



TIONG SENG HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Co. Reg. No: 200807295Z)

UNAUDITED Half-Year 2010 FINANCIAL STATEMENT ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2010

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 2010	3 Months Ended 30 June 2009 ⁽¹⁾	Change	6 Months Ended 30 June 2010	6 Months Ended 30 June 2009 ⁽¹⁾	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue						
Revenue from construction contracts	64,034	83,289	-23	112,903	140,749	-20
Revenue from sales of development properties	5,929	11,164	-47	11,078	76,254	-85
Rental Income	271	331	-18	448	617	-27
	<u>70,234</u>	<u>94,784</u>	-26	<u>124,429</u>	<u>217,620</u>	-43
Other income	<u>481</u>	<u>1,843</u>	-74	<u>2,866</u>	<u>5,738</u>	-50
Costs of construction	(55,605)	(74,212)	-25	(99,799)	(128,303)	-22
Costs of sales of development properties	(4,011)	(9,071)	-56	(6,819)	(57,272)	-88
Depreciation and amortisation	(738)	(407)	81	(1,483)	(808)	84
Selling expenses	(415)	(155)	>100	(880)	(469)	88
Staff costs	(2,375)	(1,929)	23	(4,966)	(4,191)	18
Other expenses	(2,590)	(1,636)	58	(5,254)	(3,248)	62
	<u>(65,734)</u>	<u>(87,410)</u>	-25	<u>(119,201)</u>	<u>(194,291)</u>	-39
Profit from operating activities	<u>4,981</u>	<u>9,217</u>	-46	<u>8,094</u>	<u>29,067</u>	-72
Finance income	267	1,402	-81	659	2,550	-74
Finance expenses	(442)	(1,072)	-59	(1,637)	(2,305)	-29
Net finance expense	<u>(175)</u>	<u>330</u>	->100	<u>(978)</u>	<u>245</u>	->100
Share of loss of associates, net of tax	(52)	-	100	(52)	-	100
Share of profit of joint ventures, net of tax	2,902	5,159	-44	5,850	7,344	-20
Profit before income tax	<u>7,656</u>	<u>14,706</u>	-48	<u>12,914</u>	<u>36,656</u>	-65
Income tax	(666)	(54)	>100	(2,142)	(8,453)	-75
Profit for the period	<u>6,990</u>	<u>14,652</u>	-52	<u>10,772</u>	<u>28,203</u>	-62
Other comprehensive (expense) / income						
Translation differences relating to financial statements of foreign subsidiaries	360	(2,584)	->100	(95)	171	->100
Exchange differences on monetary items forming part of net investment in a foreign operation	9	54	-83	8	8	NM
Net change in the fair value of available-for-sale investments	(34)	27	->100	15	27	-44
Income tax on other comprehensive income	4	(14)	->100	(4)	(6)	33
Other comprehensive (expense) / income for the year	<u>339</u>	<u>(2,517)</u>	->100	<u>(76)</u>	<u>200</u>	>100
Total comprehensive income for the year	<u>7,329</u>	<u>12,135</u>	-40	<u>10,696</u>	<u>28,403</u>	-62

NM: Not Meaningful

	3 Months Ended 30 June 2010 S\$'000	3 Months Ended 30 June 2009 ⁽¹⁾ S\$'000	Change %	6 Months Ended 30 June 2010 S\$'000	6 Months Ended 30 June 2009 ⁽¹⁾ S\$'000	Change %
Profit attributable to:						
Equity holders of the Company	6,687	14,206	-53	9,759	19,412	-50
Minority interest	303	446	-32	1,013	8,791	-88
Profit for the period	6,990	14,652	-52	10,772	28,203	-62
Total comprehensive income attributable to:						
Equity holders of the Company	6,864	13,629	-50	9,800	18,962	-48
Minority interest	465	(1,494)	>100	896	9,441	-91
Total comprehensive income for the period	7,329	12,135	-40	10,696	28,403	-62
Earning per share						
- Basic and diluted (cents) ²	0.87	2.51	-65	1.27	3.44	-63

¹ The comparative consolidated financial statements of the Group for the period ended 30 June 2009 represent the combination of all the financial statements of the companies in the Group, on the basis that the restructuring exercise had been completed on 1 January 2009.

