

Tiong Seng Holdings Limited

Annual General Meeting
24 April 2015



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



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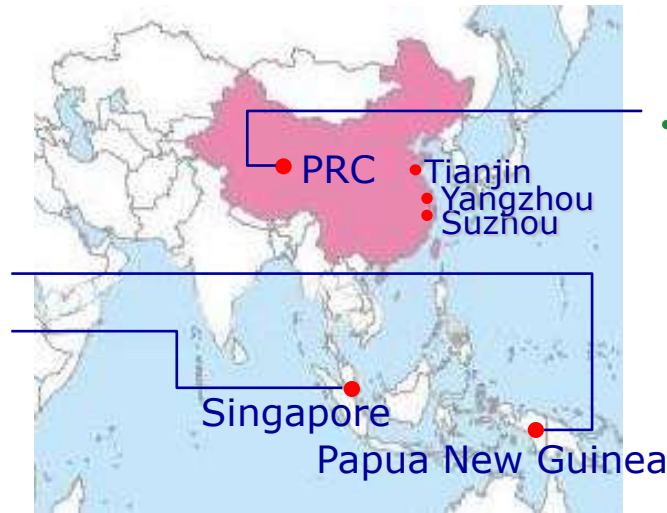
About Us

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

CORE BUSINESS:
CONSTRUCTION & CIVIL ENGINEERING

PLUS: PROPERTY DEVELOPMENT

- Over 55 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

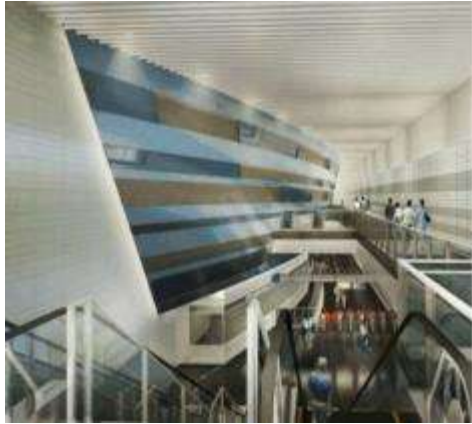


- A niche player in the second and third tier cities in PRC
- Specialist in residential, commercial and mixed use projects



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NEW PROJECTS WON



COMPLETED PROJECTS



ONGOING PROJECTS

Our construction & civil engineering projects (Singapore)

New projects won

Record **S\$932 million** worth of projects won in 2014 resulting in a strong order book of **S\$1.4 billion**

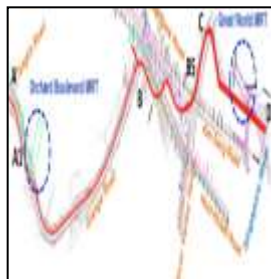
CIVIL ENGINEERING



Contract T220 – Great World Station

Client: Land Transport Authority
65:35 JV with Dongah Engineering

Approx Contract Value: S\$316.0 mil
(TS share: \$205.4 million)



Stamford Diversion Canal Contract 2

Client: Public Utilities Board

Approx Contract Value: S\$107.7 mil

Total value of S\$313.1 million contracts are for civil engineering projects

BUILDING



Panorama

Client: Wheelock Properties

Approx Contract Value: S\$210.0 mil



One HP

Client: Mapletree Industrial Trust

Approx Contract Value: S\$132.4 mil

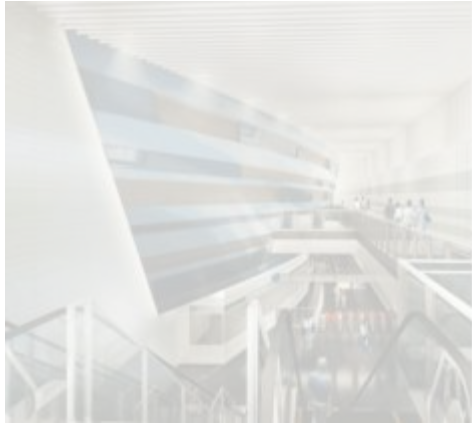


Executive Condominium at Choa Chu Kang Grove

Client: MCL Land Pte Ltd

Approx Contract Value: S\$276.0 mil

Total value of S\$618.4 million contracts for building projects



NEW PROJECTS SECURED



COMPLETED PROJECTS



ONGOING PROJECTS

Our construction & civil engineering projects (Singapore)

Completed projects

MAJOR PROJECTS COMPLETED IN 2014



Joo Koon Integrated Transport Hub & Fairprice Distribution Centre

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



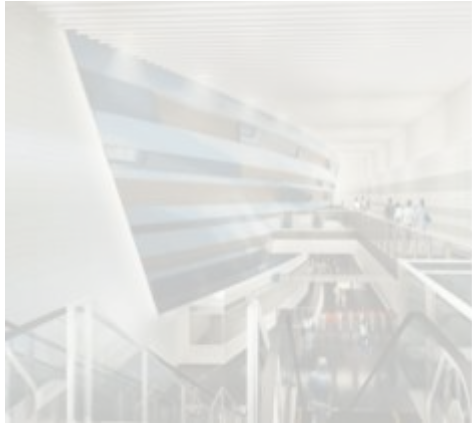
SIM HQ Campus Extension

Client: Singapore Institute of Management
Approx Contract Value: S\$137.0 mil



Connexion

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



NEW PROJECTS SECURED



COMPLETED PROJECTS



ONGOING PROJECTS

Our construction & civil engineering projects (Singapore) Ongoing Project Distribution

Project Types	No of Projects
Residential (Private)	7
Residential (Public)	2
Industrial	2
Commercial	1
Civil Engineering	3
Total	15

Our construction & civil engineering projects (Singapore)

Ongoing projects

RESIDENTIAL



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



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



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



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



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



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

Our construction & civil engineering projects (Singapore)

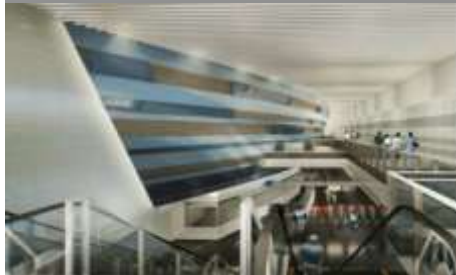
Ongoing projects

CIVIL ENGINEERING



Contract C913 – Hillview & Cashew Station

Client: Land Transport Authority
Approx Contract Value: S\$430.5 mil



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

INDUSTRIAL



One HP

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



Equinix

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

COMMERCIAL



Mediapolis

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



COMPLETED PROPERTIES
IN 2014



ONGOING PROPERTIES

Our real estate development projects (China)

Ongoing projects



The Equinox, Tianjin

Landed and low rise residential properties:
162,000 sqm

7 phases of development with expected completion from 2014 to 2017 for different phases

B1 area of Phase 1 was completed in Mar 2014,



Sunny International Project, Cangzhou

Mixed: Residential 131,900 sqm and Commercial 18,000 sqm

4 phases of development, Final phase completed in 2014. Awaiting handover.



