BUKIT SEMBAWANG ESTATES LIMITED

ANNUAL REPORT 2009

TIMELESS VISION
ENDURING VALUE

CONTENTS

CORPORATE PROFILE

TIMELESS VISION ENDURING VALUE

For over half a century, the Bukit Sembawang Estates Group of Companies has built many of Singapore's renowned and established residential developments. Our portfolio comprises seven premium private housing estates, consisting of 2,400 homes in Seletar Hills, 1,200 homes in Sembawang Hills and more than 500 properties in other locations. Over the years, we have grown into a trusted name in housing development, creating premium homes that have housed many generations.

In our efforts to continuously create and build better homes, no attention to detail is spared. We adopt a holistic approach to design, taking into consideration environmental concerns alongside clever details that will please any discerning homeowner. In building distinctive homes, we believe in creating a conducive environment where communities and families flourish.

In recent years, Bukit Sembawang has extended its expertise to the development of high-end condominiums under a new brand name - BS Suites. BS Suites will house all of Bukit Sembawang's premium condominium developments, where trendy high-end living is redefined.

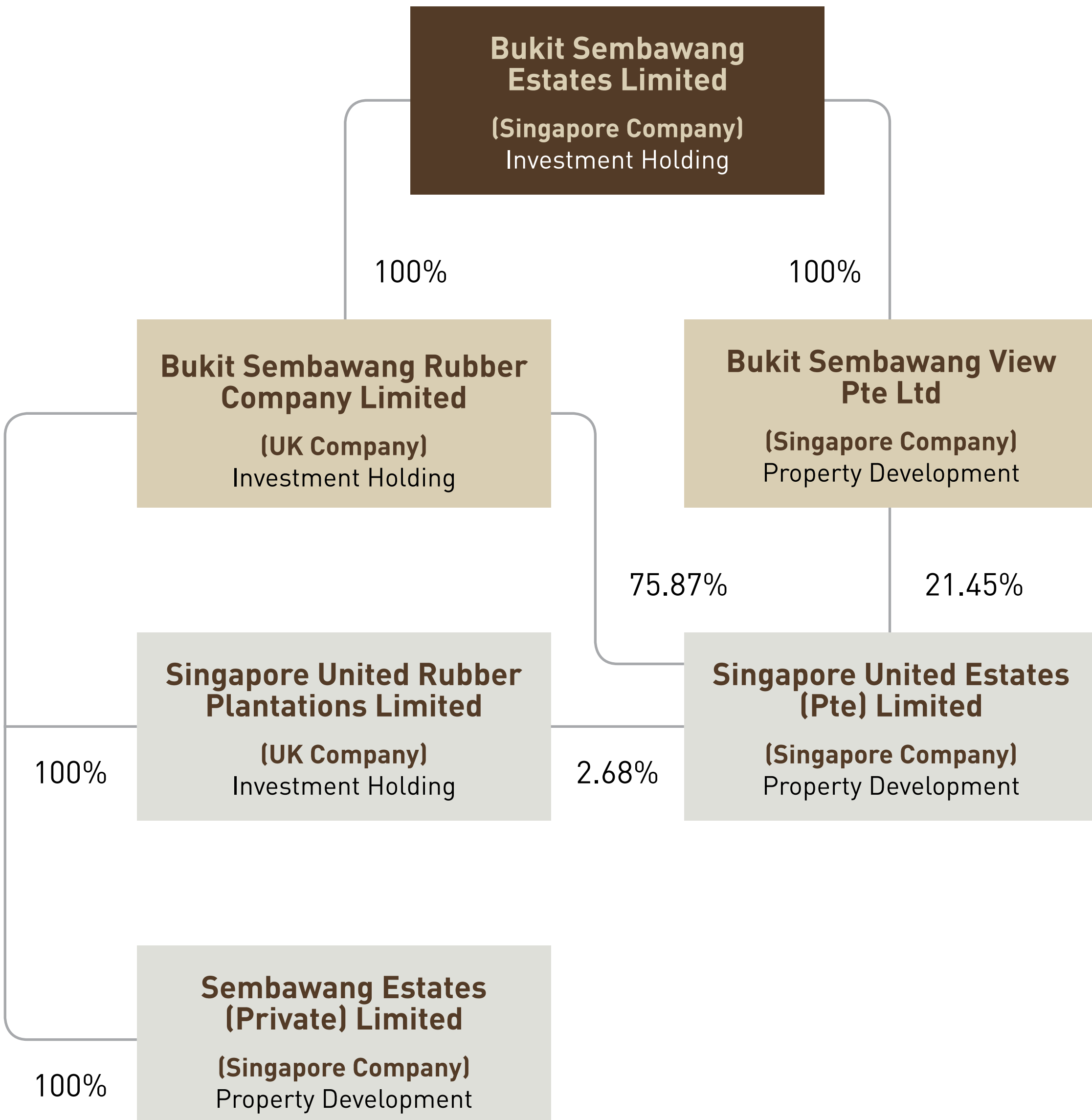
Our commitment to continuously deliver good quality homes and innovative designs at good value has won us many prestigious awards and accolades. Having been accorded BCA ISO 9000 Certification in Project Management Services (Construction) in 2000, our focus and commitment to delivering value is recognised.

Against the backdrop of our long operating history, our TIMELESS VISION has seen the Group through various chapters of significant growth and ENDURING VALUE.

MISSION

We are dedicated to our commitment as a leading housing developer of fine quality homes designed and built to satisfy the aspirations and lifestyles of our customers.

GROUP STRUCTURE



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
Eddie Tang

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
(Retired on 31 March 2009)

Tan Guat Ngoh
(Appointed with effect from 1 August 2008)

REGISTERED OFFICE
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OCBC Centre
Singapore 049513
Telephone: +65 6890 0333
Facsimile: +65 6536 1858
Website: www.bukitsembawang.sg

COMPANY REGISTRATION NUMBER
196700177M

AUDITORS
KPMG LLP
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
Allen & Gledhill LLP
Lee & Lee
Rodyk & Davidson
Wong Partnership

CHAIRMAN'S STATEMENT

The financial year ended 31 March 2009 was marked by unprecedented changes in the global financial and economic landscape which has affected the property market.

The Group profit before tax for the year under review was $23.4 million, but a write-down of $70.0 million for the Fairways project resulted in a loss of $46.6 million. This is a decrease over the previous year's profit of $80.8 million. This is mainly due to the aforesaid write-down of $70.0 million and the absence of a one-time capital gain of $46.5 million arising from the sale of HSBC Holdings plc shares in the previous year.

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 Phase 6, Parc Mondrian and Paterson Suites.

DIVIDEND DECLARED

During the financial year ended 31 March 2009, the Company paid an interim tax-exempt (one-tier) dividend of 4 cents per share in December 2008.

The Directors now recommend for shareholders' approval the payment of a final tax-exempt (one-tier) dividend of 2 cents per share based on the enlarged 215,799,028 issued shares. Together with the interim dividend, the total dividend payout will be 6 cents per share amounting to $8.6 million, before taking into account any warrants conversion that may be registered before entitlements to the proposed dividends are determined.

CURRENT YEAR'S PROSPECT

The Singapore economy is expected to contract at 6% to 9% this year. The current sentiment in the residential property market remains subdued, amidst the uncertainties in global financial markets and slowing US economy. We have launched the marketing of Verdure at Holland Road where already 90 per cent of the apartment units have been sold. We will also continue to market the landed properties in Seletar Hills and Sembawang areas in the current financial year. However, profit from property development based on the percentage of completion method will be determined by the progress of construction of development projects. Parc Mondrian and Paterson Suites will be completed after the financial year ending 31 March 2010 and the units of the other development projects to be sold will be in the early stages of construction.

PROPERTY REPORT

Mimosa Terace
Lot 13764N Mk 18 at Mimosa Road / Saraca Road
(264 units of mixed landed housing)

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 and handed over to the purchasers. Phase 6 development was completed and Certificate of Statutory Completion has been received during the financial year ended 31 March 2009.

