

Tiong Seng Holdings Limited

Annual General Meeting

19 June 2020



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TIONGSENG GROUP

长成控股

CONSTRUCTION & CIVIL ENGINEERING



BUILDING CONSTRUCTION

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

CIVIL ENGINEERING

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

PROPERTY DEVELOPMENT



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 

ENGINEERING SOLUTIONS



PRE-CAST & PBU



PRE-CAST & PREFABRICATION



STRUCTURAL STEEL



GREEN TECH



TUNNEL SEGMENTS





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Operational Highlights: Developments in 2019



Our construction projects

\$608 MILLION NEW PROJECTS WON IN 2019



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



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



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

Our construction projects

\$351 MILLION NEW PROJECTS WON IN 2020 (AS OF 18 JUNE 2020)



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



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



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

Our construction, civil engineering and property development projects

PROJECTS COMPLETED IN 2019/2020

CONSTRUCTION



Completed in 2020:

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



Completed in 2020:

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

Completed in 2019:

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

Our construction & civil engineering projects

Diversified range of ongoing projects

Order book (exclude 2020 projects won) of **S\$902.3 million as at 31 December 2019**, extending to 2023

RESIDENTIAL



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



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



Project secured in 2019:

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

Our construction & civil engineering projects

Diversified range of ongoing projects

Order book (exclude 2020 projects won) of **S\$902.3 million as at 31 December 2019**, 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

INSTITUTIONAL



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

HOTELS



Project secured in 2019:
Hotel @ Club Street
Client: Midtown Development Pte Ltd
Approx Contract Value: S\$130.5 million

INDUSTRIAL



Project secured in 2019:
JTC Space @ Ang Mo Kio Street
Client: JTC Corporation
Approx Contract Value: S\$287.5 million



Our key engineering solutions projects

Precast and Mass Engineered Timbre

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

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

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

39 completed and 61 construction-in-progress units ready for sale (Approx. sales value: S\$66.4 million)

Tranquility Residences. Xushuguan Development Zone, Suzhou



Residential comprising terrace houses and apartments: 87,200 sqm

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

26 completed units ready for sale and handover (Approx. Sales Value: S\$30.2 million)

Zizhulin, Tianjin



Commercial: 12,000 sqm

Discussion with Authority 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 in 11 January 2020

Cairnhill Rise



Residential: 43,000 sq ft

Expected launch: Adjusted according to market conditions.



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Financial Highlights - Overview

Income Statement	Audited		
	FY2019	FY2018	FY2017
Revenue (SGD m)	405.6	379.1	802.8
Gross Profit (SGD m)	46.4	52.3	85.9
Other Income (SGD m)	13.7	4.8	6.2
Operating & Net Finance Expenses (SGD m)	46.2	48.6	48.0
Operating profit before JV, associate & tax (SGD m)	13.9	8.5	44.1
Net profit after JV & taxes (SGD m)	10.0	8.4	34.2
Net profit attributable to shareholders (SGD m)	10.6	8.8	34.0
Earnings Per Share (cents)	2.38³	1.98 ²	7.53 ¹

