

Tiong Seng Holdings Limited

3Q2014 Results Presentation

11 November 2014



TIONG SENG HOLDINGS LIMITED
(ESTABLISHED SINCE 1959, SINGAPORE)

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.



Agenda

1. Financial Highlights

2. Segmental Review & Outlook



1. Financial Highlights



Financial highlights - Overview

Income Statement (SGD m)	Unaudited	Audited results		
	9M2014	9M2013	FY2013	FY2012
Revenue	486.7	424.3	654.9	511.4
Gross Profit	36.5	44.0	50.5	54.2
Other income	3.8	10.1	16.0	3.5
Operating & net finance expenses (before impairment)	(31.9)	(35.2)	(47.2)	(39.2)
Impairment	(18.4)	-	-	-
Operating & net finance expenses (after impairment)	(50.3)	(35.2)	(47.2)	(39.2)
Net profit before JV & Tax	(9.9)	18.9	20.4	20.0
JV contributions	1.7	0.5	(0.1)	9.2
Tax expenses	(1.7)	(5.2)	(11.4)	(2.7)
Net profit for the period before impairment	8.6	14.2	8.9	26.4
Net profit for the period after impairment	(9.9)	14.2	8.9	26.4
Earnings Per Share	(0.53) cents*	2.2 cents*	1.2 cents	3.3 cents

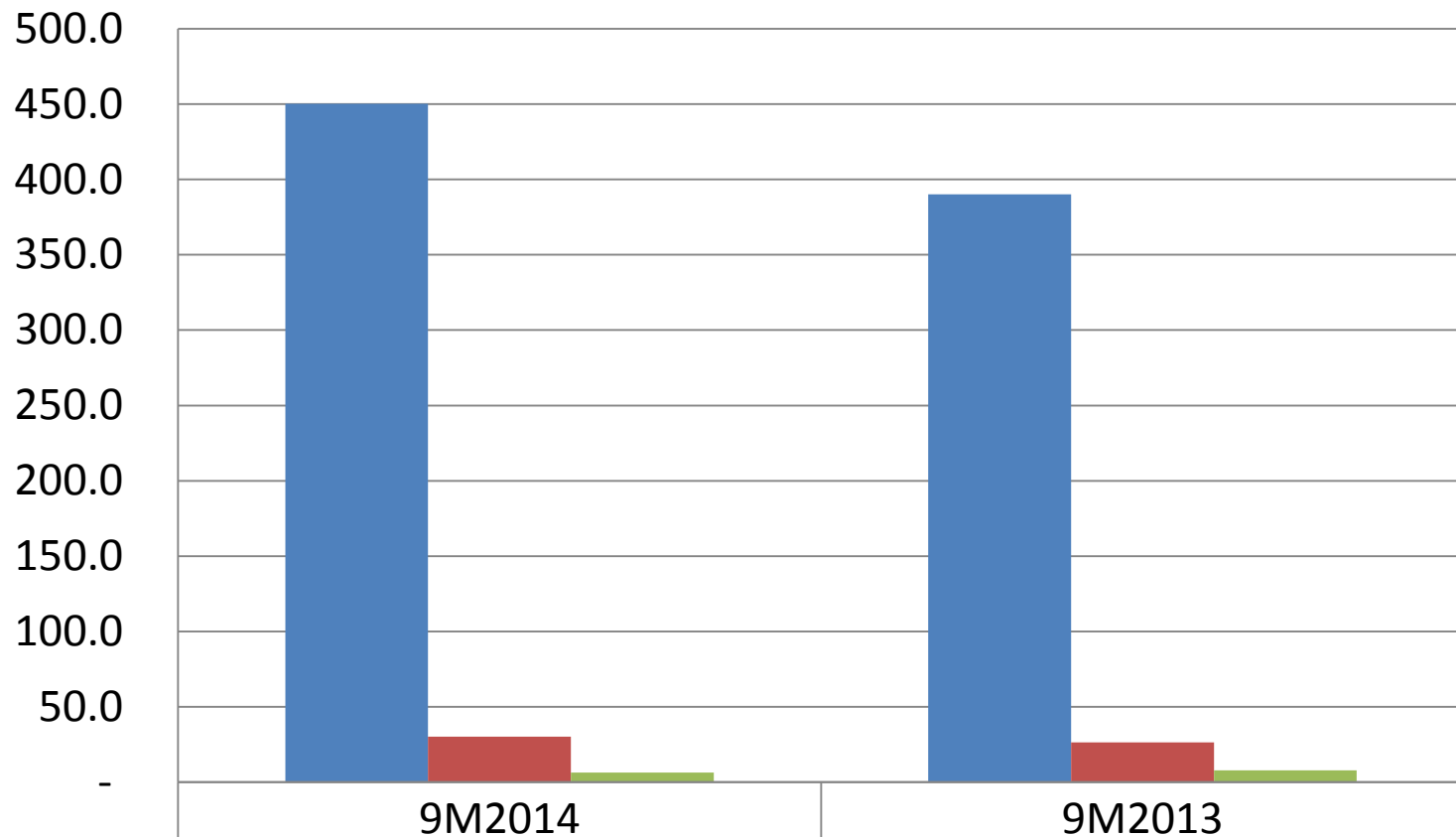
*Based on 919,247,700 shares, net of non-controlling interests as at 30 Sept 2014 and a weighted average number of ordinary shares outstanding of 781,932,691 as at 30 Sept 2013