Luxus Hills
Lots 9425C, 251N, 3310V and 5353N Mk 18 at Yio Chu Kang Road / Ang Mo Kio Avenue 5 / Seletar Road

Phase 1 - 78 units of mixed landed housing

Written Permission has been granted for the development of the 944 units of mixed landed housing comprising this project. This project will be developed in phases.

Piling work has been completed for Phase 1 - 78 units of terrace houses. Construction of main building work and marketing for Phase 1 will commence in the current financial year.

Watercove Ville
Lots 2099V and 2277V Mk 19 at Sembawang Road / Kampong Wak Hassan
(80 units of cluster housing)

Approvals have been granted for the development and sale of the 80 units of cluster housing comprising this project.

Earthworks and piling work have been completed. Marketing for these houses is expected to commence later in the current financial year.

Parc Mondrian
Lots 5313M and 9645K Mk 17 at 21 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.

Paterson Suites
Lots 364 to 369, 388 to 392, 397 to 399, 400 to 415 and 1317T TS 21 at 55 and 57 Paterson Road
(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.

Verdure
Lots 2135L, 2136C and 2802X Mk 2 at 55–63 Holland Road
(75 units of apartments and strata houses)

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

Since the financial year ended 31 March 2009, the Group has launched the marketing of this project which was well-received by the public. Within a month of our marketing launch, total sales had risen to 67 units.

The Vermont on Cairnhill
Lots 715L, 780L, 1243X and 1245C TS 27 at 12, 12A and 12B 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 2012.

Remaining land at Seletar Hills

Proposals for the development of a number of landed properties in the Seletar Hills area have been submitted to the relevant government authorities for approval.

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

Mr Michael Wong Pakshong will not be offering himself for re-appointment. Mr Wong was appointed to the Board in 1991 and had served the Group for 18 years. We are grateful for his insights and contributions throughout the years.

Under the provisions of the Memorandum & Articles of Association, Mr Ng Chee Seng retires by rotation and offers himself for re-election.

I would also like to welcome to the Board, Mr Eddie Tang, who joined the Board on 22 May 2009. 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 as the Group navigates through these challenging times. 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
22 May 2009

FIVE-YEAR FINANCIAL SUMMARY

	2009 $'000	2008 $'000	2007 $'000	2006 $'000	2005 $'000
Consolidated Balance Sheets as at 31 March					
Investment Property [1]	5,069	5,228	5,388	–	–
Property, Plant and Equipment	232	288	20	5,568	5,729
Available-for-Sale Financial Assets	24,625	38,136	100,926	94,121	13,180
Mortgage Receivables	–	–	12	35	57
Deferred Tax Assets	1,441	–	539	896	–
Net Current Assets	375,292	446,697	243,391	207,867	170,068
Deferred Taxation	(14)	(1,497)	(1,412)	(4,270)	(2,065)
	406,645	488,852	348,864	304,217	186,969
Share Capital	286,832	286,832	102,433	84,000	24,000
Reserves	119,813	202,020	246,431	220,217	162,969
Total Equity	406,645	488,852	348,864	304,217	186,969
Consolidated Income Statements for the year ended 31 March					
Revenue	62,603	75,620	57,979	88,771	18,548
(Loss) / Profit Before Income Tax	(46,646)	80,781	34,699	52,007	12,494
Income Tax Expense	(1,767)	(5,912)	(1,283)	(10,412)	(2,527)
(Loss) / Profit After Tax	(48,413)	74,869	33,416	41,595	9,967
Dealt with as follows:-					
Dividends (Net)	8,632	12,948	69,892	68,640	8,640
Capital Reserve	8,768	46,715	45	34	33
Revenue Reserve	(65,813)	15,206	(36,521)	(27,079)	1,294
	(48,413)	74,869	33,416	41,595	9,967

[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 2005.

GROUP FINANCIAL HIGHLIGHTS

For the year ended 31 March 2009

	2009 $'000	2008 $'000
Revenue	62,603	75,620
(Loss) / Profit Before Income Tax	(46,646)	80,781
(Loss) / Profit After Income Tax	(48,413)	74,869
Net Dividends	8,632	12,948
Share Capital	286,832	286,832
Total Equity	406,645	488,852
Net Return on Total Equity	(11.91%)	15.32%
Earnings Per Ordinary Share		
Basic earnings per share	($0.44)	$0.70
Diluted earnings per share	($0.44)	$0.53
Dividends Per Ordinary Share		
Gross	$0.06	$0.12
Net	$0.06	$0.12
Cover	–	5.78 times
Net Tangible Assets Per Ordinary Share	$3.77	$4.53

FINANCIAL CALENDAR

Financial Year ended 31 March 2009	
Announcement of First Quarter Results	11 August 2008
Announcement of Half-year Results	14 November 2008
Announcement of Third Quarter Results	13 February 2009
Announcement of Full-year Results	22 May 2009
Annual General Meeting	17 July 2009
Book Closure Dates	28 July, 5pm to 29 July 2009
Proposed Payment of 2009 Final Dividend	7 August 2009
Financial Year ending 31 March 2010	
Announcement of First Quarter Results	August 2009
Announcement of Half-year Results	November 2009
Announcement of Third Quarter Results	February 2010
Announcement of Full-year Results	May 2010

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 retired as a director of WBL Corporation Limited in January 2009.

Mr Wong holds a Bachelor of Arts with Honours and an Honorary LL.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 Kim Yam was appointed to the Board on 12 August 1994. He is a Director of the Lee Rubber Group of Companies & Lee Foundation, Singapore.

Mr Teo 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 Chien Shih 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 Group.

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

NG CHEE SENG

Mr Ng Chee Seng was appointed to the Board on 19 April 2007. Mr Ng joined the Group in 1994. He is currently the Chief Executive Officer of the Company.

Mr Ng holds a Bachelor of Architecture degree and a Master degree in Property & Maintenance Management from the National University of Singapore. He is a member of the Singapore Institute of Architects and Conservation Advisory Panel.

SAMUEL GUOK CHIN HUAT

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

Mr Guok is presently a Director of Japan Land Ltd and StarHealth Pte Ltd. He graduated from Boston University with Majors in Finance and International Economics, Minor in Chemistry.

EDDIE TANG

Mr Eddie Tang was appointed to the Board on 22 May 2009. After retiring from banking, he is now CEO/Director of Medvance Pte Ltd.

Mr Tang holds a degree in Psychology from the University of Queensland and Masters degrees in Asian Studies and Banking/Finance from Australia and UK respectively. He was awarded a PhD Scholarship from the Australian National University and an Honorary Doctorate of Economics by the University of Queensland.

MANAGEMENT

TAN GUAT NGOH
Ms Tan Guat Ngoh is the Accountant and Company Secretary. She joined the Group in August 2008. She is responsible for the Group's corporate secretarial, finance, accounting and tax functions. She has more than 20 years of work experience in diverse areas including auditing, finance and accounting.

Ms Tan is a graduate of the Association of Chartered Certified Accountants and a member of the Institute of Certified Public Accountants of Singapore.

TAN SIM PENG
Mr Tan Sim Peng joined the Group in 1980 and retired on 31 March 2009. During his tenure as the Group Secretary and Accountant, he was 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 has over 17 years of marketing experience in the real estate industry. She 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 7 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 development projects and property management activities.

He has over 19 years of project and property management experience, having worked with Wing Tai Property Management, Frasers Centrepoint 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.

REPORT ON CORPORATE GOVERNANCE

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 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 recommend 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 seven directors, of whom four 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 a board size of six directors with their experience and expertise is appropriate, taking into account the nature and scope of the Company's operations.

REPORT ON CORPORATE GOVERNANCE

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.

REPORT ON CORPORATE GOVERNANCE

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

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; and

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 17 July 2009. KPMG has indicated their willingness to accept re-appointment.