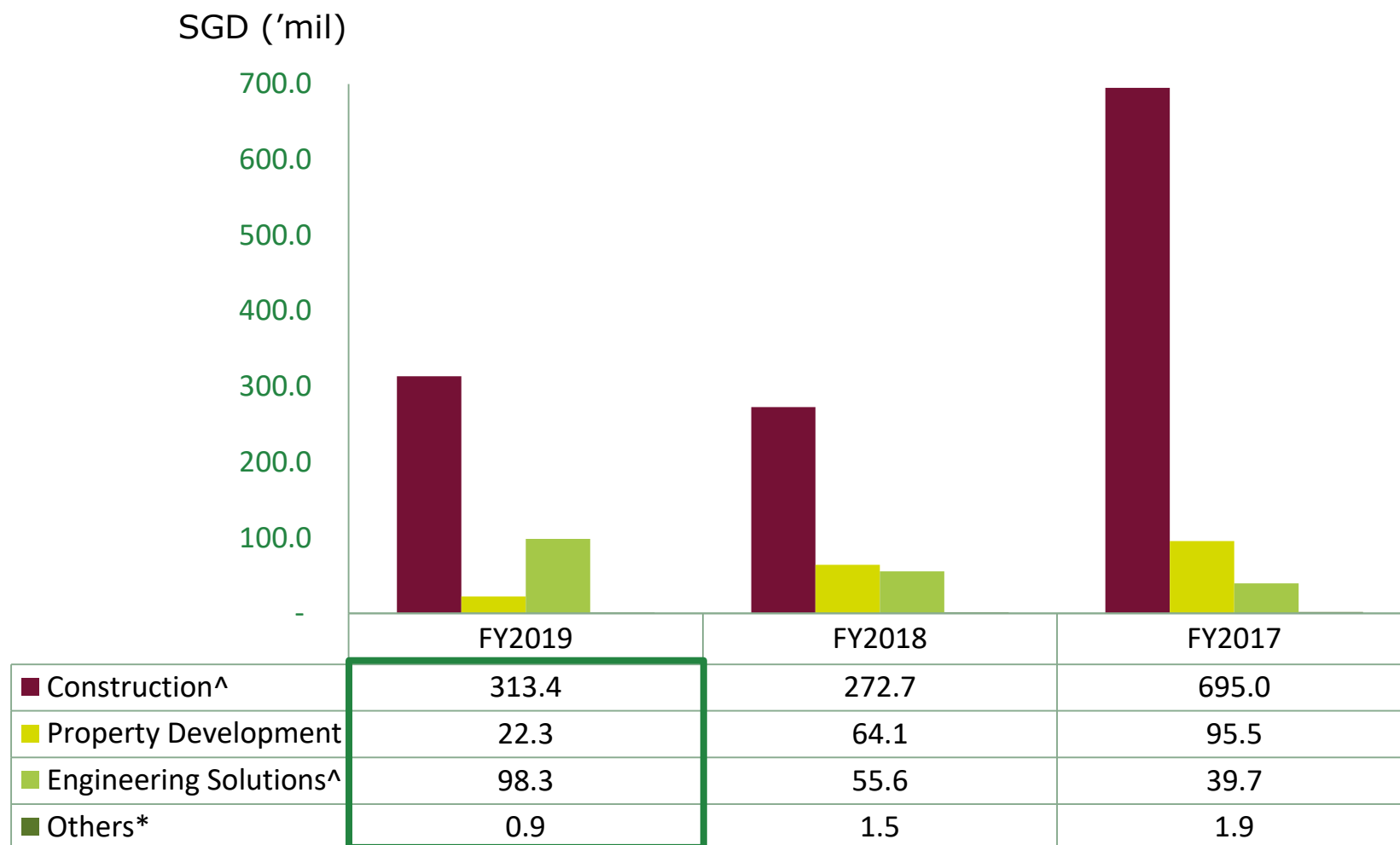
¹ Based on weighted average number of shares outstanding excluding treasury shares of 451,722,407

² Based on weighted average number of shares outstanding excluding treasury shares of 445,517,545

³ Based on weighted average number of shares outstanding excluding treasury shares of 444,785,349

Segmental Comparison – Revenue (SGD m)

