

BUKIT SEMBAWANG ESTATES LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No. 196700177M
(the "Company")

58TH ANNUAL GENERAL MEETING

MINUTES OF THE 58TH ANNUAL GENERAL MEETING ("AGM") OF THE COMPANY HELD AT THE WATERFRONT BALLROOM, LEVEL 2, GRAND COPTHORNE WATERFRONT HOTEL, 392 HAVELOCK ROAD, SINGAPORE 169663 ON FRIDAY, 26 JULY 2024 AT 10.30 A.M.

PRESENT:

Mr Koh Poh Tiong	: Chairman and Independent Director
Mr Ong Sim Ho	: Independent Director
Mr Tan Swee Yiow	: Independent Director
Mr Lee Chien Shih	: Non-Executive Director
Ms Fam Lee San	: Non-Executive Director
Mr Chng Kiong Huat	: Chief Executive Officer
Ms Jacqueline Chang	: Financial Controller
Ms Lim Mei Hua Lotus Isabella	: Company Secretary

MEMBERS

As per attendance record maintained by the Company.

IN ATTENDANCE

As per attendance record maintained by the Company.

CHAIRMAN

Mr Koh Poh Tiong took the Chair. On behalf of the Board, the Chairman extended a warm welcome to members who attended the meeting.

The Chairman introduced each of the Board Members, the Chief Executive Officer, the Financial Controller, the Company Secretary and the Audit Partner to the Members of the Company.

There being a quorum present, the Chairman called the meeting to order, and proceeded with the formal business of the AGM.

NOTICE OF MEETING

The Notice of the meeting, having been published on SGXNET and the Company's website on 4 July 2024, was taken as read.

VOTING BY WAY OF A POLL

The Chairman advised all members present that pursuant to the requirements of the Listing Rules of the Singapore Exchange Trading Securities Limited, all resolutions for this meeting would be put to the vote, by way of a poll.

The meeting was advised that, with that in view, Agile 8 Solutions Pte. Ltd. had been appointed Scrutineers, for the conduct of the poll. A representative of Agile 8 Solutions Pte. Ltd. then briefed all present at the meeting on the poll voting process.

The Chairman further advised all members present that there were shareholders who had appointed the Chairman of the meeting as their proxy to vote on their behalf, and that he would be voting in accordance with their instructions.

PRESENTATION BY CHIEF EXECUTIVE OFFICER

The Chairman then invited the Chief Executive Officer, Mr Chng Kiong Huat, to present the business updates of the Group. Mr Chng delivered the presentation using slides (as annexed and marked as Appendix 1) which covered “Financial Overview”, “Project Portfolio”, “Current Projects”, “Upcoming Projects”, “Fully Sold Projects”, “Serviced Apartments” and “Business Strategy”.

QUESTIONS FROM MEMBERS

The Chairman advised that the Company has published responses to queries from the Securities Investors Association (Singapore) (“SIAS”) via SGXNET and the company’s website on 19 July 2024. (as annexed and marked as Appendix 2). The Company had not received any questions from shareholders of the Company, prior to the meeting.

The Chairman then invited questions from the floor.

(Annex A to these minutes, sets out details of the Company’s response to substantial and relevant questions from shareholders during the meeting.)

ORDINARY RESOLUTIONS

All the motions, as set out in the Notice dated 4 July 2024, convening the Annual General Meeting were duly proposed by the Chairman.

ORDINARY BUSINESS **ORDINARY RESOLUTIONS**

1. DIRECTORS’ STATEMENT AND AUDITED FINANCIAL STATEMENTS

Duly proposed, the Chairman put the following motion to the meeting:

“That the Directors’ Statement and Audited Financial Statements for the financial year ended 31 March 2024 and the Auditor’s Report thereon be hereby adopted.”

The Chairman announced the results as follows and declared Resolution 1 carried:

Total number of valid votes cast	For		Against	
	Number of shares	(%)	Number of shares	(%)
126,068,623	126,021,323	99.96	47,300	0.04

2. FINAL DIVIDEND AND SPECIAL DIVIDEND

Duly proposed, the Chairman put the following motion to the meeting:

“That a final dividend of 4 cents per share and a special dividend of 12 cents per share be declared for the financial year ended 31 March 2024.”

The Chairman announced the results as follows and declared Resolution 2 carried:

Total number of valid votes cast	For		Against	
	Number of shares	(%)	Number of shares	(%)
126,043,223	125,991,923	99.96	51,300	0.04

As the next resolution was the re-election of Mr Koh Poh Tiong, the Chairman handed the Chair for the meeting to Mr Ong Sim Ho for the conduct of the proceedings relating to the re-election of Mr Koh Poh Tiong as a Director of the Company.

Mr Ong then took the Chair.

3. RE-ELECTION OF DIRECTOR – KOH POH TIONG

Duly proposed, the Chairman put the following motion to the meeting:

“That Mr Koh Poh Tiong, retiring by rotation pursuant to Regulation 94 of the Company’s Constitution, be re-elected as a Director of the Company.”

The Chairman announced the results as follows and declared Resolution 3 carried:

Total number of valid votes cast	For		Against	
	Number of shares	(%)	Number of shares	(%)
126,045,323	125,960,723	99.93	84,600	0.07

Mr Ong Sim Ho proceeded to hand the Chair back to Mr Koh Poh Tiong for the conduct of the rest of the meeting.

4. RE-ELECTION OF DIRECTOR – ONG SIM HO

Duly proposed, the Chairman put the following motion to the meeting:

“That Mr Ong Sim Ho, retiring by rotation pursuant to Regulation 94 of the Company’s Constitution, be re-elected as Director of the Company.”

The Chairman announced the results as follows and declared Resolution 4 carried:

Total number of valid votes cast	For		Against	
	Number of shares	(%)	Number of shares	(%)
126,197,386	126,129,486	99.95	67,900	0.05

5. RE-ELECTION OF DIRECTOR – TAN SWEE YIOW

Duly proposed, the Chairman put the following motion to the meeting:

“That Mr Tan Swee Yiew, retiring by rotation pursuant to Regulation 76 of the Company’s Constitution, be re-elected as a Director of the Company.”

