

Tiong Seng Holdings Limited

Annual General Meeting

22 April 2022

Forging Ahead with Resilience, Innovation and Sustainability



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Presentation Flow

1. Financial Highlights
2. Operational Highlights
3. Looking Ahead

Financial Snapshot

Audited Statements	FY2021 (S\$'mil)	FY2020 (S\$'mil)	% change
Revenue	293.4	235.9	24.3
Gross Profit Margin	(1.2%)	(3.4%)	2.2ppt
Net Loss for the year	(52.7)	(34.9)	51.1
Earnings Per Share	(11.37)	(7.22)	57.5

Segmental Comparison – Revenue (SGD m)

SGD ('mil)

350.0

300.0

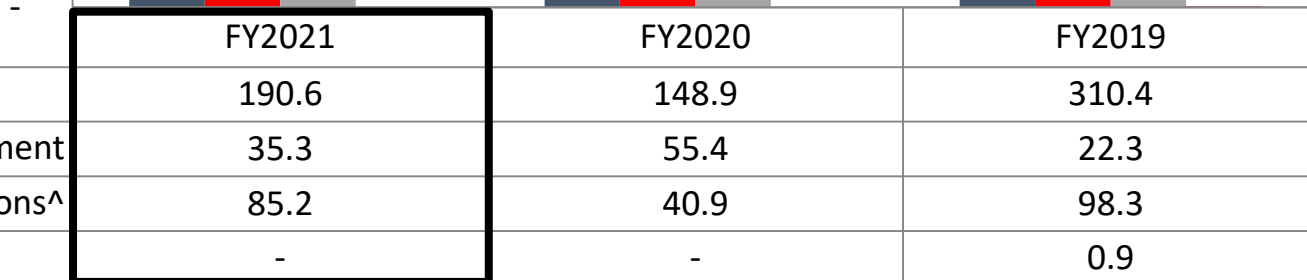
250.0

200.0

150.0

100.0

50.0



- Recovery in Construction Segment for FY2021 and growth in Engineering Solutions Segment due to investment sown 2 years back.

■ Construction^

■ Property Development

■ Engineering Solutions^

■ Others*

FY2021

FY2020

FY2019

190.6

35.3

85.2

-

148.9

55.4

40.9

-

310.4

22.3

98.3

0.9

Key Factors Impacting Financial Results

- Lower Government Support
- Higher Operating Costs
- Higher Provisions
- Higher impairment from Property Development in China

Key Factors Impacting Financial Results

LOWER GOVERNMENT SUPPORT

- Government support for COVID-19 has decreased in FY2021 to S\$5.4 million from S\$14.4 million in FY2020 due to the tapering off of Jobs Support Scheme and Levy Rebates with recovery from the COVID-19 impact.

Government Grants (S\$'000)



Key Factors Impacting Financial Results

HIGHER OPERATING COSTS

High material prices to remain a drag on Singapore construction this year: report

MON, FEB 14, 2022 - 11:43 AM

MICHELLE ZHU ✉ michellezhu@sph.com.sg 🐦 @MichZhuBT



BREAKING NEWS

- Raw material price hikes in 2H2021 due to supply chain disruptions
- Jump in 2021 prices for steel rebar by 43% and flat products by 53%

Source: Business Times 14th February 2022

Key Factors Impacting Financial Results

HIGHER OPERATING COSTS

STEEL REINFORCEMENT (16 - 32MM HIGH TENSILE) SUPPLY PRICES



Avg 3Q'21/2Q'21 Change	SEP 20	OCT 20	NOV 20	DEC 20	JAN 21	FEB 21	MAR 21	APR 21	MAY 21	JUN 21	JUL 21	AUG 21	SEP 21		
Steel	5.5%	↑	730	730	734	809	911	913	933	962	1,096	1,101	1,104	1,110	1,105

Data Source: BCA
 Note: Prices of rebar other than 16-32mm diameters may be subject to surcharge.
 * In view of the lack of business transactions for materials due to a shipping slowdown of most construction activities on the back of the COVID-19 fallout, the market prices in May 2022 are assumed unchanged from that of Apr 2022.

