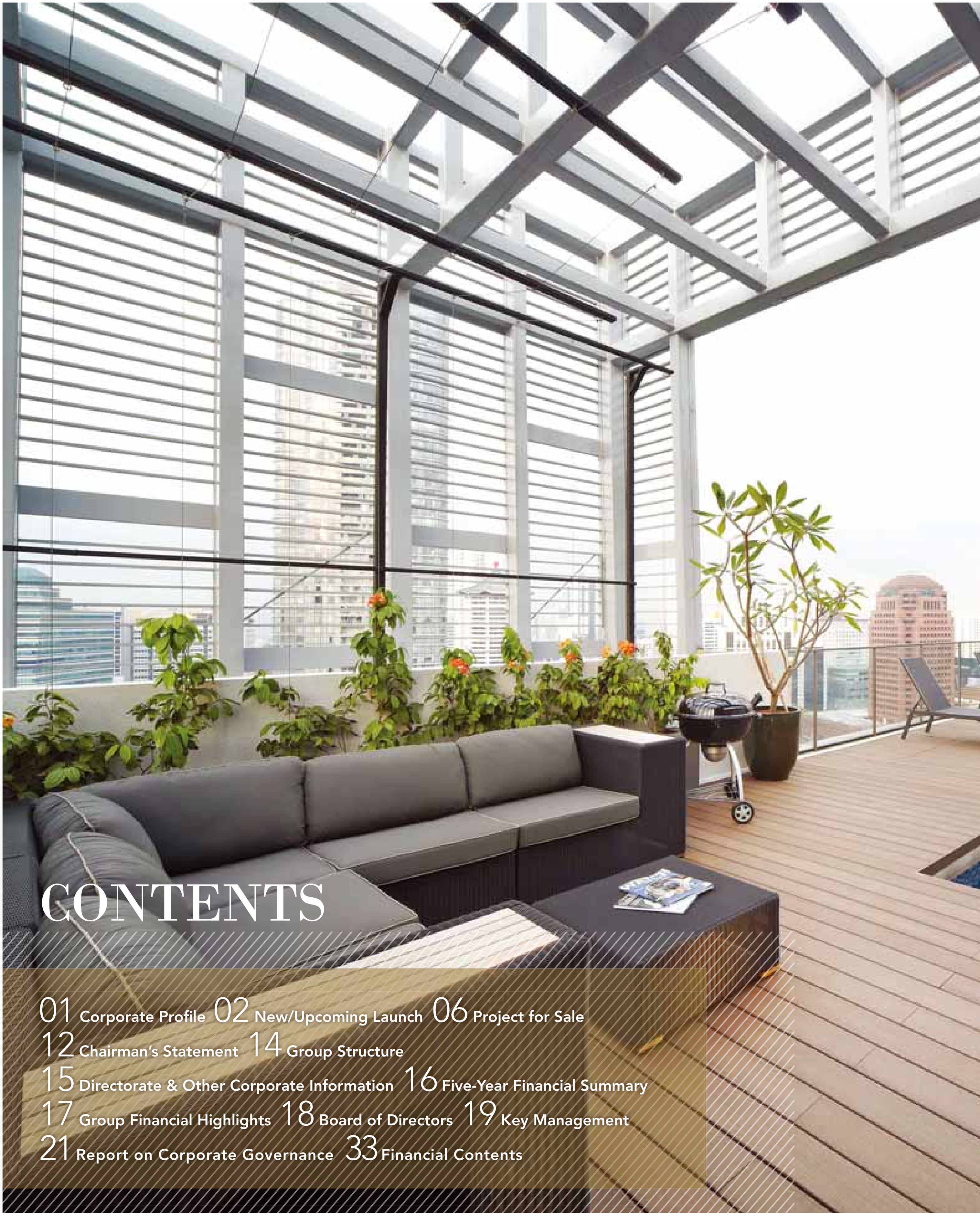
ANNUAL REPORT 2012

BUKIT SEMBAWANG ESTATES LIMITED

HOMES

FOR EVERY GENERATION

Balancing vision and focus, we evolve with the times while staying true to our mission of building quality homes for every generation.



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CORPORATE PROFILE

Balancing vision and focus, we evolve with the times while staying true to our mission of building quality homes for every generation.

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 2,500 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 skilful 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 highend condominiums under a new brand name – BS Suites, where trendy highend living is redefined. Our widely-acclaimed portfolio of completed private condominiums are Parc Mondrian, Paterson Suites and Verdure.

Our commitment to continuously deliver good quality homes and innovative designs at good value has won us awards and accolades. We have been accorded BCA ISO 9000 Certification in Project Management Services (Construction) since 2000.

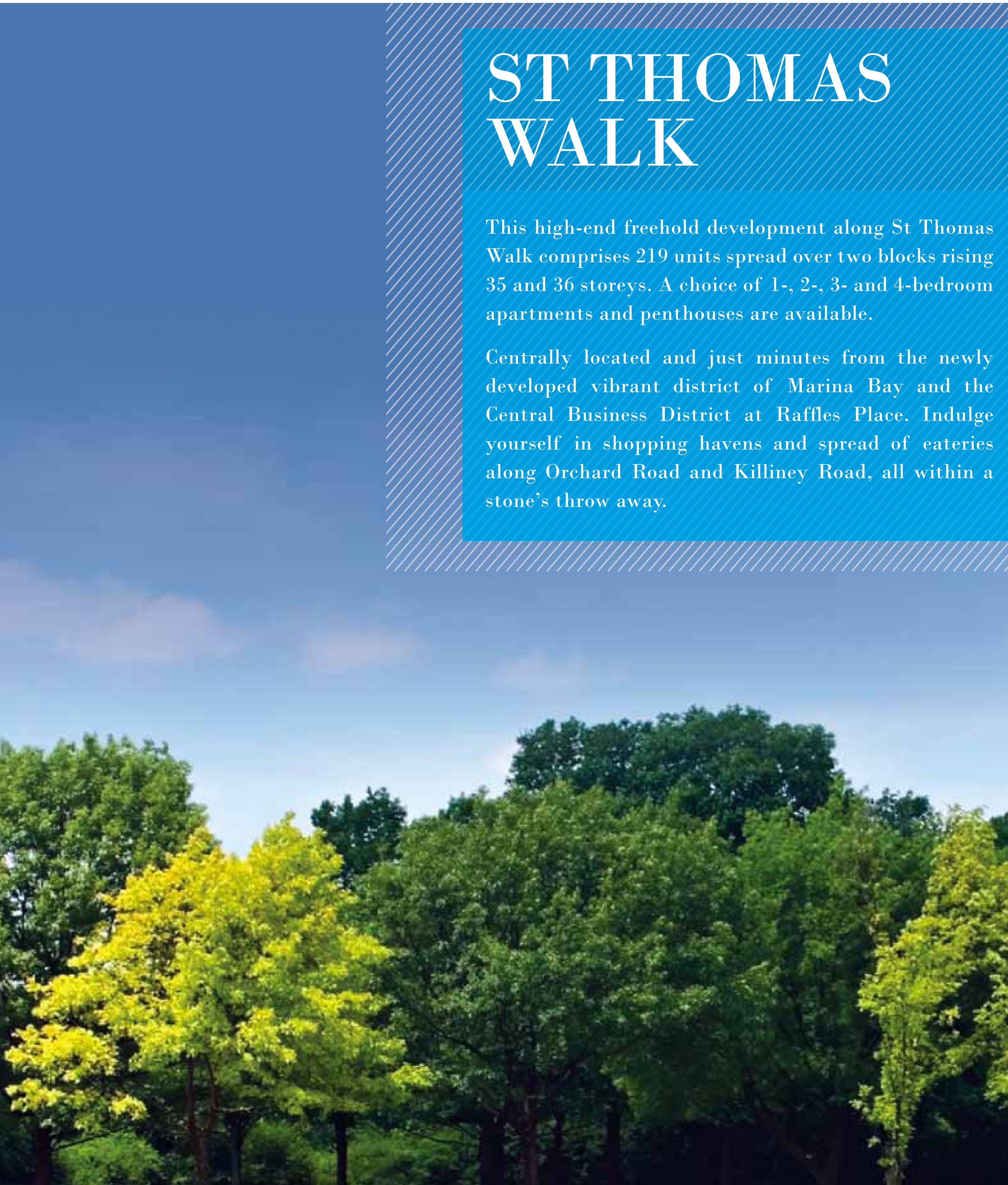
We value every customer, and we shall remain dedicated to creating quality homes that property owners will love, cherish and appreciate.

NEW/UPCOMING LAUNCH

ST THOMAS WALK

This high-end freehold development along St Thomas Walk comprises 219 units spread over two blocks rising 35 and 36 storeys. A choice of 1-, 2-, 3- and 4-bedroom apartments and penthouses are available.

Centrally located and just minutes from the newly developed vibrant district of Marina Bay and the Central Business District at Raffles Place. Indulge yourself in shopping havens and spread of eateries along Orchard Road and Killiney Road, all within a stone's throw away.



NEW/UPCOMING LAUNCH

PATERSON COLLECTION

A luxurious development located at Paterson Road comprising 85 units that will appeal to the most discerning. Paterson Collection has 2- and 3-bedroom units and a super luxurious penthouse. It comes with full facilities that will appeal to all age groups. Just a 5-minute stroll to Orchard MRT Station, one will be enthused by the various retail and dining options in Orchard Road, Singapore's premier shopping street.

PROJECT FOR SALE

SKYLINE RESIDENCES

Situated in the tranquil estate of Telok Blangah, this freehold development is a stone's throw away from life's conveniences. Besides being a short walk away from Telok Blangah MRT station, the development is also within minutes' drive to popular retail, entertainment and lifestyle destinations such as VivoCity, HarbourFront Centre, Resorts World Sentosa and Universal Studios Singapore, as well as business hubs at the Central Business District and Mapletree Business City. With 283 units spread over 3 blocks towering 24 storeys and a range of 1, 2, 3, 3+1, 4-bedroom units and penthouses to select from, you will have no trouble finding a space to call your own. Unwind amidst lush greenery at nearby Mount Faber Park, Telok Blangah Hill Park and The Southern Ridges. Relax against a backdrop of breathtaking panoramic sea and golf course views extended along the Southern Islands skyline.

PROJECT FOR SALE

PATERSON SUITES

Located next to the thriving Orchard Road yet perfectly tucked away on a tranquil ridge, this prime freehold development of 102 luxurious units offers you everything you've ever desired — city glamour, coveted luxuries, high-end facilities, and above all, peaceful privacy. Just 5 minutes' walk to the Orchard MRT Station and a short drive to the Central Business District, the conveniences of the privileged life are at your beck and call.

PROJECT FOR SALE

THE VERMONT ON CAIRNHILL

An address of privilege. A home of unprecedented luxuries. This prime freehold development of 158 exclusively spacious units with full-fledged facilities is located along Cairnhill Rise, just minutes from the Newton MRT Station and the Central Expressway. And only a heartbeat away from this tranquil residence, the pulsating bustle of Orchard Road and other lavish conveniences await your every indulgence.

CHAIRMAN'S STATEMENT

The Group profit before tax for the year under review was $206.9 million including a write-back of allowance for foreseeable losses of $17.0 million for the Skyline Residences project and a one-off gain on disposal of the Group's portfolio of quoted equity securities of $37.4 million. Profit before tax in FY 2011 (restated) was $205.4 million.

The Group's development profit for the year under review consisted of the recognition of revenue (based on percentage of completion method) for the housing units sold at Paterson Suites, Verdure, The Vermont on Cairnhill and Luxus Hills Phases 1 to 4.

Luxus Hills Phase 1 obtained TOP in September 2011. The Group launched Skyline Residences (283 units) and Luxus Hills Phase 5 (54 units) in July 2011 and October 2011 respectively. 201 units of Skyline Residences and 48 units of Luxus Hills Phase 5 have been sold as at 31 March 2012. For residential apartment development projects launched in earlier years, 82 units of Paterson Suites (102 units) and 101 units of The Vermont on Cairnhill (158 units) have been sold as at 31 March 2012.

Balancing vision and focus, we evolve with the times while staying true to our mission of building quality homes for every generation.

DIVIDENDS

During the financial year ended 31 March 2012, the Company did not pay an interim dividend.

The Board is recommending a final dividend of 4 cents per ordinary share and a special dividend of 14 cents per ordinary share.

The dividend payment, which amounts to about $46.6 million (2011 : $31.1 million) or 25.5% (2011 (restated) : 17.7%) of net profit after tax, is subject to Shareholders' approval at the 46th Annual General Meeting.

CURRENT YEAR'S PROSPECT

Based on Urban Redevelopment Authority's statistics, the total number of new home sales was 6,682 units during the first three months of the year. The sales were mainly from suburban projects. Prices of Singapore's residential properties decreased by 0.1% in the first quarter of 2012, as compared with the increase of 0.2% in the previous quarter. This was the first quarterly fall in prices since second quarter of 2009.

Following successive cooling measures introduced by the Singapore Government, sentiments in the high-end residential property market have been dampened. We expect property market conditions in this segment to remain challenging.

Luxus Hills Phase 2 and Verdure at Holland Road have been completed during the second quarter of 2012.

