

Tiong Seng Holdings Limited

Annual General Meeting

28 April 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. Business Overview

2. Financial Highlights

3. Growth Prospects & Plans



1. Business Overview

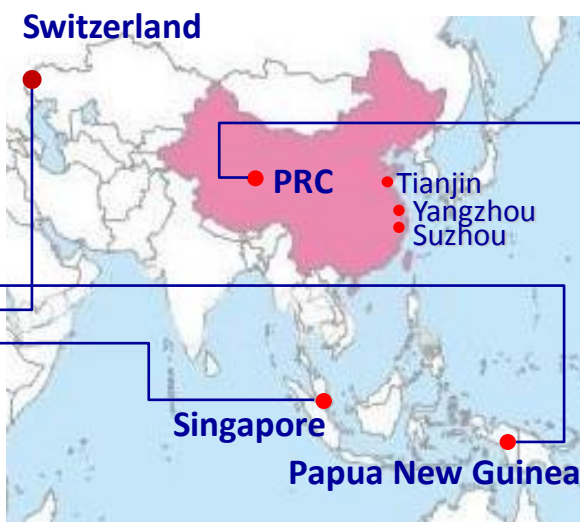


About us

Listed on the SGX since April 2010, Tiong Seng Holdings is one of the leading building construction and civil engineering contractors in Singapore.

CORE BUSINESS: Construction & Civil Engineering

- **Over 50 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 – Completed projects in 2013

Tiong Seng's completed projects in 2013 were 3 residential developments, all CDL related projects.



Tree House

Client: Chestnut Avenue
(JV between CDL and Hong Realty)
Approx Contract Value: S\$146 mil



Hundred Trees

Client: Grade-Terre Properties
(A company under CDL)
Approx Contract Value: S\$121.4 mil



The Glyndebourne

Client: Millennium & Copthorne Hotels (A company under CDL)
Approx Contract Value: S\$104.0 mil

Construction - Ongoing projects

The Group has an order book of S\$1.34billion (as of 10 Feb 2014), to be delivered progressively till 2017.

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 mil



HAUS@Serangoon Garden
Client: City Developments Limited
Approx Contract Value: S\$93mil



Waterway Terraces I & II
Client: Housing Development Board
Approx Contract Value: S\$339.0 mil



The Luxurie
Client: Keppel Land Realty
Approx Contract Value: S\$151.0 mil



The Archipelago
Client: United Venture Development
Approx Contract Value: S\$189.5 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

Construction - Ongoing projects

Hospital



Connexion

Client: Singapore HealthPartners
(JV with Samsung C&T 45:55 (TS: 45))
Approx Contract Value: S\$270.0 mil

Commercial



Mediapolis

Client: MediaCorp Pte Ltd
(JV with Kajima 20:80 (TS: 20))
Approx Contract Value: S\$413.0 mil

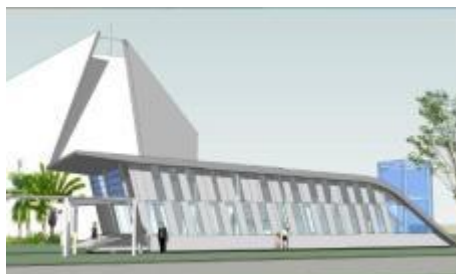
Institution



SIM HQ Campus Extension

Client: Singapore Institute of Management
Approx Contract Value: S\$137 mil

Civil Engineering



Design & construction of stations and tunnels for stage 2 of downtown line 2

Client: Land Transport Authority
(JV with GS Engineering & Construction 30:70 (TS:30)
Approx Contract Value: S\$430.5 mil



Upgrading and sealing of roads in Papua New Guinea

Awarded by the Independent State of Papua New Guinea, funded by Asian Development Bank
Approx Collective Contract Value: S\$72.4 mil

Industrial



Joo Koon Integrated Transport Hub & Fairprice Distribution Centre

Client: NTUC Fairprice Co-operative Ltd
Approx Contract Value: S\$229.0 mil



Equinix

Client: Mapletree Industrial Trust
Approx Contract Value: S\$42.7 mil

Property development making headway in China

Ongoing projects in the Bohai Economic Rim and Suzhou

The Equinox,
Tianjin



Zizhulin Commercial
Development, Tianjin



Sunny International
Development, Cangzhou



Tranquility Residence, Suzhou



Property Development – Ongoing projects

Project Name	Status
--------------	--------

The Equinox, Tianjin



Phase 1: Construction in progress and completion expected in 2014, total 131 units

Phase 2: Construction in progress and completion expected in 1Q2015, total 74 units

Of the 205 units in phase 1 and 2, approximately 43% of the units have been sold.

Phases 3-7: To launch progressively from 2014 onwards, subject to market conditions, with completion of all phases expected in 2017

Property Development – Ongoing projects

Project Name	Status
--------------	--------

Sunny International Development, Cangzhou



Phase 1: 100% sold and recognised in 2011

Phase 2: 87% of 276 units recognized in 2013

Phase 4: 100% sold and recognized in 2013.

Phase 3: Launched in 3Q2013 and completion expected in 2014

Property Development – Ongoing projects

Project Name	Status
--------------	--------

Zizhulin Commercial Development, Tianjin



Discussion with authorities in progress

Property Development – Ongoing projects

Project Name	Status
--------------	--------

Tranquility Residence, Suzhou



Phase 1: Construction commenced in 3Q2013 and completion expected in 2015, total 496 units

Phase 2: Construction to commence in 2014 and completion expected in 2016, total 140 units



2. Financial Highlights



Financial highlights - Overview

Income Statement (SGD m)	Audited results		
	FY 2011	FY 2012	FY2013
Revenue	414.5	511.4	654.9
Gross Profit	44.7	54.2	50.5
Other income	9.3	3.5	16.0
Operating & net finance expenses	(37.9)	(39.2)	(47.2)
Net profit before JV & Tax	17.2	20.0	20.4
JV contributions	20.6	9.2	(0.064)
Tax expenses	(10.9)	(2.7)	(11.4)
Net profit for the year	26.9	26.4	8.9
Earnings Per Share	3.5 cents	3.3 cents	1.2 cents



Financial highlights - Overview

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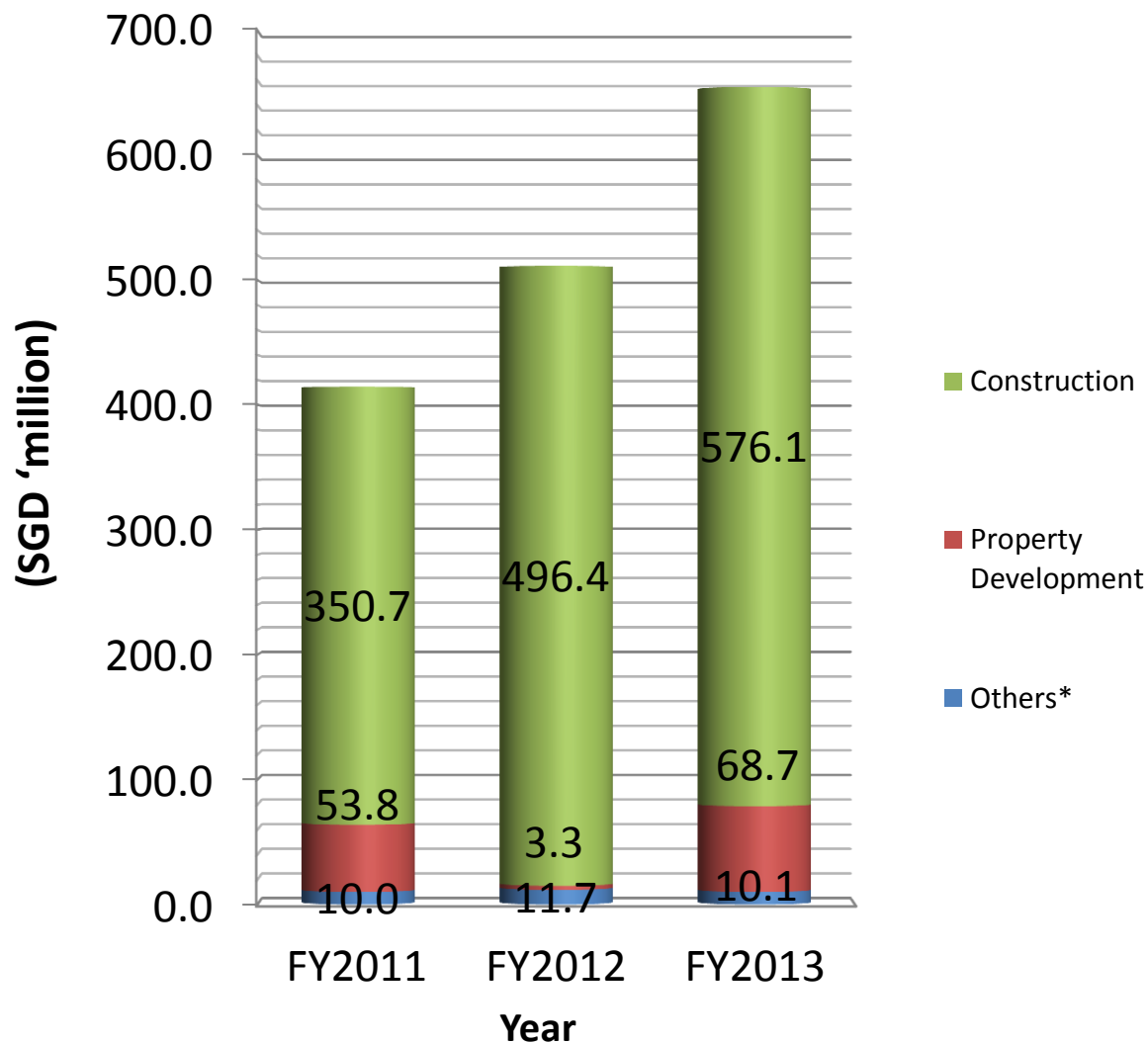


