

REAL ESTATE COMPANIES

GuocoLand tops sector as investment properties take root

Four established and recognisable names have been named winners in the real estate companies sector. Bukit Sembawang Estates, winner of the weighted return on equity (ROE) category with its 8% CAGR in the three years under consideration, can trace its roots to a leading rubber company formed in 1911. However, as the economic makeup of Singapore changed over the years, Bukit Sembawang Estates also adapted accordingly. The company was incorporated in its current form in 1967, having started property development as its main business in the 1950s.

Over the decades, Bukit Sembawang has built some of Singapore's most well-known residential developments, including more than 4,600 landed homes in Seletar Hills, Sembawang Hills and Luxus Hills, and more than 1,800 residence units in Singapore's prime locations such as District 9 and 10. It has also gained a reputation as a trusted developer of quality homes.

In the profit after tax (PAT) growth category, Wing Tai Holdings won with a CAGR of 44.2% for the three years under consideration. The company, listed on the Singapore Exchange (SGX) in 1989, started as a Hong Kong-based garment maker in 1955 and expanded into Singapore in 1963, followed by Malaysia in 1966.

Wing Tai's Singapore presence started from a modest rented factory in Little Road to numerous factories, producing on behalf of leading brands such as Levis, Banana Republic, Gap and Polo Ralph Lauren.

Wing Tai's diversification into property began in 1978 before chalking up a long list of notable residential and commercial developments in Singapore over the years. The company also expanded into Malaysia, China, Japan and Australia, building an asset base of \$4.5 billion.

OUE, another long-established company in Singapore, won for returns to shareholders. In the three years under consideration, OUE managed a 6.3% growth in shareholders' returns. OUE is a leading pan-Asian, full-service real estate development, investment and management company with assets across the commercial, hospitality, retail, residential and healthcare sectors. It is best known for its landmark properties in Singapore, such as One Raffles Place, and China. This gives the company a total asset base of \$9.5 billion as of Dec 31, 2022.

Besides developing and owning properties, OUE manages two SGX-listed REITs: OUE Commercial Real Estate Investment Trust and First Real Estate Investment Trust. As of Dec 31, 2022, OUE managed \$7.8 billion in funds under management across its two REIT plat-

OVERALL SECTOR WINNER

GuocoLand

WEIGHTED ROE OVER THREE YEARS

Bukit Sembawang Estates

GROWTH IN PAT OVER THREE YEARS

Wing Tai Holdings

RETURNS TO SHAREHOLDERS OVER THREE YEARS

OUE



GuocoLand is focusing more on investment properties such as Guoco Midtown that can give it better quality recurring income

forms and managed accounts.

Since 2017, the company has expanded its business activities into the complementary and high-growth healthcare and consumer sectors. OUE is the controlling shareholder of OUE Healthcare, the SGX-listed integrated

healthcare services provider that owns, operates and invests in quality healthcare assets in high-growth Asian markets and is trying to further grow by privatising HMC, which operates a chain of clinics.

GuocoLand did not win any of the categories but has won the overall sector winner with its overall balanced performance. In recent years, GuocoLand has shifted its strategy from developing largely residential projects into one that places more emphasis on investment. Guoco Tower, a mixed development at the prime Tanjong Pagar area, has not only changed the Singapore skyline but helped lift the proportion of GuocoLand's recurring income, giving its shareholders much better earnings visibility. Guoco Midtown, which will soon be completed, is another mixed-use project expected to become the new focal point of the Bugis area.

As of June 30, GuocoLand's investment properties are valued at \$6.2 billion. It also has a total asset base of \$12.01 billion and total equity attributable to ordinary equity holders of \$4.27 billion. **E**