TIONG SENG HOLDINGS LIMITED

August Consulting
Foo Yiting – yiting@august.com.sg
Melissa Yee – melissa@august.com.sg
Tel: 6733 8873   Fax: 6733 9913

FOR IMMEDIATE RELEASE

Tiong Seng records 2Q net profit of S$6.7 million

- ***Solid order book of S$1.0 billion in construction contracts as at 30 June 2010***

S$'000	2Q2010	2Q2009	Change (%)	1H2010	1H2009	Change (%)
Revenue	70,234	94,784	-26	124,429	217,620	-43
Net profit attributable to equity holders	6,687	14,206	-53	9,759	19,412	-50
Earnings per share (cents)	0.87*	2.51**	-	1.27*	3.44**	-

S$'000	As at 30 Jun 2010	As at 31 Dec 2009
Net asset value per share (cents)	21.42*	17.27**
Cash & cash equivalents	92,231	32,841

*   *Based on 766,039,750 shares, net of minority interests*
** *Based on the pre-invitation share capital of 564,995,750 shares*

SINGAPORE – **6 August 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$6.7 million on revenue of S$70.2 million for the second quarter ended 30 June 2010 ("2Q2010").

On a half year basis, Tiong Seng posted revenue of S$124.4 million and net profit attributable to equity holders of S$9.8 million, doubling its net profit attributable to equity holders in 2Q2010 from S$3.1 million in the first three months of FY2010.

Compared to the corresponding periods last year, revenue and net profit decreased due to lower revenue from both the construction and property development businesses. Construction revenue decreased in 2Q2010 due to a proportionately smaller percentage of work done for the Group's completed and nearly-completed construction projects in Singapore. Nevertheless, the Group has a further S$37.5 million in revenue for work done on newly-commenced projects that it has yet to recognise, in accordance with its revenue recognition policy. On the property development front, its project in Tianjin – Tianmen Jinwan Building – was completed in March 2009, and substantial revenue from the sale of its pre-completion units was recorded in that period. In 2Q2010, only sales of the remaining completed units of the development were recorded.

The Group's share of profits from joint ventures also reduced by approximately S$2.3 million, as certain of its joint venture projects were close to completion as well.

Said Mr Pek Lian Guan (白連源), CEO of Tiong Seng Holdings Limited: "The demand for construction in Singapore continues to generate strong momentum for our Group. This quarter, we not only secured a sizeable new contract for the Tree House condominium, but we are also embarking on other new projects in both the public and private sectors. In the PRC, we are on track with the Tianjin Eco-City project which has a total Gross Development Value of RMB4.5 billion. With our established track record, we firmly believe that we are well positioned to handle the rising demand for quality construction services."

Based on the share capital of 766,039,750 shares and net of minority interests, the Group's earnings per share for 2Q2010 stood at 0.87 Singapore cents, compared to 2.51 Singapore cents for 2Q2009 (based on pre-invitation share capital of 564,995,750). On the same basis, net asset value per share as at 30 June 2010 was 21.42 Singapore cents, versus 17.27 Singapore cents as at 31 December 2009.

Segmental Review

S$'000	2Q2010	2Q2009	Change (%)	1H2010	1H2009	Change (%)
Revenue from construction contracts	64,034	83,289	-23	112,903	140,709	-20
Revenue from sales of development properties	5,929	11,164	-47	11,078	76,254	-85

The Group saw a year-on-year decrease in construction contract revenue to S$64.0 million in 2Q2010 (2Q2009: $83.3 million) due to lesser work done for completed projects and projects close to completion such as the Capella, Tribeca, The Wilkie, Sky@11, Marina Bay Financial Centre Tower 3 and Sentosa Integrated Resorts. Nonetheless, Tiong Seng has a further S$37.5 million in revenue that it has yet to recognise for work conducted on newly-commenced projects, namely the Wharf, Volari, Hotel at Upper Pickering Street and NUS Kent Vale Staff Housing, in accordance with its revenue recognition policy.

This was partially offset by an increase in work for ongoing projects such as the additions and alterations works at Raffles City Shopping Centre, Hilltops and Shelford Suites which generated revenue of S$44.4 million and S$33.5 million for 1H2010 and 2Q2010 respectively.

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 Q12009. Revenue in 2Q2010 was therefore derived only from the sale of the remaining completed units.

Strong Order Book

In June 2010, Tiong Seng was awarded a construction contract totaling S$146 million for the 429-unit *Tree House* eco-condominium project from Chestnut Avenue Developments Pte Ltd. This, in addition to the S$150 million contract from the National University of Singapore for the construction of its Kent Vale NUS staff housing secured in March 2010, boosted its order book for construction and civil engineering projects based on secured contracts to approximately S$1.0 billion as at 30 June 2010. The Group expects majority of these orders to be fulfilled over the next 12 to 30 months.

Looking Ahead

The Singapore government's increase in foreign workers' levy is expected to have an industry-wide effect on labour costs.

"At Tiong Seng, we have been taking an active role in investing and using technologies to maximise our cost efficiencies. As part of our IPO plans, we intend to invest in a new automated pre-casting facility to further improve our productivity and reduce our reliance on labour. With these ongoing measures and upcoming plans in the pipeline, the impact of the increased levy will be manageable," said Mr Pek.

Moving forward, the Group believes that the local construction industry will continue to witness an upward trend in the demand for construction services, particularly in the public sector. As the global economy continues to recover, the Group expects construction costs to remain stable or increase slightly in the coming periods.

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

With the government's current focus on developing second- and third-tier cities, the Group expects price trends for residential and commercial units in these cities to remain constant or increase in 2010 and the near medium term.

"We also expect prices for residential units in Tianjin to increase in the coming years due to a projected sustained demand and the fast-growing Tianjin Binhai New Area which is expected to continue to drive demand," concluded Mr Pek.

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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.

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.