Eco-City, Tianjin

Residential: 101,200 sqm

Construction was completed in Apr 2014.



COMPLETED PROPERTIES
IN 2014



ONGOING PROPERTIES

Our real estate development projects (China)

Ongoing projects



The Equinox, Tianjin

Landed and low rise residential properties:
162,000 sqm

Part of Phase 1 completed, the rest of
Phase 1 will be completed in 2015.



Tranquility Residences. Xushuguan Development Zone, Suzhou

Residential : terrace houses & apartments:
87,220 sqm

2 phases of development, expected
completion in 2015 and 2016 respectively

Phase 1 will be completed end of this year.
Construction of Phase 2 commenced in Mar
2014.



16 Balmoral Road, Goodwood Grand

Residential: 57,005 sqft

Construction Completion by 2016



Zizhulin, Tianjin

Commercial: 12,000 sqm






Planning currently in progress



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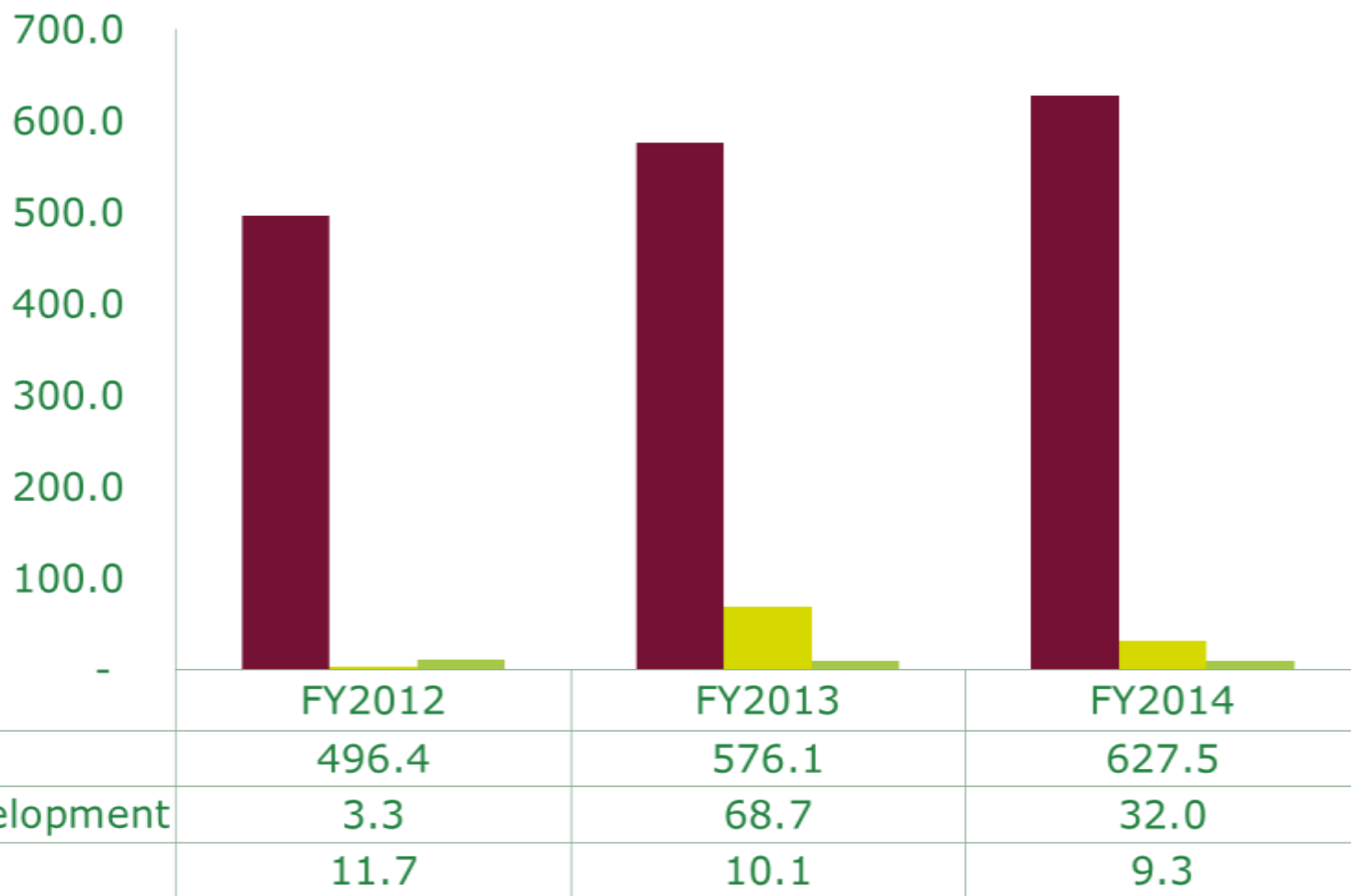
Financial Highlights - Overview

Income Statement	Audited (SGD ` million)			
	FY2012	FY2013	FY2014 before Impairment	FY2014 after Impairment
Revenue	511.4	654.9	668.8	
Gross Profit	55.6	51.6	49.2	
Other Income	3.5	16.0	5.2	
Operating & Net Finance Expenses	39.2	47.2	42.8	
Operating profit/(loss) before JV, associate & tax	20.0	20.4	11.6	
Net profit after JV & taxes	26.4	8.9	5.0	
Net profit/(loss) attributable to shareholders	25.7	9.3	7.5	
Earnings Per Share (cents)	3.29	1.19*	0.82*	