DIRECTORATE

Mr Lee Chien Shih will be retiring by rotation pursuant to the Articles of Association, while Mr Teo Kim Yam will be retiring pursuant to section 153(6) of the Companies Act, at the 46th Annual General Meeting and, being eligible, each of them offers himself for re-election / re-appointment.

I would like to welcome to the Board, Mr Tan Swee Siong, who joined the Board on 1 August 2011. Pursuant to the Articles of Association, he retires and offers himself for re-election.

ACKNOWLEDGEMENTS

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

Guok Chin Huat Samuel
Chairman
28 June 2012

GROUP STRUCTURE

DIRECTORATE & OTHER CORPORATE INFORMATION

DIRECTORS
Guok Chin Huat Samuel
(Chairman, Non-Executive Independent)
Teo Kim Yam *(Non-Executive)*
Lee Chien Shih *(Non-Executive)*
Ng Chee Seng *(CEO, Executive)*
Eddie Tang
(Non-Executive Independent)
Tan Swee Siong
(Non-Executive Independent)

AUDIT COMMITTEE
Guok Chin Huat Samuel *(Chairman)*
Eddie Tang
Tan Swee Siong

NOMINATING COMMITTEE
Eddie Tang *(Chairman)*
Guok Chin Huat Samuel
Lee Chien Shih

REMUNERATION COMMITTEE
Lee Chien Shih *(Chairman)*
Guok Chin Huat Samuel
Eddie Tang

PROJECT DEVELOPMENT COMMITTEE
Guok Chin Huat Samuel *(Chairman)*
Lee Chien Shih
Tan Swee Siong

COMPANY SECRETARY
Tan Guat Ngoh

REGISTERED OFFICE
250 Tanjong Pagar Road
#09-01 St Andrew's Centre
Singapore 088541
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: Tan Huay Lim
(With effect from financial year ended 31 March 2012)

SHARE 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
Malayan Banking Berhad
DBS Bank Limited
CIMB Bank Berhad

Mr Cecil Vivian Richard Wong retired as a director on 21 July 2011. Accordingly, Mr Wong also ceased as Chairman of the Board, Audit Committee (AC) and Remuneration Committee (RC), and a member of the Nominating Committee (NC) and Project Development Committee (PDC).

Mr Guok Chin Huat Samuel was appointed Chairman of the Board and AC on 21 July 2011. Mr Guok stepped down as Chairman of the NC and was appointed Chairman of the PDC on 1 August 2011.

Mr Lee Chien Shih was appointed Chairman of the RC on 1 August 2011.

Mr Eddie Tang was appointed Chairman of the NC and a member of the RC on 1 August 2011.

Mr Tan Swee Siong was appointed as a director and a member of the AC and PDC on 1 August 2011.

FIVE-YEAR FINANCIAL SUMMARY

	2012 $'000	2011 (Restated)* $'000	2010 $'000	2009 $'000	2008 $'000
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION **As at 31 March**					
Investment Property	**4,683**	4,843	4,911	5,069	5,228
Property, Plant and Equipment	**119**	155	198	232	288
Available-for-Sale Financial Assets	**–**	48,094	39,790	24,625	38,136
Deferred Tax Assets	**250**	224	1,394	1,441	–
Net Current Assets	**1,096,147**	908,991	724,529	375,292	446,697
Deferred Taxation	**(9,682)**	(1,666)	(1,795)	(14)	(1,497)
	1,091,517	960,641	769,027	406,645	488,852
Share Capital	**631,801**	616,160	587,057	286,832	286,832
Reserves	**459,716**	344,481	181,970	119,813	202,020
Total Equity	**1,091,517**	960,641	769,027	406,645	488,852
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME **For the year ended 31 March**					
Revenue	**390,574**	515,119	65,958	62,603	75,620
Profit / (Loss) Before Income Tax	**206,888**	205,381	54,879	(46,646)	80,781
Income Tax Expense	**(23,983)**	(29,432)	(1,909)	(1,767)	(5,912)
Profit / (Loss) After Tax	**182,905**	175,949	52,970	(48,413)	74,869
Dealt with as follows:-					
Dividends (Net)	**46,604**	31,069	9,694	9,084	12,948
Capital Reserve	**–**	–	–	8,768	46,715
Revenue Reserve	**136,301**	144,880	43,276	(66,265)	15,206
	182,905	175,949	52,970	(48,413)	74,869

* The financial information for 2011 has been restated to take into account the retrospective adjustments arising from the adoption of INT FRS 115 *Agreements for the Construction of Real Estate.*

GROUP FINANCIAL HIGHLIGHTS

For the year ended 31 March	2012 $'000	2011 (Restated)* $'000
Revenue	**390,574**	515,119
Profit Before Income Tax	**206,888**	205,381
Profit After Income Tax	**182,905**	175,949
Net Dividends	**46,604**	31,069
Share Capital	**631,801**	616,160
Total Equity	**1,091,517**	960,641
Net Return on Total Equity	**16.76%**	18.32%
Earnings Per Ordinary Share		
Basic earnings per share	**$0.71**	$0.71
Diluted earnings per share	**$0.71**	$0.70
Dividends Per Ordinary Share		
Gross	**$0.18**	$0.12
Net	**$0.18**	$0.12
Cover	**3.92 times**	5.66 times
Net Tangible Assets Per Ordinary Share	**$4.22**	$3.81

* 2011 figures have been restated to take into account the retrospective adjustments arising from the adoption of INT FRS 115 *Agreements for the Construction of Real Estate*.

FINANCIAL CALENDAR

Financial Year ended 31 March 2012	
Announcement of First Quarter Results	10 August 2011
Announcement of Half-year Results	14 November 2011
Announcement of Third Quarter Results	14 February 2012
Announcement of Full-year Results	23 May 2012
Annual General Meeting	25 July 2012
Book Closure Dates	2 August, 5pm to 3 August 2012
Proposed Payment of 2012 Final Dividend	15 August 2012
Financial Year ended 31 March 2013	
Announcement of First Quarter Results	August 2012
Announcement of Half-year Results	November 2012
Announcement of Third Quarter Results	February 2013
Announcement of Full-year Results	May 2013

BOARD OF DIRECTORS

GUOK CHIN HUAT SAMUEL
Mr Guok Chin Huat Samuel was appointed to the Board in 2008 and was appointed Chairman of the Board on 21 July 2011. He is also Chairman of the Audit Committee and Project Development Committee, and member of the Nominating Committee and Remuneration Committee.

Mr Guok also serves as Independent Director on two other SGX-listed companies. He graduated from Boston University with Majors in Finance and International Economics, Minor in Chemistry.

TEO KIM YAM
Mr Teo Kim Yam was appointed to the Board in 1994. He is a Director of the Lee Rubber Company (Pte) Ltd & 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 in 1999. He is Chairman of the Remuneration Committee, and member of the Nominating Committee and Project Development Committee. 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 and as Chief Executive Officer of the Group in 2007. Mr Ng joined the Group in 1994.

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

EDDIE TANG
Mr Eddie Tang was appointed to the Board in 2009. He is Chairman of the Nominating Committee, and member of the Audit Committee and Remuneration Committee. 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.

TAN SWEE SIONG
Mr Tan Swee Siong was appointed to the Board in 2011. He is a member of the Audit Committee and Project Development Committee. He is currently the Head of Real Estate with the Tolaram group.

Mr Tan holds a B.Eng (Hons) from the National University of Singapore and MBA from the Melbourne Business School.

KEY MANAGEMENT

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

JUSTIN HO NGIAM CHAN
Mr Justin Ho joined the Group in 2001. He currently holds the position of Senior Project Manager and is responsible for residential development projects and the Group's site maintenance management.

He has over 20 years of project experience. He had also worked in Keppel Land International Ltd handling project management for their local residential developments

Mr 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 2007 as a Senior Project Manager. He is responsible for the Group's residential development projects and property management.

He has over 20 years of project and property management experience, having worked with Wing Tai Property Management, Frasers Centrepoint Ltd 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.

KATHARINE KUM LAI HOONG
Ms Katharine Kum Lai Hoong joined the Group in 2007. She is currently Senior Project Manager responsible for the design and development of the Group's properties.

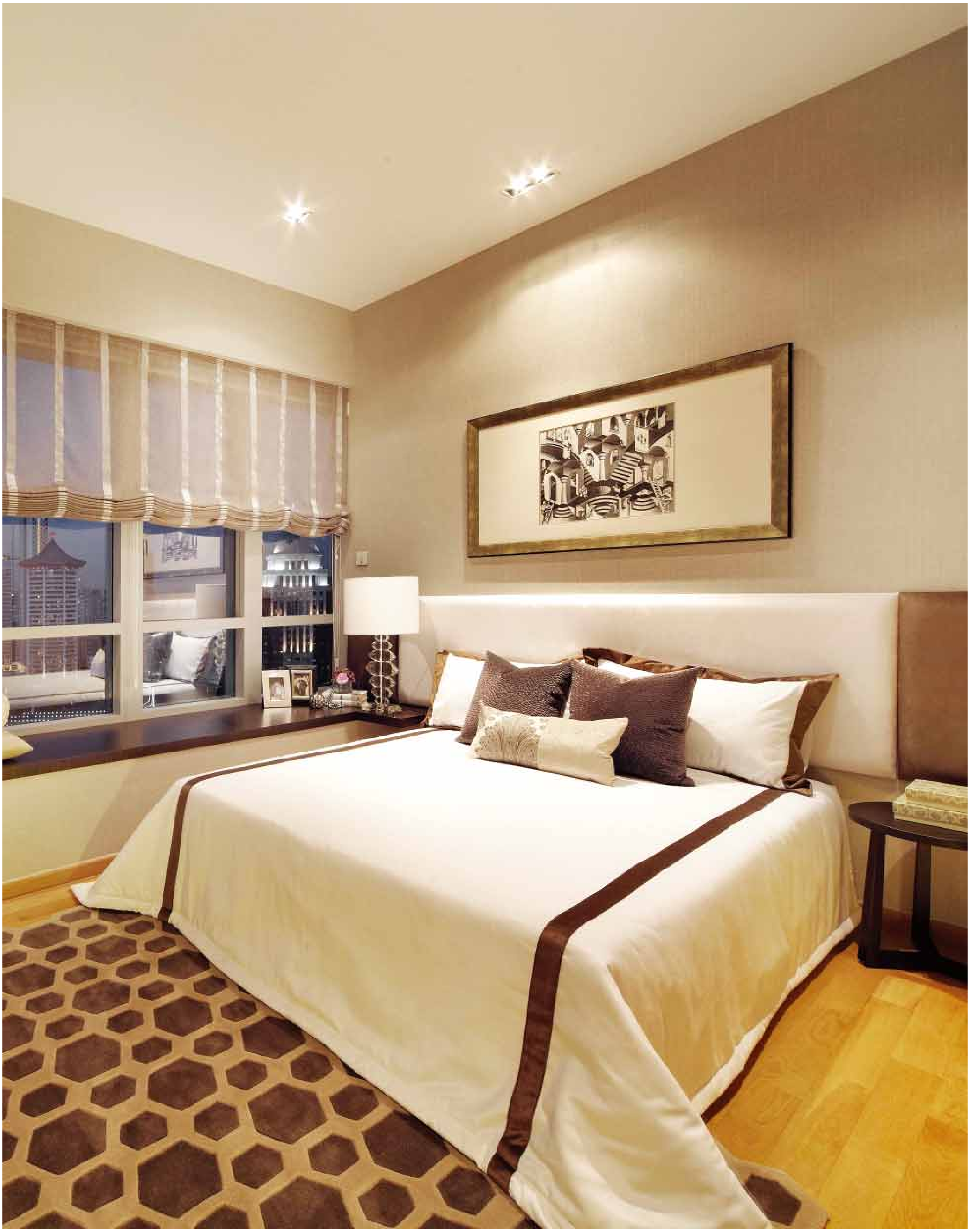
Prior to joining the Group, she worked in local architectural firms. She had also worked at The Ascott Ltd handling the design and project management.

Ms Kum holds a Bachelor of Architecture degree (Hons) and a Bachelor of Environmental Design degree from the University of Western Australia. She is also a member of the Singapore Institute of Architects.

EUNICE LAU SIEW MEI
Ms Eunice Lau is currently Assistant General Manager (Marketing) and is responsible for the sales and marketing of the Group's properties.

She joined the Group in 2010 and was formerly with Orchard Turn Developments Pte Ltd responsible for the marketing and sales of The Orchard Residences. She had also worked at Wing Tai Property Management and Frasers Centrepoint Ltd in the sales and marketing of their residential properties.

Ms Lau holds a Graduate Diploma (Marketing) from the Marketing Institute of Singapore and graduated with a Bachelor of Arts (Merit) from the National University of Singapore.



REPORT ON CORPORATE GOVERNANCE

Bukit Sembawang Estates Limited (Company) is committed to high standards of corporate governance for itself and its subsidiaries (Group). The Board believes that good governance is necessary to maintain the Group's business performance and protect Shareholders' interest. This Report describes the corporate governance practices and activities of the Company for the financial year ended 31 March 2012 in relation to each of the principles of the Code of Corporate Governance 2005 (Code), and deviations are explained. Unless otherwise stated, the corporate governance processes were in place during the financial year.

