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**FOR IMMEDIATE RELEASE**

**Tiong Seng posts 3Q net profit of S\$7.5 million  
as revenue jumps 7% to S\$90.0 million**

- **Solid order book of S\$1.07 billion in construction contracts as at 30 September 2010**

S\$'000	3Q2010	3Q2009	Change (%)	9M2010	9M2009	Change (%)
Revenue	90,011	84,053	7	214,440	301,673	-29
Net profit attributable to equity holders	7,456	9,816	-24	17,215	29,228	-41
Earnings per share (cents)	0.97*	1.74**	-	2.25*	5.17**	-

S\$'000	As at 30 Sep 2010	As at 31 Dec 2009
Net asset value per share (cents)	22.15*	17.27**
Cash & cash equivalents	109,163	29,921

\* Based on 766,039,750 shares, net of minority interests

\*\* Based on the pre-invitation share capital of 564,995,750 shares

**SINGAPORE – 8 November 2010** – Singapore-based 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 equity holders of S\$7.5 million for the third quarter ended 30 September 2010 (“3Q2010”).

Group revenue rose 7% to S\$90.0 million due to an increase of approximately S\$7.6 million in construction contract revenue, which was offset by a decline of S\$2.3 million in revenue from its development properties. For the first time, the Group recorded revenue of approximately S\$600,000 from direct sales and licensing of Cobiax technology for high-performance lightweight concrete slabs, after acquiring a majority stake in Switzerland-based Cobiax Technologies AG in September this year.

### **Segmental Review**

<b>S\$'000</b>	<b>3Q2010</b>	<b>3Q2009</b>	<b>Change (%)</b>	<b>9M2010</b>	<b>9M2009</b>	<b>Change (%)</b>
<b>Revenue from construction contracts</b>	84,807	77,192	10	197,710	217,941	-9
<b>Revenue from sales of development properties</b>	4,371	6,687	-35	15,449	82,941	-81
<b>Revenue from direct sales and licensing</b>	600	-	100	600	-	100
<b>Rental Income</b>	233	174	34	681	791	-14

In the latest third quarter, revenue from Tiong Seng's construction contracts rose by 10% to S\$84.8 million due mainly to the increase in work done for Raffles City Shopping Mall, Hilltops, Shelford Suites, The Wharf, Hotel at Upper Pickering Street and The Volari and a decrease in work done for nearly completed and completed projects such as Capella, Tribeca, Wilkie, Sky @ Eleven, Marina Bay Financial Centre Tower 3 and Sentosa Integrated Resorts.

In addition, work done amounting to approximately S\$19.1 million for newly commenced projects such as Hundred Trees, Tree House and NUS Staff Housing at Kent Vale, have yet to be recognized as revenue.

In the PRC, revenue from completed development properties decreased as the Group completed and recognised the profits for the pre-sold units in Tianmen Jinwan Building in Tianjin in March 2009. In line with its accounting policy, all units sold since the commencement of sales in October 2007 till its completion were recognised in 1Q2009. Revenue in 3Q2010 was therefore derived only from the sale of the remaining completed units.

Revenue from direct sales and licensing of Cobiax's internationally-patented products contributed approximately S\$600,000 during the quarter in review.

Said Mr Pek Lian Guan (白連源), CEO of Tiong Seng Holdings Limited: "Backed by a strong order book of S\$1.07 billion, Tiong Seng is poised to benefit from the continued uptrend in construction demand, particularly in the public sector. We are also very pleased to have recently made inroads

into a new segment by clinching a new JV contract to build *Connexion*, a mixed development consisting of hospital, hotel and medical clinics. With our established track record, we firmly believe that we are well positioned to handle the rising demand for quality construction services. In the PRC, we are on track with our various projects in Tianjin. In particular, the Tianjin Eco-City, where our involvement in certain plots of development with a total Gross Development Value of RMB4.5 billion, continues to be an investment hotspot with many international brands coming on board, and we are excited about its prospects.”

Based on the share capital of 766,039,750 shares and net of minority interests, the Group’s earnings per share for 3Q2010 stood at 0.97 Singapore cents. Net asset value per share as at 30 September 2010 was 22.15 Singapore cents, up from 17.27 Singapore cents as at 31 December 2009.

### ***Business Prospects***

#### **Construction**

Looking ahead, the Group believes that there will be continued upsurge in Singapore’s construction industry, with particular boost from the public sector. The challenge for construction companies like Tiong Seng would be to increase productivity in order to manage construction costs, especially with the global economy experiencing some recovery, and costs are expected to either stabilize or increase slightly. To address this challenge, the Group has been actively investing in and using technologies, such as its proposed Prefabrication Hub and the cutting-edge Cobiax concrete technology, to increase cost efficiency and productivity. While the Singapore government’s increase in foreign workers’ levy is expected to have an industry-wide effect on labour costs, the Group envisages that its impact will be manageable.

#### **Property Development in the PRC**

Due to a projected demand in 2010 and in the near medium term, the prices of Tianjin’s residential properties are likely to increase. Its proximity to the Tianjin Binhai New Area, which is viewed as a new driving force in China’s economy, provides a strong, sustainable boost. Although the PRC Government has recently introduced various cooling measures to reign in speculation and maintain sustainability in the market, these have not affected its focus and initiatives to develop the second-

and third-tier cities beyond the first-tier cities. As such, the Group envisages that price trends for residential and commercial units in these cities are likely to remain constant or increase in 2010 and the near medium term.

Since the beginning of 2010, the Group has observed a slight increase in the prices of steel, concrete and aluminum as well as an increase in land prices. Nonetheless, the overall demand for raw materials in PRC is expected to remain relatively stable in 2010.

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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 50 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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*DBS Bank Ltd. ("DBS") was the Issue Manager, Underwriter and Placement Agent for Tiong Seng's listing on the SGX-ST. DBS assumes no responsibility for the contents of this announcement.*