



# ALPINA HOLDINGS LIMITED

*Specialist in Integrated Building Services, Mechanical & Electrical Engineering Services and Alteration & Addition Works*



## FY2021 Results Presentation

April 2022

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# KEY HIGHLIGHTS

- 1.** Well-established presence in **integrated building services (“IBS”), mechanical and electrical engineering services (“M&E”), and alteration and addition (“A&A”) works** in Singapore with operating history of over 17 years
- 2.** **Established track record** with majority of our projects contracted by the Singapore Government or a public university
- 3.** 15 Workhead registrations and 2 builder licences with the BCA, with the **highest L6 grading for ME15 and ME05** opening access to projects with no tendering and no project value limits
- 4.** Long-established partnership with certain **suppliers and subcontractors** facilitates resources deployment and division of labour in our projects
- 5.** **Experienced and dedicated management team** with Executive Chairman and CEO and Executive Director each having over 25 years of experience
- 6.** **Growing demand for integrated facilities management (“IFM”) and IBS services** particularly for public sector projects and rising trend of IBS contracts evolving into IFM works
- 7.** Intention to recommend and distribute **dividends of a minimum of 50%** of profit attributable to equity holders of the Company in FY2022 and FY2023



# OVERVIEW

## Key Facts

- Alpina Holdings Limited (高峰控股有限公司) (the “Company”, and together with its subsidiaries, the “Group”), is an established Singapore-based specialist in providing IBS, M&E engineering services and A&A works to public and private sector projects
- The Group’s projects are all located in Singapore with predominantly public sector customers such as government ministries and statutory boards as well as public education institutions.
- Currently holds 15 Workhead registrations and 2 builder licences with the BCA. Among these, it has attained the highest grading of L6 for its registration under the ME15 (Integrated Building Services) and ME05 (Electrical Engineering) Workheads, which allow the Group to undertake projects in the public sector with no tendering limits and no project value limits under the respective Workheads.

## Key Stock Information

SGX-ST Listing

Catalist Board

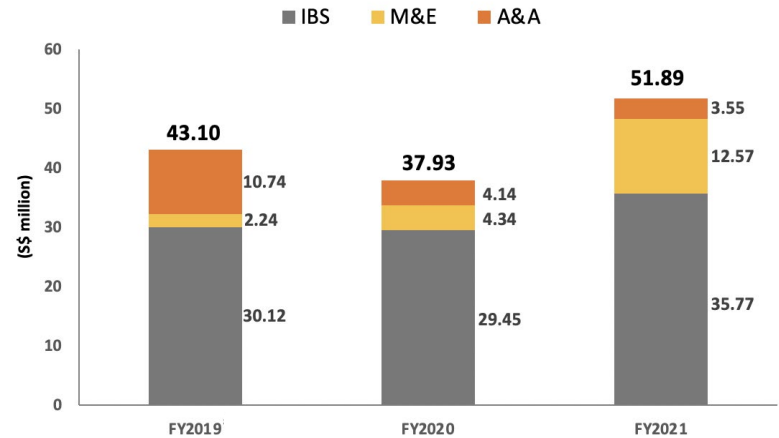
No. of Issued Shares

Approximately 184 million

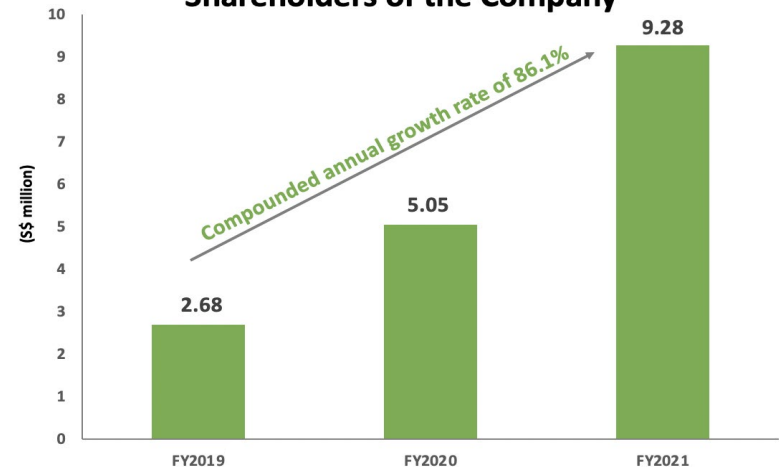
Stock Codes

Bloomberg Code: ALPINA:Singapore  
SGX Stock Code:ZXY

## Revenue



## Net Profit Attributable to Shareholders of the Company



## DIVIDENDS

# FY2021

Final dividend of 0.2712 cent per share

**Our Directors intend to recommend and distribute dividends of a minimum of 50 per cent. of our profit attributable to equity holders<sup>(1)</sup> of the Company in respect of FY2022 and FY2023 (“Proposed Dividends”)**



