	1,000,000	433	15.17	28,011,074	25.96
1,000,001 AND ABOVE			16	0.56	73,789,350	68.39
TOTAL			2,855	100.00	107,899,514	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	% OF SHARES
1	SINGAPORE INVESTMENTS PTE LTD	14,430,420	13.37
2	SELAT PTE LIMITED	12,282,777	11.38
3	LEE RUBBER COMPANY PTE LTD	9,148,320	8.48
4	HSBC (SINGAPORE) NOMINEES PTE LTD	6,743,270	6.25
5	CAPITAL INTELLIGENCE LIMITED	4,907,000	4.55
6	KALLANG DEVELOPMENT (PTE) LIMITED	4,885,497	4.53
7	DBS NOMINEES PTE LTD	4,318,945	4.00
8	OVERSEA CHINESE BANK NOMINEES PTE LTD	3,069,836	2.85
9	CITIBANK NOMINEES SINGAPORE PTE LTD	2,923,996	2.71
10	GREAT EASTERN LIFE ASSURANCE CO LTD-PARTICIPATING FUND	2,571,327	2.38
11	LEE LATEX PTE LIMITED	2,196,417	2.04
12	DBSN SERVICES PTE LTD	1,680,545	1.56
13	TAN PROPRIETARTY (PTE) LTD	1,216,000	1.13
14	YEO REALTY & INVESTMENTS (PTE) LTD	1,203,000	1.11
15	ISLAND INVESTMENT COMPANY PTE LTD	1,179,000	1.09
16	TM ASIA LIFE SINGAPORE LTD – PAR FUND	1,033,000	0.96
17	UNITED OVERSEAS BANK NOMINEES PTE LTD	941,766	0.87
18	LEE PLANTATIONS PTE LIMITED	639,000	0.59
19	LEE FOUNDATION	612,000	0.57
20	DELLA SUANTIO MRS DELLA SUANTIO LEE	594,000	0.55
		76,576,116	70.97

Analysis of **Ordinary Shareholdings (cont'd)**
As at 5 June 2008

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

Shareholders	**Direct Interest**	**Deemed Interest**
Singapore Investments (Pte) Ltd	14,430,420	-
Selat (Pte) Ltd+	12,282,777	1,179,000
Lee Rubber Co. (Pte) Ltd*	9,148,320	5,812,497
Kallang Development (Pte) Ltd ∞	4,885,497	639,000
Lee Foundation, Singaporeˆ	612,000	27,082,197
Aberdeen Asset Management Asia Ltd	-	7,564,000
Aberdeen Asset Management PLC and subsidiariesˇ	-	7,564,000

+ Includes 1,179,000 BSEL shares owned by Island Investments Co (Pte) Ltd.
* Includes 4,885,497 BSEL shares owned by Kallang Development (Pte) Ltd, 639,000 BSEL shares owned by Lee Plantations (Pte) Ltd and 288,000 BSEL shares owned by Lee Rubber ∞ ∞ (Selangor) Sdn Bhd.
∞ Includes 639,000 BSEL shares owned by Lee Plantations (Pte) Ltd.
ˆ Includes 12,282,777 BSEL shares owned by Selat (Pte) Ltd, 14,430,420 BSEL shares owned by Singapore Investments (Pte) Ltd, 360,000 BSEL shares owned by Lee Pineapple Company (Pte) Ltd and 9,000 BSEL shares owned by Lian Hin Rubber Co Sdn Bhd.
ˇ Includes 7,564,000 BSEL shares of Aberdeen Asset Management Asia Ltd.

Shareholdings held by the public as at 5 June 2008

Based on the Registers of shareholders and to the best knowledge of the Company, the percentage of shareholding held in the hands of the public is 49.8%. The Company is therefore in compliance with Rule 723 of the SGX-ST Listing Manual.

Directors' Shareholdings
as at 21 April 2008

Ordinary Shares	**Shareholdings Registered in the name of Director**	**Shareholdings in which the Director is deemed to have an Interest**
Cecil Vivian Richard Wong	15,000	-
Michael Wong Pakshong	23,000	-
Lee Chien Shih	57,000	150,000
Ng Chee Seng (Appointed on 19 April 2007)	-	8,000

