



TIONG SENG HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Co. Reg. No: 200807295Z)

UNAUDITED HALF-YEAR 2011 FINANCIAL STATEMENT ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2011

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) Consolidated statement of comprehensive income, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	3 Months Ended 30 June 2011	3 Months Ended 30 June 2010	Change	6 Months Ended 30 June 2011	6 Months Ended 30 June 2010	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue						
Revenue from construction contracts	80,578	64,034	26	136,528	112,903	21
Revenue from sales of development properties	1,095	5,929	-82	4,656	11,078	-58
Revenue from sales of goods	2,018	-	100	3,729	-	100
Rental income	232	271	-14	547	448	22
	<u>83,923</u>	<u>70,234</u>	19	<u>145,460</u>	<u>124,429</u>	17
Other income	1,868	481	>100	4,297	2,866	50
Costs of construction	(67,417)	(55,605)	21	(115,949)	(99,799)	16
Costs of sales of development properties	(468)	(4,011)	-88	(2,074)	(6,819)	-70
Cost of goods sold	(1,327)	-	100	(2,196)	-	100
Depreciation and amortisation	(692)	(738)	-6	(1,467)	(1,483)	-1
Selling expenses	(892)	(415)	>100	(1,834)	(880)	>100
Staff costs	(4,560)	(2,375)	92	(9,303)	(4,966)	87
Other expenses	(4,762)	(2,590)	84	(8,153)	(5,254)	54
	<u>(80,118)</u>	<u>(65,734)</u>	22	<u>(140,976)</u>	<u>(119,201)</u>	18
Profit from operating activities	<u>5,673</u>	<u>4,981</u>	14	<u>8,781</u>	<u>8,094</u>	8
Finance income	394	267	48	635	659	-4
Finance expenses	(568)	(442)	29	(1,056)	(1,637)	-35
Net finance expense	<u>(174)</u>	<u>(175)</u>	-1	<u>(421)</u>	<u>(978)</u>	-57
Share of loss of associates, net of tax	(1)	(52)	-98	(1)	(52)	-98
Share of profit of joint ventures, net of tax	4,430	2,902	53	5,039	5,850	-14
Profit before income tax	<u>9,928</u>	<u>7,656</u>	30	<u>13,398</u>	<u>12,914</u>	4
Income tax	(993)	(666)	49	(1,476)	(2,142)	-31
Profit for the period	<u>8,935</u>	<u>6,990</u>	28	<u>11,922</u>	<u>10,772</u>	11

	3 Months Ended 30 June 2011	3 Months Ended 30 June 2010	Change	6 Months Ended 30 June 2011	6 Months Ended 30 June 2010	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Other comprehensive (expense) / income						
Translation differences relating to financial statements of foreign subsidiaries	(446)	360	->100	(1,029)	(95)	>100
Exchange differences on monetary items forming part of net investment in a foreign operation	89	9	>100	131	8	>100
Net change in the fair value of available-for-sale investments	(32)	(34)	-6	(32)	15	->100
Income tax on other comprehensive income	(10)	4	->100	(17)	(4)	>100
Other comprehensive (expense) / income for the period	(399)	339	->100	(947)	(76)	>100
Total comprehensive income for the period	8,536	7,329	16	10,975	10,696	3
Profit attributable to:						
Equity holders of the Company	9,220	6,687	38	11,359	9,759	16
Non-controlling interests	(285)	303	->100	563	1,013	-44
Profit for the period	8,935	6,990	28	11,922	10,772	11
Total comprehensive income attributable to:						
Equity holders of the Company	9,106	6,864	33	12,174	9,800	24
Non-controlling interests	(570)	465	->100	(1,199)	896	->100
Total comprehensive income for the period	8,536	7,329	16	10,975	10,696	3
Earning per share						
- Basic and diluted (cents) ¹	1.20	0.87	38	1.48	1.27	17

¹ Based on 766,039,750 shares, net of non-controlling interests as at 30 June 2011 and 30 June 2010.