BOARD'S CONDUCT OF ITS AFFAIRS

(***PRINCIPLE 1*** – *Every company should be headed by an effective Board to lead and control the Company. The Board is collectively responsible for the success of the Company. The Board works with Management to achieve this and the Management remains accountable to the Board.)*

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 candidates to the Board as Directors and appointment of key personnel;

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

5. Setting dividend policy and recommending dividends; and

6. Setting Company's values and standards and ensuring that obligations to Shareholders and others are understood and met.

In the discharge of its functions, the Board is supported by Board committees, comprising the Audit, Remuneration, Nominating and Project Development Committees, which provide independent oversight of Management, and which also serve to ensure that there are appropriate checks and balances. Information on these committees and their activities during the year under review are described elsewhere in this Report.

REPORT ON CORPORATE GOVERNANCE

The Board is accountable to the Shareholders while Management is accountable to the Board. The Company has in place financial authorisation limits for operating and capital budgets, procurement of goods and services, and cheque signatory arrangements. Approval sub-limits are also provided at Management level to facilitate operational efficiency. Matters that are specifically reserved for the Board's decision include material acquisitions and disposals of assets, corporate or financial restructuring, share issuances and dividend payments to Shareholders, main contracts, marketing proposals, land acquisitions and other transactions or events of a material nature requiring announcement under the listing rules of Singapore Exchange Securities Trading Limited (SGX-ST).

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.

BOARD COMPOSITION AND GUIDANCE

(***PRINCIPLE 2*** *– There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management. No individual or small group of individuals should be allowed to dominate the Board's decision making.)*

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

While the Company's Articles of Association (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.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER (CEO)

(***PRINCIPLE 3*** *– There should be a clear division of responsibilities at the top of the company – the working of the Board and the executive responsibility of the Company's business – which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.)*

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.

REPORT ON CORPORATE GOVERNANCE

The Chairman encourages constructive relations among members of the Board and between the Board and Management and facilitates contributions of the non-executive Directors. The Chairman ensures that Board meetings are held when necessary and sets the Board meeting agenda in consultation with the 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 fulfil their responsibilities, Board members should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis.)*

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

ACCOUNTABILITY

(***PRINCIPLE 10*** *– The Board should present a balanced and understandable assessment of the Company's performance, position and prospects.)*

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.

REPORT ON CORPORATE GOVERNANCE

AUDIT COMMITTEE (AC)

(***PRINCIPLE 11*** *– The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.)*

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 Guok Chin Huat Samuel (Chairman)*
Mr Eddie Tang
Mr Tan Swee Siong#

The AC performs the following functions in accordance with Section 201B(5) of the Companies Act, Cap. 50, the SGX-ST's Listing Manual and the Code:

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

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

3. Reviews the quarterly, half-yearly and full-year results, 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 remuneration and reviews the cost effectiveness, independence and objectivity of the external auditors;

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

   – on normal commercial terms; and

   – not prejudicial to the interests of the Company and its minority Shareholders;

6. Reports actions and minutes of the AC meetings to the Board 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.

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* Mr Cecil Vivian Richard Wong retired as Chairman of the AC and Mr Guok Chin Huat Samuel was appointed Chairman of the AC on 21 July 2011.

\# Mr Tan Swee Siong was appointed a member of the AC on 1 August 2011.

REPORT ON CORPORATE GOVERNANCE

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

The AC meets with the external auditors at least annually and with internal auditors at least once every two years, without the presence of Management.

In discharging its functions, the AC 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.

The AC has undertaken a review of all non-audit services provided by the external auditors during the financial year, and is of the view that they would not affect the independence of the external auditors.

The AC has recommended that KPMG LLP be nominated for re-appointment as external auditors at the forthcoming Annual General Meeting to be held on 25 July 2012. KPMG LLP has indicated their willingness to accept re-appointment.

INTERNAL CONTROLS

(***PRINCIPLE 12*** *– The Board should ensure that Management maintains a sound system of internal controls to safeguard Shareholders' investments and the Company's assets.)*

During the year, the AC reviewed the effectiveness of the Group's internal controls, including financial, operational and compliance controls, and risk management. The AC 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 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 AC.

The Board, through the AC, monitors the Group's system of internal controls. The Board sets policies and seek regular assurance that the system of internal controls is operating effectively and meet the needs of the Group in its current business environment. However, the Board is also aware that such a system can only provide reasonable assurance against material misstatement or loss. The Board is satisfied that problems are identified on a timely basis and follow-up actions are promptly implemented to minimise lapses.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by Management, Board committees and the Board, the AC and the Board are of the opinion that the Group's internal controls, addressing financial, operational and compliance risks, were adequate as at 31 March 2012.

REPORT ON CORPORATE GOVERNANCE

INTERNAL AUDIT (IA)

(***PRINCIPLE 13*** *– The Company should establish an internal audit function that is independent of the activities it audits.)*

The internal audit function is outsourced to Ernst & Young Advisory Pte Ltd, who reports directly to the AC.

The internal auditor reviews once every two years 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 the adequacy and maintenance of proper accounting records, and the reliability of the information used within or published by the Company.

BOARD MEMBERSHIP AND BOARD PERFORMANCE

(***PRINCIPLE 4*** *– There should be a formal and transparent process for the appointment of new Directors to the Board.)*

(***PRINCIPLE 5*** *– There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board.)*

Nominating Committee (NC)

The NC comprises of three non-executive Directors, the majority of whom are independent:

Mr Eddie Tang (Chairman)*
Mr Guok Chin Huat Samuel*
Mr Lee Chien Shih

The main Terms of Reference of the NC are to:

(a) Make recommendations to the Board on all Board and Board committees appointments and re-nominations, including recommending the Chairman for the Board and for each Board committee;

(b) Determine annually whether a Director is independent and whether he is able to carry out his duties as a Director; and

(c) Assess the effectiveness of the Board as a whole and the contribution by each individual Director to the effectiveness of the Board.

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* Mr Guok Chin Huat stepped down as Chairman of the NC and Mr Eddie Tang was appointed as Chairman of the NC on 1 August 2011. Mr Cecil Vivian Richard Wong retired as member of the NC on 21 July 2011.

REPORT ON CORPORATE GOVERNANCE

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 Guok Chin Huat Samuel, Mr Eddie Tang and Mr Tan Swee Siong are independent Directors and that, further, no individual or group of individuals dominate the Board's decision-making process.

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 put forward for re-appointment pursuant to Section 153(6) of the Companies Act, Cap 50 (applicable to Directors of or over 70 years of age) and re-election pursuant to Article 94 of the Articles (applicable to Directors' retirement by rotation), at the Annual General Meeting. Each NC member abstained from participating in deliberations in respect of himself.

The NC also considers the structure, size and composition of the Board. The selection of candidates for new appointments to the Board as part of the Board's renewal process will depend on factors such as the current and mid-term needs and goals of the Company and the nature and size of the Group's operations. A candidate would be evaluated on relevant expertise and potential contributions to the Board.

Directors' attendance at Board and Committee Meetings
1 April 2011 to 31 March 2012

	Board Meeting		Audit Committee Meeting		Remuneration Committee Meeting		Nominating Committee Meeting		Project Development Committee Meeting	
Name of Director	No. of Meetings	Attendance	No. of Meetings	Attendance	No. of Meetings	Attendance	No. of Meetings	Attendance	No. of Meetings	Attendance
Mr Guok Chin Huat Samuel	6	6	4	4	2	2	2	2	6	6
+Mr Cecil Vivian Richard Wong	2	2	1	1	2	2	2	2	2	1
Mr Teo Kim Yam	6	6	–	–	–	–	–	–	–	–
Mr Lee Chien Shih	6	6	–	–	2	2	2	2	6	6
Mr Ng Chee Seng	6	6	–	–	–	–	–	–	–	–
Mr Eddie Tang	6	6	4	4	–	–	–	–	–	–
^Mr Tan Swee Siong	3	3	3	3	–	–	–	–	4	4

\+ Retired on 21 July 2011
^ Appointed on 1 August 2011
"No. of Meetings" refers to the number of meetings held during the period in which the relevant Director held office.

REPORT ON CORPORATE GOVERNANCE

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

(***PRINCIPLE 7*** *– There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. No Director should be involved in deciding his own remuneration.)*

LEVEL AND MIX OF REMUNERATION

(***PRINCIPLE 8*** *– The level of remuneration should be appropriate to attract, retain and motivate the Directors needed to run the company successfully but companies should avoid paying more than is necessary for this purpose. A significant proportion of executive Directors' remuneration should be structured so as to link rewards to corporate and individual performance.)*

DISCLOSURE ON REMUNERATION

(***PRINCIPLE 9*** *– Each Company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration in the Company's annual report. It should provide disclosure in relation to its remunerative policies to enable investors to understand the link between remuneration paid to Directors and key executives, and performance.)*

Remuneration Committee (RC)

The RC comprises of three non-executive Directors, a majority of whom are independent:

Mr Lee Chien Shih (Chairman)*
Mr Guok Chin Huat Samuel
Mr Eddie Tang#

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

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* Mr Cecil Vivian Richard Wong retired as Chairman of the RC on 21 July 2011 and Mr Lee Chien Shih was appointed Chairman of the RC on 1 August 2011.

\# Mr Eddie Tang was appointed a member of the RC on 1 August 2011.

REPORT ON CORPORATE GOVERNANCE

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

The Company adopts an overall remuneration policy for staff comprising a fixed component in the form of a base salary. The variable component is in the form of a bonus that is linked to the Company's and the individual's performance. Compensation packages and revisions of senior Management remuneration are subject to the review and approval of the RC. Presently, the Company does not have any share option scheme.

Directors' fees are set in accordance with a remuneration framework comprising basic fees, attendance fees and additional fees for serving on Board committees. Executive Directors do not receive Directors' fees.

Remuneration of Directors

The remuneration of each Director is shown in the table below :-

Name of Director	Total Remuneration $'000	Fees $'000	Salary $'000	Bonus $'000	Benefits-in-kind $'000
Non-Executive Directors					
Mr Guok Chin Huat Samuel	150.0	150.0	–	–	–
+Mr Cecil Vivian Richard Wong	54.6	54.6	–	–	–
Mr Teo Kim Yam	*50.0	*50.0	–	–	–
Mr Lee Chien Shih	72.0	72.0	–	–	–
Mr Eddie Tang	82.0	82.0	–	–	–
^Mr Tan Swee Siong	65.4	65.4	–	–	–
Executive Director					
Mr Ng Chee Seng	532.6	–	245.2	242.3	45.1
Total	1,006.6	474.0	245.2	242.3	45.1

* Paid to Lee Rubber Co (Pte) Ltd
\+ Retired on 21 July 2011
^ Appointed on 1 August 2011

The above proposed total fees of $474,000 (2011: $474,000) for non-executive Directors is subject to Shareholders' approval at the Company's AGM on 25 July 2012.

REPORT ON CORPORATE GOVERNANCE

Remuneration of Key Executives

The Group has five key executives (who are not also Directors of the Company). The remuneration of each of the key executives is within the band of $250,000 for the financial year ended 31 March 2012. The five key executives are:

Ms Tan Guat Ngoh (Chief Accountant and Company Secretary)
Ms Eunice Lau (Assistant General Manager, Marketing)
Mr Justin Ho Ngiam Chan (Senior Project Manager)
Mr Yeow Seng Teck (Senior Project Manager)
Ms Katharine Kum Lai Hoong (Senior Project Manager)

Remuneration of Directors' Immediate Family

During the financial year ended 31 March 2012, none of the Directors had immediate family members who were employees of the Company.

PROJECT DEVELOPMENT MATTERS

Project Development Committee (PDC)

The PDC comprises of three non-executive Directors, a majority of whom are independent:

Mr Guok Chin Huat Samuel (Chairman)*
Mr Lee Chien Shih
Mr Tan Swee Siong#

The principal responsibilities of PDC are to oversee matters such as approving vendor lists, minor work contracts, supply and maintenance contracts and nominated sub-contracts.

COMMUNICATION WITH SHAREHOLDERS

(***PRINCIPLE 14*** *– Companies should engage in regular, effective and fair communication with Shareholders.)*

PROMOTION OF GREATER PARTICIPATION BY SHAREHOLDERS

(***PRINCIPLE 15*** *– Companies should encourage greater shareholder participation at AGMs, and allow Shareholders the opportunity to communicate their views on various matters affecting the Company.)*

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* Mr Guok Chin Huat Samuel was appointed Chairman of the PDC on 1 August 2011.

Mr Cecil Vivian Richard Wong retired as member of the PDC on 21 July 2011 and Mr Tan Swee Siong was appointed a member of the PDC on 1 August 2011.

REPORT ON CORPORATE GOVERNANCE

In line with continuous disclosure obligations of the Company, pursuant to the SGX-ST's Listing Manual 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-year and full-year results are published on the Company's website and announced to SGX-ST via SGXNET. All information on the Company's new initiatives are first disseminated through the Company's website and SGXNET.