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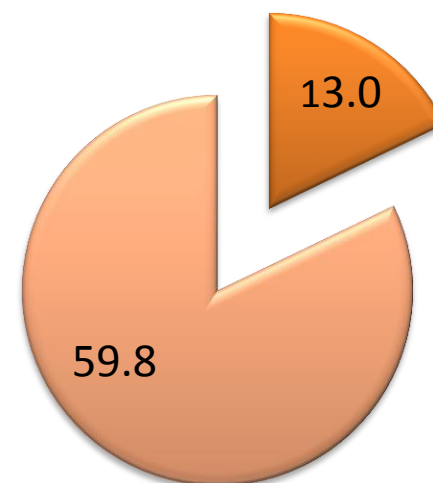


Revenue



Unrecognized revenue as at 31 Dec 2013 (SGD 'million)

- Construction
- Property Development

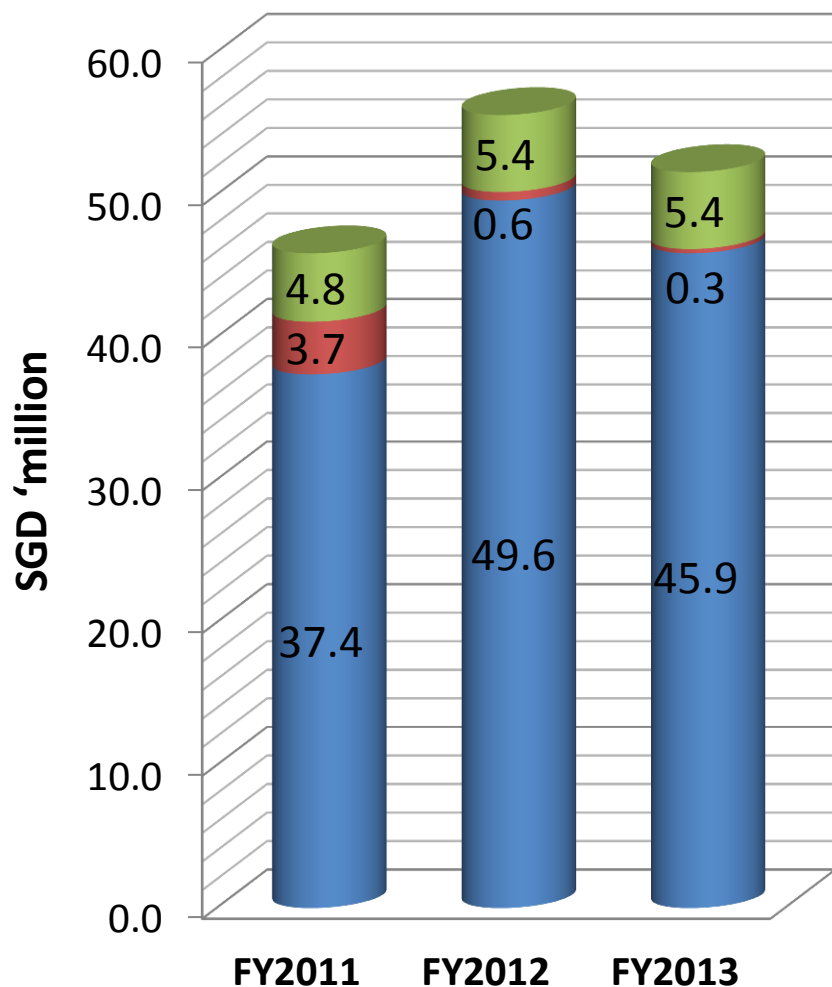


*Others includes rental, sales of goods and others

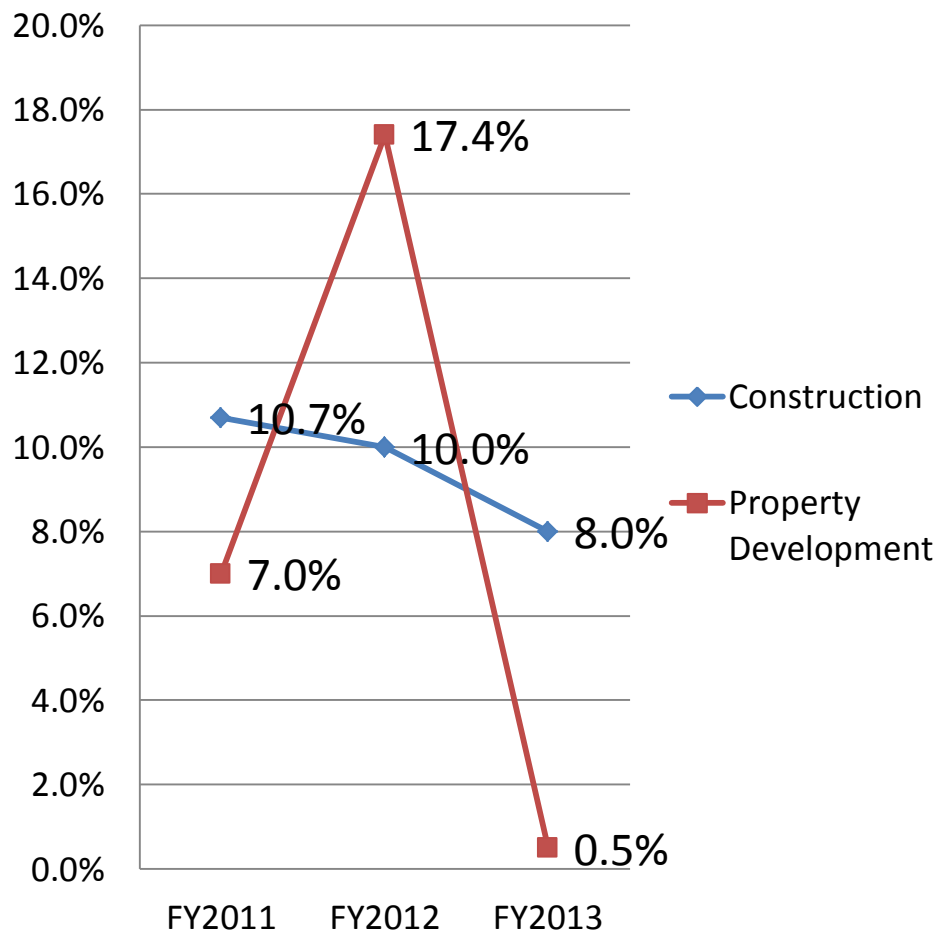


Gross profit and margin

Gross profit (SGD 'million)