1(a)(ii) Notes to the consolidated statement of comprehensive income

The following items have been charged or (credited) in arriving at profit for the period:

	3 Months Ended 30 June 2011	3 Months Ended 30 June 2010	Change	6 Months Ended 30 June 2011	6 Months Ended 30 June 2010	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Business tax incentive	-	-	NM	(1,576)	(1,576)	NM
Gain on sale of investment properties	(845)	-	100	(845)	-	100
Fees from management of properties	(97)	(62)	56	(174)	(79)	>100
Provision of demolition services and miscellaneous works	(94)	-	100	(100)	(101)	-1
Operating lease expenses	184	140	31	395	301	31
Travelling and transport	356	205	74	727	400	82
Repair and maintenance expenses	902	320	>100	1,272	712	79
Professional fees	194	124	56	369	370	NM
Legal fees	134	93	44	289	153	89

NM: Not meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30.06.2011	31.12.2010	30.06.2011	31.12.2010
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	44,550	30,394	-	-
Intangible assets	3,442	3,098	-	-
Investment properties	19,729	21,006	-	-
Investment in subsidiaries	-	-	59,624	59,624
Associates and joint ventures	19,020	10,589	-	-
Trade and other receivables	15,299	10,404	-	-
Other investments	6,611	6,642	-	-
Deferred tax assets	3,186	1,716	-	-
	111,837	83,849	59,624	59,624
Current assets				
Inventories	956	933	-	-
Construction work-in-progress	49,674	37,817	-	-
Development properties	232,822	206,106	-	-
Trade and other receivables	117,178	107,134	46	20
Amount due from related parties	26,663	27,279	43,386	16,976
Cash and cash equivalents	49,851	86,547	6,753	44,565
	477,144	465,816	50,185	61,561
Total assets	588,981	549,665	109,809	121,185
Equity attributable to equity holders of the Company				
Share capital	154,552	154,552	154,552	154,552
Reserves	(78,845)	(79,660)	(45,850)	(45,850)
Accumulated profits/(losses)	102,093	98,394	(847)	7,769
	177,800	173,286	107,855	116,471
Non-controlling interests	46,111	48,766	-	-
Total equity	223,911	222,052	107,855	116,471
Non-current liabilities				
Trade and other payables	6,644	6,375	-	-
Loans and borrowings	70,972	43,950	-	-
Deferred tax liabilities	1,345	212	-	-
	78,961	50,537	-	-
Current liabilities				
Progress billings in excess of construction work-in-progress	19,014	24,571	-	-
Trade and other payables	199,915	199,408	1,954	1,692
Amount due to related parties	11,969	17,472	-	3,022
Loans and borrowings	39,226	13,124	-	-
Current tax payable	15,985	22,501	-	-
	286,109	277,076	1,954	4,714
Total liabilities	365,070	327,613	1,954	4,714
Total equity and liabilities	588,981	549,665	109,809	121,185

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

As at 30.06.2011		As at 31.12.2010	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
38,075	1,151	13,124	-

Amount repayable after one year

As at 30.06.2011		As at 31.12.2010	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
70,972	-	43,950	-

Details of any collateral**1. Secured loan from a financial institution**

Pursuant to a loan agreement dated 28 June 2010 and the shareholding entrusted agreements (the "Agreements"), the shareholders of our subsidiary, Tianjin Zizhulin Guangang Property Development Co., Ltd. ("Guanguan")(formerly known as Tianjin Zizhulin Nanxi Co., Ltd.), pledged their equity interests as well as the shareholders' loan of RMB62 million to Northern International Trust & Investment Co., Ltd. as a form of security for loans up to RMB 300 million to Guangang for a tenure of 30 months. Details of the loan are as per our announcement dated 29 June 2010. Notwithstanding this, Guangang remains a subsidiary of the Group.

2. The secured bank loans, secured loan from a financial institution and secured bank overdrafts are secured on the following assets:

	Jun 2011	Dec 2010
	\$'000	\$'000
Carrying amounts of assets:		
Leasehold land	5,164	5,216
Leasehold properties	9,076	9,231
Investment properties	939	906
Development properties	18,855	19,281
Plant and machinery	4,324	904
Deposits pledged	15,997	1,200
Total	54,355	36,738

The secured bank loans and bank overdrafts are also secured by assignment of rights, interests and benefits in connection with construction contracts and corporate guarantee of the Company.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial period.

