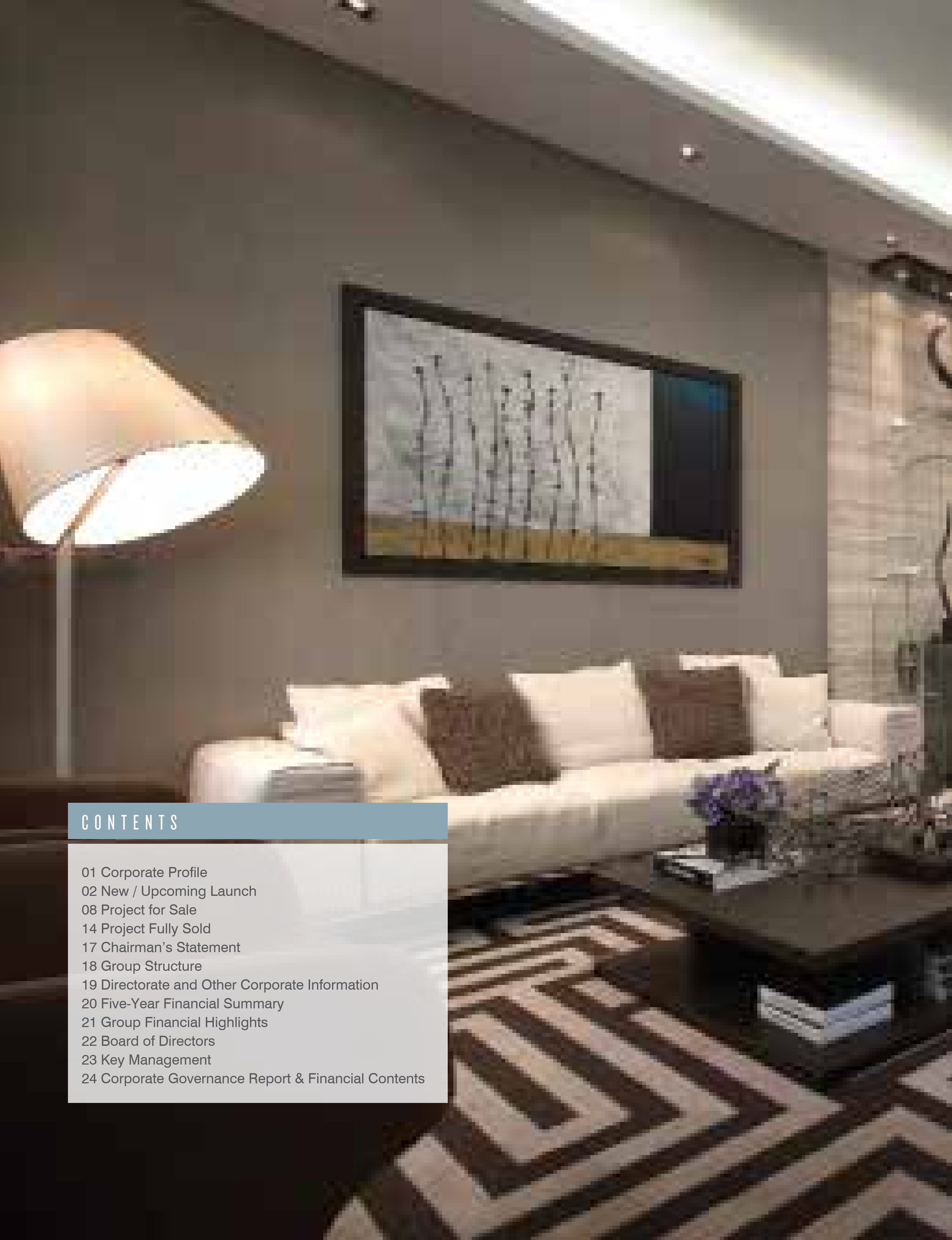
BUKIT SEMBAWANG ESTATES LIMITED

Homes for Every Generation

Annual Report 2013



CONTENTS

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, Bukit Sembawang Group has built many of Singapore's renowned and established residential developments. Our portfolio comprises private housing estates including over 5,000 homes in landed residences and 1,400 homes in private apartments and condominiums.

Bukit Sembawang Group started developing landed properties in the 1950s. Bukit Sembawang Estates Limited was incorporated in Singapore in 1967 and was one of the pioneer companies that obtained public-listing on SGX Mainboard in 1968. The Group focuses on property development, investment and other property-related activities.

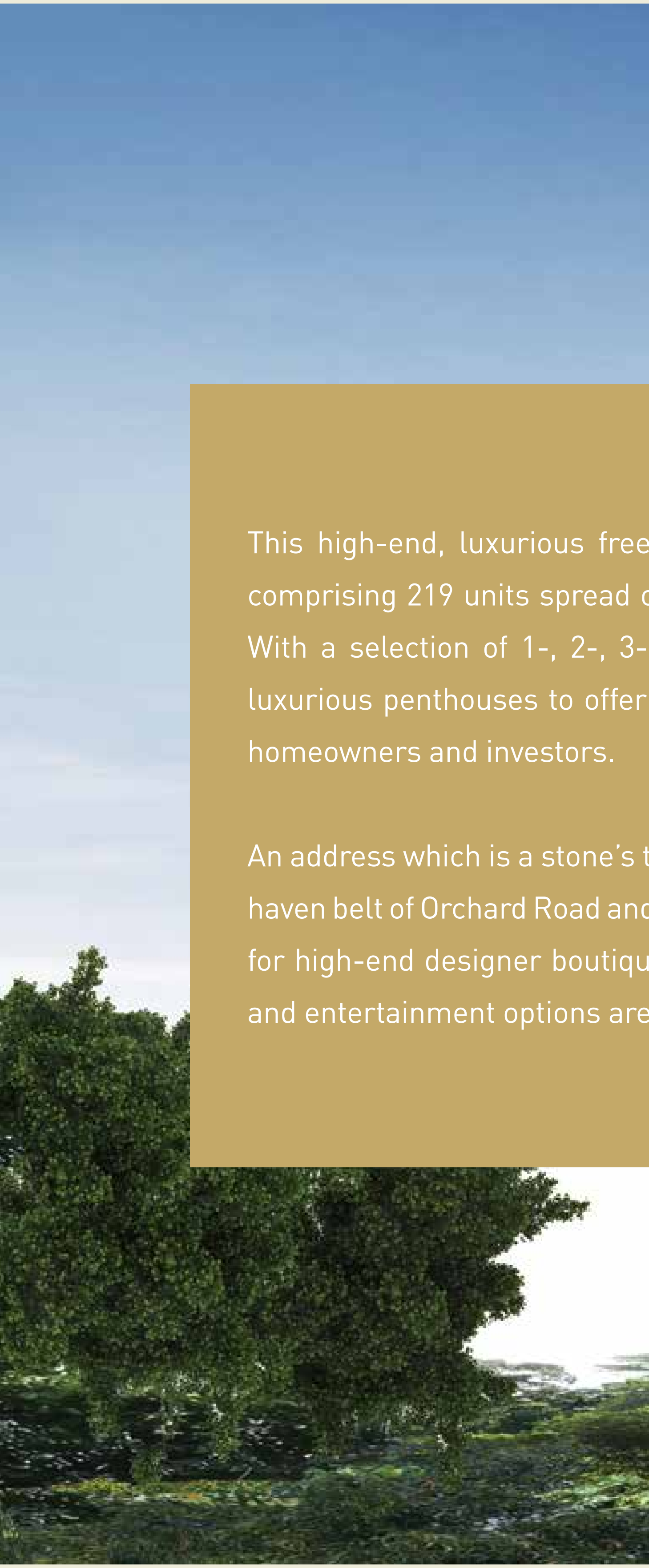
In our efforts to continuously create and build better homes, we have extended our expertise to develop high-end private properties where no detail is spared in bringing you the higher sophistication in life. Imported fittings and provisions will reflect a true mark of prestige and quality, catering to different lifestyle requirements and cosmopolitan outlook of the new group of homebuyers. Our widely-acclaimed portfolio of completed private condominiums are Parc Mondrian, Verdure and Paterson Suites.

Our commitment to continuously deliver well-designed quality homes has won us awards and accolades. We have been accorded BCA ISO 9001:2008 Certification in Project Management Services (Construction) since 2000 and had won numerous Green Mark awards for our various projects.

Bukit Sembawang Group, one of the pioneers in residential property development, has established a reputation as a trusted developer in building homes by continuously delivering well-designed quality homes which are sought after, generation after generation.

