

**Issuer:** Sing Holdings Limited  
**Security:** Sing Holdings Limited

**Meeting details:**

Date: 26 April 2017

Time: 15:00H

Venue: 168 Robinson Road, Level 9 STI Auditorium, Capital Tower, Singapore 068912

**Company Description**

Sing Holdings Limited, an investment holding company, engages in the property development activities in Singapore. The company develops and leases residential and commercial properties. Its property portfolio includes landed houses, apartments, condominiums, office and industrial buildings, factories, and warehouses. Sing Holdings Limited was founded in 1964 and is based in Singapore.

(Source: [http://www.sgx.com/wps/portal/sgxweb/home/company\\_disclosure/stockfacts?code=5IC](http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=5IC))

**Q1.** Shareholders would like for more clarity on the group's development projects in Singapore. Specifically, shareholders would like to ask about:

- Fernvale:** The group was fortuitous to emerge as the top bidder for the Fernvale site with a bid of \$287.1 million.
- a) **How will the group be positioning the project? What will be the selling point of the project? What is the expected selling price?**
  - b) **With the construction expected to start in 2H2017, has the project been launched, and if so, what has been the take up rate?**
  - c) The group will be adopting the prefinished prefabricated volumetric construction (PPVC) method. **What are the cost and speed advantages of using the PPVC method?**
  - d) **Waterwoods:** With just two units unsold, the total contracted sales value of about \$373.2 million has been fully recognised as revenue over the last two financial years.
  - e) **What has been the return on investment from the Waterwoods projects? Has it met management's expectations?**

**Q2.** On 12 March 2017, the company announced that it had entered into a sale and purchase agreement on 10 March 2017 to dispose its entire 100% equity holding in Sing Holdings (Robin) Pte. Ltd. (SHR) to a company incorporated in Singapore which is not related to the Company, its Directors and controlling shareholders.

- a) **When is the expected completion date and use of proceeds?**

SHR is the company's wholly owned subsidiary which developed the freehold condominium known as Robin Residences located at Robin Drive. The consideration for the SHR Disposal (the "Consideration") was arrived at on a "willing-buyer willing-seller" basis and it takes into account the agreed property value at S\$72,709,000 for 29 strata units in the Development.

With the change in the Additional Conveyance Duties for property-holding entities, the company entered into a conditional agreement to sell SHR that will result in a loss of \$3.85 million.

- b) **Can management help shareholders understand the rationale for the sale of SHR instead of selling the individual strata units?**
- c) **What were the options considered by the group, other than to sell SHR at a loss of \$3.85 million?** One other option available is the status quo in which the group may incur additional QC but retain the units that could be sold for a profit.

**Q3.** The group, had on 16 January 2017, completed its acquisition of Travelodge Docklands, a freehold fourteen-storey hotel, located at 66 Aurora Lane, Docklands in Melbourne, for \$111 million (page 87).

- a) **Can management explain to shareholders the attractiveness of buying into the Melbourne market at this point? What are the expected returns from this investment?**
- b) **Is Travelodge classified as an investment property? Is the company moving actively into this new area? What is management's investment hurdle rate for its investment properties?**
- c) **Since the hotel is on a long-term lease to TFE Hotels group, what is the current yield and are there any rent reviews or rental escalation?**

- d) How is the group going to fund this purchase and how will it manage foreign exchange exposure?