Segmental Results 9M2014

9M2014 (SGD m)	Construction	Property Development	Others*	Total
Revenue	450.2	30.2	6.2	486.7
Costs	(417.4)	(30.0)	(2.8)	(450.1)
Gross Profit	32.8	0.3	3.4	36.5
Other Income	2.2	0.05	1.6	3.8
Depreciation	(2.9)	(0.07)	(1.3)	(4.3)
Selling Expenses	(0.007)	(2.7)	(0.2)	(2.9)
Staff Costs	(8.6)	(2.1)	(3.6)	(14.3)
Other Operating Expenses – including impairment costs	(4.6)	(19.7)	(2.5)	(26.8)
Profit/(loss) from operating activities	18.9	(24.2)	(2.6)	(8.0)

*Others includes rental, sales of goods and others

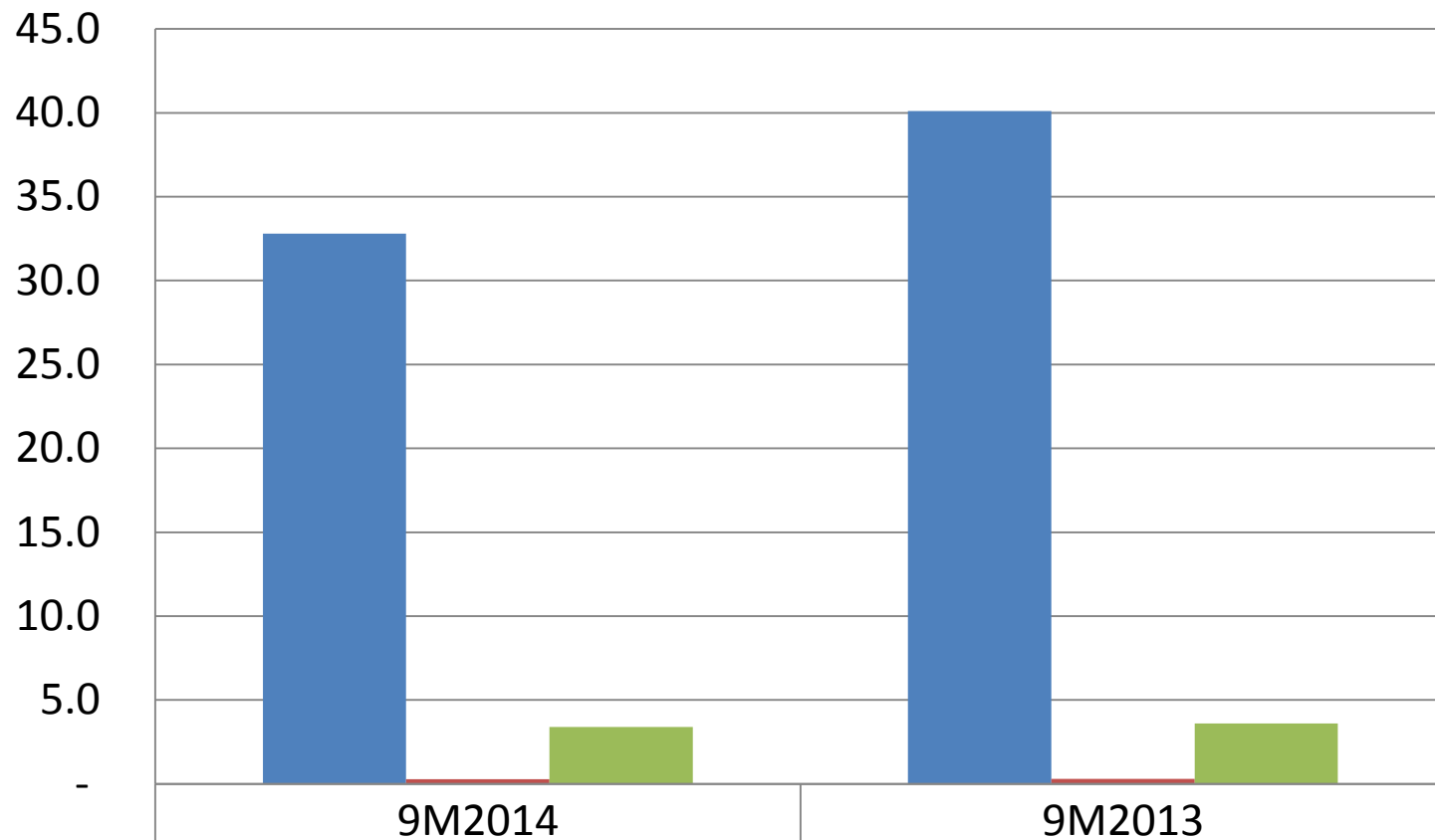
Segmental Comparison – Revenue (SGD m)