The Chairman announced the results as follows and declared Resolution 5 carried:

Total number of valid votes cast	For		Against	
	Number of shares	(%)	Number of shares	(%)
126,169,886	126,110,186	99.95	59,700	0.05

6. DIRECTORS’ FEES

Duly proposed, the Chairman put the following motion to the meeting:

“That a sum of \$413,150/- be approved for payment as Directors’ fees for the financial year ended 31 March 2024.”

The Chairman announced the results as follows and declared Resolution 6 carried:

Total number of valid votes cast	For		Against	
	Number of shares	(%)	Number of shares	(%)
126,128,886	125,879,186	99.80	249,700	0.20

7. RE-APPOINTMENT OF AUDITOR

Duly proposed, the Chairman addressed item 7 on the Agenda which was to re-appoint Deloitte & Touche LLP as Auditor of the Company to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.

There being no other nomination, the Chairman recommended that Deloitte & Touche LLP, be re-appointed as Auditor of the Company at a remuneration to be fixed by the Directors. The Chairman put the following motion to the meeting:

“That Deloitte & Touche LLP be re-appointed as Auditor of the Company to hold office until the conclusion of the next Annual General Meeting and that the Directors be authorised to fix their remuneration.”

The Chairman announced the results as follows and declared Resolution 7 carried:

Total number of valid votes cast	For		Against	
	Number of shares	(%)	Number of shares	(%)
126,070,576	125,813,413	99.80	257,163	0.20

SPECIAL BUSINESS

ORDINARY RESOLUTION

8. GENERAL AUTHORITY TO ALLOT AND ISSUE SHARES

The Chairman advised that the Special Business of the Agenda was to consider the motion as set out in the notice convening the meeting to grant authority to the Directors to allot and issue shares in the capital of the Company pursuant to the provisions of Section 161 of the Companies Act 1967 and the listing rules of the Singapore Exchange Securities Trading Limited. The Chairman put the motion set out under “General authority to allot and issue new shares in the capital of the Company” in the Notice of AGM dated 4 July 2024 to the meeting.

Duly proposed, the Chairman announced the results as follows and declared Resolution 8 carried:

Total number of valid votes cast	For		Against	
	Number of shares	(%)	Number of shares	(%)
126,146,186	119,169,487	94.47	6,976,699	5.53

It was RESOLVED

That pursuant to Section 161 of the Companies Act 1967 of Singapore and the Listing Manual of Singapore Exchange Securities Trading Limited (“SGX-ST”), authority be and is hereby given to the Directors of the Company to:

- (a) (i) allot and issue shares in the capital of the Company (“Shares”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible or exchangeable into Shares,
- at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
- (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares, excluding treasury shares, in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 10% of the total number of issued shares, excluding treasury shares, in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST), for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued shares, excluding treasury shares, shall be based on the total number of issued shares, excluding treasury shares, in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
- (a) new Shares arising from the conversion or exercise of any convertible securities or from the exercise of share options or vesting of share awards which were issued and are outstanding or subsisting at the time of the passing of this Resolution; and
- (b) any subsequent bonus issue, consolidation or subdivision of Shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

CLOSING

There being no other business, the Chairman thanked the members present for their attendance and declared the meeting closed.

CONFIRMED AS A TRUE RECORD OF THE PROCEEDINGS

Koh Poh Tiong
Chairman

ANNEX A

RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM SHAREHOLDERS AT THE ANNUAL GENERAL MEETING (“AGM”) HELD ON 26 JULY 2024

Question 1

Refer to page 5 of the Annual Report, the Group’s Profit After Tax (“PAT”) was S\$70.8 million for the year ended 31 March 2024, with a dividend cash payout totaling S\$41.4 million, being 58% of the PAT, compared with a PAT of S\$34.4 million for the prior year with a dividend cash payout totaling S\$25.9 million. What is the reason for the decline in dividend rate from 75% in the prior year to 58% for the current year?

Company’s Response

The Company does not have a fixed dividend policy with respect to the dividend rate to be paid to shareholders every year. Management considers a number of factors in order to determine the cash quantum available for dividend payments in each financial year, such as the profit achieved, the working capital requirements for developments which are currently work in progress and future development plans of the Group. The Company adopts a prudent capital structure to finance its developments to minimise its financing costs, especially in the current global economic situation with still high interest rates.

Question 2

What are the future growth plans for the Company?

Company’s Response

The Company studies closely the Government’s mid-to-long-term vision in planning its growth. The Government has been steadily and firmly improving the national infrastructure to cater for a larger population in the past few years. With this population growth comes opportunities for the development of residential projects for sale and the investment in property assets for recurring income.

Management would also closely and carefully study global developments, both political and economic to determine whether there are opportunities to invest or develop projects or investments can be undertaken in any country outside of Singapore.

The Company intends to focus on these areas of growth, and Management will continue to be prudent and shall look carefully at the risks and the capital and funding structures before undertaking any project.

Question 3

What is the Company's strategy for overcoming the cooling property measures put in place by the Singapore Government in the form of Additional Buyers Stamp Duty, since this would effectively hinder foreigners who have the purchasing power from buying a property in Singapore?

Company's Response

The Company does not place a heavy focus on foreign purchasers. Management takes a targeted approach in the creation of our products and craft them to fit the needs of primarily Singaporeans and Permanent Residents. Additionally, our landed developments can only be purchased by Singaporeans. However, foreigners or Permanent Residents may also purchase a landed unit if they comply with the Land Dealings Approval Unit ("LDAU") requirements.

