

# Tiong Seng Holdings Limited

2Q2013 Results & Corporate Updates

August 2013



**TIONG SENG HOLDINGS LIMITED**  
(ESTABLISHED SINCE 1959, SINGAPORE)

# Disclaimer

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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.

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# Outline

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**1. Financial Highlights**

**2. Corporate Update**



# 1. Financial Highlights



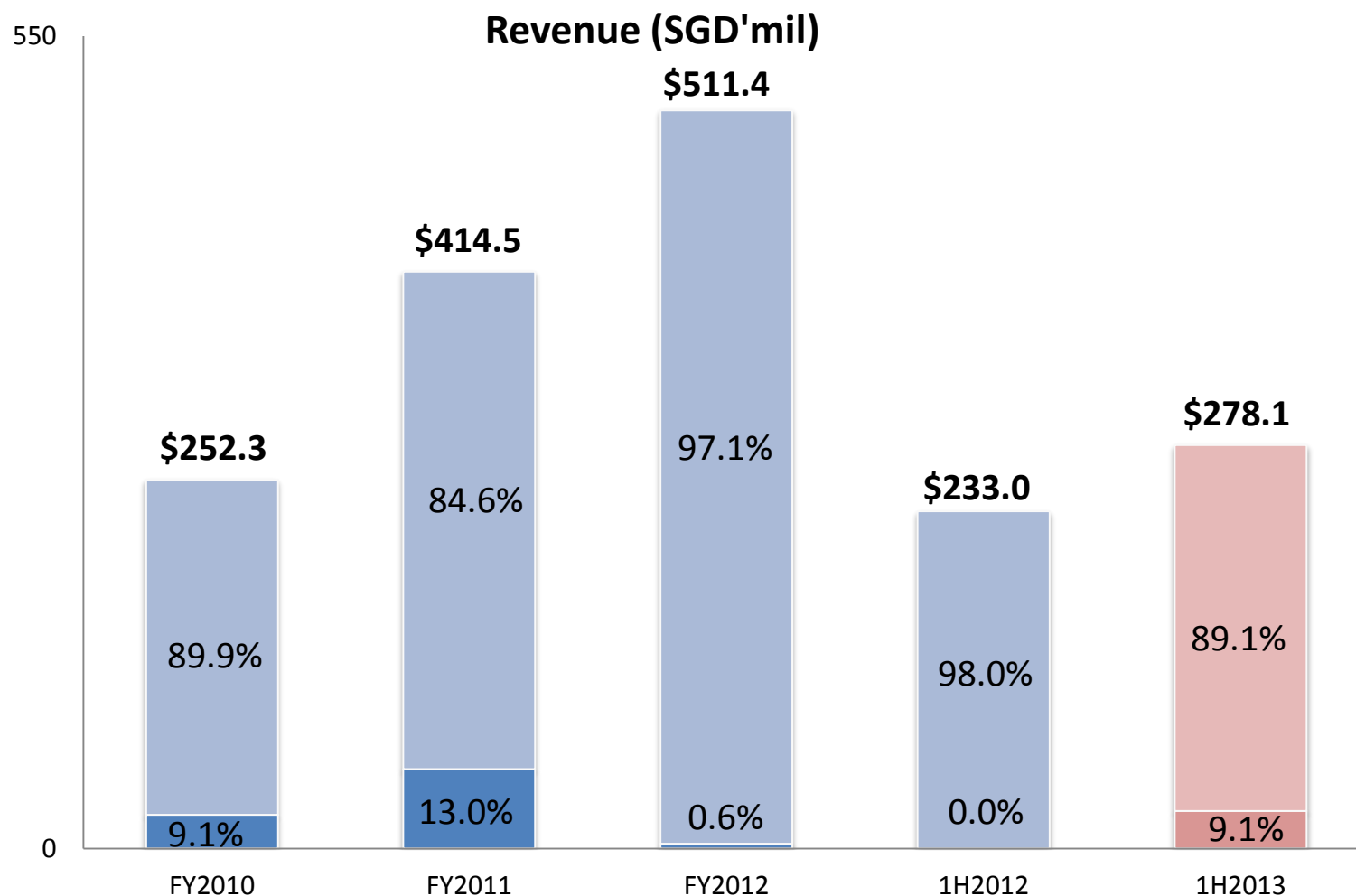
# Financial highlights

16% increase in operating profit to S\$4.3million for 2Q2013 due to better gross margin