(1) Investors should note that all the foregoing statements, including the statements on the Proposed Dividends, are merely statements of our present intention and shall not constitute legally binding statements in respect of our future dividends which may be subject to modification (including reduction or non-declaration thereof) at our Directors' sole and absolute discretion. Kindly refer to the section entitled, "Dividend Policy" of the Company's offer document dated 21 January 2022 for further details.

# RECENT MILESTONE

*Awarded the Sixth Solar Leasing Tender under the SolarNova Programme by HDB*

- The Group's wholly-owned subsidiary, Digo Corporation Pte. Ltd., and Terrenus Energy Pte. Ltd. have been jointly awarded a 70 MWp project for the installation of solar panels across 1,198 HDB blocks and 57 government sites as well as the installation of smart electrical sub-meters at HDB blocks
- The project is the sixth solar leasing tender under the SolarNova Programme, a Whole-Of-Government effort led by the Singapore Economic Development Board and Housing & Development Board to accelerate the deployment of solar photovoltaic systems in Singapore
- Installation of the solar photovoltaic panels is expected to begin in the 3rd quarter of 2022 and complete by the 1st quarter of 2025.
- The Group holds a ME03 (Solar PV system integration) Workhead registration, which allows the Group to undertake installation, testing, commissioning, maintenance and repair of ground/ building-mounted grid-connected solar PV systems for electricity generation.

# OUR BUSINESS MODEL



With predominantly public sector customers such as government ministries and statutory boards as well as public education institutions, the key contract highlights of the Group's business segments are as follows:

<b>IBS</b>	With specified contract period that generally ranges from 1 to 4 years, and in certain instances, up to 6 years
<b>M&amp;E</b>	Rendered on specific project basis
<b>A&amp;A</b>	Term contracts with a fixed contract period ranging from 2 to 4 years



# OUR KEY CUSTOMERS

- The Singapore Government, including ministries and statutory boards
- Public universities or institutions in Singapore
- Contractors engaging us as subcontractors



Environment



Industrial  
Infrastructure



Housing



Sports  
Culture



Public  
Libraries



Social  
Community



National  
Security



Civil  
Defence



Urban  
Ecosystems



Border Control  
& Immigration



Public Universities  
& Institutions



Public  
Utilities

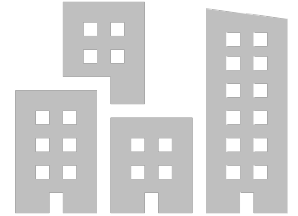


Contractors



# IBS BUSINESS

- Specified contract **period ranging from one to four years** generally, and up to six years in certain instances
- **At a specified building or at various premises**
- **Services cover more than one building system**



## Electrical System

- Lightning protection systems
- Power supply & distribution systems
- Bus-bar trunking systems
- Lighting systems & light fittings

## Mechanical System

- Air-conditioning & mechanical ventilation (ACMV) systems
- Water tank & pumping systems
- Plumbing & sanitary systems

## Maintenance Services



## Specialist System

- Communication systems
- Security systems
- Fire protection systems
- PLC systems
- BAS and BMS

## Domestic System

- Central antenna television systems
- Town gas & liquefied petroleum gas systems
- Solar heater systems