	3 Months Ended 30 June 2011 S\$'000	3 Months Ended 30 June 2010 S\$'000	6 Months Ended 30 June 2011 S\$'000	6 Months Ended 30 June 2010 S\$'000
Operating activities				
Profit from operating activities	5,673	4,981	8,781	8,094
Adjustments for:				
Depreciation and amortization	1,257	2,134	2,678	4,662
Gain on disposal of:				
- property, plant and equipment	-	(405)	-	(409)
- investment properties	(845)	-	(845)	-
- other investment and associate	-	(1)	19	(1)
- scrap material	(11)	-	(45)	-
Allowance for doubtful trade receivables	309	-	389	-
Operating profit before working capital changes	6,383	6,709	10,977	12,346
Changes in working capital:				
Inventories	(19)	-	53	-
Construction work-in-progress	(338)	9,132	(17,401)	14,743
Development properties	(21,342)	(23,861)	(27,310)	(21,757)
Trade and other receivables	(25,583)	(22,002)	(14,483)	(31,487)
Balances with related parties (trade)	3,390	211	2,784	3,805
Trade and other payables	3,498	19,468	1,560	18,025
Cash (used in)/ generated from operations	(34,011)	(10,343)	(43,820)	(4,325)
Income taxes paid	(2,816)	(2,363)	(8,005)	(3,809)
Net cash from operating activities	(36,827)	(12,706)	(51,827)	(8,134)
Cash flow from investing activities				
Balances with related parties (non-trade)	(1,876)	(2,547)	(2,375)	(3,958)
Interest received	70	31	195	50
Dividends received	-	15,653	-	15,653
Net cash outflow from investment in associates/other investment	(3,414)	(1,881)	(3,414)	(2,885)
Proceeds from finance lease	-	14	-	14
Proceeds from disposal of:				
- property, plant and equipment	2	442	5	442
- investment properties	1,543	-	1,543	-
- other investments	-	411	-	411
Purchase of :				
- property, plant and equipment	(6,599)	(3,150)	(15,880)	(4,785)
- intangible assets	(280)	-	(364)	-
Net cash from investing activities	(10,554)	8,973	(20,290)	4,942

	3 Months Ended 30 June 2011 S\$'000	3 Months Ended 30 June 2010 S\$'000	6 Months Ended 30 June 2011 S\$'000	6 Months Ended 30 June 2010 S\$'000
Cash flow from financing activities				
Balances with related parties (non-trade)	(5,137)	(765)	(5,223)	(252)
Capital contribution by minority shareholders	-	3,958	-	6,840
Dividends paid to equity holders	(7,660)	-	(7,660)	(6,000)
(Increase) / decrease in deposits pledged	(14,725)	(26)	(14,725)	101
Interest paid	(1,521)	(387)	(4,094)	(960)
Repayment of quasi loan to non-controlling interests	-	-	(1,456)	-
Payments of finance lease liabilities	(43)	(138)	(84)	(354)
Net proceeds from initial public offerings	-	54,604	-	54,604
Proceeds from loans and borrowings	50,347	25,468	62,563	40,928
Repayment of loans and borrowings	(7,337)	(15,917)	(8,118)	(31,687)
Net cash from financing activities	13,924	66,797	21,203	63,220
Net (decrease)/increase in cash and cash equivalents	(33,457)	63,064	(50,914)	60,028
Cash and cash equivalents at beginning of the period	-	26,841	84,370	29,921
Effect of exchange rate changes on balance held in foreign currencies	(1,232)	260	(314)	216
Cash and cash equivalents at end of the period	(34,689)	90,165	33,142	90,165

As at 12 August 2011, in aggregate, approximately S\$50.3 million of IPO proceeds has been drawn down, with approximately S\$19.8 million used for construction of pre-casting facilities, S\$9.0 million on repayment of outstanding sums owing to affiliated corporation, S\$14.7 million on expansion of property development business in PRC, S\$5.8 million paid for various IPO related expenses (including professional fees, management, underwriting and placement commission) and S\$1 million for working capital purposes.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share capital	Merger reserve ⁽¹⁾	Capital reserve	Statutory reserve	Fair value reserve	Foreign currency translation reserve	Accumulated profits	Total	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2011	154,552	(77,720)	(179)	3,442	67	(5,270)	98,394	173,286	48,766	222,052
Total comprehensive income for the period										
Profit or loss	-	-	-	-	-	-	11,359	11,359	563	11,922
Other comprehensive income										
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	733	-	733	(1,762)	(1,029)
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	-	-	131	-	131	-	131
Net change in the fair value of available-for-sale investments	-	-	-	-	(32)	-	-	(32)	-	(32)
Income tax on other comprehensive income	-	-	-	-	5	(22)	-	(17)	-	(17)
Total other comprehensive income / (expense)	-	-	-	-	(27)	842	-	815	(1,762)	(947)
<i>Total comprehensive income and expenses for the period</i>	-	-	-	-	(27)	842	11,359	12,174	(1,199)	10,975
Contributions by and distributions to owners										
Dividends to equity holders	-	-	-	-	-	-	(7,660)	(7,660)	-	(7,660)
Repayment of quasi loan from non-controlling interests	-	-	-	-	-	-	-	-	(1,456)	(1,456)
Total contributions by and distributions to owners	-	-	-	-	-	-	(7,660)	(7,660)	(1,456)	(9,116)
<i>Total transaction with owners</i>	-	-	-	-	-	-	(7,660)	(7,660)	(1,456)	(9,116)
At 30 June 2011	154,552	(77,720)	(179)	3,442	40	(4,428)	102,093	177,800	46,111	223,911

