

# Tiong Seng Holdings Limited

Annual General Meeting  
26 April 2017



# Disclaimer

Certain statements in this presentation constitute “forward looking statements”. All statements other than statements of historical facts are forward looking and are based on management’s optimistic view about the future developments. Forward looking statements involve certain risks and uncertainties and actual results may vary materially from those targeted, expected and projected, due to various factors.

Although we believe that the expectations reflected in the forward looking statements are reasonable, you are advised to exercise judgments before relying on these forward looking statements. We do not intend to update any forward looking statements to compare those statements to actual results, other than required by applicable laws and regulations.

This presentation includes market and industry data and forecast that have been obtained from internal survey, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. There can be no assurance as to the accuracy or completeness of such included information. While Tiong Seng has taken reasonable steps to ensure that the information is extracted accurately and in its proper context, Tiong Seng has not independently verified any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein.



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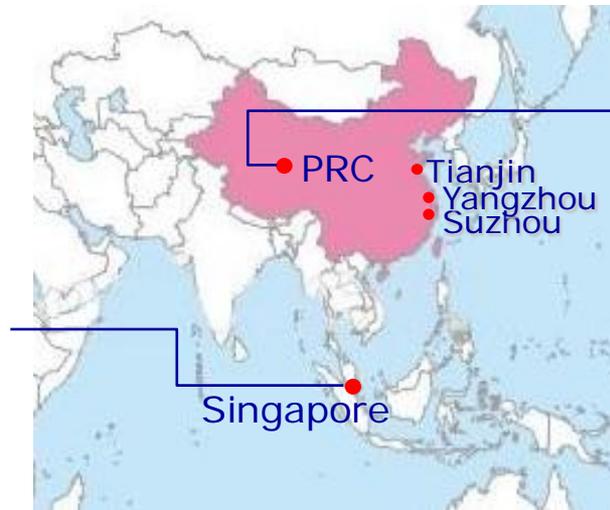
1. Corporate Profile
2. Operational Highlights
3. Financial Highlights
4. Looking Ahead

# Corporate Profile

Listed on the SGX-Mainboard since April 2010, Tiong Seng Holdings is one of the leading building construction and civil engineering contractors in Singapore and a real estate developer in the People's Republic of China (China).

## CORE BUSINESS: CONSTRUCTION & CIVIL ENGINEERING

- Over 58 years of experience with a strong track record in Singapore's construction industry, as main contractor for a wide range of projects for private and public sectors
- Accorded highest A1 grading from BCA for both general building & civil engineering projects
- A recognised leader in construction technologies & capabilities



## PLUS: PROPERTY DEVELOPMENT

- A niche player in the second and third tier cities in PRC
- Specialist in residential, commercial and mixed use projects

## CONSTRUCTION & CIVIL ENGINEERING



### BUILDING CONSTRUCTION

- Residential
- Commercial / hotel
- Institutional

### CIVIL ENGINEERING

- MRT
- Tunnels
- Bridges

### BUILDING MATERIALS

PRE-CAST & PBU



GREEN TECH



STRUCTURAL STEEL



Steel Tech

GEOSTR – RV JV



RVI



## PROPERTY



SINGAPORE

CHINA

- Commercial
- Residential
- Mixed development



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Operational Highlights:  
Major Developments in 2016



# Accolades won in 2016

## Safety & Quality :



## Environment:



## Excellence:



SINGAPORE QUALITY AWARD  
for business excellence  
2013 WINNER



Construction using Open Technology



Best BIM Application: Open BIM Coordination Award

# Tiong Seng at BuildTech Asia – Singapore Construction Productivity Week (18<sup>th</sup> – 20<sup>th</sup> October 2016)

Mr. Pek Lian Guan,  
CEO of Tiong Seng,  
with Guest-of-  
Honour Lawrence  
Wong, Minister for  
National  
Development and  
Second Minister for  
Finance



Exhibit of a PPVC  
dormitory



PPVC module  
requires less  
craneage as it is  
30% lighter than a  
normal concrete  
module



Exhibit of a PBU



Langendorf  
Inloader Flatiner –  
a logistical solution  
that allows for  
upright loading of  
large planar panels



# Our construction & civil engineering projects (Singapore)

## NEW PROJECTS WON IN 2016



Diameter Pipeline from  
AYE/Henderson Rd to River  
Valley Rd  
Client: Public Utilities Board  
Approx Contract Value: S\$98.3  
mil