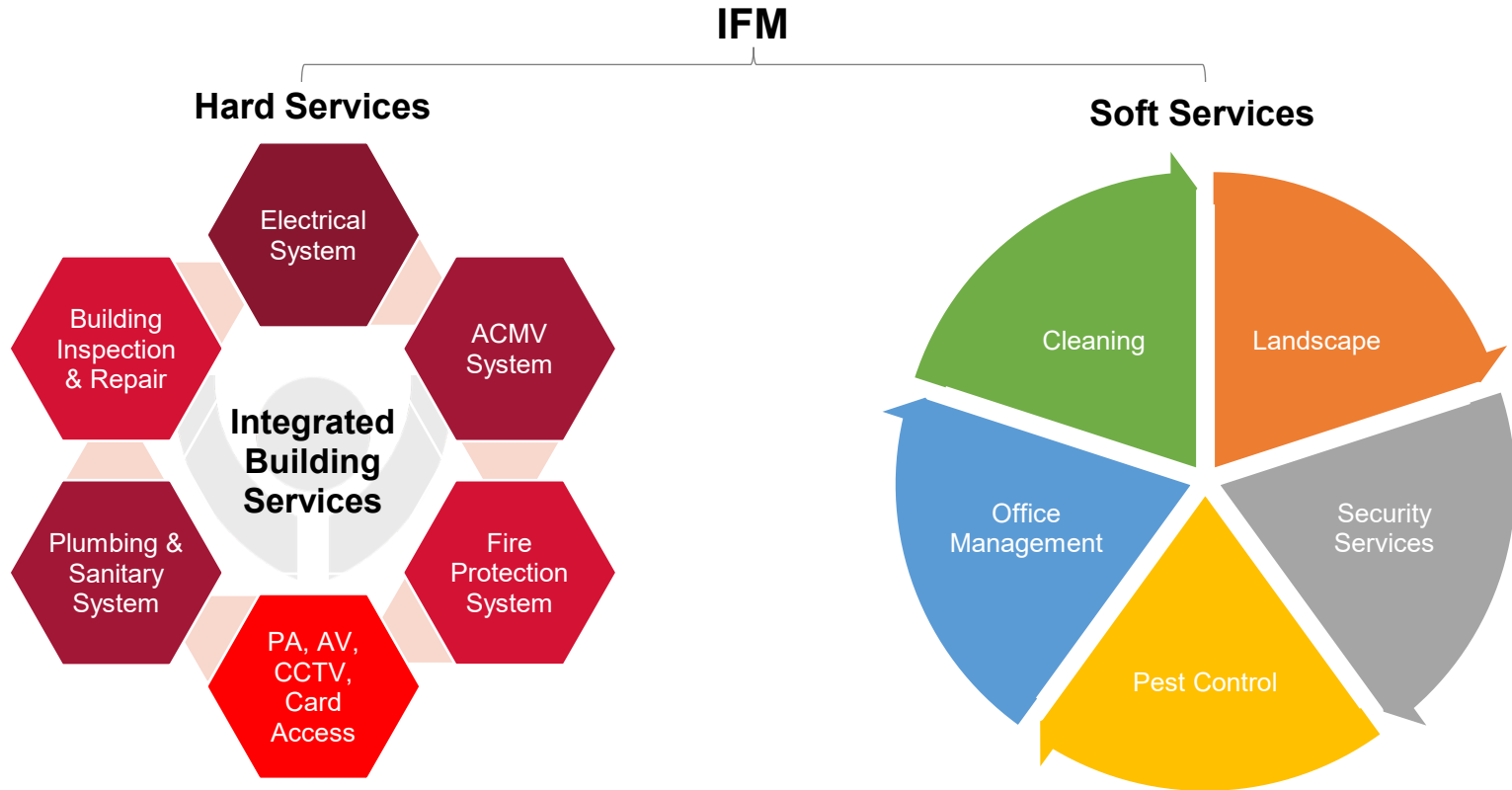
## Ancillary A&A Works

## Existing Building Systems

- Extension
- Alterations
- Conversion
- Upgrading
- Minor repair and improvement works

- *PLC: Programmable Logic Controller*
- *BAS: Building Automated Systems*
- *BMS: Building Management Systems*

# WHAT IS THE DIFFERENCE BETWEEN IFM AND IBS?



# M&E BUSINESS



## Installation, replacement, upgrading of M&E systems

- Switchboards
- Distribution boards
- Light fittings
- Lightning protection system
- ACMV systems
- Pump systems
- Fire protection systems

These services are usually provided for a **specific project with a lump sum contract price and not based on a fixed term.**



# A&A WORKS

Term contracts with a **fixed contract period ranging from two to four years**

## Building Works

- ✓ Retrofitting existing spaces
- ✓ Renovation
- ✓ Improvement and upgrading of buildings and interior design works
- ✓ Extension and construction
- ✓ General repairs and redecoration



## Civil Works

- ✓ Demolition
- ✓ Upgrading works of existing facilities
- ✓ Drainage
- ✓ Road and pavement improvement works
- ✓ Repairs of roof leaks and water damage
- ✓ Excavation works and earthworks



## M&E Works

- ✓ Installing, replacing and upgrading M&E systems





# OUR COMPETITIVE STRENGTHS



# OUR COMPETITIVE STRENGTHS

## 1. Well Established Presence in Singapore

- ✓ We believe our established presence and proven profile in the IBS, M&E engineering and A&A works industry in Singapore as well as the possession of relevant licences give us an advantage in maintaining existing customers and securing new business opportunities.



