TIONG SENG HOLDINGS LIMITED
(Incorporated in Singapore)
(Company Registration No. 200807295Z)

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL

The Board of Directors (the "**Board**") of Tiong Seng Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's announcement dated 5 December 2023 in relation to the inclusion of the Company on the watch-list with effect from 5 December 2023 pursuant to Rule 1311(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") (the "**Listing Manual**").

The Company will have to take active steps to restore its financial health and meet the requirements of Rule 1314 of the Listing Manual within 36 months from 5 December 2023, failing which the SGX-ST will delist the Company or suspend trading in the Company's shares with a view to delisting the Company.

Rule 1314 of the Listing Manual states that an issuer on the watch-list may apply to the SGX-ST to be removed from the watch-list if it records consolidated pre-tax profit for the most recently completed financial year (based on audited full year consolidated accounts) and has an average daily market capitalisation of S$40 million or more over the last 6 months.

Pursuant to Rule 1313(2) of the Listing Manual, the Company must, for the period in which it remains on the watch-list, provide the market with a quarterly update on its efforts and the progress made in meeting the exit criteria of the watch-list, including where applicable its financial situation, its future direction, or other material development that may have a significant impact on its financial position. If any material development occurs between the quarterly updates, it must be announced immediately.

Update on Financial Situation

Based on the unaudited financial results of the Group and the Company for the financial year ended 31 December ("**FY**") 2024 and the six months ended 31 December ("**2H**") 2024, the Group recorded revenue of S$536.2 million and S$287.7 million in FY2024 and 2H2024 respectively, as compared to revenue of S$475.0 million and S$314.4 million in FY2023 and 2H2023 respectively.

The overall increase in revenue in FY2024 was mainly contributed by the Group's construction and engineering solutions segments following the resumption of construction and recovery following the COVID-19 pandemic, which was partially offset by a decrease in revenue from the Group's property development segment.

The Group recorded a net profit of S$2.8 million and a net loss of S$2.2 million in FY2024 and 2H2024 respectively, as compared to net losses of S$13.6 million and a net profit of S$2.0 million in FY2023 and 2H2023 respectively. The overall improvement of profitability in FY2024 was mainly attributable to higher margin projects recognized in FY2024 for the Group's construction and engineering solutions segments as well as strong cost control measures undertaken by the Group.

The Group was in a positive working capital position as at 31 December 2024.

For further details on the financial performance and financial position of the Group, please refer to the unaudited financial results of the Group and the Company for 2H2024 and FY2024 which were released via SGXNET on 28 February 2025.

The average daily market capitalisation of the Company over the last six months prior to this announcement was less than S$40 million.

Update on Future Direction and Other Material Developments

The Group is still in the process of identifying potential buyers for the Fan Yoong Property, the Tuas Property and the Pontian Land Parcels (each as defined in the appendix to the notice of annual general meeting dated 15 April 2024).

Construction

Singapore's construction demand rose to S$44.2 billion in 2024, and is expected to continue to grow to between S$47 billion and S$53 billion in 2025. Singapore's Building and Construction Authority forecasts total construction demand to average between S$39 billion and S$46 billion per year from 2026 to 2029, signalling continued momentum and steady growth.

Key catalysts will be major infrastructure projects such as Changi Airport Terminal 5, MRT line expansions that include the Cross Island Line (Phase 3), the ongoing ramp-up in public housing construction, large-scale institutional developments, as well as other urban rejuvenation projects.

Our 2025 strategy focuses on sustainable growth through strategic partnerships and enhanced internal capabilities. In furtherance of our strategy, on 20 January 2025, Continental Steel Pte Ltd, which is one of the largest premier steel suppliers in Southeast Asia and a pioneer in green steel within the region, completed its strategic investment in the Company, building on both parties' established and robust working relationship and leveraging the Group's proven track record of construction innovation and project delivery to develop more sustainable and efficient construction methodologies for Singapore's built environment. We have refined our project selection criteria to emphasise on quality and margins. This sharpened focus, combined with our optimised operational structure, strengthens our ability to deliver superior project outcomes and sustainable value.

Our sustained investment in green modular solutions is gaining market traction, attracting interest from domestic and international clients. Our portfolio encompasses advanced construction technologies, including zero-waste steel formwork systems and innovative methodologies such as Prefabricated Prefinished Volumetric Construction ("PPVC"), Advanced Precast, Structural Steel and Mass Engineered Timber – all delivering enhanced quality and environmental performance.

Engineering Solutions

With rising demand for sustainable construction methods, Engineering Solutions is positioned as a key growth catalyst for 2025. Project revenue now covers previous investment costs, which sets the stage for profitability. Our specialist capabilities are increasingly relevant as we explore expansion opportunities whilst advancing industry standards in sustainable construction.

Property Development

China's property sector continues to navigate significant headwinds, prompting sustained policy intervention from the country's authorities. Recent data offers modest encouragement, with new home prices in December 2024 halting their 18-month decline. Market analysts, including S&P Global Ratings, suggest the sector may find its footing in the second half of 2025, though this outlook remains closely tied to ongoing government support measures.

The Chinese government has implemented comprehensive measures to reinvigorate the sector, including mortgage rate adjustments for existing loans, revised downpayment thresholds for second homes, as well as an expanded "white list" programme offering targeted financial support to qualifying property developments.

Within this evolving landscape, the Group is adapting its market approach with measured precision. Our strategic focus has pivoted towards specialised segments, particularly the Silver Economy and ageing care facilities. This calculated repositioning enables us to address market risks while pursuing sustainable growth opportunities in China's evolving property market.

Digital Solutions

PylonAI, the foundation of our Digital Solutions division, has made significant strides in its development. Backed by our in-depth construction expertise and sophisticated data analytics, this solution embodies our comprehensive understanding of contractors' practical needs.

PylonAI integrates IoT technology with operational data to provide real-time construction insights which offer actionable intelligence, leading to improvements in our project safety standards, workforce management and operational performance.

Looking ahead, the synergy between PylonAI and our Engineering Solutions division is expected to boost our growth path. By strategically focusing on digital capabilities, we are well-positioned to undertake larger and more complex projects, strengthening our competitive edge in the built environment sector. This digital transformation goes beyond mere technological progress and reflects our ambition to become an industry leader in construction innovation.

The Company wishes to notify all its stakeholders and business partners that the Group’s business and operations will continue as usual, and trading in its securities will also continue in the ordinary course. The Company is taking, and will continue to take, active measures to improve its financial health with a view towards meeting the requirements of Rule 1314 of the Listing Manual, and the Board will update the shareholders of the Company as and when there are any material developments that may have a significant impact on the financial position of the Group.

BY ORDER OF THE BOARD

Pay Sim Tee
Executive Director and CEO
28 February 2025