Gross profit margin

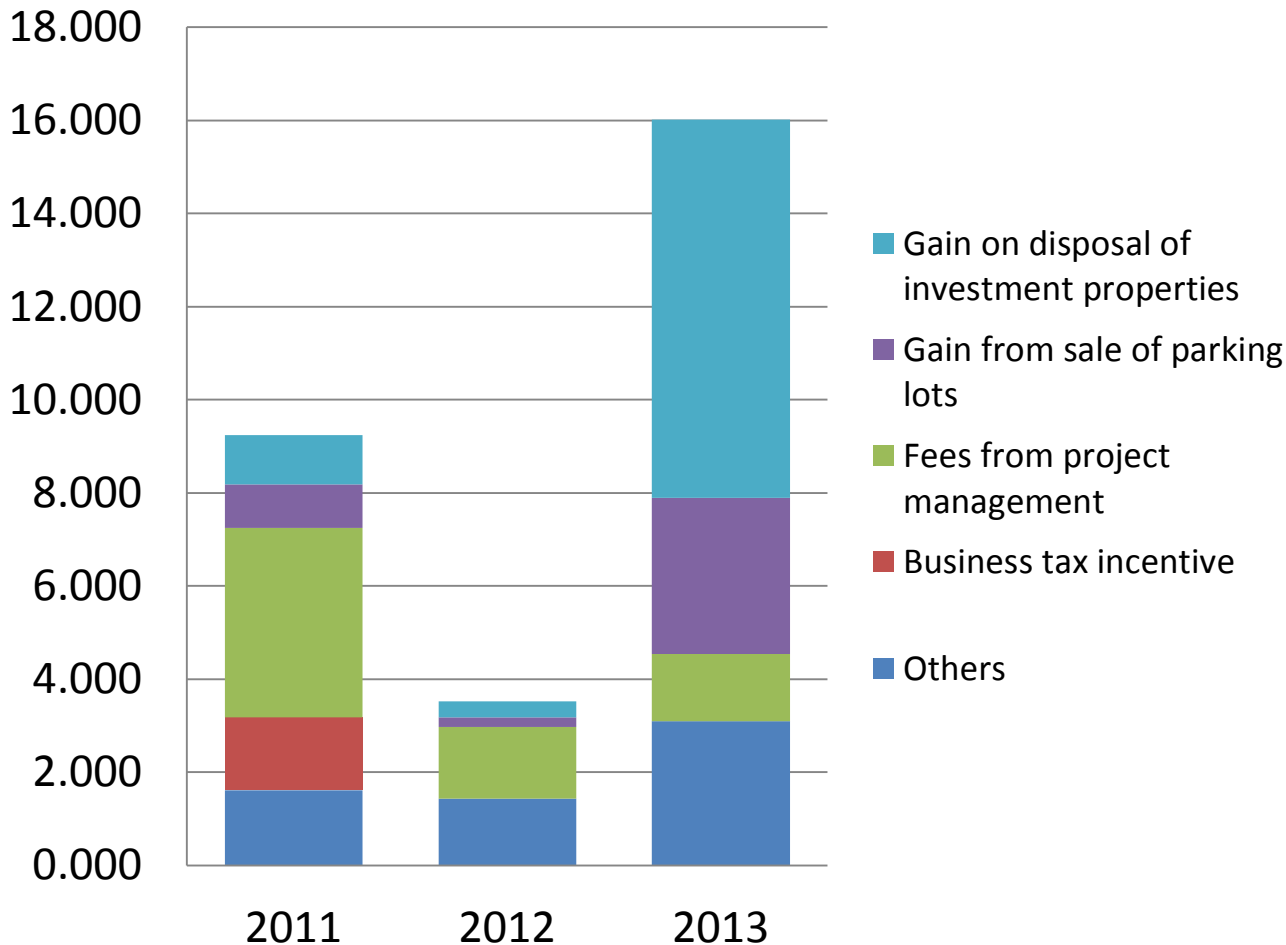


*Others includes rental, sales of goods and others

■ Others*
■ Property Dev.
■ Construction

Other income

(SGD 'million)



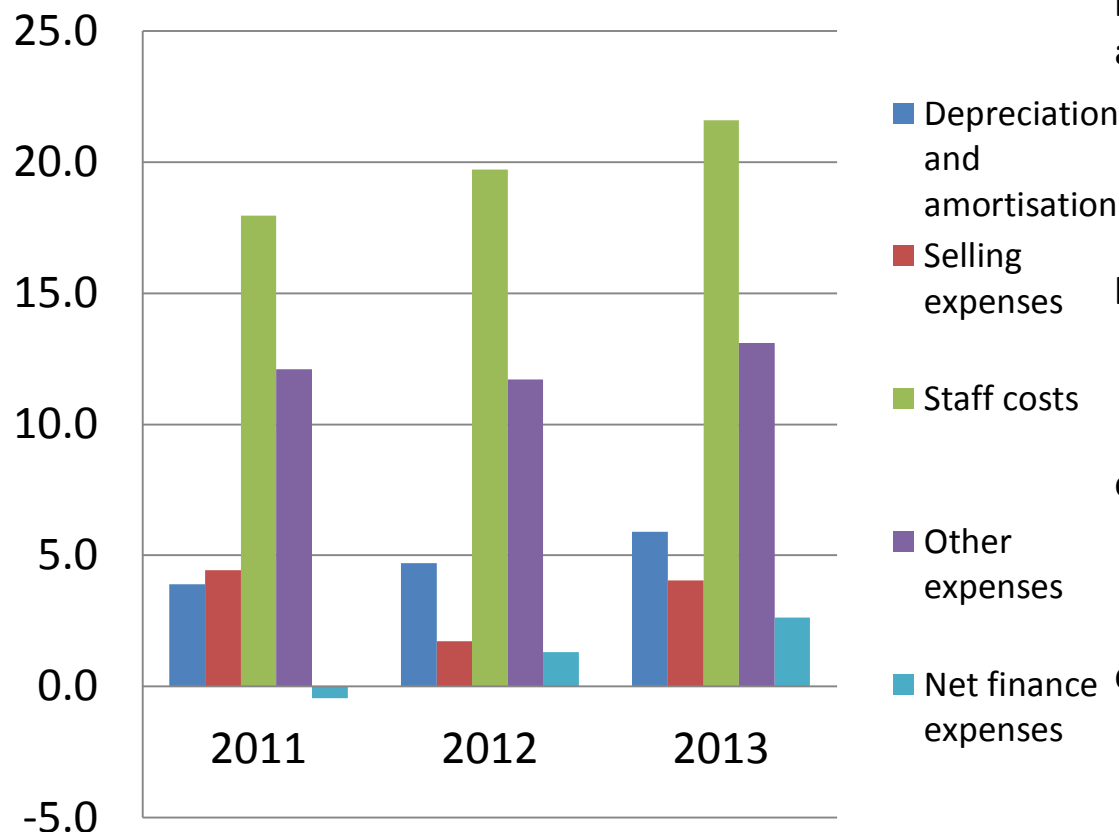
2013 recorded a much higher other income due to:

- a) \$7.8 m gain on disposal of investment properties**
- b) \$3.1 m gain from sale of parking lots in PRC**
- c) \$1.5 m from other miscellaneous income**



Operating and net finance expenses

(SGD 'million)