Selarang Park Complex along  
Upper Changi Road North  
Client: Ministry of Home Affairs  
Approx Contract Value:  
Undisclosed



Artra - Alexandra View  
Client: FEC Skyline Pte Ltd  
Approx Contract Value: S\$113.8  
mil

# Our construction & civil engineering projects (Singapore)

## MAJOR PROJECTS COMPLETED IN 2016



HAUS @ Serangoon Garden  
Client: Sparkland Holdings Pte Ltd c/o  
City Developments Ltd  
Approx Contract Value: S\$ 93.0 mil



Eco Sanctuary  
Client: SP Setia International  
Approx Contract Value: S\$135.4mil



The Springside  
Client: Kallang Development Pte Ltd  
Approx Contract Value: S\$88.0mil

# Our property development projects

## MAJOR PROJECTS COMPLETED IN 2016



Tranquility Residences, Suzhou  
(Phase I)



The Equinox, Tianjin  
(Phase II)

# Operational Highlights: Ongoing Projects



# Our construction & civil engineering projects (Singapore)

## Ongoing projects

ROBUST ORDER BOOK OF S\$1.0 BILLION, EXTENDING TO 2020

### RESIDENTIAL



Woodlands C29 & C30  
Client: Housing Development Board  
Approx Contract Value: S\$204.5 mil



The Panorama  
Client: Wheelock Properties  
Approx Contract Value: S\$210.0 mil



Executive Condominium at Choa Chu Kang Grove  
Client: MCL Land Pte Ltd  
Approx Contract Value: S\$276.0 mil



Atra - Alexandra View  
Client: FEC Skyline Pte Ltd  
Approx Contract Value: S\$113.8 mil

### INSTITUTIONAL

Selarang Park Complex along Upper Changi Road North  
Client: Ministry of Home Affairs  
Approx Contract Value: Undisclosed

# Our construction & civil engineering projects (Singapore)

## Ongoing projects

### INDUSTRIAL



One HP  
Client: Mapletree Industrial Trust  
Approx Contract Value: S\$132.4 mil



JTC Space @ Tuas  
Client: JTC Corporation  
Approx Contract Value: S\$277.3 mil



Ulu Pandan Bus Depot  
Client: Land Transport Authority  
Approx Contract Value: S\$69.9 mil



Sungei Seletar Bus Depot  
Client: Land Transport Authority  
Approx Contract Value: S\$72.9 mil

### CIVIL ENGINEERING



Contract T220 – Great World Station  
Client: Land Transport Authority  
Approx Contract Value: S\$316.0 mil



Stamford Diversion Canal Contract 2  
Client: Public Utilities Board  
Approx Contract Value: S\$107.7 mil



Diameter Pipeline from AYE/Henderson Rd to River Valley Rd  
Client: Public Utilities Board  
Approx Contract Value: S\$98.3 mil

# Our construction & civil engineering projects (Singapore)

## Project Distribution

Project Types	No of Projects
Residential (Private)	3
Residential (Public)	1
Industrial	4
Civil Engineering	3
Institutional	1
<b>Total</b>	<b>12</b>

# Our real estate development projects (China & Singapore)

## Ongoing projects



### The Equinox, Tianjin

Residential comprising landed and low rise properties: 162,000 sqm

7 phases of development with the expected completion of the different phases ranging from 2014 to 2019



### Tranquility Residences. Xushuguan Development Zone, Suzhou

Residential comprising terrace houses and apartments: 87,220 sqm

Phase 1 was completed and handed over to purchasers in January 2016

Phase 2 is expected to be completed and handed over in 4Q2017



### Zizhulin, Tianjin

Commercial: 12,000 sqm

Planning currently in progress



### 16 Balmoral Road, Goodwood Grand

Residential: 99,345 sqft

Construction commenced in 2014

Full completion by June 2017



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# Financial Highlights - Overview

Income Statement	Audited		
	FY2016	FY2015	FY2014
Revenue (SGD m)	<b>774.3</b>	563.8	668.8
Gross Profit (SGD m)	<b>66.3</b>	64.2	49.2
Other Income (SGD m)	<b>6.1</b>	10.5	5.2
Operating & Net Finance Expenses (SGD m)	<b>48.8</b>	48.9*	42.8*
Operating profit/(loss) before JV, associate & tax (SGD m)	<b>23.6</b>	26.5	(23.0)
Net profit after JV & taxes (SGD m)	<b>15.8</b>	14.7	(29.6)
Net profit/(loss) attributable to shareholders (SGD m)	<b>15.3</b>	10.2	(15.3)#
Earnings Per Share (cents)	<b>3.35<sup>2</sup></b>	2.23 <sup>1</sup>	(3.32) <sup>1</sup>

