



# **ANNUAL GENERAL MEETING**

## **24 APRIL 2018**



# PROGRAMME

1. **Business Presentation**
2. **Resolutions Read and e-Poll**



# 2017 IN REVIEW

- Announced entry into healthcare business with acquisition of Thomson Medical and TMC Life Sciences
- Announced issue of bonus warrants and piggyback warrants
- Completed acquisition of Ariva Hospitality and AC Consortium as part of multi-disciplinary strategy
- Appointed new leaders to take business forward
- Consolidated Singapore businesses under one roof at 1 Kallang Junction
- Overseas consultancy business did well but Singapore continued to face challenges

# HEALTHCARE ACQUISITION

- Completion targeted on 25 April 2018
- Rowsley Ltd will be renamed Thomson Medical Group Limited after completion
- Existing real estate business organized under new branding – RSP Holdings
- Company will focus on healthcare going forward
- Prepare to spin-off real estate business from Thomson Medical Group

# NEW CORPORATE STRUCTURE



HOTEL FOOTBALL

ST.MICHAEL'S



CAFE FOOTBALL



STOCK EXCHANGE



THOMSON  
MEDICAL

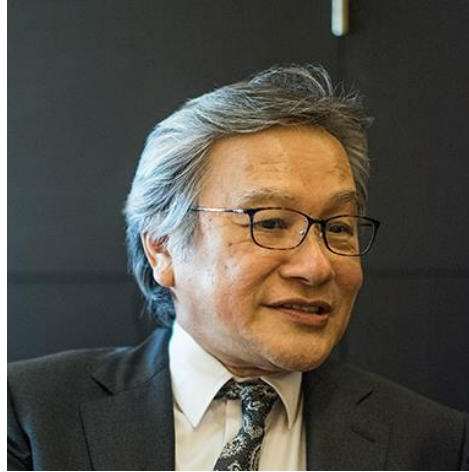




# LEADERSHIP



**Tan Wee Tuck**  
Chief Executive Officer



**Lai Huen Poh**  
Senior Managing Director, RSP



**Lee Kut Cheung**  
Senior Director, RSP



**Ng Eng Kiong**  
Senior Director, Squire Mech



**Beh Swee Chiew**  
Managing Director, RSP  
Civil & Structural Engineering



**Seah Chee Kien**  
Managing Director, RSP  
Architecture and Design



**Teo Yann**  
Managing Director, Squire Mech  
Mechanical & Electrical Engineering

## Singapore property market remained tough for majority of 2017 ...

## Private-sector building still facing rough times

Weak demand, rising competition weigh upon industry even as govt projects cushion slump

Tiffany Cheong

The construction sector has been stuck in the doldrums amid mounting competition and a lacklustre property market – and company bosses here do not expect the gloom to lift any time soon.

Major government projects, including new MRT lines and the expansion of Changi Airport, have helped bolster activity but private-sector building is likely to stay

sluggish in the second half-year.

The weak conditions will persist as contractors continue to grapple with restructuring and labour shortages, they told The Straits Times.

The value of construction contracts awarded is expected to grow this year compared with last year, according to the Building and Construction Authority (BCA).

The value of construction contracts to be awarded this year is expected to hit \$28 billion to \$35 billion, higher than the estimated

\$26.1 billion for last year.

The bulk of this – about 70 per cent – will come from the public sector, BCA said.

But construction firms say times are still tough. On top of a dwindling number of private-sector projects, construction firms are also grappling with stiffer regulatory controls, manpower shortages and rising business costs, said Singapore Contractors Association Limited (ScaL) president Kenneth Loo.

“With intense competition, more construction firms are bidding on projects at thinning margins, and some at below cost to sustain their businesses. In particular, struggling small and medium-sized enterprises

(SMEs) are strapped with cash-flow concerns and financing needs.”

Mr Loo, who is also a director at Straits Construction, said contractors involved in building works are experiencing a 20 per cent to 50 per cent decline in project volume from a year earlier.