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

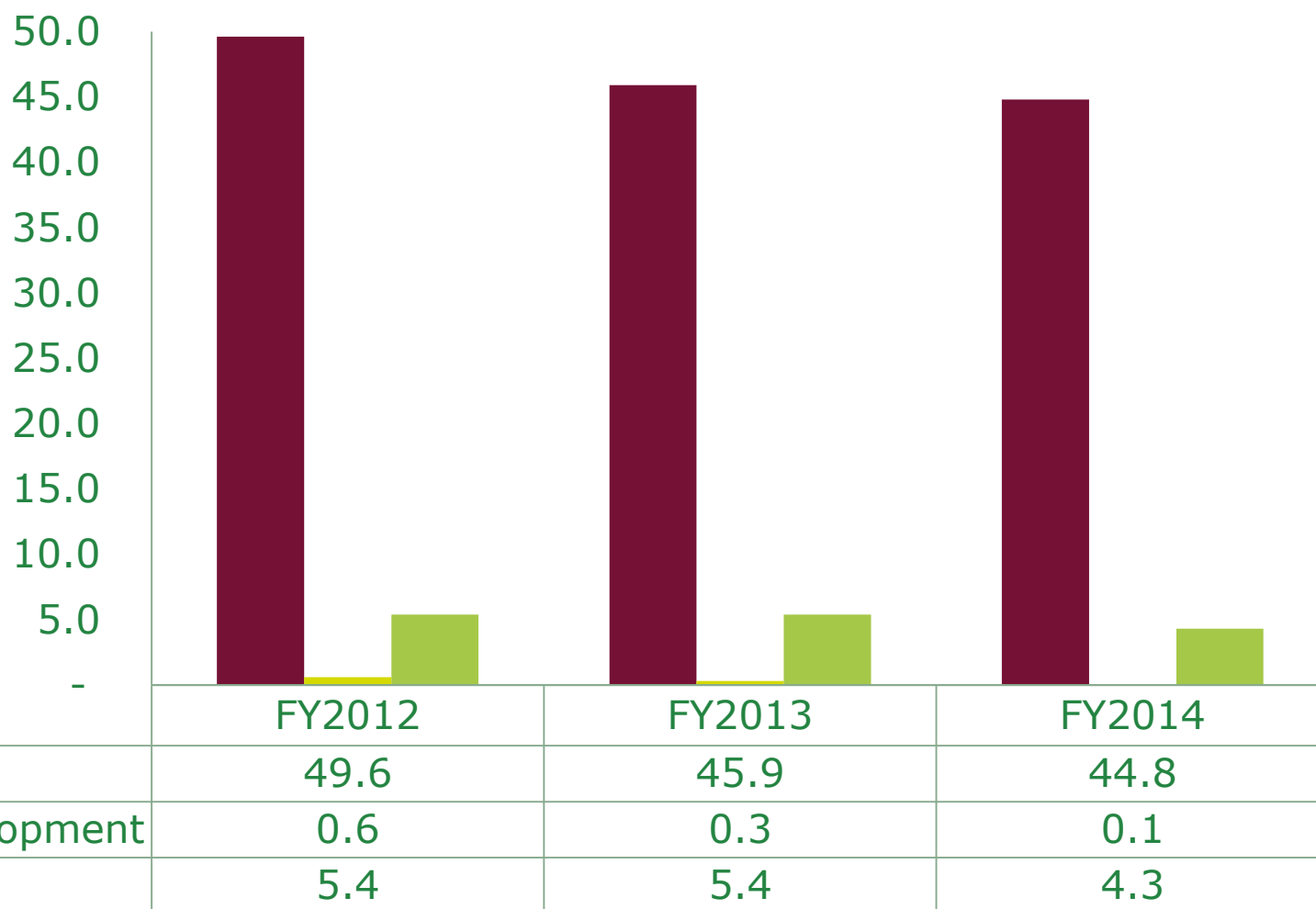
*Based on 919,247,700 shares, net of non-controlling interests as at 31 Dec 2014 and a weighted average number of ordinary shares outstanding of 783,401,988 as at 31 Dec 2013

Segmental Comparison – Revenue (SGD m)



■ Construction	496.4	576.1	627.5
■ Property Development	3.3	68.7	32.0
■ Others*	11.7	10.1	9.3

Segmental Comparison – Gross Profit (SGD m)