REPORT ON CORPORATE GOVERNANCE

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

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

1. 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;

2. Determine annually whether a director is independent and whether he is able to carry out his duties as a director; and

3. Assess the effectiveness of the Board as a whole and the contribution by each individual director to the effectiveness of the Board.

REPORT ON CORPORATE GOVERNANCE

Directors' attendance at Board, Audit Committee, Nominating Committee, Remuneration Committee Meetings 1 April 2008 to 31 March 2009								
	Board Meetings		Audit Committee Meetings		Nominating Committee Meetings		Remuneration Committee Meetings	
	No. of Meetings	Attendance	No. of Meetings	Attendance	No. of Meetings	Attendance	No. of Meetings	Attendance
Mr Cecil Vivian Richard Wong	8	8	5	5	1	1	2	2
Mr Michael Wong Pakshong	8	8	5	5	1	1	2	2
Mr Teo Kim Yam	8	8	–	–	–	–	–	–
Mr Lee Chien Shih	8	7	–	–	1	1	2	2
Mr Ng Chee Seng	8	8	–	–	–	–	–	–
Mr Samuel Guok Chin Huat	8	8	5	5	–	–	–	–

The NC considered and recommended the appointment of Mr Eddie Tang to the Board as an independent, non-executive director of the Company. The Board accepted the NC's recommendation. Mr Eddie Tang's appointment took effect on 22 May 2009.

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.

REPORT ON CORPORATE GOVERNANCE

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
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 2009:

	Mr Cecil Vivian Richard Wong		Mr Michael Wong Pakshong		Mr Teo Kim Yam		Mr Lee Chien Shih		Mr Samuel Guok Chin Huat	
	2009 %	2008 %	2009 %	2008 %	2009 %	2008 %	2009 %	2008 %	2009 %	2008 %
Salary	–	–	–	–	–	–	–	–	–	–
Bonus	–	–	–	–	–	–	–	–	–	–
Employee CPF	–	–	–	–	–	–	–	–	–	–
Directors' Fees	100	100	100	100	*100	*100	100	100	100	100
Total	100	100	100	100	*100	*100	100	100	100	100

* Paid to Lee Rubber Co (Pte) Ltd

REPORT ON CORPORATE GOVERNANCE

Remuneration of Directors' Immediate Family

During the financial year ended 31 March 2009, 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 (PRINCIPLE 14)

PROMOTION OF GREATER PARTICIPATION BY SHAREHOLDERS (PRINCIPLE 15)

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. All information on the Company's new initiatives will be first disseminated through the Company's website and SGXNET.

The Company does not practice 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.

REPORT ON CORPORATE GOVERNANCE

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.

REPORT ON CORPORATE GOVERNANCE

OTHER DIRECTORSHIPS

Name of Director	Other Directorships / Chairmanships 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	18 July 2008	Retirement pursuant to section 153 (6) Companies Act Cap 50
Michael Wong Pakshong	**Present** Nil **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 Director – WBL Corporation Ltd	18 July 2008	Mr Michael Wong Pakshong will not be offering himself for re-appointment
Teo Kim Yam	–	20 July 2007	Retirement pursuant to section 153 (6) Companies Act Cap 50
Lee Chien Shih	**Present** Director – Great Eastern Holdings Ltd Group **Past** Director – Fraser Centrepoint Limited	18 July 2008	–
Ng Chee Seng	–	20 July 2007	Retirement by rotation (Article 94)
Samuel Guok Chin Huat	**Present** Director – Japan Land Ltd **Past** Director – Singxpress Ltd	18 July 2008	–
Eddie Tang	**Present** NIL **Past** Nil	–	Retirement pursuant to Article 76

FINANCIAL CONTENTS

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 2009.

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
Samuel Guok Chin Huat
Eddie Tang (Appointed on 22 May 2009)

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

Michael Wong Pakshong will not be offering himself for re-appointment.

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**	**At end of the year**	**At beginning of the year**	**At end of the year**
The Company				
Ordinary shares fully paid				
Cecil Vivian Richard Wong	15,000	15,000	–	–
Michael Wong Pakshong	23,000	23,000	–	–
Lee Chien Shih	57,000	70,000	150,000	150,000
Ng Chee Seng	–	–	8,000	10,000

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 or at the end of the financial year.

DIRECTORS' REPORT

Particulars of interest of the abovementioned directors at 21 April 2009 are as follows:

Name of director and corporation in which interests are held	Holdings in the name of the director At 21 April 2009	Other holdings in which the director is deemed to have an interest At 21 April 2009
The Company		
Ordinary shares fully paid		
Cecil Vivian Richard Wong	33,000	–
Michael Wong Pakshong	46,000	–
Lee Chien Shih	140,000	300,000
Ng Chee Seng	–	20,000
Warrants to subscribe for ordinary shares		
Cecil Vivian Richard Wong	7,200	–
Michael Wong Pakshong	9,200	–
Lee Chien Shih	28,000	60,000
Ng Chee Seng	–	4,000

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 17 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 option 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.

DIRECTORS' REPORT

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
- Samuel Guok Chin Huat, independent and non-executive director

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 LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

Auditors

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

On behalf of the Board of Directors

Cecil Vivian Richard Wong
Director

Michael Wong Pakshong
Director

22 May 2009

STATEMENT BY DIRECTORS

In our opinion:

(a) the financial statements set out on pages 27 to 62 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 2009 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

22 May 2009

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 2009, 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 27 to 62.

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 profit and loss accounts 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.

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

INDEPENDENT AUDITORS' REPORT

Members of the Company
Bukit Sembawang Estates Limited

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 2009 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 LLP
Public Accountants and
Certified Public Accountants

Singapore
22 May 2009

BALANCE SHEETS
As at 31 March 2009

	Note	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
Non-current assets					
Investment property	3	5,069	5,228	–	–
Property, plant and equipment	4	232	288	–	–
Investments in subsidiaries	5	–	–	80,294	80,294
Available-for-sale financial assets	6	24,625	38,136	24,625	38,136
Deferred tax assets	7	1,441	–	–	–
		31,367	43,652	104,919	118,430
Current assets					
Development properties	8	1,279,266	1,119,790	–	–
Trade and other receivables	9	11,656	23,720	740,887	570,268
Cash and cash equivalents	11	20,224	30,679	1,735	1,898
		1,311,146	1,174,189	742,622	572,166
Total assets		1,342,513	1,217,841	847,541	690,596
Equity attributable to share holders of the Company					
Share capital	12	286,832	286,832	286,832	286,832
Reserves	13	119,813	202,020	236,093	260,267
Total equity		406,645	488,852	522,925	547,099
Non-current liabilities					
Deferred tax liabilities	7	14	1,497	14	6
Current liabilities					
Trade and other payables	14	20,004	19,171	177,632	143,491
Interest-bearing bank loans	15	910,798	702,430	146,958	–
Current tax payable		5,052	5,891	12	–
		935,854	727,492	324,602	143,491
Total liabilities		935,868	728,989	324,616	143,497
Total equity and liabilities		1,342,513	1,217,841	847,541	690,596

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED INCOME STATEMENT

Year ended 31 March 2009

	Note	2009 $'000	2008 $'000
Revenue	16	62,603	75,620
Cost of sales		(29,181)	(37,814)
Gross profit		33,422	37,806
Other income		10,699	49,825
Administrative expenses		(3,123)	(2,463)
Other operating expenses		(75,605)	(1,917)
(Loss)/profit from operations	17	(34,607)	83,251
Finance income		3,388	1,221
Finance expense		(15,427)	(3,691)
Net finance costs	18	(12,039)	(2,470)
(Loss)/profit before income tax		(46,646)	80,781
Income tax expense	19	(1,767)	(5,912)
(Loss)/profit for the year attributable to equity holders of the Company		(48,413)	74,869
Earnings per share	20		
Basic earnings per share ($)		(0.44)	0.70
Diluted earnings per share ($)		(0.44)	0.53

