

# Tiong Seng Holdings Limited

## Annual General Meeting

22 April 2021



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1. Corporate Profile
2. Corporate Developments
3. Operational Highlights
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5. Looking Ahead

# Corporate Profile

- Home-grown leading building construction and civil engineering contractor and a real estate developer in the PRC and Singapore.
- Focused on three main business pillars:

## CONSTRUCTION & CIVIL ENGINEERING



- Over 60 year track record
- Accorded highest A1 grading from BCA with the ability to undertake projects with unlimited contract value

## PROPERTY DEVELOPMENT



- PRC: Focus on second and third tier cities
- Singapore: Focus on prime residential districts
- Leverage on strengths as a contractor / developer to adopt the Integrated Project Delivery (IPD) approach

## ENGINEERING SOLUTIONS



- Established suite of technologies surrounding DfMA
- Provides holistic engineering solutions as a service

# Corporate Profile

## Key Operating Subsidiaries



### BUILDING CONSTRUCTION

- Residential **TIONGSENG CONTRACTORS**
- Commercial / hotel
- Institutional

### CIVIL ENGINEERING

- MRT **TIONGSENG CIVIL ENGINEERING** 长成土木工程
- Tunnels
- Bridges

### CHINA

- Residential 苏州长承置业发展有限公司  
新加坡长成控股附属子公司
- Commercial
- Mixed development

### SINGAPORE

- Residential

PRE-CAST, PBU,  
ADVANCED STRUCTURE/  
ARCHITECTURAL PRECAST



PRE-CAST &  
PREFABRICATION



STRUCTURAL STEEL,  
MASS ENGINEERED  
TIMBRE



GREEN TECH



TUNNEL SEGMENTS,  
CIVIL ENGINEERING  
PRECAST





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# Forging Ahead Through Transformation

## Corporate Transformation Drive – Three Key Thrusts



### Culture of Graciousness

- Courteous, considerate and committed to value-adding to the team effort



### Digitalisation

- Leverage on real-time data
- Take proactive action to enhance performance



### High-performance Team

- Optimise allocation of workforce
- Identifying up-skilling opportunities

# Forging Ahead Through Transformation

## Institutionalising our Organisation for the Next Phase of Growth

- **Restructured into three distinct business units**, each governed by its own dedicated Board and management team
- **Established industry professionals brought on** to enhance the value and depth of both TSH's apex and subsidiary boards
- **Exco formed to streamline the decision-making process** between the apex TSH Board and the three key subsidiaries

Several notable additions to the various Boards:

**Dr Teo Ho Pin**  
**Former MP and Mayor of the North West District in Singapore**  
 Independent Director (Tiong Seng Holdings Ltd)

**Dr John Keung Kam Yin**  
**Former CEO, BCA (2006 – 2017)**  
 Chairman (Tiong Seng Contractors)  
 Member (Tiong Seng Chang De Investment)

**Mr Lam Siew Wah**  
**Former Dep. CEO, BCA (1999-2016)**  
 Chairman (Tiong Seng Engineering Solutions)  
 Member (Tiong Seng Contractors)



### Construction Segment

Seated from left: Mr. Pay Sim Tee; Dr. John Keung (Chairman)  
 Standing from left: Mr Pek Dien Kee; Mr. Pek Zhi Kai; Mr. Andrew Khng; Mr Colin Tan Cheque Suan; Mr Lam Siew Wah

### Engineering Solution Segment

Standing from left: Mr. Pek Zhi Kai; Mr. Lim Chong Sit; Mr. Lam Siew Wah (Chairman); Mr. Lim Tee Yoke



### Property Development Segment

Seated from left: Dr. John Keung; Mr. Wong Lock Chang  
 Standing from left: Mr. Pek Zhi Kai; Mr Pay Sim Tee (Chairman)







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# Our Construction Segment

## Developments in FY2020

In 2020	No of Projects
<b>New Project Wins</b>	<b>4</b>
Projects Completed	3

### NEW PROJECTS WON IN 2020 (TOTAL VALUE: S\$543.7 MILLION)



Cairnhill Rise  
Client: TSky Cairnhill (Private) Limited  
Approx Contract Value:  
S\$24.3 million



Lot T12-01062X @ Tan Quee Lan Street  
Client: MTG Apartments Pte Ltd & MTG Retail Pte Ltd  
Approx Contract Value:  
S\$227.5 million



Outward Bound Singapore Campus at Coney Island  
Client: Ministry of Culture, Community and Youth  
Approx Contract Value:  
S\$192.3 million



Hyll on Holland  
Client: FEC Skypark Pte Ltd  
Approx Contract Value:  
S\$99.6 million