“We do not expect the outlook to improve over the coming months. The government sector would continue to cushion the decline in the private sector but total demand will continue to be weak,” he added.

Still, some companies are keeping their heads above water.

Home-grown infrastructure and civil engineering firm OKP Holdings saw revenue rise 21 per cent in the

first three months of the year. The company has both private and public construction projects, including trains, airports, roads and flyovers.

“Last month, we clinched two new infrastructure projects amounting to \$20.5 million from Jurong Town Corporation. To date, we have a net construction order book of \$326.6 million, with contracts extending till 2019,” said group managing director Or Toh Wat.

Mr Loo noted that it is crucial for construction firms to identify cost-effective measures, adopt productive technologies, stay lean in managing their businesses and be flexible and responsive to changes in the business environment. He also pointed out that the influx of government projects could “favour SMEs more”.

The Government plans to boost the construction industry by bringing forward some \$700 million in public sector infrastructure projects this year and the next. Construction firms can bid for these projects, which include upgrading of community clubs and sports facilities.

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The Straits Times, 6 Jul 2017

## BCA forecasts pickup in construction sector

Public sector expected to drive demand, but some industry players remain cautious

Derek Wong

Public building projects are set to give the lacklustre construction sector a much-needed boost this year, even as industry players continue to voice concerns about the state of the market.

Preliminary estimates from the Building and Construction Authority (BCA) yesterday painted a mixed picture for the sector.

On the one hand, the authority is projecting the total value of contracts awarded this year at between \$26 billion and \$31 billion – a marked improvement from the \$24.5 billion awarded last year.

At the same time, however, the final 2017 total of \$24.5 billion indicated how dire the situation in the sector has been – falling \$3.5 billion short of forecasts. At the end of last year, the sector had shrunk for five consecutive quarters.

The BCA said that part of the reason for the missed forecast was the postponement of major infrastructure projects such as the North-South Corridor to this year. Such projects could thus provide the turnaround this year.

Public projects are set to be worth between \$16 billion and \$19 billion this year, more than last year's \$15.5 billion, and are expected to make up some 60 per cent of all contracts. Private sector demand is expected to reach between \$10 billion and \$12 billion, up from last year's \$9 billion.

The Government has already brought forward \$1.4 billion in public

projects, Mr Desmond Lee, Second Minister for National Development, said at the BCA-Redas Built Environment and Property Prospects Seminar yesterday.

He said at the event at the Grand Copthorne Waterfront hotel: “We

have also been encouraging government agencies to parcel out large infrastructure projects into smaller chunks where possible. This helps agencies diversify risk and creates more opportunities for our local firms.”

Led by the public sector, demand is expected to continue increasing in the next five years. A technological shift laid out in the

Construction Industry Transformation Map launched last October is also expected to help.

Industry players were cautiously optimistic about yesterday's forecasts, concerned that while the value of awarded contracts will go up this year, the value of the work that is actually done will remain at 2017 levels.

Said Mr Kenneth Loo, president of the Singapore Contractors' Association, which represents some 3,000 companies: “Based on the BCA forecast, the construction market would continue to be weak this year. It would take some time for the positive economic outlook to translate to job volume and construction contracts.”

“This year will still be challenging for firms as the construction volume might be status quo or slightly better. They have to take steps to weather the storm.”

Similarly, Ms Jenny Chen, an accountant for 3-link Engineering, which caters to private sector commercial and smaller-scale residential buildings, said her firm has secured more contracts for the com-

ing few years, but that this is still not enough, and its performance is at most “average”.

“We did not have many projects in the last two years and are still struggling. It has been tough,” she added.

GA Construction's general manager Joseph Liew, however, sounded a more hopeful note, saying: “It is a boost for the industry, especially in the current environment. The last two years have not been ideal, and with an injection (of contracts) on the Government's part, hopefully there will be a big enough pie for everyone.”