\*Excludes (reversal)/recognition of allowance for diminution in value of development properties

#Includes S\$34.6 million allowance for diminution in value for property development less S\$11.8 million shared by minority shareholders

<sup>1</sup>Based on weighted average number of shares outstanding after share consolidation and excluding treasury shares of 459,476,562 (2014: 459,623,849) shares

<sup>2</sup>Based on weighted average number of shares outstanding after share consolidation and excluding treasury shares of 455,989,038

## Segmental Comparison – Revenue (SGD m)

SGD ('mil)

700.0

600.0

500.0

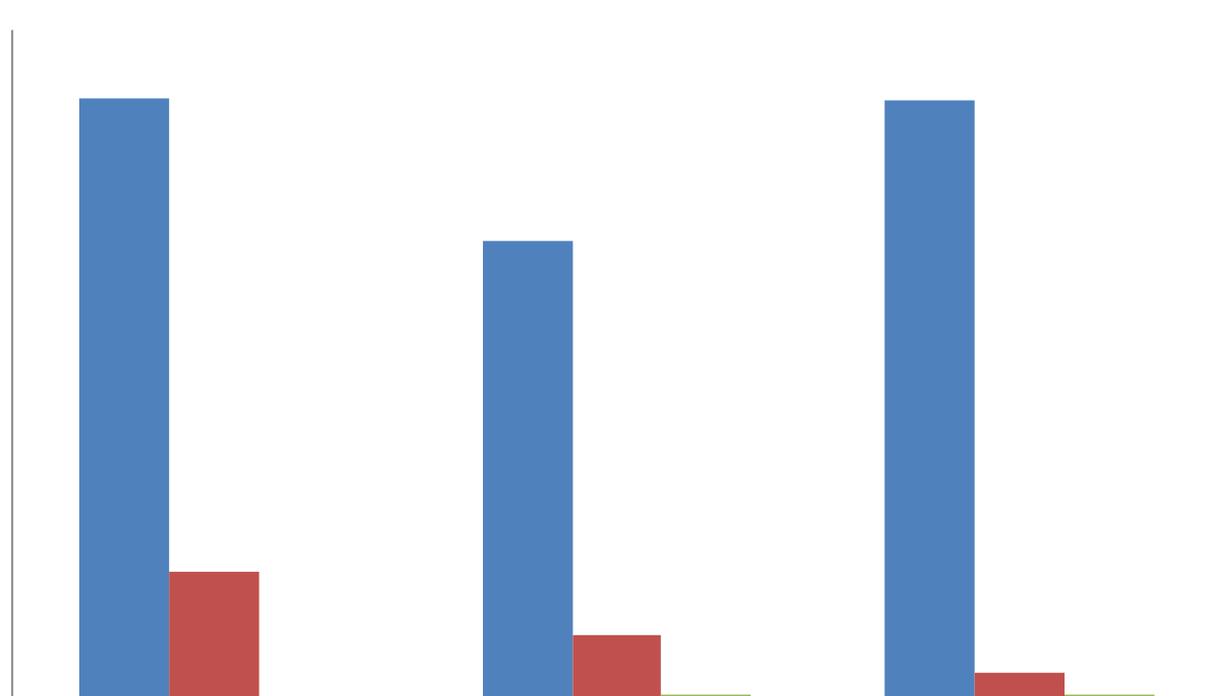
400.0

300.0

200.0

100.0

-



■ Construction	629.4	482.2	627.5
■ Property Development	137.8	71.8	32.0
■ Others*	7.1	9.8	9.3

## Segmental Comparison – Gross Profit (SGD m)

SGD ('mil)