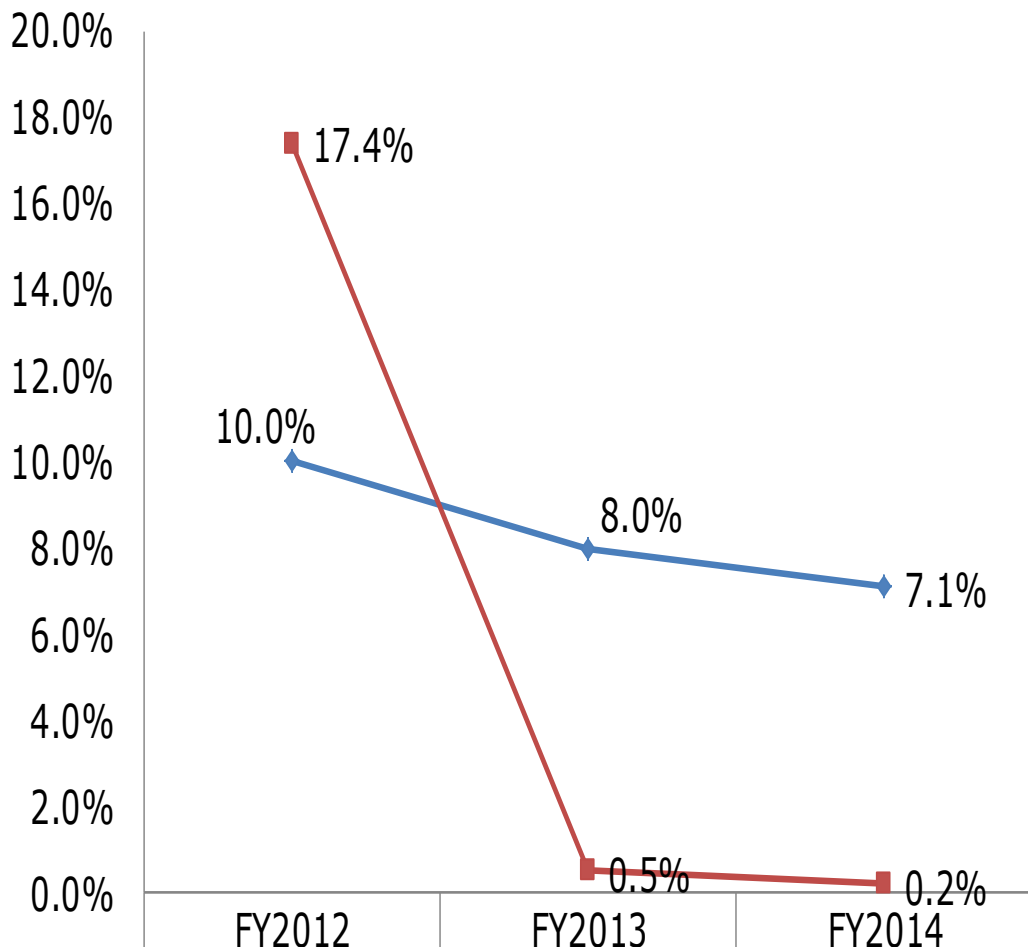


■ Construction

■ Property Development

■ Others*

Segmental Comparison – Gross Profit (“GP”)Margin (SGD m)



- a) Construction GP margin decreased due to
 - i. challenging tender landscape &
 - ii. manpower costs increase

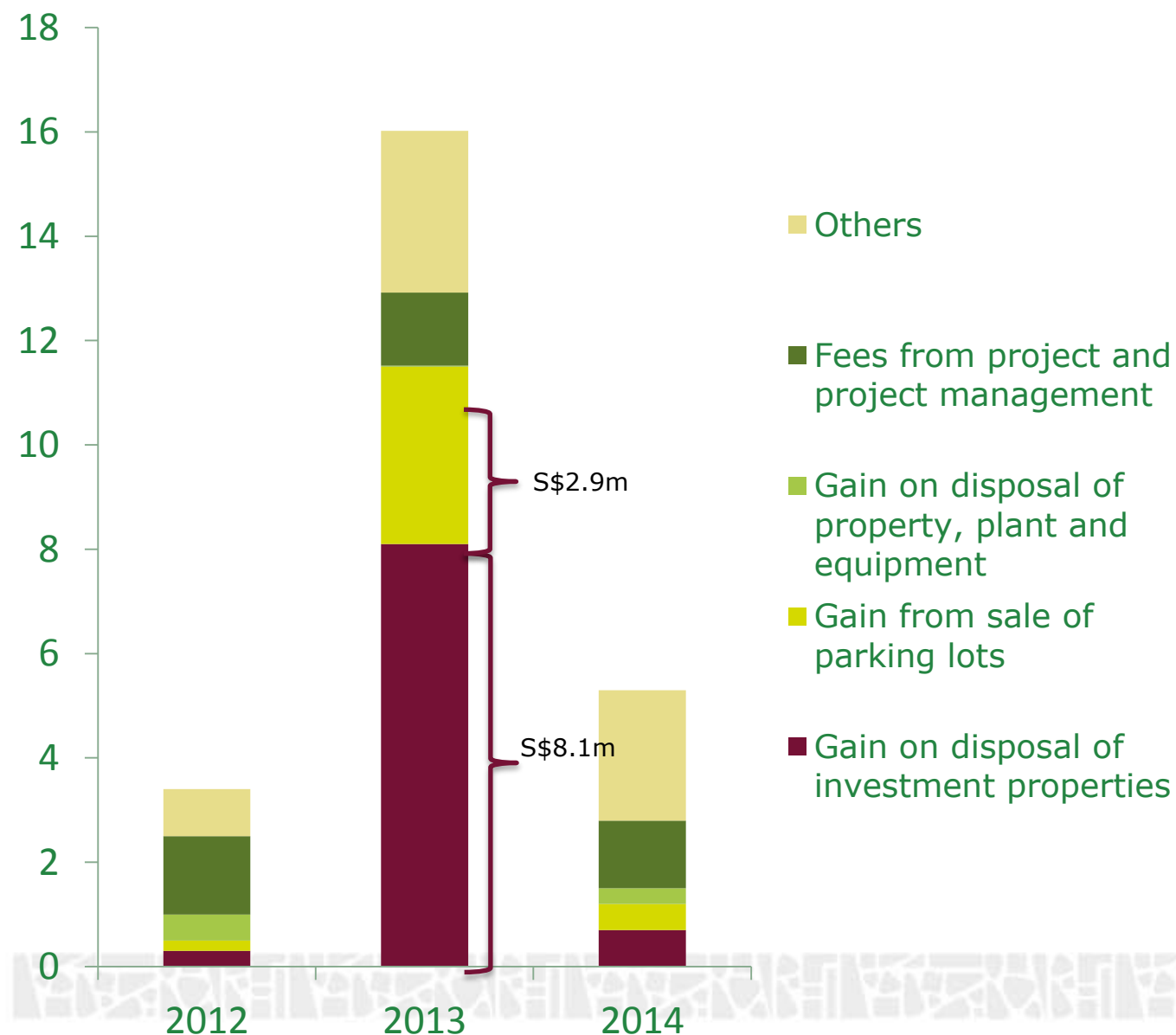
- b) Property development GP margin decreased due to
 - i. slowdown in property market
 - ii. high inventory levels &
 - iii. liquidity crunch in the market