■ Construction	450.2	390.1
■ Property Development	30.2	26.4
■ Others*	6.2	7.7



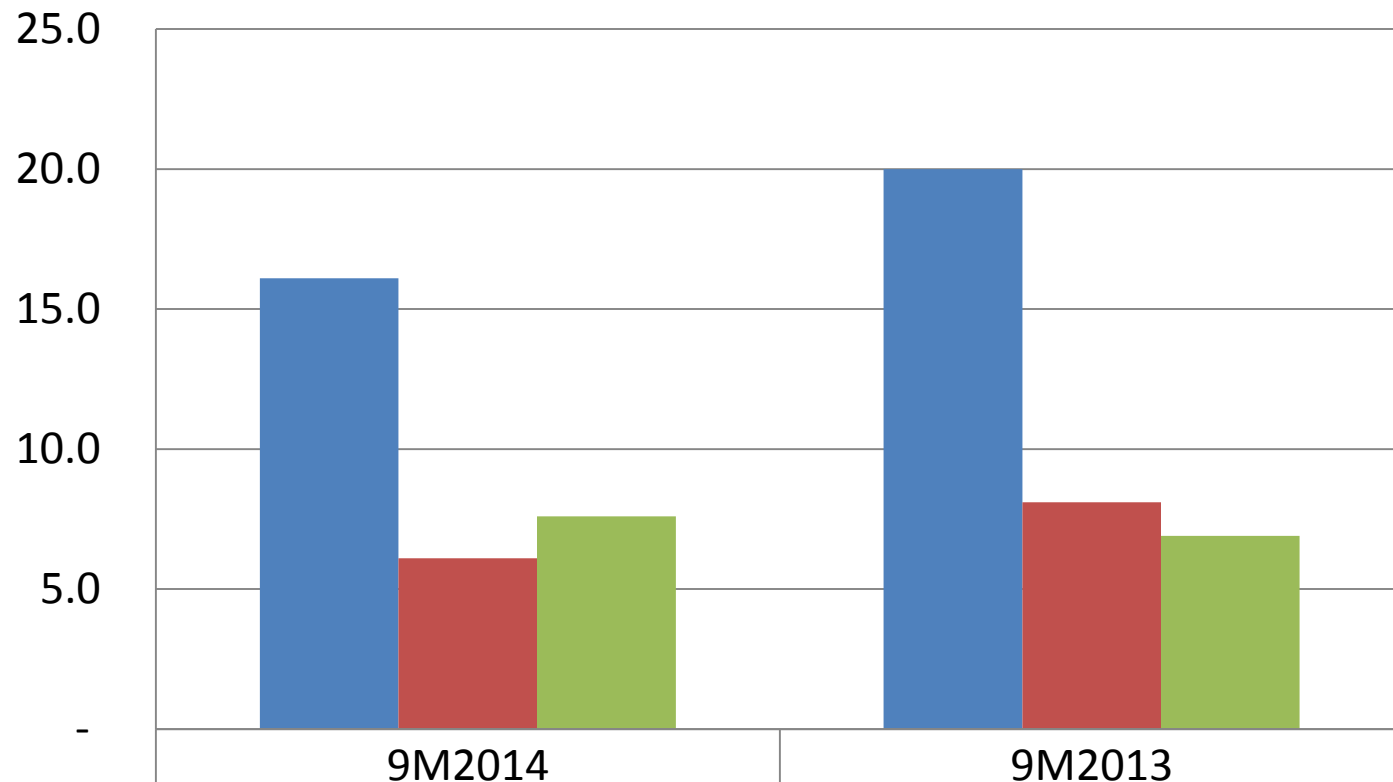
Segmental Comparison - Gross Profit (SGD m)