Question 4

Refer to page 106 of the Annual Report, the valuation of Fraser Residences Orchard, Singapore ("FROS") with floor area of approximately 11,000 square metres was \$208.7 million, and when calculated, the average cost is very low at S\$1,766/- psf, while other properties in another district are valued at between S\$2,200/- to S\$2,400/- psf. Given that FROS is located at Orchard and is freehold, is it undervalued and has Management looked into this and other valuation method?

Company's Response

Management has considered all aspects of the valuation method and other factors and had discussed the matter at length with the Valuers.

As FROS operates as a serviced apartment, the valuation would have to be made against other comparable sales of serviced apartments and not against comparable or equivalent sales of condominium units in the same vicinity. The valuation was performed as part of impairment assessment. As there was a dearth of serviced apartment sales in this vicinity or nearby, the comparable method cannot be used.

Hence the Discounted Cash Flow Analysis was used by the valuer to arrive at the value of FROS. The recoverable amount was estimated using the fair value less cost to sell approach, prepared in accordance with the International Valuation Standards.

However, the underlying value of the asset is higher and can only be realised if it were to be converted back into a residential development for sale.

The Audit and Risk Management Committee Chairman further elaborated on the Discounted Cash Flow method for the valuation.



BUKIT SEMBAWANG
ESTATES LIMITED

58th Annual General Meeting

26 July 2024



8@BT
Artist's Impression



CEO Presentation

- 01 — Financial Overview
- 02 — Project Portfolio
- 03 — Current Projects
- 04 — Upcoming Projects
- 05 — Fully Sold Projects
- 06 — Serviced Apartments
- 07 — Business Strategy



01.

Financial Overview





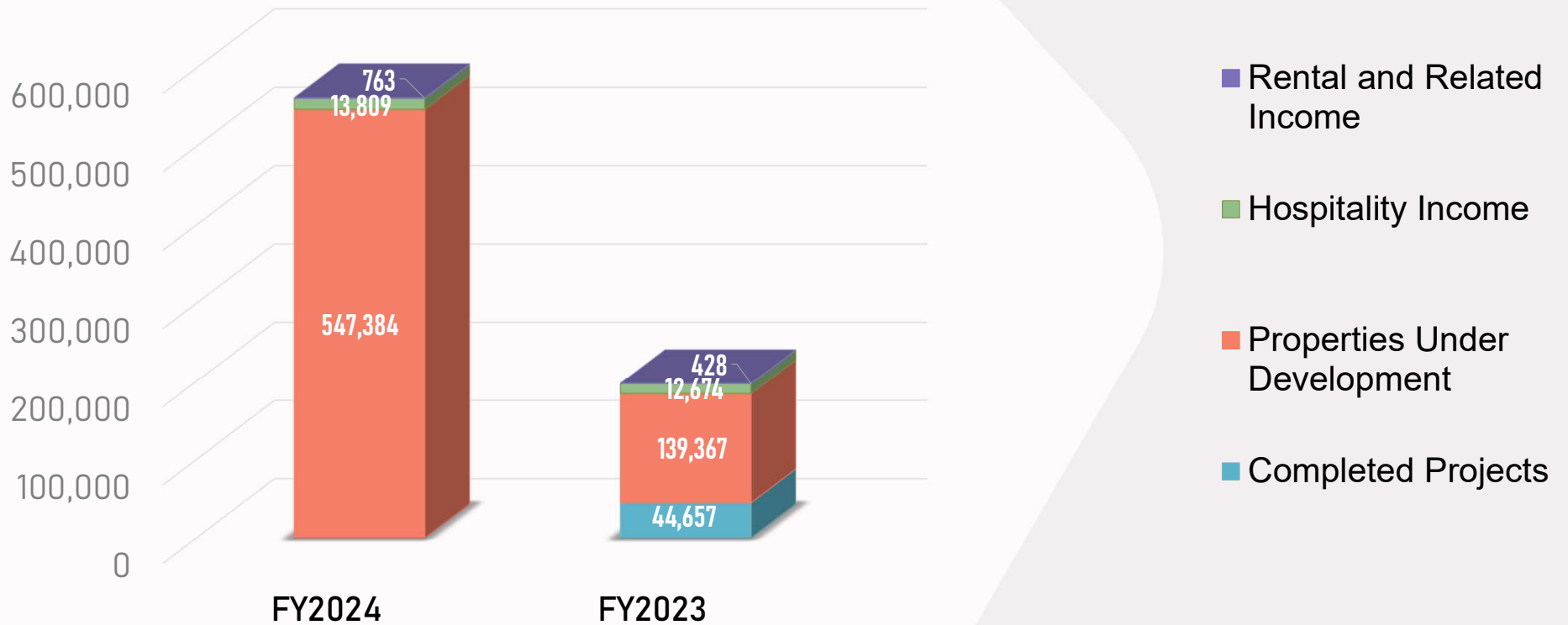
Financial Overview

For the year ended 31 March	2024	2023	% Change
Revenue	\$561.96m	\$197.13m	185%
Profit Before Tax	\$82.57m	\$37.48m	120%
Profit After Tax	\$70.85m	\$34.40m	106%
Net Return on Total Equity	4.66%	2.33%	100%
Earnings Per Share	\$0.27	\$0.13	108%



FINANCIAL OVERVIEW

Revenue (\$'000)





02.