◆ Construction	10.0%	8.0%	7.1%
■ Property Development	17.4%	0.5%	0.2%



*Others includes rental, sales of goods and others

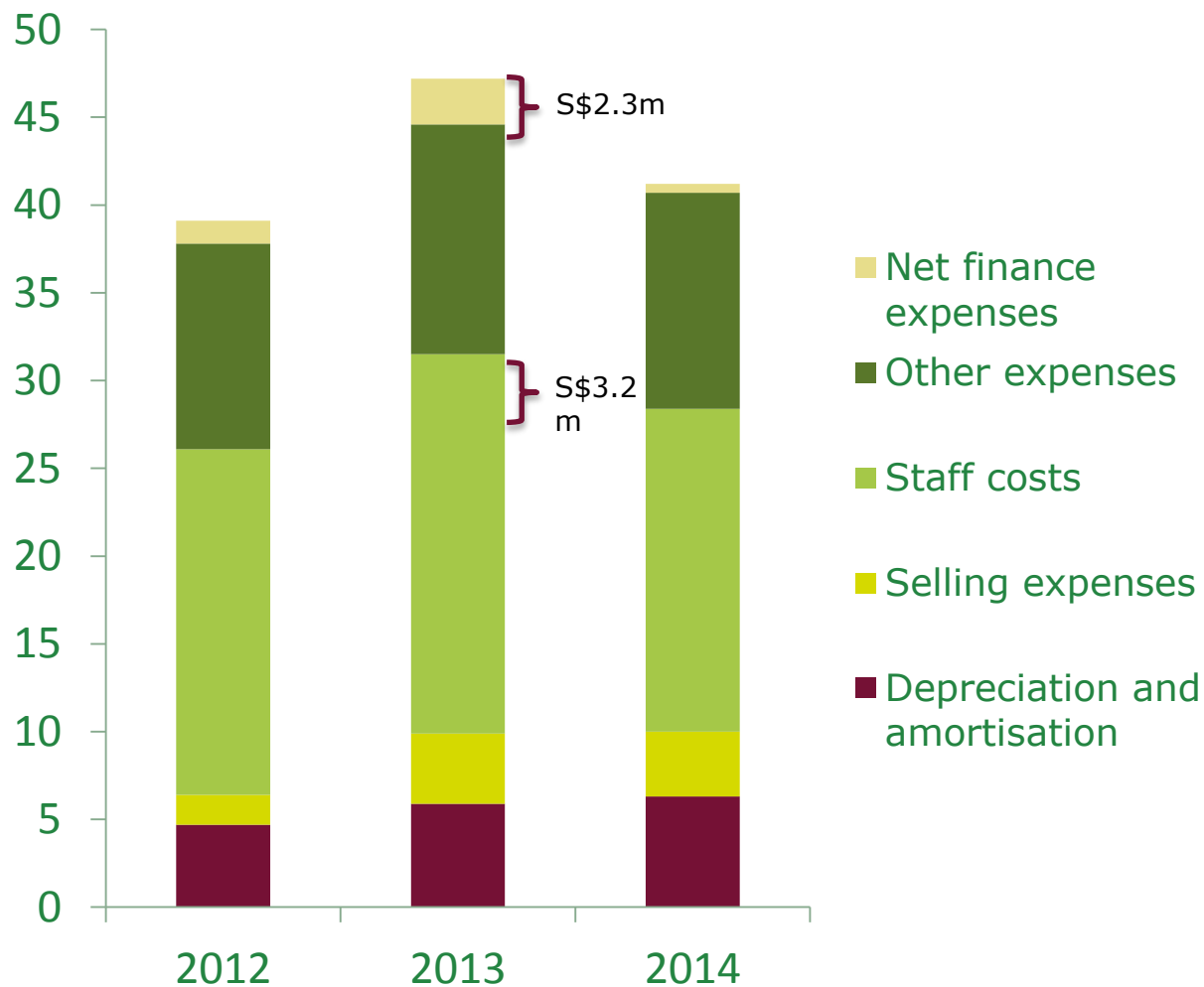
Other Income (SGD m)



2014 recorded a much lower other income due to:

- a) Absence of one-time gain of \$8.1m on disposal of investment properties in 2013
- b) Lower parking lots sales by S\$2.9m

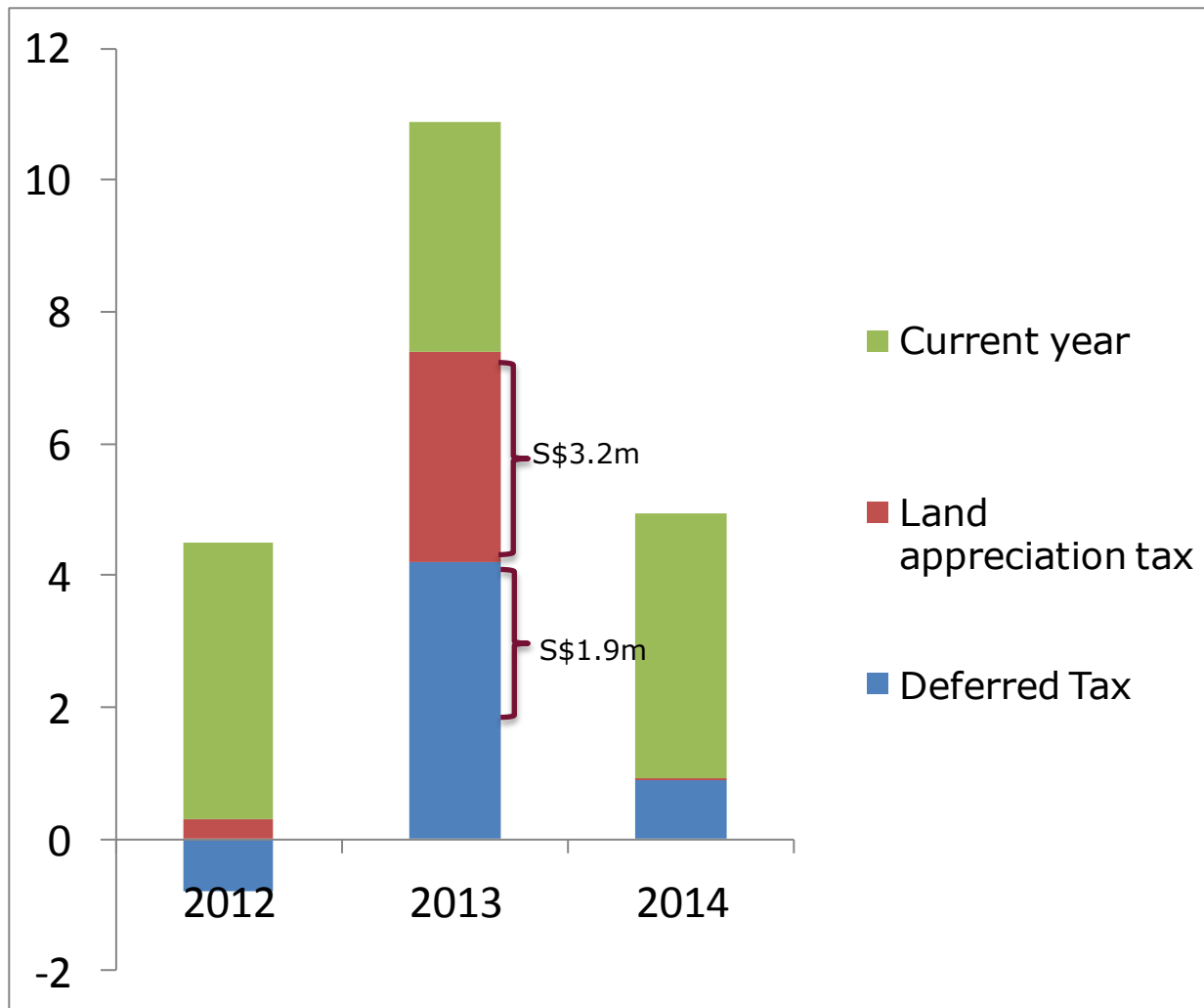
Operating and Net Finance Expense (SGD m)