60.0

50.0

40.0

30.0

20.0

10.0

-

FY2016

FY2015

FY2014

■ Construction

52.7

49.3

44.8

■ Property Development

10.1

9.2

0.1

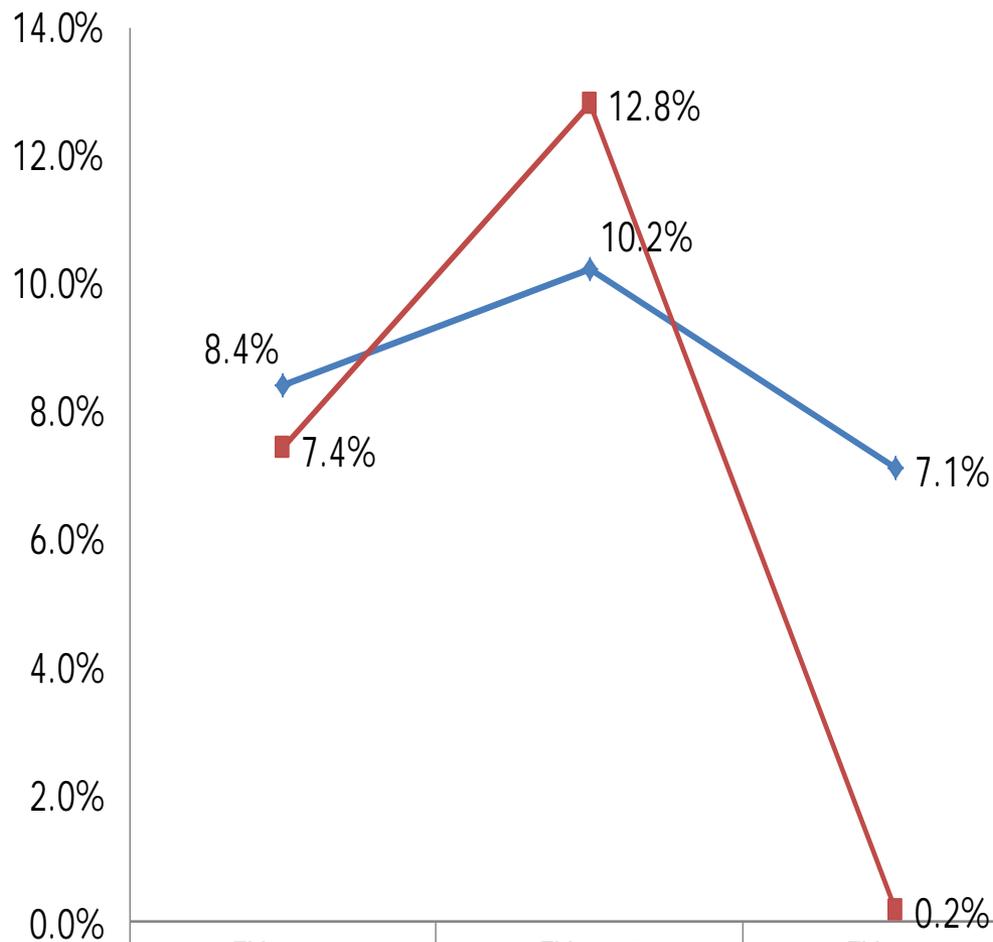
■ Others\*

3.5

5.7

4.3

## Segmental Comparison – Gross Profit Margin (SGD m)



a) Gross profit margin in construction segment decreased yoy for FY2016 due to project mix

b) Gross profit margin in property development segment for FY2016 decreased yoy as margin for Tranquility project (FY2016) is lower than that of Sunny International Project (FY2015)