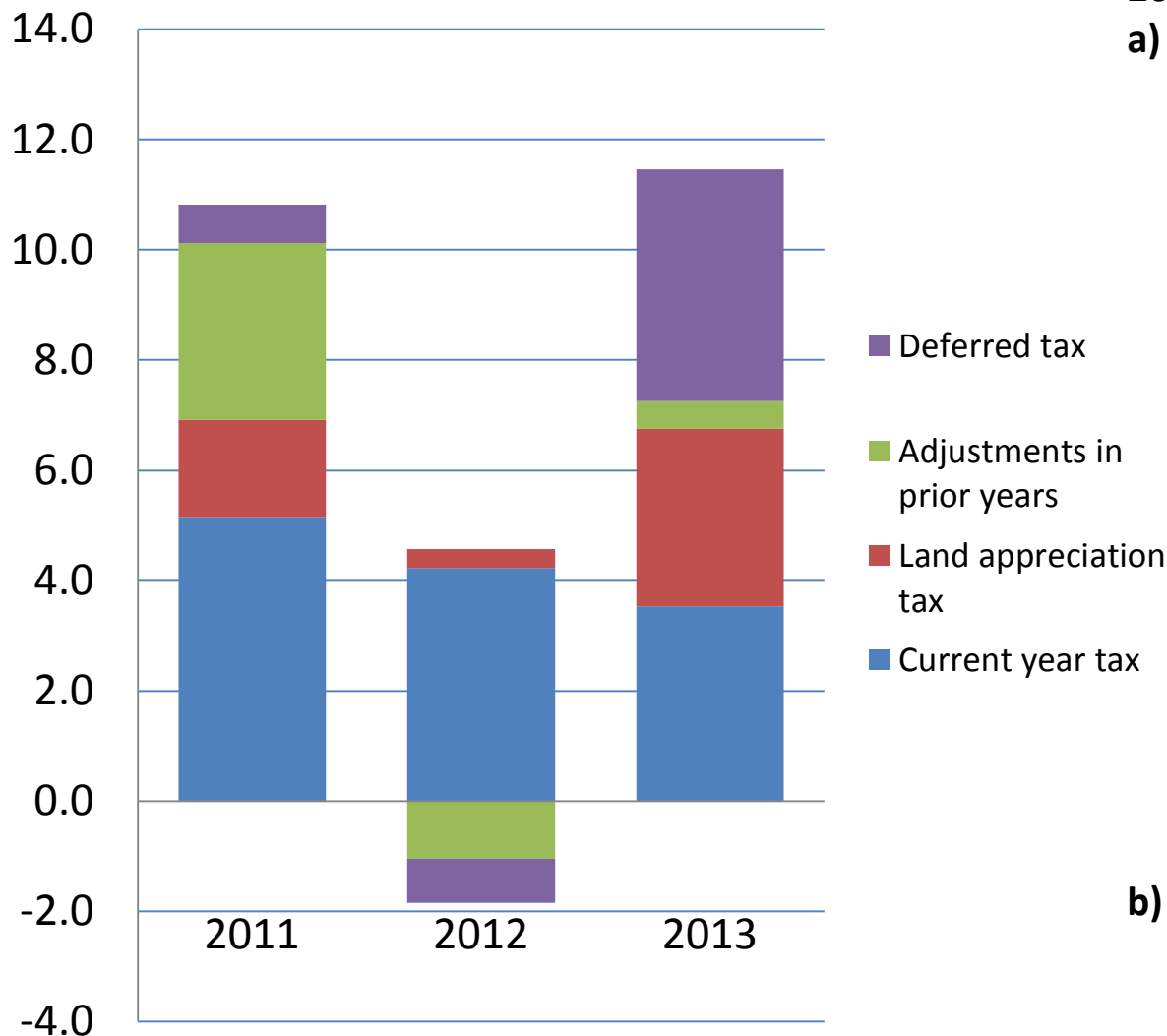
Operating and net finance expenses have increased mainly from:

- a) Depreciation (\$1.1 mil) from a full year depreciation upon the completion of the Prefab Hub as well as the acquisition of new machineries
- b) Selling expenses (\$2.3 mil) incurred to promote PRC development projects Equinox & Sunny International
- c) Staff costs (\$1.9 mil) from increase in headcount to support the increase in construction business
- d) Other expenses (\$1.4 mil) mainly from higher professional costs of \$0.5m & tender expenses of \$0.5m
- e) Net finance expenses (\$1.3 mil) from \$0.5 m from discounting of project retention money & remaining being higher borrowing costs.



Tax Expenses

(SGD 'million)



2013 recorded higher:

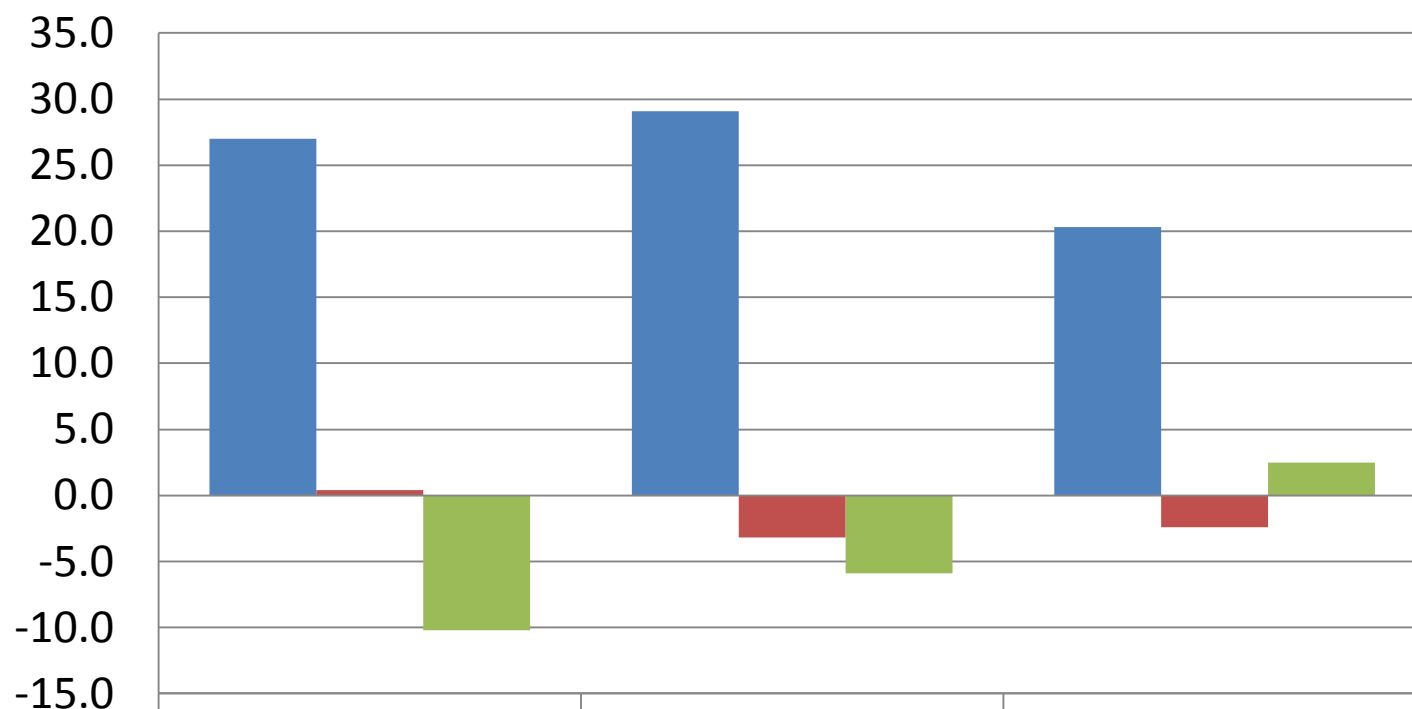
- a) **Deferred taxes by \$5 mil due to**
 - a) \$ 2.8 m relating to the expiry of CHF 11 m statutory tax losses from the sales of goods business
 - b) \$ 0.9 m due to more prudent tax accounting for non-recognition of tax losses from certain subsidiaries, as contrast to previous year
 - c) \$ 1.4 m due to recognition of deferred taxes liabilities arising from acquisition of new machineries.
- b) **Land appreciation tax by \$2.9 mil following the recognition of development revenue for the Sunny International Project in PRC**



Financial performance of each segment

- Net Profit (excluding JV & tax)

(SGD 'million)