Properties **of the Group**

The properties of the Group as at 31 March 2008 are as follows: -

Location	Tenure	Site Area (Sq M)	Gross Floor Area (Sq M)	% of Completion as at 31/3/2008	Expected Date of Completion	Group's Effective Interest in Property (%)	Description
Landed Properties in Seletar Hills Area							
Lot 13764N MK 18 at Mimosa Road / Mimosa Terrace / Saraca Road	Statutory Grant					100%	Written Permission was granted for the 6 phases development of 264 units of landed housing. Building plans for Phase 1 (74 units), Phase 2 (30 units), Phase 3 (40 units), Phase 4 (39 units), Phase 5 (37 units) and Phase 6 (44 units have been approved.
Phase 6		10,963	10,445	40%	4Q 2008		The development for Phases1, 2, 3, 5 and 4 were completed in 2000, 2001, 2004, 2006 & 2007 respectively. Main building work for Phase 6 is expected to complete by 4Q 2008.
Lot 9425C Mk 18	999-year lease commencing January 1879						Written Permission has been granted for the proposed 944 units of landed housing development
Lots 251N, 3310V & 5353N Mk 18 at Yio Chu Kang Road /Ang Mo Kio Ave. 5 /Seletar Road	Statutory Grant	218,944	183,540	-	-	100%	
Lot 12949A MK 18 at Nim Road / Ang Mo Kio Ave. 5 / Lilac Park/CTE	999-year lease commencing January 1879	62,057	45,282	-	-	100%	Written Permission has been granted for the proposed 167 units of landed housing development.
		54,806	-	-	-	100%	Vacant non-residential land for future residential development.
		116,863					
Lot 9934W Mk 18 at Ang Mo Kio Ave. 5 /Nim Road / CTE	Statutory Grant	18,589	3,850	-	-	100%	Written Permission has been granted for the proposed 65 units of landed housing development.
Landed Properties in Sembawang Area							
Lots 2099V & 2277V Mk 19 at Sembawang Road / Kg Wak Hassan	Statutory Grant	20,420	18,790	-	-	100%	Written Permission has been granted for the proposed 80 units of cluster housing development.

Properties **of the Group (cont'd)**

Location	Tenure	Site Area (Sq M)	Gross Floor Area (Sq M)	% of Completion as at 31/3/2008	Expected Date of Completion	Group's Effective Interest in Property (%)	Description
Residential Apartment Sites							
Lots 5313M & 9645K Mk 17 at Woodleigh Close	Freehold	3,905	11,318	13%	1Q 2010	100%	Written Permission has been granted for the proposed 100 units of residential development. Main building work commenced in November 2007.
Lots 364-369, 389-392, 397-399, 400-415, 416 part, 906 & 907 TS 21 at Paterson Road / Lengkok Angsa	Freehold	8,038	18,564	8%	1Q 2010	100%	Written Permission has been granted for the proposed 102 units of residential development. Main building work commenced in October 2007.
Lots 370-375, 488, 533,535, 537, 539, 623, 382-387, 394 & 395TS 21 at Paterson Road / Lengkok Angsa	Freehold	5,749	11,731	-	-	100%	Residential land under planning.
Lots 2135L, 2136C & 2802X TS 2 at Holland Road	Freehold	7,120	10,588	-	-	100%	Written Permission has been granted for the proposed 75 units of residential development.
Lots 715L, 716C part, 717M part & 780L TS 27 at Cairnhill Rise	Freehold	6,773	20,284	-	-	100%	Written Permission has been granted for the proposed 123 units of residential development. Main building contract has been awarded.
Lots 689T & 445M TS 21 at St Thomas Walk	Freehold	3,367	9,428	-	-	100%	Residential land under planning.
Lots 1833L Mk 1 at Telok Blangah Road	Freehold	13,613	28,587	-	-	100%	Residential land under planning.

Location	Tenure	Floor Area (Sq M)	Description
Orchard Area			
7th Storey Tong Building	Freehold	638	Office premises for lease

Proxy Form

BUKIT SEMBAWANG ESTATES LIMITED

Co Reg No. 196700177M
(Incorporated in the Republic of Singapore)

IMPORTANT:
1. For investors who have used their CPF monies to buy Bukit Sembawang Estates Limited shares, the annual report is forwarded to them at the request of their CPF Approved Nominees and is sent solely for INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I / We ______________________________

of ______________________________

being a member / members of the above-named Company, hereby appoint

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

and / or (delete as appropriate)

as my / our proxy / proxies to vote for me / us and on my / our behalf and, if necessary to demand a poll at the 42nd Annual General Meeting of the Company to be held on Friday, 18 July 2008 at 10.30a.m. and at any adjournment thereof.

The proxy / proxies is / are required to vote for and against the resolutions set out in the Notice of Annual General Meeting and summarised below. If no specific direction as to voting is given, the proxy / proxies may vote or abstain at his / their discretion.

	To be used on a show of hands		To be used in the event of a poll	
Resolutions	**For***	**Against***	**Number of votes for****	**Number of votes against****
Ordinary Business 1. Adoption of Report and Accounts				
2. Payment of Final Dividend				
3. (i) Re-election of Mr Lee Chien Shih as a Director				
(ii) Re-election of Mr Samuel Guok Chin Huat as a Director				
4. (i) Re-appointment of Mr. Cecil Vivian Richard Wong as a Director				
(ii) Re-appointment of Mr. Michael Wong Pakshong as a Director				
5. Payment of Directors' Fees totaling $393,000				
6. Appointment of KPMG as Auditors				
Special Business 7. To approve the Ordinary Resolution pursuant to Section 161 of the Companies Act, Cap 50				

* Please indicate your vote "For" or "Against" with an "X" within the box provided.