NEW / UPCOMING LAUNCH

St. Thomas Walk



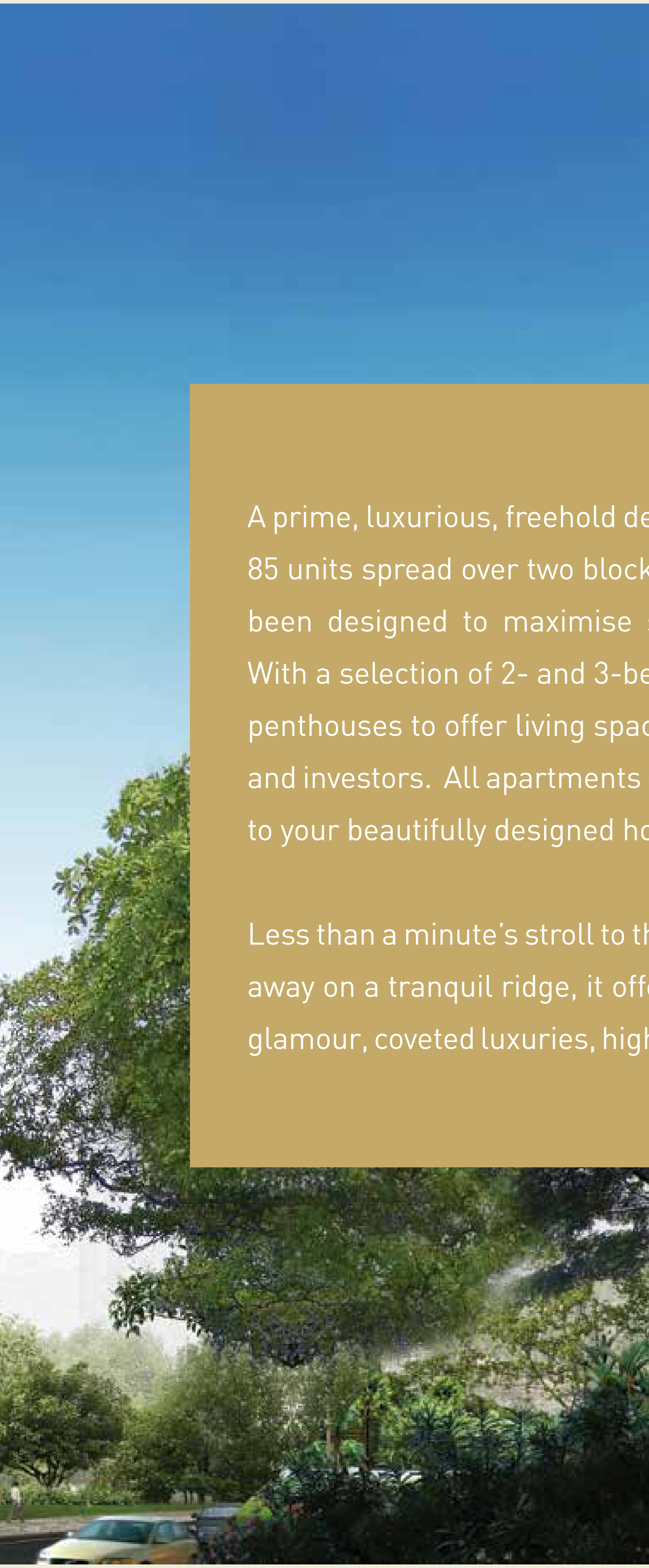
Spoilt for Choice

This high-end, luxurious freehold development along St. Thomas Walk comprising 219 units spread over two blocks towering 35 and 36 storeys. With a selection of 1-, 2-, 3- and 4-bedroom apartments and spacious luxurious penthouses to offer living spaces that suit the most discerning homeowners and investors.

An address which is a stone's throw away from the world famous shopping haven belt of Orchard Road and Killiney Road, you will be spoilt with choices for high-end designer boutiques, sophisticated restaurants, 5-star hotels and entertainment options are literally just minutes away.

NEW / UPCOMING LAUNCH

Paterson Collection



Unprecedented Luxury

A prime, luxurious, freehold development along Paterson Road comprising 85 units spread over two blocks towering 19 storeys. Every apartment has been designed to maximise space and provide total, exclusive privacy. With a selection of 2- and 3-bedroom apartments as well as extraordinary penthouses to offer living spaces to suit the most discerning homeowners and investors. All apartments come with private lift that brings you straight to your beautifully designed home.

Less than a minute's stroll to the thriving Orchard Road yet perfectly tucked away on a tranquil ridge, it offers you everything you've ever desired – city glamour, coveted luxuries, high-end leisure, and above all, peaceful privacy.

NEW / UPCOMING LAUNCH

Luxus Hills Phase 6

A Sense of Belonging

A 999-year leasehold landed property estate, another collection of elegance and style of 36 beautifully-crafted 3-storey semi-detached and terrace houses. This brand-new design differs from our previous phases but still reflects the elegance, quality, functional layout of all our homes at Luxus Hills.

With more room for everybody, this is a home specially designed to offer each of your loved ones a warm sense of belonging, a cosy life of comfort and above all, a wonderful time together. Nothing binds a family together like a home at Luxus Hills.

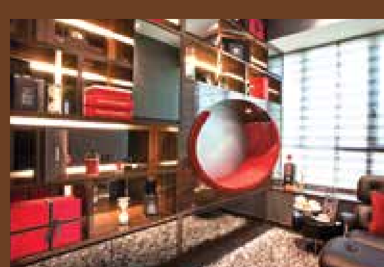
PROJECT FOR SALE

Skyline Residences

Unparalleled Views

This freehold development situated in the tranquil estate of Telok Blangah comprising 283 units spread over three blocks towering 24 storeys. With a selection of 1-, 2-, 3-, 3+1, and 4-bedroom apartments and penthouses, you will have no trouble finding a space to call your own.

Lifestyle destinations such as VivoCity, HarbourFront Centre, Resorts World Sentosa and Universal Studios Singapore are just a stone's throw away from home. Be encompassed over a picture perfect view of the sea, with an equally unparalleled sight of Keppel Golf Link, Labrador Park or Mount Faber Park, Telok Blangah Hill, Henderson Waves, Hort Park and the Southern Ridges beckon a light brisk walk or a simple cycling trip.



PROJECT FOR SALE

The Vermont on Cairnhill

A Coveted Address

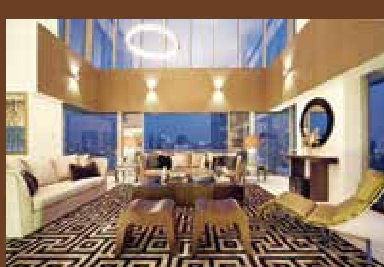
An address of privilege, this freehold development along Cairnhill Rise comprises 158 units spread over two blocks towering 19 and 20 storeys. With a selection of 1-, 2-, 3-, 4-, and 4+study apartments and penthouses, you will have no trouble finding your dream home. The world's most exciting shopping destinations at your doorstep – Orchard Road is home to trendy cafes, international luxury boutiques, fine dining and round-the-clock entertainment. With the MRT station a short walk away, you are conveniently connected to the rest of Singapore. In fact, everything you need and have ever wanted are just steps away. Or you can just sit back, and take pride in the fact that you are residing in one of Singapore's most coveted addresses.

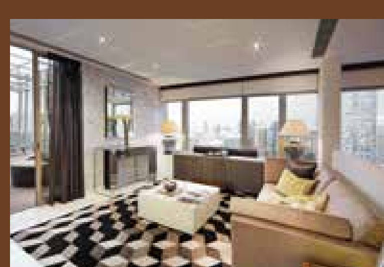
PROJECT FOR SALE

Paterson Suites

Luxurious City Living

A prime, luxurious, freehold development along Paterson Road comprising 102 units. Every apartment comes with private lift that brings you straight to your beautifully designed home. No effort has been spared to ensure that you and your loved ones enjoy the most luxurious of living standards and highest sophistication in life. From the spacious interior layout to designer-brand fittings, everything is a true mark of prestige and quality. Some units will get to enjoy the stunning city views and own private swimming pool at the roof terrace. This is where true style meets ultimate pleasure.



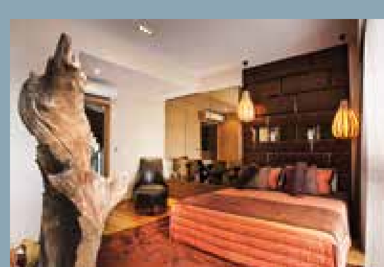


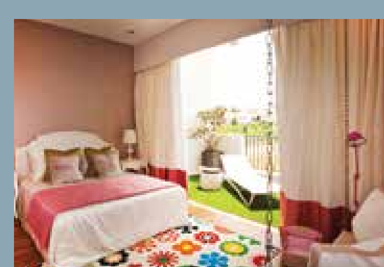
PROJECT FULLY SOLD

Luxus Hills Phase 5

Exquisite Enclave

A 999-year leasehold landed property estate marked by an exquisite collection of 54 contemporary terrace houses built respectfully to accommodate everybody in the family. With three spacious storeys and charming roof terrace, family gathering can take place as often as you desire, not just on special occasions. It's a home to share and a joy to own. Make every day special with unforgettable times together.





Chairman's Statement

DEAR SHAREHOLDERS

The Group profit before tax for the year under review was $143.0 million as compared to $152.5 million for FY2012 after excluding the write-back of $17.0 million for the Skyline Residences project and the one-off gain of $37.4 million on disposal of the Group's portfolio of quoted equity securities in FY2012.

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, Skyline Residences and Luxus Hills Phases 2 to 5.

Verdure and Luxus Hills Phase 2 obtained TOP in May 2012, followed by Luxus Hills Phase 3 in October 2012. 99% of Paterson Suites, 75% of The Vermont on Cairnhill and 80% of Skyline Residences have been sold as at 31 March 2013.