Project Portfolio



Pollen Collection
Artist's Impression



Project Portfolio

Private Residences

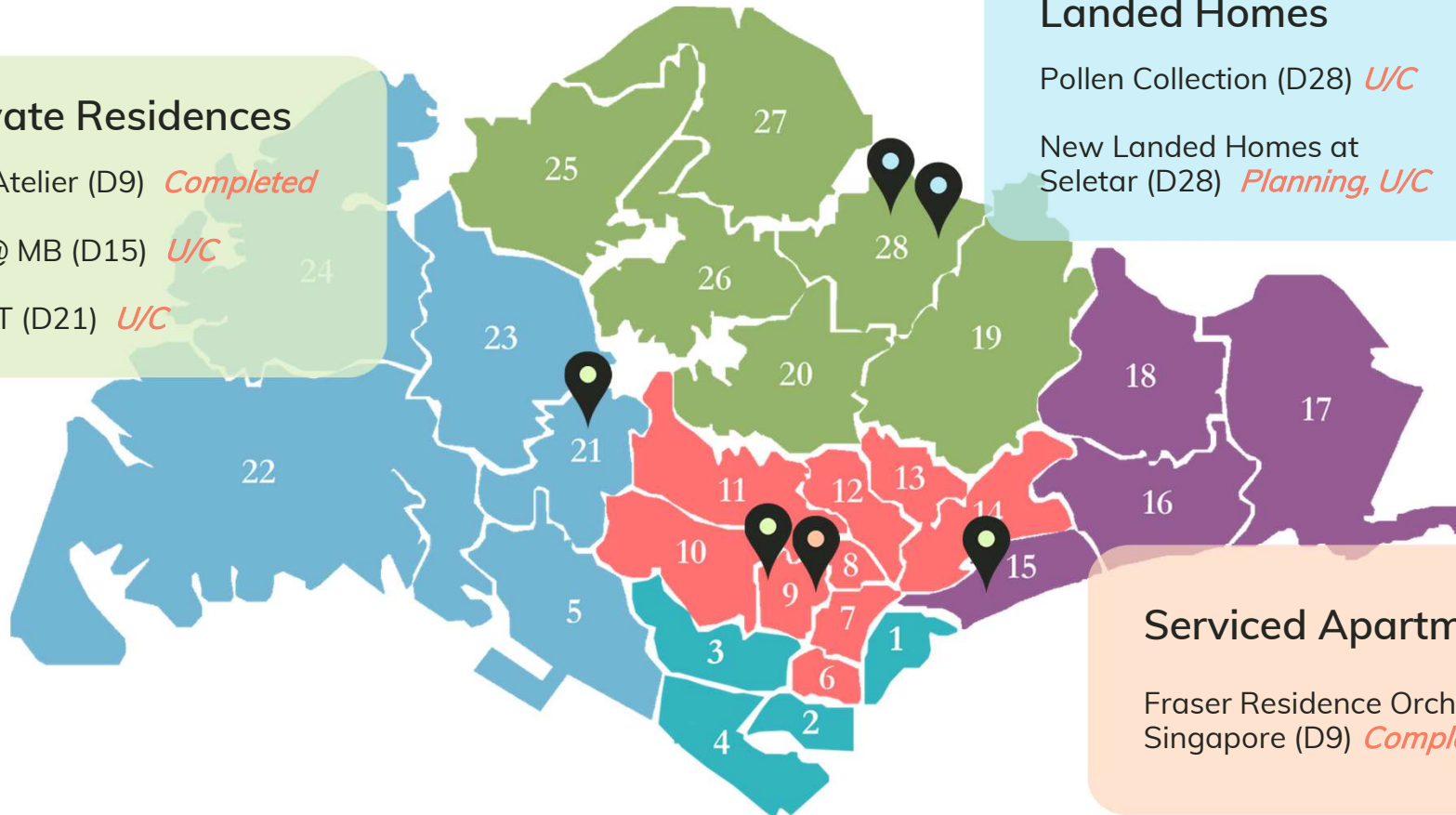
- The Atelier (D9) *Completed*
- LIV @ MB (D15) *U/C*
- 8@BT (D21) *U/C*

Landed Homes

- Pollen Collection (D28) *U/C*
- New Landed Homes at Seletar (D28) *Planning, U/C*

Serviced Apartments

- Fraser Residence Orchard, Singapore (D9) *Completed*





Awards & Accolades



Bukit Sembawang Estates Limited

BCI Asia Top 10 Developers Award 2023 and 2024

PropertyGuru Asia Property Awards 2023 -
Best Landed Developer

PropertyGuru Asia Property Awards 2023 -
Special Recognition in ESG



Pollen Collection

PropertyGuru Asia Property Awards Grand Final 2023 -
Best Housing Development (Singapore)

PropertyGuru Asia Property Awards 2023 -
Best Landed Housing Development

BCA Green Mark Gold Award





03.

Current Projects





PROJECTS FOR SALE

Pollen Collection

District 28 · Seletar
99-Year Leasehold
132 Landed Houses

A prized collection of brand-new contemporary landed homes, for the privileged few.

69% of Released Units Sold



Pollen Collection
Artist's Impression



04.

Upcoming Projects



©BT
Artist's Impression





UPCOMING PROJECTS

8@BT

District 21 · Upper Bukit Timah
99-Year Leasehold
158 Residences

The Address in Bukit Timah.

Launching Q3 2024



8@BT
Artist's Impression



UPCOMING PROJECTS

New Landed Homes at Seletar

District 28 · Seletar

999-Year Leasehold
156 Landed Houses

99-Year Leasehold
186 Landed Houses



Pollen Collection
Artist's Impression



05.

Fully Sold Projects





FULLY SOLD PROJECTS

The Atelier

District 9 · Newton
Freehold
120 Residences

The notion of luxury in the coveted District 9 neighbourhood.