CRUDE OIL PRICES

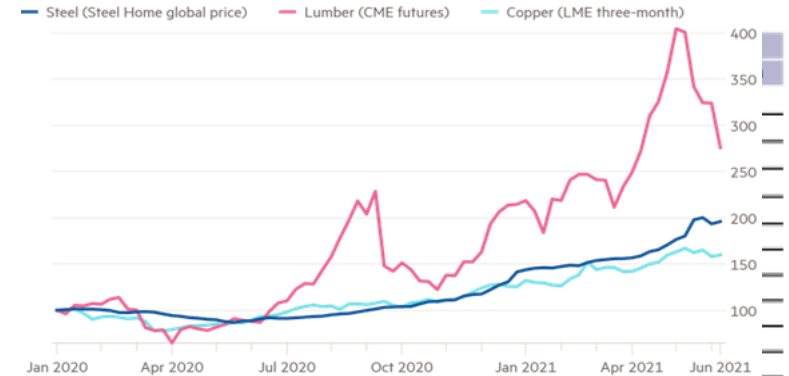


Avg 3Q'21/2Q'21 Change	SEP 20	OCT 20	NOV 20	DEC 20	JAN 21	FEB 21	MAR 21	APR 21	MAY 21	JUN 21	JUL 21	AUG 21	SEP 21		
Crude Oil	6.9%	↑	41	40	42	49	54	60	64	63	66	70	73	69	73

Data Source: Refinitiv

Construction materials prices soar

Price indices rebased in US dollar terms



Source: Refinitiv © FT

METAL PRICES



Avg 3Q'21/2Q'21 Change	SEP 20	OCT 20	NOV 20	DEC 20	JAN 21	FEB 21	MAR 21	APR 21	MAY 21	JUN 21	JUL 21	AUG 21	SEP 21		
Copper	-1.0%	↓	6,712	6,703	7,063	7,755	7,971	8,460	9,005	9,336	10,186	9,642	9,634	9,357	9,323
Aluminium	10.4%	↑	1,745	1,803	1,932	2,019	2,004	2,080	2,192	2,326	2,434	2,439	2,692	2,601	2,830

Data Source: London Metal Exchange (LME)

Prices for raw construction materials have risen due to supply chain disruption resulting from COVID-19

Key Factors Impacting Financial Results

HIGHER OPERATING COST

Singapore to sharply reduce non-essential foreign worker arrivals amid pandemic

© FRI, MAY 07, 2021 - 9:50 PM

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SINGAPORE is cutting down on its inflow of foreign workers indefinitely, in a new round of pandemic-related curbs unveiled on Friday night.

The restrictions will affect an unspecified number of work-pass holders and their dependants - even those who had been granted prior approval to enter the country.

The Ministry of Manpower (MOM) said: "We regret that we will not be accepting new entry applications from higher-risk countries/regions with immediate effect, except for workers needed for key strategic projects and infrastructural works."

- Further border restrictions due to Delta Variant in Apr 2021 resulted in a persistent labour crunch into 2H2021
- Inflationary costs pressure across the value chain further pushed up labour and sub-contracting costs