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 AGM is also advertised in a prominent English language newspaper. At AGMs, Shareholders are given the opportunity to air their views and ask questions. The Directors, Management and external auditors will be present and available to address Shareholders' questions germane to the AGM.

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

BEST PRACTICES POLICIES

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 recommendations of the SGX-ST on Dealings in Securities to provide further guidance to Directors and employees dealing in the Company's securities. Pursuant to 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 results for each of the first three quarters of the financial year and one month before the Group's full-year results and ending on the respective announcement date. In addition, Directors and key executives are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. They are also discouraged from dealing in the Company's securities on short-term considerations.

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

REPORT ON CORPORATE GOVERNANCE

Interested Person Transactions (IPT)

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 IPT. For this financial year, there were no IPT 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.

OTHER DIRECTORSHIPS

Name of Director	Other Directorship/ Chairmanship of Listed Companies (Present / Past over preceding 3 years)	Date of Last Election	Directors due for Re-Election at the AGM on 25 July 2012
Mr Guok Chin Huat Samuel	**Present** Director – Global Palm Resources Holdings Ltd Director – Redwood Group Limited **Past** Director – Japan Land Ltd	23 July 2010	Retiring by rotation (Article 94) and offering himself for re-election
Mr Teo Kim Yam	–	22 July 2011	Retiring pursuant to section 153(6) Companies Act Cap 50 and offering himself for re-appointment
Mr Lee Chien Shih	**Present** Director – Great Eastern Holdings Ltd Group	23 July 2010	Retiring by rotation (Article 94) and offering himself for re-election
Mr Ng Chee Seng	–	22 July 2011	–
Mr Eddie Tang	–	22 July 2011	–
Mr Tan Swee Siong	–	–	Retiring pursuant to Article 76 and offering himself for re-election

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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 2012.

Directors

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

Guok Chin Huat Samuel
Teo Kim Yam
Lee Chien Shih
Ng Chee Seng
Eddie Tang
Tan Swee Siong (Appointed on 1 August 2011)

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				
Lee Chien Shih	528,000	528,000	–	–
Ng Chee Seng	–	–	24,000	24,000

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

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 April 2012.

DIRECTORS' REPORT

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

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

Share options

On 8 April 2009, pursuant to the Company's rights issue, 107,899,514 new ordinary shares (the "rights shares") were issued at an issue price of $2.30 per rights share, together with 43,159,713 free detachable warrants (the "warrants"), each carrying the right to subscribe for one (1) new ordinary share at an exercise price of $2.30 for each new share, on the basis of one (1) rights share for every one (1) existing ordinary share and two (2) warrants for every five (5) rights shares subscribed.

As at 31 March 2012, there were no outstanding rights shares and 43,112,298 (2011: 36,309,448) warrants had been exercised. There were Nil (2011: 6,850,265) warrants outstanding as at 31 March 2012.

In accordance with the terms and conditions of the warrants, the rights to subscribe for new ordinary shares in the capital of the Company comprised in the warrants expired at 5.00 p.m. on 8 April 2011.

A warrant holder has no right to participate by virtue of the option in any share issue of any other company.

Save as disclosed above, 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 at the date of this report are:

- Guok Chin Huat Samuel (Chairman), independent and non-executive director (appointed as Audit Committee Chairman on 21 July 2011);
- Eddie Tang, independent and non-executive director;
- Tan Swee Siong, independent and non-executive director (appointed on 1 August 2011).

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 four 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.

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

DIRECTORS' REPORT

Auditors

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

On behalf of the Board of Directors

Guok Chin Huat Samuel
Director

Ng Chee Seng
Director

28 June 2012

STATEMENT BY DIRECTORS

In our opinion:

(a) the financial statements set out on pages 41 to 93 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 2012 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

Guok Chin Huat Samuel
Director

Ng Chee Seng
Director

28 June 2012

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
BUKIT SEMBAWANG ESTATES LIMITED

Report on the financial statements

We have audited the accompanying financial statements of Bukit Sembawang Estates Limited (the Company) and its subsidiaries (the Group), which comprise the statements of financial position of the Group and the Company as at 31 March 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 41 to 93.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

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 about 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 of financial statements that give a true and fair view 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, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the 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 2012 and the results, changes in equity and cash flows of the Group for the year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those 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

28 June 2012

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2012

	Note	Group 2012 $'000	Group 2011 (Restated) $'000	Group 2010 (Restated) $'000	Company 2012 $'000	Company 2011 $'000
Non-current assets						
Investment property	4	**4,683**	4,843	4,911	**–**	–
Property, plant and equipment	5	**119**	155	198	**–**	–
Investments in subsidiaries	6	**–**	–	–	**80,294**	80,294
Available-for-sale financial assets	7	**–**	48,094	39,790	**–**	48,094
Deferred tax assets	8	**250**	224	1,394	**–**	–
		5,052	53,316	46,293	**80,294**	128,388
Current assets						
Development properties	9	**1,123,999**	1,199,811	1,333,590	**–**	–
Trade and other receivables	10	**15,885**	21,190	3,481	**1,103,058**	1,303,492
Cash and cash equivalents	12	**298,438**	205,257	105,196	**15,678**	14,838
		1,438,322	1,426,258	1,442,267	**1,118,736**	1,318,330
Total assets		**1,443,374**	1,479,574	1,488,560	**1,199,030**	1,446,718
Equity attributable to shareholders of the Company						
Share capital	13	**631,801**	616,160	587,057	**631,801**	616,160
Reserves	14	**459,716**	344,481	174,824	**210,697**	242,434
Total equity		**1,091,517**	960,641	761,881	**842,498**	858,594
Non-current liabilities						
Interest-bearing bank loans	15	**275,481**	443,042	697,318	**215,637**	443,042
Derivative financial liabilities		**–**	4,272	–	**–**	4,272
Deferred tax liabilities	8	**9,682**	1,666	331	**14**	14
		285,163	448,980	697,649	**215,651**	447,328
Current liabilities						
Trade and other payables	16	**48,511**	42,870	27,764	**138,989**	139,948
Derivative financial liabilities		**1,892**	836	775	**1,892**	836
Current tax payable		**16,291**	26,247	491	**–**	12
		66,694	69,953	29,030	**140,881**	140,796
Total liabilities		**351,857**	518,933	726,679	**356,532**	588,124
Total equity and liabilities		**1,443,374**	1,479,574	1,488,560	**1,199,030**	1,446,718

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

	Note	2012 $'000	2011 (Restated) $'000
Revenue	17	**390,574**	515,119
Cost of sales		**(228,789)**	(313,956)
Gross profit		**161,785**	201,163
Other income		**38,961**	2,904
Administrative expenses		**(3,457)**	(3,512)
Other operating income		**12,578**	8,544
Profit from operations	18	**209,867**	209,099
Finance income		**3,767**	659
Finance expense		**(6,746)**	(4,377)
Net finance costs	19	**(2,979)**	(3,718)
Profit before income tax		**206,888**	205,381
Income tax expense	20	**(23,983)**	(29,432)
Profit for the year attributable to equity holders of the Company		**182,905**	175,949
Other comprehensive income			
Change in fair value of available-for-sale financial assets		**(4,287)**	8,218
Transfer of fair value reserve to profit or loss on disposal of available-for-sale financial assets		**(37,519)**	(386)
Effective portion of changes in fair value of cash flow hedges		**–**	(4,718)
Transfer of hedging reserve to profit or loss		**5,205**	288
Other comprehensive income for the year, net of income tax		**(36,601)**	3,402
Total comprehensive income for the year		**146,304**	179,351
Earnings per share	21		
Basic earnings per share (cents)		**70.64**	71.00
Diluted earnings per share (cents)		**70.64**	70.02

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

Group	Note	Share capital $'000	Capital reserve $'000	Fair value reserve $'000	Hedging reserve $'000	Accumulated profits $'000	Dividend reserve $'000	Total $'000
At 1 April 2010		587,057	60,714	33,974	(775)	78,466	9,591	769,027
Effect of change in accounting policies	2.5(i)	–	–	–	–	(7,146)	–	(7,146)
Restated at 1 April 2010		587,057	60,714	33,974	(775)	71,320	9,591	761,881
Total comprehensive income for the year								
Profit for the year, restated		–	–	–	–	175,949	–	175,949
Other comprehensive income								
Change in fair value of available-for-sale financial assets		–	–	8,218	–	–	–	8,218
Transfer of fair value reserve to profit or loss on disposal of available-for-sale financial assets		–	–	(386)	–	–	–	(386)
Effective portion of changes in fair value of cash flow hedges		–	–	–	(4,718)	–	–	(4,718)
Transfer of hedging reserve to profit or loss		–	–	–	288	–	–	288
Total comprehensive income for the year		–	–	7,832	(4,430)	175,949	–	179,351
Transactions with owners, recorded directly in equity								
Shares issued pursuant to warrants conversion		29,103	–	–	–	–	–	29,103
Dividends to equity holders:	22							
– final dividends for the previous year, paid		–	–	–	–	(103)	(9,591)	(9,694)
– final dividends for the year, proposed		–	–	–	–	(31,069)	31,069	–
Total transactions with owners		29,103	–	–	–	(31,172)	21,478	19,409
At 31 March 2011		616,160	60,714	41,806	(5,205)	216,097	31,069	960,641

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

Group	Note	Share capital $'000	Capital reserve $'000	Fair value reserve $'000	Hedging reserve $'000	Accumulated profits $'000	Dividend reserve $'000	Total $'000
At 1 April 2011		616,160	60,714	41,806	(5,205)	217,798	31,069	962,342
Effect of change in accounting policies	2.5(i)	–	–	–	–	(1,701)	–	(1,701)
Restated at 1 April 2011		616,160	60,714	41,806	(5,205)	216,097	31,069	960,641
Total comprehensive income for the year								
Profit for the year		–	–	–	–	182,905	–	182,905
Other comprehensive income								
Change in fair value of available-for-sale financial assets		–	–	(4,287)	–	–	–	(4,287)
Transfer of fair value reserve to profit or loss on disposal of available-for-sale financial assets		–	–	(37,519)	–	–	–	(37,519)
Transfer of hedging reserve to profit or loss		–	–	–	5,205	–	–	5,205
Total comprehensive income for the year		–	–	(41,806)	5,205	182,905	–	146,304
Transactions with owners, recorded directly in equity								
Shares issued pursuant to warrants conversion		15,641	–	–	–	–	–	15,641
Dividends to equity holders:	22							
– final dividends for the previous year, paid		–	–	–	–	–	(31,069)	(31,069)
– final dividends for the year, proposed		–	–	–	–	(46,604)	46,604	–
Total transactions with owners		15,641	–	–	–	(46,604)	15,535	(15,428)
At 31 March 2012		631,801	60,714	–	–	352,398	46,604	1,091,517

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

	Note	2012 $'000	2011 (Restated) $'000
Cash flows from operating activities			
Profit before income tax		**206,888**	205,381
Adjustments for:			
Depreciation of investment property		**160**	166
Depreciation of property, plant and equipment		**94**	65
Dividend income from available-for-sale financial assets		**(873)**	(1,874)
Gain on disposal of available-for-sale financial assets		**(37,400)**	(452)
Finance expense		**6,746**	4,377
Finance income		**(3,767)**	(659)
Write-back of foreseeable losses on development properties		**(17,000)**	(13,000)
Operating profit before working capital changes		**154,848**	194,004
Changes in working capital:			
Development properties		**109,334**	165,929
Trade and other receivables		**4,260**	(18,162)
Trade and other payables		**5,435**	16,659
Cash generated from operations		**273,877**	358,430
Interest received		**514**	271
Income taxes paid		**(25,890)**	(1,089)
Net cash from operating activities		**248,501**	357,612
Cash flows from investing activities			
Capital expenditure on investment property		**–**	(98)
Dividends received		**1,367**	1,786
Proceeds from disposal of available-for-sale financial assets		**44,217**	442
Purchase of property, plant and equipment		**(58)**	(22)
Net cash from investing activities		**45,526**	2,108
Cash flows from financing activities			
Dividends paid		**(31,069)**	(9,694)
Interest paid (including amounts capitalised in development properties)		**(12,554)**	(20,888)
Proceeds from conversion of warrants		**15,641**	29,103
Payment of financing transaction costs		**(1,864)**	–
Proceeds from bank loans		**406,000**	30,800
Repayments of bank loans		**(577,000)**	(288,980)
Net cash used in financing activities		**(200,846)**	(259,659)
Net increase in cash and cash equivalents		**93,181**	100,061
Cash and cash equivalents at beginning of year		**205,257**	105,196
Cash and cash equivalents at end of year	12	**298,438**	205,257

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

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 28 June 2012.

1 Domicile and activities

Bukit Sembawang Estates Limited (the Company) is incorporated in the Republic of Singapore and has its registered office at 250 Tanjong Pagar Road, #09-01 St Andrew's Centre, Singapore 088541.

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 Basis of preparation

2.1 Statement of compliance

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

2.2 Basis of measurement

The financial statements are prepared on the historical cost basis except for certain financial assets and financial liabilities which are stated at fair value.

2.3 Functional and presentation currency

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.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with FRSs 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.