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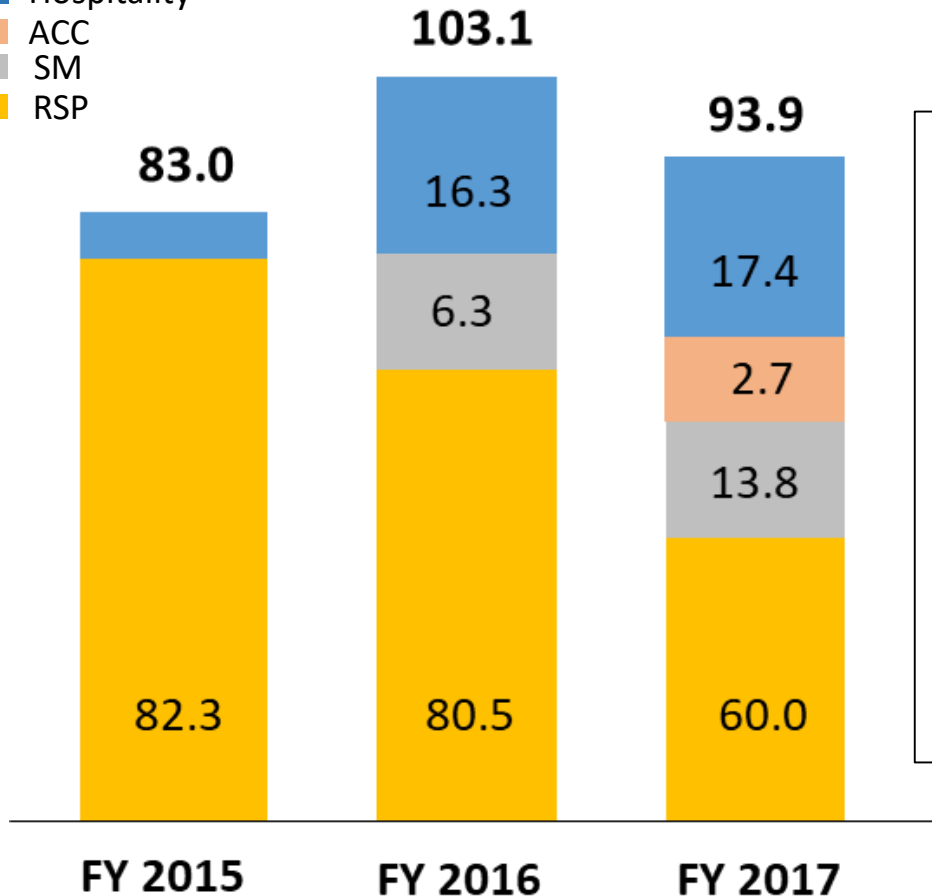
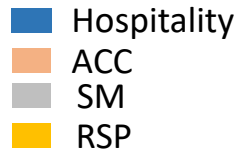
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... but the market saw an upturn in the last quarter of the year

# REVENUE BY BUSINESS

(\$ millions)



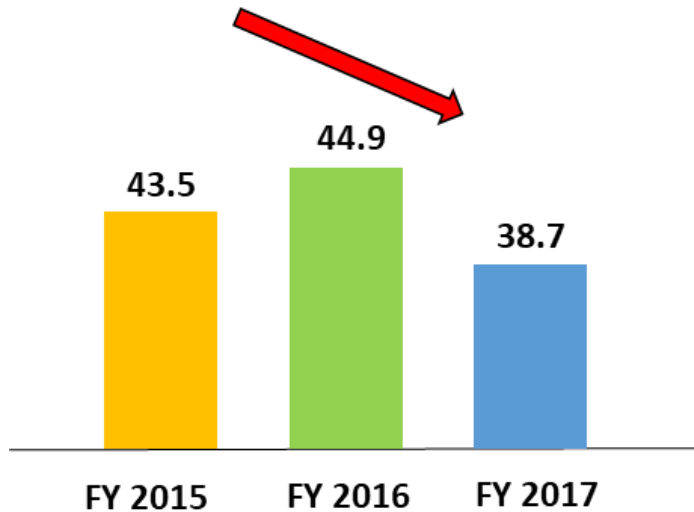
- Consultancy revenue down on decline in core Singapore market
- Acquisitions contributed new revenue
- Hospitality up on stronger Hotel Football performance