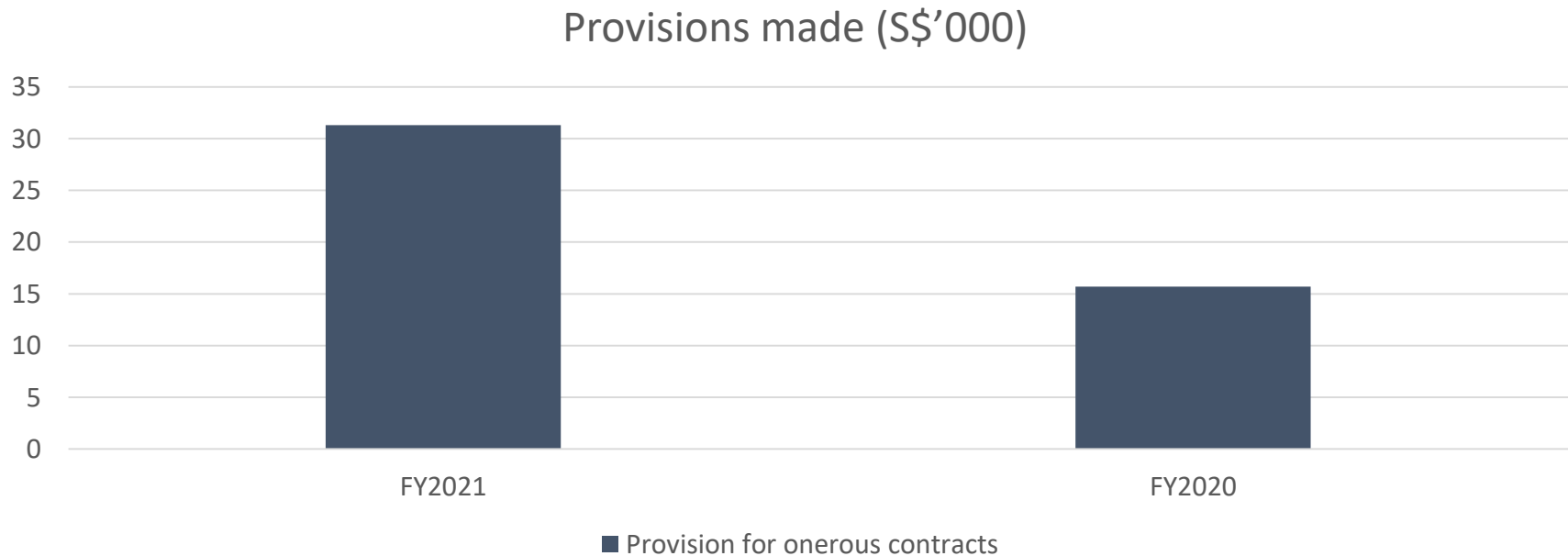


BREAKING NEWS

Key Factors Impacting Financial Results

HIGHER PROVISIONS

- As the cost for raw materials and labour faced upward pressure, an increased provisions were provided for onerous contracts in FY2021.
- Increase of 99.9% from S\$15.7 million in FY2020 to S\$31.3 million in FY2021



Key Factors Impacting Financial Results

IMPAIRMENT OF PROPERTY DEVELOPMENT SEGMENT IN CHINA

Shrinking appetite for land

Meanwhile, local governments' land auctions received a cold response. About 27 per cent of land parcels up for sale failed to attract bidders in September, according to CRIC data, the fourth straight month the figure rose. Local government income from land sales will fall next year after expanding at a slower pace this year, ratings giant Moody's Investors Service Inc. predicted.

Some cities such as Shanghai and Hangzhou in eastern China's Zhejiang province, recently halted several planned land auctions. Less than half of the land in the latest auctions in Guangzhou city was sold, and very few lots topped the asking price.

