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FOR IMMEDIATE RELEASE

Tiong Seng reports 74.1% jump in net profit to S$14.3 million for 1H2017 lifted by contributions from core construction segment

- **Revenue for construction segment rose 36.5% to S$399.6 million as the Group enters into ramp-up phase for various ongoing projects**
- **Robust positive operating cash flow generation of S$53.3 million continues to strengthen balance sheet as gearing ratio improves to 0.40 (31 Dec 2016: 0.55)**
- **Resilient order book of approximately S$730.0 million as at 30 Jun 2017 extending till 2020**

S$'000	2Q2017	2Q2016	Change (%)	1H2017	1H2016	Change(%)
Revenue	216,749	158,024	37.2	424,440	405,205	4.7
Net profit attributable to shareholders	10,203	4,473	128.1	14,293	8,210	74.1
Earnings per share (Sing cents)[1]	2.25	0.98	129.6	3.15	1.80	75.0

	As at 30 June 2017	As at 31 December 2016
Net asset value per share (Sing cents)[2]	**58.87**	**57.31**
Cash & cash equivalents (S$'000)	**72,559**	**92,248**

[1]Based on 453,523,079 weighted average number of shares outstanding, net of non-controlling interests and excluding treasury shares (2016: 457,085,041) shares
[2]Based on 451,847,349 shares, net of non-controlling interests and excluding treasury shares as at 30 June 2017 (454,014,149 shares as at 31 December 2016)

SINGAPORE – 1 August 2017 – Mainboard-listed construction group and property developer, **Tiong Seng Holdings Limited (長成控股)** ("Tiong Seng", together with its subsidiaries, "the Group"), has announced its financial results for the quarter ("2Q2017") and half year ended 30 June 2017 ("1H2017").

Continuing the momentum from the first quarter, the Group recorded a 74.1% year-on-year ("yoy") increase in net profit attributable to shareholders to S$14.3 million for 1H2017. While the Group reported a marginal 4.7% yoy increase in overall revenue to S$424.4 million during the same period, its mainstay construction segment led a 36.5% yoy growth to S$399.6 million.

Alongside the progressive recognition of its property development projects and effective working capital management, the Group generated positive operating cash flow amounting to S$53.3 million for 1H2017.

This contributed positively to the Group's balance sheet strength as gearing ratio improved to 0.40 from 0.55 as at 31 December 2016. With a cash balance of S$72.6 million, the Group continues to optimise its capital structure to position itself favourably to capture growth opportunities.

Mr Pek Lian Guan (白連源), CEO of Tiong Seng Holdings Limited commented, "*While the overall construction landscape in Singapore continues to face operational challenges such as rising labour and material costs, we are encouraged by the earnings growth posted in this core business segment. Adopting a disciplined approach towards cost controls, we were able to sustain our gross margins despite the competitive business climate.*

We view change as the only constant in our business as we consistently evolve to stay relevant. Our unwavering belief in innovation has allowed us to stay ahead of the industry curve and we continue to invest prudently in order to sharpen our competitive edge. While the impact may not be immediate, these are incremental steps we have to take to propel ourselves up the built environment value chain. As such, we are pleased to share that our new factory, Tiong Seng@Tuas South was officially unveiled in June 2017. The new factory houses the latest industry technologies and methods such as prefabricated pre-finished volumetric construction and advanced precast concrete system which are part of our pursuit to enhance productivity in our processes."

Financial Review

Major Business Segments	Revenue & profit/loss breakdown (S$'000)	1H2017	1H2016	Change (%)
Construction Contracts	Revenue	399,637	292,708	36.5
	Operating Profit	22,514	13,932	61.6
Sale of Development Properties	Revenue	23,839	111,645	(78.6)
	Operating Profit/(loss)	(1,636)	5,972	n.m.

The Group's core **Construction Contracts** segment delivered revenue amounting S$399.6 million for 1H2017, representing a 36.5% yoy increase. Contributing 94.2% of the Group's overall revenue, the Group benefited from the higher construction work done on its existing pipeline of projects. In accordance with the Group's revenue recognition policy, there was approximately S$3.4 million of work done from newly commenced projects that were yet to be recorded as revenue as at 30 June 2017. At present, the Group maintains a robust order book of approximately S$730.0 million, which is expected to last till 2020.

Separately, revenue from the Group's secondary segment, **Sale of Development Properties** registered a 78.6% yoy decline to S$23.8 million for 1H2017, largely due to the timing of revenue recognition. This was derived from the sale recognition of 30 units (9,346 sqm) from the Equinox Project, two units (265 sqm) in Sunny International Project and one unit (226 sqm) in Tranquility Project. In accordance to the Group's revenue recognition policy, approximately S$117.2 million of gross development value was sold but is yet to be recognised as at 30 June 2017. These projects include: 98 units (17,117 sqm) of Equinox and 70 units (22,437 sqm) of Tranquility Residences.

Outlook

Construction

The construction sector in Singapore continues to be weighed by weakness in activities seen in both private and public sectors as recent advance estimates by Ministry of Trade and Industry indicated a 5.6% yoy contraction in 2Q2017[1]. However, there are continuous efforts committed by the Singapore government to support the industry such as the 2nd Construction Productivity Roadmap targeted at promoting a higher quality work force, higher capital investment and better integrated construction value chain in Singapore.

Property Development in China and Singapore

On the Group's secondary business segment in property development, it is encouraging to witness robust market sentiment from buyers despite cooling measures by the government to moderate property prices in China. While tightening may be a top-down effort, property prices remain supported by underlying demand[2]. This is further evidenced by the relatively stable and low inventory levels across first and second-tier cities. The lack of significant oversupply in housing should limit the extent of the slowdown, allaying concerns towards the Chinese real estate market[3].

In conclusion, **Mr Pek** added, "*We are progressively seeing a healthy uptick in demand for our projects in China and remain committed to executing the rest of our existing developments in China. While staying vigilant to market conditions, we look to strengthen and expand our capabilities within the built environment and are also prospecting for opportunities closer to home. To that end, we recently undertook a joint venture ("JV") to acquire two freehold sites at prime district 10, Jervois Road for residential development. This marks our second JV property development project in Singapore further to developing*

[1] "Singapore's GDP grew by 2.5 per cent in the second quarter of 2017", MTI, 14 July 2017
[2] "China May home prices gain 10.4% as demand remains strong despite cooling measures", CNBC, 18 June 2017
[3] "China: coming back down to earth", Financial Times Adviser, 26 July 2017

another residential project at district 10, Goodwood Grand on 16 Balmoral Road, which is expected to be completed by the end of this year. While we seek to expand our overall property development portfolio, we are mindful of risks and will adopt an incremental approach going forward."

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About Tiong Seng Holdings Ltd.

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

With an established track record of over 58 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 China. 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 China.

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