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FOR IMMEDIATE RELEASE

Tiong Seng reports S$7.3 million net profit for 9M2015 supported by mainstay construction business

- **Gross profit margin improved from 7.3% to 9.6% for construction business due to project mix**
- **Revenue slips 25.5% to S$362.4 million due to construction projects in different revenue recognition phases alongside lower revenue from property development**
- **Robust order book size of approximately S$1.4 billion offers steady pipeline of projects to fulfill as it extends till 2020**

S$'000	3Q2015	3Q2014	Change (%)	9M2015	9M2014	Change (%)
Revenue	165,279	161,523	2.3	362,392	486,657	(25.5)
Net profit attributable to shareholders	2,674	(7,918)	->100	7,340	(4,896)	->100
Earnings per share (cents)*	0.58	(1.72)	->100	1.60	(1.07)	->100

	As at 30 September 2015	As at 31 December 2014
Net asset value per share (cents)#	**57.92**	**54.67**
Cash & cash equivalents (S$'000)	**59,759**	**94,974**

**Based on weighted average shares of 459,620,368 (2014: 459,623,849), post share consolidation, excluding treasury shares and net of non-controlling interests*
#Based on 459,507,849 (2014: 459,623,849) shares, post share consolidation, excluding treasury shares and net of non-controlling interests

SINGAPORE –13 November 2015 – Mainboard-listed construction group and property developer, **Tiong Seng Holdings Limited (長成控股)** ("Tiong Seng", together with its subsidiaries, "the Group"), today reported a net profit attributable to shareholders of S$7.3 million for the nine months ended 30 September 2015 ("9M2015"), reversing a loss of S$4.9 million for the previous corresponding period arose from an one-off impairment undertaken for the Group's property development projects in China then.

Mr Pek Lian Guan (白連源), CEO of Tiong Seng Holdings Limited commented, "Our commitment and efforts to push for greater productivity and the heightened cost consciousness have begun to show results, translating to an improvement in the gross profit margin for our mainstay construction business. Underpinned by a strong order book measuring S$1.4 billion that extends till 2020, our focus lies in the seamless execution to derive efficiency in the construction process."

Financial Review

Major Business Segments	Revenue & profit/loss breakdown (S$'000)	3Q2015	3Q2014	Change (%)	9M2015	9M2014	Change (%)
Construction contracts	Revenue	155,189	131,544	18.0	341,357	450,205	(24.2)
	Profit/(loss)	10,244	9,326	9.8	18,972	19,031	(0.3)
Sale of development properties	Revenue	8,013	27,319	(70.7)	13,984	30,236	(53.8)
	Profit/(loss)	(1,851)	(20,348)	(90.9)	(4,702)	(24,244)	(80.6)
Sale of goods	Revenue	1,622	2,351	(31.0)	5,500	5,303	3.7
	Profit/(loss)	(329)	(391)	(15.9)	(680)	(1,352)	(49.7)

The Group reported a 25.5% year-on-year ("yoy") decline in revenue to S$362.4 million for 9M2015. The core **Construction Contracts** segment, comprising 94.2% of 9M2015 revenue, decreased 24.2% yoy to S$341.4 million due to the different stages of revenue recognition for the various contracts. In accordance to the Group's revenue recognition policy, work done amounting to approximately S$14.6 million from newly commenced projects have yet to be recognised as revenue as at 30 September 2015.

Similarly, revenue from the **development properties segment** decreased 53.8% yoy to S$14.0 million for 9M2015. Revenue for the quarter was mainly contributed from the sale recognition of 19 units (3,707 sqm) of phase II from Sunny International Project, 18 units (4,101 sqm) from Equinox Project and 1 unit (141 sqm) from Tiamen Jinwan Project. As at 30 September 2015, approximately S$129.0 million of gross development value were sold but yet to be recognized in accordance to the Group's revenue recognition policy. These projects include: 362 units (35,438 sqm) of Sunny International, 54 units (13,555 sqm) of Equinox and 186 units (21,099 sqm) of Tranquility Residences.

For the nine months ended 30 September 2015, the Group maintains a resilient balance sheet with cash and cash equivalents of S$59.8 million. During this period, earnings per share was 1.60 Singapore cents based on the weighted average of 459,620,368 shares and net of non-controlling interests, post share consolidation[1] and excluding treasury shares. Comparatively, the Group's net asset value per share was 57.92 Singapore cents calculated net of non-controlling interests, post share consolidation[1] and excluding treasury shares of 459,507,849 shares.

[1] The share consolidation of every two ordinary shares in the capital of the company into one ordinary share in the capital of the company was effective on 31 August 2015.

Outlook

Construction

Based on advance estimates[2] from the Ministry of Trade and Industry ("MTI") on 14 October 2015, the Singapore economy grew 1.4% yoy in 3Q2015, a decrease from 2.0% growth in the previous quarter. In particular, the construction sector expanded by 1.6% yoy in 3Q2015, however this marked a marginal decline from the 2.0% growth achieved in the previous quarter due to weaker activity in the private sector. The sector contracted 0.8% qoq, reversing a 12.4% expansion in the preceding quarter.

In accordance to the statistics provided by MTI, it continues to illustrate a challenging landscape for the construction sector. This is dictated largely by the intense competition faced alongside the prevailing manpower crunch. In overcoming these difficulties, the Group continues streamlining its operations and improving productivity to keep costs low.

Property Development in the PRC

On 2 November 2015, Moody's Investor Service predicted that the outlook for China's property sector will remain stable going forward in 2016[3]. Growth in the value of property sales in 2016 is however expected to decline between 0 – 5% yoy as compared to an excess of 10% yoy in 2015. The growth in 2015 was driven by accommodative monetary and regulatory policies that have been implemented since the second half of 2014. According to the National Bureau of Statistics, 40 of the 70 major cities in China reported an increase in price in September 2015, up from 35 in August 2015.

Mr Pek added, "While we continue to witness high levels of inventory in the market, the loosening of regulatory measures have contributed to an improvement in property sales and a price recovery, albeit a slow process. We however remain challenged by stiff price competition due to attempts by property developers to slash prices in order to boost sales.

In the mid to long term, we are encouraged by favorable factors such as China's new two-child policy and the possibility of further policy easing which may potentially boost property demand. We identify an improvement in sentiment within the overall real estate climate in China as compared to a year ago

[2]Ministry of Trade and Industry, "Singapore's GDP Growth Moderated in the Third Quarter of 2015", 14 October 2015

[3]"China property outlook for 2016 stable, but growth in nationwide property sales will slow", Moody's Investors Services, 2 November 2015

where we undertook an impairment for our projects. Notwithstanding the market conditions, we remain committed to our sales and marketing efforts in order to drive revenue for the segment."

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About Tiong Seng Holdings

Tiong Seng is principally engaged in building construction and civil engineering in Singapore, and property development in the PRC.

With an established track record of over 55 years, Tiong Seng is one of the leading building construction and civil engineering contractors in Singapore. It holds the highest grading of A1 from the Building Construction Authority of Singapore (BCA) for both general building and civil engineering, which qualifies the Group to undertake public sector construction projects with unlimited contract value.

Tiong Seng's property development business focuses on developing residential and commercial projects in various second- and third-tier cities in the PRC. The Group has successfully developed properties in Tianjin, Suzhou and Yangzhou and it currently has four on-going projects in the Bohai Economic Rim, which is one of the main economic zones in the PRC.

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