DIVIDENDS

During the financial year ended 31 March 2013, 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 11 cents per ordinary share.

The dividend payment, which amounts to about $38.8 million (2012 : $46.6 million) or 33.9% (2012 : 25.5%) of net profit after tax, is subject to shareholders' approval at the 47th Annual General Meeting.

CURRENT YEAR'S PROSPECT

According to the Ministry of Trade and Industry, Singapore's GDP grew 0.2% in 1Q 2013 from a year ago. Although Singapore's economic growth eased in the first quarter, it is expected to improve gradually over the course of the year. The government has maintained its forecast of 1% to 3% modest GDP growth for 2013.

Prices of private residential units in Singapore rose at a slower 0.6% in 1Q 2013 as compared to 1.8% in the previous quarter. Successive cooling measures introduced by the Singapore Government have dampened buying sentiments in the residential property market. However, demand for landed houses is expected to remain steady due to limited supply.

Luxus Hills Phase 4 (36 units) is expected to be completed in 4Q 2013 and there are several projects in various stages of construction. We expect the residential market conditions to be challenging in the year ahead.

DIRECTORATE

Mr Ng Chee Seng and Mr Tan Swee Siong will be retiring by rotation pursuant to the Articles of Association, while Mr Teo Kim Yam and Mr Eddie Tang will be retiring pursuant to section 153(6) of the Companies Act, at the 47th Annual General Meeting and, being eligible, each of them offers himself for re-election / re-appointment.

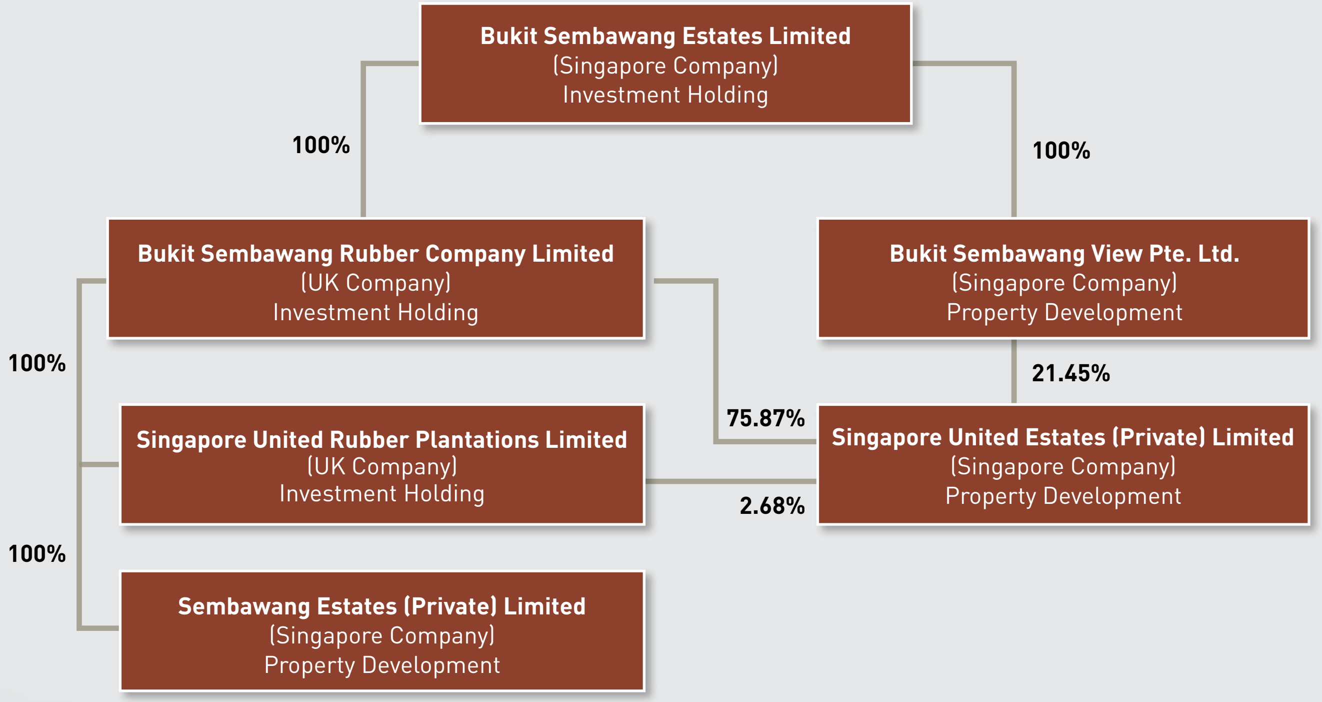
I would like to welcome to the Board, Ms Fam Lee San and Mr Tan Chwee Huat, who joined the Board as alternate directors to Mr Teo Kim Yam and Mr Lee Chien Shih on 16 October 2012 and 25 February 2013 respectively.

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
21 June 2013

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)

Fam Lee San
(Alternate Director to Mr Teo Kim Yam)

Tan Chwee Huat
(Alternate Director to Mr Lee Chien Shih)

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)*
Ng Chee Seng
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
112 Robinson Road #05-01
Singapore 068902
Telephone : +65 6227 6660
+65 6228 0507
Facsimile : +65 6225 1452

BANKERS
Oversea-Chinese Banking Corporation Limited
Malayan Banking Berhad
DBS Bank Limited

Ms Fam Lee San was appointed as Alternate Director to Mr Teo Kim Yam on 16 October 2012.

Mr Tan Chwee Huat was appointed as Alternate Director to Mr Lee Chien Shih on 25 February 2013.

Mr Ng Chee Seng was appointed as a member of the Project Development Committee in place of Mr Lee Chien Shih with effect from 14 February 2013.

Five-Year Financial Summary

	2013	2012	2011	2010	2009
			(Restated) *		
	$'000	$'000	$'000	$'000	$'000
Consolidated Statements of Financial Position As at 31 March					
Investment Property	**4,522**	4,683	4,843	4,911	5,069
Property, Plant and Equipment	**268**	119	155	198	232
Available-for-Sale Financial Assets	**-**	-	48,094	39,790	24,625
Deferred Tax Assets	**244**	250	224	1,394	1,441
Net Current Assets	**1,167,550**	1,096,147	908,991	724,529	375,292
Deferred Taxation	**(13,027)**	(9,682)	(1,666)	(1,795)	(14)
	1,159,557	1,091,517	960,641	769,027	406,645
Share Capital	**631,801**	631,801	616,160	587,057	286,832
Reserves	**527,756**	459,716	344,481	181,970	119,813
Total Equity	**1,159,557**	1,091,517	960,641	769,027	406,645
Consolidated Statements of Comprehensive Income For the year ended 31 March					
Revenue	**354,658**	390,574	515,119	65,958	62,603
Profit / (Loss) Before Income Tax	**142,960**	206,888	205,381	54,879	(46,646)
Income Tax Expense	**(28,316)**	(23,983)	(29,432)	(1,909)	(1,767)
Profit / (Loss) After Tax	**114,644**	182,905	175,949	52,970	(48,413)
Dealt with as follows:					
Dividends (Net)	**38,837**	46,604	31,069	9,694	9,084
Capital Reserve	**-**	-	-	-	8,768
Revenue Reserve	**75,807**	136,301	144,880	43,276	(66,265)
	114,644	182,905	175,949	52,970	(48,413)

* 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	2013 $'000	2012 $'000
Revenue	**354,658**	390,574
Profit Before Income Tax	**142,960**	206,888
Profit After Income Tax	**114,644**	182,905
Net Dividends	**38,837**	46,604
Share Capital	**631,801**	631,801
Total Equity	**1,159,557**	1,091,517
Net Return on Total Equity	**9.89%**	16.76%
Earnings Per Ordinary Share		
Basic earnings per share	**$0.44**	$0.71
Diluted earnings per share	**$0.44**	$0.71
Dividends Per Ordinary Share		
Gross	**$0.15**	$0.18
Net	**$0.15**	$0.18
Cover	**2.95 times**	3.92 times
Net Tangible Assets Per Ordinary Share	**$4.48**	$4.22

Financial Calendar

Financial Year ended 31 March 2013	
Announcement of First Quarter Results	13 August 2012
Announcement of Half-year Results	14 November 2012
Announcement of Third Quarter Results	14 February 2013
Announcement of Full-year Results	28 May 2013
Annual General Meeting	25 July 2013
Book Closure Dates	2 August, 5pm to 5 August 2013
Proposed Payment of 2013 Final Dividend	15 August 2013

Financial Year ended 31 March 2014	
Announcement of First Quarter Results	August 2013
Announcement of Half-year Results	November 2013
Announcement of Third Quarter Results	February 2014
Announcement of Full-year Results	May 2014

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 a 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 a member of the Nominating 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. He is a member of the Project Development Committee.

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 a 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.

FAM LEE SAN

Ms Fam Lee San was appointed to the Board in 2012 as Alternate Director to Mr Teo Kim Yam. She is currently the Financial Controller of Kallang Development Pte Ltd, a subsidiary of Lee Rubber Company Pte Ltd. She is also a director of various companies in the Lee Rubber Group.

Ms Fam holds a Bachelor of Accountancy degree from the National University of Singapore and is a member of the Institute of Certified Public Accountants of Singapore.