# Our Construction Segment

## Developments in FY2020

In 2020	No of Projects
New Project Wins	4
<b>Projects Completed</b>	<b>3</b>

### PROJECTS COMPLETED IN 2020



Primary School @ Punggol Way  
(Punggol Site 26)  
Client: Ministry of Education  
Approx Contract Value:  
S\$49.9 million



Primary School along Punggol Central /  
Punggol Way  
Client: Ministry of Education  
Approx Contract Value:  
S\$53.9 million



ARTRA  
Client: FEC Skyline Pte. Ltd.  
Approx Contract Value: S\$113.8  
million

# Our construction & civil engineering projects

## Diversified range of ongoing projects

Robust order book of **S\$1.27 billion as at 31 December 2020**, extending to 2023

### RESIDENTIAL



Pearl Bank  
Client: Areca Investment Pte Ltd  
Approx Contract Value:  
S\$190.0 million



Sloane Residences  
Client: TSky Balmoral Pte Ltd  
Approx Contract Value:  
S\$28.9 million



Lot T12-01062X @ Tan Quee Lan Street  
Client: MTG Apartments Pte Ltd & MTG Retail Pte Ltd  
Approx Contract Value:  
S\$227.5 million



Hyll on Holland  
Client: FEC Skypark Pte Ltd  
Approx Contract Value:  
S\$99.6 million



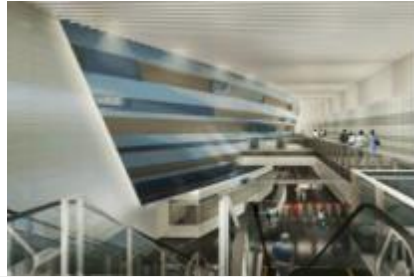
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Client: TSky Cairnhill (Private) Limited  
Approx Contract Value:  
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# Our construction & civil engineering projects

## Diversified range of ongoing projects

Robust order book of **S\$1.27 billion as at 31 December 2020**, extending to 2023

### CIVIL ENGINEERING



Contract T220 – Great World Station  
Client: Land Transport Authority  
Approx Contract Value: S\$324.0 mil



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

### INDUSTRIAL



JTC Space @ Ang Mo Kio Street  
Client: JTC Corporation  
Approx Contract Value:  
S\$287.5 million

### INSTITUTIONAL



Polyclinic & Long Term Care Facility  
Building at Balestier Road /  
Serangoon Road  
Client: Ministry of Health  
Approx Contract Value:  
S\$47.68 million



Outward Bound Singapore Campus at Coney  
Island  
Client: Ministry of Culture, Community and  
Youth  
Approx Contract Value:  
S\$192.3 million

### HOTELS



Hotel Accommodation @ Club Street  
Client: Midtown Development Pte Ltd  
Approx Contract Value:  
S\$130.5 million

# Our construction & civil engineering projects

## Project Distribution (Ongoing)

Project Types	No of Projects
Residential (Private)	5
Civil Engineering	2
Institutional	2
Industrial	1
Hotels	1
<b>Total</b>	<b>11</b>

# Our engineering solutions projects

## Variety of Precast and Mass Engineered Timbre Projects

### PRECAST



JTC Logistic Hub  
Client: Kimly Construction Pte Ltd  
Approx Contract Value: S\$48.0 million



HDB Centre of Building Research  
Client: Housing Development Board  
Approx Contract Value: S\$11.8 million



JTC Space @ Ang Mo Kio Street  
Client: JTC Corporation  
Approx Contract Value: S\$22.4 million



Kallang Whampoa C43  
Client: Kienta Engineering Construction  
Approx Contract Value: S\$10.4 million



Pearl Bank  
Client: Areca Investment Pte Ltd  
Approx Contract Value: S\$17.2 million

### MASS ENGINEERED TIMBRE



Academic Building & Ancillary Block in Nanyang Technology University  
Client: Newcon Builders Pte Ltd  
Approx Contract Value: S\$31.9 million

# Our real estate development projects

Ongoing projects (Residential and Commercial) in PRC & Singapore

## CHINA

### The Equinox, Tianjin



Residential comprising landed and low rise properties: 162,000 sqm over land area of 325,000 sqm

Remaining phases of development with the expected completion of the different phases ranging from 2014 to 2025

62 completed units ready for sale (Approx. sales value / GFA: S\$38.9 m / 14,000 sqm)

### Tranquility Residences. Xushuguan Development Zone, Suzhou



Residential comprising terrace houses and apartments: 87,200 sqm, over a land area of 85,509 sqm

Phases 1 and 2 were completed and handed over in 2016 and 2017 respectively

18 completed units ready for sale & handover (Approx. Sales Value / GFA: S\$29.2m / 8,000 sqm)