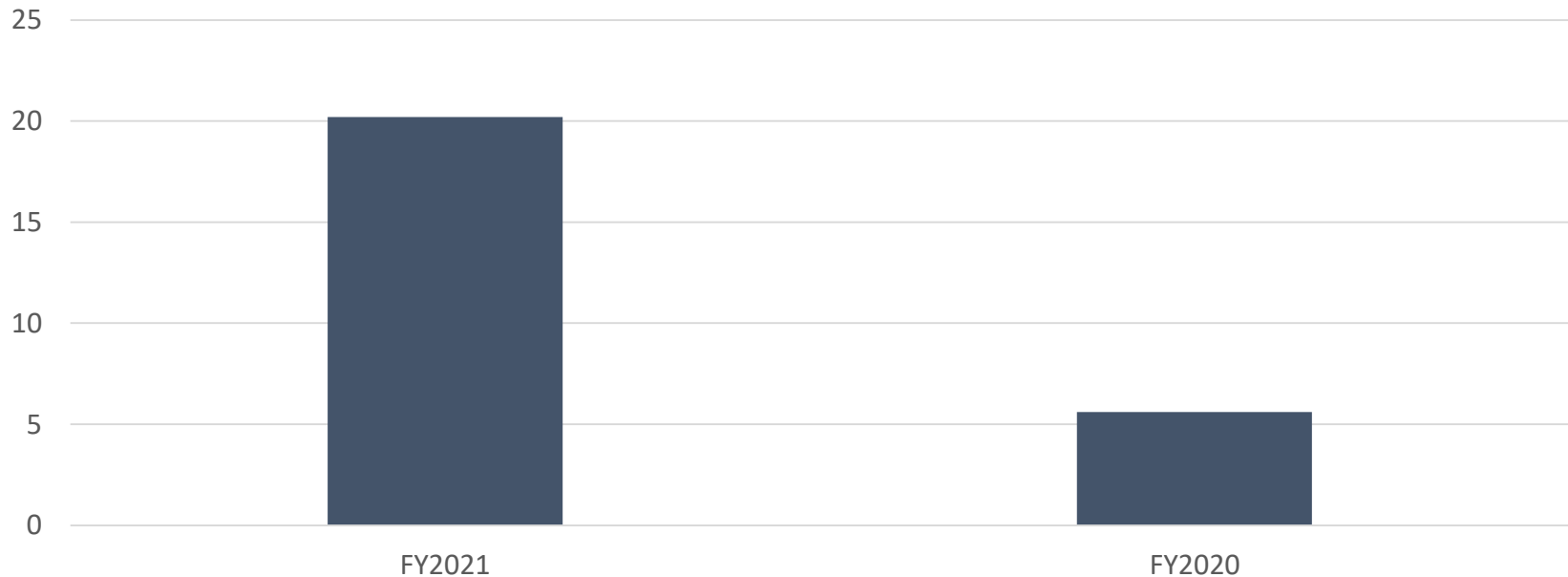
- Reduction in land demand from China cooling measures impacted the PRC property market
- Impairment in the property development business was recorded to account for the valuation change

Source: Straits Times 18th October 2021, How China's housing market landed in the deep freeze

Key Factors Impacting Financial Results

IMPAIRMENT OF PROPERTY DEVELOPMENT SEGMENT IN CHINA

- Impairment loss arising from property development business increased to S\$20.2 million in FY2021 from S\$5.6 million in FY2020



Financial Highlights

Breakdown of Operating Loss

(SGD m)	FY2021	FY2020
Operating Loss before net finance costs and taxes	(51.2)	(31.4)
Gain on disposal of Asset Held for Sale	-	(1.6)
Government Support	(5.4)	(14.4)
Impairment arising from property development business	20.2	5.6
<u>Net Provision</u> for onerous contracts	25.7	15.6
Operating Loss excluding one-off items	(10.7)	(26.2)

Operating Loss excluding one-off items improved from S\$26.2 million in FY2020 to S\$10.7 million in FY2021.

Key Balance Sheet Items

Balance Sheet	As at 31 Dec 2021	As at 31 Dec 2020	As at 31 Dec 2019
Total Assets (SGD m)	519.8	547.2	652.0
Cash & Cash Equivalents (SGD m)	56.5	43.4	55.5
Current Ratio	1.26	1.42	1.47
Gearing Level	0.47	0.28	0.34
NAV per share (SGD cents)	43.32³	53.50 ²	59.70 ¹