TAN CHWEE HUAT

Mr Tan Chwee Huat was appointed to the Board in 2013 as Alternate Director to Mr Lee Chien Shih. He is currently the General Manager of various property companies under the Lee Rubber Group in Singapore with a varied portfolio of Commercial, Industrial, Retail, Residential and Serviced Residence.

Mr Tan holds a Bachelor of Science Degree in Building from the National University of Singapore. He is a member of Singapore Institute of Surveyors and Valuers (SISV).

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 Assistant General Manager (Project and Property Management). He is responsible for residential development projects and property management in the Group.

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.

KATHARINE KUM LAI HOONG
Ms Katharine Kum Lai Hoong joined the Group in 2007. She is currently the Assistant General Manager (Design and Development Management), 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 a member of the Singapore Institute of Architects and the Singapore Institute of Arbitrators.

EUNICE LAU SIEW MEI
Ms Eunice Lau is currently the 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.

CORPORATE GOVERNANCE REPORT & FINANCIAL CONTENTS

Corporate Governance Report

Bukit Sembawang Estates Limited (Company) is committed to ensuring a high standard of corporate governance within the Company and its subsidiaries (Group) to protect the interests of its shareholders and maximise long-term shareholder value. This Report describes the corporate governance practices and activities of the Group for the financial year ended 31 March 2013 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 MATTERS

THE BOARD'S CONDUCT OF 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.*

The Board provides strategic direction to the Company and the Group and its principal role and functions include the following:

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

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

3. Approving the nominations and re-nominations to the Board and appointment of key personnel;

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

5. Setting the Company's dividend policy and recommending dividends; and

6. Setting the 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.

The Board is accountable to 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.

At the request of Directors, the Company will fund Directors' participation at industry conferences, seminars or any training programme in connection with their duties as Directors of the Company. The Company Secretary will bring to the Directors' attention, information on seminars that may be of relevance or use to them.

Corporate Governance 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 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.

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.

BOARD MEMBERSHIP

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

BOARD PERFORMANCE

***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, including the NC chairman, 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 annually the effectiveness of the Board as a whole and the contribution by each individual Director to the effectiveness of the Board.

The NC, in considering the nomination of any Director for re-appointment, 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, in reviewing the independence of each Director, adopts the Code's definition of what constitutes an independent Director. A Director is required to inform the NC of any relationships or circumstances which arise that are likely to affect, or could appear to affect, his independence. The Board, after taking into consideration the NC's review of the independence of each Director for this financial year, 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. Mr Guok, Mr Tang and Mr Tan have each served on the Board for less than nine years.

When a Director serves on multiple Boards, that Director is required to ensure that sufficient time and effort is allocated to the affairs of the Company with assistance from Management, which provides complete and timely information on a regular basis for effective discharge of the Director's duties as well as a comprehensive schedule of events drawn up in consultation with the relevant Director. Accordingly, the Board has not set a maximum number of other company directorships which a Director may concurrently hold.

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 (AGM). 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.

There were no additions to the Board during the financial year. However, the Board approved the appointment of alternate directors by two non-independent, non-executive Directors pursuant to Article 78 of the Articles. Alternate directors are required to be appropriately qualified or possess relevant skill sets, and be familiar with the Group's business.

Corporate Governance Report

Directors' attendance at Board and Committee Meetings 1 April 2012 to 31 March 2013										
	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	5	5	4	4	2	2	3	3	4	4
Mr Teo Kim Yam	5	5	–	–	–	–	–	–	–	–
Mr Lee Chien Shih	5	5	–	–	2	2	3	3	4	4
^ Mr Ng Chee Seng	5	5	–	–	–	–	–	–	1	1
Mr Eddie Tang	5	5	4	4	2	2	3	3	–	–
Mr Tan Swee Siong	5	5	4	4	–	–	–	–	4	4
+ Ms Fam Lee San	2	2	–	–	–	–	–	–	–	–
∞ Mr Tan Chwee Huat	0	0	–	–	0	0	0	0	0	0

^ Appointed as a Member of the Project Development Committee in place of Mr Lee Chien Shih with effect from 14 February 2013.
+ Appointed as Alternate Director to Mr Teo Kim Yam on 16 October 2012.
∞ Appointed as Alternate Director to Mr Lee Chien Shih on 25 February 2013.
"No. of Meetings" refers to the number of meetings held during the period in which the relevant Director held office.

ACCESS TO INFORMATION

Principle 6 *– In order to fulfil their responsibilities, Directors should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.*

In order to ensure that the Board is able to fulfil 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 Company's records and information and receive detailed financial and operational reports from Management to enable them to carry out their duties. Directors may also liaise with Management and seek additional information if required. Directors may, at any time, in the furtherance of their duties, request for independent professional advice at the Company's expense.

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

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

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

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.

Annual Remuneration Report

The Company has decided against the inclusion of an annual remuneration report in this Report as the matters required to be disclosed therein have been disclosed in this Report, the Directors' Report and the notes to the financial statements. The Board responds to queries from shareholders at AGMs on matters pertaining to remuneration policies and Directors' remuneration.

Corporate Governance Report

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	155	155	–	–	–
Mr Teo Kim Yam**	*50	*50	–	–	–
Mr Lee Chien Shih**	70	70	–	–	–
Mr Eddie Tang	102	102	–	–	–
Mr Tan Swee Siong	98	98	–	–	–
	475	475	–	–	–
Executive Director					
Mr Ng Chee Seng***	510	–	264	224	22

* Paid to Lee Rubber Co (Pte) Ltd
** No Directors' fees are payable by the Company to the alternate directors of Mr Teo Kim Yam and Mr Lee Chien Shih respectively.
*** Mr Ng Chee Seng is also the CEO.
# Includes employer's CPF contribution

The above proposed total fees of $475,000 (2012: $474,000) for non-executive Directors is subject to shareholders' approval at the Company's AGM on 25 July 2013.

Remuneration of Key Executives

The Group has only four key executives (who are not also Directors or the CEO). The remuneration of each of the key executives is within the band of $250,000 for the financial year ended 31 March 2013 and a breakdown is in the table below. The aggregate remuneration paid to them in the financial year was $884,300.

Name of Key Executive and Designation	Total (%)	Salary# (%)	Bonus# (%)	Benefits-in-kind (%)
Ms Tan Guat Ngoh Chief Accountant and Company Secretary	100	59	41	–
Ms Eunice Lau Assistant General Manager, Marketing	100	57	41	2
Mr Justin Ho Ngiam Chan Assistant General Manager (Project and Property Management)	100	58	41	1
Ms Katharine Kum Lai Hoong Assistant General Manager (Design and Development Management)	100	57	41	2

Includes employer's CPF contribution

Remuneration of Directors' Immediate Family

During the financial year ended 31 March 2013, none of the Directors had immediate family members who were employees of the Company.

ACCOUNTABILITY AND AUDIT

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 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 fulfil 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.

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.

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 Company has put in place a whistle-blowing framework, endorsed by the AC, under which employees of the Group may, in confidence raise concerns about possible corporate irregularities in matters of financial reporting or other matters.

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 AGM to be held on 25 July 2013. 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.*

The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Company believes that it has in place an effective system of internal controls addressing material financial, operational, compliance and information technology risks to safeguard shareholders' interests and the Group's assets, and also to manage risks.

The AC is responsible for making the necessary recommendation to the Board such that an opinion or comment regarding the adequacy and effectiveness of the risk management and internal control systems of the Group can be made by the Board in the annual report of the Company according to the Listing Manual of the SGX-ST and the Code.

The Company has an established risk identification and management framework developed with the assistance of an external consultant. The ownership of the risks lies with the respective heads of departments and CEO with stewardship residing with the Board. The AC assists the Board to oversee Management in the formulation, updating and maintenance of an adequate and effective risk management framework and while the AC reviews the adequacy and effectiveness of the risk management and internal control systems.

The Company maintains a risk register which identifies the material risks facing the Group and the internal controls in place to manage or mitigate those risks.

Heads of departments and CEO review and update the risk register regularly. The risk register is reviewed annually by the AC and the Board.

Internal and external auditors conduct audits that involve testing the effectiveness of the material internal controls in the Group. Any material non-compliance or lapses in internal controls together with corrective measures recommended by internal and external auditors are reported to the AC. The effectiveness of the measures taken by Management in response to the recommendations made by the internal and external auditors is also reviewed by the AC. The system of risk management and internal controls is continually being refined by Management, the AC and the Board.

The Board has received assurance from the CEO and the Chief Accountant that:

(a) the financial records of the Group have been properly maintained and the financial statements for the year ended 31 March 2013 give a true and fair view of the Group's operations and finances; and

(b) the system of risk management and internal controls in place within the Group is adequate and effective in addressing the material risks in the Group in its current business environment including material financial, operational, compliance and information technology risks.

Based on the framework established and the reviews conducted by Management and both the internal and external auditors, the Board, with the concurrence of the AC, is of the opinion that the system of internal controls, including financial, operational compliance and information technology controls and risk management systems, were adequate as at 31 March 2013 to address the risks which the Group considers relevant and material to its operations.