## 2. Established track record and qualifications in undertaking projects in IBS, M&E engineering and A&A works in the public sector of Singapore

- ✓ We believe that our past participation in public sector projects would be considered favourably by different authorities and statutory bodies of the Singapore Government.
- ✓ With our qualifications in tendering for public sector projects of varying scale, we believe that we are well-positioned to capture any future growth in the IBS market.



## 3. Possess own direct labour resources for providing IBS, M&E engineering services and A&A works

- ✓ Our Group has over 400 technicians who are trained and skilled in performing various types of maintenance works.
- ✓ We are able to cater for the manpower and skills requirements for projects of varying scales and complexity, and are able to maintain more control as to the quality and timeline of the services we provide.



# OUR COMPETITIVE STRENGTHS

## 4. Network of suppliers and subcontractors

- ✓ Our long-established partnerships with certain suppliers and subcontractors facilitates the resources deployment and division of labour, saving time and cost in our day-to-day operations.



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## 5. Stringent quality control and high standard of safety and environmental impact control

- ✓ We believe that this better positions us to deliver quality works reliably, timely and within budget.



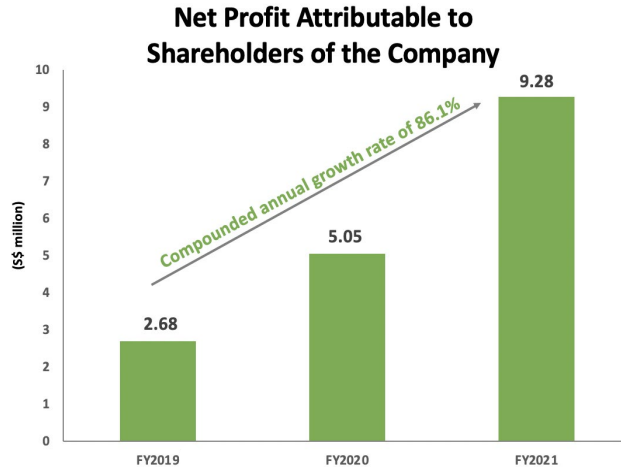
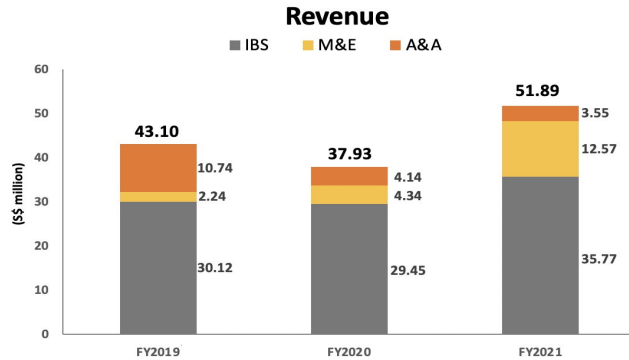
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## 6. Led by an experienced and dedicated management team

- ✓ Our founders, Executive Chairman and Chief Executive Officer, Mr. Low Siang Yong, and Executive Director, Mr. Tai Yoon On, each has over 25 years of experience in our industry.
- ✓ Our management team has extensive industry knowledge and project experience in providing IBS, M&E engineering services and A&A works.



# FINANCIAL HIGHLIGHTS



## Revenue growth of 36.8% with strong performance from IBS and M&E business segments

With business operations normalising in FY2021 as the Singapore authorities embarked on a three-phased approach to resume activities safely after 1 June 2020, the Group's IBS business segment contributed revenue of S\$35.77 million, representing a growth of 21.5% in FY2021 as compared to FY2020.

In addition, revenue from the Group's M&E business segment increased substantially by 189.5% to S\$12.57 million in FY2021 as there was significant work progress for four of its M&E projects in FY2021.

