

Independent Auditors' Report

to the Members of Singapore Technologies Engineering Ltd

We have audited the accompanying financial statements of Singapore Technologies Engineering Ltd (the "Company") and its subsidiary companies (collectively the "Group") for the year ended 31 December 2008 in accordance with Singapore Standards on Auditing. The financial statements comprise the balance sheets of the Group and the Company as at 31 December 2008, and the income statement and cash flow statement of the Group for the year then ended, together with the notes thereto.

In our opinion, the accompanying summary financial statement set out on pages 11 to 30 is consistent, in all material respects, with the financial statements and the directors' report from which they were derived, and complies with the requirements of Section 203A of the Singapore Companies Act, Chapter 50 and regulations made thereunder.

For a better understanding of the financial position and the results of the operations of the Group and the Company for the period and the scope of our audit, the summary financial statement information on pages 11 to 30 (excluding the directors' report information) should be read in conjunction with the financial statements and our audit report thereon.

In our auditors' report dated 17 February 2009, which is reproduced below, we expressed an unqualified opinion on the financial statements of Singapore Technologies Engineering Ltd:

"We have audited the accompanying financial statements of Singapore Technologies Engineering Ltd (the "Company") and its subsidiary companies (collectively the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2008, the statements of changes in equity of the Group and the Company, and the income statement and cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair income statement and balance sheet and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

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

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

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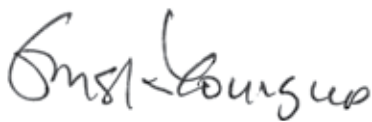
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion,

- (a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2008 and changes in equity of the Group and of the Company, the results and cash flows of the Group for the financial year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Company and by those subsidiary companies incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act."



Ernst & Young LLP

Public Accountants and Certified Public Accountants

Singapore

17 February 2009