Group	Share capital	Merger reserve ⁽¹⁾	Capital reserve	Statutory reserve	Fair value reserve	Foreign currency translation reserve	Accumulated profits	Total	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2010	20,000	-	(189)	976	61	(2,366)	79,099	97,581	46,683	144,264
Total comprehensive income for the period										
Profit or loss	-	-	-	-	-	-	9,759	9,759	1,013	10,772
Other comprehensive income										
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	22	-	22	(117)	(95)
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	-	-	8	-	8	-	8
Net change in the fair value of available-for-sale investments	-	-	-	-	15	-	-	15	-	15
Income tax on other comprehensive income	-	-	-	-	(3)	(1)	-	(4)	-	(4)
Total other comprehensive income / (expense)	-	-	-	-	12	29	-	41	(117)	(76)
<i>Total comprehensive income and expenses for the period</i>	-	-	-	-	12	29	9,759	9,800	896	10,696
Transaction with owners, recorded directly in equity										
Changes in ownership interests in subsidiaries										
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	(2,116)	(2,116)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	(2,116)	(2,116)
Contributions by and distributions to owners										
Issue of ordinary shares	134,440	(77,720)	-	-	-	-	-	56,720	-	56,720
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	6,840	6,840
Total contributions by and distributions to owners	134,440	(77,720)	-	-	-	-	-	56,720	6,840	63,560
<i>Total transaction with owners</i>	134,440	(77,720)	-	-	-	-	-	56,720	4,724	61,444
At 30 June 2010	154,440	(77,720)	(189)	976	73	(2,337)	88,858	164,101	52,303	216,404

¹ On 18 March 2010, the Group undertook a restructuring exercise, accounted for as a combination of business under common control, in a manner similar to the "pooling of interest" method. Such a manner of presentation reflects the economic substance of the combined companies, which were under common control throughout the relevant period, as a single economic enterprise, although the legal parent-subsidiary relationships were not established until 18 March 2010.

The difference between the par value of shares issued by the Company and the nominal value of shares acquired from the acquisition of subsidiaries, as a result of the restructuring exercise, was accounted for under the merger reserve.

Company	Share capital S\$'000	Merger Reserve S\$'000	Accumulated profits S\$'000	Total equity S\$'000
At 1 January 2011	154,552	(45,850)	7,769	116,471
Profit or loss / Total comprehensive income for the period	-	-	(956)	(956)
Dividend paid	-	-	(7,660)	(7,660)
At 30 June 2011	154,552	(45,850)	(847)	107,855
At 1 January 2010	-*	-	(253)	(253)
Issuance of new shares	99,836	-	-	99,836
Allotment and issue of shares to investors during IPO	54,604	-	-	54,604
Profit or loss / Total comprehensive income for the period	-	-	(3,898)	(3,898)
At 31 June 2010	154,440	-	(4,151)	150,289

*: Less than S\$1,000

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no changes in the Company's share capital for the six months ended 30 June 2011.