FULLY SOLD PROJECTS

LIV@MB

District 15 · Mountbatten
99-Year Leasehold
298 Residences

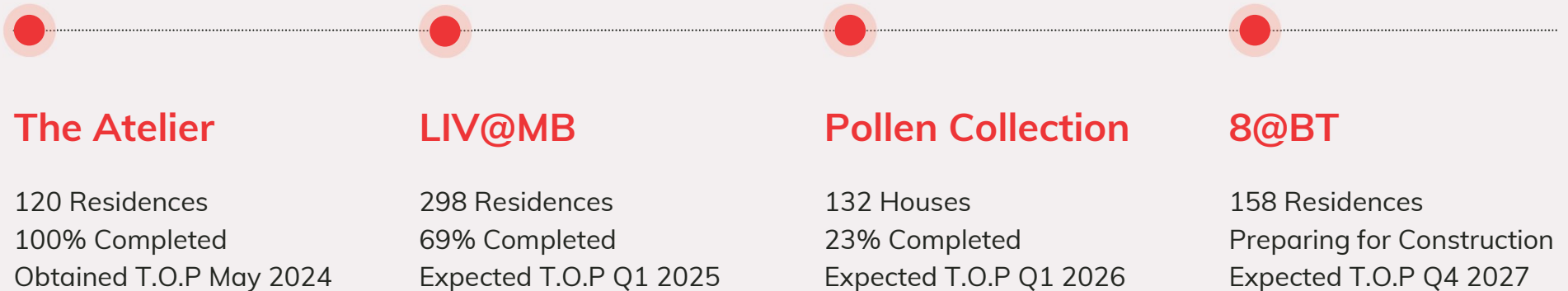
A heritage of luxury living within the coveted Mountbatten conservation enclave.



LIV@MB
Artist's Impression



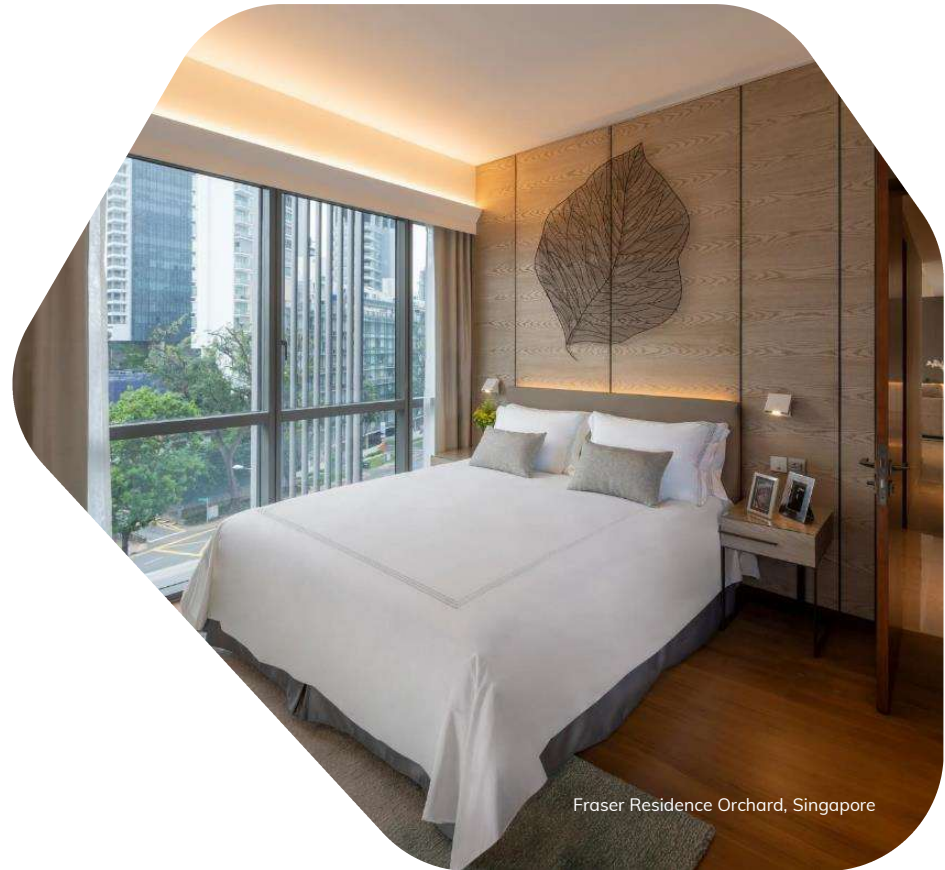
Project Construction Progress





06.

Serviced Apartments





SERVICED APARTMENTS

Fraser Residence Orchard, Singapore

District 9 - Orchard
Freehold
115 Rooms

Fully-furnished Gold Standard serviced apartments
developed by Bukit Sembawang Estates.

\$414 Average Room Rate



Fraser Residence Orchard, Singapore



07.

