TIONG SENG HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Co. Reg. No: 200807295Z)

UNAUDITED HALF-YEAR 2013 FINANCIAL STATEMENT ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2013

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 2013 S$'000	3 Months Ended 30 June 2012 S$'000	Change %	6 Months Ended 30 June 2013 S$'000	6 Months Ended 30 June 2012 S$'000	Change %
Revenue						
Revenue from construction contracts	103,668	127,068	-18	247,717	228,226	9
Revenue from sales of development properties	25,095	-	N.M	25,410	-	N.M
Revenue from sales of goods	2,525	2,572	-2	4,368	4,047	8
Rental income	297	338	-12	599	714	-16
	131,585	129,978	1	278,094	232,987	19
Other income	527	585	-10	9,575	1,614	>100
Costs of construction	(89,548)	(116,059)	-23	(220,266)	(204,258)	8
Costs of sales of development properties	(24,999)	-	N.M	(25,122)	-	N.M
Cost of goods sold	(1,492)	(1,630)	-8	(2,508)	(2,430)	3
Depreciation and amortisation	(1,969)	(1,208)	63	(3,367)	(2,174)	55
Selling expenses	(798)	(542)	47	(1,616)	(820)	97
Staff costs	(5,609)	(4,260)	32	(10,462)	(9,435)	11
Other expenses	(3,408)	(3,164)	8	(6,736)	(6,155)	9
	(127,823)	(126,863)	1	(270,077)	(225,272)	20
Profit from operating activities	4,289	3,700	16	17,592	9,329	89
Finance income	1,589	545	>100	1,891	1,107	71
Finance expenses	(222)	(60)	>100	(2,049)	(1,232)	66
Net finance income / (expense)	1,367	485	>100	(158)	(125)	26
Share of profit of joint ventures, net of tax	49	6,062	-99	467	6,859	-93
Profit before tax	5,705	10,247	-44	17,901	16,063	11
Tax	(3,585)	(788)	>100	(4,520)	(1,594)	>100
Profit for the period	2,120	9,459	-78	13,381	14,469	-8

N.M : Not meaningful

	3 Months Ended 30 June 2013 S$'000	3 Months Ended 30 June 2012 S$'000	Change %	6 Months Ended 30 June 2013 S$'000	6 Months Ended 30 June 2012 S$'000	Change %
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss:						
Translation differences relating to financial statements of foreign subsidiaries	8,382	4,257	97	12,346	1,624	>100
Exchange differences on monetary items forming part of net investment in a foreign operation	(618)	15	N.M	(433)	(137)	>100
Net change in the fair value of available-for-sale investments	-	2	N.M	-	2	N.M
Tax on other comprehensive income	105	(4)	N.M	74	22	>100
Other comprehensive income for the period	7,869	4,270	84	11,987	1,511	>100
Total comprehensive income for the period	9,989	13,729	-27	25,368	15,980	59
Profit attributable to:						
Owners of the Company	3,402	9,740	-65	14,676	14,749	-1
Non-controlling interests	(1,282)	(281)	>100	(1,295)	(280)	>100
Profit for the period	2,120	9,459	-78	13,381	14,469	-13
Total comprehensive income attributable to:						
Owners of the Company	9,725	13,474	-34	24,325	16,875	39
Non-controlling interests	264	255	4	1,043	(895)	N.M
Total comprehensive income for the period	9,989	13,729	-34	25,368	15,980	53
Earnings per share						
- Basic and diluted (cents)[1]	0.44	1.27	-65	1.92	1.93	-1

[1] Based on 766,039,750 shares, net of non-controlling interests as at 30 June 2013 and 30 June 2012.

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 2013 S$'000	3 Months Ended 30 June 2012 S$'000	Change %	6 Months Ended 30 June 2013 S$'000	6 Months Ended 30 June 2012 S$'000	Change %
Fees from management of properties	(134)	(167)	-20	(223)	(262)	-15
Gain on disposal of investment properties	-	-	-	(8,104)	(347)	-46
Gain on disposal of spare parts and scrap materials	(60)	(60)	-	(109)	(202)	N.M
Operating lease expenses	414	225	84	753	419	80
Travelling and transport	277	279	-1	518	538	-4
Repair and maintenance expenses	388	342	13	848	860	-1
Professional fees	341	520	-34	648	609	6
Advertisement expenses	657	346	90	1,045	469	N.M