### Zizhulin, Tianjin



Commercial: 12,000 sqm over a land area of 8,000 sqm

Planning currently in progress

## SINGAPORE

### 16 Balmoral Road, Goodwood Grand



Residential: 57,005 sqft

Construction commenced in 2014

TOP June 2017

### Sloane Residences



Residential: 61,000 sq ft

Launched on 11 January 2020

### Cairnhill Rise



Residential: 43,000 sq ft

Expected launch: 1H2021





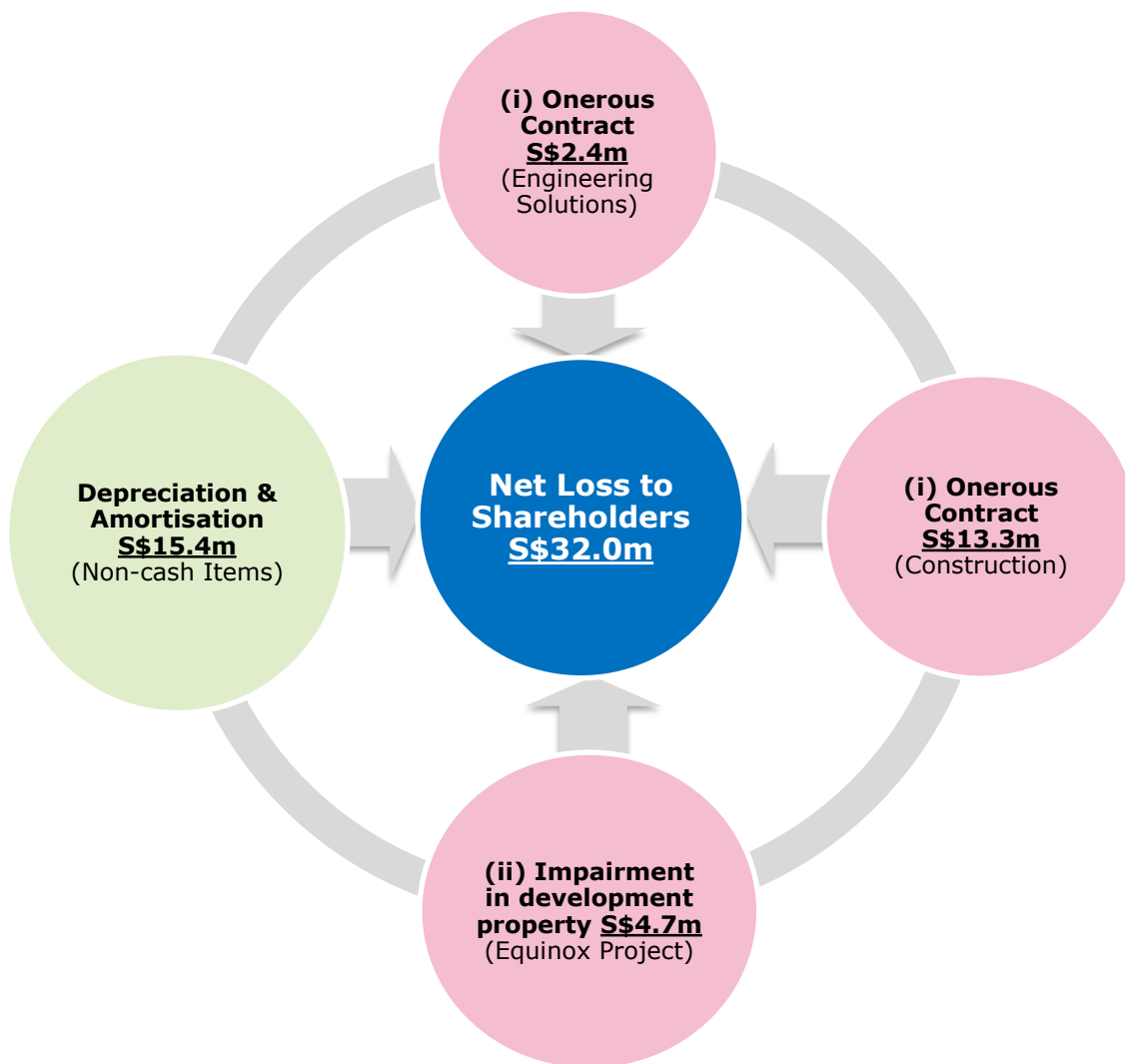


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# Financial Highlights

At a glance



- Net loss for FY2020 included the following non-cash items:
  - **S\$20.4 million**
    - (i) non-cash provision for foreseeable losses on projects and
    - (ii) impairment losses on valuation of development properties in the PRC
  - &
  - **S\$15.4 million**  
Depreciation and amortisation
- Net of all non-cash items, Group recorded **operating profit before working capital changes of S\$8.5 million**