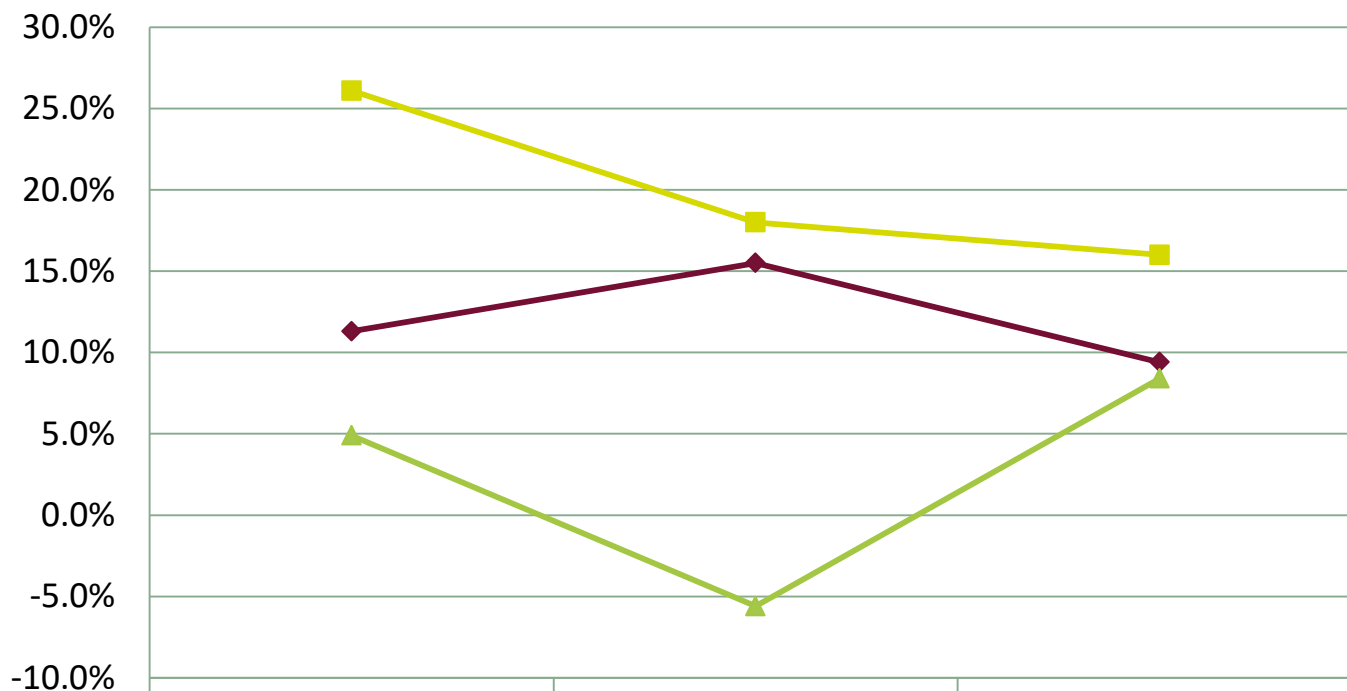
Construction continues to be the key growth driver for the Group



[^]These segments include inter-segment revenue