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	
	30.06.2013	31.12.2012	30.06.2013	31.12.2012
	S$'000	S$'000	S$'000	S$'000
Non-current assets				
Property, plant and equipment	85,600	84,376	-	-
Intangible assets	6,585	7,146	-	-
Investment properties	18,611	18,021	-	-
Investment in subsidiaries	-	-	59,624	59,624
Associates and joint ventures	26,434	35,093	-	-
Trade and other receivables	27,899	20,332	-	-
Other investments	6,023	6,027	-	-
Deferred tax assets	6,935	6,907	-	-
	178,087	177,902	59,624	59,624
Current assets				
Inventories	2,179	2,625	-	-
Construction work-in-progress	70,710	66,408	-	-
Development properties	371,719	351,243	-	-
Other investments	3,692	194		
Trade and other receivables	156,116	163,835	14	11
Amount due from related parties	23,540	21,137	49,126	48,952
Cash and cash equivalents	49,553	66,378	91	85
Assets classified as held for sale	-	371	-	-
	677,509	672,191	49,231	49,048
Total assets	855,596	850,093	108,855	108,672
Equity attributable to owners of the Company				
Share capital	154,552	154,552	154,552	154,552
Reserves	(66,808)	(76,457)	(45,850)	(45,850)
Retained earnings	150,273	143,257	(6,144)	(2,201)
	238,017	221,352	102,558	106,501
Non-controlling interests	46,453	45,383	-	-
Total equity	284,470	266,735	102,558	106,501
Non-current liabilities				
Trade and other payables	13,055	13,098	-	-
Loans and borrowings	89,346	88,947	2,700	-
Deferred tax liabilities	2,331	2,541	-	-
	104,732	104,586	2,700	-
Current liabilities				
Progress billings in excess of construction work-in-progress	3,351	2,473	-	-
Trade and other payables	284,377	289,971	2,204	1,747
Amount due to related parties	18,879	20,422	1,393	420
Loans and borrowings	149,104	149,140	-	-
Current tax payable	10,683	16,766	-	4
	466,394	478,772	3,597	2,171
Total liabilities	571,126	583,358	6,297	2,171
Total equity and liabilities	855,596	850,093	108,855	108,672

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30.06.2013		As at 31.12.2012	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
147,873	1,231	147,976	1,164

Amount repayable after one year

As at 30.06.2013		As at 31.12.2012	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
89,346	-	88,947	-

Details of any collateral

1. Secured loan from a financial institution

Pursuant to a loan agreement dated 26 June 2010 and the shareholding entrusted agreements (the "Agreements"), the shareholders of our subsidiary, Tianjin Zizhulin Guangang Property Development Co., Ltd. ("Guangang"), 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 RMB300 million to Guangang for a tenure of 24 months. Details of the loan are as per our announcement dated 29 June 2010. Notwithstanding this, Guangang remains a subsidiary of the Group. The loan repayment date has been extended to 5 August 2014.

2. Secured loan from a bank

Pursuant to a loan facility arrangement with a bank, the Group pledges its shares in Chang De Investment Private Limited ("ChangDe"), Tiong Seng Properties (Private) Limited ("TSP"), Tianjin Zizhulin Development Co. Ltd. ("Zizhulin"), and Suzhou Changhe Investment and Development Co., Ltd ("Changhe") as well as the subordination of the group's share of existing and future shareholder's loan to those companies, to the bank as securities for loans of up to approximately S$100 million to ChangDe for a tenure of 72 months. Notwithstanding this, ChangDe, TSP, Zizhulin and Changhe still remain as subsidiaries of the Group.

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

	30 June 2013 $'000	31 December 2012 $'000
Carrying amounts of assets:		
Leasehold land	4,988	4,893
Leasehold properties	8,485	8,607
Investment properties	616	963
Development properties	50,216	55,972
Plant and machinery	7,689	3,135
Deposits pledged	21,220	16,415
Total	**93,214**	**90,075**