■ Construction	32.8	40.1
■ Property Development	0.3	0.3
■ Others*	3.4	3.6



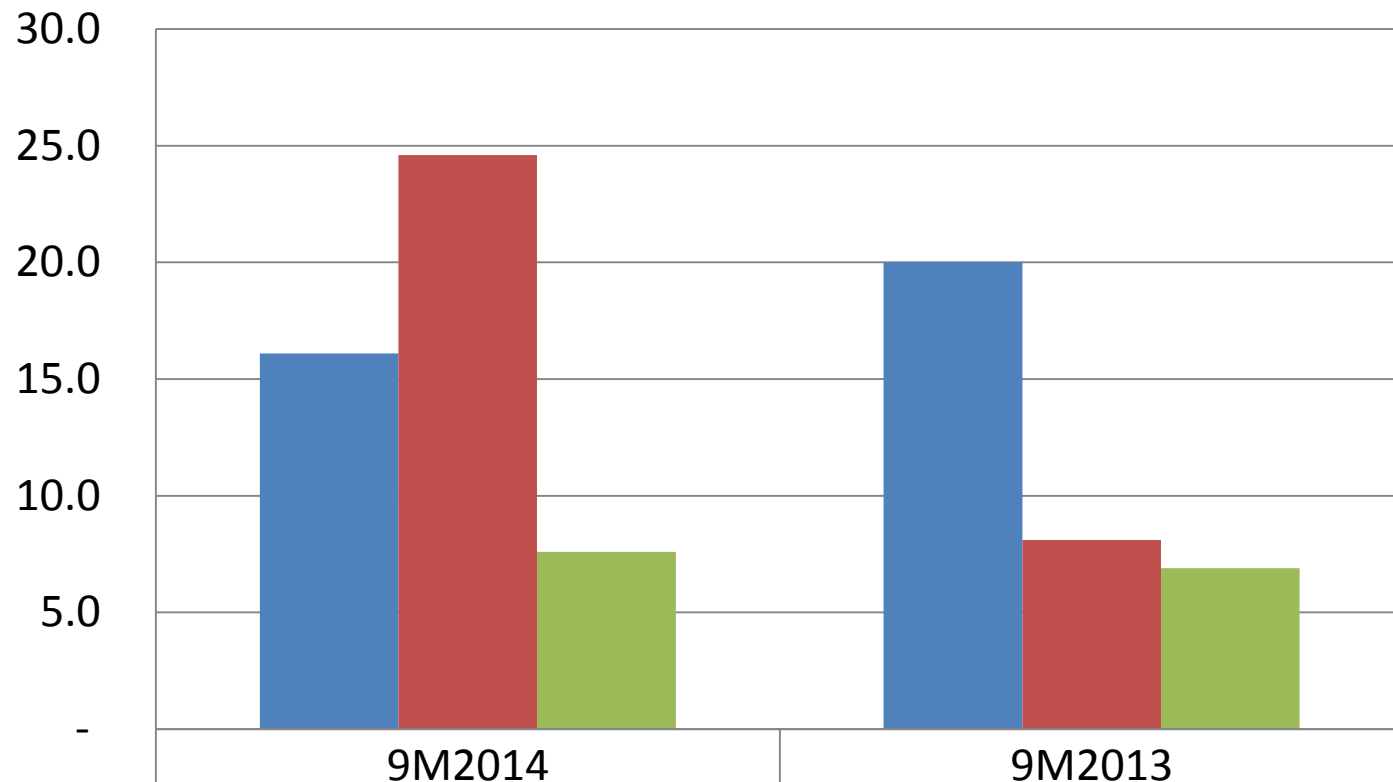
Segmental Comparison – Operating Expenses (SGD m)



■ Construction	16.1	20.0
■ Property Development (w/o impairment)	6.1	8.1
■ Others*	7.6	6.9



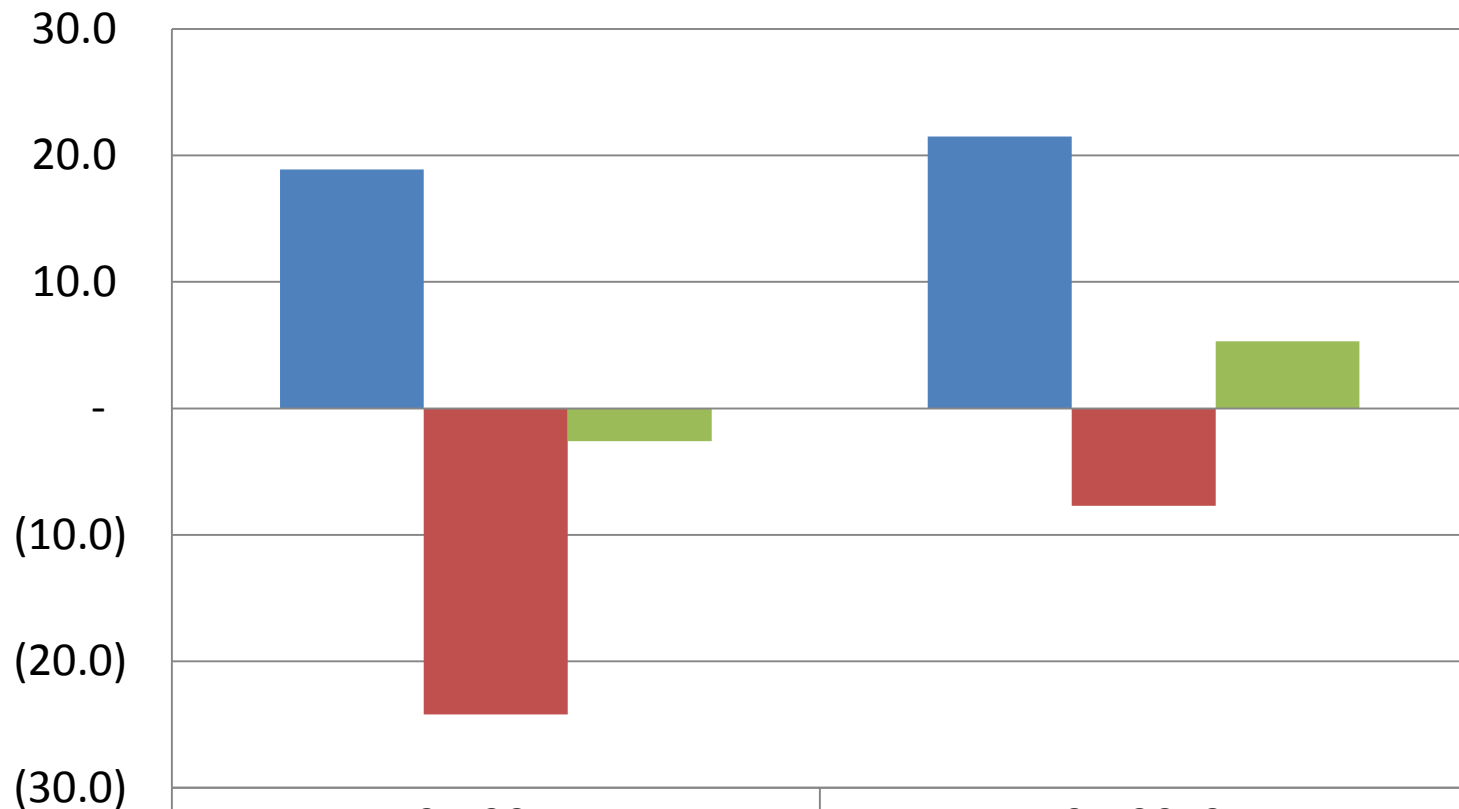
Segmental Comparison – Operating Expenses (SGD m)