The Company did not have any outstanding convertibles and treasury shares as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The Company has a total of 766,039,750 shares as at 30 June 2011 and 31 December 2010.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There are no treasury shares as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures has not been audited or reviewed by the Company's independent auditors

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not Applicable

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has adopted the same accounting policies and method of computation in the financial statements for the current period compared with the Group's most recently audited financial statements for the year ended 31 December 2010, except for the adoption of the applicable new/revised IFRSs and interpretations which came into effect on 1 January 2011.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not Applicable.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	3 Months Ended 30 June 2011	3 Months Ended 30 June 2010	6 Months Ended 30 June 2011	6 Months Ended 30 June 2010
	(cents)	(cents)	(cents)	(cents)
Earnings per ordinary share of the group, after deducting any provision for preference dividends (in cents):				
(a) Based on weighted average number of ordinary shares on issue; and	1.20	0.87	1.48	1.27
(b) On a fully diluted basis	1.20	0.87	1.48	1.27

The earning per ordinary share has been calculated net of non-controlling interests of 766,039,750 shares.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	(cents)	(cents)	(cents)	(cents)
Net asset value per ordinary share based on issued share capital at the end of:	23.21	22.62	14.08	15.20

The net asset value per ordinary share has been calculated net of non-controlling interests of 766,039,750 shares.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of Group Performance for 1H2011 vs 1H2010 and 2Q2011 vs 2Q2010

Revenue

Revenue increased by approximately S\$21.0 million or 17% from approximately S\$124.4 million in 1H2010 to approximately S\$145.4 million in 1H2011, attributable mainly to an increase in revenue from construction contracts and revenue from sales of goods of approximately S\$23.6 million and S\$3.7 million respectively, offset with a decrease in revenue from sale of development properties of approximately S\$6.4 million.

Revenue from construction contracts

Increase in revenue from construction contracts was mainly due to increase in work done for new/on-going projects, being The Wharf Residences, Volari, Hotel at Upper Pickering Street, Hundred Trees, Tree House and NUS Staff Housing at Kent Vale projects, which resulted in an aggregated increase in revenue by S\$117.4 million. The increase was offset by decrease in work done for completed/almost completed projects in Papua New Guinea ("PNG"), and in Singapore, being Tribeca, Sky @ Eleven, Wilkie Studio, Hilltops and Shelford Suites, as well as decrease in revenue from our subsidiaries' projects, totaling S\$90.7 million.

In accordance with our revenue recognition policy, work done amounting to approximately S\$1.7 million from newly commenced project in PNG has yet to be recognised as revenue in 1H2011.

Revenue from sales of development properties

Revenue from sale of development properties in 1H2011 and 1H2010 was contributed mainly from sale of 4 units totaling 1,165 sqm and 15 units totaling 2,178 sqm of Tianmen Jinwan Building in Tianjin respectively. As at 30 June 2011, remaining 12 units totaling 1,983 sqm are fully sold but not recognised as those units have yet to meet all the criteria as per our revenue recognition policy.

Revenue from sales of goods

Revenue from sales of goods increased by approximately S\$3.7 million in 1H2011, contributed by the newly acquired Cobiex business in 3Q2010.

Cost of construction

Increase in cost of construction was generally in line with the increase in revenue from construction contracts.

Cost of sales of development properties

Decrease in cost of sales of development properties was due mainly to decrease in revenue from sale of development properties.

Cost of goods sold

Increase in cost of goods sold was generally in line with the increase in revenue from sales of goods.

Selling expenses

Increase in selling expenses of approximately S\$1.0 million in 1H2011 due mainly to the increase in selling expenses incurred for its Equinox project in the PRC for its various marketing activities.

Staff costs

Increase in staff costs of approximately S\$4.3 million in 1H2011 was due mainly to S\$2.2 million contributed from the newly acquired Cobiax business and the new project management consulting subsidiary, Chang Sheng (Tianjin) Project Management Consulting Co., Ltd, which became operational only in 2H2010. The remaining increase was mainly due to additional staff headcount recruited to support expansion of existing construction and property development businesses and new construction projects secured.

Other Expenses

Other expenses increased by approximately S\$2.9 million in 1H2011 as compared to 1H2010 mainly due to contribution from the newly acquired Cobiax business since 3Q2010 as well as additional operating costs in relation to the increase in the activities of the Group.

Finance expenses

Finance expenses decreased by approximately S\$0.6 million in 1H2011 due mainly to reduction of non property development related interest expenses during the period.

Share of profit of joint ventures, net of tax

Share of profit of joint ventures decreased by approximately S\$0.8 million in 1H2011 due mainly to the completion of certain of our joint venture projects in 2010, which resulted in a lower share of profits in 1H2011.

Income tax expense

Decrease in income tax expense in 1H2011 due generally to additional deferred tax assets being recognised.