# Financial Highlights - Overview

Income Statement	Audited		
	FY2020	FY2019	FY2018
Revenue (SGD m)	<b>235.9</b>	405.6	379.1
Gross Profit/(Loss) (SGD m)	<b>(8.0)</b>	46.4	52.3
Other Income (SGD m)	<b>19.5</b>	13.7	4.8
Operating & Net Finance Expenses (SGD m)	<b>46.3</b>	46.2	48.6
Operating profit/(loss) before JV, associate & tax (SGD m)	<b>(34.8)</b>	13.9	8.5
Net profit/(loss) after JV & taxes (SGD m)	<b>(34.9)</b>	10.0	8.4
Net profit/(loss) attributable to shareholders (SGD m)	<b>(32.0)</b>	10.6	8.8
Earnings Per Share (cents)	<b>(7.22)<sup>3</sup></b>	<b>2.38<sup>2</sup></b>	1.98 <sup>1</sup>

<sup>1</sup> Based on weighted average number of shares outstanding excluding treasury shares of 445,517,545

<sup>2</sup> Based on weighted average number of shares outstanding excluding treasury shares of 444,785,349

<sup>3</sup> Based on weighted average number of shares outstanding excluding treasury shares of 442,759,424

# Segmental Comparison – Revenue (SGD m)

SGD ('mil)

700.0

600.0

500.0

400.0

300.0

200.0

100.0

-

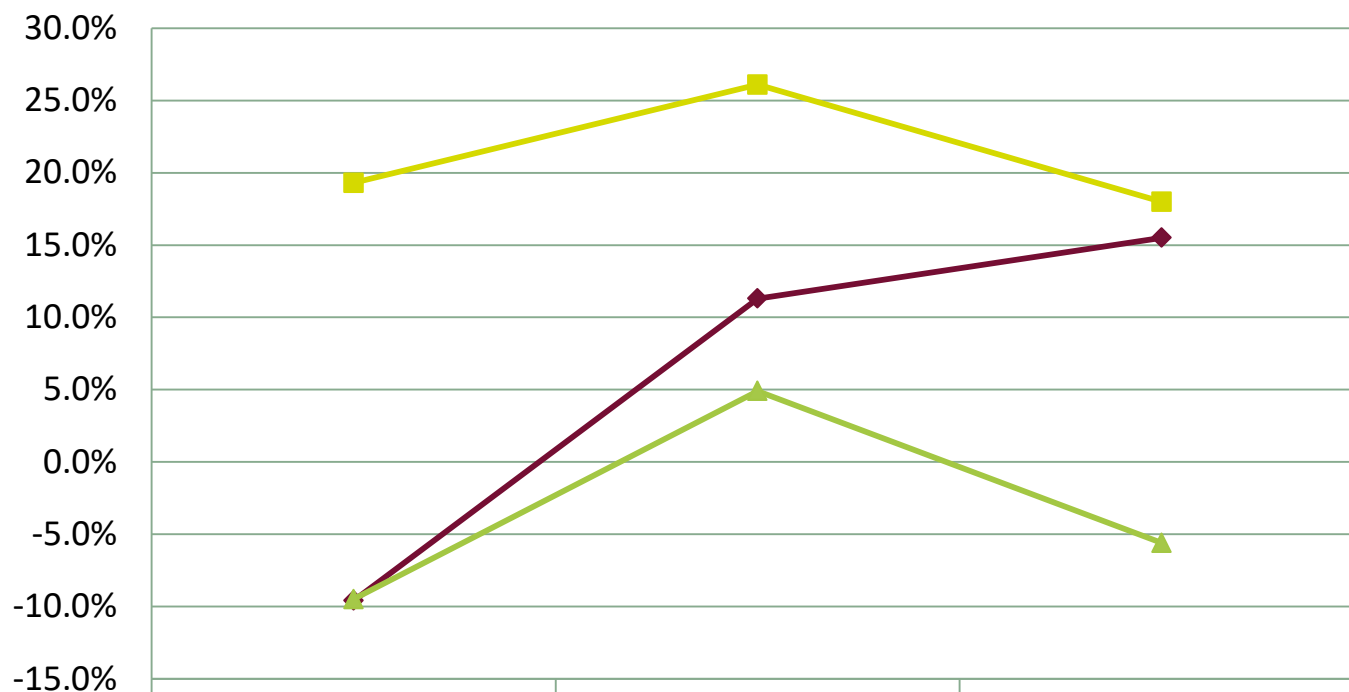
- Decline attributable to lower volume of work performed during COVID-19 shutdowns