■ Construction	16.1	20.0
■ Property Development (with impairment)	24.6	8.1
■ Others*	7.6	6.9



Segmental Comparison – Net Profit (SGD m)



■ Construction	18.9	21.5
■ Property Development	(24.2)	(7.7)
■ Others*	(2.6)	5.3

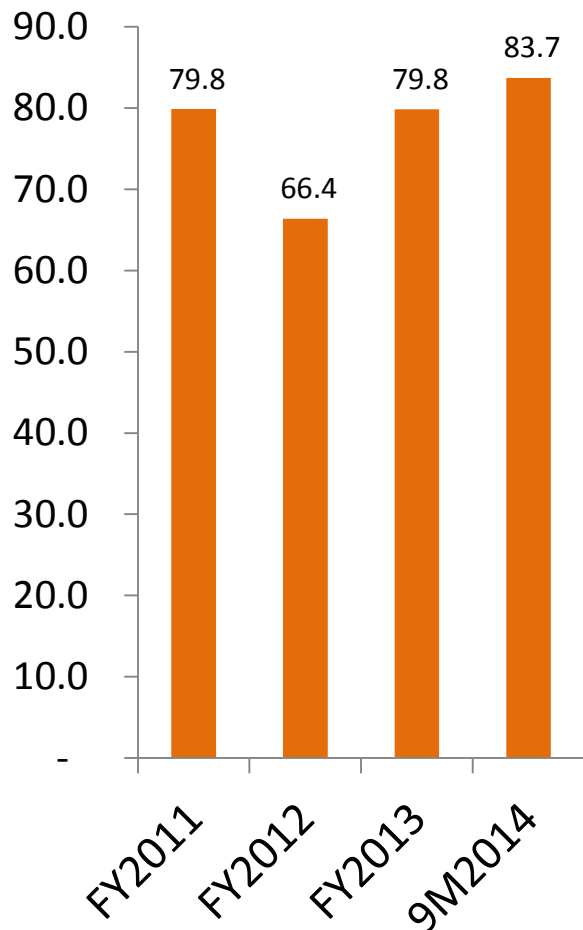


Segmental Results 9M2013 / 9M2014

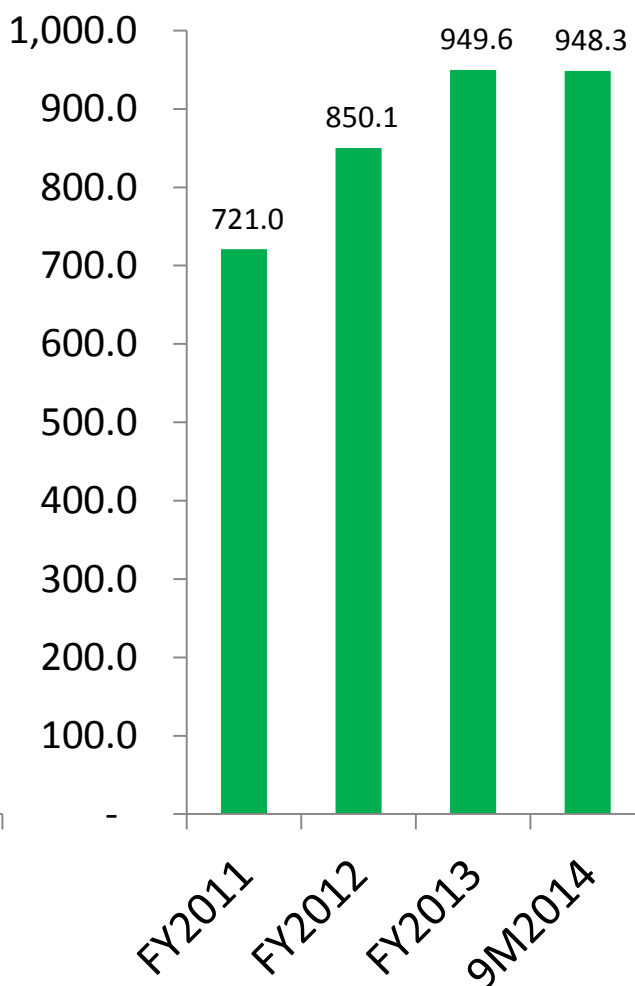
(SGD m)	Construction		Property Development		Others*		Total	
	9M2014	9M2013	9M2014	9M2013	9M2014	9M2013	9M2014	9M2013
Revenue	↑ 450.2	390.1	↑ 30.2	26.4	6.2	7.7	↑ 486.7	424.3
Costs	(417.4)	(350.1)	(30.0)	(26.1)	(2.8)	(4.2)	(450.1)	(380.3)
Gross Profit	↓ 32.8	40.1	0.3	0.3	3.4	3.6	↓ 36.5	44.0
Other Income	2.2	1.5	0.05	0.09	↓ 1.6	8.6	↓ 3.8	10.1
Depreciation	↓ (2.9)	(3.6)	(0.07)	(0.09)	(1.3)	(1.4)	↓ (4.3)	(5.1)