NOTES TO THE FINANCIAL STATEMENTS

2 Basis of preparation (cont'd)

2.4 Use of estimates and judgements (cont'd)

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements, and assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year, are described in the following notes:

- Note 3.11 – measurement of profit attributable to properties under development
- Note 3.14 – estimation of provisions for current and deferred taxation
- Note 9 – measurement of realisable amounts of development properties
- Note 25 – valuation of financial instruments

2.5 Changes in accounting policies

(i) Agreements for the construction of real estate

The Group has adopted INT FRS 115 *Agreements for the Construction of Real Estate* (INT FRS 115) and the *Accompanying Note on Application of INT FRS 115 in Singapore* (AN) in its accounting for revenue from sales of development properties for the year ended 31 March 2012.

Prior to the adoption of INT FRS 115 and the AN, revenue from sales of development properties was recognised using the percentage of completion (POC) method as allowed under Recommended Accounting Practice 11 *Pre-Completion Contracts for the Sale of Development Property* (RAP 11). RAP 11 was withdrawn with effect from 1 January 2011 following the adoption of INT FRS 115.

Under INT FRS 115 and the AN, revenue from sales of residential properties within the scope of the AN continues to be recognised using the POC method. However, for the sale of development properties with deferred payment scheme, revenue is now recognised only upon the transfer of control and significant risks and rewards of ownership of the property to the buyer. This generally coincides with the point of time when the development unit is delivered to the buyer. The change in accounting policy was applied retrospectively.

NOTES TO THE FINANCIAL STATEMENTS

2 Basis of preparation (cont'd)

2.5 Changes in accounting policies (cont'd)

(i) Agreements for the construction of real estate (cont'd)

The following table summarises the adjustments made to the statement of financial position upon implementation of the new accounting policy:

	Development properties $'000	Accumulated profits $'000	Deferred tax liabilities $'000
Group			
Balance as reported at 1 April 2010	1,342,200	78,466	1,795
Effect of change in accounting policy	(8,610)	(7,146)	(1,464)
Restated balance at 1 April 2010	1,333,590	71,320	331
Balance as reported at 31 March 2011	1,201,861	217,798	2,015
Effect of change in accounting policy	(2,050)	(1,701)	(349)
Restated balance at 31 March 2011	1,199,811	216,097	1,666

The effects on the income statement and earnings per share were as follows:

	2011 $'000
Group	
Increase in revenue from sale of development properties	15,104
Increase in net profit attributable to owners of the Group	5,445
Increase in basic earnings per share (cents)	2.20
Increase in diluted earnings per share (cents)	2.17

(ii) Identification of related party relationships and related party disclosures

From 1 April 2011, the Group has applied the revised FRS 24 *Related Party Disclosures* (2010) to identify parties that are related to the Group and to determine the disclosures to be made on transactions and outstanding balances, including commitments, between the Group and its related parties. FRS 24 (2010) improved the definition of a related party in order to eliminate inconsistencies and ensure symmetrical identification of relationships between two parties.

NOTES TO THE FINANCIAL STATEMENTS

2 Basis of preparation (cont'd)

2.5 Changes in accounting policies (cont'd)

(ii) Identification of related party relationships and related party disclosures (cont'd)

The adoption of FRS 24 (2010) has not resulted in additional parties being identified as related to the Group.

There is no financial effect on the results, financial position and disclosures of the Group for the current and previous financial years. Accordingly, the adoption of FRS 24 (2010) has no impact on earnings per share.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 2.5, which addresses changes in accounting policies.

3.1 Basis of 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 profit or loss 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.

NOTES TO THE FINANCIAL STATEMENTS

3 Significant accounting policies (cont'd)

3.1 Basis of consolidation (cont'd)

Accounting for subsidiaries by the Company

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

3.2 Foreign currency transactions

Transactions in foreign currencies are translated at the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at 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 profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments, which are recognised in other comprehensive income.

3.3 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 3.11.

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

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

The estimated useful lives are as follows:

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

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

NOTES TO THE FINANCIAL STATEMENTS

3 Significant accounting policies (cont'd)

3.4 Property, plant and equipment

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

Depreciation is recognised in profit or loss 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.

3.5 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.

3.6 Financial instruments

Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

NOTES TO THE FINANCIAL STATEMENTS

3 Significant accounting policies (cont'd)

3.6 Financial instruments (cont'd)

Non-derivative financial assets (cont'd)

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

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

The Group classifies non-derivative financial assets into the following categories: loans and receivables and available-for-sale financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables and cash and cash equivalents.

Cash and cash equivalents comprise cash balances and bank deposits.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. 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 impairment losses and foreign currency differences on available-for-sale monetary items (see note 3.2), are recognised in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognised, the cumulative gain or loss in other comprehensive income is transferred to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3 Significant accounting policies (cont'd)

3.6 Financial instruments (cont'd)

Non-derivative financial liabilities

The Group initially recognises financial liabilities on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

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

The Group classifies non-derivative financial liabilities in the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise interest-bearing bank loans and trade and other payables.

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.

Derivative financial instruments, including hedge accounting

The Group holds derivative financial instruments to hedge its interest rate risk exposure. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3 Significant accounting policies (cont'd)

3.6 Financial instruments (cont'd)

Derivative financial instruments, including hedge accounting (cont'd)

On initial designation of the hedge, the Group formally documents the relationship between the hedging instruments and hedged items, including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items during the period for which the hedge is designated, and whether the actual results of each hedge are within a range of 80%-125%. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. The amount recognised in other comprehensive income is removed and included in profit or loss in the same period as the hedged cash flows affect profit or loss under the same line item in profit or loss as the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated, exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in other comprehensive income and presented in the hedging reserve in equity remains there until the forecast transaction affects profit or loss. When the hedged item is a non-financial asset, the amount recognised in other comprehensive income is transferred to the carrying amount of the asset when the asset is recognised. If the forecast transaction is no longer expected to occur, then the balance in other comprehensive income is recognised immediately in profit or loss. In other cases, the amount recognised in other comprehensive income is transferred to profit or loss in the same period that the hedged item affects profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3 **Significant accounting policies (cont'd)**

3.6 Financial instruments (cont'd)

Other non-trading derivatives

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in profit or loss.

3.7 Impairment

Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, and the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

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 asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3 Significant accounting policies (cont'd)

3.7 Impairment (cont'd)

Impairment of financial assets (cont'd)

Impairment losses on available-for-sale investment securities are recognised by transferring the cumulative loss that has been recognised in other comprehensive income, and presented in the fair value reserve in equity, to profit or loss. The cumulative loss that is removed from other comprehensive income and recognised in profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in profit or loss.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

Impairment of non-financial assets

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

The recoverable amount of an asset or CGU 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 CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

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

NOTES TO THE FINANCIAL STATEMENTS

3 Significant accounting policies (cont'd)

3.7 Impairment (cont'd)

Impairment of non-financial assets (cont'd)

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

3.8 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.

3.9 Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss 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.

NOTES TO THE FINANCIAL STATEMENTS

3 **Significant accounting policies (cont'd)**

3.10 *Financial guarantee contracts*

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

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

3.11 *Revenue recognition*

Development properties for sale

Revenue from sales of development properties is recognised using the percentage of completion method when the Group determines that (a) control and the significant risks and rewards of ownership of the work-in-progress transfer to the buyer in its current state as construction progresses, (b) sales price is fixed and collectible, (c) the percentage of completion can be measured reliably, (d) there is no significant uncertainty as to the ability of the Group to complete the development, and (e) costs incurred or to be incurred can be measured reliably.

In all other instances, revenue from sales of development properties is only recognised upon the transfer of control and significant risks and rewards of ownership of the property to the buyer. This generally coincides with the point in time when the development unit is delivered to the buyer.

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. Profits are recognised only in respect of finalised sales contracts to the extent that such profits relate to the progress of the construction work.

Dividends

Dividend income is recognised in profit or loss 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.

NOTES TO THE FINANCIAL STATEMENTS

3 Significant accounting policies (cont'd)

3.12 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 profit or loss. 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 profit or loss. All borrowing costs are recognised in profit or loss 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.

3.13 Operating leases

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

3.14 Income tax

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

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3 Significant accounting policies (cont'd)

3.14 Income tax (cont'd)

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be 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.

3.15 Segment reporting

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

Segment results that are reported to the Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly administrative expenses of the foreign incorporated subsidiaries.

3.16 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2011, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

4 Investment property

	$'000
Group	
Cost	
At 1 April 2010	7,996
Additions	98
At 31 March 2011 and 31 March 2012	8,094
Accumulated depreciation	
At 1 April 2010	3,085
Depreciation charge for the year	166
At 31 March 2011	3,251
Depreciation charge for the year	160
At 31 March 2012	3,411
Carrying amount	
At 1 April 2010	4,911
At 31 March 2011	4,843
At 31 March 2012	4,683
Fair value	
At 31 March 2010	10,280
At 31 March 2011	12,360
At 31 March 2012	14,200

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 $447,000 (2011: $233,000) 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 comparative 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

5 Property, plant and equipment

	Furniture, fittings and equipment $'000	Motor vehicles $'000	Computers $'000	Total $'000
Group				
Cost				
At 1 April 2010	410	207	104	721
Additions	4	–	18	22
Written off	(222)	–	–	(222)
At 31 March 2011	192	207	122	521
Additions	16	–	42	58
Written off	(13)	–	(29)	(42)
At 31 March 2012	195	207	135	537
Accumulated depreciation				
At 1 April 2010	276	144	103	523
Depreciation charge for the year	30	27	8	65
Written off	(222)	–	–	(222)
At 31 March 2011	84	171	111	366
Depreciation charge for the year	32	27	35	94
Written off	(13)	–	(29)	(42)
At 31 March 2012	103	198	117	418
Carrying amount				
At 1 April 2010	134	63	1	198
At 31 March 2011	108	36	11	155
At 31 March 2012	92	9	18	119

The depreciation charge is included in administrative expenses in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

6 Investments in subsidiaries

	Company 2012 $'000	Company 2011 $'000
Investments in subsidiaries	**80,294**	80,294

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Effective equity held by the Group 2012 %	Effective equity held by the Group 2011 %
Direct subsidiaries of the Company			
Bukit Sembawang View Pte. Ltd.	Singapore	**100**	100
Bukit Sembawang Rubber Company Limited	England and Wales	**100**	100
Indirect subsidiaries of the Company			
Sembawang Estates (Private) Limited	Singapore	**100**	100
Singapore United Estates (Private) Limited	Singapore	**100**	100
Singapore United Rubber Plantations Limited	England and Wales	**100**	100

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

7 Available-for-sale financial assets

	Group and Company 2012 $'000	Group and Company 2011 $'000
Quoted equity securities, at fair value	**–**	48,094

NOTES TO THE FINANCIAL STATEMENTS

8 Deferred tax assets/(liabilities)

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

	At 1/4/2010 $'000	Effect of adoption of INT FRS 115 $'000	Restated balance at 1/4/2010 $'000	Recognised in profit or loss (note 20) $'000	At 31/3/2011 $'000
Group					
Deferred tax assets					
Trade and other payables	545	–	545	(30)	515
Tax losses	669	–	669	2	671
Development properties	830	–	830	(2,532)	(1,702)
	2,044	–	2,044	(2,560)	(516)
Deferred tax liabilities					
Property, plant and equipment	(2)	–	(2)	(2)	(4)
Trade and other receivables	(68)	–	(68)	54	(14)
Development properties	(2,375)	1,464	(911)	3	(908)
	(2,445)	1,464	(981)	55	(926)
	(401)	1,464	1,063	(2,505)	(1,442)
Company					
Deferred tax liabilities					
Trade and other receivables	(14)	–	(14)	–	(14)

NOTES TO THE FINANCIAL STATEMENTS

8 **Deferred tax assets/(liabilities) (cont'd)**

	At 1/4/2011 $'000	Effect of adoption of INT FRS 115 $'000	Restated balance at 1/4/2011 $'000	Recognised in profit or loss (note 20) $'000	At 31/3/2012 $'000
Group					
Deferred tax assets					
Trade and other payables	515	–	515	(220)	**295**
Tax losses	671	–	671	(576)	**95**
Development properties	(1,702)	–	(1,702)	(3,153)	**(4,855)**
	(516)	–	(516)	(3,949)	**(4,465)**
Deferred tax liabilities					
Property, plant and equipment	(4)	–	(4)	33	**29**
Trade and other receivables	(14)	–	(14)	–	**(14)**
Development properties	(1,257)	349	(908)	(4,074)	**(4,982)**
	(1,275)	349	(926)	(4,041)	**(4,967)**
	(1,791)	349	(1,442)	(7,990)	**(9,432)**
Company					
Deferred tax liabilities					
Trade and other receivables	(14)	–	(14)	–	**(14)**

NOTES TO THE FINANCIAL STATEMENTS

8 Deferred tax assets/(liabilities) (cont'd)

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	
	2012	2011 (Restated)	2010 (Restated)	2012	2011
	$'000	$'000	$'000	$'000	$'000
Deferred tax assets	**250**	224	1,394	**–**	–
Deferred tax liabilities	**(9,682)**	(1,666)	(331)	**(14)**	(14)
	(9,432)	(1,442)	1,063	**(14)**	(14)

9 Development properties

	Group		
	2012	2011 (Restated)	2010 (Restated)
	$'000	$'000	$'000
Properties in the course of development			
Cost	**1,432,693**	1,371,083	1,483,505
Allowance for foreseeable losses	**–**	(17,000)	(30,000)
	1,432,693	1,354,083	1,453,505
Attributable profit	**173,640**	74,511	26,840
Progress billings	**(529,078)**	(302,131)	(146,755)
	1,077,255	1,126,463	1,333,590
Completed units, at cost	**46,744**	73,348	–
	1,123,999	1,199,811	1,333,590

NOTES TO THE FINANCIAL STATEMENTS

9 Development properties (cont'd)

During the financial year, borrowing costs capitalised in properties in the course of development amounted to:

	Note	Group 2012 $'000	Group 2011 $'000
Borrowing costs paid and payable to banks	19	**16,522**	19,150

Borrowing costs have been capitalised at rates ranging from 0.96% to 2.56% (2011: 0.65% to 2.80%) per annum for development properties.