The Board notes that the system of risk management and internal controls established by the Company provides reasonable, but not absolute, assurance that the Group will not be significantly affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of risk management and internal controls can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

INTERNAL AUDIT (IA)

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

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

COMMUNICATION WITH SHAREHOLDERS

Principle 14 *– Companies should engage in regular, effective and fair communication with shareholders.*

The Company treats all its shareholders fairly and equitably and keeps all its shareholders informed of its corporate activities, including changes in the Company or its business which would be likely to materially affect the price or value of its shares, on a timely and consistent basis.

The Company ensures that shareholders have the opportunity to participate effectively and vote at general meetings of shareholders and informs shareholders of the rules, including voting procedures, governing such meetings.

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.

PROJECT DEVELOPMENT MATTERS

Project Development Committee (PDC)

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

Mr Guok Chin Huat Samuel (Chairman)
Mr Tan Swee Siong
Mr Ng Chee Seng*

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.

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 Dealing 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.

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.

* Mr Ng Chee Seng was appointed as a Member of the PDC in place of Mr Lee Chien Shih on 14 February 2013.

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 2013
Mr Guok Chin Huat Samuel	**Present** Director – Global Palm Resources Holdings Ltd Director – Redwood Group Limited Director – Datapulse Technology Ltd **Past** Director – Japan Land Ltd	25 July 2012	–
Mr Teo Kim Yam	–	25 July 2012	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	25 July 2012	–
Mr Ng Chee Seng	–	22 July 2011	Retiring by rotation (Article 94) and offering himself for re-election
Mr Eddie Tang	–	22 July 2011	Retiring pursuant to section 153(6) Companies Act Cap 50 and offering himself for re-appointment
Mr Tan Swee Siong	–	25 July 2012	Retiring by rotation (Article 94) and offering himself for re-election

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 2013.

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
Fam Lee San (Appointed as Alternate Director to Mr Teo Kim Yam on 16 October 2012)
Tan Chwee Huat (Appointed as Alternate Director to Mr Lee Chien Shih on 25 February 2013)

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 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 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 2013.

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

Except for salaries, bonuses and fees and those benefits that are disclosed in this report and in note 17 to the financial statements, since the end of the last financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member or with a company in which he has a substantial financial interest.

Share options

During the financial year, there were:

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

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

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

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
- Eddie Tang, independent and non-executive director
- Tan Swee Siong, independent and non-executive director

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

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

The Audit Committee also reviewed the following:

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

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

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

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

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

21 June 2013

Statement by Directors

In our opinion:

(a) the financial statements set out on pages 42 to 77 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 2013 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

21 June 2013

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 2013, 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 42 to 77.

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.

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 2013 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
21 June 2013

Statements of Financial Position

As at 31 March 2013

	Note	Group 2013 $'000	Group 2012 $'000	Company 2013 $'000	Company 2012 $'000
Non-current assets					
Investment property	4	**4,522**	4,683	**–**	–
Property, plant and equipment	5	**268**	119	**–**	–
Investments in subsidiaries	6	**–**	–	**80,294**	80,294
Deferred tax assets	7	**244**	250	**–**	–
		5,034	5,052	**80,294**	80,294
Current assets					
Development properties	8	**1,083,290**	1,123,999	**–**	–
Trade and other receivables	9	**16,964**	15,885	**883,344**	1,103,058
Cash and cash equivalents	11	**142,080**	298,438	**12,802**	15,678
		1,242,334	1,438,322	**896,146**	1,118,736
Total assets		**1,247,368**	1,443,374	**976,440**	1,199,030
Equity attributable to shareholders of the Company					
Share capital	12	**631,801**	631,801	**631,801**	631,801
Reserves	13	**527,756**	459,716	**166,510**	210,697
Total equity		**1,159,557**	1,091,517	**798,311**	842,498
Non-current liabilities					
Interest-bearing bank loans	14	**–**	275,481	**–**	215,637
Deferred tax liabilities	7	**13,027**	9,682	**14**	14
		13,027	285,163	**14**	215,651
Current liabilities					
Trade and other payables	15	**56,963**	48,511	**178,115**	138,989
Derivative financial liabilities		**–**	1,892	**–**	1,892
Current tax payable		**17,821**	16,291	**–**	–
		74,784	66,694	**178,115**	140,881
Total liabilities		**87,811**	351,857	**178,129**	356,532
Total equity and liabilities		**1,247,368**	1,443,374	**976,440**	1,199,030

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

Consolidated Statement of Comprehensive Income

Year ended 31 March 2013

	Note	2013 $'000	2012 $'000
Revenue	16	**354,658**	390,574
Cost of sales		**(207,367)**	(228,789)
Gross profit		**147,291**	161,785
Other income		**1,327**	38,961
Administrative expenses		**(3,109)**	(3,457)
Other operating (expenses)/income		**(4,747)**	12,578
Profit from operations	17	**140,762**	209,867
Finance income		**2,210**	3,767
Finance expense		**(12)**	(6,746)
Net finance income/(costs)	18	**2,198**	(2,979)
Profit before income tax		**142,960**	206,888
Income tax expense	19	**(28,316)**	(23,983)
Profit for the year attributable to equity holders of the Company		**114,644**	182,905
Other comprehensive income			
Change in fair value of available-for-sale financial assets		**–**	(4,287)
Transfer of fair value reserve to profit or loss on disposal of available-for-sale financial assets		**–**	(37,519)
Transfer of hedging reserve to profit or loss		**–**	5,205
Other comprehensive income for the year, net of income tax		**–**	(36,601)
Total comprehensive income for the year		**114,644**	146,304
Earnings per share			
Basic and diluted earnings per share (cents)	20	**44.28**	70.64

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

Consolidated Statement of Changes in Equity

Year ended 31 March 2013

	Note	Share capital $'000	Capital reserve $'000	Fair value reserve $'000	Hedging reserve $'000	Accumulated profits $'000	Dividend reserve $'000	Total $'000
Group								
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:	21							
- 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 Changes in Equity

Year ended 31 March 2013

	Note	Share capital $'000	Capital reserve $'000	Fair value reserve $'000	Hedging reserve $'000	Accumulated profits $'000	Dividend reserve $'000	Total $'000
Group								
At 1 April 2012		631,801	60,714	–	–	352,398	46,604	1,091,517
Total comprehensive income for the year								
Profit for the year		–	–	–	–	114,644	–	114,644
Transactions with owners, recorded directly in equity								
Dividends to equity holders:	21							
- final dividends for the previous year, paid		–	–	–	–	–	(46,604)	(46,604)
- final dividends for the year, proposed		–	–	–	–	(38,837)	38,837	–
Total transactions with owners		–	–	–	–	(38,837)	(7,767)	(46,604)
At 31 March 2013		631,801	60,714	–	–	428,205	38,837	1,159,557

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

Consolidated Statement of Cash Flows

Year ended 31 March 2013

	Note	2013 $'000	2012 $'000
Cash flows from operating activities			
Profit before income tax		**142,960**	206,888
Adjustments for:			
Depreciation of investment property		**161**	160
Depreciation of property, plant and equipment		**100**	94
Dividend income from available-for-sale financial assets		**–**	(873)
Finance expense		**12**	6,746
Finance income		**(2,210)**	(3,767)
Gain on disposal of available-for-sale financial assets		**–**	(37,400)
Write-back of foreseeable losses on development properties		**–**	(17,000)
Operating profit before working capital changes		**141,023**	154,848
Changes in working capital:			
Development properties		**48,199**	109,334
Trade and other receivables		**(1,090)**	4,260
Trade and other payables		**8,452**	5,435
Cash generated from operations		**196,584**	273,877
Interest received		**329**	514
Income taxes paid		**(23,435)**	(25,890)
Net cash from operating activities		**173,478**	248,501
Cash flows from investing activities			
Dividends received		**–**	1,367
Proceeds from disposal of available-for-sale financial assets		**–**	44,217
Purchase of property, plant and equipment		**(249)**	(58)
Net cash (used in)/from investing activities		**(249)**	45,526
Cash flows from financing activities			
Dividends paid		**(46,604)**	(31,069)
Interest paid (including amounts capitalised in development properties)		**(5,983)**	(12,554)
Payment of financing transaction costs		**–**	(1,864)
Proceeds from bank loans		**–**	406,000
Proceeds from conversion of warrants		**–**	15,641
Repayments of bank loans		**(277,000)**	(577,000)
Net cash used in financing activities		**(329,587)**	(200,846)
Net (decrease)/increase in cash and cash equivalents		**(156,358)**	93,181
Cash and cash equivalents at beginning of the year		**298,438**	205,257
Cash and cash equivalents at end of the year	11	**142,080**	298,438

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 21 June 2013.

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 and/or amortised cost, as set out in the accounting policies below.

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.

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 8 – measurement of realisable amounts of development properties
- Note 19 – estimation of provisions for current and deferred taxation

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

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.

Accounting for subsidiaries by the Company

Investments in subsidiaries are stated in the Company's statement of financial position at cost or directors' valuation amount 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.

3 Significant accounting policies (cont'd)

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.

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.

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 Significant accounting policies (cont'd)

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.

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.

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.

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.

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.

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.

3 Significant accounting policies (cont'd)

3.6 Financial instruments (cont'd)

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.

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.

3 Significant accounting policies (cont'd)

3.7 Impairment (cont'd)

Impairment of financial assets (cont'd)

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.

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.

