

Issuer: British and Malayan Holdings Limited

Security: British and Malayan Holdings Limited

Meeting details:

Date: 23 October 2017

Time: 2:30 p.m.

Venue: 1 Coleman Street, #08-01 The Adelphi, Singapore 179803

Q1. In the Chairman’s Statement (page 12 of the annual report), it was suggested that the company has to diversify away from the challenging trust business.

“The trust business in Singapore is challenging, one that continues to see weak pricing and strong competitive pressures, while constantly evolving regulatory demands has resulted in higher costs. Though much effort has gone into containing our costs in a responsible manner, the solution going forward has to stem from developing or acquiring new profitable business opportunities”.

- a) **Following the change in shareholding structure and the recent corporate restructuring by way of a scheme of arrangement, shareholders would like to understand from the management and from the board, in greater details, the new strategic direction of the company.**
- b) **Could the company elaborate further on the potential new business opportunities that could help the company in diversifying its revenue and income streams? What are the types of business opportunities that could be considered?**
- c) **Can the company give examples of some of the possible “accretive relationships and alliances with like-minded but complimentary specialists (page 12)”?**

Q2. As shown in Note 10 (page 67 – AFS Financial Assets), the group has available for sale financial assets (quoted equity instruments) of \$2,566,632 as at 30 June 2017.

- a) **As the quoted equity instruments account for 20% of the group’s total assets, shareholders would like to ask management for better visibility into the breakdown of the quoted equity instruments.**
- b) **Has the company reviewed the long term performance of the AFS financial assets portfolio?**

In Note 24 (page 79 – Events occurring after the reporting period), it was disclosed that “post balance sheet date, the company disposed all of its holdings in AFS assets for a net proceeds of S\$2,527,460”.

- c) **What are management’s plans for the net proceeds from the sale of the AFS assets given that the company has cash and cash equivalents at end of year of \$6,704,914?**

Q3. Based on the disclosure in Note 23 (page 78 – Segment information), the performance of the Trustee activities segment is as follows:

	Trustee activities	
	2017	2016
	S\$	S\$
Revenue		
External customers	2,269,656	2,509,800
Results		
Interest income	-	-
Dividends income	-	-
Other income	51,636	95,437
Loss on sale of property, plant and equipment	-	-
Employee benefits expense	(2,161,822)	(2,832,135)
Depreciation expense	(193,263)	(195,461)
Other expenses	(1,656,614)	(1,458,073)
Plant and equipment written off	-	-
Net foreign exchange gain/(loss)	1,855	(1,712)
Income tax credit/ (expense)	6,405	(3,020)
Segment (loss)/profit	(1,682,147)	(1,885,164)
Segment assets and total assets	4,949,185	4,774,342
Segment liabilities and total liabilities	1,223,943	1,258,928
Supplementary non-cash transactions:		
Scrip dividend received	-	-

(Source: Company annual report)

- a) Can management elaborate further on their plans to increase the revenue for the Trustee activities segment?
- b) Following the modernisation of the operational systems in the company, how much more cost savings can the group achieve?
- c) Has the board and the management evaluated the competitiveness of the group and examined how the Trustee activities operations can be right-sized to adapt to the current market conditions?

A copy of the questions for the Annual Report for the financial year ended 30 June 2016 could be found here:

https://sias.org.sg/index.php?option=com_qaannualreports&view=qareports&filter_company=34

The company's response could be found here: -----