	FY2020	FY2019	FY2018
■ Construction <sup>^</sup>	151.3	313.4	272.7
■ Property Development	55.4	22.3	64.1
■ Engineering Solutions <sup>^</sup>	40.9	98.3	55.6
■ Others*	-	0.9	1.5

<sup>^</sup>These segments include inter-segment revenue

\*Others includes rental and others; rental was no longer a reporting segment in FY2020 & FY2019

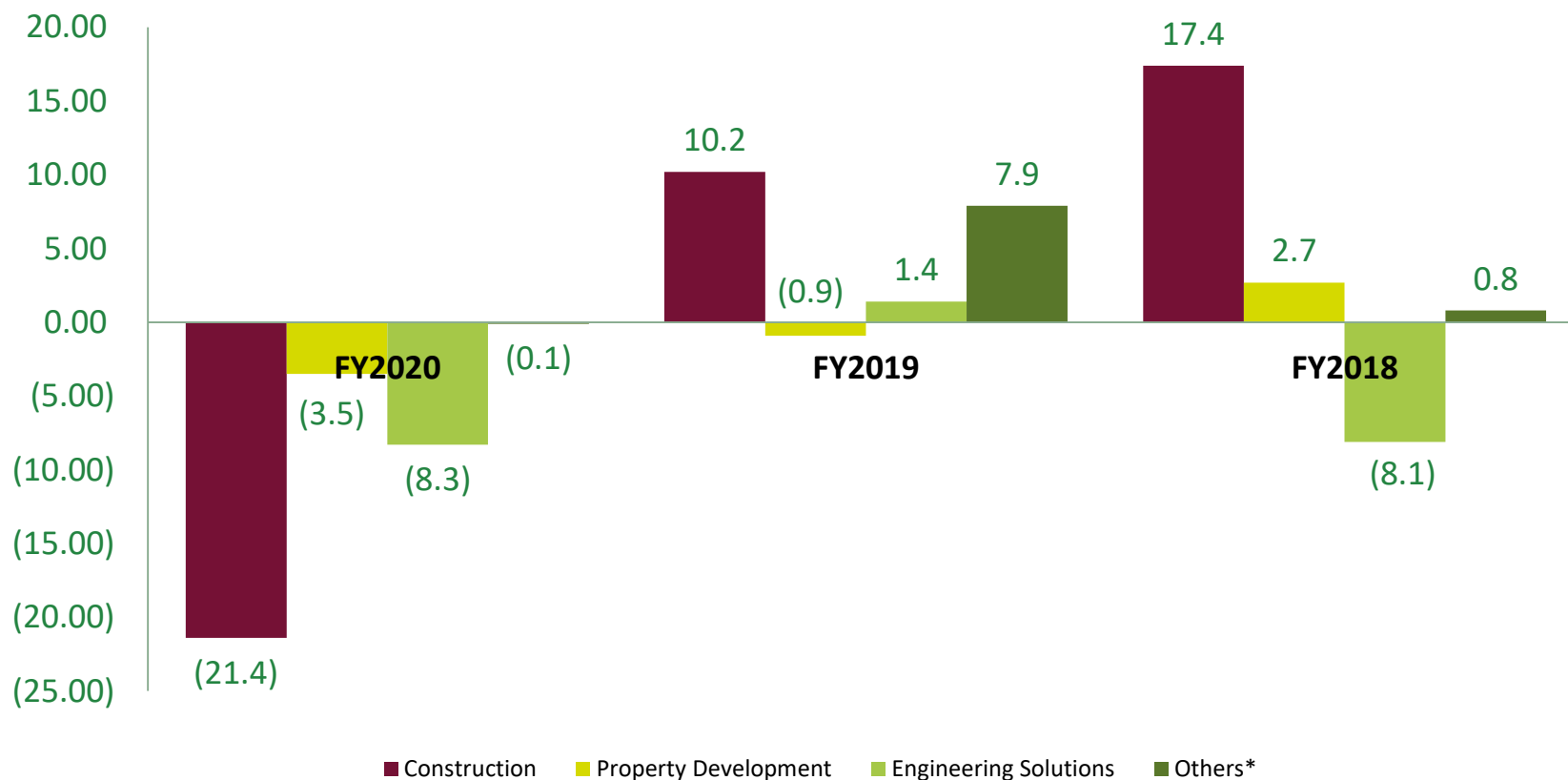
## Segmental Comparison – Gross Profit Margin (SGD m)



	FY2020	FY2019	FY2018
—◆— Construction	-9.6%	11.3%	15.5%
—■— Property Development	19.3%	26.1%	18.0%
—▲— Engineering Solutions	-9.5%	4.9%	-5.6%