² Based on share capital of 766,039,750 as at 30 June 2010; pre-invitation 564,995,750 shares as at 30 June 2009.

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 2010 S\$'000	3 Months Ended 30 June 2009 S\$'000	Change %	6 Months Ended 30 June 2010 S\$'000	6 Months Ended 30 June 2009 S\$'000	Change %
Business tax incentive	-	-	NM	(1,576)	(3,128)	-50
Fees from management of properties	(62)	(49)	27	(79)	(111)	-29
Government grant – jobs credit scheme	(70)	(191)	-63	(176)	(374)	-53
Provision of demolition services and miscellaneous works	-	(79)	-100	(101)	(115)	-12
Direct operating expenses arising from rental of investment properties, plant and machinery	97	107	-10	113	182	-38
Initial public offering expenses	469	75	>100	573	173	>100
Operating lease expenses	140	137	2	301	283	6
Stamp duty	-	-	-	211	-	100
Travelling and transport	205	150	37	400	312	28

NM: Not Meaningful

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	
	30.06.2010	31.12.2009	30.06.2010	31.12.2009
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	23,407	23,064	-	-
Intangible assets	241	260	-	-
Investment properties	22,310	22,688	-	-
Associates and joint ventures	19,913	27,105	-	-
Trade and other receivables	13,035	9,004	-	-
Amounts due from related parties (trade)	104	-	-	-
Investment in subsidiaries	-	-	105,474	-
Other investments	3,649	1,162	-	-
Deferred tax assets	1,860	2,726	-	-
	84,519	86,009	105,474	-
Current assets				
Construction work-in-progress	8,520	14,151	-	-
Development properties	184,061	80,236	-	-
Trade and other receivables	112,459	127,104	-	-
Amounts due from related parties	31,036	27,006	2,975	-
Cash and cash equivalents	92,231	32,841	47,657	52
	428,307	281,338	50,632	52
Total assets	512,826	367,347	156,106	52
Equity attributable to equity holders of the Company				
Share capital	154,440	20,000	154,440	-*
Reserves	(79,197)	(1,518)	-	-
Accumulated profits/(losses)	88,858	79,099	(4,151)	(253)
	164,101	97,581	150,289	(253)
Minority interest	52,303	46,683	-	-
Total equity	216,404	144,264	150,289	(253)
Non-current liabilities				
Trade and other payables	6,652	5,463	-	-
Amounts due to related parties	6,376	6,724	-	-
Loans and borrowings	27,453	22,032	-	-
Deferred tax liabilities	458	885	-	-
	40,939	35,104	-	-
Current liabilities				
Progress billings in excess of construction work-in-progress	11,502	2,390	-	-
Trade and other payables	183,905	132,788	179	224
Amount due to related parties	16,307	12,225	5,638	81
Loans and borrowings	22,237	19,468	-	-
Current tax payable	21,532	21,108	-	-
	255,483	187,979	5,817	305
Total liabilities	296,422	223,083	5,817	305
Total equity and liabilities	512,826	367,347	156,106	52

*: Less than S\$1,000

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

Amount repayable in one year or less, or on demand

As at 30.06.2010		As at 31.12.2009	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
22,237	-	19,468	-

Amount repayable after one year

As at 30.06.2010		As at 31.12.2009	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
27,453	-	22,032	-