Excluding \$34.6 m allowance for diminution in value of development properties & one-off \$1.6 m impairment on intangible assets, 2014 operating costs were lower due to:

- a) Tighter control of staff costs by S\$3.2m
- b) Net exchange gain of S\$2.3m

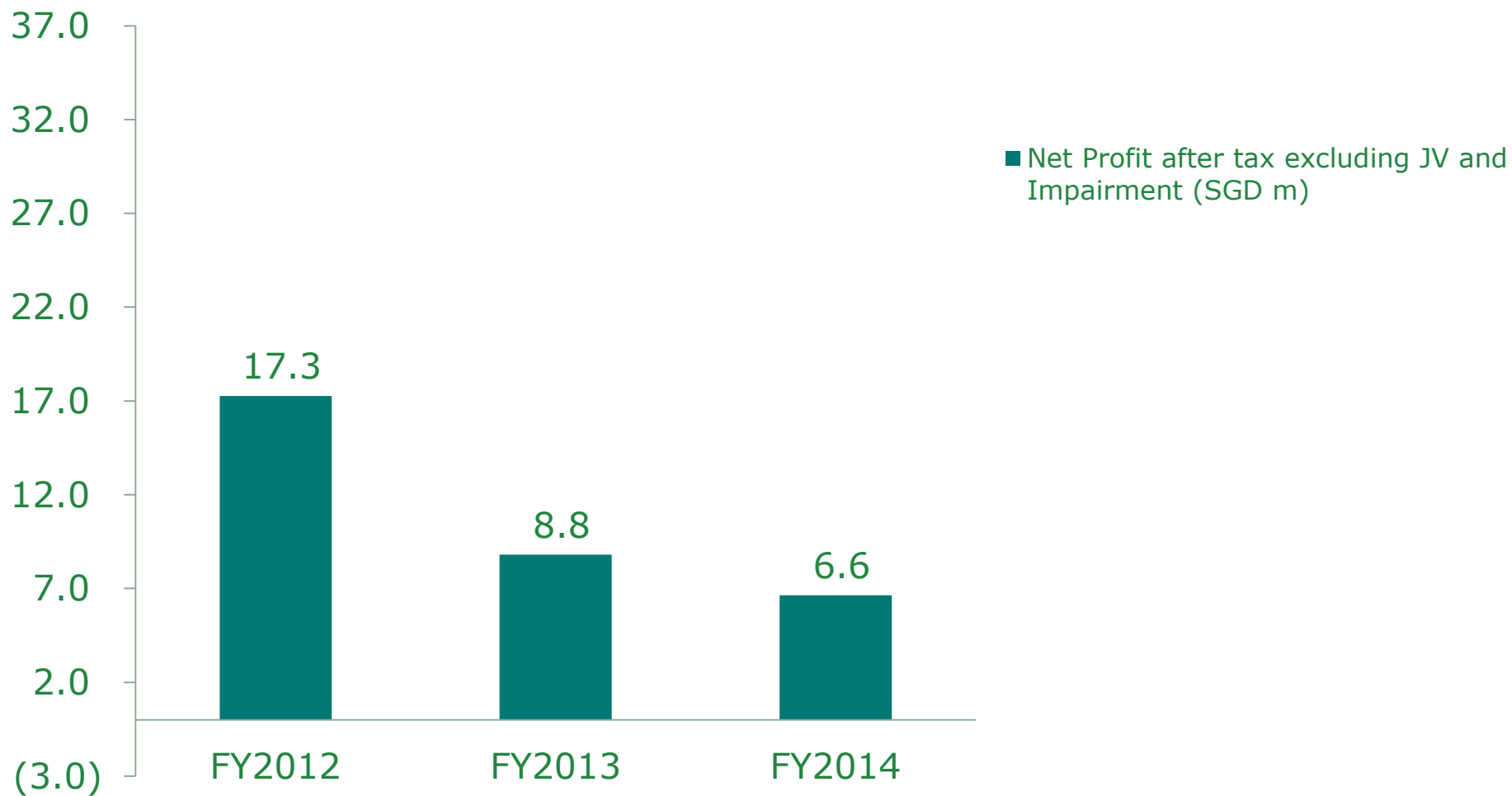
Tax Expenses (SGD m)