Business Strategy



Pollen Collection
Artist's Impression



Business Strategy



Core Competence

Focusing on Residential
Developments



Value Added Homes

Creating High-Value Lifestyle
Developments



Financial Stability

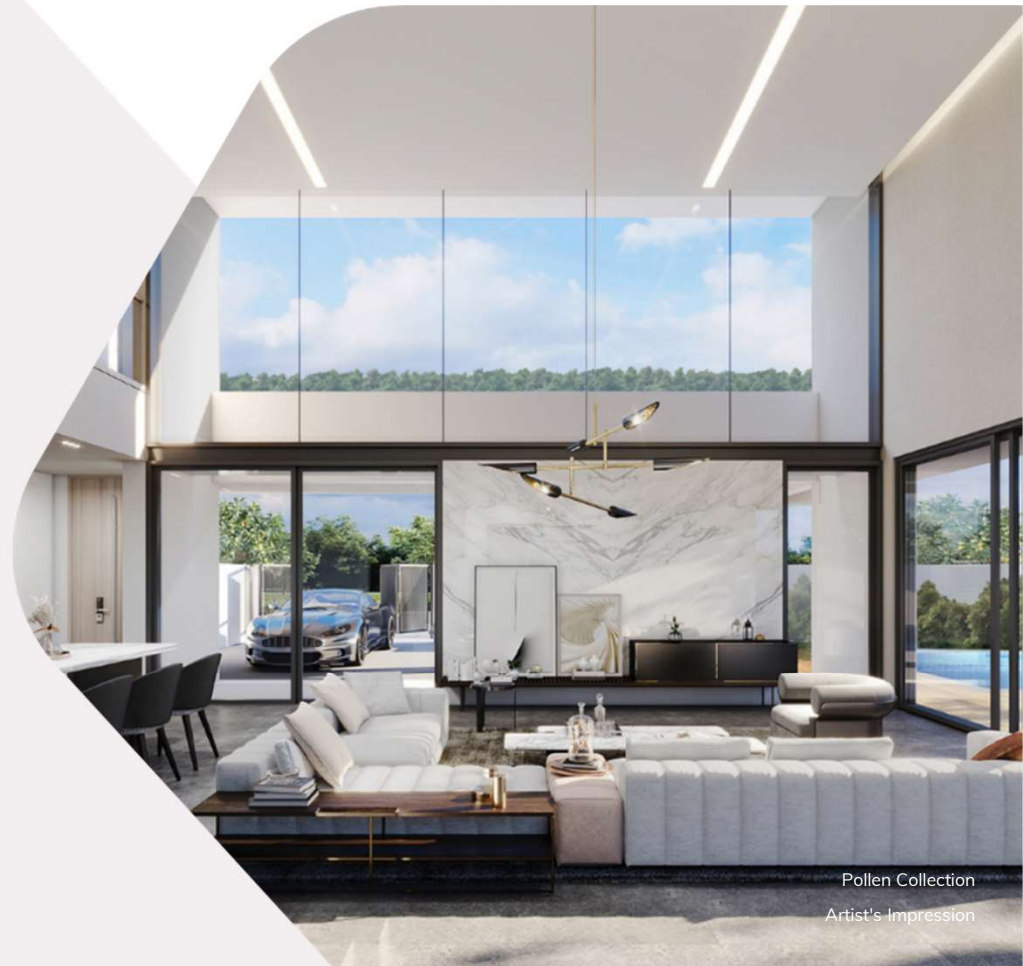
Ensuring Long Term
Sustainable Growth



Core Competence

Focusing on Residential Developments

- Landed Homes
- Condominiums





Value Added Homes

Creating High-Value Lifestyle Developments

- Homes designed for the current and future generation of homeowners
- Future-ready smart homes that feature innovative technology
- Thoughtfully designed elements for greater comfort and privacy



LIV@MB
Artist's Impression



Financial Stability

Ensuring Long-Term Sustainable Growth

- Evolving our approach to meet the needs of today's homebuyers
- Lookout for suitable opportunities to supplement our land bank



The Atelier
Artist's Impression



BUKIT SEMBAWANG
ESTATES LIMITED

Thank You



8@BT

Artist's Impression

All information are accurate as of 26 July 2024.
The marketing plans as indicated in the presentation slides may be subjected to changes depending on market conditions and the business environment.



BUKIT SEMBAWANG
ESTATES LIMITED

Q & A



8@BT

Artist's Impression



**RESPONSES TO QUESTIONS FROM
SECURITIES INVESTORS ASSOCIATION (SINGAPORE)**

Bukit Sembawang Estates Limited (“**BSEL**”, “**the Company**”, together with its subsidiaries, “**the Group**”) would like to thank the Securities Investors Association (Singapore) (“**SIAS**”) for submitting questions ahead of the Company’s 58th Annual General Meeting (“**AGM**”) to be held on 26 July 2024 at 10.30am.

The Company would like to share our responses to the questions as follows:

Question 1

As noted in the chairman’s statement, the group has successfully sold out The Atelier and LIV@MB. Profits before tax for FY2024 increased by 120% to \$82.6 million, with the group’s revenue reaching \$562.0 million.

Temporary Occupation Permit (TOP) for The Atelier was obtained in May 2024. LIV@MB will receive TOP in the first quarter of 2025, and Pollen Collection is expected to receive TOP by the first quarter of 2026. Plans are in place for the launch of 8@BT in the third quarter of 2024.

- (i) **What percentage of the group’s customers are Singaporeans and Permanent Residents for some of the group’s latest projects, such as LIV@MB, The Atelier, Pollen Collection and Nim Collection?**

Response

The proportion of the Singaporean and Permanent Resident buyers of the Group’s residential developments are as follows:

Landed Developments:

Nim Collection (Phase 1 and 2) and Pollen Collection:

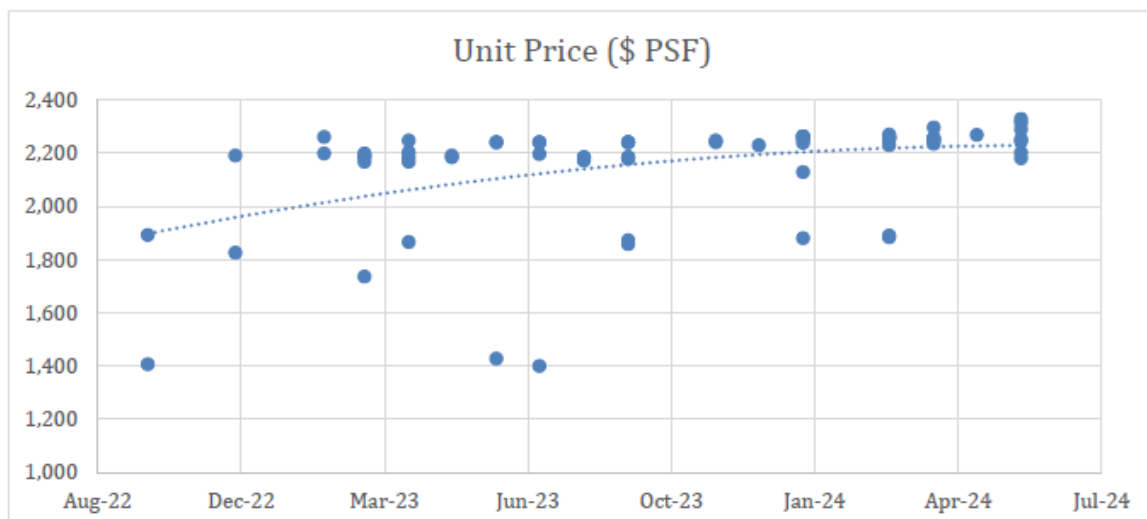
- All buyers are Singaporean

Non-Landed Developments:

1. LIV@MB:
 - Singaporean: 82.6%
 - Permanent Resident: 12.8%
2. The Atelier:
 - Singaporean: 83.3%
 - Permanent Resident: 11.7%

The group continues to sell its inventory of bespoke landed homes at Pollen Collection through its in-house sales consultants.