Details of any collateral**1. Secured loan from a financial institution**

- (a) Pursuant to a loan agreement dated 23 September 2009 and the shareholding entrusted agreements (the "Agreements"), the Group subsidiaries, namely Tianjin Zizhulin and Suzhou Huisheng transferred their collective interest, amounting to 60.6% of the entire equity interest in Tianjin Tianmen Jinwan, to Northern International Trust & Investment Co., Ltd. ("Northern International Trust") as a form of security for the loan amounting to RMB72 million (approximately \$14.8 million) from Northern International Trust to Tianjin Zizhulin Investment. The terms and conditions of the Agreements provide that Northern International Trust will transfer the shares back to Tianjin Zizhulin and Suzhou Huisheng at no consideration upon the repayment of loan and the relevant interest payable by Tianjin Zizhulin Investment to Northern International Trust on or before 23 March 2011. Notwithstanding this, Tianjin Tianmen Jinwan remains a subsidiary of the Group. As at 30 June 2010, RMB6 million remained outstanding.
- (b) Pursuant to a loan agreement dated 28 June 2010 and the shareholding entrusted agreements (the "Agreements"), the shareholders of our subsidiary, Tianjin Zizhulin Investment, pledged their equity interests as well as the shareholders' loan of RMB62 million in Tianjin Zizhulin Nanxi to Northern International Trust & Investment Co., Ltd. ("Northern International Trust") as a form of security for the loan up to RMB 250 million to Tianjin Zizhulin Nanxi for a tenure of 30 months. Details of the loan are as per our announcement dated 29 June 2010. Notwithstanding this, Tianjin Zizhulin Nanxi remains a subsidiary of the Group.

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

	Jun 2010	Dec 2009
	\$'000	\$'000
Carrying amounts of assets:		
Leasehold land	5,269	5,321
Leasehold properties	6,156	5,984
Investment properties	908	944
Development properties	20,280	20,297
Plant and machinery	1,348	3,556
Deposits pledged	1,184	1,335
Total	35,144	37,437

The secured bank loans and bank overdrafts are also secured by assignment of rights, interests and benefits in connection with construction contracts and personal guarantees by certain directors and executive officers.

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 2010 S\$'000	3 Months Ended 30 June 2009 S\$'000	6 Months Ended 30 June 2010 S\$'000	6 Months Ended 30 June 2009 S\$'000
Operating activities				
Profit from operating activities	4,981	9,217	8,094	29,067
Adjustments for:				
Depreciation and amortization	2,134	5,219	4,662	9,978
Gain on disposal of:				
- property, plant and equipment	(405)	-	(409)	(1,223)
- investment properties	-	-	-	(147)
- other investment	(1)	-	(1)	-
Reversal of allowance for impairment losses of unquoted equity instruments	-	(220)	-	(220)
Write off of property, plant and equipment	-	68	-	68
Operating profit before working capital changes	6,709	12,994	12,346	37,523
Changes in working capital:				
Construction work-in-progress	9,132	13,162	14,743	10,566
Development properties	(23,861)	5,955	(21,757)	37,908
Trade and other receivables	(22,002)	(13,607)	(31,487)	2,224
Balances with related parties (trade)	211	(11,007)	3,805	(4,216)
Trade and other payables	19,468	19,336	18,025	(44,330)
Cash (used in)/ generated from operations	(10,343)	26,833	(4,325)	39,675
Income taxes paid	(2,363)	(601)	(3,809)	(1,226)
Income taxes refunded	-	513	-	513
Net cash from operating activities	(12,706)	26,745	(8,134)	38,962
Cash flow from investing activities				
Balances with related parties (non-trade)	(2,547)	(2,468)	(3,958)	(1,769)
Interest received	31	9	50	16
Dividends received	15,653	-	15,653	-
Net cash outflow from investment in associates/ other investment	(1,881)	-	(2,885)	-
Proceeds from finance lease	14	-	14	-
Proceeds from disposal of:				
- property, plant and equipment	442	949	442	953
- investment properties	-	224	-	224
- other investments	411	-	411	-
- associate	-	-	-	266
Purchase of property, plant and equipment	(3,150)	(2,672)	(4,785)	(5,101)
Net cash from investing activities	8,973	(3,958)	4,942	(5,411)