- Healthy cash balance of S\$56.5 million

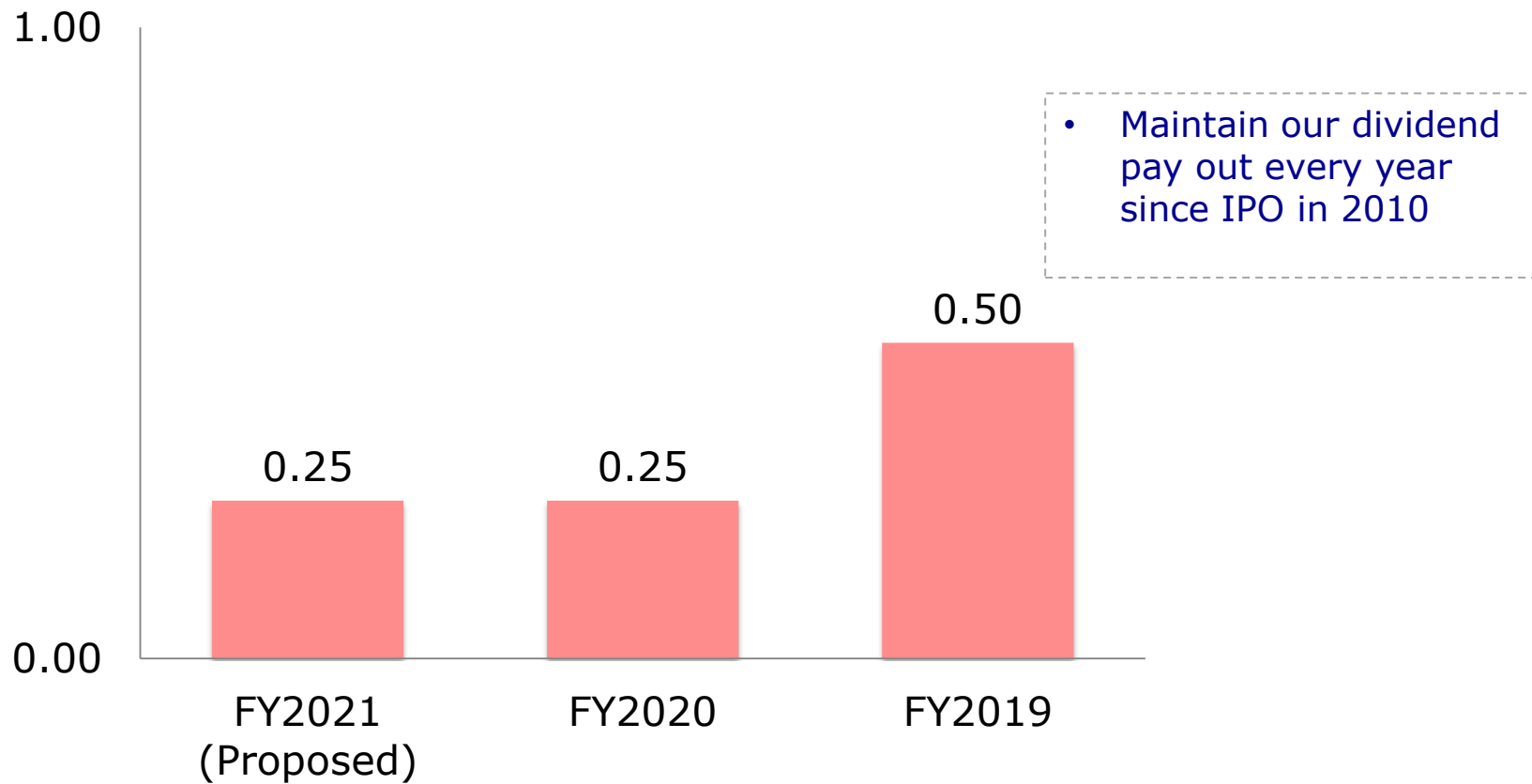
¹ 444,785,349 shares as at 31 December 2019, excluding 14,838,500 treasury shares

² 441,419,549 shares as at 31 December 2020, excluding 18,204,300 treasury shares

³ 441,419,549 shares as at 31 December 2021, excluding 18,204,300 treasury shares