As at 31 March 2012, the allowance for foreseeable losses is estimated taking into account estimated selling prices and estimated total construction costs. The estimated selling prices are based on recent selling prices for the development project or comparable projects and prevailing property market conditions. The estimated total construction costs are based on contracted amounts and, in respect of amounts not contracted for, management's estimates of the amounts to be incurred taking into consideration historical trends of the amounts incurred.

As at 31 March 2011, the allowance for foreseeable losses was 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 involved making estimates of total construction costs and selling prices of the development properties.

Development properties of the Group with a carrying amount of $Nil (2011: $1,119,000,000) are mortgaged to financial institutions to secure credit facilities (note 15).

NOTES TO THE FINANCIAL STATEMENTS

10 Trade and other receivables

	Note	Group 2012 $'000	Group 2011 $'000	Company 2012 $'000	Company 2011 $'000
Trade receivables		**15,385**	20,274	**–**	–
Deposits and other receivables	11	**483**	838	**1**	465
Amounts due from subsidiaries (non-trade)		**–**	–	**1,103,057**	1,303,027
Loans and receivables		**15,868**	21,112	**1,103,058**	1,303,492
Prepayments		**17**	78	**–**	–
		15,885	21,190	**1,103,058**	1,303,492

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

The ageing of trade receivables at the reporting date is:

	Gross 2012 $'000	Gross 2011 $'000
Group		
Not past due	**12,572**	20,274
Past due 1 – 30 days	**–**	–
Past due 31 – 120 days	**2,813**	–
Past due more than 120 days	**–**	–
	15,385	20,274

Based on the Group's historical experience and management's assessment of the collectibility of trade receivables, the Group believes that no impairment 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.

NOTES TO THE FINANCIAL STATEMENTS

11 Deposits and other receivables

	Group 2012 $'000	Group 2011 $'000	Company 2012 $'000	Company 2011 $'000
Deposits	**179**	144	**–**	–
Other receivables	**304**	229	**1**	–
Dividends receivable from quoted equity securities	**–**	465	**–**	465
	483	838	**1**	465

12 Cash and cash equivalents

	Group 2012 $'000	Group 2011 $'000	Company 2012 $'000	Company 2011 $'000
Amounts held under "Project Account Rules – 1997 Ed."	**278,669**	181,472	**–**	–
Fixed deposits placed with financial institutions	**12,760**	9,000	**12,760**	9,000
Cash at banks and in hand	**7,009**	14,785	**2,918**	5,838
	298,438	205,257	**15,678**	14,838

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

Amounts held under the "Project Account Rules – 1997 Ed." includes $262,100,000 (2011: $150,300,000) held in fixed deposits placed with financial institutions. The fixed deposits have maturity periods of 4 days to 51 days (2011: 4 days to 2 months) from the end of the year.

NOTES TO THE FINANCIAL STATEMENTS

13 Share capital

	2012		2011	
	Number of shares '000	$'000	Number of shares '000	$'000
Issued and fully-paid:				
Ordinary shares				
At 1 April	**252,108**	**616,160**	239,436	587,057
Issue of shares pursuant to conversion of warrants	**6,803**	**15,641**	12,672	29,103
At 31 March	**258,911**	**631,801**	252,108	616,160

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.

On 8 April 2009, pursuant to the Company's rights issue, 107,899,514 new ordinary shares (the "rights shares") were issued at an issue price of $2.30 per rights share, together with 43,159,713 free detachable warrants (the "warrants"), each carrying the right to subscribe for one (1) new ordinary share at an exercise price of $2.30 for each new share, on the basis of one (1) rights share for every one (1) existing ordinary share and two (2) warrants for every five (5) rights shares subscribed.

As at 31 March 2012, there were no outstanding rights shares and 43,112,298 (2011: 36,309,448) warrants had been exercised. There were Nil (2011: 6,850,265) warrants outstanding as at 31 March 2012.

In accordance with the terms and conditions of the warrants, the rights to subscribe for new ordinary shares in the capital of the Company comprised in the warrants expired at 5.00 p.m. on 8 April 2011.

NOTES TO THE FINANCIAL STATEMENTS

13 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. For these purposes, the Group defines "capital" as all components of equity.

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

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. These entities complied with the requirement throughout the year. Other than as disclosed above, the Company and its subsidiaries are not subject to externally imposed capital requirements.

14 Reserves

	Group		Company	
	2012	2011 (Restated)	2012	2011
	$'000	$'000	$'000	$'000
Capital reserves:				
– distributable	**60,714**	60,714	**56,908**	56,908
– non-distributable	**–**	–	**5,000**	5,000
	60,714	60,714	**61,908**	61,908
Fair value reserve	**–**	41,806	**–**	41,806
Hedging reserve	**–**	(5,205)	**–**	(5,205)
Accumulated profits	**352,398**	216,097	**107,363**	112,856
Dividend reserve	**46,604**	31,069	**41,426**	31,069
	459,716	344,481	**210,697**	242,434

NOTES TO THE FINANCIAL STATEMENTS

14 Reserves (cont'd)

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.

As at 31 March 2011, the fair value reserve included the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised.

As at 31 March 2011, the hedging reserve comprised the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that had not yet affected profit or loss.

The dividend reserve includes the final tax exempt dividends of \$0.04 (2011: \$0.04) per share and special tax exempt dividends of \$0.14 (2011: \$0.08) per share amounting to \$46,604,000 (2011: \$31,069,000) proposed by the directors.

15 Interest-bearing bank loans

	Group		Company	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Non-current liabilities				
Secured bank loans	**–**	443,042	**–**	443,042
Unsecured bank loans	**275,481**	–	**215,637**	–
	275,481	443,042	**215,637**	443,042

NOTES TO THE FINANCIAL STATEMENTS

15 Interest-bearing bank loans (cont'd)

Terms and debt repayment schedule

	Currency	Nominal interest rate %	Year of maturity*	2012 Face value $'000	2012 Carrying amount $'000	2011 Face value $'000	2011 Carrying amount $'000
Group							
Secured bank loans	S$	SOR + 2.0% to SOR + 2.3%	2012	–	–	448,000	443,042
Unsecured bank loans	S$	SOR + 0.8% to SOR + 1.05%	2014	**277,000**	**275,481**	–	–
				277,000	**275,481**	448,000	443,042
Company							
Secured bank loans	S$	SOR + 2.0% to SOR + 2.3%	2012	–	–	448,000	443,042
Unsecured bank loans	S$	SOR + 0.85% to SOR + 1.05%	2014	**217,000**	**215,637**	–	–
				217,000	**215,637**	448,000	443,042

* This relates to calendar year.

The floating rate bank loans bore interest ranging from 0.96% to 2.56% (2011: 1.71% to 2.80%) per annum during the year.

As at 31 March 2011, the secured bank loans were collaterised by:

– mortgages on certain development properties of the Group (note 9);

– charge over the project accounts of the Group;

– assignment of the rights and interest in the sale and purchase agreements, tenancy agreements, construction contracts and insurances in respect of certain development properties of the Group; and

– guarantee by the Company and certain of its subsidiaries.

The unsecured assets of the Group are subject to a negative pledge in respect of banking facilities granted to the Group.

NOTES TO THE FINANCIAL STATEMENTS

15 Interest-bearing bank loans (cont'd)

Intra-group financial guarantees

Intra-group financial guarantees comprise guarantees given by the Company to banks in respect of banking facilities granted to subsidiaries amounting to $180,331,000 (2011: $100,000,000).

At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the guarantee.

16 Trade and other payables

	Group		Company	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Trade payables	**1,958**	10,339	**–**	–
Accrued operating expenses and development costs	**45,320**	30,205	**1,313**	1,497
Accrued interest payable	**650**	524	**394**	524
Sundry payables	**583**	1,802	**–**	–
Amounts due to subsidiaries (non-trade)	**–**	–	**137,282**	137,927
	48,511	42,870	**138,989**	139,948

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

17 Revenue

	Group	
	2012	**2011 (Restated)**
	$'000	**$'000**
Sale of development properties	**389,954**	514,713
Rental and related income	**620**	406
	390,574	515,119

NOTES TO THE FINANCIAL STATEMENTS

18 Profit from operations

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

	Group 2012 $'000	Group 2011 $'000
Accrued development expenses written back	**5,762**	849
Audit fees paid to auditors of the Company	**(135)**	(128)
Contributions to defined contribution plans (included in staff costs)	**(265)**	(169)
Direct operating expenses arising from rental of investment property (excluding depreciation)	**(131)**	(149)
Directors' fees	**(474)**	(474)
Dividend income from available-for-sale financial assets	**873**	1,874
Gain on disposal of available-for-sale financial assets	**37,400**	452
Non-audit fees paid to auditors of the Company	**(54)**	(80)
Operating lease expense	**(120)**	(324)
Staff costs	**(2,517)**	(2,631)
Write-back of foreseeable losses on development properties	**17,000**	13,000

	Group 2012 $'000	Group 2011 $'000
Transactions with key management personnel		
Short-term employee benefits:		
– Directors' fees	**(474)**	(474)
– Remuneration of key management personnel included in staff costs	**(1,549)**	(1,249)
	(2,023)	(1,723)

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

NOTES TO THE FINANCIAL STATEMENTS

19 Finance income and expense

	Note	Group 2012 $'000	Group 2011 $'000
Finance income			
Interest income from fixed deposits		**551**	274
Mark-to-market gain on derivative instruments		**3,216**	385
		3,767	659
Finance expense			
Amortisation of transaction costs capitalised		**(5,382)**	(3,904)
Interest expense on			
– bank loans		**(8,351)**	(18,901)
– derivative instruments		**(4,330)**	(434)
Transfer of hedging reserve to profit or loss		**(5,205)**	(288)
		(23,268)	(23,527)
Borrowing costs capitalised in properties in the course of development	9	**16,522**	19,150
		(6,746)	(4,377)
Net finance costs		**(2,979)**	(3,718)

NOTES TO THE FINANCIAL STATEMENTS

20 Income tax expense

	Group 2012 $'000	Group 2011 (Restated) $'000
Current tax expense		
Current year	**16,350**	26,318
(Over)/under provision in respect of prior years	**(357)**	609
	15,993	26,927
Deferred tax expense		
Origination and reversal of temporary differences	**8,329**	6,825
Over provision in respect of prior years	**(339)**	(4,320)
	7,990	2,505
Income tax expense	**23,983**	29,432
Reconciliation of effective tax rate		
Profit before income tax	**206,888**	205,381
Tax calculated using Singapore tax rate of 17%	**35,171**	34,915
Expenses not deductible for tax purpose	**10**	(1,489)
Income not subject to tax	**(10,502)**	(283)
Over provision in respect of prior years	**(696)**	(3,711)
	23,983	29,432

21 Earnings per share

Basic earnings per share

	Group 2012 $'000	Group 2011 (Restated) $'000
Basic earnings per share is based on:		
Profit for the year	**182,905**	175,949

NOTES TO THE FINANCIAL STATEMENTS

21 Earnings per share (cont'd)

Basic earnings per share (cont'd)

	Group 2012 Number of shares '000	2011 Number of shares '000
Weighted average number of ordinary shares outstanding during the year	**258,911**	243,335
Bonus element of warrants exercised during the year	**–**	4,477
Weighted average number of ordinary shares	**258,911**	247,812

Diluted earnings per share

	2012 $'000	2011 (Restated) $'000
Diluted earnings per share is based on:		
Profit for the year	**182,905**	175,949

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 2012 Number of shares '000	2011 Number of shares '000
Weighted average number of ordinary shares used in the calculation of basic earnings per share	**258,911**	247,812
Bonus element of warrants outstanding	**–**	3,495
Weighted average number of ordinary issued and potential shares assuming full conversion	**258,911**	251,307

The average market value of the Company's shares for purposes of calculating the dilutive effect of the bonus element of warrants outstanding was based on quoted market prices for the period during which the warrants were outstanding.