# Segmental Profit/(Loss) Before Income Tax (SGD m)

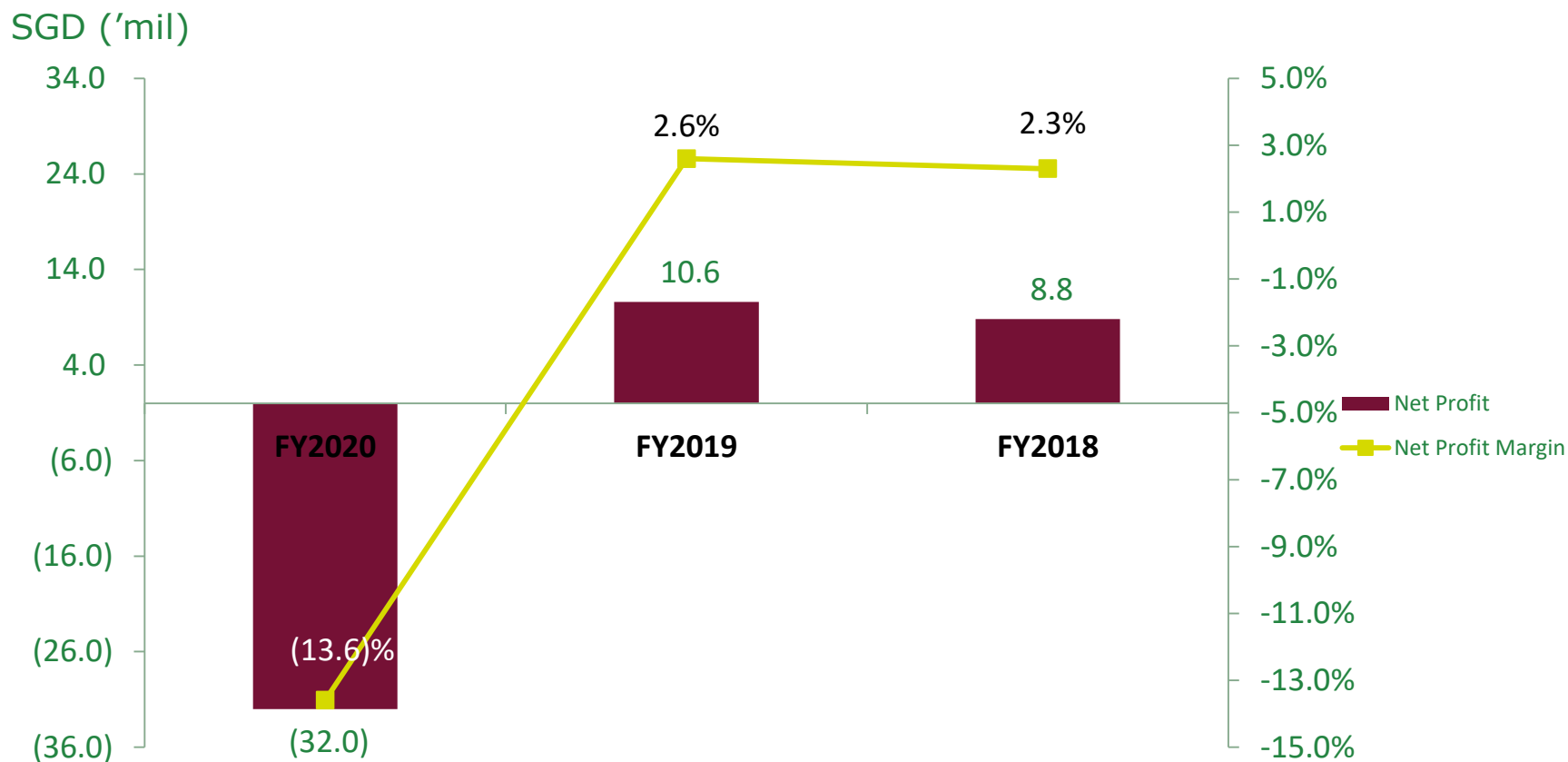
SGD ('mil)



■ Construction ■ Property Development ■ Engineering Solutions ■ Others\*

\*Others includes rental and others; rental was no longer a reporting segment in FY2020 & FY2019

# Net profit Attributable to Shareholders (SGD m)



## Key Balance Sheet Items

Balance Sheet	As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2018
Total Assets (SGD m)	<b>547.2</b>	652.0	665.2
Cash & Cash Equivalents (SGD m)	<b>43.4</b>	55.5	40.0
Current Ratio	<b>1.42</b>	1.47	1.40
Gearing Level	<b>0.28</b>	0.34	0.36
NAV per share (SGD cents)	<b>53.50<sup>3</sup></b>	59.70 <sup>2</sup>	60.35 <sup>1</sup>