** If you wish to exercise all your votes "For" or "Against", please indicate with an "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this __________ day of ________________ 2008

Signature(s) of shareholder(s) or Common Seal

____

Total Number of Shares held

Important: Please read notes overleaf

Notes to Proxy Form

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert that aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote on his behalf.

3. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.

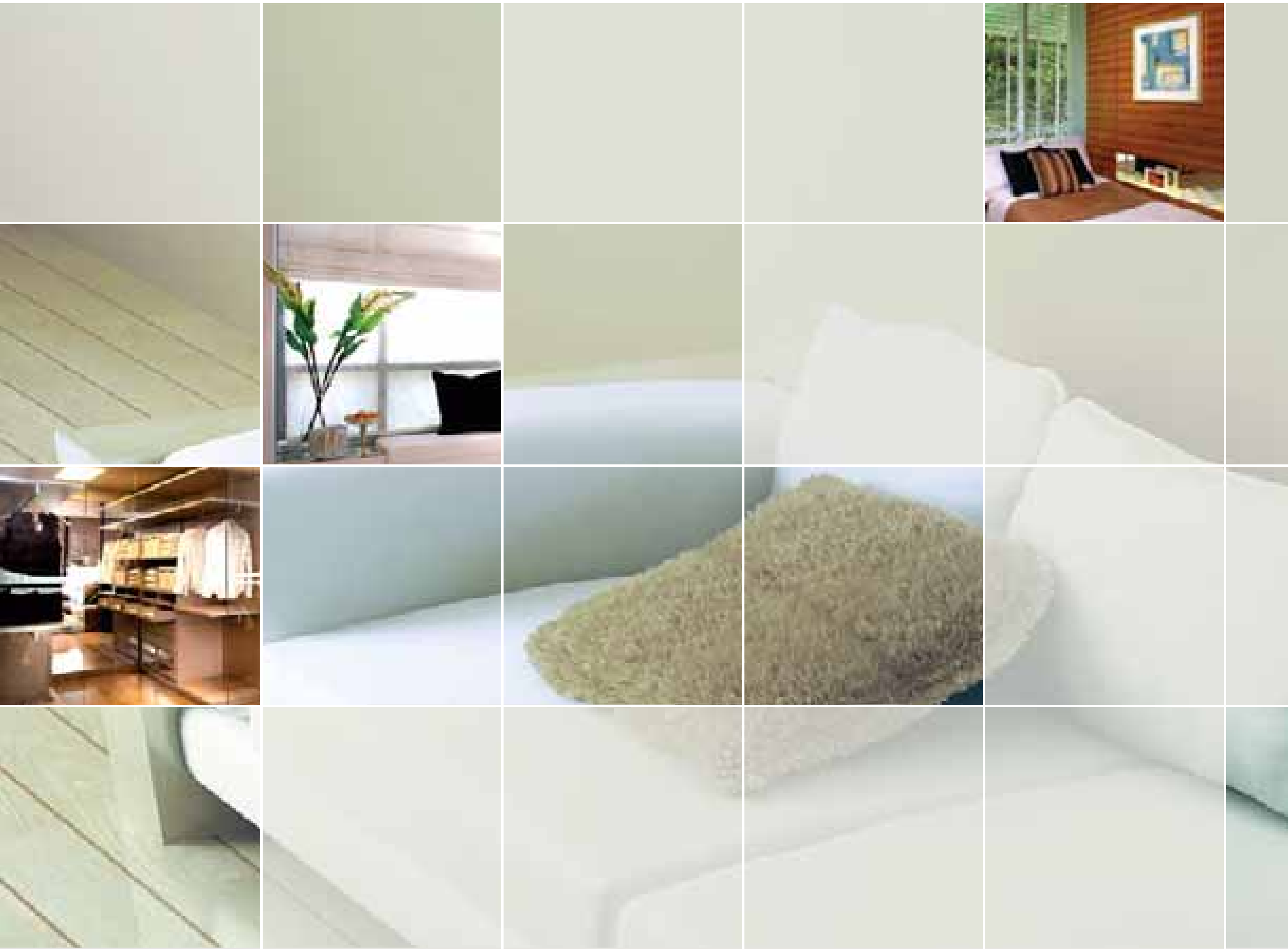
4. The instrument appointing a proxy or proxies must be deposited at the registed office of the Company at 65 Chulia Street, #49-05 OCBC Centre, Singapore 049513, not less than 48 hours before the meeting.

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

6. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter of power of attorney, or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Chapter 50.

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 shares entered in the Depository Register, the Company may reject a Proxy Form if the member, being the appointer, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.



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