NOTES TO THE FINANCIAL STATEMENTS

22 Dividends

The following dividends were declared and paid by the Group and the Company:

	Group and Company 2012 $'000	2011 $'000
Tax-exempt final dividend paid of $0.04 per share in respect of year 2010	–	9,694
Tax-exempt final dividend paid of $0.04 per share in respect of year 2011	**10,356**	–
Tax-exempt special final dividend paid of $0.08 per share in respect of year 2011	**20,713**	–
	31,069	9,694

The following dividends were proposed by the directors:

	Group and Company 2012 $'000	2011 $'000
Tax-exempt final dividend proposed of $0.04 per share in respect of year 2011	–	10,356
Tax-exempt special final dividend proposed of $0.08 per share in respect of year 2011	–	20,713
Tax-exempt final dividend proposed of $0.04 per share in respect of year 2012	**10,356**	–
Tax-exempt special final dividend proposed of $0.14 per share in respect of year 2012	**36,248**	–
	46,604	31,069

NOTES TO THE FINANCIAL STATEMENTS

23 Operating leases

Leases as lessee

As at 31 March 2012, the Group had commitments for future minimum lease payments under non-cancellable operating leases as follows:

	Group	
	2012	**2011**
	$'000	**$'000**
Payable:		
Within 1 year	**89**	119
After 1 year but within 5 years	**–**	89
	89	208

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.

Leases as lessor

The Group leases out its investment property held under operating leases (see note 4). The future minimum lease payments receivable under non-cancellable leases are as follows:

	Group	
	2012	**2011**
	$'000	**$'000**
Within 1 year	**458**	443
After 1 year but within 5 years	**625**	1,070
	1,083	1,513

NOTES TO THE FINANCIAL STATEMENTS

24 Financial risk management

Overview

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

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

Exposure to credit, 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 reporting date, there was no significant concentration of credit risk. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

		Group Carrying amount		Company Carrying amount	
	Note	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Available-for-sale financial assets	7	**–**	48,094	**–**	48,094
Loans and receivables	10	**15,868**	21,112	**1,103,058**	1,303,492
Cash and cash equivalents	12	**298,438**	205,257	**15,678**	14,838
Recognised financial assets		**314,306**	274,463	**1,118,736**	1,366,424
Intra-group financial guarantee	15	**–**	–	**180,331**	100,000
		314,306	274,463	**1,299,067**	1,466,424

NOTES TO THE FINANCIAL STATEMENTS

24 Financial risk management (cont'd)

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

	Carrying amount	Cash flows		
		Contractual cash flows	Within 1 year	Within 1 to 5 years
	$'000	$'000	$'000	$'000
Group				
2012				
Non-derivative financial liabilities				
Interest-bearing bank loans	**275,481**	**(285,378)**	**(3,399)**	**(281,979)**
Trade and other payables	**48,511**	**(48,511)**	**(48,511)**	**–**
	323,992	**(333,889)**	**(51,910)**	**(281,979)**
Derivative financial liabilities				
Interest rate swaps	**1,892**	**(2,145)**	**(2,145)**	**–**
	325,884	**(336,034)**	**(54,055)**	**(281,979)**
2011				
Non-derivative financial liabilities				
Interest-bearing bank loans	443,042	(464,982)	(10,435)	(454,547)
Trade and other payables	42,870	(42,870)	(42,870)	–
	485,912	(507,852)	(53,305)	(454,547)
Derivative financial liabilities				
Interest rate swaps	5,108	(5,557)	(4,195)	(1,362)
	491,020	(513,409)	(57,500)	(455,909)

NOTES TO THE FINANCIAL STATEMENTS

24 Financial risk management (cont'd)

Liquidity risk (cont'd)

	Carrying amount	Cash flows		
		Contractual cash flows	Within 1 year	Within 1 to 5 years
	$'000	$'000	$'000	$'000
Company				
2012				
Non-derivative financial liabilities				
Interest-bearing bank loans	**215,637**	**(223,561)**	**(2,734)**	**(220,827)**
Trade and other payables	**138,989**	**(138,989)**	**(138,989)**	**–**
Recognised financial liabilities	**354,626**	**(362,550)**	**(141,723)**	**(220,827)**
Intra-group financial guarantee	**–**	**(180,331)**	**(180,331)**	**–**
	354,626	**(542,881)**	**(322,054)**	**(220,827)**
Derivative financial liabilities				
Interest rate swaps	**1,892**	**(2,145)**	**(2,145)**	**–**
	356,518	**(545,026)**	**(324,199)**	**(220,827)**
2011				
Non-derivative financial liabilities				
Interest-bearing bank loans	443,042	(464,982)	(10,435)	(454,547)
Trade and other payables	139,948	(139,948)	(139,948)	–
Recognised financial liabilities	582,990	(604,930)	(150,383)	(454,547)
Intra-group financial guarantee	–	(100,000)	(100,000)	–
	582,990	(704,930)	(250,383)	(454,547)
Derivative financial liabilities				
Interest rate swaps	5,108	(5,557)	(4,195)	(1,362)
	588,098	(710,487)	(254,578)	(455,909)

Market risk

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

NOTES TO THE FINANCIAL STATEMENTS

24 **Financial risk management (cont'd)**

Interest rate risk

Profile

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

	Group Carrying amount		Company Carrying amount	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Variable rate instruments				
Non-derivative financial assets				
Fixed deposits	**274,860**	159,300	**12,760**	9,000
Non-derivative financial liabilities				
Interest-bearing bank loans	**(275,481)**	(443,042)	**(215,637)**	(443,042)
Derivative financial liabilities				
Interest rate swaps	**(1,892)**	(5,108)	**(1,892)**	(5,108)
	(2,513)	(288,850)	**(204,769)**	(439,150)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss and equity by the amounts shown below. This analysis assumes that all other variables remain constant and does not take into account the effect of qualifying borrowing costs allowed for capitalisation and the associated tax effects. The analysis is performed on the same basis for 2011.

NOTES TO THE FINANCIAL STATEMENTS

24 Financial risk management (cont'd)

Cash flow sensitivity analysis for variable rate instruments (cont'd)

	Profit or loss		Equity	
	100 bp increase $'000	100 bp decrease $'000	100 bp increase $'000	100 bp decrease $'000
Group				
2012				
Fixed deposits	**2,749**	**(2,749)**	**–**	**–**
Interest-bearing bank loans	**(2,755)**	**2,755**	**–**	**–**
Interest rate swaps	**1,239**	**(559)**	**–**	**–**
	1,233	**(553)**	**–**	**–**
2011				
Fixed deposits	1,593	(1,593)	–	–
Interest-bearing bank loans	(4,430)	4,430	–	–
Interest rate swaps	3,985	(2,025)	–	–
	1,148	812	–	–
Company				
2012				
Fixed deposits	**128**	**(128)**	**–**	**–**
Interest-bearing bank loans	**(2,156)**	**2,156**	**–**	**–**
Interest rate swaps	**1,239**	**(559)**	**–**	**–**
	(789)	**1,469**	**–**	**–**
2011				
Fixed deposits	90	(90)	–	–
Interest-bearing bank loans	(4,430)	4,430	–	–
Interest rate swaps	3,985	(2,025)	–	–
	(355)	2,315	–	–

NOTES TO THE FINANCIAL STATEMENTS

24 Financial risk management (cont'd)

Foreign currency risk

The majority of the Group's transactions, assets and liabilities are denominated in Singapore dollars.

The Group's and the Company's exposure to foreign currency risk was as follows:

	2012 Ringgit Malaysia $'000	2011 Ringgit Malaysia $'000
Group and Company		
Available-for-sale financial assets	–	16,520

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	
	2012 $'000	2011 $'000
Ringgit Malaysia	–	826

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.

NOTES TO THE FINANCIAL STATEMENTS

24 **Financial risk management (cont'd)**

Equity price risk

The Group had available-for-sale investments in quoted equity securities and was exposed to equity price risk. These securities are listed in Singapore and Malaysia.

Sensitivity analysis

A 10% (2011: 10%) increase in the price of the equity securities at the reporting date would have the impact as shown below. A 10% (2011: 10%) decrease in the price would have an equal but opposite effect. This analysis assumes that all other variables, in particular foreign currency rates, remain constant and does not take into account the associated tax effects.

	Group		Company	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
10% (2011: 10%) increase				
Increase in equity	–	4,809	–	4,809

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

Accounting classifications and fair values

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Note	Loans and receivables $'000	Available-for-sale $'000	Fair value through profit or loss $'000	Fair value – hedging instruments $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
Group								
2012								
Trade and other receivables	10	**15,868**	–	–	–	–	**15,868**	**15,868**
Cash and cash equivalents	12	**298,438**	–	–	–	–	**298,438**	**298,438**
		314,306	–	–	–	–	**314,306**	**314,306**

NOTES TO THE FINANCIAL STATEMENTS

24 Financial risk management (cont'd)

Accounting classifications and fair values (cont'd)

	Note	Loans and receivables $'000	Available-for-sale $'000	Fair value through profit or loss $'000	Fair value – hedging instruments $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
Interest-bearing bank loans	15	**–**	**–**	**–**	**–**	**(275,481)**	**(275,481)**	**(275,481)**
Trade and other payables	16	**–**	**–**	**–**	**–**	**(48,511)**	**(48,511)**	**(48,511)**
Derivative financial liabilities		**–**	**–**	**(1,892)**	**–**	**–**	**(1,892)**	**(1,892)**
		–	**–**	**(1,892)**	**–**	**(323,992)**	**(325,884)**	**(325,884)**
2011								
Available-for-sale financial assets	7	–	48,094	–	–	–	48,094	48,094
Trade and other receivables	10	21,112	–	–	–	–	21,112	21,112
Cash and cash equivalents	12	205,257	–	–	–	–	205,257	205,257
		226,369	48,094	–	–	–	274,463	274,463
Interest-bearing bank loans	15	–	–	–	–	(443,042)	(443,042)	(443,042)
Trade and other payables	16	–	–	–	–	(42,870)	(42,870)	(42,870)
Derivative financial liabilities		–	–	(5,108)	–	–	(5,108)	(5,108)
		–	–	(5,108)	–	(485,912)	(491,020)	(491,020)

NOTES TO THE FINANCIAL STATEMENTS

24 Financial risk management (cont'd)

Accounting classifications and fair values (cont'd)

	Note	Loans and receivables $'000	Available-for-sale $'000	Fair value through profit or loss $'000	Fair value – hedging instruments $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
Company								
2012								
Trade and other receivables	10	**1,103,058**	**–**	**–**	**–**	**–**	**1,103,058**	**1,103,058**
Cash and cash equivalents	12	**15,678**	**–**	**–**	**–**	**–**	**15,678**	**15,678**
		1,118,736	**–**	**–**	**–**	**–**	**1,118,736**	**1,118,736**
Interest-bearing bank loans	15	**–**	**–**	**–**	**–**	**(215,637)**	**(215,637)**	**(215,637)**
Trade and other payables	16	**–**	**–**	**–**	**–**	**(138,989)**	**(138,989)**	**(138,989)**
Derivative financial liabilities		**–**	**–**	**(1,892)**	**–**	**–**	**(1,892)**	**(1,892)**
		–	**–**	**(1,892)**	**–**	**(354,626)**	**(356,518)**	**(356,518)**
2011								
Available-for-sale financial assets	7	–	48,094	–	–	–	48,094	48,094
Trade and other receivables	10	1,303,492	–	–	–	–	1,303,492	1,303,492
Cash and cash equivalents	12	14,838	–	–	–	–	14,838	14,838
		1,318,330	48,094	–	–	–	1,366,424	1,366,424
Interest-bearing bank loans	15	–	–	–	–	(443,042)	(443,042)	(443,042)
Trade and other payables	16	–	–	–	–	(139,948)	(139,948)	(139,948)
Derivative financial liabilities		–	–	(5,108)	–	–	(5,108)	(5,108)
		–	–	(5,108)	–	(582,990)	(588,098)	(588,098)

NOTES TO THE FINANCIAL STATEMENTS

24 Financial risk management (cont'd)

Estimation of fair values

Available-for-sale financial assets

The fair values of quoted equity securities are based on the bid prices at the reporting 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.

Interest-bearing bank loans

The carrying amounts of interest-bearing bank loans that reprice within one to six months of the reporting date approximate their fair values.

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) are assumed to approximate their fair values because of the short period to maturity.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

NOTES TO THE FINANCIAL STATEMENTS

24 Financial risk management (cont'd)

Fair value hierarchy (cont'd)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group and Company				
2012				
Derivative financial liabilities	**–**	**(1,892)**	**–**	**(1,892)**
Group and Company				
2011				
Available-for-sale financial assets	48,094	–	–	48,094
Derivative financial liabilities	–	(5,108)	–	(5,108)
	48,094	(5,108)	–	42,986

During the year, there were no transfers between financial instruments in Level 1 and Level 2.

