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FOR IMMEDIATE RELEASE

Tiong Seng extends growth momentum as revenue more than doubles to S$405.2 million for 1H2016

- **Net profit attributable to shareholders correspondingly rises 76.0% to S$8.2 million, attributed largely to better performance in construction and property development segments**
- **Positive operating cash flow generation of S$99.8 million bolsters balance sheet strength as gearing level improves to 0.69**
- **Backed by two recently secured contracts, order book size strengthened to S$1.3 billion, extending to 2020**

S$'000	2Q2016	2Q2015	Change (%)	1H2016	1H2015	Change (%)
Revenue	158,024	94,797	66.7	405,205	197,113	>100
Net profit attributable to shareholders	4,473	1,488	>100	8,210	4,666	76.0
Earnings per share (cents)[1]	0.98	0.32	>100	1.80	1.02	76.5

	As at 30 June 2016	As at 31 December 2015
Net asset value per share (cents)[2]	**54.38**	**56.75**
Cash & cash equivalents (S$'000)	**79,304**	**93,210**

[1]Based on 457,085,041 weighted shares after share consolidation and excluding treasury shares (2015: 459,623,849 shares)
[2]Based on 455,494,049 shares, net of non-controlling interests and excluding treasury shares, as at 30 June 2016 (458,535,349 shares as at 31 December 2015)

SINGAPORE – **5 August 2016** – Mainboard-listed construction group and property developer, **Tiong Seng Holdings Limited (長成控股)** ("Tiong Seng", together with its subsidiaries, "the Group"), today reported a 105.6% year-on-year ("yoy") jump in revenue to S$405.2 million for the six months ended 30 June 2016 ("1H2016") driven mainly by growth in the construction and property development segments. Additionally, net profit attributable to shareholders increased 76.0% yoy to S$8.2 million for 1H2016.

Mr Pek Lian Guan (白連源), CEO of Tiong Seng Holdings Limited commented, "Despite the challenging economic climate, we emerged with robust growth in 1H2016 underpinned by our dual revenue streams in construction and property development. In line with the overall increase in supply of public sector projects, we shifted our focus accordingly and utilised our strengths in civil engineering. This allowed us to successfully secure two contracts recently which bolstered our order book size to S$1.3 billion, one of the highest in the industry.

Moving forward, we strive to build on our strengths amidst rising competition by consistently boosting our portfolio of construction technologies and capabilities. With our push for innovation, we aim to increase cost savings and enhance our competitive edge in the face of growing requirements for productivity-enhancing technologies by the government."

Financial Review

Major Business Segments	Revenue & profit/loss breakdown (S$'000)	2Q2016	2Q2015	Change (%)	1H2016	1H2015	Change (%)
Construction contracts	Revenue	136,342	88,292	54.4	288,350	186,168	54.9
	Profit/(loss)	6,311	3,761	67.8	13,805	8,728	58.2
Sale of development properties	Revenue	19,858	4,560	>100	111,645	5,971	>100
	Profit/(loss)	3,375	(1,391)	n.m.	5,972	(2,851)	n.m.
Sale of goods	Revenue	1,438	1,261	14.0	4,358	3,878	12.4
	Profit/(loss)	162	(135)	n.m.	127	(351)	n.m.

The core **Construction Contracts** segment, comprising 71.2% of 1H2016's revenue, increased 54.9% yoy to S$288.4 million. This was due mainly to the varying revenue recognition stages of various construction projects. In accordance to the Group's revenue recognition policy, work done amounting to approximately S$7.3 million from newly commenced projects has yet to be recognised as revenue as at 30 June 2016.

Revenue from the **development properties segment,** comprising 27.6% of revenue, jumped substantially from S$6.0 million for the six months ended 30 June 2015 ("1H2015") to S$111.6 million for 1H2016. This was mainly contributed from the sale recognition of 490 units (55,331 sqm) of phase I from Tranquility Project and 29 units (3,034 sqm) of Phase II, III and IV from Sunny International Project. In accordance to the Group's revenue recognition policy, approximately S$93.6 million of gross development value was sold but has yet to be recognised as at 30 June 2016. These projects include: 82 units (19,577 sqm) of Equinox and 56 units (16,103 sqm) of Tranquility Residences.

As at 30 June 2016, the Group maintained a strong balance sheet supported by cash and cash equivalents of S$79.3 million. More notably, the Group generated positive operating cash flows of S$99.8 million, a reversal from a net cash outflow of S$30.2 million in the previous corresponding period. This was attributed mainly to the improvement in sales and profit recognition from both the construction and property development segments. As a result, loans and borrowing declined by S$89.3 million to S$209.5 million within the same period due to the net repayment of loans.

As at 30 June 2016, the Group's earnings per share stood at 1.80 Singapore cents[1] while net asset value per share was 54.38 Singapore cents[2].

Outlook

Construction

Advance estimates released by the Ministry of Trade and Industry ("MTI")[3] on 14 July 2016 showed that the Singapore economy grew 2.2% yoy in 2Q2016, a marginal improvement from the 2.1% yoy expansion in 1Q2016. On a quarter-on-quarter ("qoq") basis, Singapore grew 0.8%.

On the construction front, the industry landscape remains tepid due to a slowdown in private sector construction activities as the segment grew 2.7% yoy in 2Q2016, compared to the 4.5% yoy growth rate in the previous quarter.

Property Development in the PRC

Home prices in China's 70 major cities grew 7.3% yoy in June compared to 6.9% yoy in May, driven mainly by higher-tier cities[4]. On a qoq basis, housing prices rose 0.8% in June compared to 0.9% in May as a result of the introduction tightening policies by some cities in order to combat fears of a housing price bubble. The restrictions include increasing the requirements for a mortgage down payment and the tightening of mortgage loans. Despite the slowdown in growth rates, most second and third-tier cities

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[1] Based on weighted average 457,085,041 shares, excluding treasury shares
[2] Based on net of non-controlling interests of 455,494,049 shares, excluding treasury shares
[3] "Singapore's GDP grew by 2.2 per cent in the second quarter of 2016", MTI, 14 July 2016
[4] "Slowing China home price rises add to doubts about economy", Reuters, 18 July 2016

are expected to benefit from governmental stimulus measures so as to further support housing prices and reduce excess inventory levels.

Mr Pek concluded, "While several top-tier cities have been clamping down on supportive housing measures, we continue to see overall improvement in the real estate market, especially in the lower-tier cities where we operate. As a result, we have witnessed an uptick in demand for our property projects in China and we continue to adopt a cautiously optimistic outlook moving into the rest of the year.

Nevertheless, we remain vigilant about changing regulatory and economic landscape in China while focusing on our priorities which include generating positive operating cash flow, lowering gearing level and maintaining strong sales and marketing initiatives."

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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 57 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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