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2009

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:	21							
- final dividends for the previous year, paid		–	–	–	–	(3,437)	(10,492)	(13,929)
- interim dividends for the year, paid		–	–	–	–	(5,395)	–	(5,395)
- final dividends for the year, proposed		–	–	–	–	(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 STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2009

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 2008		286,832	–	51,946	41,169	101,352	7,553	488,852
Change in fair value of available-for-sale financial assets		–	–	–	(13,511)	–	–	(13,511)
Fair value reserve transferred to the income statement on disposal of available-for-sale financial assets		–	–	–	(8,414)	–	–	(8,414)
Losses recognised directly in equity		–	–	–	(21,925)	–	–	(21,925)
Loss for the year		–	–	–	–	(48,413)	–	(48,413)
Total recognised income and expenses for the year		–	–	–	(21,925)	(48,413)	–	(70,338)
Transfers from accumulated profits to capital reserve:								
- surplus on disposal of available-for-sale financial assets		–	–	8,735	–	(8,735)	–	–
- unclaimed dividends written back		–	–	33	–	(33)	–	–
Dividends:	21							
- final dividends for the previous year, paid		–	–	–	–	–	(7,553)	(7,553)
- interim dividends for the year, paid		–	–	–	–	(4,316)	–	(4,316)
- final dividends for the year, proposed		–	–	–	–	(4,316)	4,316	–
At 31 March 2009		286,832	–	60,714	19,244	35,539	4,316	406,645

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 March 2009

	Note	2009 $'000	2008 $'000
Operating activities			
(Loss)/profit before income tax		(46,646)	80,781
Adjustments for:			
Allowance for foreseeable losses		70,000	–
Depreciation of investment property		159	160
Depreciation of property, plant and equipment		107	43
Gain on disposal of property, plant and equipment		(164)	(28)
Gain on disposal of available-for-sale financial assets		(8,735)	(46,676)
Dividend income from available-for-sale financial assets		(1,681)	(2,929)
Interest income		(194)	(1,221)
Interest expense		15,427	1,590
Mark-to-market (gain)/loss on derivative financial instruments		(3,194)	2,101
Operating profit before working capital changes		25,079	33,821
Changes in working capital:			
Development properties		(219,891)	(247,794)
Trade and other receivables		11,534	(16,196)
Trade and other payables		1,751	(1,289)
Cash used in operations		(181,527)	(231,458)
Mortgage receipts		–	34
Interest received		193	1,221
Income taxes paid		(5,148)	(6,157)
Cash flows from operating activities		(186,482)	(236,360)
Investing activities			
Dividends received		1,830	4,299
Proceeds from capital reduction in available-for-sale financial assets		–	104
Proceeds from disposal of available-for-sale financial assets		321	63,258
Proceeds from sale of property, plant and equipment		164	40
Purchase of available-for-sale financial assets		–	(1)
Purchase of property, plant and equipment		(51)	(323)
Cash flows from investing activities		2,264	67,377
Financing activities			
Proceeds from conversion of warrants		–	130,548
Proceeds from short-term bank loans		294,918	333,220
Repayments of short-term bank loans		(86,550)	(240,800)
Dividends paid		(11,869)	(19,324)
Interest paid		(22,736)	(24,848)
Cash flows from financing activities		173,763	178,796
Net (decrease)/increase in cash and cash equivalents		(10,455)	9,813
Cash and cash equivalents at beginning of year		30,679	20,866
Cash and cash equivalents at end of year	11	20,224	30,679

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2009

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 22 May 2009.

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 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 the following notes:

- Note 2.13 – measurement of profit attributable to properties under development
- Note 2.16 – estimation of provisions for current and deferred taxation
- Note 6 – impairment of available-for-sale equity investments
- Note 8 – measurement of realisable amounts of development properties
- Note 23 – valuation of financial instruments

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2009

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).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2009

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.

2.5 Property, plant and equipment

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

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. Where active development of a development property is suspended for an extended period, capitalisation of borrowing costs is also suspended.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

2 Summary of significant accounting policies (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

2 Summary of significant accounting policies (cont'd)

2.7 Financial instruments (cont'd)

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.

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, an impairment loss once recognised in the income statement is not reversed. Any subsequent increase in fair value of such assets 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

2 Summary of significant accounting policies (cont'd)

2.8 Impairment of non-financial assets (cont'd)

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.

2.9 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 or modified terms of a debt instrument.

Financial guarantee contracts are accounted for as insurance contracts. A provision is recognised based on the Group's estimate of the ultimate cost of settling all claims incurred but unpaid at the 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

2 Summary of significant accounting policies (cont'd)

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 is taken to accumulated profits.

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, the percentage of completion is measured by reference to the work performed, based on the ratio of costs incurred to date to the estimated total costs for each contract. Profits are recognised only in respect of finalised sales agreements to the extent that such profits relate to the progress of the construction work.

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	
	2009	**2008**
	$'000	**$'000**
Decrease in revenue	(1,074)	(16,181)
Increase/(Decrease) in profit for the year	225	(2,577)
Decrease in opening balance of accumulated profits	(13,952)	(11,375)
Decrease in development properties as at beginning of year	(17,015)	(21,648)
Decrease in development properties as at end of year	(16,744)	(17,015)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2009

2 Summary of significant accounting policies (cont'd)

2.13 Revenue recognition (cont'd)

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.

2.14 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

2 Summary of significant accounting policies (cont'd)

2.16 Income tax expense (cont'd)

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 foreseeable 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2009

3. Investment property

	Freehold office premises $'000	Furniture and fittings $'000	Total $'000
Group			
Cost			
At 1 April 2007 and 31 March 2008	7,920	76	7,996
At 1 April 2008 and 31 March 2009	7,920	76	7,996
Accumulated depreciation			
At 1 April 2007	2,532	76	2,608
Depreciation charge for the year	160	–	160
At 31 March 2008	2,692	76	2,768
At 1 April 2008	2,692	76	2,768
Depreciation charge for the year	159	–	159
At 31 March 2009	2,851	76	2,927
Carrying amount			
At 1 April 2007	5,388	–	5,388
At 31 March 2008	5,228	–	5,228
At 31 March 2009	5,069	–	5,069
Fair value			
At 31 March 2008			11,484
At 31 March 2009			9,800

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. Rental income of $619,000 (2008: $526,000) was derived from the investment property during the year.

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2009

4. Property, plant and equipment

	Furniture, fittings and equipment $'000	Motor vehicles $'000	Computers $'000	Total $'000
Group				
Cost				
At 1 April 2007	403	303	81	787
Additions	188	135	–	323
Written-off/disposals	(312)	(137)	(15)	(464)
At 31 March 2008	279	301	66	646
Additions	1	–	50	51
Written-off/disposals	–	(94)	(14)	(108)
At 31 March 2009	280	207	102	589
Accumulated depreciation				
At 1 April 2007	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
Depreciation charge for the year	40	27	40	107
Written-off/disposals	–	(94)	(14)	(108)
At 31 March 2009	148	117	92	357
Carrying amount				
At 1 April 2007	20	–	–	20
At 31 March 2008	171	117	–	288
At 31 March 2009	132	90	10	232

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

5. Investments in subsidiaries

	Company 2009 $'000	Company 2008 $'000
Investments in subsidiaries:		
At 1989 directors' valuation	55,294	55,294
At cost	25,000	25,000
	80,294	80,294

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2009

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 2009 %	Effective equity held by the Group 2008 %
Direct subsidiaries of the Company			
Bukit Sembawang Rubber Company Limited	England and Wales	100	100
Bukit Sembawang View Pte Ltd	Singapore	100	100
Indirect subsidiaries of the Company			
Bukit Sembawang Loans (Private) Limited	Singapore	*	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

* During the year, Bukit Sembawang Loans (Private) Limited was voluntarily wound up.