◆ Construction  
 ■ Property Development

FY2016

FY2015

FY2014

8.4%

10.2%

7.1%

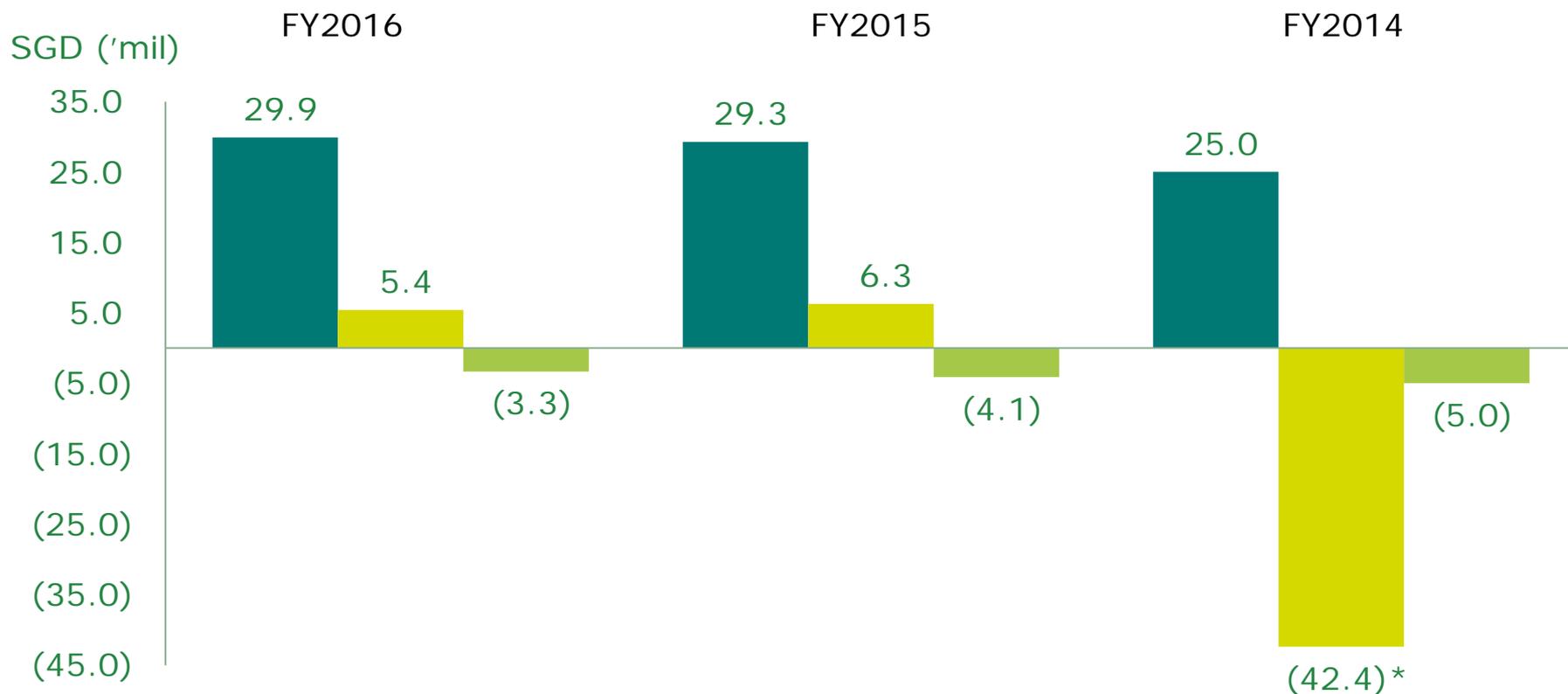
7.4%

12.8%

0.2%



# Segmental Profit/(Loss) from Operating Activities (SGD m)

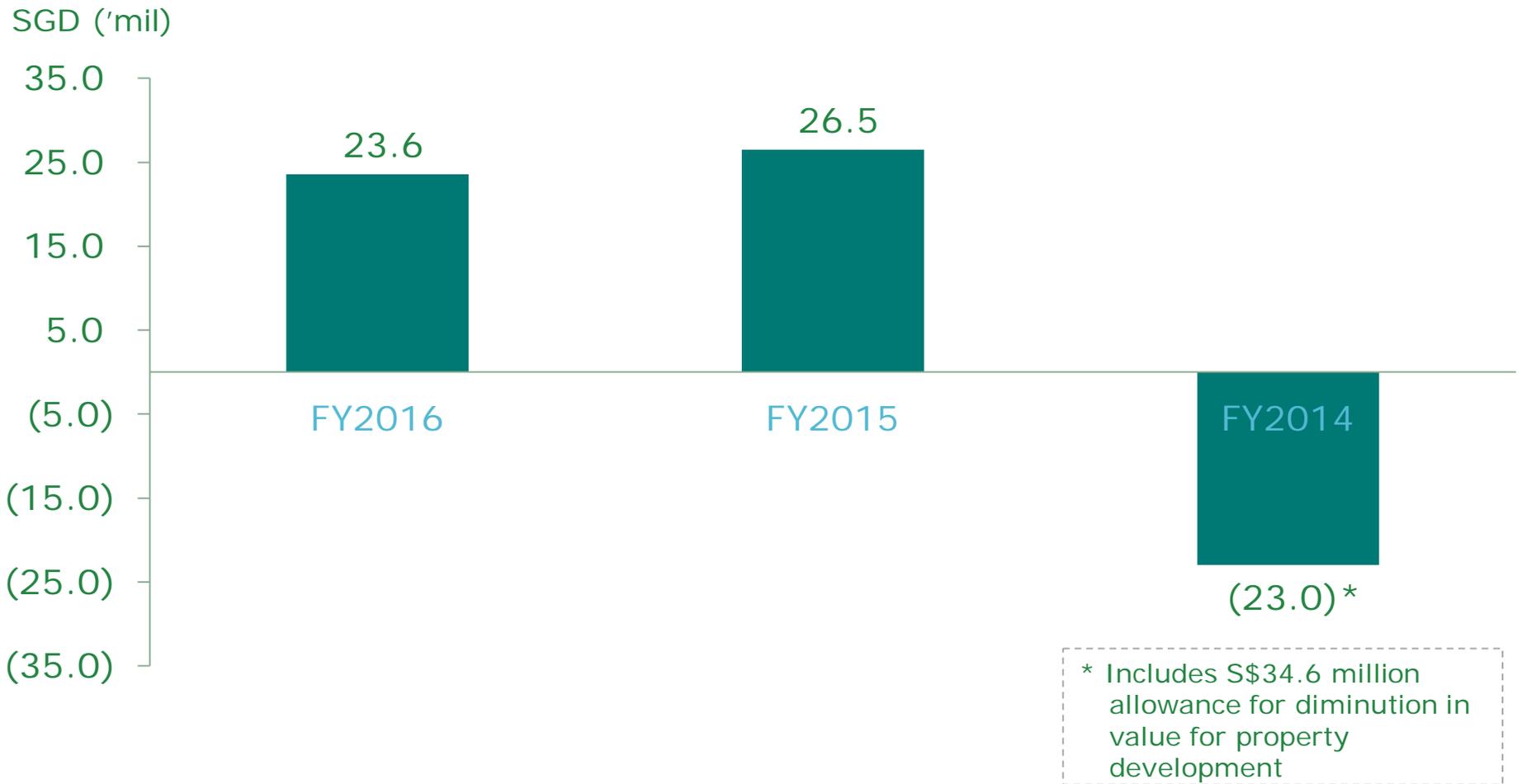