Overall, the Group's net profit attributable to shareholders of the Company surged by 84.0% to S\$9.28 million in FY2021 as compared to FY2020



# BALANCE SHEET HIGHLIGHTS

S\$ million	As at 31 Dec 2020	As at 31 Dec 2021
Total non-current assets	11.30	10.46
Total current assets	23.43	24.70
Total assets	34.73	35.16
Total non-current liabilities	7.17	4.43
Total current liabilities	14.86	12.75
Total liabilities	22.03	17.18
Total equity	12.70	17.98

Our Group's non-current assets represented 29.7% of our total assets and it comprised the following key components:

- Property, plant and equipment of approximately S\$9.74 million
- Right-of-use assets of approximately S\$0.72 million

Our Group's current assets represented 70.3% of our total assets and it comprised the following key components:

- Cash and cash equivalents of approximately S\$2.26 million
- Trade and other receivables of approximately S\$7.01 million
- Contract assets of approximately S\$14.57 million
- Inventories of approximately S\$0.86 million

Our Group's non-current liabilities represented 25.8% of our total liabilities and it comprised the following key components:

- Borrowings of approximately S\$3.60 million
- Lease liabilities of approximately S\$0.72 million

Our Group's current liabilities represented 74.2% of our total liabilities and it comprised the following key components:

- Trade and other payables of approximately S\$8.31 million
- Borrowings of approximately S\$3.41 million
- Income tax payable of approximately S\$0.63 million

# CASHFLOW HIGHLIGHTS

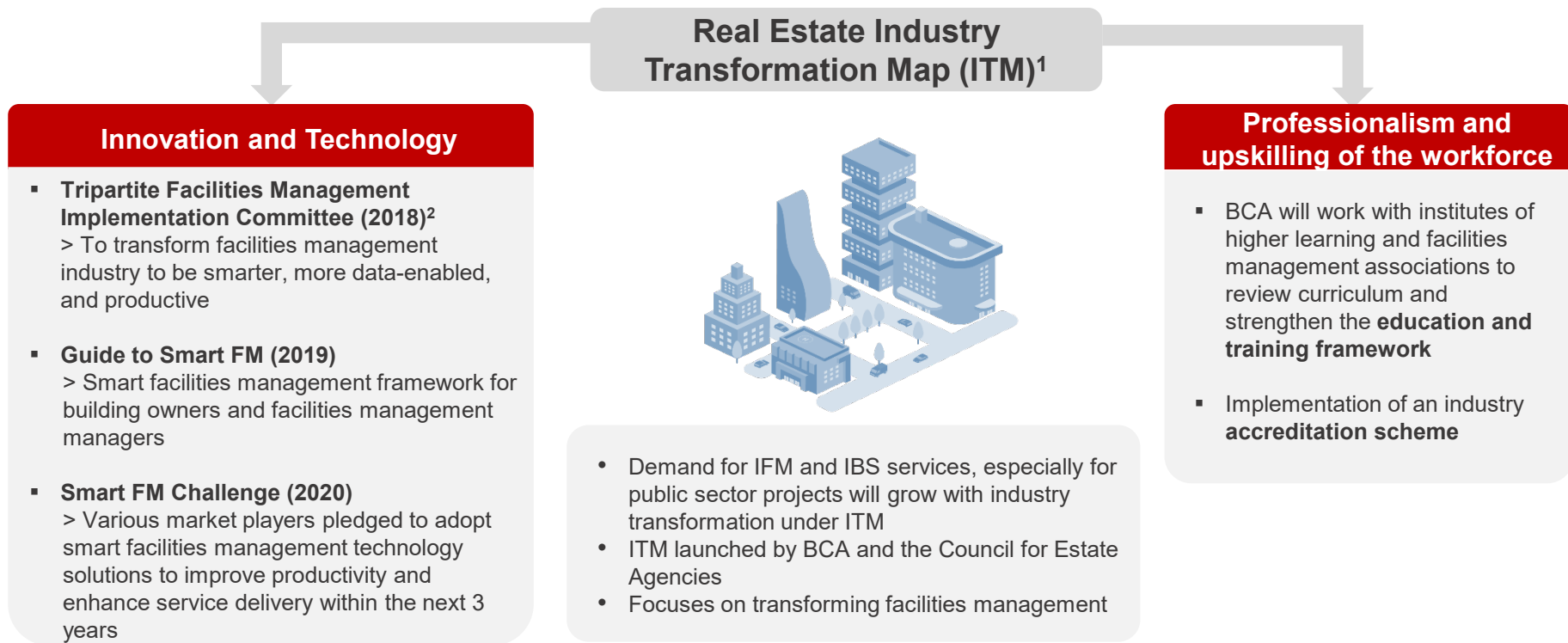
Operationally, the Group generated a substantial increase in net cash generated from operating activities of **S\$4.66 million in FY2021** as compared to S\$1.81 million in FY2020