Approximately half of the Pollen Collection has been sold. Based on caveats lodged with URA, the selling price has remained fairly stable since 2022.



- (ii) **Has the group been able to realise any benefits, such as higher average selling prices over time, by spreading out the sales of its projects?**

Response

The Group adopts a prudent sales approach for its developments. Sales of landed developments are approached differently than that of non-landed developments, as the quantum is much higher, and the demand is smaller.

For the Pollen Collection, the landed homes are sold in batches so as to maintain a steady supply that will co-relate to the demand. By spreading out the supply and sales of the landed homes, the Group is able to adjust the prices of the landed homes in tandem with the market so as to achieve target average selling price for the development. The Group continuously monitors the landed market to meet the demand of the primarily Singaporean purchasers.

- (iii) **Can management clarify if sales of Pollen Collection are handled exclusively by the group's in-house sales consultants? Are there benefits to leveraging real estate agencies to launch and market the projects, potentially leading to faster sales and reduced risk?**

Response

Pollen Collection is marketed exclusively by our carefully selected and very experienced team of in-house sales consultants at our Flagship Gallery, located along Ang Mo Kio Ave 5. The in-house team is specially trained to handle discerning customers of our landed developments.

For non-landed developments, the Group appoints real estate agencies to market the developments. These agencies have a wider reach of the market and contribute greatly to the sales of the developments.

Every development by the Group has a unique selling point which helps to make the development more marketable. This unique selling point, conflated with the state of the market and economy at the point of sale would determine the speed of sale and the risk exposure of the Group.

- (iv) **What are the considerations in launching 8@BT only in the third quarter of 2024 given that piling work has already commenced and the main building works are expected to start by the second half of 2024?**

8@BT can only be launched when all the collaterals necessary for sales have been obtained. We are in the process of obtaining the collaterals and expect all the necessary approvals for launch to be obtained by the third quarter of 2024.

Question 2

Based on the company's disclosure on SGX¹, there have been several changes to the senior management team in the past 18 months.

The cessations include:

- Chief operating officer (February 2023; in the job for two years)
- General management (Marketing & Sales) (November 2023; in the job for two years and four months)
- Head of project (July 2024; in the job for four years)

- (i) **Is the board, particularly the nominating committee (NC), satisfied with the retention and attrition rate of the senior management team? Are there challenges to identifying and retaining high-quality staff?**

Response

Retention of senior employee is always a matter of importance to the Board. The Board and NC give every hire and cessation of senior employee high care and attention. All senior employees receive regular contact, career and work consultation with the Chairman of the Board and other directors, and in the event of resignation, the conduct of exit interviews. The Board noted the context in which the aforementioned employees had ceased their employment and was satisfied that these were not exceptional. The context included expected and satisfactory retirement (Head of Project) and individual career decisions (Chief Operating Officer; General Manager (Marketing & Sales)).

The Board noted and is satisfied that the Group has been able to fill all senior positions with high-quality candidates and has in place succession for them.

- (ii) **Has the relatively high turnover rate in the senior management team affected the group's operations?**

Response

The cessation of the said officers did not materially affect the Group's operation. The Company has in place work systems to address the operational needs arising from key staff resignations including succession plans.

In the cases referred to, the duties and responsibilities of the said officers were handed over effectively and performance of these duties and responsibilities continued unhindered after they left the Company.

¹ <https://www.sgx.com/securities/company-announcements?pagesize=20&value=BUKIT%20SEMAWANG%20ESTATES%20LIMITED&type=company&ANNC=ANNC04>

(iii) Would the group benefit from having a chief financial officer?

Response

In terms of substantive scope of function, the Board is satisfied that the Financial Controller function is adequate to manage the Company's current financial management, operations and control system. The Board is satisfied with the performance of Ms Jacqueline Chang, the current Financial Controller, who is responsible for the Group's finance, accounting and tax matters with more than 20 years of experience in finance and accounting.

The Board will continue to review its needs and where necessary, develop and promote deserving staff to fill larger roles or extend its hiring.

Separately, Mr Chu Leong Tho was appointed as an alternate director to Ms Fam Lee San on 28 March 2023². The NC is cognisant that the practice guidance of the Code of Corporate Governance 2018 notes that alternate directors should only be appointed in exceptional cases.

(iv) Can the NC clarify the reasons for appointing Mr Chu Leong Tho as an alternate director to Ms Fam Lee San and elaborate on the exceptional circumstances that support this appointment?

Response

The Nominating Committee and the Board review the circumstances for the appointment of alternate directors where necessary. Having considered the expertise and experience of Mr Chu Leong Tho, the Nominating Committee and the Board are of the view that Mr Chu Leong Tho is appropriately appointed.

Mr Chu's appointment as an alternate director to Ms Fam Lee San enables the Company to draw upon his experience and capabilities in business development and international property fund management as the Company moves towards the acquisition of both development and recurring income assets both locally and internationally. This appointment provides the Company with a very valuable resource and at the same time allows the existing balance of independent directors and non-independent directors on the Board to be maintained.

As an alternate director, Mr Chu is not entitled to remunerations, but bears all duties and responsibilities borne by and is subject to the same rules and procedures as all directors of the Company.

Ms Fam Lee San continues to commit and give sufficient time and attention to the affairs of the company. It is ascertained that appointing an alternate is no substitute to Ms Fam's obligation to contribute effectively and demonstrate commitment to her role as director.

² <https://links.sgx.com/1.0.0/corporate-announcements/B8ZRE3YC056TO8KQ/498fc1ebaff7dff89d916a5f1fcd978fab62c5d096da5e885d930111dd444c2>

Question 3

Based on SGX StockFacts, the company's shares trade at around 0.6 times its book value, which is significantly made up of cash, and its enterprise value is approximately \$588 million. The group has cash and cash equivalents of \$452 million as at 31 March 2024, with total liabilities amounting to \$78.7 million.