Selling Expenses	(0.007)	-	(2.7)	(3.0)	(0.2)	(0.1)	(2.9)	(3.1)
Staff Costs	↓ (8.6)	(10.3)	(2.1)	(2.0)	(3.6)	(3.7)	↓ (14.3)	(16.0)
Other Operating Expenses – including impairment costs	(4.6)	(6.1)	↑ (19.7)	(3.0)	(2.5)	(1.7)	↑ (26.8)	(10.8)
Profit/(loss) from operating activities	↓ 18.9	21.5	↑ (24.2)	(7.7)	↓ (2.6)	5.3	↓ (8.0)	19.1

Key balance sheet items

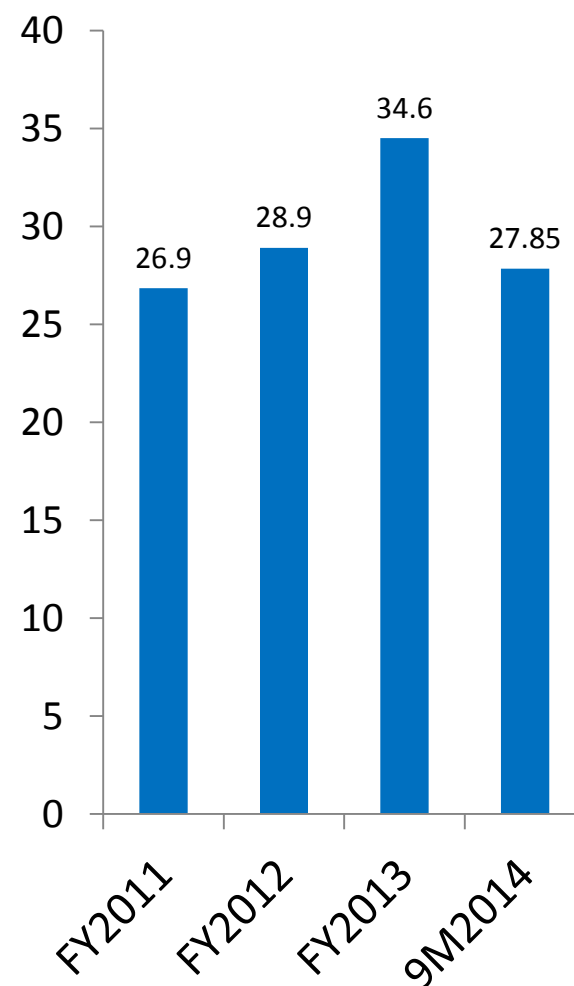
**Cash & Cash Equivalents
(SGD 'million)**



Total assets, (SGD 'million)



NAV per share* (\$ cents)



*Based on 919,247,700 shares, net of non-controlling interests as at 30 June 2014 and a weighted average number of ordinary shares outstanding of 781,932,691 as at 30 June 2013