S\$'000	2Q2013	2Q2012	Change (%)	1H2013	1H2012	Change(%)
Revenue	<b>131,585</b>	<b>129,978</b>	1	278,094	232,987	19
Gross profit margin	<b>11.6</b>	<b>9.2</b>	+2.4 % ppt	10.7	11.0	+0.3 % ppt
Profit from operating activities	<b>4,289</b>	<b>3,700</b>	16	17,592	9,329	89
Net profit attributable to equity holders	<b>3,402</b>	<b>9,740</b>	-65	14,676	14,749	-1
Earnings per share (cents)	<b>0.44</b>	<b>1.27</b>	-65	1.92	1.93	-1

**Robust orderbook of S\$1.26 billion to be fulfilled over the next 12 to 30 months**

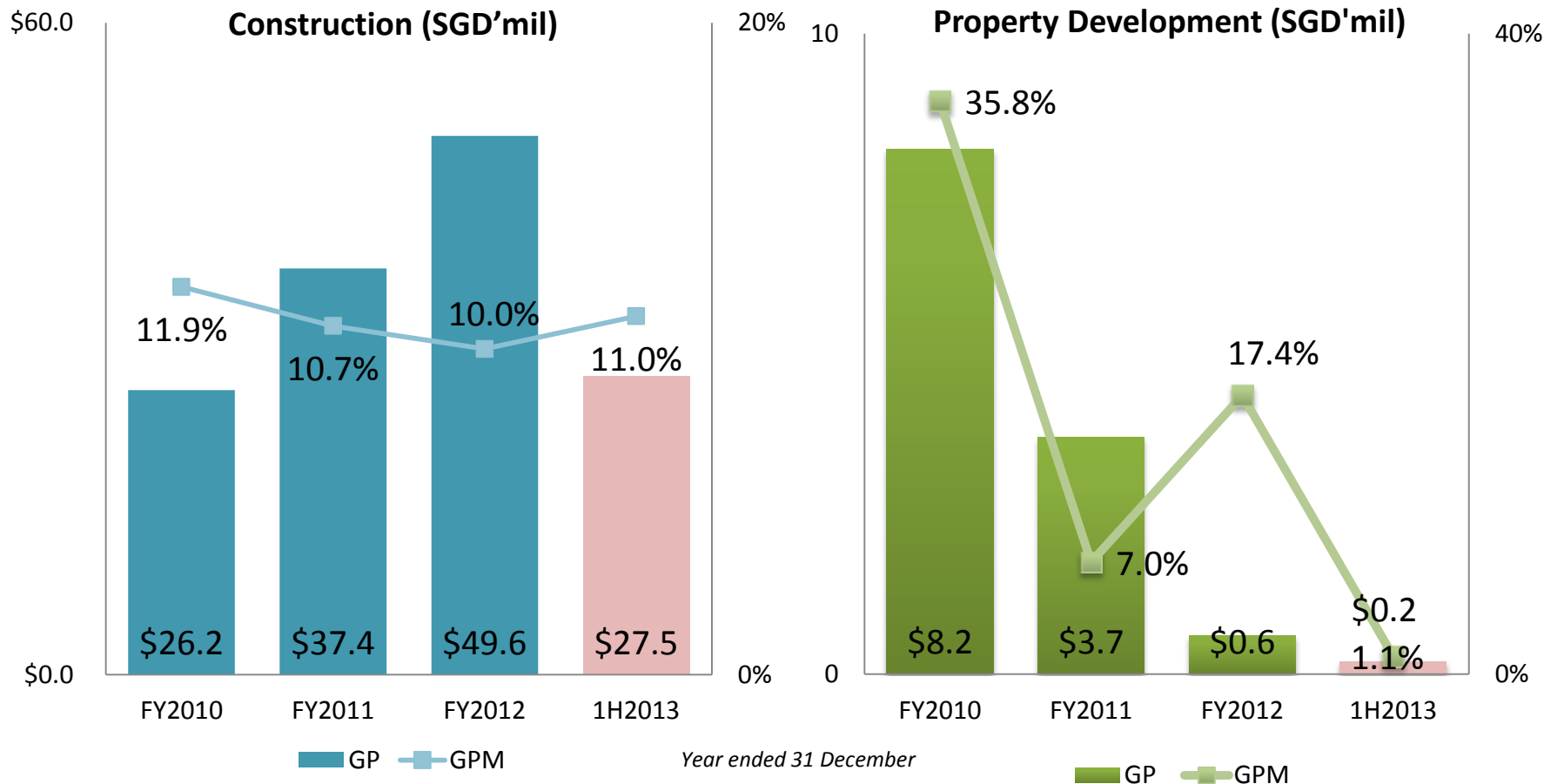
# Overall revenue: FY2010 to date



\* The percentages do not add up to 100% as Rental Income and Sales of Goods are not included. These segments contribute a small percentage of the total revenue.