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 2013 S$'000	3 Months Ended 30 June 2012 S$'000	6 Months Ended 30 June 2013 S$'000	6 Months Ended 30 June 2012 S$'000
Cash flow from operating activities				
Profit from operating activities	4,289	3,700	17,592	9,329
Adjustments for:				
Allowance for doubtful trade receivables	-	(4)	20	(2)
Depreciation and amortisation	4,203	2,119	7,352	3,944
(Gain)/loss on disposal of:				
- property, plant and equipment	16	-	16	(150)
- investment properties	-	-	(8,104)	(346)
- scrap material	-	(59)	-	(201)
Property, plant and equipment written off	-	7	-	7
Operating profit before working capital changes	8,508	5,763	16,876	12,581
Changes in working capital:				
Inventories	70	(97)	448	(15)
Construction work-in-progress	(1,595)	(10,066)	(3,440)	(20,925)
Development properties	10,244	(22,133)	4,248	(25,975)
Trade and other receivables	18,189	(33,842)	448	(57,252)
Balances with related parties (trade)	(1,298)	2,063	788	2,391
Trade and other payables	(11,853)	60,350	(10,847)	74,072
Cash from/(used in) generated from operations	22,265	2,038	8,521	(15,123)
Taxes paid	(3,028)	(3,125)	(12,497)	(3,836)
Tax refunded	-	56	-	2,975
Net cash from/(used in) operating activities	19,237	(1,031)	(3,976)	(15,984)
Cash flow from investing activities				
Balances with related parties (non-trade)	1,255	(2,598)	(1,529)	(873)
Dividends received from joint ventures (gross)	10,995	-	10,995	8,000
Interest received	15	158	302	192
Loan to a joint venture	-	-	-	(16,966)
Proceeds from disposal of property, plant and equipment	32	138	32	299
Proceeds from disposal of investment properties	-	5	8,470	419
Proceeds from disposal of other investments	(15)	-	194	-
Purchase of other investment	(3,692)	-	(3,692)	-
Purchase of property, plant and equipment	(4,717)	(3,354)	(6,886)	(8,336)
Purchase of intangible assets	(153)	(182)	(174)	(250)
Net cash from/(used in) investing activities	3,720	(5,833)	7,712	(17,515)

	3 Months Ended 30 June 2013	3 Months Ended 30 June 2012	6 Months Ended 30 June 2013	6 Months Ended 30 June 2012
	S$'000	S$'000	S$'000	S$'000
Cash flow from financing activities				
Balances with related parties (non-trade)	1,577	(809)	(1,880)	(2,272)
Capital contribution by non-controlling interests	27	132	27	132
Repayment of loan to non-controlling interests	(1,470)	-	(1,470)	-
Increase in deposits pledged	155	(387)	(3,999)	(5)
Dividends paid to owners of the company	(7,660)	(7,240)	(7,660)	(7,240)
Dividends paid to non-controlling interests	-	(98)	-	(98)
Interest paid	(4,824)	(6,008)	(6,372)	(10,882)
Proceeds from loan from business associates	3,487	-	3,487	-
Payments of finance lease liabilities	(128)	(51)	(242)	(71)
Proceeds from loans and borrowings	9,835	74,884	76,897	114,590
Repayment of loans and borrowings	(20,410)	(52,109)	(84,382)	(94,239)
Net cash (used in)/from financing activities	(19,411)	8,314	(25,594)	(85)
Net increase/(decrease) in cash and cash equivalents	3,546	1,450	(21,858)	(33,584)
Cash and cash equivalent at beginning of the period	23,463	26,147	49,282	62,004
Effect of exchange rate changes on balance held in foreign currencies	258	3,671	(157)	2,848
Cash and cash equivalents at end of the period	27,267	31,268	27,267	31,268

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	Capital reserve	Statutory reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	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 2013	154,552	(77,720)	1,888	3,564	25	(4,214)	143,257	221,352	45,383	266,735
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	14,676	14,676	(1,295)	13,381
Other comprehensive income										
Items that may be reclassified subsequently to profit or loss:										
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	10,008	-	10,008	2,338	12,346
Exchange differences on monetary items forming part of net investment in a foreign operations	-	-	-	-	-	(433)	-	(433)	-	(433)
Tax on other comprehensive income	-	-	-	-	-	74	-	74	-	74
Total other comprehensive income	-	-	-	-	-	9,649	-	9,649	2,338	11,987
Total comprehensive income and expenses for the period	-	-	-	-	-	*9,649*	*14,676*	*24,325*	*1,043*	*25,368*
Contributions by and distributions to owners										
Dividends declared	-	-	-	-	-	-	(7,660)	(7,660)	-	(7,660)
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	*27*	*27*
Total contributions by and distributions to owners	-	-	-	-	-	-	(7,660)	(7,660)	27	(7,633)
Total transaction with owners of the Company	-	-	-	-	-	-	*(7,660)*	*(7,660)*	*27*	*(7,633)*
At 30 June 2013	154,552	(77,720)	1,888	3,564	25	5,435	150,273	238,017	46,453	284,470

