



Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: Bukit Sembawang Estates Limited

Security: Bukit Sembawang Estates Limited

Meeting details:

Date: 27 July 2018

Time: 10.30 a.m.

Venue: M Hotel Singapore, Banquet Suite, Level 10, 81 Anson Road, Singapore 079908

Company Description

Bukit Sembawang Estates Limited, an investment holding company, engages in the property development, investment, and other property-related activities primarily in Singapore. It operates through two segments, Property Development and Investment Holding. The company develops residential properties comprising landed homes, private condominiums, and apartments. It also invests in and manages office buildings. Bukit Sembawang Estates Limited was founded in 1911 and is based in Singapore.

(Source: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=B61)

1. As noted in the Chairman's Statement, it was disclosed that the group's residential project, Paterson Collection, would be retained for long term investment and handed over to a third party to manage as Serviced Apartments.

- (i) Following the payment of Additional Buyer's Stamp Duty of \$31.8 million for the transfer, how much more will be invested in the upgrading and refurbishment of the project?**
- (ii) Given that carrying value of Paterson Collection as "Property, plant and equipment" is more than \$240 million, did the board consider it appropriate to make an announcement to inform shareholders of this material change?**
- (iii) Can management also explain how the manager was selected?**
- (iv) What is the projected yield/rental of Paterson Collection following the change in use?**
- (v) Can management help shareholders understand why Paterson Collection was converted into a service apartment and kept as an "investment property"? What are the expected returns versus the opportunity costs? Would the group have been able to launch and sell the units in the market in CY2017/2018?**

2. In addition, the group acquired the freehold Makeway View and 99-year leasehold Katong Park Towers through en-bloc purchases. The group has disclosed that it will launch these projects in the 1st half of 2019.

- (i) How advanced is the group in the planning process for these two en-bloc projects? Has management considered bringing forward the launch?**
- (ii) What is the minimum developer's margin required in the planning/evaluation stage by the board/management?**

Additional cooling measures were announced on 5 July 2018, raising the Additional Buyer's Stamp Duty (ABSD) rates and tightening loan-to-value (LTV) limits on residential property purchases.

- (iii) How have these cooling measures affected the group's plans?**
- (iv) How nimble and agile is the group in reacting to changing market conditions and adjusting its launch/development plans accordingly?**

3. Following the conclusion of the Annual General Meeting held on 27 July 2017, Mr Samuel Guok retired from the board. Mr Guok had served on the board for 9 years, and was the Chairman of the Board and Audit Committee, and Member of Nominating Committee, Remuneration Committee and Project Development Committee.



As disclosed, Mr Koh Poh Tiong was appointed Chairman of the Board, Chairman of the Audit and Risk Management Committee, and a member of the Remuneration Committee and Project Development Committee on 4 August 2017.

- (i) **Given the change in the board leadership, would it be opportune for the board to redefine its mission statement and to finetune its strategy given the current market cycle and market dynamics?**
- (ii) How can the group better leverage its land bank to generate higher and sustained returns to improve long-term shareholder value?

A copy of the questions for the Annual Report for the financial year ended 31 March 2017 could be found here:

https://sias.org.sg/index.php?option=com_qaannualreports&view=qareports&filter_company=229

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