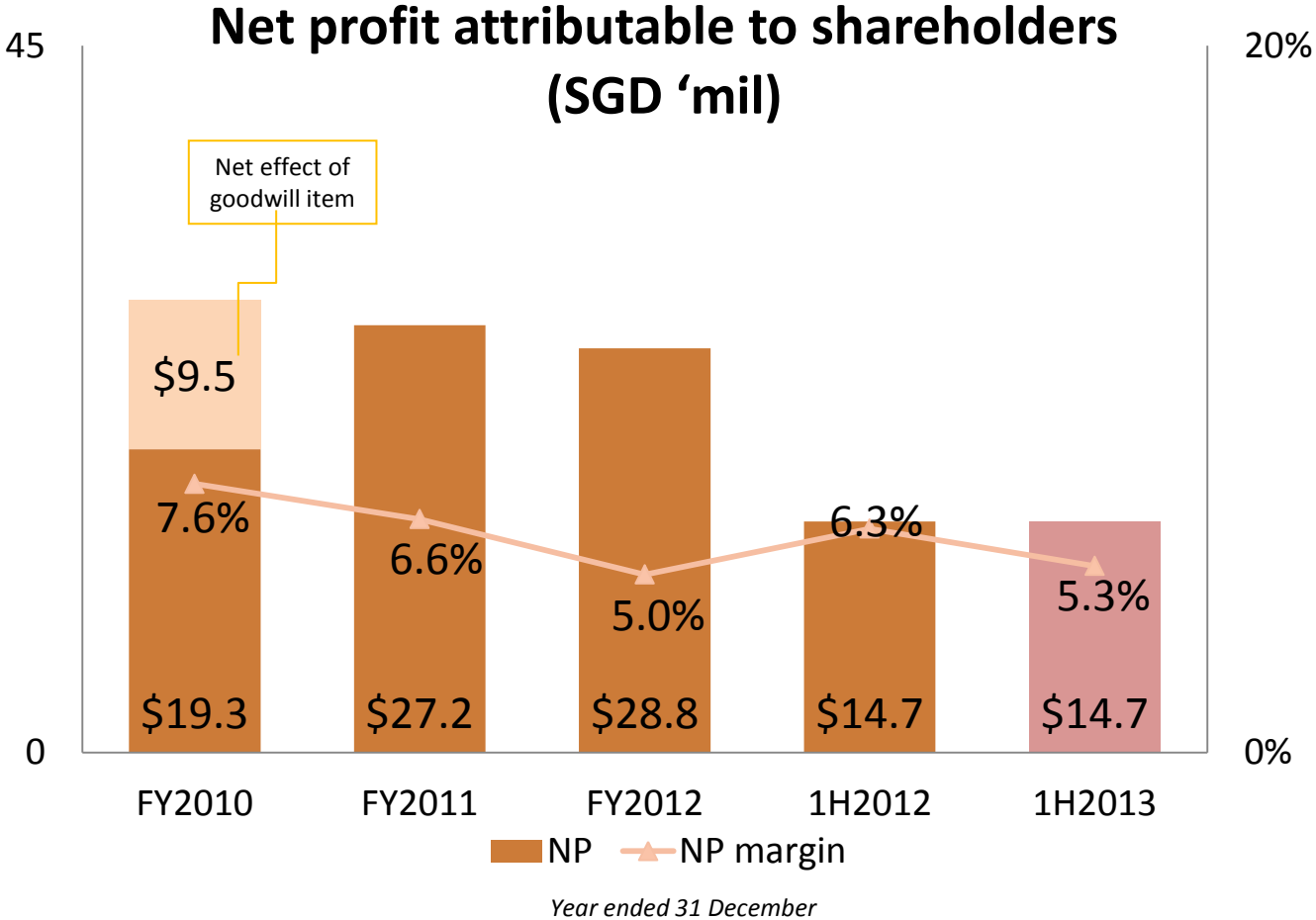
■ Property Devt   ■ Construction

# Gross profit & gross profit margin: FY2010 to date



\* As at 30 June 2013, approximately S\$68.9 million of gross development value comprises of 1 unit, totaling 141 sqm of Tianmen Jinwan Building, and 250 units, totaling 29,901 sqm, of Sunny International project, 66 units, totaling 14,572 sqm, of the Equinox and 3 units totaling 183 sqm of Wenchang Broadway in Yangzhou