2. Segmental Review & Outlook



Three pillars of growth

Construction



Pre-Cast



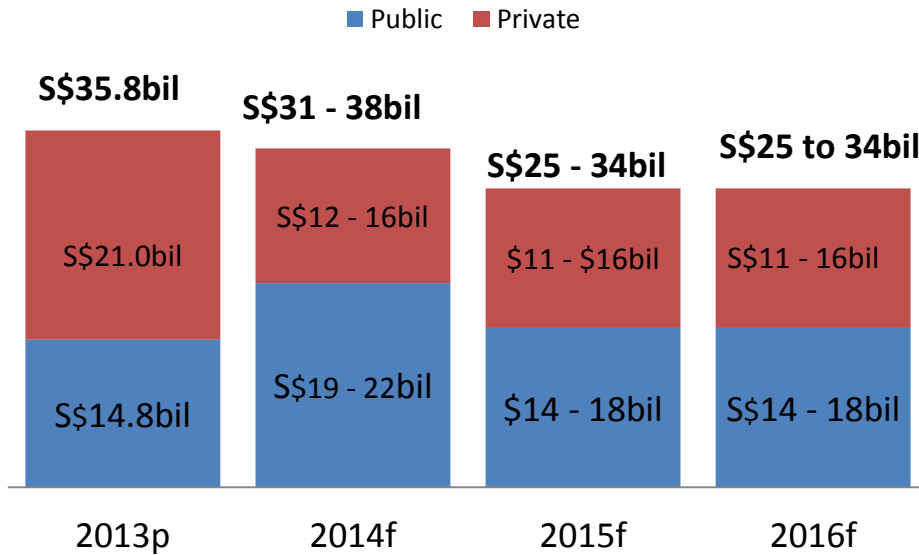
**Property
Development**



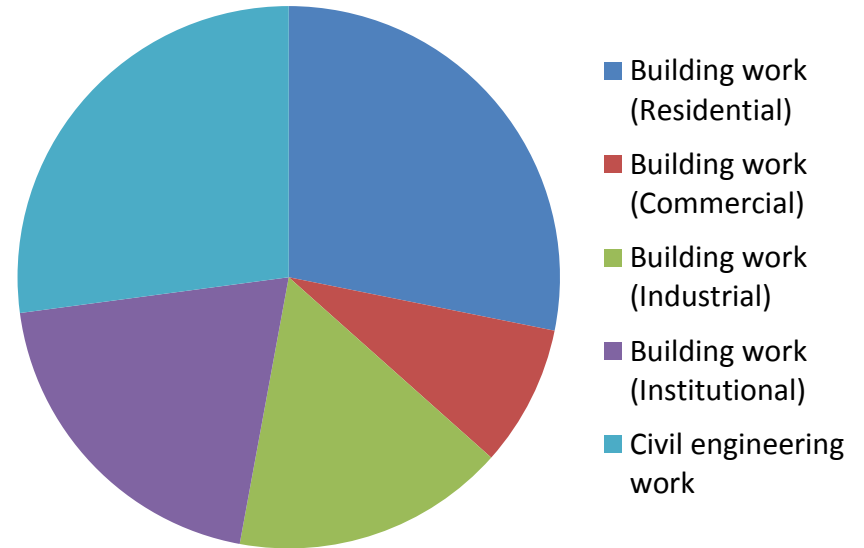
Construction - Prospects in Singapore

Public sector projects to drive growth with increased institutional and civil engineering works

Construction Demand
(Value of contracts awarded)



2014 forecast for awarded contracts



Source: BCA

Recently Won Construction Projects

- 27 May 2014: **S\$316 million** JV Contract T220 for construction of the Great World Station and Tunnels for Thomson Line (65:35, TS:65)
- 30 September 2014: **S\$107 million** contract for Stamford Diversion Canal Phase 2
- 4 November 2014: **S\$276 million** contract for Executive Condominium in Choa Chu Kang
- Order Book: **S\$1.4 billion** as at 4 November

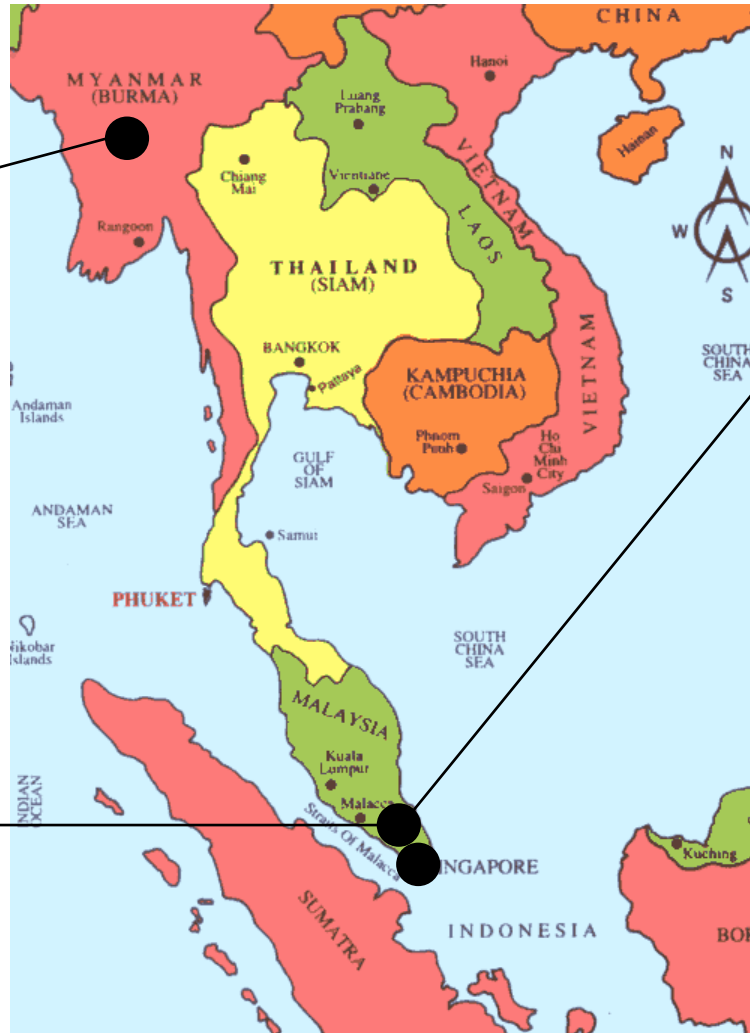


Tiong Seng's precast business updates

2

Myanmar plant
Production has commenced since August 2014

Malaysia plant
Production has commenced since April 2014



1

JV with Geostr & Marubeni
Construction of the factory will commence later this month. Operations expected to commence in 1H2015