Dividend (SGD cents)

SGD (cents)



Encouraging Results In Extraordinary Times



Despite In 2021, the Group had to weather:

- Raw material price hikes in 2H2021 due to supply chain disruptions
- Increase in labour costs due to COVID-19 restrictions
- Negative property market sentiments in China

We have:

- Increased our revenue by 24.3%, with a strong orderbook of \$1.4 billion
- Reduced our operating loss by \$15.5 million (excl. one-off items)
- Healthy cash balance of S\$56.5 million
- Maintained 0.25 Sing Cents in Dividends compared to FY2020

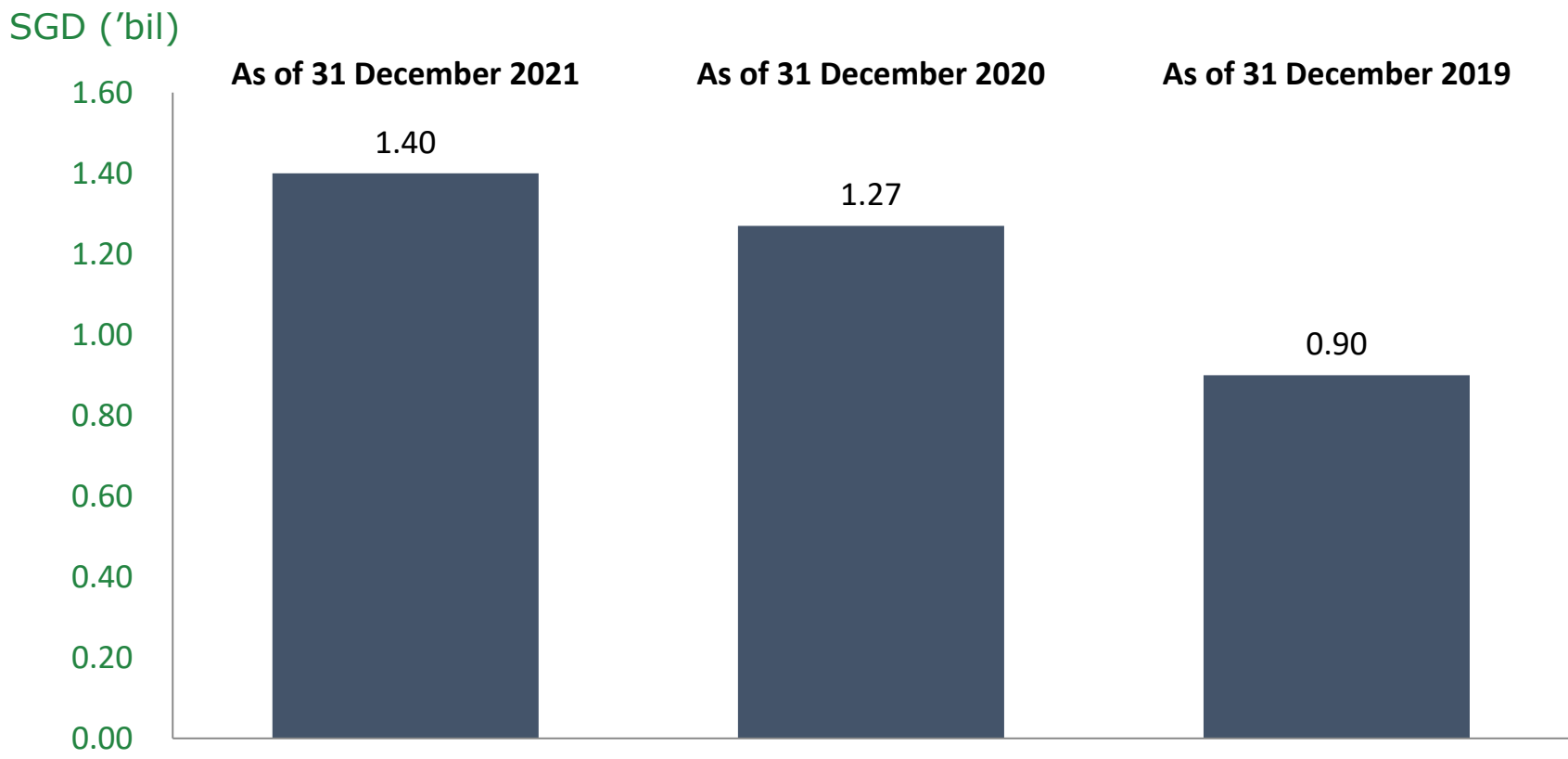




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Orderbook Growth(SGD billion)



Orderbook growing for the past 3 years

Our Construction & Civil Engineering Projects

Diversified range of ongoing projects

Robust order book of **S\$1.4 billion as at 31 December 2021**, extending to 2024

RESIDENTIAL



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



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



Tan Quee Lan Street
Client: MTG Apartments Pte
Ltd & MTG Retail Pte Ltd
Approx Contract Value:
S\$227.5 million



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



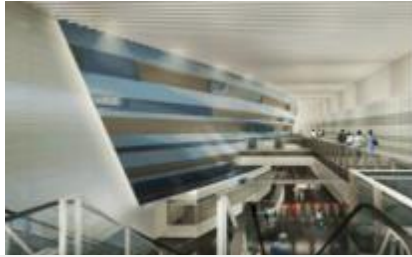
Cairnhill Rise
Client: TSky Cairnhill
(Private) Limited
Approx Contract Value:
S\$24.3 million

Our Construction & Civil Engineering Projects

Diversified range of ongoing projects

Robust order book of **S\$1.4 billion as at 31 December 2021**, extending to 2024

CIVIL ENGINEERING



Contract T220 – Great World Station
Client: Land Transport Authority
Approx Contract Value: S\$324.0 mil



Water Transmission Pipeline (AYE / Henderson Rd to River Valley Rd)
Client: Public Utilities Board