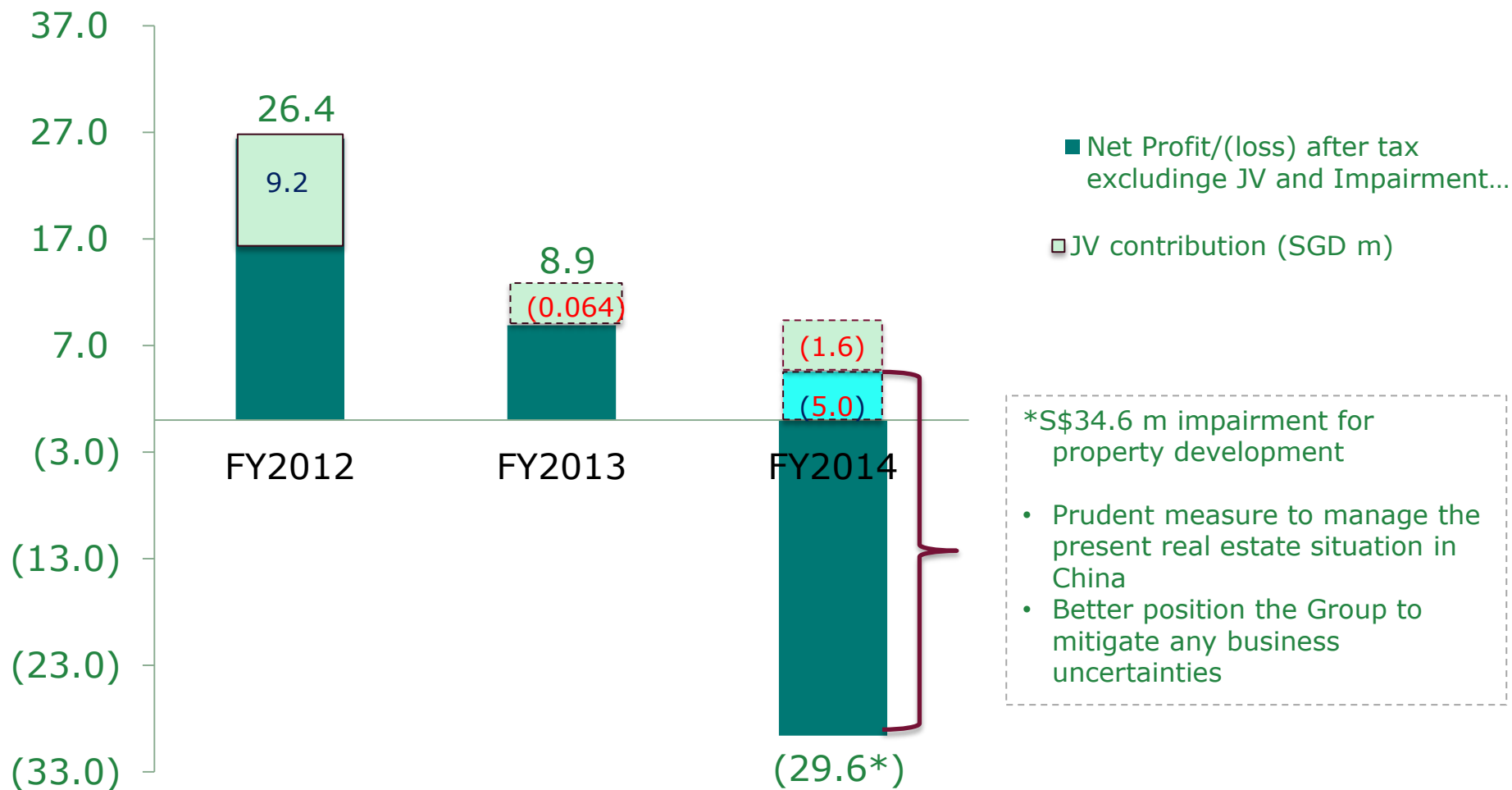
2014 tax expenses was lower due to:

- a) Absence of S\$3.2m land appreciation tax
- b) Lower reversal of deferred tax assets by S\$1.9m

Net profit after tax excluding JV and impairment (SGD m)



Net profit/(loss) after tax including JV and impairment (SGD m)



Key Balance Sheet Items

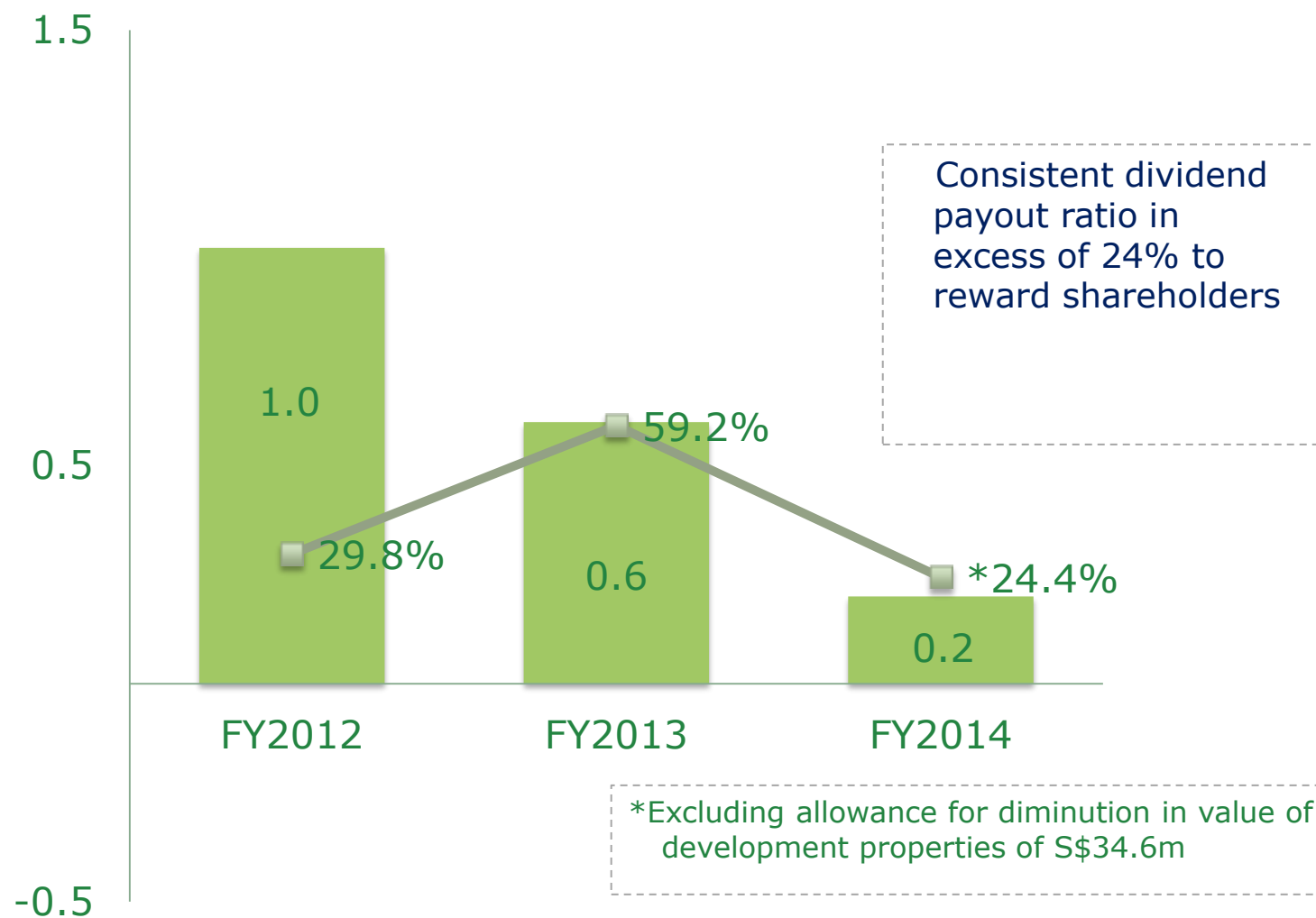
Balance Sheet	FY 2012	FY 2013	FY 2014
Total Assets (SGD m)	850.1	949.6	992.7
NAV per share (SGD cents)	28.9 ¹	34.55 ²	27.34³
Cash & Cash Equivalents (SGD m)	66.4	79.8	95.0