*Others includes rental and others

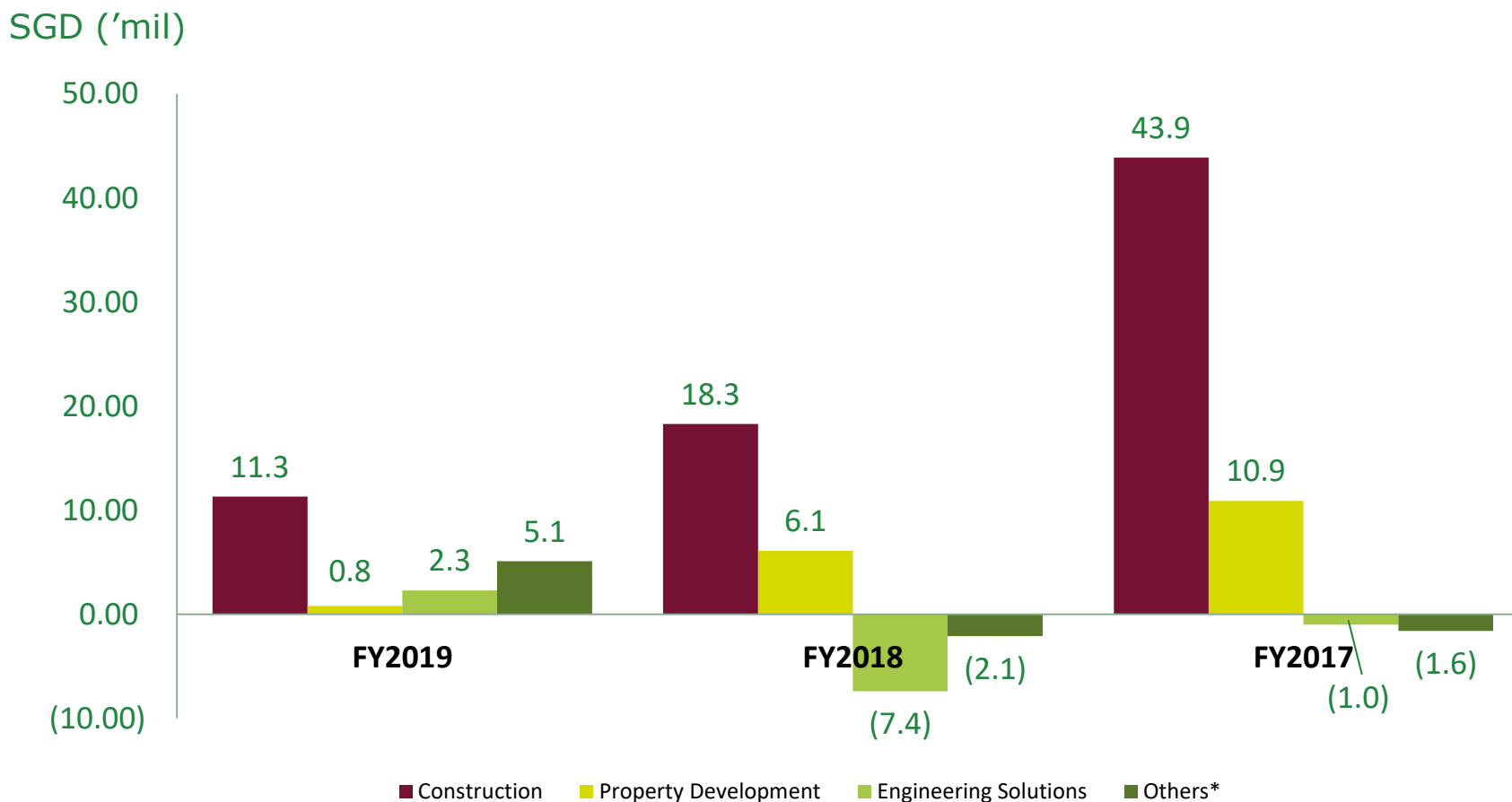
Segmental Comparison – Gross Profit Margin (SGD m)