Approx Contract Value: S\$98.3 mil

INDUSTRIAL



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

HOTELS



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

INSTITUTIONS

Institution of approx Contract Value:
S\$380.0 million



Outward Bound Singapore Campus at Coney Island
Client: Ministry of Culture, Community and Youth
Approx Contract Value:
S\$192.3 million

Our Construction & Civil Engineering Projects

Project Distribution (Ongoing)

Project Types	No of Projects
Residential (Private)	5
Civil Engineering	2
Institutional	2
Industrial	1
Hotels	1
Total	11

Our Engineering Solutions

Comprehensive Suite of Engineering Solutions & Products

INNOVATIVE AND SUSTAINABLE ENGINEERING SOLUTIONS



Lithe™ Prefabricated Bathroom Units (PBU)



Lithe™ Prefabricated Prefinished Volumetric Construction (PPVC)



Light Gauge Steel



Bi-axial voided slab



Mass Engineered Timber

Our Engineering Solutions Projects

Variety of DfMA led Projects

KEY ENGINEERING SOLUTIONS PROJECTS



Rochester Commons
Client: Hexacon Construction
Pte Ltd



HDB Centre of Building Research
Client: Housing Development Board



JTC Space @ Ang Mo Kio
Client: JTC Corporation



Kallang Whampoa C43
Client: Kienta
Engineering Construction



Pearl Bank
Client: Areca Investment
Pte Ltd

Our Engineering Solutions Projects

Variety of DfMA led Projects

KEY ENGINEERING SOLUTION PROJECTS



Mass Engineered Timber for
Academic Building & Ancillary Block
in Nanyang
Technology University
Client: Newcon Builders Pte Ltd

Our Real Estate Development Projects

Ongoing projects (Residential and Commercial) in PRC & Singapore

CHINA

The Equinox, Tianjin

Residential comprising landed and low rise properties: 172,000 sqm over land area of 325,000 sqm