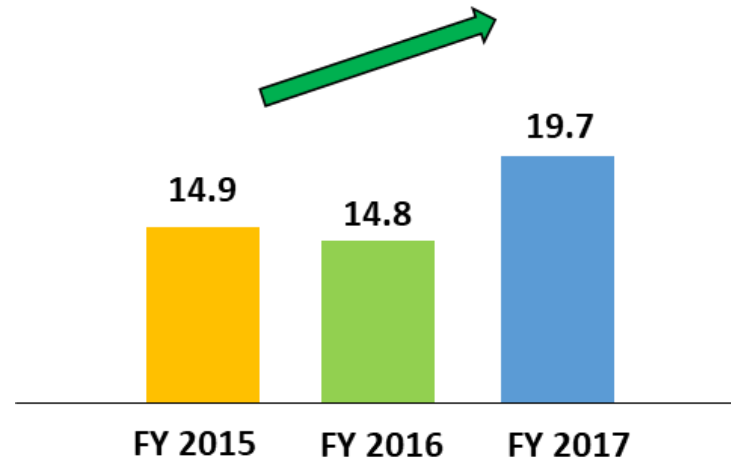
# REVENUE BY KEY MARKETS

(\$ millions)

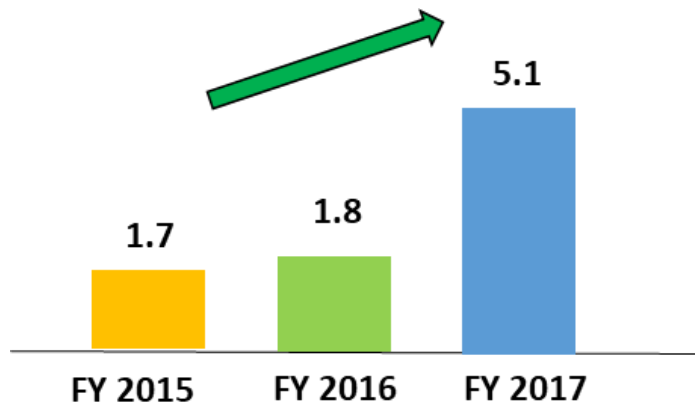
## Singapore



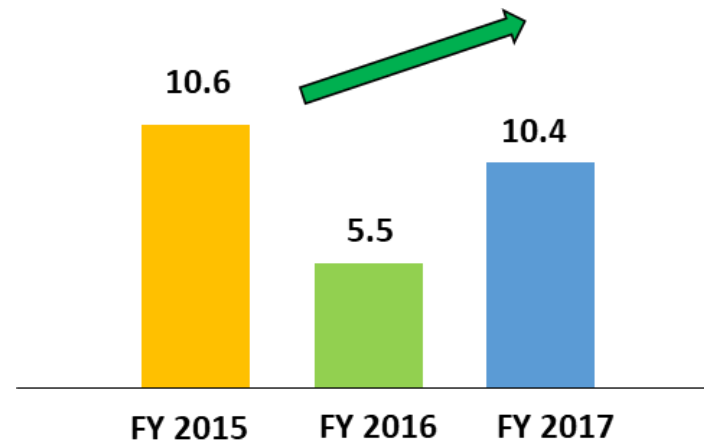
## Dubai



## Vietnam



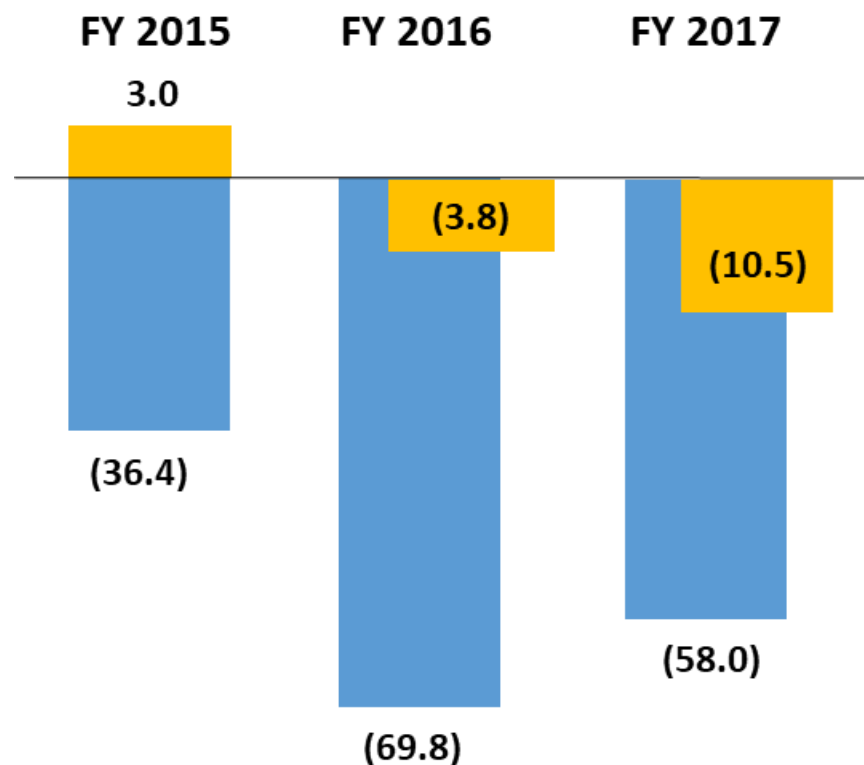
## China



# NET PROFIT/ (LOSS) AFTER TAX

(\$ millions)

■ Reported  
■ Adjusted\*



- Revenue decline YOY
- Goodwill loss for RSP, SM and GGC
- Fair value gain on SM acquisition
- Operating write-offs
- Healthcare acquisition expenses
- Continuing acquisition related amortisation

Footnote  
Adjusted Net Profit/(loss) after tax excludes the effects of acquisition related accounting adjustments as well as one-time costs.

# OPERATING EXPENSES

(\$ millions)

Operating Expenses	FY2016	FY2017	Variance
Existing businesses	103.6	93.6	(10.0)
New acquisitions	-	12.0	12.0
Healthcare acquisition costs	-	6.6	6.6
One-time items	6.7	9.3	2.6
<b>Total</b>	<b>110.3</b>	<b>121.5</b>	<b>11.2</b>

\*Operating expenses = Staff costs + Other operating expenses



