Securities Investors Association (Singapore)
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UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Issuer: Bukit Sembawang Estates Limited

Stock code: B61

Meeting details:
Date: 31 July 2026
Time: 10.30 a.m.
Venue: Riverfront Ballroom, Level 2, Grand Copthorne Waterfront Hotel, 392 Havelock Road, Singapore 169663

Q1. As noted in the chairman's statement, following the launch of Pollen Collection II in December 2025, the group is preparing to launch Luxus Hills Phase 10, a 999-year leasehold landed development, in the third quarter of 2026.

The sales progress of the group's residential projects is as follows:

- Pollen Collection II: 186 landed houses, with 27 of the first 52 units sold (52% of Phase 1; 15% overall)
- 8@BT: 158 units, with 111 units sold (70%)
- Pollen Collection: 132 units, with 124 sold (94%)
- Luxus Hills Phase 10: Launch expected in 3Q2026

(i) Can the company elaborate on its pricing strategy for Luxus Hills Phase 10, taking into account its 999-year leasehold tenure? How does management intend to position the project relative to Pollen Collection II?

Management has referred to adopting a "calibrated approach" for the remaining units at 8@BT.

(ii) Can management elaborate on what this means in practice? How will pricing and marketing initiatives be managed as the project approaches its expected completion at the end of 2027?

Many new projects across locations including Holland, Tampines, River Valley, and even Tengah, have sold out or achieved more than 90% take-up rates at launch.

(iii) What philosophy has the board adopted in determining the optimal sales pace for the group's residential developments? Does the group seek to maximise early sell-through at launch to derisk the project, or has it deliberately retained inventory over the construction period to optimise pricing? How does the board determine the appropriate balance?

(iv) What is the board's outlook for the Singapore residential property market and what is the group's land banking strategy? Specifically, what does management consider to be the group's acquisition "sweet spot" in terms of location, project size, product type and target buyer segment at this point in the property cycle?

Q2. During the financial year, the group drew down bank borrowings of $259 million and repaid $28 million within the same financial year.

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15 BORROWINGS (CONT'D)

Reconciliation of movements of liabilities and assets to cash flows arising from financing activities

	Liabilities			Assets	
	Borrowings $'000	Accrued interest payable $'000	Lease liabilities(1) $'000	Prepayments(2) $'000	Total $'000
Group					
Balance at April 1, 2025	–	–	1,010	(1,262)	(252)
Changes from financing cash flows					
Proceeds from borrowings	259,000	–	–	–	259,000
Repayment of borrowing	(28,000)	–	–	–	(28,000)
Payment for lease liabilities	–	–	(573)	–	(573)
Interest paid	–	(2,521)	(23)	(42)	(2,586)
Total changes from financing cash flows	231,000	(2,521)	(596)	(42)	227,841
Other changes					
New leases	–	–	539	–	539
Termination of lease	–	–	(4)	–	(4)
Upfront bank loan facilities fees utilised	(777)	–	–	777	–
Amortisation of upfront bank loan facilities fees	210	–	–	99	309
Interest expense	–	2,681	23	90	2,794
Total non-cash changes	(567)	2,681	558	966	3,638
Balance at March 31, 2026	230,433	160	972	(338)	231,227

(Source: company annual report; emphasis added)

(i) Can management elaborate on the operational rationale for drawing down $259 million of bank borrowings during the year, while repaying $28 million within the same period? What financing requirements or opportunities did these borrowings support?

The annual report also disclosed that interest earned on cash and cash equivalents ranged from 0.15% to 1.25% per annum, while bank borrowings incurred interest at rates ranging from 1.76% to 2.29% per annum. As at 31 March 2026, the group held approximately $230 million in fixed deposits and $54 million in cash and cash equivalents, while carrying $230 million of bank borrowings that resulted in finance costs of approximately $3 million.

(ii) Can the board explain the treasury strategy underlying this position? What specific financial flexibility or strategic optionality does the group gain that justifies the negative carry arising from holding substantial cash balances while simultaneously incurring borrowing costs?

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(iii) What is the board's policy on maintaining committed but undrawn banking facilities?

Many property developers have successfully secured green or sustainability-linked financing for qualifying developments.

(iv) Has management evaluated green or sustainability-linked financing for its developments? If so, could such financing reduce the group's funding costs while supporting its sustainability objectives?

Q3. As disclosed in the sustainability report, the Ministry of Manpower (MOM) issued a partial stop work order (SWO) for the Pollen Collection project following safety concerns identified during an inspection. Management subsequently worked with the main contractor to address the issues, provide the necessary documentation and implement appropriate safety measures, following which the SWO was lifted.

A SWO was also issued for Luxus Hills Phase 10 by the Building and Construction Authority (BCA).

(i) What were the underlying causes of the SWO by the MOM? Following these incidents, what investigations did the board undertake to satisfy itself that there were no systemic gaps in the group's workplace health and safety management?

(ii) Given that the group has nearly 60 years of experience as a property developer, how do the board and management satisfy themselves that workplace health and safety is consistently practised on-site as part of day-to-day operations, rather than existing primarily as policies, procedures and checklists?

Separately, in 2024, the group experienced a cybersecurity incident that resulted in the unauthorised disclosure of the personal data of 1,327 customers. The FY2025 annual report stated that the group strengthened its IT security infrastructure, password controls and file encryption standards. It also stated that the group would periodically conduct staff training and distribute cybersecurity awareness newsletters.

(iii) Can the board provide an update on the root causes of the incident and whether the Personal Data Protection Commission has concluded their investigations? If so, what were the findings?

(iv) What metrics does management use to assess the effectiveness of its cybersecurity awareness programme? Beyond training completion rates, how does the group measure whether employee behaviour and cyber resilience have demonstrably improved? In addition, how does the board assess whether periodic cybersecurity awareness newsletters meaningfully improve employee awareness and reduce cyber risk?

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