Remaining phases of development with the expected completion to be finalized on accordance to market demand

565 launch units with 72.2% sold



Tranquility Residences. Xushuguan Development Zone, Suzhou

Residential comprising terrace houses and apartments: 87,220 sqm, over a land area of 85,509 sqm

Complete launch with 636 units and 99.4% sold



Zizhulin, Tianjin

Commercial: 12,000 sqm over a land area of 8,000 sqm

Discussion in progress with local authorities



SINGAPORE

Sloane Residences

Residential: 61,000 sq ft

Launched on 11 January 2020

52 units in District 10

Expected TOP: 1H2022



Cairnhill 16

Residential: 43,000 sq ft

Launched on 27 November 2021

39 units in District 9

Expected TOP: 2H2023





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Trend for 2022

Construction Growth Opportunities & Trends



- Construction demand in 2022 is projected to maintain between the range S\$27 billion and S\$32 billion (from S\$30 billion in 2021)
- Commercial building expected to rebound with refurbishment for hospitality anticipating rebound in tourism

Source: Business Times 26th Jan 2022, BCA expects 2022 construction demand between S\$27b and S\$32b, supported by public sector projects

Mr Desmond Lee, Minister for National Development BCA commented at SCAL's Ground Breaking Ceremony, "The construction industry is showing some **signs of recovery** with construction output close to pre-COVID levels, and work is progressing steadily. But we are under no illusion that we are out the woods. There is still **uncertainty ahead** of us, not just because the pandemic is still making its rounds around the world.

Source: Ministry of National Development, 18th April 2022 Press Release for Opening Remarks at Ground Breaking Ceremony of Singapore Constructors' Association Limited Construction Hub

Trend for 2022

Engineering Solutions Growth Opportunities and Trends



- Increasing focus of DfMA adoption in Singapore to build a more resilient industry and reduce reliance on foreign workers
- Demand for precast concrete in 2022 projected to rise to between 1.6 million to 1.8 million cubic metres from 1.1 million cubic metres in 2021

Mr Teo Jing Siong, Group Director at BCA commented “There will be **109 projects in Singapore in the next 2 years** using Design for Manufacture and Assembly technologies with Advanced Precast Concrete System being the most widely used in residential, healthcare and school projects.”

Source: Business Times 26th Jan 2022, BCA expects 2022 construction demand between S\$27b and S\$32b, supported by public sector projects

Trend for 2022

Real Estate Development Opportunities & Trends



- Singapore:
 - Unsold inventory at a **5 year low** further restricting supply
 - Buoyant property prices in 2022 despite cooling measures in December 2021, prices of private residential homes rose 10.6% in 2021 as compared to 2020 over economic recovery and favourable mortgage rates
- China:
 - Deleveraging **policies** targeted at property developers are being **fine-tuned** by the Chinese Government to manage the cooling effect

Forging Ahead with Resilience, Innovation and Sustainability

Strategy for the Next Phase of Growth

- **Institutionalise our three distinct business units,** led by Independent Non-Executive Chairmans with professionals added overseeing operational strength

Dr John Keung Kam Yin
Former CEO, BCA (2006 – 2017)
 Chairman (Tiong Seng Contractors)
 Member (Tiong Seng Chang De Investment)

Mr Lam Siew Wah
Former Dep. CEO, BCA (1999-2016)
 Chairman (Tiong Seng Engineering Solutions)
 Member (Tiong Seng Contractors)

Mr Amos Ong
Former Head, Client Coverage & Global Banking, Maybank (2012-2021)
 Chairman (Tiong Seng Chang De (Private) Limited)



Forging Ahead with Resilience, Innovation and Sustainability

Strategy for the for the Next Phase of Growth

- **Overseas expansion**, targeting developing regions with innovative engineering precast solutions
- **Exporting our Engineering solutions** to Myanmar, Thailand, China, etc
- **Strengthening Green construction and building capabilities**, optimising long-term costs and establish environmentally sound buildings



Thank you

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