- Maintains a healthy cash balance of S\$43.4 million

<sup>1</sup> 444,785,349 shares as at 31 December 2018, excluding 14,838,500 treasury shares

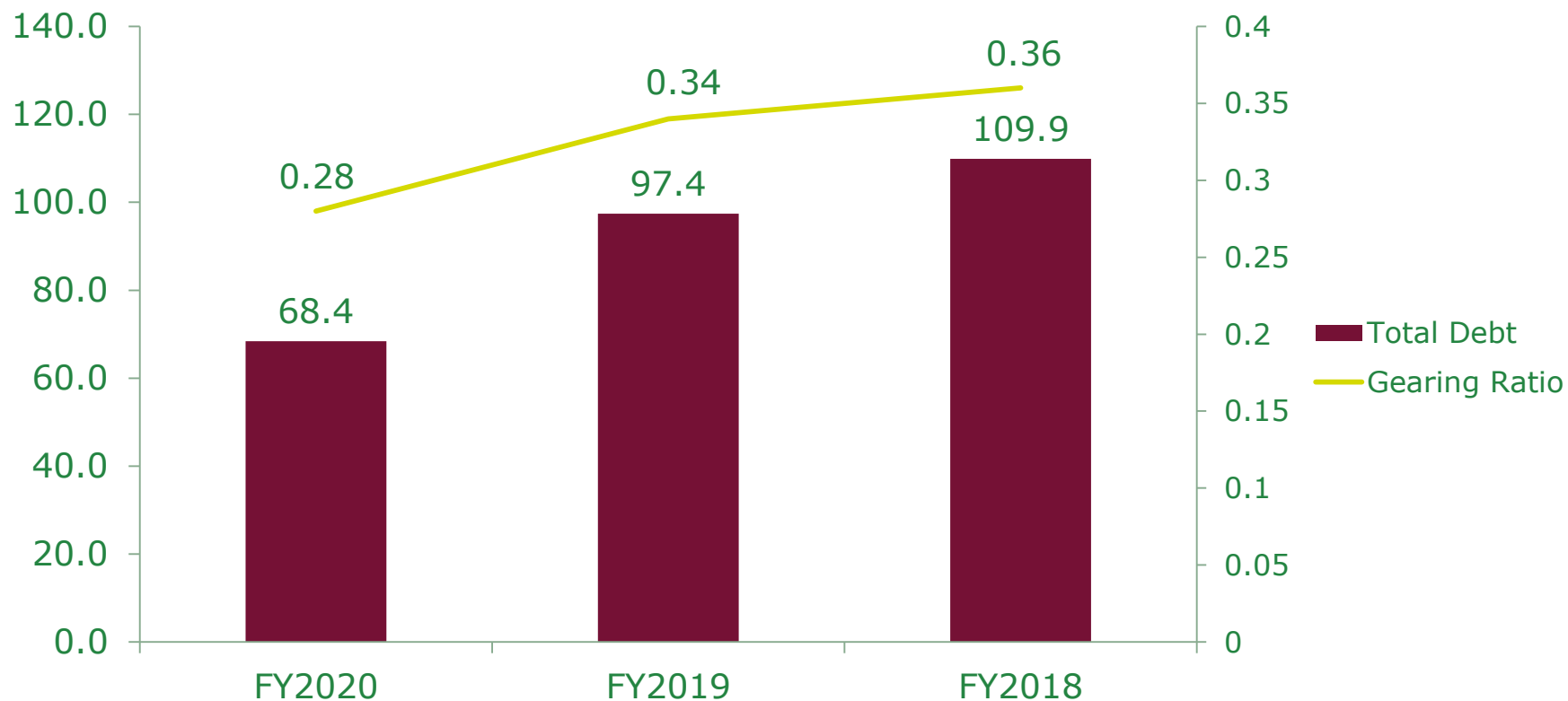
<sup>2</sup> 444,785,349 shares as at 31 December 2019, excluding 14,838,500 treasury shares

<sup>3</sup> 441,419,549 shares as at 31 December 2020, excluding 18,204,300 treasury shares