# NEW PROJECTS WON

**More than 100 new projects won...**

**75% from overseas**

**1/3 in China**

**1/4 are hospitality projects**

**RSP > 50 new projects**



**SIT Campus**

**AC CONSORTIUM > 10 new projects**



**Cogent Jurong Island**

**SQUIRE MECH > 45 new projects**



**Sanya Pullman Hotel**



# PROJECTS COMPLETED

**Close to 90 projects completed...**

**2/3 in overseas**

**Delivered over 30 projects  
in Singapore**

**Almost half in residential or  
office projects**

**RSP > 65 completed projects**



**SQUIRE MECH > 10 completed projects**



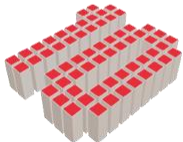
**AC CONSORTIUM > 5 completed projects**





# AWARDS & RECOGNITION

**BCI** ASIA  
AWARDS



TOPTEN  
ARCHITECTS

2008, 2009, 2007, 2008, 2011, 2012, 2013

**BCA** AWARDS  
2017

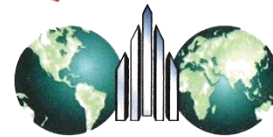


**BCA** BIM  
AWARDS



BCA GREEN MARK

Design & Engineering  
Safety Excellence  
**Award**



FIABCI-SINGAPORE



Landscape  
Excellence  
Assessment  
Framework

**ASEAN  
ENERGY AWARDS**



**ASIA PACIFIC  
PROPERTY  
AWARDS**

**More than 50 awards  
received...**

- Farrer Square
- The Hillier
- Oxley Tower
- Crowne Plaza  
Hotel Extension
- Woh Hup Building
- Frasers Tower
- T-Space





