



BUKIT SEMBAWANG
ESTATES LIMITED

Bukit Sembawang clinches award for Best-Performing Stock at The Edge Billion Dollar Club 2019



Ms Ho Jenny, General Manager (Marketing), Bukit Sembawang receives the company's award for Best-Performing Stock (Properties)

Bukit Sembawang Estates Ltd won the Best-Performing Stock in the Properties category at the **The Edge Billion Dollar Club 2019** gala dinner held on 6 September 2019.

The Edge Billion Dollar Club (BDC) recognises Singapore's outstanding corporate performers for their return to shareholders and contributions to the corporate sector in Singapore. Among the companies that are listed on Singapore Exchange and have at least \$1 billion in market capitalisation, Bukit Sembawang emerged as the top developer for three-year shareholder returns in the properties sector.

For more information on The Edge BDC, visit <https://bdc.theedgesingapore.com/>.



BUKIT SEMBAWANG
ESTATES LIMITED



Award trophy for Best-Performing Stock (Properties)



Award winners of The Edge Billion Dollar Club 2019



BUKIT SEMBAWANG
ESTATES LIMITED



(L to R) Mr Ooi Chee Eng, Ms Yeo Hui Si, Ms Ho Jenny, Mr Cowie Tan



BILLION DOLLAR
CLUB 2019

**RECOGNISING SINGAPORE'S
OUTSTANDING CORPORATE PERFORMERS**

THE EDGE BILLION DOLLAR CLUB 2019

Winners of The Edge Singapore Billion Dollar Club 2019

Total no of awards 36 Total no of winners 27

AWARD MEASURE	BEST IN SECTOR	BEST-PERFORMING STOCK	FASTEST-GROWING COMPANY	MOST PROFITABLE COMPANY
	Overall scoring of: 20% 3-year annualised return 30% 3-year annualised net profit growth 20% 3-year weighted return on equity 30% ESG score	Highest returns to shareholders over 3 years (3-year annualised return)	Highest growth in NPAT over 3 years (3-year annualised net profit growth)	Highest ROE over 3 years (3-year weighted ROE)
SECTORS				
Agriculture/Hotels/Restaurants/ Electricity/Gas/Water	Genting Singapore	Mandarin Oriental International	Genting Singapore	Bumitama Agri
Commerce	Sheng Siong Group	China Aviation Oil (Singapore) Corp	Olam International	Sheng Siong Group
Finance	Singapore Exchange	DBS Group Holdings	DBS Group Holdings	Singapore Exchange
Manufacturing	Venture Corp	Hi-P International	Venture Corp	Thai Beverage Public Co
Multi-Industry	Singapore Technologies Engineering	Haw Par Corp	Hotel Properties Ltd	Singapore Technologies Engineering
REIT	Mapletree Commercial Trust	Mapletree Logistics Trust	Mapletree Commercial Trust	Mapletree Industrial Trust
Property	Yanlord Land Group	Bukit Sembawang Estates	Yanlord Land Group	Oxley Holdings
Services	SATS	SATS	SATS	Silverlake Axis
Transport/Storage/Communications	Singapore Telecommunications	SBS Transit	Singapore Airlines	StarHub

Winners of The Edge Singapore Centurion Club 2019

Total number of awards and winners 8

AWARD MEASURE	BEST IN SECTOR
	Overall scoring of: 30% 3-year annualised return 40% 3-year annualised net profit growth 30% 3-year weighted return on equity
SECTORS	
Agriculture/Hotels/Restaurants	Amara Holdings
Commerce/Multi-Industry/Transport/ Storage/Communications	Cortina Holdings
Finance	ValueMax Group
Manufacturing	China SunSine Chemical Holdings
Construction	Keong Hong Holdings
REITs and Business Trusts	Accordia Golf Trust
Property	Fragrance Group
Services	China Everbright Water



TES editor Michelle Teo giving the Centurion Club award for the services sector to Kwan Yun Fui of China Everbright Water



The Edge Media Group ED Ian Tong presents the BDC overall services sector award to Carolyn Khui of SATS. The company was also named Best-Performing Stock and Fastest-Growing Company for the sector.