were sold, but yet to be recognised as revenue in accordance to our revenue recognition policy.

# Net profit attributable to shareholders & net profit margin: FY2010 to date





## Key balance sheet items

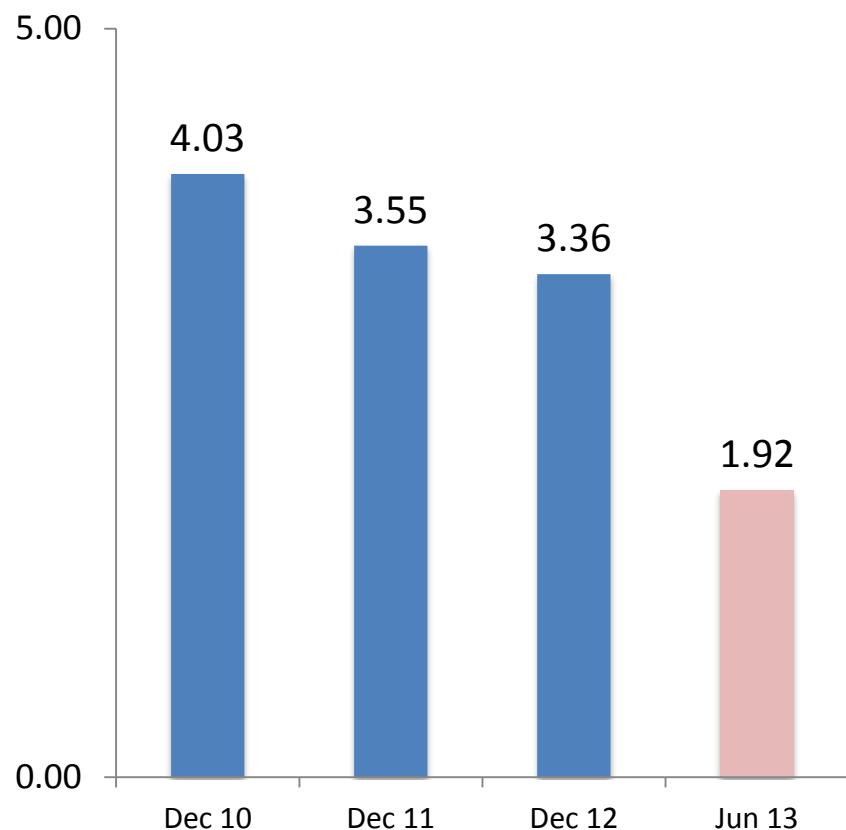
Balance Sheet (SGD'mil)	As at 31 Dec 2010	As at 31 Dec 2011	As at 31 Dec 2012	As at 30 Jun 2013
Total Assets	559	721	850	<b>856</b>
Net Debt	(30)	121	172	<b>189</b>
Shareholders Fund *	181	206	221	<b>238</b>