* Perumahan Rakyat 1 Malaysia

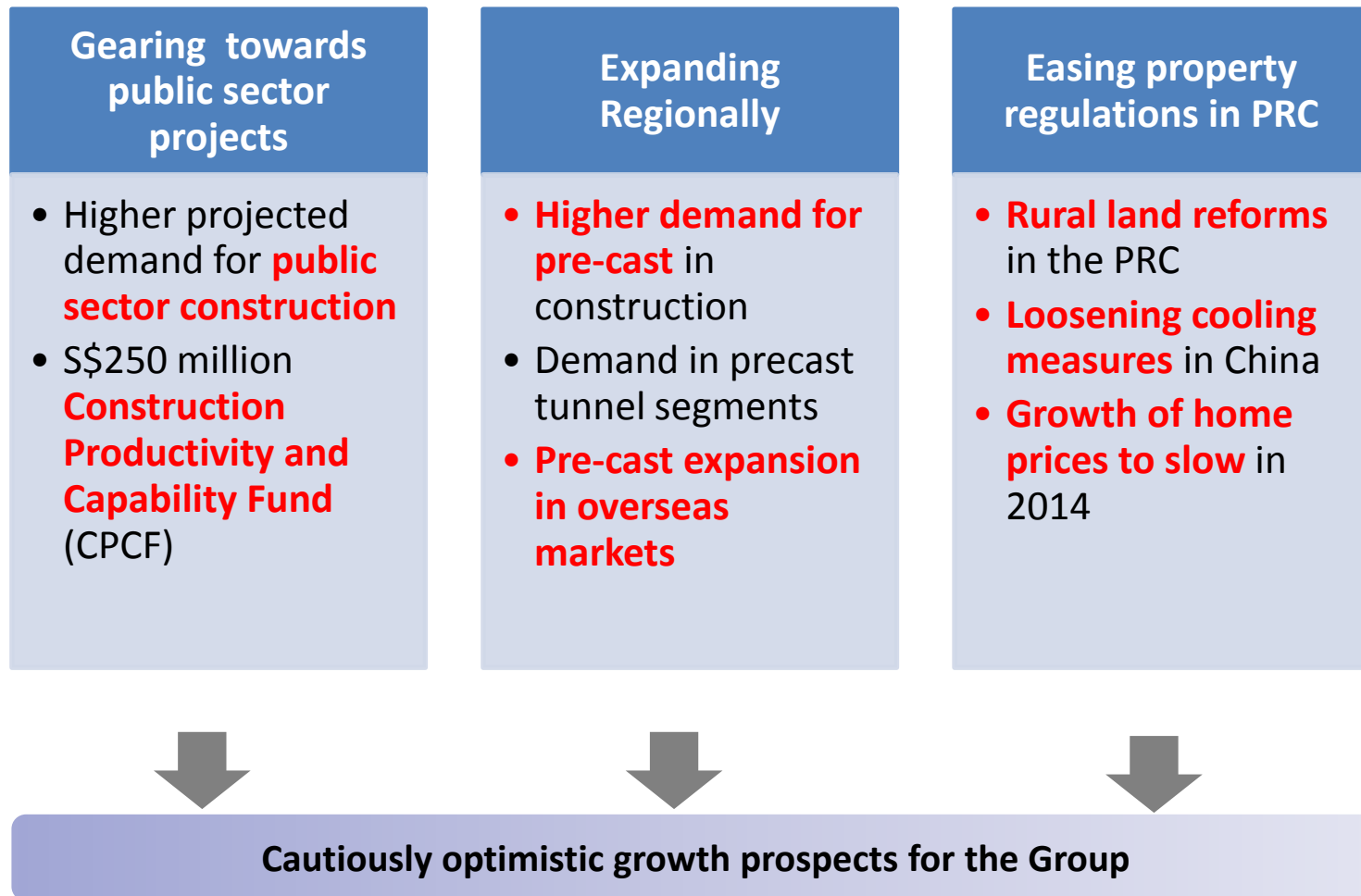
Changes to Regulation in Property Development in PRC

Loosening of Cooling Measures in Several Chinese Cities:

- Buyers of second homes are now considered first-time buyers as long as existing mortgage debt has been paid off.
- Units with area larger than 90sqm or condo units with a green grading of more than 2-star are not subjected to housing restriction purchases.
- Banks can now offer as much as 30% discount on benchmark rates for mortgages.



Growth prospects at a glance



Thank You

Q&A



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