Cash flow from financing activities				
Balances with related parties (non-trade)	(765)	(543)	(252)	(527)
Capital contribution by minority shareholders	3,958	-	6,840	-
Dividends paid to minority shareholders	-	49	-	-
Dividends paid to equity holders	-	-	(6,000)	-
(Increase) / decrease in deposits pledged	(26)	74	101	63
Interest paid	(387)	(892)	(960)	(1,542)
Payments of finance lease liabilities	(138)	(253)	(354)	(441)
Net proceeds from initial public offerings	54,604	-	54,604	-
Proceeds from loans and borrowings	25,468	7,446	40,928	15,053
Repayment of loans and borrowings	(15,917)	(15,503)	(31,687)	(19,479)
Net cash from financing activities	66,797	(9,622)	63,220	(6,873)
Net (decrease)/increase in cash and cash equivalents				
	63,064	13,165	60,028	26,678
Cash and cash equivalents at beginning of the period	26,841	6,703	29,921	(6,858)
Effect of exchange rate changes on balance held in foreign currencies	260	(329)	216	(281)
Cash and cash equivalents at end of the period	90,165	19,539	90,165	19,539

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 ⁽¹⁾	Capital reserve	Statutory reserve	Fair value reserve	Foreign currency translation reserve	Accumulated profits	Total	Minority interest	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 2010	20,000	-	(189)	976	61	(2,366)	79,099	97,581	46,683	144,264
Total comprehensive income for the period										
Profit or loss	-	-	-	-	-	-	9,759	9,759	1,013	10,772
Other comprehensive income										
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	22	-	22	(117)	(95)
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	-	-	8	-	8	-	8
Net change in the fair value of available-for-sale investments	-	-	-	-	15	-	-	15	-	15
Income tax on other comprehensive income	-	-	-	-	(3)	(1)	-	(4)	-	(4)
Total other comprehensive income / (expense)	-	-	-	-	12	29	-	41	(117)	(76)
<i>Total comprehensive income and expenses for the period</i>	-	-	-	-	12	29	9,759	9,800	896	10,696
Transaction with owners, recorded directly in equity										
Changes in ownership interests in subsidiaries										
Acquisition of minority interest	-	-	-	-	-	-	-	-	(2,116)	(2,116)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	(2,116)	(2,116)
Contributions by and distributions to owners										
Issue of ordinary shares	134,440	(77,720)	-	-	-	-	-	56,720	-	56,720
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-
Capital contribution by minority shareholders	-	-	-	-	-	-	-	-	6,840	6,840
Total contributions by and distributions to owners	134,440	(77,720)	-	-	-	-	-	56,720	6,840	63,560
<i>Total transaction with owners</i>	134,440	(77,720)	-	-	-	-	-	56,720	4,724	61,444
At 30 June 2010	154,440	(77,720)	(189)	976	73	(2,337)	88,858	164,101	52,303	216,404

¹ On 18 March 2010, the Group undertook a restructuring exercise, accounted for as a combination of business under common control, in a manner similar to the "pooling of interest" method. Such a manner of presentation reflects the economic substance of the combined companies, which were under common control throughout the relevant period, as a single economic enterprise, although the legal parent-subsidary relationships were not established until 18 March 2010. The consolidated financial statements of the Group for the period ended 30 June 2009 represent the combination of all the financial statements of the companies in the Group, on the basis that the restructuring exercise had been completed on 1 January 2009.

The difference between the par value of shares issued by the Company and the nominal value of shares acquired from the acquisition of subsidiaries, as a result of the restructuring exercise, was accounted for under the merger reserve.