- ◆ Construction
- Property Development
- ▲ Engineering Solutions

	FY2019	FY2018	FY2017
Construction	11.3%	15.5%	9.4%
Property Development	26.1%	18.0%	16.0%
Engineering Solutions	4.9%	-5.6%	8.4%

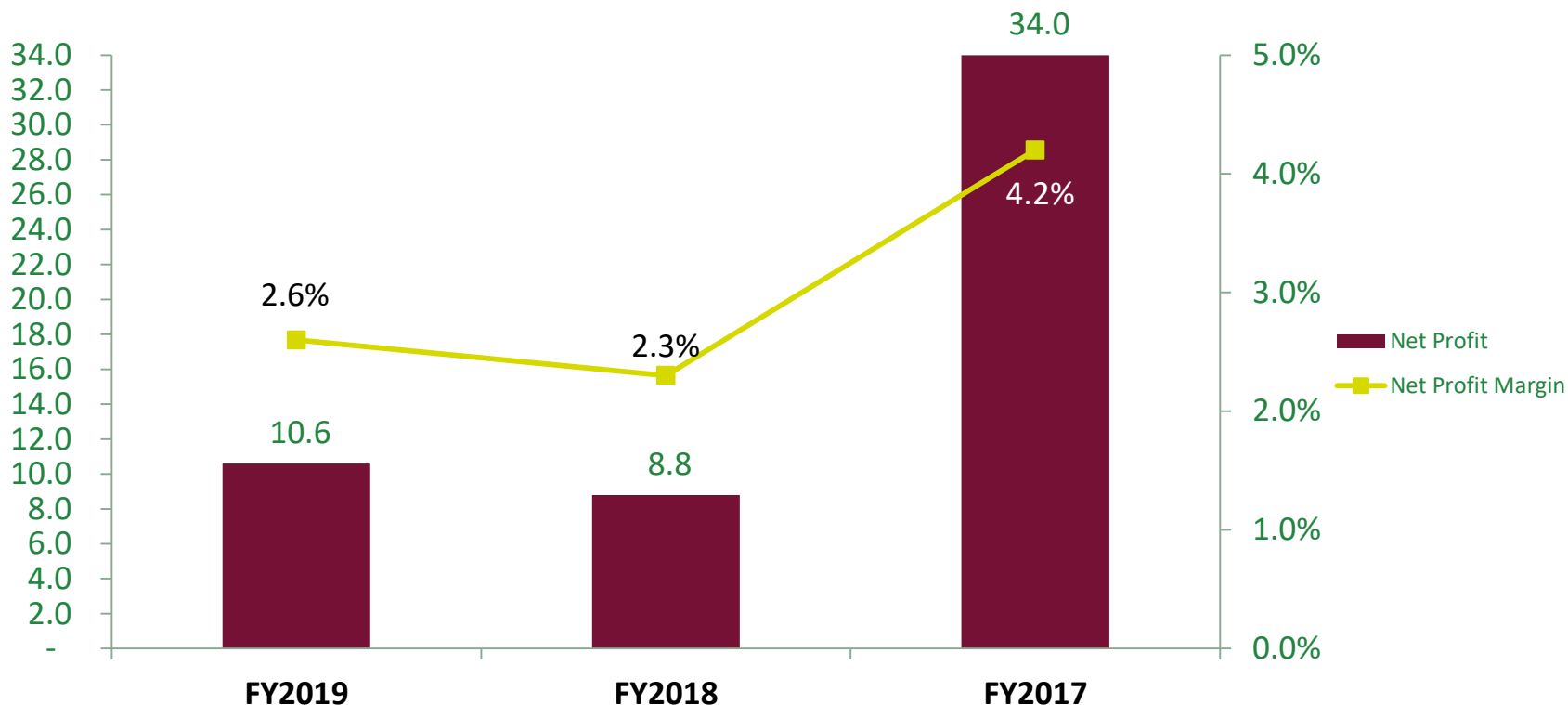
Segmental Profit/(Loss) from Operating Activities (SGD m)