Group	Share capital	Merger reserve	Capital reserve	Statutory reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	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 2012	154,552	(77,720)	(179)	3,442	22	256	125,299	205,672	48,959	254,631
Total comprehensive income for the period										
Profit or for the period	-	-	-	-	-	-	14,749	14,749	(280)	14,469
Other comprehensive income										
Items that may be reclassified subsequently to profit or loss:										
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	2,239	-	2,239	(615)	1,624
Exchange differences on monetary items forming part of net investment in a foreign operations	-	-	-	-	-	(137)	-	(137)	-	(137)
Net change in the fair value of available-for-sale investments	-	-	-	-	2	-	-	2	-	2
Tax on other comprehensive income	-	-	-	-	(1)	23	-	22	-	22
Total other comprehensive income	-	-	-	-	1	2,125	-	2,126	(615)	1,511
Total comprehensive income for the period	-	-	-	-	1	*2,125*	*14,749*	*16,875*	*(895)*	*15,980*
Contributions by and distributions to owners										
Dividends declared	-	-	-	-	-	-	(7,660)	(7,660)	(98)	(7,758)
Repayment of quasi loan from non-controlling interests	-	-	-	-	-	-	-	-	133	133
Total contributions by and distributions to owners	-	-	-	-	-	-	(7,660)	(7,660)	35	(7,625)
Total transaction with owners of the Company	-	-	-	-	-	-	*(7,660)*	*(7,660)*	35	*(7,625)*
At 30 June 2012	154,552	(77,720)	(179)	3,442	23	2,381	132,388	214,887	48,099	262,986

Company	**Share capital S$'000**	**Merger Reserve S$'000**	**Retained earnings S$'000**	**Total equity S$'000**
At 1 January 2013	154,552	(45,850)	(2,201)	106,501
Total comprehensive income for the period	-	-	(3,717)	(3,717)
Dividend paid	-	-	(7,660)	(7,660)
At 30 June 2013	154,552	(45,850)	(6,144)	102,558
At 1 January 2012	154,552	(45,850)	8,298	117,000
Total comprehensive income for the period	-	-	(1,079)	(1,079)
Dividend paid	-	-	(7,660)	(7,660)
At 30 June 2012	154,552	(45,850)	(441)	108,261

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 2013.

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 2013 and 31 December 2012.

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.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the audited financial statements for the year ended 31 December 2012.

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.**

The Group adopted a number of new standards, amendments to standards and interpretations that are effective for annual periods beginning on or after 1 January 2013. The adoptions of these new standards, amendments to standard and interpretation did not results in any significant impact on the financial statements of the Group.

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 2013	3 Months Ended 30 June 2012	6 Months Ended 30 June 2013	6 Months Ended 30 June 2012
	(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	0.44	1.27	1.92	1.93
(b) On a fully diluted basis	0.44	1.27	1.92	1.93

The earning per ordinary share has been calculated net of non-controlling interests of 766,039,750 shares as at 30 June 2013 and 30 June 2012.

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 2013	31 December 2012	30 June 2013	31 December 2012
	(cents)	(cents)	(cents)	(cents)
Net asset value per ordinary share based on issued share capital at the end of:	31.07	28.90	13.39	13.90

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.

<u>Review of Group Performance for 1H2012 vs 1H2011 and 2Q2012 vs 2Q2011</u>

Revenue

Revenue increased by approximately S$45.1 million or 19% from approximately S$233.0 million in 1H2012 to approximately S$278.1 million in 1H2013, attributable mainly to an increase in revenue from construction contracts, sales of development properties and sales of goods of approximately S$19.5 million, S$25.4 million and S$0.3 million respectively, offset with a decrease in rental income of approximately S$0.1 million.

Revenue from construction contract

Increase in revenue was mainly due to increase in work done for new and on-going projects, being Waterway Terraces I & II, The Glyndebourne, The Archipelago, The Luxurie, Joo Koon Integrated Hub & Fairprice Distribution Centre and SIM HQ campus extension which resulted in an aggregated increase in revenue by S$176.5 million as compared to the same period in 1H2012. The increase is lowered by the decrease in work done for projects, being The Wharf Residences, Volari, Hotel at Upper Pickering Street, NUS Staff Housing at Kent Vale, Hundred Trees and Tree House totaling S$157.8 million.