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

6. Available-for-sale financial assets

	Group and Company 2009 $'000	Group and Company 2008 $'000
Quoted equity securities, at fair value	24,625	38,136

Impairment losses on available-for-sale equity investments are recognised when there is a significant or prolonged decline in the fair value of such investments below their cost.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

7. Deferred tax assets/(liabilities)

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

Group	At 1/4/2007 $'000	Credited/ (charged) to income statement (note 19) $'000	At 31/3/2008 $'000	Credited/ (charged) to income statement (note 19) $'000	At 31/3/2009 $'000
Deferred tax assets					
Trade and other payables	236	289	525	425	950
Tax losses	–	–	–	720	720
Development properties	(1,028)	(987)	(2,015)	2,469	454
	(792)	(698)	(1,490)	3,614	2,124
Deferred tax liabilities					
Property, plant and equipment	(1)	–	(1)	(4)	(5)
Trade and other receivables	(80)	74	(6)	(524)	(530)
Development properties	–	–	–	(162)	(162)
	(81)	74	(7)	(690)	(697)
	(873)	(624)	(1,497)	2,924	1,427
Company					
Deferred tax liabilities					
Trade and other receivables	(80)	74	(6)	(8)	(14)

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		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Deferred tax assets	1,441	–	–	–
Deferred tax liabilities	(14)	(1,497)	(14)	(6)
	1,427	(1,497)	(14)	(6)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2009

8. Development properties

	Group	
	2009	2008
	$'000	$'000
Properties in the course of development,		
Cost	1,383,557	1,150,272
Allowance for foreseeable losses	(70,000)	–
	1,313,557	1,150,272
Attributable profit	16,744	17,015
Progress billings	(51,035)	(47,497)
	1,279,266	1,119,790

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

		Group	
	Note	2009	2008
		$'000	$'000
Interest paid and payable to banks	18	9,585	21,124

Interest expense has been capitalised at rates ranging from 1.95% to 3.75% (2008: 1.94% to 4.38%) 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.

The allowance for foreseeable losses is estimated taking into account the open market value of the development properties. A valuation of the development properties was undertaken by a firm of independent professional valuers that has appropriate recognised professional qualifications and recent experience in the location and category of the development properties being valued. The valuation was based on the comparative method and residual land value method, each method being used as a check against the other. The valuation methods used involve making estimates of total construction costs and selling prices of the development properties.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

9. Trade and other receivables

		Group		Company	
	Note	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Trade receivables		6,121	2,636	–	–
Deposits, prepayments and other receivables	10	5,535	20,702	666	325
Amounts due from subsidiaries (non-trade)		–	–	740,221	569,561
Tax recoverable		–	382	–	382
		11,656	23,720	740,887	570,268

Trade receivables relate to amounts due from buyers of development properties.

The ageing of trade receivables at the reporting date is:

	Gross	
	2009 $'000	2008 $'000
Group		
Not past due	3,493	2,636
Past due 0 – 30 days	450	–
Past due 31 – 120 days	1,133	–
Past due more than 121 days	1,045	–
	6,121	2,636

Based on the Group's historical experience and management's assessment of the collectibility of trade receivables, the Group believes that no impairment allowance is necessary in respect of trade receivables not past due or 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	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Deposits	91	20,307	–	–
Other receivables	4,697	–	–	–
Prepayments	571	70	490	–
Dividends receivable from quoted equity securities	176	325	176	325
	5,535	20,702	666	325

Other receivables relate to refunds for property tax from the relevant authority.

Included in deposits for the previous year was an amount of $20,217,000 placed for a tender for a property.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

11. Cash and cash equivalents

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Amounts held under "Project Account Rules – 1997 Ed."	585	1,323	–	–
Fixed deposits placed with financial institutions	14,500	26,700	–	–
Cash at banks and in hand	5,139	2,656	1,735	1,898
	20,224	30,679	1,735	1,898

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 (2008: 7 days to 1 month) from the end of the year. The weighted average effective interest rate of these deposits as at 31 March 2009 is 0.17% (2008: 1.03%) per annum.

12. Share capital

	2009		2008	
	Number of shares '000	$'000	Number of shares '000	$'000
Issued and fully-paid:				
Ordinary shares				
At 1 April	107,899	286,832	75,262	102,433
Issue of shares pursuant to conversion of warrants	–	–	32,637	184,399
At 31 March	107,899	286,832	107,899	286,832

During the financial year, the Company issued Nil (2008: 32,637,051) new ordinary shares arising from the exercise of subscription rights by bonus warrant holders.

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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2009

12 Share capital (cont'd)

Capital management policy

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

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.

Under the Housing Developers (Control and Licensing) Act, in order to qualify for a housing developer's licence, certain subsidiaries of the Company, namely Bukit Sembawang View Pte Ltd, Sembawang Estates (Private) Limited and Singapore United Estates (Private) Limited, are required to maintain a minimum paid-up capital of $1,000,000. Other than as disclosed above, the Company and its subsidiaries are not subject to externally imposed capital requirements.

13. Reserves

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Capital reserve:				
- distributable	60,714	51,946	56,908	56,552
- non-distributable	–	–	5,000	5,000
	60,714	51,946	61,908	61,552
Fair value reserve	19,244	41,169	19,154	32,665
Accumulated profits	35,539	101,352	155,031	158,497
Dividend reserve	4,316	7,553	–	7,553
	119,813	202,020	236,093	260,267

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.

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 $0.02 (2008: $0.07) per share amounting to $4,316,000 (2008: $7,553,000) proposed by the directors.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2009

14. Trade and other payables

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Trade payables	3,560	39	–	–
Accrued operating expenses and development costs	9,077	10,888	2,597	1,588
Accrued interest payable	7,178	4,902	–	–
Sundry payables	189	148	–	–
Fair value derivatives	–	3,194	–	–
Amounts due to subsidiaries (non-trade)	–	–	175,035	141,903
	20,004	19,171	177,632	143,491

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

15. Interest-bearing bank loans

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Current liabilities				
Unsecured bank loans	910,798	702,430	146,958	–

The floating rate bank loans bore interest ranging from 1.95% to 3.75% (2008: 1.94% to 4.38%) per annum during the year.

The effective interest rate of the bank loans at the balance date was 2.56% to 3.04% (2008: 2.51% to 2.57%) 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 23).

As at 31 March 2009, the Group had breached one of the covenants associated with a bank loan which required the Group to maintain a minimum interest cover ratio. The carrying value of the related bank loan was $665,448,000 as at 31 March 2009. Subsequent to the balance sheet date, the Group renegotiated the covenants associated with the relevant bank loan. The relevant bank has agreed to the removal of the interest cover ratio covenant associated with the bank loan.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2009

16. Revenue

	Group 2009 $'000	Group 2008 $'000
Sale of development properties	61,800	75,092
Rental and related income	803	526
Interest income from mortgage financing	–	2
	62,603	75,620

17. (Loss)/profit from operations

The following items have been included in arriving at (loss)/profit from operations:

	Group 2009 $'000	Group 2008 $'000
Accrued development expenses written back	2,226	1,894
Allowance for foreseeable losses	(70,000)	–
Contributions to defined contribution plans (included in staff costs)	(150)	(129)
Directors' fees	280	393
Direct operating expenses arising from rental of investment property (excluding depreciation)	(143)	(64)
Dividend income from available-for-sale financial assets	1,681	2,929
Gain on disposal of available-for-sale financial assets	8,735	46,676
Gain on disposal of property, plant and equipment	164	28
Non-audit fees paid to auditors of the Company	(141)	(62)
Operating lease expense	(474)	(322)
Staff costs	(1,984)	(1,675)
Unclaimed dividends written back	33	39

Transactions with key management personnel

	Group 2009 $'000	Group 2008 $'000
Short-term employee benefits	(866)	(839)

Short-term employee benefits of $586,000 (2008: $446,000) are included in staff costs.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2009

18. Finance income and expense

	Note	Group 2009 $'000	Group 2008 $'000
Interest income			
Interest income from fixed deposits		194	1,125
Interest income from derivative instruments		–	96
Mark-to-market gain on derivative instruments		3,194	–
		3,388	1,221
Interest expense			
Mark-to-market loss on derivative instruments		–	(2,101)
Interest expense on derivative instruments		(2,981)	(1,590)
Interest expense on bank loans		(22,031)	(21,124)
Borrowing costs capitalised under properties in the course of development	8	9,585	21,124
		(15,427)	(3,691)
		(12,039)	(2,470)