■ Construction ■ Property Development ■ Others<sup>^</sup>

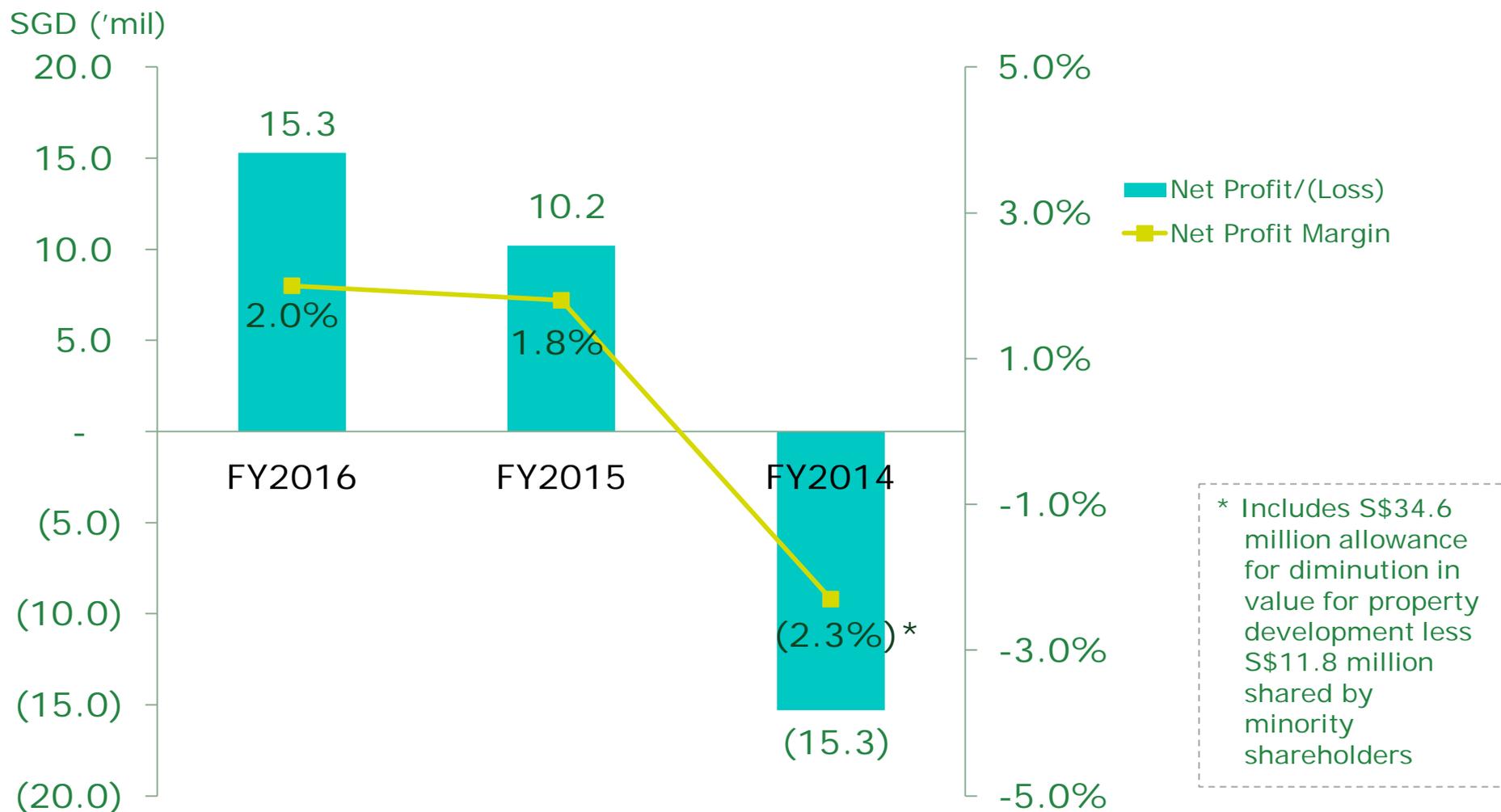
\* Includes S\$34.6 million allowance for diminution in value for property development