*Others includes rental and others

Net profit Attributable to Shareholders (SGD m)

SGD ('mil)



- Growth in net profit attributable to shareholders was partly attributable to a recent divestment of a non-core business which allowed the Group to unlock value from its former 55.0% stake in Jiangsu Huiyang Construction Development Co Ltd, with a one-off gain on disposal of approximately S\$7.4 million

Key Balance Sheet Items

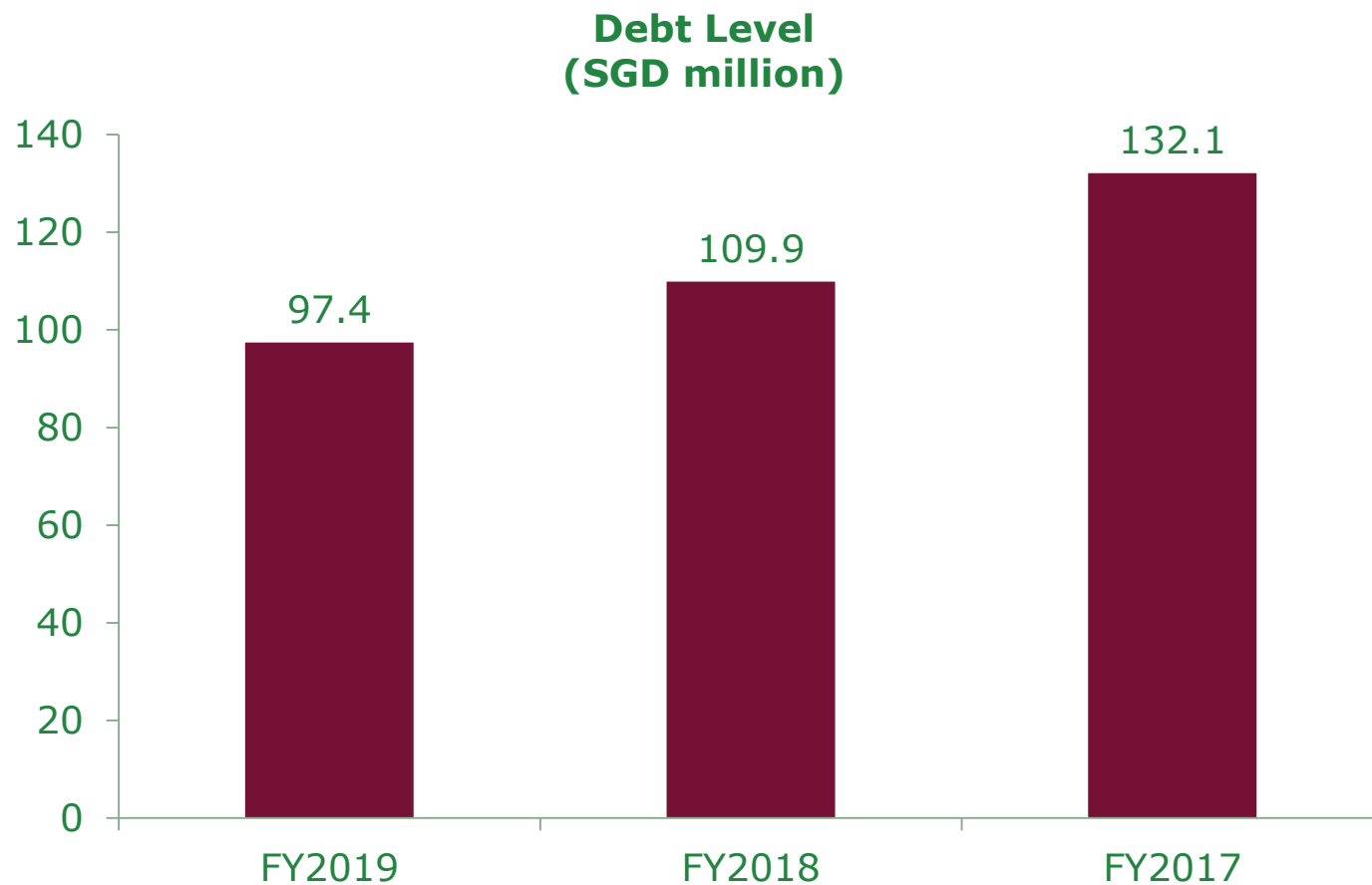
Balance Sheet	As at 31 Dec 2019	As at 31 Dec 2018	As at 31 Dec 2017
Total Assets (SGD m)	652.0	665.2	842.0
Cash & Cash Equivalents (SGD m)	55.5	40.0	143.7
Current Ratio	1.47	1.40	1.35
Gearing Level	0.34	0.36	0.41
NAV per share (SGD cents)	59.70³	60.35 ²	60.96 ¹

¹ 448,381,449 shares as at 31 December 2017, excluding 11,242,400 treasury shares

² 444,785,349 shares as at 31 December 2018, excluding 14,838,500 treasury shares

³ 444,785,349 shares as at 31 December 2019, excluding 14,838,500 treasury shares