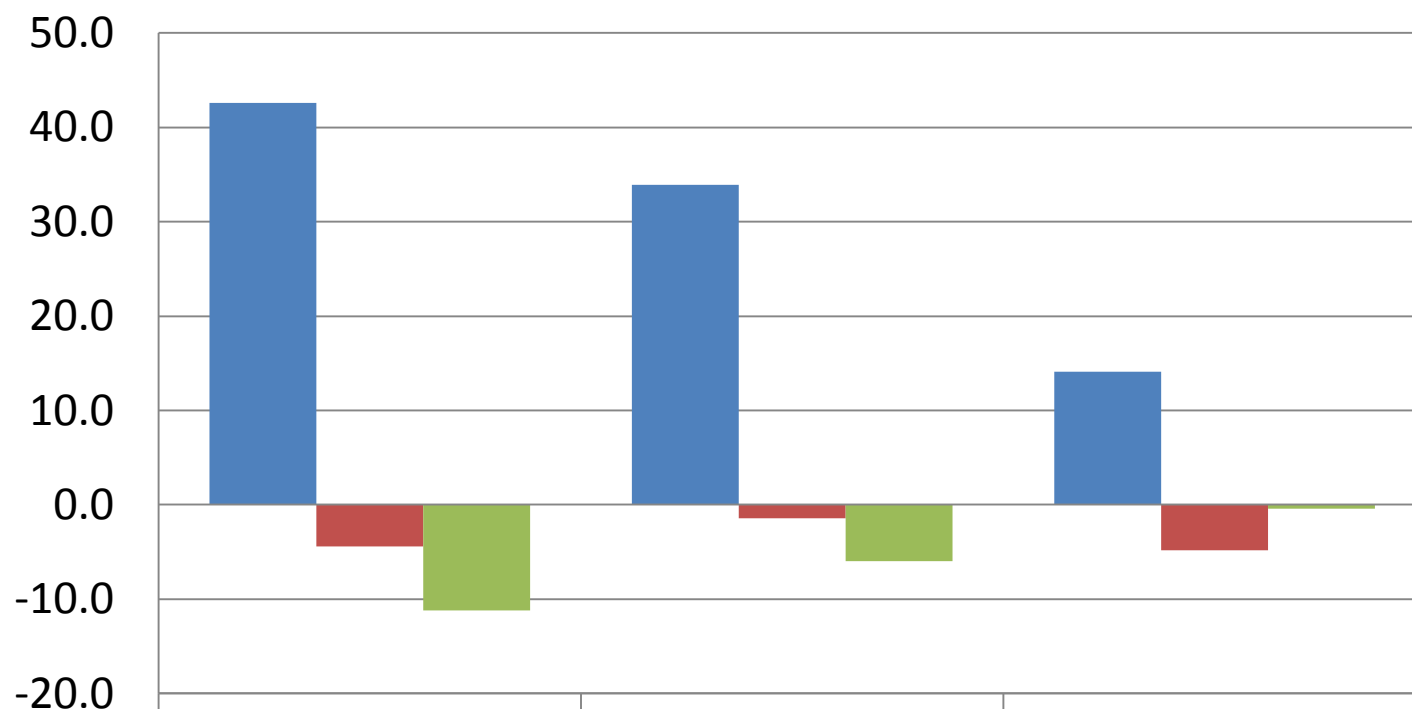
■ Construction	27.0	29.1	20.3
■ Property Development	0.4	(3.2)	(2.4)
■ Others*	(10.2)	(5.9)	2.5

*Others includes rental, sales of goods and others

Financial performance of each segment

- Net Profit (including JV & tax)

(SGD 'million)

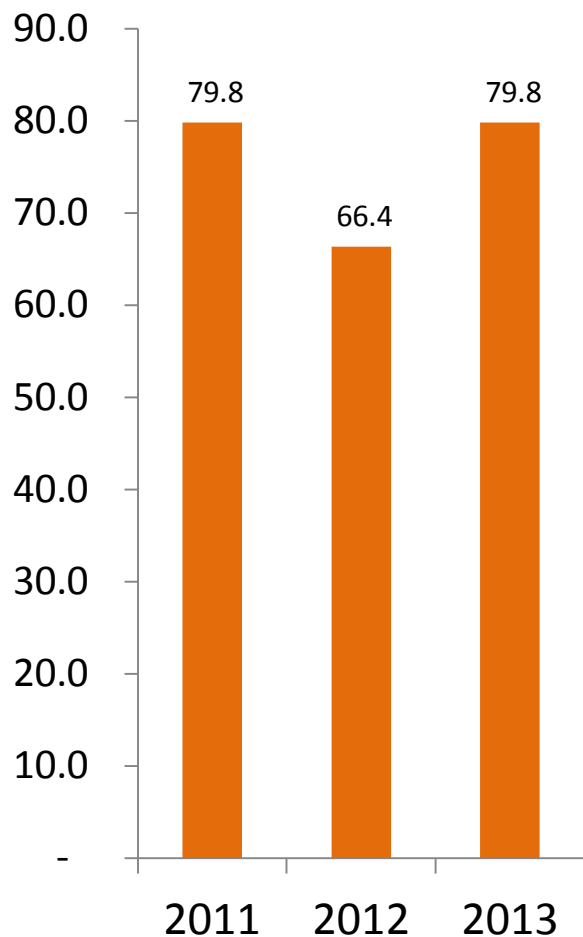


■ Construction	42.6	33.9	14.1
■ Property Development	(4.4)	(1.4)	(4.8)
■ Others*	(11.2)	(6.0)	(0.4)

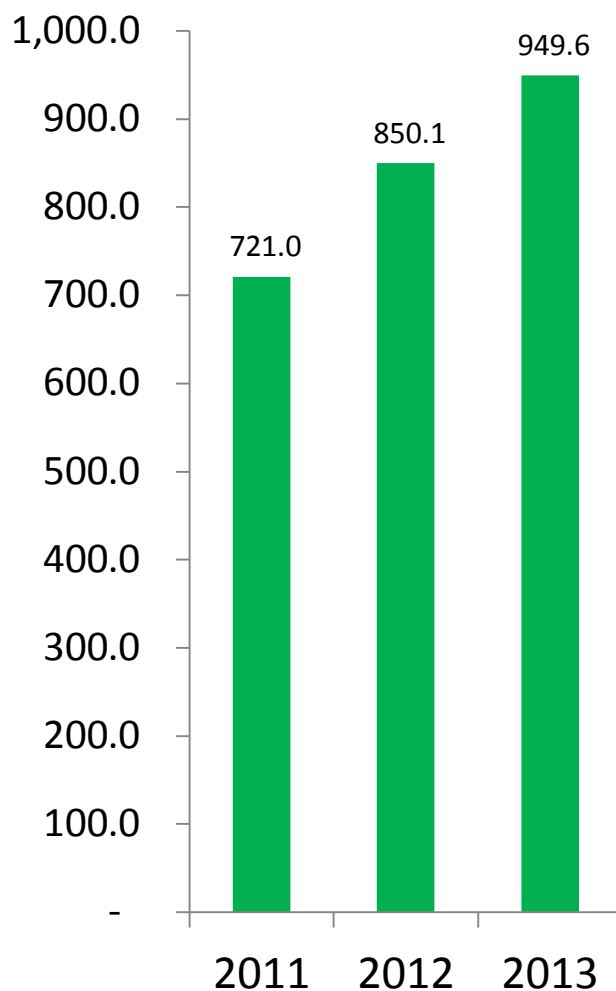
*Others includes rental, sales of goods and others

Key balance sheet items

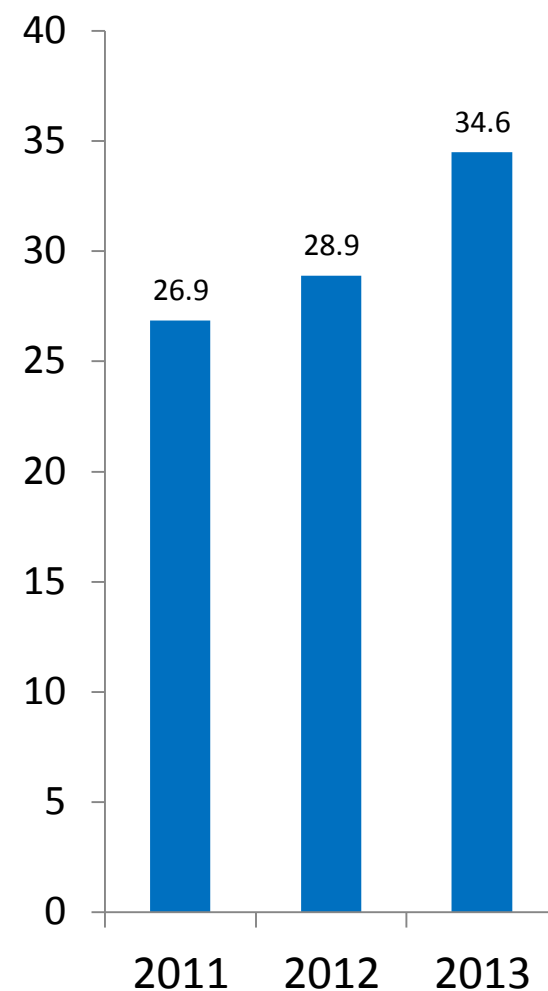
**Cash & Cash Equivalents
(SGD 'million)**