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 Significant accounting policies (cont'd)

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.

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.

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.

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 Significant accounting policies (cont'd)

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 2012, 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.

4 Investment property

	$'000
Group	
Cost	
At 1 April 2011/31 March 2012/31 March 2013	8,094
Accumulated depreciation	
At 1 April 2011	3,251
Depreciation charge for the year	160
At 31 March 2012	3,411
Depreciation charge for the year	161
At 31 March 2013	3,572
Carrying amounts	
At 1 April 2011	4,843
At 31 March 2012	4,683
At 31 March 2013	4,522
Fair value	
At 31 March 2011	12,360
At 31 March 2012	14,200
At 31 March 2013	14,900

4 Investment property (cont'd)

Investment property comprises office premises that are leased to external customers. Generally, each of the leases is fixed for a period of 3 to 4 years, and subsequent renewals are negotiated at prevailing market rate and terms. Rental income of $453,000 (2012: $447,000) 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.

5 Property, plant and equipment

	Furniture, fittings and equipment $'000	Motor vehicles $'000	Computers $'000	Total $'000
Group				
Cost				
At 1 April 2011	192	207	122	521
Additions	16	–	42	58
Written off	(13)	–	(29)	(42)
At 31 March 2012	195	207	135	537
Additions	1	227	21	249
Written off	–	–	(15)	(15)
At 31 March 2013	196	434	141	771
Accumulated depreciation				
At 1 April 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
Depreciation charge for the year	32	35	33	100
Written off	–	–	(15)	(15)
At 31 March 2013	135	233	135	503
Carrying amounts				
At 1 April 2011	108	36	11	155
At 31 March 2012	92	9	18	119
At 31 March 2013	61	201	6	268

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

6 Investments in subsidiaries

	Company 2013 $'000	Company 2012 $'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 2013 %	Effective equity held by the Group 2012 %
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 are the auditors of all Singapore-incorporated subsidiaries. A member firm of KPMG International is the auditor of the foreign incorporated subsidiaries.

7 Deferred tax assets/(liabilities)

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

	At 1/4/2011 $'000	Recognised in profit or loss (note 19) $'000	At 31/3/2012 $'000	Recognised in profit or loss (note 19) $'000	At 31/3/2013 $'000
Group					
Deferred tax assets					
Trade and other payables	515	(360)	155	–	**155**
Tax losses	671	(576)	95	(6)	**89**
	1,186	(936)	250	(6)	**244**
Deferred tax liabilities					
Property, plant and equipment	(4)	33	29	(40)	**(11)**
Trade and other receivables	(14)	–	(14)	–	**(14)**
Development properties	(2,610)	(7,087)	(9,697)	(3,305)	**(13,002)**
	(2,628)	(7,054)	(9,682)	(3,345)	**(13,027)**
	(1,442)	(7,990)	(9,432)	(3,351)	**(12,783)**
Company					
Deferred tax liabilities					
Trade and other receivables	(14)	–	(14)	–	**(14)**

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The amounts determined after appropriate offsetting are as follows:

	Group		Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Deferred tax assets	**244**	250	**–**	–
Deferred tax liabilities	**(13,027)**	(9,682)	**–**	–
	(12,783)	(9,432)	**–**	–

8 Development properties

	Group 2013 $'000	Group 2012 $'000
Properties in the course of development		
Cost	**1,620,001**	1,432,693
Attributable profit	**267,306**	173,640
Progress billings	**(811,366)**	(529,078)
	1,075,941	1,077,255
Completed units, at cost	**7,349**	46,744
	1,083,290	1,123,999

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

	Note	Group 2013 $'000	Group 2012 $'000
Borrowing costs paid and payable to banks	18	**7,491**	16,522

Borrowing costs have been capitalised at rates ranging from 1.03% to 1.31% (2012: 0.96% to 2.56%) per annum for development properties.

Allowance for foreseeable losses (when applicable) 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. Based on this assessment, the Group believes that none of the property development projects are loss-making. Hence, there is no allowance for foreseeable losses required as at 31 March 2013 (2012: $nil).

9 Trade and other receivables

	Note	Group 2013 $'000	Group 2012 $'000	Company 2013 $'000	Company 2012 $'000
Trade receivables		**16,522**	15,385	**–**	–
Deposits and other receivables	10	**423**	483	**6**	1
Amounts due from subsidiaries (non-trade)		**–**	–	**883,338**	1,103,057
Loans and receivables		**16,945**	15,868	**883,344**	1,103,058
Prepayments		**19**	17	**–**	–
		16,964	15,885	**883,344**	1,103,058

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

9 Trade and other receivables (cont'd)

The ageing of trade receivables at the reporting date is:

	Gross	
	2013	2012
	$'000	$'000
Group		
Not past due	**12,588**	12,572
Past due 1 – 30 days	**703**	–
Past due 31 – 120 days	**143**	2,813
Past due more than 120 days	**3,088**	–
	16,522	15,385

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.

10 Deposits and other receivables

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Deposits	**250**	179	**–**	–
Other receivables	**173**	304	**6**	1
	423	483	**6**	1

11 Cash and cash equivalents

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Amounts held under "Project Account Rules – 1997 Ed."	**124,180**	278,669	**–**	–
Fixed deposits placed with financial institutions	**10,167**	12,760	**10,167**	12,760
Cash at banks and in hand	**7,733**	7,009	**2,635**	2,918
	142,080	298,438	**12,802**	15,678

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 $94,000,000 (2012: $262,100,000) held in fixed deposits placed with financial institutions. The fixed deposits have maturity periods of 3 days to 149 days (2012: 4 days to 51 days) from the end of the year.

12 Share capital

	2013		2012	
	Number of shares '000	$'000	Number of shares '000	$'000
Issued and fully-paid:				
Ordinary shares				
At 1 April	**258,911**	**631,801**	252,108	616,160
Issue of shares pursuant to conversion of warrants	**–**	**–**	6,803	15,641
At 31 March	**258,911**	**631,801**	258,911	631,801

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

As at 31 March 2013, there were no outstanding rights shares and no warrants had been exercised (2012: 43,112,298). There were no warrants outstanding as at 31 March 2013 (2012: Nil).

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.

The Group achieved a return on shareholder's equity (based on profit for the year) of 9.9% for the year ended 31 March 2013 compared to 16.8% for the year ended 31 March 2012. 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.

13 Reserves

	Group 2013 $'000	Group 2012 $'000	Company 2013 $'000	Company 2012 $'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
Accumulated profits	**428,205**	352,398	**65,765**	102,185
Dividend reserve	**38,837**	46,604	**38,837**	46,604
	527,756	459,716	**166,510**	210,697

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

The dividend reserve includes the final tax exempt dividends of $0.04 (2012: $0.04) per share and special tax exempt dividends of $0.11 (2012: $0.14) per share amounting to $38,837,000 (2012: $46,604,000) proposed by the directors.

14 Interest-bearing bank loans

	Group 2013 $'000	Group 2012 $'000	Company 2013 $'000	Company 2012 $'000
Non-current liabilities				
Unsecured bank loans	**–**	275,481	**–**	215,637
	–	275,481	**–**	215,637

Terms and debt repayment schedule

	Currency	Nominal interest rate %	Year of maturity *	2013 Face value $'000	2013 Carrying amount $'000	2012 Face value $'000	2012 Carrying amount $'000
Group							
Unsecured bank loans	S$	SOR + 0.8% to SOR + 1.05%	2014	**–**	**–**	277,000	275,481
				–	**–**	277,000	275,481
Company							
Unsecured bank loans	S$	SOR + 0.85% to SOR + 1.05%	2014	**–**	**–**	217,000	215,637
				–	**–**	217,000	215,637

* This relates to calendar year.

The floating rate bank loans bore interest ranging from 1.03% to 1.31% (2012: 0.96% to 2.56%) per annum during the year.

15 Trade and other payables

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Trade payables	**9,667**	1,958	**–**	–
Accrued operating expenses and development costs	**46,430**	45,320	**636**	1,313
Accrued interest payable	**–**	650	**–**	394
Sundry payables	**866**	583	**–**	–
Amounts due to subsidiaries (non-trade)	**–**	–	**177,479**	137,282
	56,963	48,511	**178,115**	138,989

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

16 Revenue

	Group	
	2013	2012
	$'000	$'000
Sale of development properties	**354,033**	389,954
Rental and related income	**625**	620
	354,658	390,574

17 Profit from operations

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

	Group	
	2013	2012
	$'000	$'000
Accrued development expenses written back	**–**	5,762
Audit fees paid to auditors of the Company	**(141)**	(135)
Contributions to defined contribution plans (included in staff costs)	**(127)**	(265)
Direct operating expenses arising from rental of investment property (excluding depreciation)	**(138)**	(131)
Directors' fees	**(475)**	(474)
Dividend income from available-for-sale financial assets	**–**	873
Gain on disposal of available-for-sale financial assets	**–**	37,400
Non-audit fees paid to auditors of the Company	**(40)**	(54)
Operating lease expenses	**(129)**	(120)
Staff costs	**(2,426)**	(2,517)
Write-back of foreseeable losses on development properties	**–**	17,000