<b>S\$ million</b>	<b>FY2020</b>	<b>FY2021</b>
Net cash generated from operating activities	1.81	4.66
Net cash generated (used in) / Generated from investing activities	(2.33)	3.47
Net cash generated from/ (used in) financing activities	1.82	(7.47)
Net increase in cash and cash equivalents	1.30	0.66
Cash and cash equivalents, beginning balance	0.31	1.60
Cash and cash equivalents, ending balance	1.60	2.26

# BUSINESS PROSPECTS

## 1. Growth of Demand for IFM & IBS services



1) The information was extracted from the press release entitled “Transforming the Real Estate Industry To Be Future-Ready” at <https://www.cea.gov.sg/docs/default-source/module/pressRelease/557e8d1b-21cb-4c82-9649-0fb0e2f35613.pdf>

2) The information was extracted from the website of the BCA at <https://www.bca.gov.sg/greenmark/facilities-management-industry-transformation-fmic.html>

# BUSINESS PROSPECTS

## 2. Rising Trend of Integrated Solutions in Building Services & Facilities Management

### Rising need for integrated solutions



IBS services providers continue to enhance their service coverage and quality in order to provide more **value-added** services with a rising **need for integrated solutions** in building services and facilities management



### Trend of IBS contracts evolving into IFM works



**Rising trend** of IBS contracts evolving into IFM works, which covers building and M&E maintenance, and other associated services

- Cleaning
- Landscaping
- Pest control
- Security services



### New opportunities



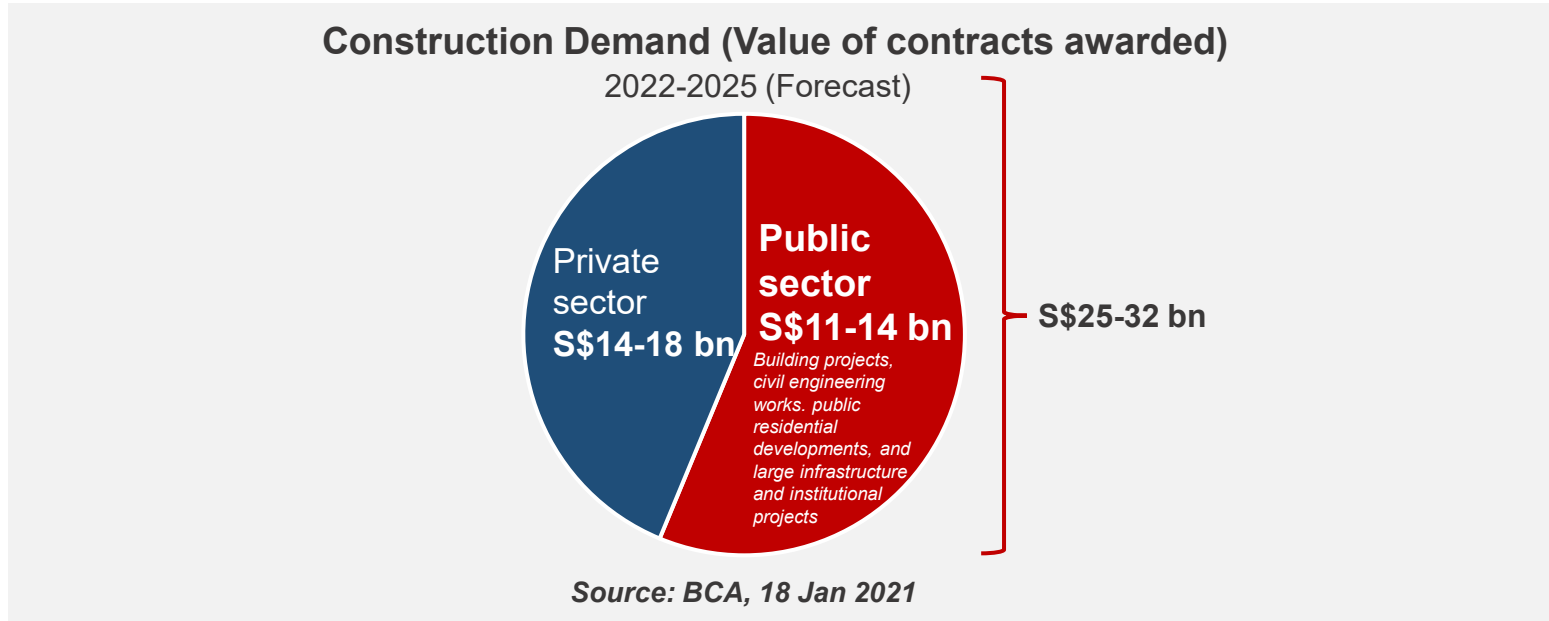
**New opportunities** for the IBS and IFM contractors with a focus on **integrated solutions** (such as those provided by the Group)