\* Net of non-controlling interests

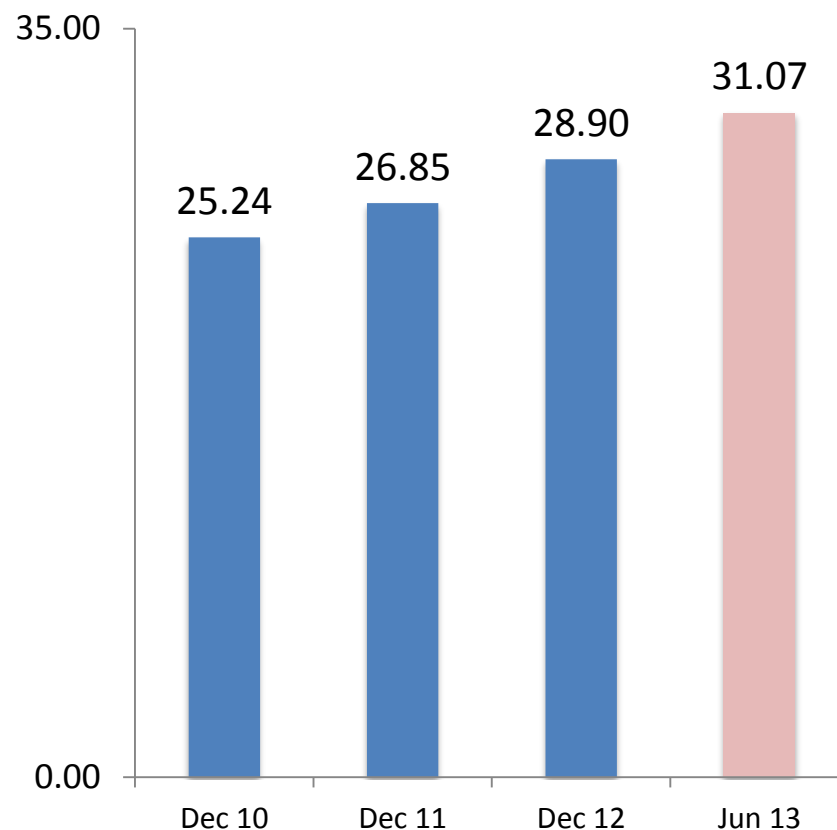


# Profitability ratios

## Earnings Per Share (cents)



## Net Asset Value Per Share (cents)



# Working capital management

S\$ '000	6 months ended 30 Jun 2012	6 months ended 30 Jun 2013
<b>Net cash (used) in operations</b>	(15,984)	<b>(3,976)</b>
<b>Net cash (used in) investing activities</b>	(17,515)	<b>7,712</b>
<b>Net cash (used) in financing activities</b>	(85)	<b>(25,594)</b>
<b>Cash at end of period</b>	31,268	<b>27,267</b>