Profit for the period

Profit in 1H2011 increased by approximately S\$1.2 million due mainly to increase in profits from operating activities.

Review of Financial Position

Non-Current Assets

As at 30 June 2011, non-current assets totaled S\$111.8 million or approximately 19.0% of total assets, effect of an increase of approximately S\$28.0 million.

Increase in property, plant and equipment ("PPE") of S\$14.2 million was due mainly to additions amounting to S\$15.9 million which was offset by depreciation charges of approximately S\$2.0 million.

Increase in associates and joint ventures by approximately S\$8.4 million was mainly due to additional share of profits of joint ventures for current period and investment in an associate, Feature (Balmoral) Pte. Ltd.

Increase in non-current trade and other receivables by approximately S\$4.9 million was mainly due to additional retention sums from on-going projects, e.g. The Wharf Residences, Volari, Hotel at Upper Pickering Street, NUS Staff Housing at Kent Vale, Hundred Trees and Tree House projects in Singapore.

Current Assets

As at 30 June 2011, current assets stood at S\$477.1 million or approximately 81.0% of total assets. Current assets increased by approximately S\$11.3 million.

The increase in construction work-in-progress (net of excess of progress billings over construction work-in-progress) of about S\$17.4 million due mainly to increase in work-in-progress from on-going and new projects as at 30 June 2011.

The increase in development properties by S\$26.7 million was mainly due to increase in development costs for ongoing PRC development projects, Sunny International and Equinox projects by approximately S\$29.7 million. The increase was partially offset by decrease in property development costs of Tianmen Jinwan Building project of S\$2.5 million upon the sales of units in 1H2011.

Trade and other receivables increased by approximately S\$10.0 million due mainly to increase in deposit and prepayments of approximately S\$16.6 million, offset by decrease in retention sum receivables of construction contracts of approximately S\$5.0 million.

There was a decrease in cash and cash equivalents of approximately S\$36.7 million, mainly due to net cash outflow from operating activities of approximately S\$51.8 million.

Non-Current Liabilities

As at 30 June 2011, non-current liabilities totaled S\$79.0 million or approximately 21.6% of total liabilities, an increase of approximately S\$28.4 million compared to 31 December 2010.

Non-current loans and borrowings increased by S\$27.0 million due mainly to new loans of S\$27.8 million obtained from banks and financial institutions to finance property development projects in PRC. The increase was offset by repayment of loans of approximately \$0.8 million.

Current Liabilities

As at 30 June 2011, current liabilities stood at S\$286.1 million or approximately 78.4% of total liabilities, an increase of S\$9.0 million.

The increase was due mainly to increase of approximately S\$26.1 million in loans and borrowings, offset by aggregate decrease in progress billings in excess of construction work in progress, amount due to related parties and current tax payables of approximately S\$17.6 million.

Increase in loans and borrowing was due mainly to new loans drawdown of approximately S\$34.8 million to mainly finance property development projects in PRC. The increase was offset by repayments of approximately S\$7.3 million made during the period.

Decrease in amount due to related parties of approximately S\$5.5 million was due mainly to repayment of loan from minority shareholders and an affiliated corporation of S\$2.5 million and S\$2.6 million respectively.

Review of Statement of Cash Flows

Net cash from operating activities

For the 6 months ended 30 June 2011, the Group recorded a net cash outflow from operating activities of approximately S\$51.8 million, increased by S\$43.7 million as compared to the previous corresponding period ended 30 June 2010. The net cash outflow from operating activities comprised operating profit before working capital changes of S\$11.0 million and net working capital outflow of S\$54.8 million and income taxes paid of S\$8.0 million.

The changes in working capital from operating activities arose mainly from:

- (a) Net increase in construction work-in-progress by S\$17.4 million due mainly to new projects' work-in-progress costs, which have yet to be certified by external quality surveyors.
- (b) Increase in development properties by S\$27.3 million, due mainly to additional PRC property development costs for Sunny International and Equinox projects.
- (c) Net increase in trade and other receivables by S\$14.5 million, due mainly to more work done in 1H2011 as compared to 1H2010.
- (d) Net decrease in trade and other payables by S\$1.6 million.

Net cash from investing activities

For the 6 months ended 30 June 2011, the Group recorded a net cash outflow from investing activities of S\$20.3 million, increased by S\$25.2 million as compared to the previous corresponding period ended 30 June 2010.