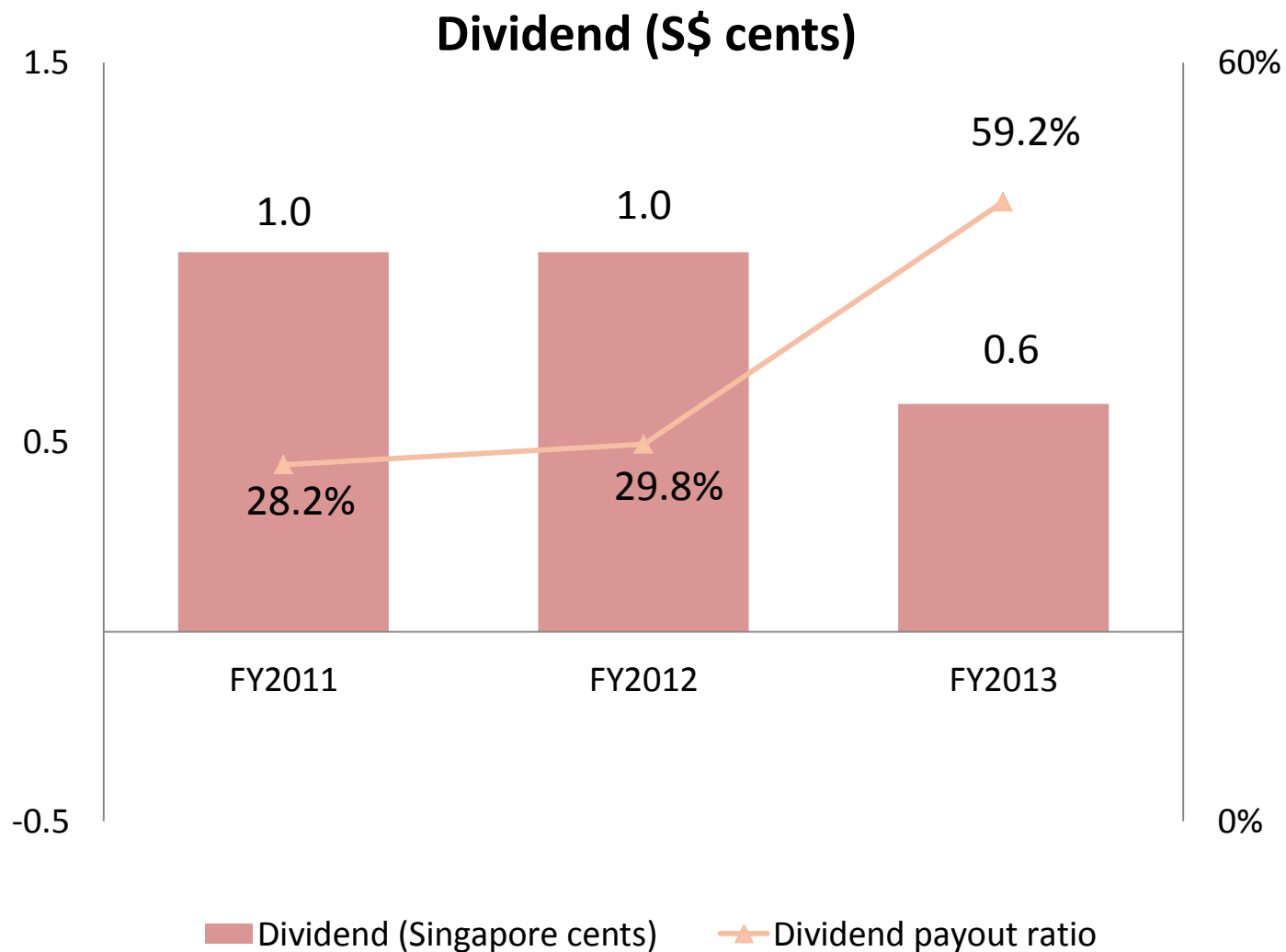
Total assets, (SGD 'million)



NAV per share (S\$ cents)



Dividend and payout ratio



Corporate Actions

Rights Issue

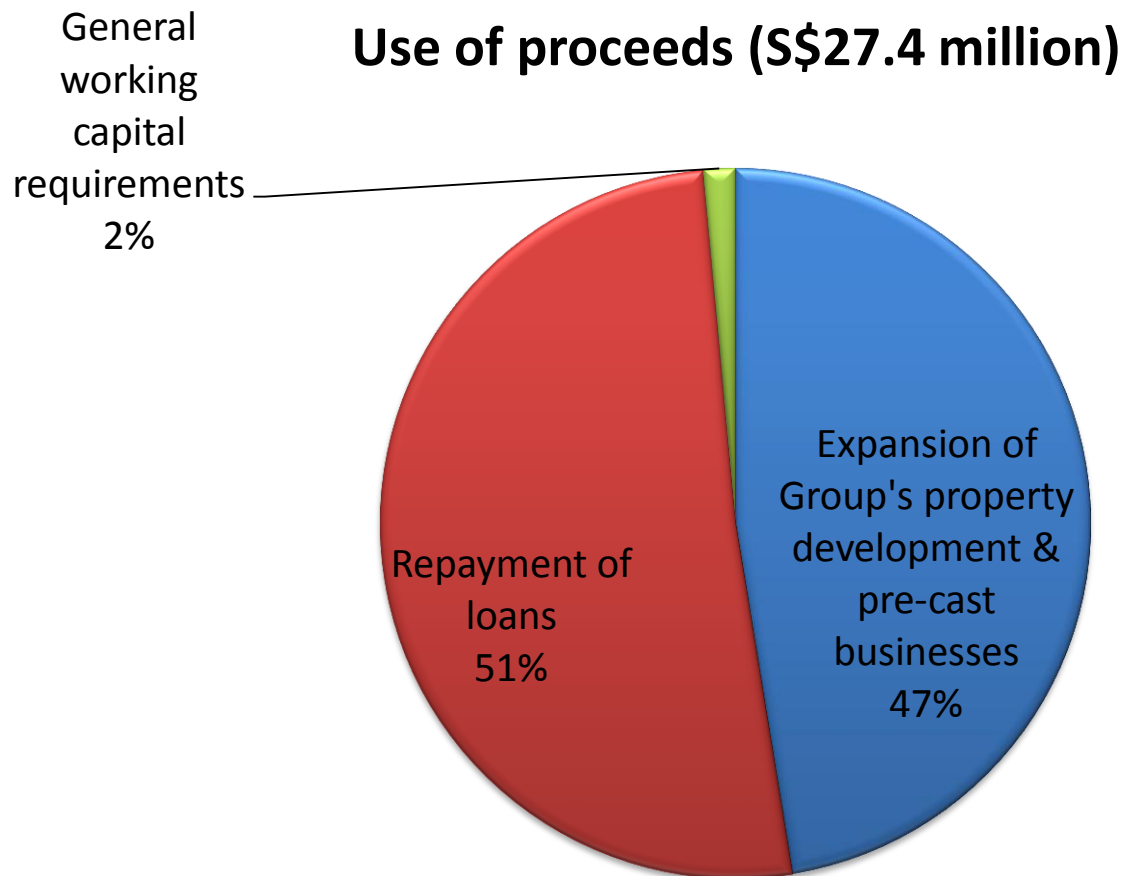
- **Renounceable non-underwritten rights issue of up to 153,207,950 new ordinary shares**
- **Issue price of S\$0.18 on the basis of 1 rights share for every 5 existing ordinary shares**
- **Fully-subscribed as of closing date 27 December 2013**

Medium Term Note Program

- **S\$250,000,000 Multicurrency MTN Program**
- **Net proceeds used for general corporate purposes**
- **Established since 10 July 2013**