In his welcome address, Tong said the BDC was a way for TES to recognise the value that corporates bring to the market, shareholders and broader economy

SAMUEL ISAAC CHUA/THE EDGE SINGAPORE



Ben Paul, editor-at-large of TES, presents SGX CEO Loh Boon Chye with an award



China Aviation Oil's management team, led by CEO Wang Yanjun (middle), celebrating their win

THE EDGE BILLION DOLLAR CLUB 2019

PROPERTY

Yanlord clinches top spot; Oxley leads in ROE, Bukit Sembawang in shareholder returns

BY **UMA DEVI**
uma.devi@bizedge.com

The property sector, together with finance, logistics and manufacturing, is the pillar of any modern economy. Scale is critical to success, and those with the financial muscle can steadily lever up to become even bigger.

Thirteen companies qualified for the property sector of the Billion Dollar Club, each with a market value above the billion-dollar threshold. The only industry sector with a higher number of qualifying companies was real estate investment trusts — with a total of 24 qualifying companies.

This year's overall property sector winner is **Yanlord Land Group**, headed by executive chairman Zhong Sheng Jian. With its overall score of 55.53 points, Yanlord edged ahead of **CapitaLand**, Southeast Asia's largest real estate company, which scored 54.04 points. Yanlord ranked top in the three-year profit growth category as well.

Bukit Sembawang Estates, another storied name in the industry, ranked first in the three-year shareholder returns category. **Oxley Holdings** came out tops for its robust three-year return on equity (ROE).

While Yanlord is listed in Singapore, most of its business activities are in China. Over the years, it has built a reputation for focusing on relatively high-end residential projects in China. It has so far been cautious about the emerging third- and fourth-tier cities, preferring instead to concentrate on prime location projects in top-tier cities such as Shanghai, Nanjing and Tianjin.

From FY2016 to FY2018 (the company has a December year-end), the three years under evaluation for this year's BDC awards, Yanlord's revenue was relatively stable at RMB25.7 billion



Yanlord's Sanya Crown Plaza Resort in China, where the company conducts most of its business activities

(\$5 billion), RMB25.6 billion and RMB24.9 billion respectively. The company's net profit, reflecting higher margins, grew from RMB2.7 billion for FY2016 to RMB3.2 billion and RMB3.5 billion for FY2017 and FY2018 respectively.

For 2QFY2019, however, Yanlord recorded lower sales. It sold a total gross floor area of 124,769 sq m, generating revenue of RMB4.1 billion, down 57.7% y-o-y from RMB9.7 billion. Consequently, earnings in the same quarter came in at RMB865.3 million, down 41% y-o-y. The company's earnings decline was somewhat mitigated by a much higher net margin of 32.9%, up from 20.9% in the same period a year earlier.

Still, Yanlord's gearing level is an area of concern among analysts who track the company. As at Dec 31, 2018, the company's net debt-to-total equity ratio was 96.8%. As at June 30, 2019, the ratio had dropped to just 65.2%. Thanks to healthy pre-sales figures, the company's cash and cash equivalents as at June 30, 2019 increased to RMB16.94 billion, up from RMB10.3 billion as at Dec 31, 2018.

In his 2Q earnings statement, Zhong acknowledges that the outlook is not the bright-

est for his business. "While the weaker global economy, coupled with austerity measures introduced by the [Chinese] central government, will continue to present near-term challenges for the [Chinese] real estate sector, we nonetheless remain confident about the long-term development of the sector, which is underpinned by strong demand arising from rapid urbanisation."

Yanlord could do better in its environmental, social and governance scores, though. At 14.43 points, it is significantly behind the likes of **City Developments**, which leads its peers with 30 points.

Bukit Sembawang steps up launches

Few local companies can claim to be as storied as Bukit Sembawang, which has been listed since 1968 and developing properties in the city state for half a century. Its majority shareholder is Lee Rubber, which in turn is linked to the Lee family of **Oversea-Chinese Banking Corp.**

Bukit Sembawang was quiet for a while, but it has stepped up its launches recently.