The increase in net cash outflow from investing activities was due mainly to purchase of property, plant and equipment and net cash outflow from balances with related parties and investment in associate totalling S\$21.7 million, offset against proceeds from disposal of investment properties of S\$1.5 million.

Net cash from financing activities

For the 6 months ended 30 June 2011, the Group recorded a net cash inflow from financing activities of S\$21.2 million, decreased by S\$42.0 million as compared to the previous corresponding period ended 30 June 2010. This was mainly due to additional loans and borrowings proceeds obtained in current period with a net receipt of S\$54.4 million in current period offset by payment of dividends of S\$7.7 million to equity shareholders, interest paid of S\$4.1 and net cash outflow from balances with related parties of S\$5.2 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Construction

Singapore's construction sector outlook continues to be promising, and BCA has projected that construction demand will sustain between \$22 billion and \$28 billion in 2011, and between \$19 billion to \$26 billion per year in 2012 and 2013. In keeping with this positive

outlook, the Group managed to maintain a strong order book, which stands at approximately \$1.1 billion as at 30 June 2011.

Moving forward, construction costs are expected to face further upward pressure due to increased infrastructural works, healthy demand from the private sector, and continued strong building demand from HDB. Coupled with the reduction in the number of foreign workers, higher material costs and foreign workers' levies, as well as strong market competition from large foreign contractors, the operating landscape is expected to pose greater challenges.

As such, the Group will continue its push towards improving productivity and efficiency by focusing on pre-cast construction, automation, training to improve productivity, and at the same time, utilise the government's new initiative for higher tax allowances for productivity investments wherever possible.

With investments in technologies such as pre-casting and advanced formwork systems to reduce its reliance on labour and increase cost efficiencies, the Group believes it is ready to meet the aforesaid challenges.

The Group is also looking forward to the completion of its Prefabrication Hub in 4Q2011 which will generate automated pre-cast building components for better productivity. The Group's green construction technology, CobiAx, is also expected to boost efficiency and productivity by cutting the volume of concrete used in reinforcement concrete slabs by as much as 30%.

Property Development in the PRC

Despite the PRC government's series of measures to cool and regulate the property market, both property prices and inflationary pressures continued to rise in recent months.

In the short term, tighter credit controls and further government curbs in the smaller PRC cities can be expected, but the Group is of the view that urbanization will continue to drive demand for quality housing in China in the long run.

Currently, China's current urbanization rate still lags behind the 85%² achieved in developed countries, and has, therefore, more room to grow. It has been estimated that urbanization rate is expected to increase by 1 percentage point every year for the next 20 years, rising from 47% in 2011 to 57% in 2020, and to approximately 70 percent by the end of 2030³.

As at 30 June 2011, in relation to Sunny International project, the Group has substantially completed the construction and sales of Phase 1, out of 4 Phases, of the project. Handover of Phase 1 sold units is expected to commence in 3Q2011. Phase 2 is currently in construction and sales commenced in 2Q2011. In addition, the Group is currently carrying out construction for Phase 1 for Equinox project, while sales for Phase I is expected to commence in 4Q 2011.

The Group will continue to monitor policy changes closely and focus on the sales and development of its China projects, and look for more opportunities to build its development land bank where possible.

¹"China home prices rise at a faster pace"(The Business Times Singapore, 19 Jul 2011)

²The Business Times (Singapore): China hikes rates, moves to cool property further, 9 Feb 2011

³"China's urbanization rate to reach 50% by 2020" (Chinadaily.com.cn, 5 Dec 2010) quoting the 2009 City Development Report of China.

⁴"Urbanization to drive China's growth" (Chinadaily.com.cn, 26 Mar 2011)

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not Applicable

(d) Books closure date

Not Applicable

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

On behalf of the Board of Directors

BY ORDER OF THE BOARD

Pek Lian Guan
Executive Director and CEO
12 August 2011



TIONG SENG HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Co. Reg. No: 200807295Z)

CONFIRMATION BY DIRECTORS PURSUANT TO RULE 705(5) OF THE LISTING MANUAL OF SGX-ST

On behalf of the Board of Directors of TIONG SENG HOLDINGS LIMITED (the "Company"), we, the undersigned, confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the 1st quarter financial statements for the financial period ended 30 June 2011 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors of
TIONG SENG HOLDINGS LIMITED

Pek Lian Guan
Executive Director & CEO

Pay Sim Tee
Executive Director

12 August 2011