Group	Share capital	Capital reserve	Statutory reserve	Fair value reserve	Foreign currency translation reserve	Accumulated profits	Total	Minority interest	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2009									
Total comprehensive income for the period	20,000	(189)	944	-	(1,396)	43,729	63,088	30,663	93,751
Profit or loss	-	-	-	-	-	19,412	19,412	8,791	28,203
Other comprehensive income									
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	(479)	-	(479)	650	171
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	-	8	-	8	-	8
Net change in the fair value of available-for-sale investments	-	-	-	27	-	-	27	-	27
Income tax on other comprehensive income	-	-	-	(5)	(1)	-	(6)	-	(6)
Total other comprehensive income / (expense)	-	-	-	22	(472)	-	(450)	650	200
<i>Total comprehensive income and expenses for the period</i>	-	-	-	22	(472)	19,412	18,962	9,441	28,403
Transaction with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-
At 30 June 2009	20,000	(189)	944	22	(1,868)	63,141	82,050	40,104	122,154

Company

At 1 January 2010

Issuance of new shares pursuant to the restructuring exercise

Allotment and issue of shares to investors pursuant to the invitation

Profit or loss / Total comprehensive income for the period

At 30 June 2010

At 1 January 2009

Profit or loss / Total comprehensive income for the period

At 30 June 2009

	Share capital	Accumulated profits	Total equity
	S\$'000	S\$'000	S\$'000
At 1 January 2010	-*	(253)	(253)
Issuance of new shares pursuant to the restructuring exercise	99,836	-	99,836
Allotment and issue of shares to investors pursuant to the invitation	54,604	-	54,604
Profit or loss / Total comprehensive income for the period	-	(3,898)	(3,898)
At 30 June 2010	154,440	(4,151)	150,289
At 1 January 2009	-*	(79)	(79)
Profit or loss / Total comprehensive income for the period	-*	-*	-*
At 30 June 2009	-*	(79)	(79)

-*: Less than S\$1,000

- 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.

	Number of shares	Share capital S\$
Pre-Invitation share capital as at 31 March 2010	564,995,750	99,836,012
New shares issued pursuant to the invitation (note 1)	201,044,000	54,603,550
Share capital as at 30 June 2010	<u>766,039,750</u>	<u>154,439,562</u>

Note 1

Pursuant to the Company's listing on the Main Board of Singapore Exchange Securities Trading Limited, a total of 201,044,000 new shares were being issued.

- 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 2010 and 1 share as at 31 December 2009.

- 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.**

The Group has adopted the same accounting policies and method of computation in the financial statements for the current period compared with the Group's most recently audited financial statements for the year ended 31 December 2009.

- 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.**

Not Applicable

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 2010	3 Months Ended 30 June 2009	6 Months Ended 30 June 2010	6 Months Ended 30 June 2009
	(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	0.87	2.51	1.27	3.44
(b) On a fully diluted basis	0.87	2.51	1.27	3.44
Number of shares in issue at the end of the period	766,039,750	564,995,750	766,039,750	564,995,750

The earning per ordinary share has been calculated net of minority interests on 766,039,750 shares at 30 June 2010 (30 June 2009: on the pre-invitation share capital of 564,995,750).

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 2010	31 December 2009	30 June 2010	31 December 2009
	(cents)	(cents)	(cents)	(cents)
Net asset value per ordinary share based on issued share capital at the end of:	21.42	17.27	19.62	NM

The net asset value per ordinary share has been calculated net of minority interests, on 766,039,750 shares at 30 June 2010 (31 December 2009: on the pre-invitation share capital of 564,995,750 shares).

NM: Not meaningful

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.

Review of Group Performance for 1H2010 vs 1H2009 and 2Q2010 vs 2Q2009

Revenue

Revenue decreased by approximately S\$93.2 million or 43% from approximately S\$217.6 million in 1H2009 to approximately S\$124.4 million in 1H2010. It decreased by approximately S\$24.6 million or 26% from approximately S\$94.8 million in 2Q2009 to S\$70.2 million in 2Q2010. The decreases were mainly attributable by a decrease in construction contract revenue and development properties revenue of approximately S\$27.8 million and S\$65.2 million respectively in 1H2010 and S\$19.3 million and S\$5.2 million respectively in 2Q2010.