19. Income tax expense

	Group 2009 $'000	Group 2008 $'000
Current tax expense		
Current year	5,081	5,729
Overprovision in respect of prior years	(390)	(441)
	4,691	5,288
Deferred tax expense		
Origination and reversal of temporary differences	(2,734)	251
Reduction in tax rate	(104)	–
(Over)/under provision in respect of prior years	(86)	373
	(2,924)	624
Income tax expense	1,767	5,912
Reconciliation of effective tax rate		
(Loss)/Profit before income tax	(46,646)	80,781
Tax calculated using Singapore tax rate of 17% (2008: 18%)	(7,930)	14,541
Effect of reduction in tax rates	(104)	–
Expenses not deductible for tax purposes	12,768	671
Income not subject to tax	(2,491)	(8,958)
Recognition of previously unrecognised deferred tax assets	–	(274)
Overprovision in respect of prior years	(476)	(68)
	1,767	5,912

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2009

20. Earnings per share

The basic and diluted earnings per share for the current year have been adjusted to take into account the rights shares and warrants issued subsequent to the balance sheet date (note 25). Comparatives have been restated.

Basic earnings per share

	Group 2009 $'000	Group 2008 $'000
Basic earnings per share is based on:		
(Loss)/Profit for the year	(48,413)	74,869

	2009 Number of shares '000	Restated 2008 Number of shares '000	As previously reported 2008 Number of shares '000
Weighted average number of ordinary shares outstanding during the year	107,900	97,003	97,003
Bonus element of warrants exercised during the year	–	7,291	7,291
Bonus element of rights shares issued on 8 April 2009	2,158	1,940	–
Weighted average number of ordinary shares	110,058	106,234	104,294

Diluted earnings per share

	2009 $'000	2008 $'000
Diluted earnings per share is based on:		
(Loss)/profit for the year	(48,413)	74,869

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

	Group 2009 Number of shares '000	Group Restated 2008 Number of shares '000	Group As previously reported 2008 Number of shares '000
Weighted average number of ordinary shares used in the calculation of basic earnings per share	110,058	106,234	104,294
Bonus element of warrants issued on 8 April 2009	–	34,152	–
Weighted average number of ordinary issued and potential shares assuming full conversion	110,058	140,386	104,294

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2009

20 Earnings per share (cont'd)

The warrants issued on 8 April 2009 were not included in the computation of the diluted earnings per share for the year ended 31 March 2009 as they were anti-dilutive.

21. Dividends

	Group and Company	
	2009	2008
	$'000	$'000
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
Tax-exempt final dividend paid of $0.07 per share in respect of year 2008	7,553	–
Tax-exempt interim dividend paid of $0.04 per share in respect of year 2009	4,316	–
Tax-exempt final dividend proposed of $0.02 per share in respect of year 2009	4,316	–

22. Commitments

	Group	
	2009	2008
	$'000	$'000
Development expenditure:		
Approved and contracted for	239,189	188,306

As at 31 March 2009, the Group had commitments for future minimum lease payments under non-cancellable operating leases as follows:

	Group	
	2009	2008
	$'000	$'000
Payable:		
Within 1 year	474	474
After 1 year but within 5 years	296	770
	770	1,244

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

23. 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, liquidity and market 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.

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

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.

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2009

23 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
Group					
2009					
Non-derivative financial liabilities					
Bank loans	910,798	(919,092)	(919,092)	–	–
Trade and other payables	20,004	(20,004)	(20,004)	–	–
	930,802	(939,096)	(939,096)	–	–
2008					
Non-derivative financial liabilities					
Bank loans	702,430	(711,166)	(711,166)	–	–
Trade and other payables	15,977	(15,977)	(15,977)	–	–
	718,407	(727,143)	(727,143)	–	–
Derivative financial liabilities					
Interest rate swaps:					
- outflow	3,194	(3,406)	(3,406)	–	–
Company					
2009					
Non-derivative financial liabilities					
Bank loans	146,958	(147,114)	(147,114)	–	–
Trade and other payables	177,632	(177,632)	(177,632)	–	–
	324,590	(324,746)	(324,746)	–	–
2008					
Non-derivative financial liabilities					
Trade and other payables	143,491	(143,491)	(143,491)	–	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

23 Financial risk management (cont'd)

Market risk

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. In the previous year, the Group entered into several interest rate swaps denominated in Singapore dollars to manage its exposure to interest rate volatility. These interest rate swaps matured during the year.

	Effective interest rate	Notional amount Maturity within 1 year $'000	Notional amount Total $'000	Fair value $'000 (note 14)
2008				
Interest rate swaps	2.85 – 3.22	274,350	274,350	(3,194)

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.

	Group 2009 $'000	Group 2008 $'000
100 basis points increase		
Increase in loss before income tax and decrease in accumulated profits/ (Decrease in profit before income tax and accumulated profits)	9,108	(4,281)

There is no impact on other components of equity.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

23 Financial risk management (cont'd)

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

	2009 Ringgit Malaysia $'000	2008 Ringgit Malaysia $'000
Group and Company		
Available-for-sale financial assets	7,806	11,514

Sensitivity analysis

A 5% strengthening of the following currency 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 currency would have had an equal but opposite effect. This analysis assumes that all other variables, in particular, interest rates, remain constant.

	Increase in equity $'000
2009	
Ringgit Malaysia	390
2008	
Ringgit Malaysia	576

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

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

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 10% (2008: 5%) increase in the price of the equity securities at the balance sheet date would have the impact as shown below. A 10% (2008: 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

23 Financial risk management (cont'd)

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
10% (2008: 5%) increase				
Increase in equity	2,463	1,907	2,463	1,907

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

Estimation of fair values

Available-for-sale financial assets

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.

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, trade and other payables and interest-bearing bank loans) 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 $910,798,000 (2008: $702,430,000). The financial guarantees expire within a year.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2009

24. Segment information

Business segments

	Development properties $'000	Mortgage financing $'000	Investment holding $'000	Consolidated $'000
Revenue and results				
2009				
Total revenue	62,603	–	–	62,603
Segment results	(56,683)	67	9,970	(46,646)
Taxation				(1,767)
Profit for the year				(48,413)
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
Assets and liabilities				
2009				
Segment assets	1,314,015	–	27,057	1,341,072
Unallocated assets - tax				1,441
Total assets				1,342,513
Segment liabilities	781,224	–	149,578	930,802
Unallocated liabilities – tax				5,066
Total liabilities				935,868
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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

24 Segment information (cont'd)

	Development properties $'000	Mortgage financing $'000	Investment holding $'000	Consolidated $'000
Non-cash expenses				
2009				
Depreciation of investment property	159	–	–	159
Depreciation of property, plant and equipment	107	–	–	107
2008				
Depreciation of investment property	160	–	–	160
Depreciation of property, plant and equipment	43	–	–	43
Capital expenditure				
2009				
Purchase of property, plant and equipment	51	–	–	51
2008				
Purchase of property, plant and equipment	323	–	–	323

The Group's earnings are derived from Singapore.