17 Profit from operations (cont'd)

	Group 2013 $'000	Group 2012 $'000
Transactions with key management personnel		
Short-term employee benefits:		
- Directors' fees	**(475)**	(474)
- Remuneration of key management personnel included in staff costs	**(1,361)**	(1,549)
	(1,836)	(2,023)

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

18 Finance income and expense

	Note	Group 2013 $'000	Group 2012 $'000
Finance income			
Interest income from fixed deposits		**318**	551
Mark-to-market gain on derivative instruments		**1,892**	3,216
		2,210	3,767
Finance expense			
Amortisation of transaction costs capitalised		**(1,520)**	(5,382)
Interest expense on:			
- bank loans		**(4,110)**	(8,351)
- derivative instruments		**(1,873)**	(4,330)
Transfer of hedging reserve to profit or loss		**–**	(5,205)
		(7,503)	(23,268)
Borrowing costs capitalised in properties in the course of development	8	**7,491**	16,522
		(12)	(6,746)
Net finance income/(costs)		**2,198**	(2,979)

19 Income tax expense

	Group 2013 $'000	Group 2012 $'000
Current tax expense		
Current year	**17,821**	16,350
Under/(over) provision in respect of prior years	**7,144**	(357)
	24,965	15,993
Deferred tax expense		
Origination and reversal of temporary differences	**3,295**	8,329
Under/(over) provision in respect of prior years	**56**	(339)
	3,351	7,990
Income tax expense	**28,316**	23,983
Reconciliation of effective tax rate		
Profit before income tax	**142,960**	206,888
Tax calculated using Singapore tax rate of 17%	**24,303**	35,171
Expenses not deductible for tax purpose	**71**	10
Income not subject to tax	**(3,258)**	(10,502)
Under/(over) provision in respect of prior years	**7,200**	(696)
	28,316	23,983

Judgement is required in determining the deductibility of certain expenses and taxability of certain income during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the provision for income tax and deferred income tax provisions in the period in which such determination is made.

20 Earnings per share

Basic and diluted earnings per share

	Group 2013 $'000	Group 2012 $'000
Basic and diluted earnings per share are based on:		
Profit for the year	**114,644**	182,905

20 Earnings per share (cont'd)

Basic and diluted earnings per share (cont'd)

	Group	
	2013	**2012**
	Number of shares	**Number of shares**
	'000	**'000**
Weighted average number of ordinary shares	**258,911**	258,911

21 Dividends

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

	Group and Company	
	2013	**2012**
	$'000	**$'000**
Tax-exempt final dividend paid of $0.04 (2012: $0.04) per share in respect of year 2012	**10,356**	10,356
Tax-exempt special final dividend paid of $0.14 (2012: $0.08) per share in respect of year 2012	**36,248**	20,713
	46,604	31,069

The following dividends were proposed by the directors:

Tax-exempt final dividend proposed of $0.04 (2012: $0.04) per share in respect of year 2013	**10,356**	10,356
Tax-exempt special final dividend proposed of $0.11 (2012: $0.14) per share in respect of year 2013	**28,481**	36,248
	38,837	46,604

22 Operating leases

Leases as lessee

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

	Group	
	2013	2012
	$'000	$'000
Payable:		
Within 1 year	**158**	89
After 1 year but within 5 years	**276**	–
	434	89

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	
	2013	2012
	$'000	$'000
Receivable:		
Within 1 year	**475**	458
After 1 year but within 5 years	**511**	625
	986	1,083

23 Financial risk management

Overview

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

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

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

23 Financial risk management (cont'd)

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.

In addition, the Group is also exposed to credit risk in respect of financial guarantee contracts in connection with the guarantee contracts it has issued to banks for credit facilities granted to its subsidiaries. To mitigate the risk, management continually monitors the risk and has established processes including performing credit evaluations of the subsidiaries. The maximum exposure to credit risk in respect of these financial guarantees at the reporting date is disclosed in note 24.

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		Company	
		Carrying amount		Carrying amount	
	Note	2013	2012	2013	2012
		$'000	$'000	$'000	$'000
Loans and receivables	9	**16,945**	15,868	**883,344**	1,103,058
Cash and cash equivalents	11	**142,080**	298,438	**12,802**	15,678
		159,025	314,306	**896,146**	1,118,736

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				
2013				
Non-derivative financial liabilities				
Trade and other payables	**56,963**	**(56,963)**	**(56,963)**	**–**
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)

23 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				
2013				
Non-derivative financial liabilities				
Trade and other payables	**178,115**	**(178,115)**	**(178,115)**	**–**
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)	–
	354,626	(362,550)	(141,723)	(220,827)
Derivative financial liabilities				
Interest rate swaps	1,892	(2,145)	(2,145)	–
	356,518	(364,695)	(143,868)	(220,827)

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.

23 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	
	2013	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**
Variable rate instruments				
Non-derivative financial assets				
Fixed deposits	**104,167**	274,860	**10,167**	12,760
Non-derivative financial liabilities				
Interest-bearing bank loans	**–**	(275,481)	**–**	(215,637)
Derivative financial liabilities				
Interest rate swaps	**–**	(1,892)	**–**	(1,892)
	104,167	(2,513)	**10,167**	(204,769)

The Group and the Company's exposure to changes in interest rates relates primarily to interest-bearing bank loans. Interest rate risk is managed on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates.

As at 31 March 2012, the Group and the Company had interest rate swaps with total notional contract amount of $200 million whereby the Group and the Company had agreed with counterparties to exchange, at specified intervals, the difference between floating rate and fixed rate interest amounts calculated by reference to the agreed notional principal amounts of the interest-bearing bank loans.

The fair value of the above swaps at 31 March 2012 was $1,892,000.

23 Financial risk management (cont'd)

Interest rate risk (cont'd)

Cash flow sensitivity analysis for variable rate instruments

A change of 50 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 2012.

	Profit or loss		Equity	
	50 bp increase $'000	50 bp decrease $'000	50 bp increase $'000	50 bp decrease $'000
Group				
2013				
Fixed deposits	**521**	**(521)**	**–**	**–**
2012				
Fixed deposits	1,374	(1,374)	–	–
Interest-bearing bank loans	(1,377)	1,377	–	–
Interest rate swaps	1,565	666	–	–
	1,562	669	–	–
Company				
2013				
Fixed deposits	**51**	**(51)**	**–**	**–**
2012				
Fixed deposits	64	(64)	–	–
Interest-bearing bank loans	(1,078)	1,078	–	–
Interest rate swaps	1,565	666	–	–
	551	1,680	–	–

23 Financial risk management (cont'd)

Accounting classifications and fair values

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

	Note	Loans and receivables $'000	Fair value through profit or loss $'000	Other financial liabilities at amortised cost $'000	Total carrying amount $'000	Fair value $'000
Group						
2013						
Trade and other receivables	9	**16,945**	**–**	**–**	**16,945**	**16,945**
Cash and cash equivalents	11	**142,080**	**–**	**–**	**142,080**	**142,080**
		159,025	**–**	**–**	**159,025**	**159,025**
Trade and other payables	15	**–**	**–**	**(56,963)**	**(56,963)**	**(56,963)**
		–	**–**	**(56,963)**	**(56,963)**	**(56,963)**
2012						
Trade and other receivables	9	15,868	–	–	15,868	15,868
Cash and cash equivalents	11	298,438	–	–	298,438	298,438
		314,306	–	–	314,306	314,306
Interest-bearing bank loans	14	–	–	(275,481)	(275,481)	(275,481)
Trade and other payables	15	–	–	(48,511)	(48,511)	(48,511)
Derivative financial liabilities		–	(1,892)	–	(1,892)	(1,892)
		–	(1,892)	(323,992)	(325,884)	(325,884)

23 Financial risk management (cont'd)

Accounting classifications and fair values (cont'd)

	Note	Loans and receivables $'000	Fair value through profit or loss $'000	Other financial liabilities at amortised cost $'000	Total carrying amount $'000	Fair value $'000
Company						
2013						
Trade and other receivables	9	**883,344**	**–**	**–**	**883,344**	**883,344**
Cash and cash equivalents	11	**12,802**	**–**	**–**	**12,802**	**12,802**
		896,146	**–**	**–**	**896,146**	**896,146**
Trade and other payables	15	**–**	**–**	**(178,115)**	**(178,115)**	**(178,115)**
2012						
Trade and other receivables	9	1,103,058	–	–	1,103,058	1,103,058
Cash and cash equivalents	11	15,678	–	–	15,678	15,678
		1,118,736	–	–	1,118,736	1,118,736
Interest-bearing bank loans	14	–	–	(215,637)	(215,637)	(215,637)
Trade and other payables	15	–	–	(138,989)	(138,989)	(138,989)
Derivative financial liabilities		–	(1,892)	–	(1,892)	(1,892)
		–	(1,892)	(354,626)	(356,518)	(356,518)

Estimation of fair values

Interest-bearing bank loans

The carrying value of interest-bearing bank loans that reprice within six months of the reporting date is assumed to approximate their fair values. The carrying amounts of the term loans also approximate fair value as it is subject to floating interest rates which in turn approximate the current market interest rate for similar loan at reporting date.

Other financial assets and liabilities

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

23 Financial risk management (cont'd)

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).