<sup>^</sup>Others includes rental, sales of goods and others

# Net profit/(Loss) from Operating Activities before JV, Associate & Tax (SGD m)



# Net profit/(loss) Attributable to Shareholders (SGD m)



## Key Balance Sheet Items

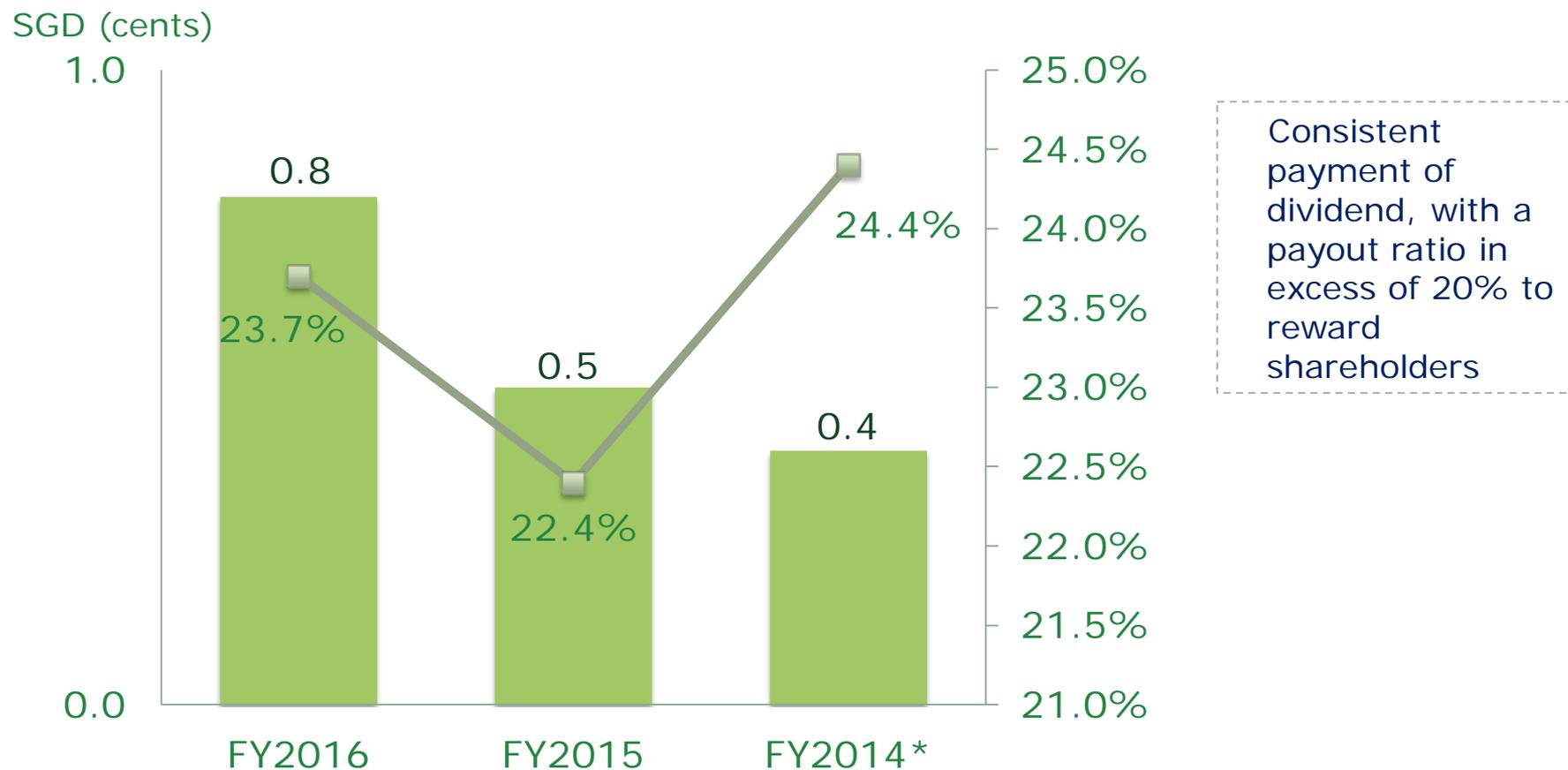
Balance Sheet	As at 31 Dec 2016	As at 31 Dec 2015	As at 31 Dec 2014
Total Assets (SGD m)	<b>964.6</b>	1,026.2	992.7
Gearing Level	<b>0.55</b>	0.93	1.00
NAV per share (SGD cents)	<b>57.31<sup>3</sup></b>	56.75 <sup>2</sup>	54.67 <sup>1</sup>
Cash & Cash Equivalents (SGD m)	<b>92.2</b>	93.2	95.0