25. Subsequent event

Subsequent to the balance sheet date, on 8 April 2009, the Company raised $248,169,000 from the issuance of 107,899,514 rights shares and 43,159,713 warrants for cash. One rights share was issued for every one ordinary share held in the share capital of the Company. Each warrant carried the right to subscribe in cash for one new ordinary share of the Company at $2.30. The warrants will expire on 7 April 2011.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

26. New accounting standards and interpretations not yet adopted

The Group has not applied the following accounting standards (including their 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 (revised 2007) *Borrowing Costs*
- Amendments to FRS 32 *Financial Instruments: Presentation* and FRS 1 *Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation*
- Amendments to FRS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items*
- Amendments to FRS 101 *First-time Adoption of Financial Reporting Standards* and FRS 27 *Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
- Amendments to FRS 102 *Share-based Payment – Vesting Conditions and Cancellations*
- FRS 108 *Operating Segments*
- Improvements to FRSs 2008
- INT FRS 113 *Customer Loyalty Programmes*
- INT FRS 116 *Hedges of a Net Investment in a Foreign Operation*
- INT FRS 117 *Distributions of Non-cash Assets to Owners*

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

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

The amendments to FRS 27 on the cost of an investment in a subsidiary, jointly controlled entity or associate will become effective for the Group's financial statements for the year ending 31 March 2010. The amendments remove the definition of "cost method" currently set out in FRS 27, and instead require an entity to recognise all dividend from a subsidiary, jointly controlled entity or associate as income in its separate financial statements when its right to receive the dividend is established. The application of these amendments is not expected to have any significant impact on the Group's financial statements.

FRS 108 will become effective for the Group's 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. Currently, the Group presents segment information in respect of its business and geographical segments (see note 24). 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.

Improvements to FRSs 2008 will become effective for the Group's financial statements for the year ending 31 March 2010, except for the amendment to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* which will become effective for the year ending 31 March 2011. Improvements to FRSs 2008 contain amendments to numerous accounting standards that result in accounting changes for presentation, recognition or measurement purposes and terminology or editorial amendments. The Group is in the process of assessing the impact of these amendments.

Other than as disclosed above, 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 12 June 2009

Issued & Fully-Paid Share Capital	$532,909,000
Class of Shares	Ordinary Shares fully paid
Voting Rights	One Vote per share

ANALYSIS OF SHAREHOLDINGS BY RANGE

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF ISSUED SHARE CAPITAL
1 to 999	565	13.33	58,020	0.03
1,000 to 10,000	2,820	66.56	10,806,216	5.01
10,001 to 1,000,000	833	19.66	46,684,454	21.62
1,000,001 AND ABOVE	19	0.45	158,332,280	73.34
TOTAL	4,237	100.00	215,880,970	100.00

TOP 20 SHAREHOLDERS

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	% OF ISSUED SHARE CAPITAL
1	SINGAPORE INVESTMENTS PTE LTD	28,860,840	13.37
2	SELAT PTE LIMITED	24,565,554	11.38
3	LEE RUBBER COMPANY PTE LTD	18,296,640	8.48
4	CITIBANK NOMINEES SINGAPORE PTE LTD	14,745,427	6.83
5	CAPITAL INTELLIGENCE LIMITED	10,468,000	4.85
6	KALLANG DEVELOPMENT (PTE) LIMITED	9,770,994	4.53
7	HSBC (SINGAPORE) NOMINEES PTE LTD	7,878,236	3.65
8	OVERSEA CHINESE BANK NOMINEES PTE LTD	7,159,676	3.32
9	BNP PARIBAS SECURITIES SVCS SPORE PTE LTD	6,950,000	3.22
10	DBS NOMINEES PTE LTD	6,681,692	3.09
11	GREAT EASTERN LIFE ASSURANCE CO LTD - PARTICIPATING FUND	5,142,654	2.38
12	LEE LATEX PTE LIMITED	4,392,834	2.03
13	DBSN SERVICES PTE LTD	2,799,852	1.30
14	ISLAND INVESTMENT COMPANY PTE LTD	2,358,000	1.09
15	LEE FOUNDATION	2,291,379	1.06
16	UNITED OVERSEAS BANK NOMINEES PTE LTD	1,873,502	0.87
17	YEO REALTY & INVESTMENTS (PTE) LTD	1,603,000	0.74
18	LEE PLANTATIONS PTE LIMITED	1,278,000	0.59
19	TAN PROPRIETARY (PTE) LTD	1,216,000	0.56
20	DBS VICKERS SECURITIES (S) PTE LTD	994,793	0.46
		159,327,073	73.80

ANALYSIS OF ORDINARY SHAREHOLDINGS

As at 12 June 2009

SUBSTANTIAL SHAREHOLDERS

(as shown in the Register of Substantial Shareholders)

Shareholders	Direct Interest	Deemed Interest
Singapore Investments (Pte) Ltd	28,860,840	-
Selat (Pte) Ltd+	24,565,554	2,358,000
Lee Rubber Co. (Pte) Ltd*	18,296,640	11,624,994
Kallang Development (Pte) Ltd∞	9,770,994	1,278,000
Lee Foundation, Singapore^	2,291,379	54,164,394
Aberdeen Asset Management Asia Ltd	-	18,002,000
Aberdeen Asset Management PLC and subsidiariesˇ	-	18,002,000

+ Includes 2,358,000 BSEL shares owned by Island Investment Co (Pte) Ltd.
* Includes 9,770,994 BSEL shares owned by Kallang Development (Pte) Ltd, 1,278,000 BSEL shares owned by Lee Plantations (Pte) Ltd and 576,000 BSEL shares owned by Lee Rubber (Selangor) Sdn Bhd.
∞ Includes 1,278,000 BSEL shares owned by Lee Plantations (Pte) Ltd.
^ Includes 24,565,554 BSEL shares owned by Selat (Pte) Ltd, 28,860,840 BSEL shares owned by Singapore Investments (Pte) Ltd, 720,000 BSEL shares owned by Lee Pineapple Company (Pte) Ltd and ,18,000 BSEL shares owned by Lian Hin Rubber Co Sdn Bhd.
ˇ Includes 18,002,000 BSEL shares of Aberdeen Asset Management Asia Ltd.

SHAREHOLDINGS HELD BY THE PUBLIC AS AT 12 JUNE 2009

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 47.8%. The Company is therefore in compliance with Rule 723 of the SGX-ST Listing Manual.

ANALYSIS OF ORDINARY SHAREHOLDINGS

As at 12 June 2009

DIRECTORS' SHAREHOLDINGS

As at 21 April 2009

Name of director and corporation in which interests are held	Holdings in the name of the director At 21 April 2009	Other holdings In which the director is deemed to have an interest At 21 April 2009
The Company		
Ordinary shares fully paid		
Cecil Vivian Richard Wong	33,000	-
Michael Wong Pakshong	46,000	-
Lee Chien Shih	140,000	300,000
Ng Chee Seng	-	20,000
Warrants to subscribe for ordinary shares		
Cecil Vivian Richard Wong	7,200	-
Michael Wong Pakshong	9,200	-
Lee Chien Shih	28,000	60,000
Ng Chee Seng	-	4,000

ANALYSIS OF WARRANT HOLDINGS

As at 12 June 2009

ANALYSIS OF WARRANT HOLDINGS BY RANGE

SIZE OF WARRANT HOLDINGS	NO. OF WARRANT HOLDERS	%	NO. OF WARRANTS	%
1 to 999	519	29.66	297,924	0.69
1,000 to 10,000	988	56.46	3,334,343	7.74
10,001 to 1,000,000	234	13.37	12,961,529	30.09
1,000,001 AND ABOVE	9	0.51	26,483,975	61.48
TOTAL	1,750	100.00	43,077,771	100.00

TOP 20 WARRANT HOLDERS

NO.	NAME OF WARRANT HOLDERS	NO. OF WARRANTS	%
1	SINGAPORE INVESTMENTS PTE LTD	5,772,168	13.40
2	SELAT PTE LIMITED	4,913,110	11.41
3	CITIBANK NOMINEES SINGAPORE PTE LTD	4,391,001	10.19
4	LEE RUBBER COMPANY PTE LTD	3,659,328	8.49
5	CAPITAL INTELLIGENCE LIMITED	2,093,600	4.86
6	KALLANG DEVELOPMENT (PTE) LIMITED	1,954,198	4.54
7	KIM ENG SECURITIES PTE. LTD.	1,455,640	3.38
8	OVERSEA CHINESE BANK NOMINEES PTE LTD	1,216,400	2.82
9	GREAT EASTERN LIFE ASSURANCE CO LTD - PARTICIPATING FUND	1,028,530	2.39
10	LEE LATEX PTE LIMITED	878,566	2.04
11	LEE FOUNDATION	671,751	1.56
12	ISLAND INVESTMENT COMPANY PTE LTD	471,600	1.10
13	OCBC SECURITIES PRIVATE LTD	426,200	0.99
14	FOK CHEE CHIONG	338,000	0.78
15	ANNIE LOO YEAN LAY	300,000	0.70
16	HSBC (SINGAPORE) NOMS PTE LTD	285,600	0.66
17	LEE PLANTATIONS PTE LIMITED	255,600	0.59
18	SINGAPORE TONG TEIK PTE LTD	245,000	0.57
19	DBS VICKERS SECURITIES (S) PTE LTD	212,201	0.49
20	DBS NOMINEES PTE LTD	211,920	0.49
		30,780,413	71.45