On Aug 30, the company started previews for the next phase of its highly anticipated landed development **Luxus Hills (Signature Collection)**. In this phase, Bukit Sembawang will launch 78 landed homes for immediate occupancy, located in the tranquil Seletar Hills Estate. Such properties are increasingly rare in land-scarce Singapore and come with an equally rare 999-year leasehold. Bukit Sembawang says that, following the sale of the 78 homes, it expects to launch 39 units in a subsequent phase in 2020.

For 1QFY2019 ended June 30, Bukit Sembawang reported earnings of \$22 million, down 5% y-o-y. Revenue in the same period was up 19% y-o-y to \$77.7 million. As at June 30, the company's net asset value was \$5.12 a share, up slightly from \$5.04 as at March 31. Over the three financial years used to calculate scores for this year's BDC, the compound annual growth rate of Bukit Sembawang's share price was 9.4% — beating all other developers.

Oxley's ROE the highest

Compared with Bukit Sembawang, Oxley Holdings is a radically different entity. Despite its relatively short history, Oxley has been a trailblazer in the local property scene. It rode the first wave of "shoebox" apartment units and popularised strata industrial and commercial projects. Now, under executive chairman Ching Chiat Kwong, Oxley has been going after increasingly large residential projects; it has also turned much of its attention to growth markets overseas as sentiment towards Singapore real estate is dampened by government cooling measures.

For the most recent quarter ended June 30, Oxley reported an 80% decline in earnings to \$35.8 million, on lower project sales and higher forex costs. Revenue fell 57% y-o-y to \$100.4 million.

Still, Oxley shareholders can look forward to a certain level of visibility. As at June 30, the group had a total unbilled contract value of \$3.9 billion, of which \$2.2 billion was attributable to the projects in Singapore. The remaining \$1.7 billion would be from overseas projects. In a clear indication of how Oxley is able to make efficient use of its capital, its ROE for the three years used to measure this year's BDC was a sector-leading 24.27%. **E**

COMPANY	3-YEAR SHAREHOLDER RETURNS SCORE	3-YEAR GROWTH IN PROFIT AFTER TAX SCORE	3-YEAR RETURN ON EQUITY SCORE	ESG/CR SCORE	OVERALL SCORE
Yanlord Land Group	1.47	30.00	9.62	14.43	55.53
CapitaLand	2.38	22.82	5.78	23.06	54.04
GuocoLand	1.01	15.19	7.90	15.30	39.39
Oxley Holdings	0	22.50	16.18	0	38.68
City Developments	1.39	0	4.00	30.00	35.39

*For the full list, go to bdc.theedgesingapore.com

CENTURION CLUB: PROPERTY

Fragrance expands overseas, records recurring income

Despite the sluggish economy, 2018 proved to be a successful year for property developer **Fragrance Group**, winner in the property sector under the Centurion Club Awards.

The company's revenue soared 64.7% y-o-y to \$326.2 million, from \$128.2 million in FY2017. Earnings rose 448% to \$266 million. The company has attributed the increase to a one-off disposal gain of a property in Melbourne.

While it generated mainly development income in its early years, Fragrance has been actively building up its recurring income stream after achieving a certain scale. Apart from significant purchases, such as paying \$380 million for the former NOL building in Singapore, Fragrance has been buying up properties overseas.

In FY2018, the company started to book full-year rental revenue contribution from com-

mercial properties, as well as full-year hotel operations income from **ibis Styles Hobart** in Australia and **The Imperial Hotel** in the UK. The Hobart property commenced operations in July 2017, and The Imperial was acquired in February 2017.

Other investment properties in the UK such as **The Crown Hotel**, **Lyndene Hotel**, **St Chads Hotel** and **The Townhouse Hotel** remain sta-

ble sources of recurring income for the group.

In Australia, Fragrance has been actively working on development projects such as **Premier Tower** and **NV Apartments**, which were 41.5% and 78.3% respectively completed as at end-March.

In Singapore, the rental rate of its office space rose 7.4% in FY2018, compared with 0.4% in FY2017. **E**