Revenue from construction contract

The decrease in revenue in 1H2010 and 2Q2010 were due mainly to lower work done for near to completion / completed projects, Capella, Tribeca, Wilkie, Sky @ Eleven, Marina Bay Financial Centre Tower 3 and Sentosa Integrated Resorts, with an aggregated decrease of approximately S\$74.9 million and S\$54.9 million respectively. The impact was lowered by the increase in work done for on-going projects, Raffles City Shopping Mall, Hilltop and Shelford Suites, totaling S\$44.4million and S\$33.5 million in 1H2010 and 2Q2010 respectively.

In accordance with our revenue recognition policy, work done amounting to approximately \$37.5 million from newly commenced projects, Wharf, The Volari, Hotel at Upper Pickering Street and NUS Staff Housing at Kent Vale, have yet to be recognised as revenue in 1H2010.

Revenue from sales of development properties

The decrease in property development revenue in 1H2009 and 2Q2010 were due mainly to a decrease in revenue contributed from the Tianmen Jinwan Building in Tianjin. Following its completion in March 2009, all units sold from the commencement of sales since October 2007 till its completion, were recorded in that period. Revenue for 1H2010 and 2Q2010 was derived only from the sales of the remaining completed units.

Other Income

Other income decreased by approximately S\$2.9 million and S\$1.4 million in 1H2010 and 2Q2010 respectively due mainly to a reduction in business tax incentive granted from The People's Government of Tianjin City, PRC to one of our subsidiaries to encourage city re-development. S\$1.6 million was granted in 1H2010 compared to S\$3.2 million received in 1H2009. In addition, there were only S\$0.4 million gain on disposal of property, plant and equipment recorded in 1H2010 and 2Q2010 compared to approximately S\$1.2 million in the corresponding period.

Cost of construction

Decrease in cost of construction in 1H2010 and 2Q2010 were generally in line with the decrease in revenue.

Cost of sales of development properties

Decrease in cost of sales of development properties in 1H2010 and 2Q2010 were due mainly to decrease in revenue from development properties.

Depreciation and amortisation

Increase in depreciation and amortisation in 1H2010 and 2Q2010 were due mainly to additional property, plant and equipments purchased.

Selling expenses

Increase in selling expenses of approximately S\$0.4 million and S\$0.3 million in 1H2010 and 2Q2010 respectively were due mainly to the increase in sales commission rate charged by the agents for the properties sold for Tianjin Tianmen Jinwan and the accruals of sales commission of S\$0.2 million in another project, Sunny International.

Staff costs

Increase in staff costs in 1H2010 and 2Q2010 were due mainly to additional headcount of approximately S\$0.3 million to support new construction projects such as Wharf, The Volari, Hotel at Upper Pickering Street and NUS Staff Housing at Kent Vale as well as higher staff cost.

Other expenses

Other expenses increased by approximately S\$2.0 million in 1H2010 and S\$1.0 million in 2Q2010 were due mainly to the aggregate effect of increase in repair and maintenance fees, stamp duty expense, tender expense by approximately \$0.8 million and increase in initial public offering expenses and director fees by approximately S\$0.7 million.

Finance Income

Finance income decreased by approximately S\$1.9 million in 1H2010 and S\$1.1 million in 2Q2010, due mainly to a decrease in accretion of discount implicit in retention sum receivables and implicit interest in retention sum payables by S\$1.3 million and S\$1.0 million in 1H2010 and 2Q2010 respectively.

Finance expenses

Finance expenses decreased by approximately S\$0.7 million in 1H2010 and S\$0.6 million in 2Q2010, due mainly to a reduction in borrowing costs.