Debt Structure

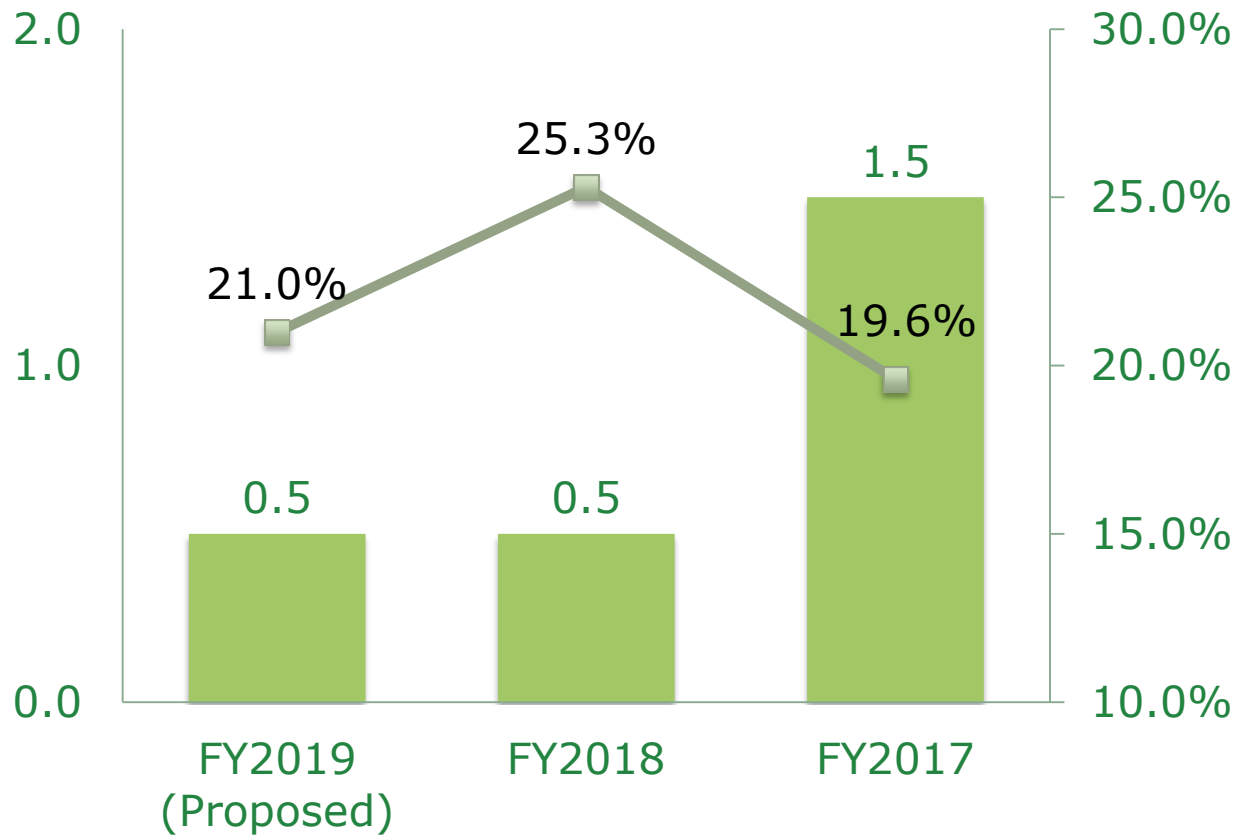


- As at 31 December 2019, we have S\$134.7m of undrawn facilities in place

Dividend (SGD cents)

SGD (cents)

Payout Ratio



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



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Industry Outlook

Construction/ Engineering Solutions

- Overall, the construction sector **contracted** by 4.0% yoy in 1Q2020, reversing the 4.3% growth recorded in 4Q2019¹.
- Construction work will resume in phases to minimise the risk of new Covid-19 outbreaks among migrant workers; the ramp-up period is expected to **remain challenging** for the sector.

Property Development

- **Singapore:** New private home **sales in April plunged** 58% to 277 from 660 in March². In response, more discounts have been pushed out at new private projects as developers try to move sales amid the Circuit Breaker period and economic uncertainty.
- **China:** New home prices rose at a slightly faster pace in April, adding to signs of **gradual recovery** in the property market as the government eases restrictions on movement and reopens the economy³.

¹ "Economic Survey of Singapore First Quarter 2020", Ministry of Trade and Industry, 26 May 2020

² "Singapore developers start to dangle discounts to move units", The Business Times, 10 June 2020

³ "China home prices rise again in April, adding momentum to recovery", The Business Times, 18 May 2020

Looking Ahead

Strategies to Capture Growth

Building Construction & Civil Engineering

1. Bidding Strategy

Adopt a **prudent approach** in bidding for contracts to preserve profit margins

Competitive pricing to improve project hit rate and ensure steady flow of new contracts

Engage in **value engineering** and **cost optimisation** to enhance profitability

2. Cash Management

1 Primary source of funds

Organic growth of funds:
Build up our order book to drive sustainable **revenue growth** and **cash flow generation**

2 Secondary source of funds

Maintain **sufficient external funding**:
As at 31 December 2019, we have S\$134.7m of undrawn facilities in place

Looking Ahead

Strategies to Capture Growth

Property Development

Singapore

- Focus on **niche property developments** in prime residential districts
 - Monitoring the market to launch at optimal timing to derive desired sales levels and profitability

China

- **Monitor regulatory and market developments closely** and to clear remaining units when market outlook turns favourable
 - The Group has cleared off all debts relating to its Chinese Developments



Looking Ahead

Strategies to Capture Growth

Engineering Solutions

- **Customers centric** : to offer a **holistic & comprehensive engineering solutions that** value-add & addresses their key concerns
- **Expand the Horizon** : to establish new or follow-on business both locally and abroad



Thank you

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