A more important role in repair, maintenance, and replacement of M&E systems in private and public sectors



# BUSINESS PROSPECTS

## 3. Continued Overall Growth of the Construction Industry in Singapore



- The BCA expects a steady improvement in construction demand over the medium term, being projected to reach between S\$25.0 billion and S\$32.0 billion per year from 2022 to 2025.
- The BCA expects the public sector to lead the demand and contribute S\$14.0 billion to S\$18.0 billion per year from 2022 to 2025 with similar proportions of demand coming from building projects and civil engineering works.
- Besides public residential developments, public sector construction demand over the medium term will continue to be supported by large infrastructure and institutional projects.
- **Industry outlook for IBS, M&E engineering, and A&A works remain positive** in the near future

# BUSINESS STRATEGY & FUTURE PLANS

## 1. Expanding our Existing Business

Expand the scale of existing business (IBS, M&E engineering services and A&A works) by strengthening manpower and equipment resources, in order to take on more and/or higher value projects

### TECHNOLOGY



Explore the use of new and/or upgraded technology in existing services and for increasing the types of value-added services in the respective business segments

### MANPOWER

- 1 Expand manpower resources to raise capacity in order to undertake additional projects in the future
- 2 Reduce the amount of works outsourced to subcontractors, resulting in lower costs, absence of profit mark-ups
- 3 Ability to undertake more projects while maintaining project management efficiency and service quality
- 4 Ability to offer more competitive pricing and strengthen position for new contracts being awarded



### EQUIPMENT RESOURCES



Strengthen our capability and work efficiency by acquiring additional machinery and equipment, including motor vehicles, to facilitate the performance of our works and accommodate the increase in our transportation needs

# BUSINESS STRATEGY & FUTURE PLANS

## 2. Strengthening & Accelerating the Extension of Our IFM Services

### SHIFT IN DEMAND



- Evolution of facility management away from separated service management **towards integrated solutions**

- **Increase demand for enhanced facility management solutions** as more building facilities are aging and require an advanced degree of care and management
- **Rising need for customised and integrated solutions** in redeveloped buildings with overlaps between our IBS services and core IFM services allowing transferring of skills, know-how, expertise, and experience
- **Existing ME05 and ME15 Workheads (Grade L6)** and our established public sector track record **enable us to tender for IFM projects with no tendering or project value limit**

We have extended our service scope to include IFM services and are ramping up this business



### OUR INITIATIVES



- **Obtained FM01 (Facilities Management) registration**

**Workhead – Grade M3** in 2020 which enables us to tender directly for IFM projects from government or statutory bodies of up to S\$10 million.

- **Strengthen manpower** resources with the recruitment of additional staff
- Acquisition of additional machinery and equipment

# BUSINESS STRATEGY & FUTURE PLANS

## 3. Expansion Through Mergers & Acquisitions (“M&A”)

### Leveraging on our Network



We will leverage on our network and explore M&A opportunities with parties in complementary businesses in Singapore and/or the region to gain access to new markets, and strengthen our market position.

### Enhance Business Service Level



By acquiring cleaning service companies. Currently, inhouse cleaning, landscaping, and pest control services are out-sourced to external specialist subcontractors, whose charges are factored into our tender proposals.

### Targeted Acquisition



We believe the acquisition of a Singapore-based company with at least an FM02 (Facilities Management) Workhead registration with the BCA and Clean Mark Silver accreditations under the NEA Clean Mark Accreditation Scheme would be more accepted by our customers, and less risky and costly than setting up a new cleaning services company from scratch.





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## Q&A

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