Share of profit of joint ventures, net of tax

Share of profit of joint ventures decreased by approximately S\$1.5 million and S\$2.3 million in 1H2010 and 2Q2010 respectively, due mainly to near completion of some of our joint venture projects, which resulted in a lower share of profit compared to 1H2009 and 2Q2009.

Income tax expense

Decrease in income tax expense in 1H2010 and 2Q2010 respectively were generally in line with the decrease in revenue.

Profit for the periods

Profit for the periods decreased by approximately S\$17.4 million in 1H2010 and S\$7.7 million in 2Q2010 respectively, due mainly to decrease in profit from operating activities.

Review of Group Financial Position

Non-Current Assets

As at 30 June 2010, non-current assets stood at S\$84.5 million or approximately 16.5% of total assets, a decrease of approximately S\$1.5 million.

Decrease in associates and joint ventures by S\$7.2 million were due mainly to net receipts from our joint venture.

Increase in non-current trade and other receivables by approximately S\$4.0 million was due mainly to additional retention sums from new projects, e.g. Raffles City Shopping Mall, The Volari and Hotel at Upper Pickering Street, and the increase in work done for the current projects, such as Hilltop and Shelford Suites.

Increase in other investments by approximately S\$2.5 million was due mainly to new investment in Tianjin Eco-city Sheng Jing of approximately S\$2.9 million offset by disposal of S\$0.4 million investment in Yangzhou Huili.

Current Assets

As at 30 June 2010, current assets stood at S\$428.3 million or approximately 83.5% of total assets. Current assets increased by approximately S\$147 million.

The decrease in construction work-in-progress (net of excess of progress billings over construction work-in-progress) of about S\$14.7 million was due mainly to the increased progress billings in excess of work-in-progress costs from new projects as at 30 June 2010.

Increase in cash and cash equivalents of approximately S\$59.4 million were due mainly to net proceeds from the initial public offering amounting to approximately S\$54.0 million.

The increase of development properties by approximately S\$103.8 million was due mainly to capitalisation of land use right of S\$100.4 million in development property from Dagang Project and additional development property costs on Sunny International Project, partially offset by a decrease in development property costs of Tianmen Jinwan project upon the sales of some of the remaining completed units during 1H2010.

Trade and other receivables decreased by S\$14.6 million. The decrease was due mainly to S\$43million of deposit placed for a land use right being capitalised as property development cost as the land use right was obtained for Dagang Project. This was partially offset by an increase of S\$8.0 million in net accrued receivables and S\$21.3 million in trade receivables, mainly from new projects such as The Volari, Raffles City Shopping Mall and Hotel at Upper Pickering Street, NUS Staff Housing at Kent Vale ; slower certification of work done for project, Sky @ Eleven and Raffles City Shopping Mall, as well as increase in work done for near completion project, Hilltop.

Non-Current Liabilities

As at 30 June 2010, non-current liabilities totaled S\$40.9 million or approximately 13.8% of total liabilities, an increase of S\$5.8 million compared to 31 December 2009.

Non-current portion loans and borrowing increased by S\$5.4 million due mainly to new loan of S\$20.6 million from Northern International Trust in Tianjin Zizhulin Nanxi. The increase is offset by repayment of loan of approximately S\$13.2 million obtained from Northern International Trust by Tianjin Zizhulin Investment.

Current Liabilities

As at 30 June 2010, current liabilities stood at S\$255.5 million or approximately 86.2% of total liabilities, an increase of S\$67.5 million.

Trade and other payables increased by approximately S\$51.1 million due mainly to accrual of outstanding amount of S\$39.3 million, following the transfer of the land use right for Dagang Project and increase in receipts in advance of S\$12.3 million contributed by Sunny International Project since its commencement of sales in August 2009.

Increase in loans and borrowings of approximately S\$2.8 million was due mainly to reclassification of certain long term loan as the repayment period draws closer as at 30 June 2010.