Notably, the current share price has fallen below the levels observed during the COVID-19 lows of 2020.

Bukit Sembawang (B61/BSES.SI) ▲ 3.530 +0.05 (1.437%)

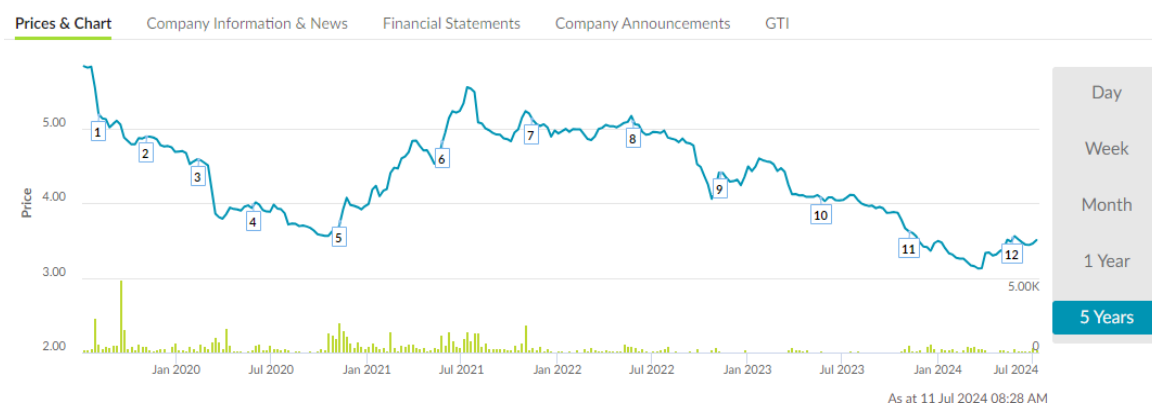
Print

Industry: Real Estate, Real Estate Development & Operations

This company reports in this currency: SGD

For latest update, please refer to Company Announcements.

Cum Dividend/ Distribution



Overview Valuation Financials Dividends Ownership

Price/Book Value	0.601	Enterprise Value	588.48M
Price/Sales	1.626	Price/CF	11.739
Dividend Yield	1.13	P/E Ratio	12.90
Dividend Yield 5-yr avg	1.009	Net Debt	-325.48M

(Source: <https://investors.sgx.com/securities/stocks?security=B61>)

- (i) **Has the board evaluated the group's capital structure? What is the optimal capital structure to support the group's growth plans?**

Response

The Group adopts a prudent approach to development and has a conservative capital structure with low gearing. The Management strives to ensure that the Company's financial covenants are duly observed at all times.

The Group regularly reviews and manages its capital structure to ensure optimal capital structure and shareholders' returns, taking into consideration operating cash flows, capital expenditure, gearing ratio and prevailing market interest rates.

The Board continues to closely monitor the Group's cashflow requirements and expected expenditure as we explore suitable opportunities to supplement our land bank and develop or acquire recurring income assets.

(ii) Is the group over-capitalised?

Response

The strong cashflow position allows the Group to conserve financial resources for further acquisition of properties for development and investments. This also provides the Group with the financial ability to weather uncertainties in the market and enables the Group to move and act swiftly when an opportunity or need arises.

In recent years, stock exchanges and regulators, including Tokyo Stock Exchange and Korea's Financial Services Commission, have started to ask companies to set up and disclose valuation boosting plans. These corporate value-boosting initiatives are needed as it is recognised that "corporate values" of listed companies have to improve and that the main driver in enhancing corporate value is the company itself. Efforts have been targeted at companies that trade below a price-to-book ratio of below 1. The plans focused on increasing awareness and literacy of the cost of capital, capital efficiency and stock prices of listed companies.

Specifically, Tokyo Stock Exchange has required companies with price-to-book consistently below 1x to disclose their policies and specific initiatives to improve their valuations.

(iii) What is the company's cost of capital? Has the board evaluated if management consistently delivers returns exceeding this benchmark?

Response

The Company adopts a hurdle rate that considers the cost of capital, cost of debt and project risks.

The Board regularly reviews the performance of Management in achieving the agreed goals and objectives and monitors the performance of the company.

(iv) Could the board, particularly the independent directors, explain their efforts to increase corporate value and improve capital efficiency?

Response

The Board continuously reviews and refines its business strategy to increase corporate value and improve capital efficiency.

All the directors participate actively during Board meetings, constructively challenge and help develop proposals on strategy, review the performance of Management in achieving the agreed goals and objectives and monitor the performance of the company.

The Board assesses new investment opportunities identified and ensures that acquisitions are aligned with the Company's long-term objective of creating value for shareholders. Investment financing options are evaluated by the Board to ensure the best and/or right mix of debt and equity that minimises a company's cost of capital. At the same time, the Board monitors the Group's overall credit metrics to ensure compliance with financial covenants especially in light of the current high interest rate environment.

- (v) **Beyond attributing share price fluctuations solely to external factors, has the board considered formulating, disclosing and implementing strategic initiatives aimed at enhancing capital efficiency and bolstering corporate valuation, thereby crystallising value for all shareholders?**

Response

The Group has a healthy land bank and a steady sales pipeline of landed housing and condominiums. It has also in its portfolio a long-term recurring income asset. Together, these drive the Group's revenue generation.

The Group takes a long-term portfolio view of all its development properties and continues to closely monitor prevailing market conditions to determine the appropriate time to purchase additional land, if necessary, to supplement its existing land bank.

The Board will continue to take a forward-thinking approach in achieving sustainable growth while actively seeking opportunities to supplement our land bank to build upon our solid foundation.

By Order of the Board

Lotus Isabella Lim Mei Hua
Company Secretary
19 July 2024
Singapore