25 Operating segments

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

- Development properties: Development of residential properties for sale

- Investment holding: Investment in quoted equity securities and office building

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

NOTES TO THE FINANCIAL STATEMENTS

25 Operating segments (cont'd)

Information about reportable segments

	Development properties 2012 $'000	Development properties 2011 (Restated) $'000	Investment holding 2012 $'000	Investment holding 2011 $'000	Total 2012 $'000	Total 2011 (Restated) $'000
External revenue	**390,127**	514,886	**447**	233	**390,574**	515,119
Finance income	**504**	273	**19,402**	19,992	**19,906**	20,265
Finance expense	**(1,541)**	(4,089)	**(21,344)**	(19,894)	**(22,885)**	(23,983)
Depreciation	**94**	65	**160**	166	**254**	231
Reportable segment profit before tax	**170,767**	203,375	**36,161**	2,026	**206,928**	205,401
Other material non-cash item: – Write-back of foreseeable losses on development properties	**17,000**	13,000	**–**	–	**17,000**	13,000

Reconciliations of reportable segment profit or loss and other material items

	2012 $'000	2011 (Restated) $'000
Profit or loss		
Total profit or loss for reportable segments	**206,928**	205,401
Unallocated amounts	**(40)**	(20)
Consolidated profit before income tax	**206,888**	205,381

NOTES TO THE FINANCIAL STATEMENTS

25 Operating segments (cont'd)

Reconciliations of reportable segment profit or loss and other material items (cont'd)

	Reportable segment totals $'000	Adjustments $'000	Consolidated totals $'000
Other material items 2012			
Finance income	**19,906**	**(16,139)**	**3,767**
Finance expense	**22,885**	**(16,139)**	**6,746**
Other material items 2011			
Finance income	20,265	(19,606)	659
Finance expense	23,983	(19,606)	4,377

The Group's operations are primarily in Singapore.

SHAREHOLDING STATISTICS

AS AT 15 JUNE 2012

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

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 to 999	587	14.24	76,513	0.03
1,000 to 10,000	2,646	64.18	9,314,948	3.60
10,001 to 1,000,000	868	21.05	49,178,497	18.99
1,000,001 and above	22	0.53	200,341,368	77.38
Total	4,123	100.00	258,911,326	100.00

Based on the Registers of Shareholders and to the best knowledge of the Company, approximately 42.2% of the issued shares of the Company are held by the public. Accordingly, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	SINGAPORE INVESTMENTS PTE LTD	34,633,008	13.38
2	SELAT PTE LIMITED	29,478,664	11.39
3	CITIBANK NOMINEES SINGAPORE PTE LTD	21,960,424	8.48
4	LEE RUBBER COMPANY PTE LTD	21,955,968	8.48
5	BNP PARIBAS SECURITIES SERVICES	21,330,098	8.24
6	CAPITAL INTELLIGENCE LIMITED	13,845,600	5.35
7	KALLANG DEVELOPMENT (PTE) LIMITED	11,875,192	4.59
8	GREAT EASTERN LIFE ASSURANCE CO LTD – PARTICIPATING FUND	6,171,184	2.38
9	OVERSEA-CHINESE BANK NOMINEES PTE LTD	5,901,076	2.28
10	LEE LATEX PTE LIMITED	5,271,400	2.04
11	DBS NOMINEES PTE LTD	5,229,144	2.02
12	HSBC (SINGAPORE) NOMINEES PTE LTD	5,014,777	1.94
13	LEE FOUNDATION	2,963,130	1.14
14	ISLAND INVESTMENT COMPANY PTE LTD	2,829,600	1.09
15	RAFFLES NOMINEES (PTE) LTD	2,153,200	0.83
16	YEO REALTY & INVESTMENTS (PTE) LTD	1,603,000	0.62
17	LEE PLANTATIONS PTE LIMITED	1,533,600	0.59
18	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	1,488,397	0.57
19	UNITED OVERSEAS BANK NOMINEES PTE LTD	1,474,054	0.57
20	DBSN SERVICES PTE LTD	1,355,852	0.52
	Total	198,067,368	76.50

SHAREHOLDING STATISTICS

AS AT 15 JUNE 2012

SUBSTANTIAL SHAREHOLDERS

(as shown in the Register of Substantial Shareholders)

Shareholders	Direct Interest	Deemed Interest
Singapore Investments (Pte) Ltd	34,633,008	–
Selat (Pte) Ltd+	29,478,664	2,829,600
Lee Rubber Co. (Pte) Ltd*	21,955,968	14,099,992
Kallang Development (Pte) Ltd∞	11,875	1,533,600
Lee Foundation, Singapore^	2,963,130	64,997,272
Aberdeen Asset Management Asia Ltd	–	23,313,500
Aberdeen Asset Management PLC and subsidiaries◊	–	23,313,500
Aberdeen International Fund Manager Limited	–	13,040,000
Capital Intelligence Limited	13,845,600	–
Guoco Group Limited#	–	13,845,600
Guoco Equity Assets Limited#	–	13,845,600
GuoLine Overseas Limited#	–	13,845,600
GuocoLine Capital Assets Limited#	–	13,845,600
Hong Leong Company (Malaysia) Berhad#	–	13,845,600
HL Holdings Sdn Bhd#	–	13,845,600
Mr Quek Leng Chan#	–	13,845,600

+ Includes 2,829,600 BSEL shares owned by Island Investment Co (Pte) Ltd.

* Includes 11,875,192 BSEL shares owned by Kallang Development (Pte) Ltd, 1m533,600 BSEL shares owned by Lee Plantations (Pte) Ltd and 69,200 BSEL shares owned by Lee Rubber (Selangor) Sdn Bhd.

∞ Includes 1,533,600 BSEL shares owned by Lee Plantations (Pte) Ltd.

^ Includes 29,478,664 BSEL shares owned by Selat (Pte) Ltd, 34,633,008 BSEL shares owned by Singapore Investments (Pte) Ltd, 864,000 BSEL shares owned by Lee Pineapple Company (Pte) Ltd and, 21,600 BSEL shares owned by Lian Hin Rubber Co Sdn Bhd.

◊ Includes 22,499,000 BSEL shares owned by Aberdeen Asset Management Asia Ltd.

Includes 13,845,600 BSEL shares owned by Capital Intelligence Limited.

PROPERTIES OF THE GROUP

The properties of the Group as at 31 March 2012 are as follows:-

Location	Tenure	Site Area (Sq M)	Gross Floor Area (Sq M)	% of Completion	Expected Date of Completion	Group's Effective Interest in Property (%)	Description
Land in Seletar Hills Area							
Lots 9425C, 251N, 3310V & 5353N Mk 18 at Yio Chu Kang Road/Ang Mo Kio Avenue 5/Seletar Road	999-year lease commencing January 1879					100%	Written Permission has been granted for the proposed 944 units of landed housing development.
							Building plans have been approved for:
Phase 1		17,900	18,134	100%	–		Phase 1 (78 units)
Phase 2		8,237	8,711	95%	2Q 2012		Phase 2 (38 units)
Phase 3		8,973	10,506	51%	4Q 2012		Phase 3 (46 units)
Phase 4		8,694	8,261	15%	–		Phase 4 (36 units)
Phase 5		10,725	12,239	–	–		Phase 5 (54 units)
Phase 6		7,546	7,955	–	–		Phase 6 (36 units)
Phase 7		7,742	7,030	–	–		Phase 7 (32 units)
Remaining phases		149,127	110,704				
		218,944	183,540				Main building work for: Phase 1 – completed in 3Q 2011. Phase 2 – expected to complete in 2Q 2012. Phase 3 – expected to complete in 4Q 2012. Phase 4 – structural work is in progress.
Lot 12949A Mk 18 at Nim Road/Ang Mo Kio Avenue 5/CTE	*999-year lease commencing January 1879	62,057	45,282	–	–	100%	Proposed 167 units of landed housing development.
		54,806	–	–	–	100%	Vacant non-residential Rural land for future residential development.
		116,863					

* The Singapore Land Authority (SLA) requires the Group to apply for lifting of the building restriction in the title in order to proceed with the development of the land Lot 12949A Mk 18. For permission to be granted to lift the building restriction, SLA requires the Group to surrender the existing 999-year lease for re-issuance of a fresh 99-year lease without building restriction. The Group has maintained that the building restriction does not apply. This issue remains unresolved.

PROPERTIES OF THE GROUP

Location	Tenure	Site Area (Sq M)	Gross Floor Area (Sq M)	% of Completion	Expected Date of Completion	Group's Effective Interest in Property (%)	Description
Land in Seletar Hills Area							
Lot 9934W Mk 18 at Ang Mo Kio Avenue 5/Nim Road/CTE	Statutory Grant	18,589	3,850	–	–	100%	Proposed 65 units of landed housing development.
Land 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 364-369, 389-392, 397-415, 906, 907 & 1317T TS 21 at 55 & 57 Paterson Road	Freehold	8,038	2,884	100%	–	100%	Main building work was completed in 3Q 2010.
Lots 370-375, 382-387, 488, 533, 535, 537, 539, 623, 1409 & 1410 TS 21 at 27-41 (odd nos.) Paterson Road & 1-19 (odd nos.) Lengkok Angsa	Freehold	5,791	13,329	11%	–	100%	Written Permission has been granted for the proposed 88 units of residential development. Main building structural work is in progress.
Lots 394 & 395 TS 21 at 14 & 16 Lengkok Angsa	Freehold	463	–	–	–	100%	Vacant residential land.

PROPERTIES OF THE GROUP

Location	Tenure	Site Area (Sq M)	Gross Floor Area (Sq M)	% of Completion	Expected Date of Completion	Group's Effective Interest in Property (%)	Description
Residential Apartment Sites							
Lots 2135L, 2136C & 2802X Mk 2 at 55-63 Holland Road	Freehold	7,120	10,588	92%	2Q 2012	100%	Written Permission has been granted for the proposed 75 units of residential development. Main building work is expected to complete in 2Q 2012.
Lots 715L, 780L, 1243X & 1245C TS 27 at 12, 12A & 12B Cairnhill Rise	Freehold	6,773	20,283	27%	–	100%	Written Permission has been granted for the proposed 158 units of residential development. Main building structural work is in progress.
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 221 units of residential development.
Lots 1833L & 1603A Mk 1 at 610 & 612 Telok Blangah Road	Freehold	14,382	32,268	–	–	100%	Written Permission has been granted for the proposed 283 units of residential development. Main building work will commence in the current financial year.

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 46th Annual General Meeting of the Company will be held at **Amara Singapore Hotel, Ballroom 2, Level 3, 165 Tanjong Pagar Road, Singapore 088539**, on Wednesday, 25 July 2012 at 10.30 a.m. to transact the following business:

Ordinary Business

1. To receive and adopt the Directors' Report and audited Financial Statements for the financial year ended 31 March 2012 and the Auditors' Report thereon.

2. To approve and declare a final dividend of 4 cents per share tax exempt (one-tier) and a special dividend of 14 cents per share tax exempt (one-tier) for the financial year ended 31 March 2012.

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

   (i) Mr Guok Chin Huat Samuel (Retiring by rotation pursuant to Article 94)

   (ii) Mr Lee Chien Shih (Retiring by rotation pursuant to Article 94)

   (iii) Mr Tan Swee Siong (Retiring pursuant to Article 76)

4. To re-appoint Mr Teo Kim Yam as a Director 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.

5. To approve Directors' fees of $474,000 for the financial year ended 31 March 2012. (2011: $474,000)

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

Special Business

7. To consider and, if though fit, to pass 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

NOTICE OF ANNUAL GENERAL MEETING

(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 10% of the total number of issued Shares, excluding treasury shares, in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

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

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

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

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

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

By Order of the Board

TAN GUAT NGOH
Secretary

9 July 2012
Singapore

NOTICE OF ANNUAL GENERAL MEETING

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 250 Tanjong Pagar Road, #09-01 St Andrew's Centre, Singapore 088541 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 7 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 10% for issues other than on a pro-rata basis. For the purpose of determining the aggregate number of shares that may be issued, the total number of issued shares, excluding treasury shares, will be calculated based on the total number of issued shares, excluding treasury shares, in the capital of the Company at the time that this ordinary resolution is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or exercise of share options or vesting of share awards which are outstanding or subsisting at the time that this ordinary resolution is passed, and (b) any subsequent bonus issue, consolidation or subdivision of shares. The sub-limit of 10% for issues other than on a pro-rata basis is below the 20% sub-limit permitted by the Listing Manual of the SGX-ST. The Directors believe that the lower sub-limit of 10% would sufficiently address the Company's present need to maintain flexibility while taking into account shareholders' concerns against dilution.

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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.	Number of Shares Represented
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 46th Annual General Meeting of the Company to be held on Wednesday, 25 July 2012 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.

Resolutions	To be used on a Show of Hands		To be used in the event of a Poll	
	For*	Against*	Number of votes For**	Number of votes Against**
Ordinary Business 1. Adoption of Reports and Financial Statements				
2. Approval and Declaration of Final and Special Dividends				
3. (i) Re-election of Mr Guok Chin Huat Samuel as a Director				
(ii) Re-election of Mr Lee Chien Shih as a Director				
(iii) Re-election of Mr Tan Swee Siong as a Director				
4. Re-appointment of Mr Teo Kim Yam as a Director				
5. Approval of Directors' fees				
6. Re-appointment of KPMG LLP as Auditors				
Special Business 7. 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 ________________ 2012.

Total Number of Shares held

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

Important: Please read notes overleaf

Notes to Proxy Form

1. 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.

2. 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 the member.

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 250 Tanjong Pagar Road, #09-01 St Andrew's Centre, Singapore 088541, 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.

Designed and produced by
TOPPAN
TOPPAN VITE PTE. LTD.
(65) 6578 6522

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