## 2. Corporate Update



# Three pillars of growth

**Construction**



**Pre-Cast**



**Property  
Development**

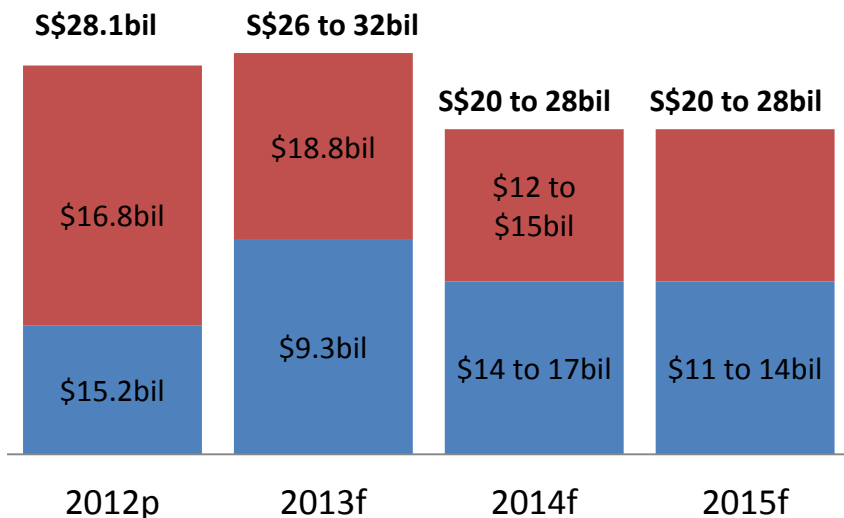


# CONSTRUCTION - Prospects in Singapore

## Public housing and rail construction to drive demand

### Construction Demand (Value of contracts awarded)

■ Public ■ Private



Source: BCA

**Population White Paper: 6.5 to 6.9 million population by 2030**

### Building good affordable homes

- 76,600ha of land to support larger population, up from current supply of 71,000ha
- Up to 700,000 new homes by 2030

### Greater mobility with enhanced transport connectivity

- Doubling of rail network to about 360km by 2030
- New rail lines
- Improving first and last-mile connectivity

# PRECAST – Business Strategy

One Hub with a regional network of precast plants

## Myanmar plant

to tap on urbanisation trend and demand for affordable housing

## Iskandar plant

for expansion and to benefit from Malaysia's PR1MA\* projects



## Tiong Seng Prefab Hub as HQ

where design advice and R&D will take place



# PRECAST – New plant in Iskandar, Malaysia



## Precast plant in Iskandar, Malaysia

- 5.57 hectares
- Capacity of 66,000m<sup>3</sup> annually (or 1,940 HDB units)
- Target customer mix by 2016:
  - 50% internal projects
  - 45% external (SG) customers
  - 5% external (M'sia) customers
- Investment of \$15.6 million in 2 phases

Singapore's Population White Paper: 700,000 new homes, double rail network by 2030

Malaysia's PR1MA: 80,000 new affordable homes

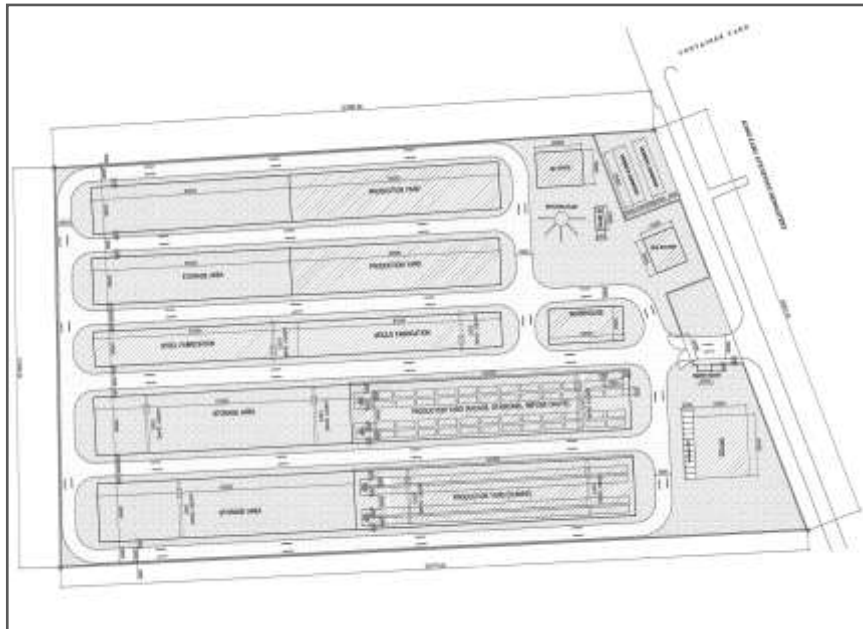
[1] Population White Paper, National Population and Talent Division, Jan 2013