PROPERTIES OF THE GROUP

The properties of the Group as at 31 March 2009 are as follows :-

Location	Tenure	Site Area (Sq M)	Gross Floor Area (Sq M)	% of Completion as at 31/3/2009	Expected Date of Completion	Group's Effective Interest in Property (%)	Description
Land Properties in Seletar Hills Area							
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 Avenue 5 / Seletar Road	Statutory Grant	218,944	183,540	-	-	100%	
Lot 12949A Mk 18 at Nim Road / Ang Mo Kio Avenue 5 / 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.
		54,806 116,863	-	-	-	100%	Vacant non-residential land for future residential development.
Lot 9934W Mk 18 at Ang Mo Kio Avenue 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.
Land Properties in Sembawang Area							
Lots 2099V & 2277V Mk 19 at Sembawang Road / Kampong Wak Hassan	Statutory Grant	20,420	18,790	-	-	100%	Written permission has been granted for the proposed 80 units of cluster housing development.
Residential Apartment Sites							
Lots 5313M & 9645K Mk 17 at 21 Woodleigh Close	Freehold	3,905	11,318	26%	3Q 2010	100%	Written permission has been granted for the proposed 100 units of residential development. Main building work commenced in November 2007. All the 100 units have been sold.

PROPERTIES OF THE GROUP

Location	Tenure	Site Area (Sq M)	Gross Floor Area (Sq M)	% of Completion as at 31/3/2009	Expected Date of Completion	Group's Effective Interest in Property (%)	Description
Residential Apartment Sites							
Lots 364-369, 388-392, 397-399, 400-415 & 1317T TS 21 at 55 & 57 Paterson Road	Freehold	8,038	18,564	29%	3Q 2010	100%	Written permission has been granted for the proposed 102 units of residential development. Main building work commenced in October 2007. 20 apartment units have been sold.
Lots 370-375, 488, 533, 535, 537, 539, 623, 382-387, 394, 395 & 1318A pt TS 21 at 27-41 (odd nos.) Paterson Road, 1-11 (odd nos.), 13-17 & 19 Lengkok Angsa	Freehold	5,749	11,731	-	-	100%	Residential land under planning.
Lots 2135L, 2136C & 2802X Mk 2 at 55-63 Holland Road	Freehold	7,120	10,588	-	-	100%	Written permission has been granted for the proposed 75 units of residential development.
Lots 715L, 780L, 1243X & 1245C TS 27 at 12, 12A & 12B 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 & 444C TS 21 at 2, 10 & 18 St Thomas Walk	Freehold	9,245	28,126	-	-	100%	Written permission has been granted for the proposed 168 units of residential development.
Lots 1833L & 1603A Mk 1 at 610 & 612 Telok Blangah Road	Freehold	14,382	30,202	-	-	100%	Residential land under planning.

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 43rd Annual General Meeting of the Company will be held at 65 Chulia Street, #50-00 OCBC Centre, Singapore 049513, on Friday, 17 July 2009 at 10.30 a.m. to transact the following business:

Ordinary Business

1. To receive the Directors' Report and Financial Statements for the financial year ended 31 March 2009 and the Auditors' Report thereon.

2. To declare a final dividend of 2 cents per share tax exempt (one-tier) in respect of the financial year ended 31 March 2009.

3. To re-elect the following Directors retiring under the provisions of the Articles of Association of the Company:

   (i) Mr Ng Chee Seng (Retiring by rotation pursuant to Article 94)
   (ii) Mr Eddie Tang (Retiring pursuant to Article 76)

4. To re-appoint each of the following Directors pursuant to Section 153(6) of the Companies Act, Chapter 50, to hold office from the date of this Annual General Meeting until the next Annual General Meeting:

   (i) Mr Cecil Vivian Richard Wong
   (ii) Mr Teo Kim Yam

   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.

5. To approve the sum of $280,000 as Directors' fees for the financial year ended 31 March 2009. (2008: $393,000)

6. To re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.

7. To transact any other ordinary business that may be transacted at an Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

Special Business

8. To consider and, if though 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 Listing Manual of Singapore Exchange Securities Trading Limited (**"SGX-ST"**), authority be and is hereby given to the Directors of the Company to:

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

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

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

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

provided 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 treasury shares, in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro-rata* basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued Shares, excluding treasury shares, in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

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

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

NOTICE OF ANNUAL GENERAL MEETING

(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 GUAT NGOH
Secretary

2 July 2009
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. Where a member appoints more than one proxy, he must specify the number of shares to be represented by each proxy failing which the appointment shall be deemed to be in the alternative. A proxy need not be a member of the Company.*

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

3. *The instrument or form appointing a proxy or proxies, 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.*

Statement pursuant to Article 55 of the Company's Articles of Association

The ordinary resolution in Item 8 is to authorise the Directors of the Company to issue shares in the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments from the date of this Annual General Meeting until the date of the next Annual General Meeting. The aggregate number of shares which the Directors may issue (including shares to be issued pursuant to convertibles) under this ordinary resolution must not exceed 50% of the total number of issued shares, excluding treasury shares, in the capital of the Company with a sub-limit of 20% for issues other than on a pro-rata basis. For the purpose of determining the aggregate number of shares that may be issued, the total number of issued shares, excluding treasury shares, will be calculated based on the total number of issued shares, excluding treasury shares, in the capital of the Company at the time that this ordinary resolution is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that this ordinary resolution is passed, and (b) any subsequent bonus issue, consolidation or subdivision of shares.

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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.
3. CPF investors who wish to attend the Annual General Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

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 43rd Annual General Meeting of the Company to be held on Friday, 17 July 2009 at 10.30 a.m. and at any adjournment thereof.

The proxy / proxies is / are directed to vote for or against the resolutions set out in the Notice of Annual General Meeting and summarised below, as indicated hereunder. If no specific direction as to voting is given, the proxy / proxies may vote or abstain at his / their discretion, as he/they will on any other matter arising at the Meeting.

	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 Reports and Financial Statements				
2. Declaration of Final Dividend				
3. (i) Re-election of Mr Ng Chee Seng as a Director				
(ii) Re-election of Mr Eddie Tang as a Director				
4. (i) Re-appointment of Mr Cecil Vivian Richard Wong as a Director				
(ii) Re-appointment of Mr Teo Kim Yam as a Director				
5. Approval of Directors' fees				
6. Re-appointment of Auditors				
7. Any other ordinary business				
Special Business				
8. Approval of share issue mandate				

* 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 ______________________ 2009.

Total Number of Shares held

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

Important: Please read notes overleaf

Notes to Proxy Form

1. A member should insert the total number of shares held by him. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), he should insert that number of shares. If the member has shares entered against his name in the Register of Members, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. 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 the Meeting is entitled to appoint one or two proxies to attend and vote in his stead. Where a member appoints more than one proxy, he must specify the number of shares to be represented by each proxy failing which the appointment shall be deemed to be in the alternative. A proxy need not be a member of the Company.

3. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy or proxies, to the Meeting.

4. The instrument appointing a proxy or proxies 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 set for 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 writing. 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 or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

7. 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 of Singapore.

8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing the proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, 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.