In accordance with our revenue recognition policy, work done amounting to approximately S$11.1 million from newly commenced projects in Singapore have yet to be recognized as revenue as at 30 June 2013.

Revenue from sales of development properties

Revenue from sales of property development in 1H2013 was contributed mainly from the sale recognition of 230 units totaling 28,217 sqm in Sunny International Project, phase II in Cangzhou. As at 30 June 2013, approximately S$68.9 million of gross development value comprises of 1 unit, totaling 141 sqm of Tianmen Jinwan Building, and 250 units, totaling 29,901 sqm, of Sunny International project, 66 units, totaling 14,572 sqm, of the Equinox and 3 units totaling 183 sqm of Wenchang Broadway in Yangzhou were sold, but yet to be recognised as revenue in accordance to our revenue recognition policy.

Revenue from sales of goods

Revenue from sales of goods increased by approximately S$0.3 million in 1H2012 due to increase sales volume in 1H2013.

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

Increase in cost of sales of development property was generally in line with the increase in revenue from sales of development property in 1H2013. Approximately 54.3% of sales in phase II of the Sunny International project recognised was in relation to resettlement of existing residents which resulted in a lower gross profit margin being recognized for this phase.

Cost of goods sold

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

Depreciation and amortisation expenses

Increase in depreciation and amortisation expenses of approximately S$1.2 million in 1H2013 was due mainly to the completion of the automated pre-fabrication hub in Q2 2012 and the corresponding depreciation for the full 6 months of 2013, coupled with the acquisition of additional S$7.8 million property, plant and equipment during the period.

Selling expenses

Increase in selling expenses of approximately S$0.8 million in 1H2013 due mainly to the increase in selling expenses incurred of approximately S$0.7 million for Equinox project in the current period.

Staff cost

Increase in staff cost of approximately S$1.0 million in 1H2013 was mainly due to the increase in headcount in the pre-cast segment as it went into full production for the whole 6 months in 1H2013.

Other Expenses

Other expenses increased by approximately S$0.6 million in 1H2013 due mainly to aggregate increase in operating lease expenses, entertainment expenses and professional fee.

Finance Income

Finance income increase by approximately S$0.8 million in 1H2013 due mainly to an appreciation in RMB vis-à-vis SGD, which resulted an exchange gain of approximately S$1.3 million, partially offset by decrease in accretion of discount implicit in retention sum receivables and implicit interest in retention sum payable of approximately of S$0.3 million respectively.

Finance expenses

Finance expenses increased by approximately S$0.8 million in 1H2013 due mainly to increase of interest expense on bank loans and discount implicit in retention sum receivables of approximately S$0.4 million each.

Share of profit of joint ventures, net of tax

Share of profit of joint ventures decreased by approximately S$6.4 million in 1H2013 due mainly to newly commenced joint venture projects, which have yet to reach the revenue recognition milestone at 30 June 2013.

Tax expense

In tandem with the increase in profit from operating activities, the Group's corporate income tax increased $1.7 million in the current period. In addition, land appreciation tax increased approximately S$1.3 million due to recognition of revenue on sales on development properties during the period.

Profit for the period

Profit in 1H2013 decreased by approximately S$1.0 million as a result of the factors mentioned in the preceding paragraphs.

Review of Financial Position

Non-Current Assets

As at 30 June 2013, non-current assets stood at S$178.1 million or approximately 20.8% of total assets, an increase of approximately S$0.2 million compared to 31 December 2012.

Increase in property, plant and equipment ("PPE") of S$1.2 million was due mainly to purchase of PPE amounting to S$7.8 million which was offset by depreciation charges of S$6.1 million and disposal of PPE of S$0.4 million

Decrease in intangible assets of S$0.6 million was mainly due to amortisation charges during the period.

Increase in trade and other receivables by S$7.6 million was mainly due to additional retention sums from on-going projects in Singapore.

Decrease in associates and joint ventures by S$8.7 million was due mainly to a net receipt of dividend of S$9.1 million offset with profit recognition from certain joint ventures amounting to S$0.4 million.

Current Assets

As at 30 June 2013, current assets stood at S$677.5 million or approximately 79.2% of total assets. Current assets increased by approximately S$5.3 million compared to 31 December 2012.