Increase in amount due to related parties was due mainly to increase in loan from minority shareholders. The increase was partially offset by repayment of non-trade amount due to a corporate shareholder during the period.

Review of Statement of Cash Flows

Net cash from operating activities

For the 6-month ended 30 June 2010, the Group recorded a net cash outflow from operating activities of approximately S\$8.1 million, decreased by approximately S\$47.1 million compared to the previous corresponding period ended 30 June 2009 due mainly to the followings:

- (a) Increase in development properties by S\$21.8 million, due mainly to additional payment on land use right of S\$18.5 million for Dagang Project and capitalisation of additional development property costs on Sunny International Project.
- (b) Net increase in trade and other receivables by S\$31.4 million, due mainly to increase in accrued receivables by S\$8.0 million from new projects, The Volari, Hotel at Upper Pickering Street, Raffles City Shopping Mall, Wharf, NUS Staff Housing at Kent Vale and slower certification of work done for project, Sky @ Eleven and Raffles City Shopping Mall, as well as S\$21.3 million increase in trade receivables for newly commenced projects, such as The Volari, Raffles City Shopping Mall, Hotel at Upper Pickering Street, NUS Staff Housing at Kent Vale and increase work done for on-going project, Hilltop.

- (c) Net decrease in construction work in progress by S\$14.7 million due mainly to new projects' progress billings in excess of work in progress costs, which has yet to be recognised as revenue in accordance with the accounting policy.
- (d) Net increase in trade and other payables by S\$18.0 million.

Net cash from investing activities

For the 6-month ended 30 June 2010, the Group recorded a net cash inflow from investing activities of approximately S\$4.9 million, increased by S\$10.3 million compared to the previous corresponding period ended 30 June 2009.

The increase in net cash inflow from investing activities was due mainly to receipt from joint ventures of S\$15.7 million offset by additional new investment approximately S\$2.9 million in PRC, purchase of property, plant and equipment of S\$4.8 million and net cash outflow from balances with related parties by S\$4.0 million.

Net cash from financing activities

For the 6-month ended 30 June 2010, the Group recorded a net cash inflow from financing activities of S\$63.2 million, compared to the previous corresponding period ended 30 June 2009 of net cash outflow of S\$6.9 million. This was due mainly to net proceeds from initial public offerings of S\$54.6 million, a receipt of S\$6.8 million capital contribution from minority shareholder and net borrowings of S\$9.2 million from loans and borrowings. This was offset by payment of dividends S\$6.0 million recorded in the last financial year and interest paid of S\$0.9 million during the period.

- 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

The Singapore construction industry will continue to see an uptrend due to increase in the demand for construction services, particularly in the public sector. The Group's order book as of 30 June 2010 stands at approximately \$1.0 billion. While the global economy is experiencing some recovery, costs are expected to remain stable or increase slightly for the coming periods. As for the recent increase in foreign workers' levy over the next three years, this will increase our costs if the Group's productivity were to lag behind. However, given that the Group has been actively investing in and using technologies to increase cost efficiencies and productivities, impact of increased levy is expected to be manageable.

Property Development in the PRC

Price trend for residential units in Tianjin is likely to increase due to a projected sustained demand in 2010 and in the near medium term as well as from contributing factor where the Tianjin Binhai New Area ("TBNA") is viewed as a new driving force in the economy.

Given the PRC government's current focus and initiatives to develop the second- and third-tier cities beyond the first-tier cities, price trends for residential and commercial units in second- and third-tier cities are likely to remain constant or increase in 2010 and the near medium term.

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

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.

No dividend has been declared or recommended for the period ended 30 June 2010.

On behalf of the Board of Directors

BY ORDER OF THE BOARD

Pek Lian Guan
Executive Director and CEO
06 August 2010



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 2nd quarter financial statements for the financial period ended 30 June 2010 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

Pek Ah Tuan
Non-executive Chairman

06 August 2010