Use of proceeds from rights issue



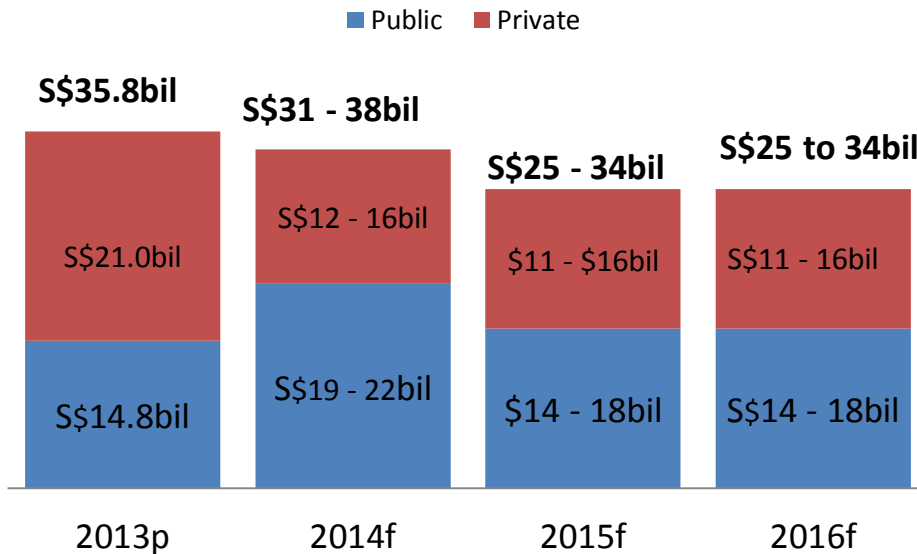
3. Growth Prospects & Plans



Construction - Prospects in Singapore

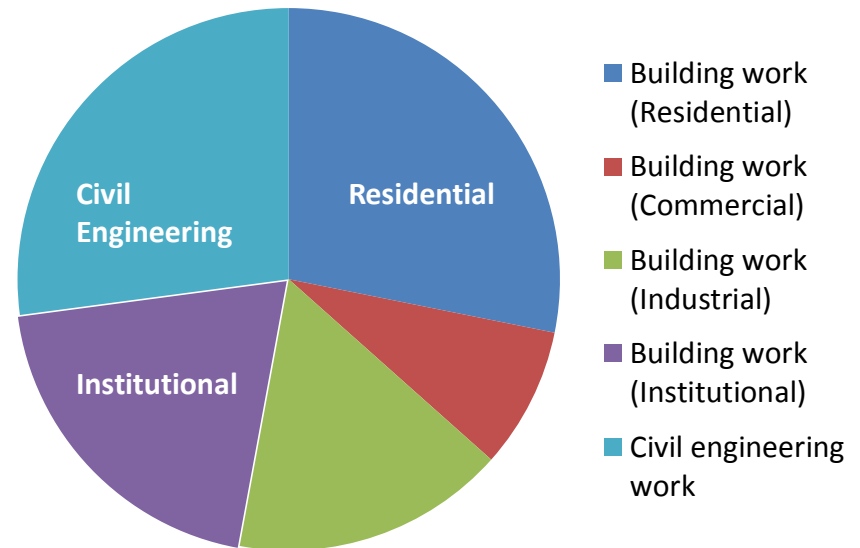
Public sector projects to drive growth with increased institutional and civil engineering works

Construction Demand
(Value of contracts awarded)



Source: BCA

2014 forecast for awarded contracts



Challenges:

1. Stiff competition from other contractors
2. Higher manpower costs

Tiong Seng's precast business strategy

One Hub with a regional network of precast plants

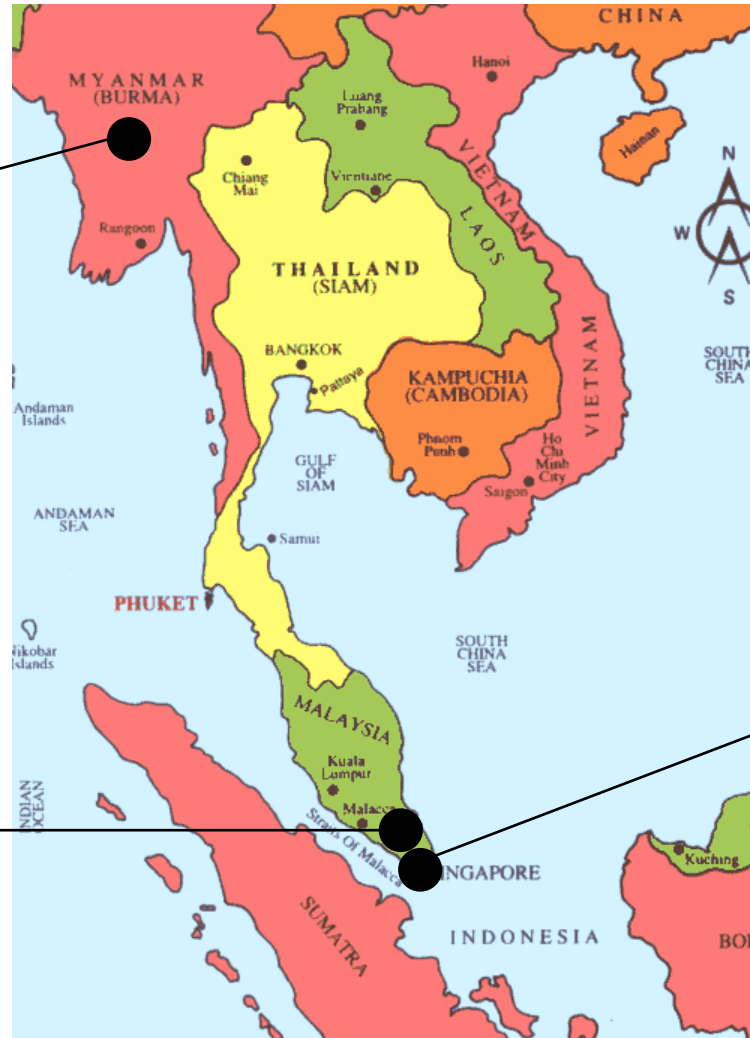
3

Myanmar plant (2014)

to tap on urbanisation trend and demand for affordable housing

2

Iskandar plant (2014)
for expansion and to benefit from Malaysia's PR1MA* projects



1

Tiong Seng Prefab Hub (2012) as HQ
where design advice and R&D will take place

* Perumahan Rakyat 1 Malaysia

Precast – New plants in Myanmar & Malaysia



Precast plant in Yangon, Myanmar

- Production capacity:
55,000m³ annually
Phase 1 (27,500m³ annually)
Phase 2 (27,500m³ annually)
- Commences June 2014



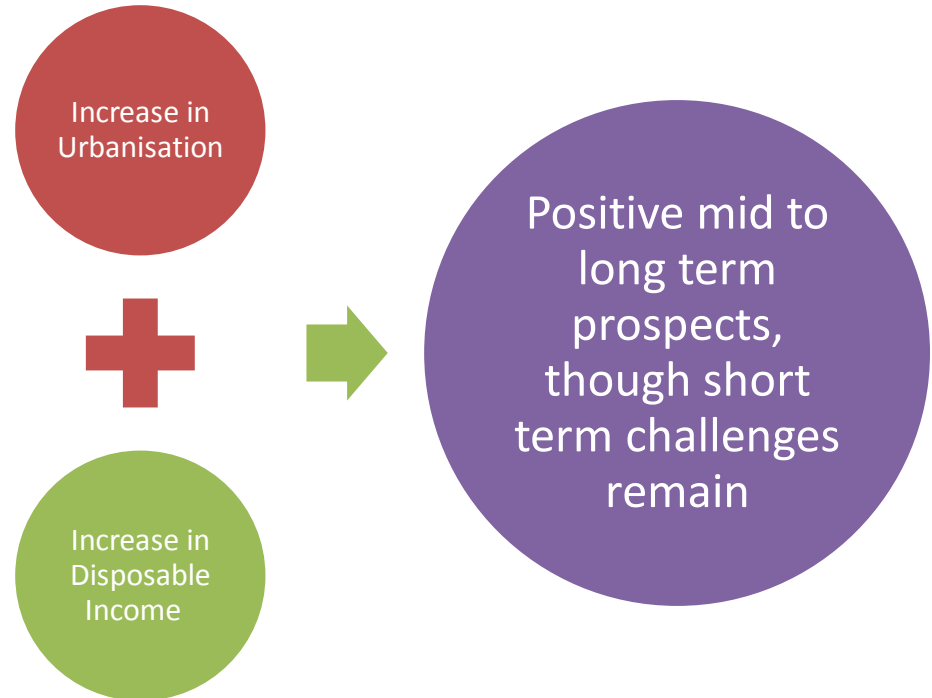
Precast plant in Iskandar, Malaysia

- Capacity of 66,000m³ annually (or 1,940 HDB units)
- Commences April 2014

Tiong Seng is partnering with IE Singapore in its Global Company Partnership Programme and is expanding regionally