The increase in construction work-in-progress (net of excess of progress billings over construction work-in-progress) of about S$3.4 million was due mainly to increase in work-in-progress from on-going and new projects as at 30 June 2013.

The increase in development properties by S$20.5 million was mainly due to increase in development costs for ongoing PRC development projects, being Sunny International, Equinox and Xushuguan projects of approximately S$17.0 million, $23.0 million and $6.0 million respectively, partially offset with recognition of cost of development properties for Sunny International Project Phase II of approximately S$25.0 million.

Other investments increase by approximately S$3.5 million due mainly to an investment in trust funds by a subsidiary.

Trade and other receivables decreased by approximately S$7.7 million due mainly to decrease in trade receivables, accrued receivables, and deposit and prepayment of approximately S$9.1 million, S$0.4 million and S$1.0 million respectively and offset by increase in retention sum receivables of S$2.6 million. As at 30 June 2013, trade receivables balance was current and not overdue.

There was a decrease in cash and cash equivalents of approximately S$16.8 million, mainly due to net cash outflow from operating activities of approximately S$3.9 million, net cash inflow from investing activities of approximately S$7.7 million, and net cash outflow from financing activities of approximately S$25.6 million.

Non-Current Liabilities

As at 30 June 2013, non-current liabilities totaled S$104.7 million or approximately 18.3% of total liabilities, an increase of approximately S$0.2 million compared to 31 December 2012.

Current Liabilities

As at 30 June 2013, current liabilities stood at S$466.4 million or approximately 81.7% of total liabilities, a decrease of S$12.4 million.

The decrease was due mainly to decrease of approximately S$13.2 million in aggregate in trade and other payables, amount due to related parties and current tax payables.

Trade and other payables decreased by approximately S$5.6 million due mainly to decrease in accrued payable and other payable of approximately S$6.4 million and S$11.9 million respectively, partially offset with the increase in receipt in advance and trade payable of S$10.2 million and S$2.6 million respectively.

Decrease in amount due to related parties of approximately S$1.5 million was mainly due to repayment of non-trade amount due to non controlling interests of approximately S$1.3 million.

Decrease in current tax payable of approximately S$6.1 million was mainly due to income tax payment of approximately S$12.5 million during the period, partially offset by provision for income tax amounted S$6.4 million.

Review of Statement of Cash Flows

Net cash from operating activities

For the 6 months ended 30 June 2013, the Group recorded a net cash outflow from operating activities of approximately S$4.0 million, decreased by S$12.0 million as compared to the previous corresponding period ended 30 June 2012.

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

(a) Net increase in construction work-in-progress by S$3.4 million due mainly to current projects' work-in-progress costs, for works where they have yet to be certified by external quality surveyors.

(b) Net decrease in development properties by S$4.2 million, due mainly to recognition of sales of development properties for Phase II of Sunny International project, offset by additional PRC property development costs for Sunny International, Equinox and Xushuguan projects.

(c) Net decrease in trade and other payables by S$10.8 million, due mainly to payment of retention monies to sub contractors, following the completion and finalization of accounts for a few of the contruction projects.

Net cash from investing activities

For the 6 months ended 30 June 2013, the Group recorded a net cash inflow from investing activities of S$7.7 million, increased by S$25.2 million as compared to the previous corresponding period ended 30 June 2012.

This was mainly due to dividend received from joint venture project and proceeds from sales of investment properties approximately S$11.0 million and S$8.4 million respectively, offset by purchase of property, plant and equipment, and other investments approximately S$6.9 million and S$3.7 million respectively.

Net cash from financing activities

For the 6 months ended 30 June 2013, the Group recorded a net cash outflow from financing activities of S$25.6 million, increased by S$25.6 million as compared to the previous corresponding period ended 30 June 2012.

This was mainly due to additional loans and borrowings proceeds obtained in current period with a net payment of S$7.6 million, payment of dividends of S$7.7 million to equity shareholders, interest paid of S$6.4 million and net cash outflow from balances with related parties of S$1.9 million, offset by proceeds from loan from business associate of S$3.5 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 Outlook

Based on advance estimates, the Ministry of Trade and Industry announced that the Singapore economy grew 3.7% year-on-year (yoy) and the construction sector grew 5.6% yoy in the second quarter of 2013[1]. The growth in the construction sector is in line with the Building Construction Authority's ("BCA") forecasts for construction demand in 2013, which is expected to range between S$26 billion and S$32 billion[2].