[2] PR1MA

	Commence pre-cast production	Expected full capacity by	Pre-cast production volume at full capacity
Phase 1	July 2013	March 2014	120m <sup>3</sup> /day
Phase 2	July 2014	January 2015	240m <sup>3</sup> /day



# PRECAST – New plant in Yangon, Myanmar



## Precast plant in Yangon, Myanmar

- Land size of 50,000m<sup>2</sup>
- Total investment of SGD \$10 million
- Construction: In 2 phases

	Phase 1	Phase 2
Expected commencement	4Q 2013	3Q 2014
Expected production	2Q 2014	1Q 2015

To build an average of 50,000 homes annually over the next 20 years<sup>1</sup>

In Yangon, demand for affordable housing is 200,000 units annually, while only 20,000 units are supplied<sup>2</sup>

- Production capacity:  
55,000m<sup>3</sup> annually  
Phase 1 (27,500m<sup>3</sup> annually)  
Phase 2 (27,500m<sup>3</sup> annually)

<sup>[1]</sup> The Irrawaddy, “Burma to build 1 million houses in 20 years”, January 2013

<sup>[2]</sup> New Crossroads Asia, Myanmar Research Series, September 2012

# PROPERTY DEVELOPMENT - Prospects in China

Demand for housing in second- and third-tier cities to remain strong, supported by tightening supply in top cities

## Robust sales from Jan to May 2013

Property sales in China slowed but remained relatively robust, growing by 43.2%, versus 52.8% previously, as a result of strong housing demand<sup>1</sup>

## Land markets in tier-1 China cities showed buoyancy

Expectations of higher prices going forward, home prices in second- and third-tier Chinese cities to rise by 10% in the second half of the year<sup>2</sup>

<sup>[1]</sup> "UPDATE 1-China property investment slows slightly in first half", Reuters, 14 July 2013

<sup>[2]</sup> Property Developers Estimate 10 Percent Rise in Home Price in Second- and Third-Tier Cities", China Scope Financial, 23 July 2013



# PROPERTY DEVELOPMENT – Ongoing projects

Project Name	Status
<p>The Equinox, Tianjin</p> 	<p><b>Phases 1-2:</b> Construction in progress and completion expected in 2H 2014</p> <p>Sales commenced with approximately 32% of the total units sold</p> <p><b>Phase 3:</b> Construction in progress and completion expected in end 2014/ early 2015</p> <p><b>Phases 4-7:</b> To launch in 2013/2014 with completion expected in 2017</p>
<p>Sunny International Development, Cangzhou</p> 	<p><b>Phase 1:</b> 100% sold and recognised in 2011</p> <p><b>Phase 2:</b> 85% of 276 units recognized in 1H2013</p> <p><b>Phase 4:</b> Approximately 90 % of 286 units sold as of 30 June 2013 with completion expected towards end of 2013</p> <p><b>Phase 3:</b> To launch in 3Q2013 and completion expected in 2014</p>



# PROPERTY DEVELOPMENT – Ongoing projects

Project Name	Status
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Zizhulin Commercial Development, Tianjin



Planning in discussion

Xu Shu Guan Project, Suzhou



**Phase 1:** Construction to commence in 3Q2013 and completion expected in 2015

**Phase 2:** Construction to commence in 2014 and completion expected in 2016

# Thank You

Q&A



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