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group and Company				
2013				
Derivative financial liabilities	–	–	–	–
Group and Company				
2012				
Derivative financial liabilities	–	(1,892)	–	(1,892)

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

24 Financial Guarantee Contracts

There are no terms and conditions attached to the financial guarantees that would have a material effect on the amount, timing and uncertainty of the Group's and Company's cash flows. In 2012, the Company issued financial guarantees to certain banks in respect of banking facilities granted to certain subsidiaries amounting to $60,331,367, of which the amount utilised at the reporting date was $60,331,367. The periods in which the financial guarantees would expire were as follows:

	2013 $'000	2012 $'000
After 1 year but within 5 years	–	60,331

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

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.

Information about reportable segments

	Development properties		Investment holding		Total	
	2013	2012	2013	2012	2013	2012
	$'000	$'000	$'000	$'000	$'000	$'000
External revenue	**354,206**	390,127	**452**	447	**354,658**	390,574
Finance income	**262**	504	**6,146**	19,402	**6,408**	19,906
Finance expense	**(12)**	(1,541)	**(4,198)**	(21,344)	**(4,210)**	(22,885)
Depreciation	**100**	94	**161**	160	**261**	254
Reportable segment profit before tax	**140,416**	170,767	**2,568**	36,161	**142,984**	206,928
Other material non-cash item:						
- Write-back of foreseeable losses on development properties	**–**	17,000	**–**	–	**–**	17,000

25 Operating segments (cont'd)

Reconciliations of reportable segment profit or loss and other material items

	2013 $'000	2012 $'000
Profit or loss		
Total profit or loss for reportable segments	**142,984**	206,928
Unallocated amounts	**(24)**	(40)
Consolidated profit before income tax	**142,960**	206,888

	Reportable segment totals $'000	Adjustments $'000	Consolidated totals $'000
Other material items 2013			
Finance income	**6,408**	**(4,198)**	**2,210**
Finance expense	**4,210**	**(4,198)**	**12**
Other material items 2012			
Finance income	19,906	(16,139)	3,767
Finance expense	22,885	(16,139)	6,746

The Group's operations are primarily in Singapore.

Shareholding Statistics

As at 14 June 2013

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	570	15.60	76,338	0.03
1,000 to 10,000	2,268	62.07	8,010,604	3.10
10,001 to 1,000,000	793	21.70	45,083,348	17.41
1,000,001 and above	23	0.63	205,741,036	79.46
Total	3,654	100.00	258,911,326	100.00

Based on the Registers of Shareholders and to the best knowledge of the Company, approximately 38.7% 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	BNP PARIBAS SECURITIES SERVICES SINGAPORE BRANCH	29,799,898	11.51
3	SELAT PTE LIMITED	29,478,664	11.39
4	CITIBANK NOMINEES SINGAPORE PTE LTD	22,663,593	8.75
5	LEE RUBBER COMPANY PTE LTD	21,955,968	8.48
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	4,799,123	1.85
12	LEE FOUNDATION	2,963,130	1.14
13	ISLAND INVESTMENT COMPANY PTE LTD	2,829,600	1.09
14	HSBC (SINGAPORE) NOMINEES PTE LTD	1,851,677	0.72
15	YEO REALTY & INVESTMENTS (PTE) LTD	1,603,000	0.62
16	DBSN SERVICES PTE LTD	1,583,852	0.61
17	LEE PLANTATIONS PTE LIMITED	1,533,600	0.59
18	RAFFLES NOMINEES (PTE) LTD	1,259,026	0.49
19	UNITED OVERSEAS BANK NOMINEES PTE LTD	1,248,876	0.48
20	TAN PROPRIETARY (PTE) LTD	1,216,000	0.47
	Total	202,483,467	78.21

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

Shareholders	Direct Interest	Deemed Interest
Singapore Investments (Pte) Ltd	34,633,008	–
Selat (Pte) Limited+	29,478,664	2,829,600
Lee Rubber Company (Pte) Limited*	21,955,968	14,099,992
Kallang Development (Pte) Limited∞	11,875,192	1,533,600
Lee Foundation^	2,963,130	64,997,272
Aberdeen Asset Management Asia Limited	–	31,077,500
Aberdeen Asset Management PLC◊	–	31,077,500
Aberdeen International Fund Managers Limited	–	21,683,000
Capital Intelligence Limited	13,845,600	–
Guoco Group Limited#	–	13,845,600
GuocoEquity Assets Limited#	–	13,845,600
GuoLine Overseas Limited#	–	13,845,600
GuoLine Capital Assets Limited#	–	13,845,600
Hong Leong Investment Holdings Pte. Ltd.#	–	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, 1,533,600 BSEL shares owned by Lee Plantations (Pte.) Limited and 691,200 BSEL shares owned by Lee Rubber (Selangor) Sdn Bhd.

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

^ Includes 29,478,664 BSEL shares owned by Selat (Pte) Limited, 34,633,008 BSEL shares owned by Singapore Investments (Pte) Limited, 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 31,077,500 BSEL shares owned by Aberdeen Asset Management Asia Limited.

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

Properties of the Group

The properties of the Group as at 31 March 2013 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	100%	–		Phase 2 (38 units)
Phase 3		8,973	10,506	100%	–		Phase 3 (46 units)
Phase 4		8,694	8,261	52%	1Q 2014		Phase 4 (36 units)
Phase 5		10,725	12,239	26%	3Q 2014		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 – completed in 2Q 2012. Phase 3 – completed in 4Q 2012. Phase 4 – main building architectural and external works are in progress. Phase 5 – main building 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					
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.

* 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.

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 364-369, 389-392, 397-415, 906, 907 & 1317T TS 21 at 55 & 57 Paterson Road	Freehold	–	332	100%	–	100%	Main building work was completed in 3Q 2010. One unit remains unsold.
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	37%	3Q 2014	100%	Written Permission has been granted for the proposed 85 units of residential development. Main building structural and architectural works are in progress.
Lots 394 & 395 TS 21 at 14 & 16 Lengkok Angsa	Freehold	463	–	–	–	100%	Vacant residential land.
Lots 2135L, 2136C & 2802X Mk 2 at 55-63 Holland Road	Freehold	7,120	10,588	100%	–	100%	Main building work was completed in 2Q 2012.
Lots 715L, 780L, 1243X & 1245C TS 27 at 12, 12A & 12B Cairnhill Rise	Freehold	6,773	20,283	52%	1Q 2014	100%	Written Permission has been granted for the proposed 158 units of residential development. Main building architectural and external works are in progress.
Lots 689T, 445M & 444C TS 21 at 2, 10 & 18 St Thomas Walk	Freehold	9,245	28,126	5%	3Q 2016	100%	Written Permission has been granted for the proposed 219 units of residential development. Main building work commenced in November 2013.
Lots 1833L & 1603A Mk 1 at 610 & 612 Telok Blangah Road	Freehold	14,382	32,268	11%	2Q 2015	100%	Written Permission has been granted for the proposed 283 units of residential development. Main building structural work is in progress.

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 47th Annual General Meeting of the Company will be held at **Amara Singapore Hotel, Ballroom 1, Level 3, 165 Tanjong Pagar Road, Singapore 088539**, on Thursday, 25 July 2013 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 2013 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 11 cents per share tax exempt (one-tier) for the financial year ended 31 March 2013.

3. To re-elect the following Directors who are retiring by rotation pursuant to Article 94 of the Company's Articles of Association:

   (i) Mr Ng Chee Seng

   (ii) Mr Tan Swee Siong

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

   (i) Mr Teo Kim Yam

   (ii) Mr Eddie Tang

   Note: Mr Eddie Tang, if re-appointed, will continue as a member of the Audit Committee, Chairman of the Nominating Committee, a member of the Remuneration Committee and will be considered an independent director.

5. To approve Directors' fees of $475,000 for the financial year ended 31 March 2013. (2012: $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

   (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

10 July 2013
Singapore

Notes:

1. *A member of the Company entitled to attend and vote at the above Meeting is entitled to appoint one proxy or two proxies to attend and vote in his stead. Where a member appoints more than one proxy, he must specify the number of shares to be represented by each proxy, failing which, the appointment shall be deemed to be in the alternative. A proxy need not be a member of the Company.*

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

3. *The instrument or form appointing a proxy or proxies, duly executed, must be deposited at the office of the Company's Share Registrar, M & C Services Private Limited, 112 Robinson Road, #05-01, Singapore 068902, 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

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.

BUKIT SEMBAWANG ESTATES LIMITED

Co Reg No. 196700177M

(Incorporated in the Republic of Singapore)

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 47th Annual General Meeting of the Company to be held on Thursday, 25 July 2013 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 Ng Chee Seng as a Director				
(ii) Re-election of Mr Tan Swee Siong as a Director				
4. (i) Re-appointment of Mr Teo Kim Yam as a Director				
(ii) Re-appointment of Mr Eddie Tang 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 ____________________ 2013.

Total Number of Shares held

____

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

Important: Please read notes overleaf

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BUKIT SEMBAWANG ESTATES LIMITED

Affix Postage Stamp

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

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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 office of the Company's Share Registrar, M & C Services Private Limited, 112 Robinson Road, #05-01, Singapore 068902, 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.

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BUKIT SEMBAWANG
ESTATES LIMITED

Bukit Sembawang Estates Limited
(Co.Reg No. 196700177M)

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Singapore 088541

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