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FOR IMMEDIATE RELEASE

Tiong Seng posts S$14.7 million net profit for FY2015 led by uptick in both construction and property development businesses

- **Gross profit margin for core construction business expanded from 7.1% to 10.2%**
- **Continued focus on public sector projects bolstered by a resilient order book size of S$1.3 billion, extending to 2020**
- **Board of Directors proposes a final dividend of 0.5 Singapore cents per share to reward shareholders**

S$'000	FY2015	FY2014	Change (%)
Revenue	563,800	668,754	(15.7)
Net profit for the year	14,705	(29,626)	>100
Earnings per share (cents)	2.23[(1)]	(3.32) [(2)]	>100

	As at 31 December 2015	As at 31 December 2014
Net asset value per share (cents)	**56.75[(3)]**	**54.67[(4)]**
Cash & cash equivalents (S$'000)	**93,210**	**94,974**

[(1)]Based on weighted average 459,476,562 shares, net of non-controlling interests
[(2)]Based on weighted average 459,623,849 shares, net of non-controlling interests (919,247,700 before consolidation)
[(3)]Based on 458,535,349 shares, excluding treasury shares
[(4)]Based on 459,623,849 shares, excluding treasury shares

SINGAPORE – **22 February 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 net profit of S$14.7 million for the full year ended 31 December 2015 ("FY2015") contributed by both construction and property development businesses. This reversed a loss of S$29.6 million for FY2014 due to an one-off allowance for diminution in value in the Group's property development segment made back then.

Mr Pek Lian Guan (白連源), CEO of Tiong Seng Holdings Limited commented, "Although overall revenue for FY2015 registered a decline, this was mainly due to our revenue recognition model for both our construction and property development businesses. Our mainstay construction business however remains bolstered by a resilient order book size of approximately S$1.3 billion which extends to 2020.

Amidst a challenging industry landscape, our priorities lie on consistent delivery of our expertise to our customers and continue to increase our returns on investment by continuing to invest in various construction technologies such as the Prefabricated Pre-finished Volumetric Construction that has been widely endorsed by regulators. As we push for greater productivity enhancements, it intrinsically improves our competitive advantage over peers.

In appreciation of our shareholders for their continuous support, the Board of Directors has recommended a final dividend of 0.5 Singapore cents per share."

Financial Review

Major Business Segments	Revenue & profit/loss breakdown (S$'000)	FY2015	FY2014	Change (%)
Construction contracts	Revenue	482,220	627,480	(23.1)
	Profit/(loss)	29,339	24,961	17.5
Sale of development properties	Revenue	71,784	31,968	124.5
	Profit/(loss)	6,271	(42,381)	>100
Sale of goods	Revenue	7,386	8,000	(7.7)
	Profit/(loss)	(3,266)	(3,281)	0.5

The Group reported a 15.7% year-on-year ("yoy") decline in revenue to S$563.8 million for FY2015. The core **Construction Contracts** segment, comprising 85.5% of the year's revenue, decreased 23.1% yoy to S$482.2 million as revenue for completed projects were recognized in varying stages. In accordance to the Group's revenue recognition policy, work done amounting to approximately S$26.8 million from newly commenced projects have yet to be recognized as revenue as at 31 December 2015.

In contrast, revenue from the **development properties segment** more than doubled yoy to S$71.8 million for FY2015. The growth in revenue was mainly contributed from the sale recognition of 408 units (41,692 sqm) of phase II and III of Sunny International Project, 21 units (4,847 sqm) from Equinox Project and 1 unit (141 sqm) from Tiamen Jinwan Project. In accordance to the Group's revenue recognition policy, approximately S$117.8 million of gross development value were sold but yet to be recognized as at 31 December 2015. These projects include: 18 units (1,734 sqm) of Sunny International, 57 units (14,661 sqm) of Equinox and 364 units (40,903 sqm) of Tranquility Residences.

As at 31 December 2015, the Group maintained a resilient balance sheet with cash and cash equivalents of S$93.2 million. Within the same period, the Group's earnings per share was 2.23 Singapore cents[1] while net asset value per share was 56.75 Singapore cents[2].

Outlook

Construction

On 15 January 2016, the Building & Construction Authority[3] ("BCA") estimated total construction demand for FY2016 to range from S$27 billion to S$34 billion. The public sector is expected to contribute 65% of this demand largely due to the supply of more civil engineering projects. Demand within the private housing sector, on the other hand, continues to slow compared to previous years on the back of less favourable conditions and the increased supply of new and completed projects during the year.

Official estimates continue to signal a tepid environment for construction in Singapore. To tackle the challenges ahead, BCA has implemented several measures to drive efficiency and reduce the reliance on labour. One such initiative includes amending the tender evaluation framework for government construction projects to raise the weightage on productivity to 10% of the overall score. This would ensure that construction players equipped with productivity enhancing technology have an edge when applying for public projects.

Property Development in the PRC

In February 2016, the Chinese central bank lowered the minimum required mortgage down payment for first- and second-home purchases[4]. This measure is one out of the many supportive monetary and regulatory policies implemented since 2014 to spur property buying. In addition, monthly data on new home prices reported a sixth straight increase in January 2016. According to the China Index Academy, the average price of a new home in China's 100 major cities rose 0.42% month-on-month in January to S$2,380 per sqm[5].

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[1] Based on the weighted average share capital of 459,476,562 shares
[2] Based on net of non-controlling interests of 458,535,349 shares, excludes treasury shares
[3] "BCA estimates $27 billion to $34 billion worth of construction contracts to be awarded this year", Building and Construction Authority, 15 January 2016
[4] "China eases mortgage down payment to 20% for first homes", Bloomberg, 2 February 2016
[5] "China new home prices up in January, rising for 6th straight month", The Straits Times, 1 February 2016

Mr Pek concluded, "We remain cautious over the macroeconomic conditions surrounding the property sector in China but are encouraged by the various positive measures introduced by the government to drive housing demand and control supply. From within, we are accelerating marketing efforts which led to stronger sales momentum for our existing properties. With a gradual completion of our projects, we expect progressive cash flow returns which would alleviate our overall gearing level.

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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 55 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.

Issued on behalf of Tiong Seng Holdings by: Financial PR Pte Ltd

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