¹ 766,039,750 shares for the year ended 31 December 2012

² 766,039,750 shares prior to rights issuance on 7 January 2014

³ 919,247,700 shares subsequent to rights issuance on 7 January 2014

Dividend (SGD cents)





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I) Growth prospects (1 of 3)

Construction | Pre-cast | Real estate development



CONSTRUCTION

Opportunities & trends

- **BCA expects total construction activity in 2015 to fall** moderately from S\$37.7 billion in FY2014 to the range of S\$29.0 to S\$36.0 billion in FY2015
- However construction demand in **public industrial, institutional and civil engineering projects** is expected to **remain strong** in FY2015 with a contribution of 71.3% to total forecasted demand



How Tiong Seng will grow
with these opportunities

- **Expansion of focus into the civil engineering space;**
- Continue growth in **mainstay building** projects

I) Growth prospects (2 of 3)

Construction | **Pre-cast** | Real estate development



PRE-CAST

Opportunities & trends

- Introduction of **more regulation to increase the use of pre-cast** in public housing construction
- Expected need for pre-cast tunnel segments following a S\$60 billion **MRT expansion plan**



How Tiong Seng will grow with these opportunities

- Introduction of **2nd generation of Prefabricated Bathroom Units** in support of stricter pre-cast regulation
- JV with Geostr Corporation and Marubeni-Itochu Steel to **target the growing niche market for MRT precast tunnel segments** in Singapore and Malaysia
- **Regional expansion in Malaysia & Myanmar** with completion of **precast facilities** ready for production

I) Growth prospects (3 of 3)

Construction | Pre-cast | **Real estate development**

Opportunities & trends



REAL ESTATE
DEVELOPMENT

- **Increased urbanisation of China**; it is estimated that by 2020, 60% of Chinese nationals will be living in urban areas¹
- Increase in disposable income of people in China
- **Loosening of Property Cooling Measures** in 41 out of 45 cities



How Tiong Seng will grow
with these opportunities

- Presents **mid to long term positive impact** for the marketing and sale of the company's portfolio of quality commercial & residential estates
- Continue to **exercise prudence in cost management** and monitor the market conditions closely

II) Strategy: Corporate Rebranding of Tiong Seng Group Integrating Innovation & Rigour



- Embark on a rebranding exercise
- Objectives are :
 - To define our Brand Promise to our clients: Integrating Innovation & Rigour, thereby to retain and to clinch new contracts
 - To leverage on our brand promise to align our staff & attract and retain talent.

II) Strategy: Corporate Rebranding of Tiong Seng Group

Communicating and living out the Tiong Seng Brand



INNOVATION

Believe that constant innovation & improvement is the way to stay ahead

- Be open-minded about new ideas & always look for ways, innovations & technologies that can help us
- Be open to trying new ways & technologies, and figure out how to practically implement them



RIGOROUS

Believe that challenges can be broken down & solved with proper planning

- Always consider all available methods, tools, and best practices to optimize resources
- Pay attention to details in planning & execution to ensure consistent quality



KNOWLEDGEABLE

Be problem-solvers; share & brainstorm together

- Work together to discuss & solve problems, and constantly share lessons learnt
- Develop & codify best practices as part of the "Tiong Seng Way"

II) Strategy : Continued investment in construction technologies

Our Capabilities and Approach

1



PRECAST CONSTRUCTION TECHNOLOGY

- Singapore's first precast automation hub, reducing manpower needs by 70%
- Commencement of two more pre-fab hub in Malaysia and Myanmar in 2014
- Joint venture with Geostr Corporation & MISP
- Introduction of second generation of PBUs which utilise high performance ductile concrete

2



ADVANCED FORMWORK SYSTEMS

- Over \$60 mil invested in advanced formwork systems over past years
- More cost efficient & quicker setup vs. conventional timber
- Formwork delivers better finishing quality, increase productivity, and greater structural stability

3



BUILDING INFORMATION MODELING (BIM)

- Collaboration with RIB Software AGA to integrate 4D and 5D perspectives into the current BIM
- Work processes are streamlined to achieve greater efficiency and cost effectiveness

4



COBIAX & GREEN TECHNOLOGY

- Greater efficiency: Use of Cobiax reduces volume of concrete slabs by 30% & weight of building structure by 15%, thus increasing construction productivity
- Greater sustainability: Reduced CO₂ emissions lesser use of concrete

Q&A Session



Thank you

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

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