# Debt Structure

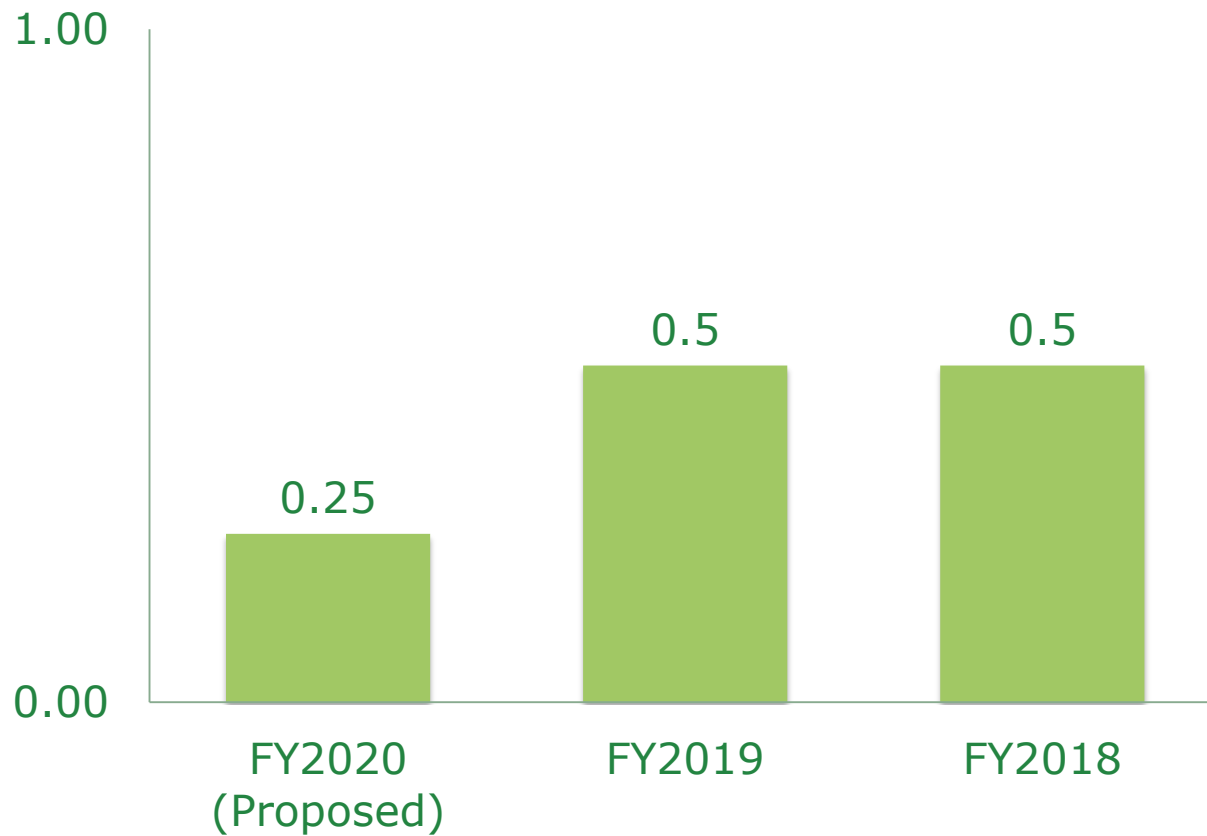
Debt Level  
(SGD million)



• Balance sheet remains resilient as Group continues to pare down debt

# Dividend (SGD cents)

SGD (cents)



- Continues to pay out dividends every year since IPO in 2010



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# Growth prospects

## Construction & Engineering Solutions | Real estate development



### CONSTRUCTION & ENGINEERING SOLUTIONS

#### Opportunities & trends

- Construction demand in 2021 is projected to recover to between S\$23 billion and S\$28 billion (from S\$21.3 billion in 2020)
- Increasing focus of DfMA adoption in Singapore to build a more resilient industry and reduce reliance on foreign workers

#### How Tiong Seng will grow with these opportunities

- Leverage on our **diversified product offering and DfMA capabilities** to tender for new projects
- Deepen in-house prefabrication capabilities to **increase automation and reduce reliance on manual labour**
- **Accelerate our digitalisation drive** to increase efficiency and productivity

# Growth prospects

## Construction & Engineering Solutions | Real estate development



REAL ESTATE  
DEVELOPMENT

### Opportunities & trends

- Singapore:
  - Returned to pre-pandemic levels; sector is entering new growth cycle
  - Property prices expected to increase faster than GDP in 2021
- China:
  - Pandemic will have a limited impact on property sector; market to remain stable or cool in 2021
  - Slowing growth in 2021 due to spike in pent-up demand in 2H2020 and central bank's control over banks' issuance of property loans



### How Tiong Seng will grow with these opportunities

- Singapore:
- Monitor market conditions closely and **launch existing developments at optimal timing** to achieve desired sales levels and profitability
- China:
- Launch remaining units when regulatory landscape improves and market outlook turns favourable

# Thank you

For more information & queries, you can reach us at:

## **Financial PR**

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Email: [tionseng@financialpr.com.sg](mailto:tionseng@financialpr.com.sg)