As labour costs and restrictions on foreign labour remain industry-wide concerns, the Group continues its push for productivity. During the quarter, Tiong Seng ramped up its precast capabilities by investing in precast facilities in Iskandar, Malaysia, as well as Myanmar.

On 13 June 2013, Tiong Seng announced the construction of a precast plant in the Iskandar region of Johor Bahru, Malaysia. The Group's expansion into Malaysia serves to feed the rising demand for housing in Singapore and Malaysia. According to the Singapore Government's White Paper, up to 700,000 new homes will be constructed by 2030[3], with a large part of these new homes likely to be HDB flats. Likewise, Malaysia's 1Malaysia People Housing Programme (PR1MA) is expected to fuel the demand for precast, with an additional 80,000 new affordable homes to be built as part of the Government's development plans.

On 12 July 2013, the Group also formalized a joint venture to set up a precast plant in Myanmar with the wholly-owned subsidiary of Shwe Taung, a construction giant and one of the most prominent conglomerates in Myanmar. Through the joint venture, Tiong Seng expects to tap on the Myanmar Ministry of Construction's plans to build an average of 50,000 homes annually over the next 20 years[4]. Residential construction accounts for 51%, or US$1.5 billion, of Myanmar's total construction output. In Yangon alone, the demand for affordable housing is 200,000 units every year, whereas only 20,000 units are supplied every year[5].

As at 30 June 2013, the Group's construction order book remains strong at approximately S$1.26 billion.

Property Development Outlook

Property sales in China slowed but remained relatively robust, growing by 43.2% from January to May 2013, versus 52.8% previously, as a result of strong housing demand[6].

[1] Ministry of Trade and Industry Report, 12 July 2013
[2] "Public sector projects to boost construction demand in 2013", Building and Construction Authority, 16 Jan 2013
[3] Population White Paper, National Population and Talent Division, Jan 2013
[4] The Irrawaddy, "Burma to build 1 million houses in 20 years", January 2013
[5] New Crossroads Asia, Myanmar Research Series, September 2012
[6] "UPDATE 1-China property investment slows slightly in first half", Reuters, 14 July 2013

Land markets in tier-1 China cities, typically a prelude to increases in home prices, also showed signs of buoyancy, reflecting expectations of higher prices going forward[7]. This was reinforced by a survey of property developers, where more than 70% of the respondents believed that home prices in second- and third-tier Chinese cities were set to rise by 10% in the second half of the year[8].

Given that the Chinese government's recent rounds of cooling measures were less stringent than market expectations[9], the Group is of the view that demand for housing in second- and third-tier cities will remain strong, supported by tightening supply in top cities.

The Group sees its property development business as its second engine of growth. The majority of its property development projects are expected to complete over the next two to four years.

As at 30 June 2013, the Group has completed the construction of Phase 1 and Phase 2 out of 4 phases of the Sunny International Project in Cangzhou. All units of Phase 1 have been sold and recognized in 2011 whereas approximately 85% of the total 276 residential units of Phase 2 have been recognized in 1H2013. Sales for Phase 4 have been launched and approximately 90 % of the 286 units have been sold as of 30 June 2013. Completion is expected towards end of 2013. Sales for phase 3 are expected to be launched in 3Q 2013 and completion sometime in 2014.

As for Equinox project, construction for Phases 1 to 3, out of 7 phases, is currently in progress and completion of phase 1 and 2 expected in 2H 2014 while phase 3 towards end 2014/ early 2015. Sales for Phase 1 and 2 have already commenced with approximately 32% of the total units sold.

For Xushuguan project in Suzhou New District Development Zone, construction of Phase 1, total 2 phases, is expected to commence in 3Q 2013 with completion in 2015. Phase 2 will commence construction in 2014 with completion in 2016.

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.

[7] "UPDATE 1-China property investment slows slightly in first half", Reuters, 14 July 2013
[8] "Property Developers Estimate 10 Percent Rise in Home Price in Second- and Third-Tier Cities", China Scope Financial, 23 July 2013
[9] "UPDATE 1-China property investment slows slightly in first half", Reuters, 14 July 2013

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as require under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company does not have a shareholders' mandate on IPT.

14. Use of proceeds

Not applicable.

On behalf of the Board of Directors

BY ORDER OF THE BOARD

Pek Lian Guan
Executive Director and CEO
13 August 2013

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 half-year financial statements for the financial period ended 30 June 2013 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

13 August 2013