# OUR PROJECTS IN THE NEWS



The Rain Vortex, which will transform into a light-and-sound show, is one of the features at Jewel, which opens in early 2019. PHOTOS: JEWEL CHANGI AIRPORT DEVELOPMENT

## News analysis

### Jewel lets Changi test new boundaries to draw travellers

Changi, which handled a record 58.7 million passengers last year – 30 per cent of which was transit traffic – hopes that Jewel will attract more tourists and other visitors to Singapore, as well as convince travellers to stop here on their way to other destinations. With a growing number of long-haul travellers opting for

## Canopy Park attractions

A 250m-long bouncing net, which at its highest point will be suspended 10m, or three storeys, above ground. A second walking net that is 50m long and 25m high will let visitors peek through the voids.



Two mazes, covering an area of more than 500 sq m. The first will be Singapore's largest hedge-maze, with hedges standing at 1.8m high. The second, a mirror maze, will create illusions to challenge and confuse visitors.



Four integrated slides – two tube slides and two sliding surfaces – of varying heights will provide children and the young-at-heart with hours of fun going down the slides.

Source: The Straits Times, 8 Jun 2017



A team led by RSP Architects' Keith Goh will start work in September to reinstate the National Archives of Singapore building's original concrete scallop canopy and veranda, push back its street fencing and introduce public walkways at its front, as part of a collaboration with the Urban Redevelopment Authority. NAS is likely to reopen in November next year. PHOTOS: NATIONAL LIBRARY BOARD

## Archives building to undergo revamp



Source: The Straits Times, 25 Jul 2017



Stallholders of Market Street Food Centre, located in Golden Shoe Car Park, will be housed in the new building when it is completed. The Government will own the new food centre, which will likely have more stalls. ST PHOTO: ALPHONSE CHEN

## \$1.82b tower to replace Golden Shoe Car Park

51-storey building to have office and retail space, serviced residences, new food centre

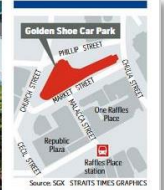
### Wong Siew Ying

A Capital and led joint venture (JV) is redeveloping the Golden Shoe Car Park in Raffles Place into a towering skyscraper for an estimated cost of \$1.82 billion.

Yesterday, it unveiled the highly anticipated project – a 51-storey mixed-use development – slated for

partners Capitaland, Capitaland Commercial Trust (CCT) and Mitsubishi Estate Co (MEC) yesterday. "With the combination of office (space), serviced residences as well as the food centre – these are all complementary uses. We believe that will provide an enhancement to the value of the integrated development," said Ms Lynette Leong, chief executive of the manager of CCT.

The new tower will house former stallholders of Market Street Food Centre in Golden Shoe Car Park on the second and third levels of the new building's podium. The Government will own the new centre, which will likely have more stalls. From Aug 1 until the tower is ready, stallholders will be at an interim centre next to Telok Ayer MRT station. Another feature is a shared four-storey-high "Green Oasis", where tenants can hold meetings or other activities amid lush greenery. "We will have flexible offices and co-working spaces. We will also



Source: SCX STRAITS TIMES GRAPHICS

Source: The Straits Times, 14 Jul 2017



## Bird Park to cover up show venue at new home to curb escapes



Source: The Straits Times, 11 Oct 2017

# LOOKING AHEAD

- Recovery in Singapore market
- Continue to focus on cost and efficiency
- Continue to execute multi-disciplinary strategy
- Spin off real estate business from Thomson Medical Group



# OUR NEW ADDRESS AT 1 KALLANG JUNCTION





**End of Presentation**  
**Thank You**