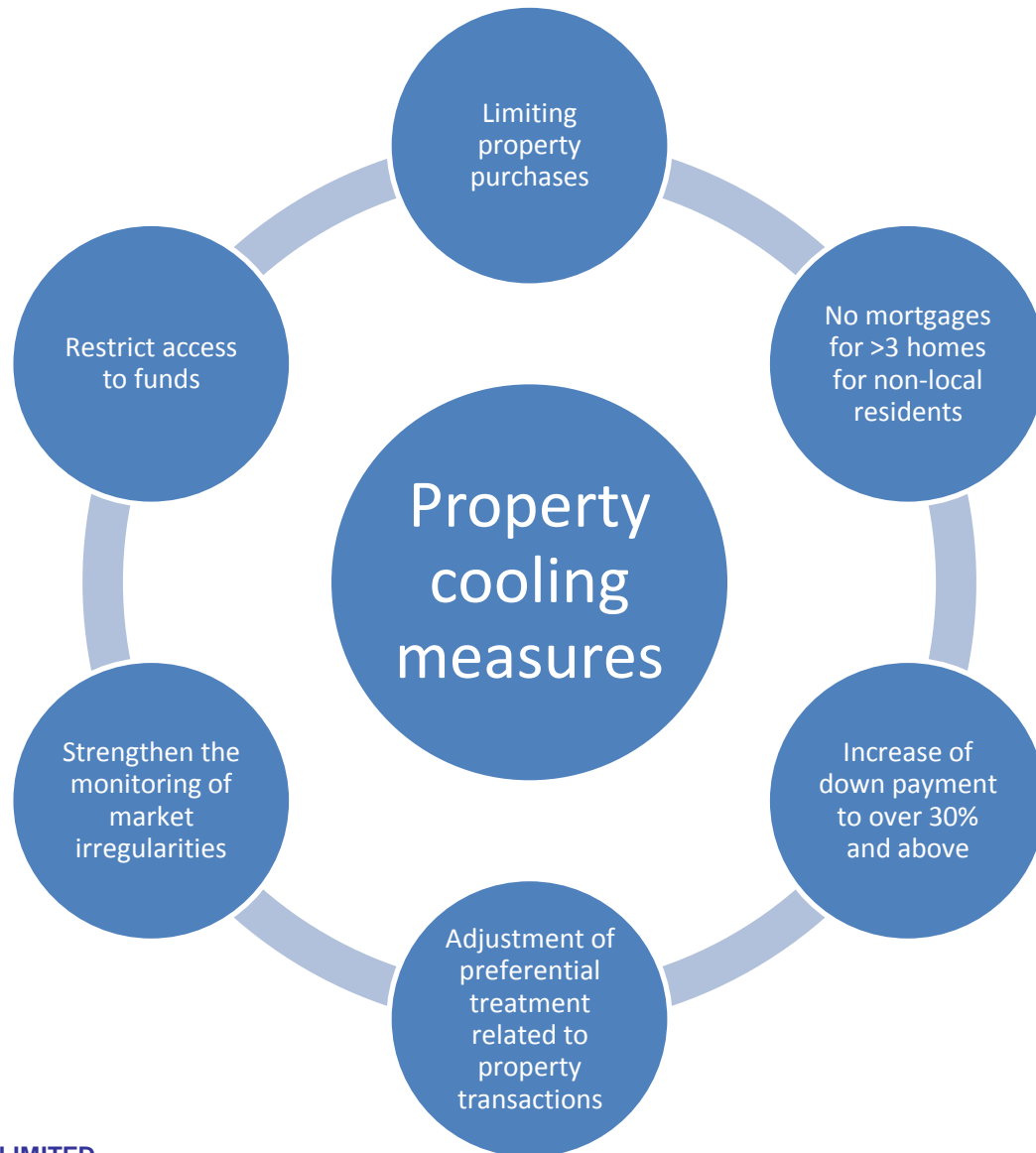


Property Development - Prospects in China

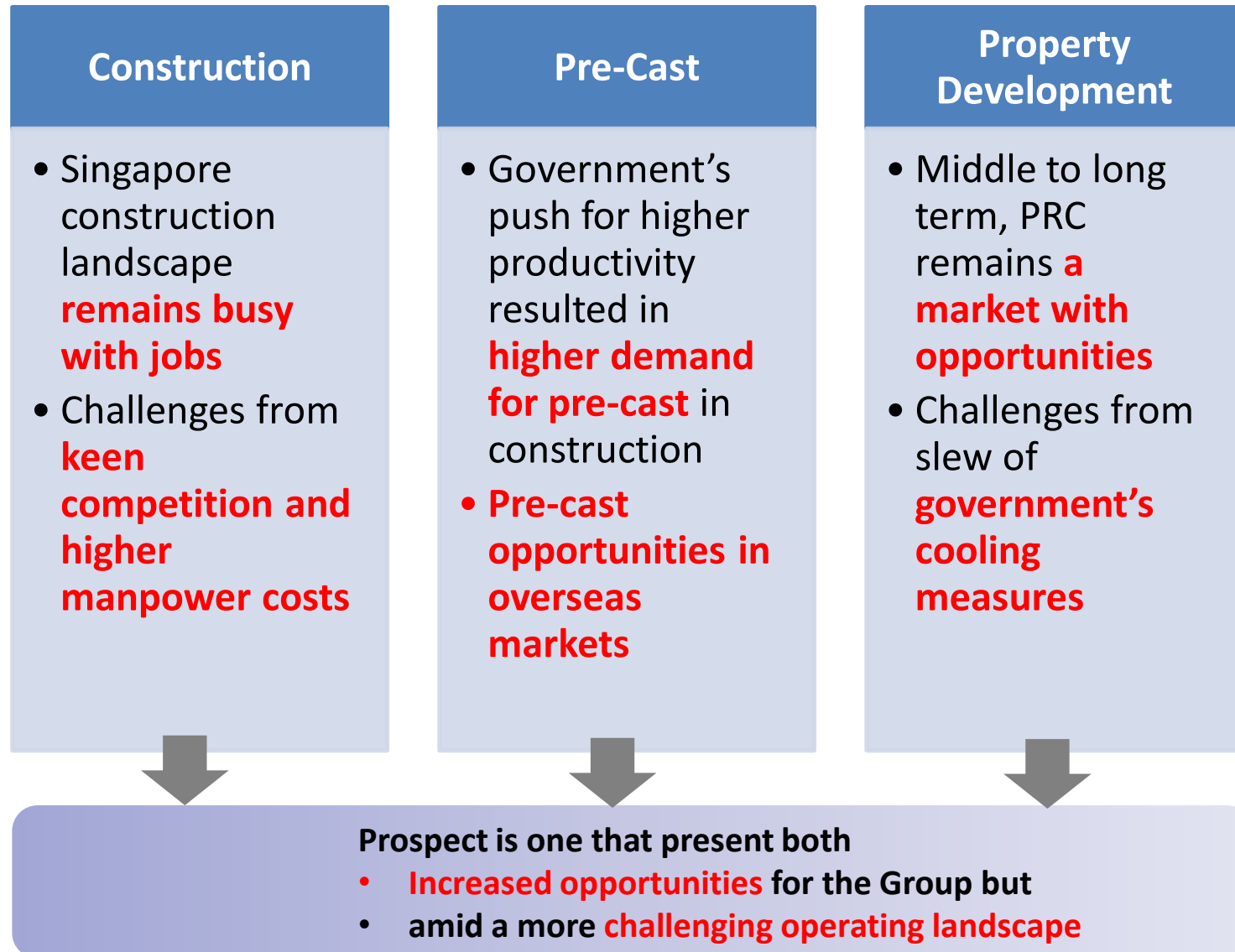


1. RBC Wealth Management, via BTInvest, "Global Insight – Special report on China property market", April 2013
2. The Wall Street Journal, "China's property market fueled growth in 2013", 20 Jan 2014

Property Development – Challenges faced in China



Growth prospects at a glance



Thank You

Q&A