<sup>1</sup> 459,623,849 (919,247,700 before share consolidation) shares as at 31 December 2014

<sup>2</sup> 458,535,349 shares as at 31 December 2015, excluding 1,088,500 treasury shares

<sup>3</sup> 454,014,149 shares as at 31 December 2016, excluding 5,609,700 treasury shares

# Dividend (SGD cents)



Consistent payment of dividend, with a payout ratio in excess of 20% to reward shareholders

\* Excludes the effect of S\$34.6 million allowance for diminution in value for property development



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# Looking Ahead - Growth Prospects at a Glance

## Construction

- BCA forecast: Public sector to grow between S\$20.0 billion and S\$24.0 billion in 2017 on the back of mega-infrastructure projects (e.g. second phase of the Deep Tunnel Sewerage System, North-South Corridor, Circle Line 6)
- Increased government legislation for labour-saving technologies (e.g. PPVC, PBU, and BIM)
- Budget 2017 Industry Transformation Map for Construction:
  - Adopting DfMA technology
  - More digital engineering (i.e. BIM and VDC)
  - Encouraging firms to internationalise to have access to new markets

## Property Development

- China's home prices are still expected to rise in 2017 due to:
  - Expectations of further yuan depreciation & more US rate hikes
  - Increasing affluence and urbanisation
- Location-specific tightening measures may drive buyers to smaller cities
- Slackening of regulations in lower-tiered cities with high inventory to drive turnover

# Our Property Development Business Updates

## **UPDATE : As at 31 December 2016:**

### • **Equinox:**

- 322 units launched, 60.2% sold
- Phase B3 – currently carrying out construction; expected to be completed in mid-2018
- Phases C – completed; handover has commenced in 1Q2017

### • **Tranquility Residences:**

- 636 units launched, 87.3% sold
- Phase 1 - completed and handover in 1Q2016
- Phase 2 - expected to be completed and handover in 4Q2017

- As at 31 December 2016, approximately S\$82.8 million of gross development value comprising 63 units (13,158 sqm) of the Equinox and 52 units (16,350 sqm) of Tranquility Residences were sold but yet to be recognised in accordance to Tiong Seng's revenue recognition policy

# Q&A Session



# Thank you

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