21 Fan Yoong Road
Singapore 629796
T: +65 6356 0822
F: +65 6356 0688

FOR IMMEDIATE RELEASE

Tiong Seng Turns Profitable in 2HFY2023

- **The Group reported a 2HFY2023 net profit of S$2.0 million, compared to losses of S$40.5 million in 2HFY2022, due to a surge in revenue and strong cost control measures**
- **Bulk of the Group's loss-making projects expected to be fully completed by FY2024**
- **The Group reports an order book of S$0.65 billion as at 31 December 2023, with work extending till 2025**

SINGAPORE – 28 February 2024 – Mainboard-listed construction group and property developer, **Tiong Seng Holdings Limited (長成控股)** ("Tiong Seng", "the Company", or together with its subsidiaries, "the Group") has announced its financial results for the six months and 12 months ended 31 December 2023 ("**2HFY2023**" and "**FY2023**" respectively).

Financial Highlights

S$ million	2HFY2023	2HFY2022	Y-o-Y % change	FY2023	FY2022	Y-o-Y % change
Revenue	314.4	207.0	52%	475.0	355.7	34%
Profit/(Loss) from operating activities	3.6	(43.9)	N.M.	(9.4)	(84.8)	(89%)
Profit/(Loss) for the period/year	2.0	(40.5)	N.M.	(13.6)	(85.0)	(84%)
	As of 31 December 2023					
Net asset value per share (S$)	0.17					
Cash & bank balances (S$ million)	112.6					

The Group recorded a turnaround in 2HFY2023, generating a net profit of S$2.0 million compared to a loss of S$40.5 million in 2HFY2022. This was mainly driven by strong revenue generated in 2HFY2023 of S$314.4 million compared to S$207.0 million in 2HFY2022, a 52% Y-o-Y growth. Operating expenses declined at a rate of 26% Y-o-Y in 2HFY2023. Consequently, the Group generated an operating profit of S$3.6 million in 2HFY2023 compared to an operating loss of S$43.9 million in 2HFY2022. On a full-year basis, the Group significantly narrowed its net losses in FY2023 to S$13.6 million, compared to net losses of S$85.0 million in FY2022, an 84% Y-o-Y improvement.

Net asset value per share stood at S$0.17 as of 31 December 2023, backed mainly by hard assets, including property, plant and equipment, development properties, and cash and bank balances of S$112.6 million. The Group has S$41.4 million worth of assets held for sale, the bulk of which is expected to be sold in the financial period ending 31 December 2024 ("**FY2024**"). These capital recycling efforts will provide additional liquidity to boost the Group's balance sheet status and allow Tiong Seng to pursue and complete new projects.

Segmental Review

Business Segment	Segmental P&L (S$ million)	FY2023	FY2022	Y-o-Y % change
Construction	**Revenue**	413.1	299.5	38%
	Segmental profit/(loss)	3.6	(55.2)	N.M.
Engineering Solutions	**Revenue**	88.7	50.1	77%
	Segmental (loss)	(2.6)	(21.0)	-88%
Property Development	**Revenue**	24.9	26.1	-5%
	Segmental (loss)	(6.5)	(5.5)	18%

Following the resumption of construction work, the construction and engineering solutions segments saw a 38% and 77% Y-o-Y improvement in FY2023 revenue compared to FY2022, respectively. Due to the absence of onerous contract provisions made in FY2022 for pre-Covid projects as well as higher margin projects recognised in this financial year, the construction segment has shown a profit of S$3.6 million in FY2023 as compared to S$55.2 million loss in FY2022 and engineering solutions segment witnessed a reduction in FY2023 operating losses, declining by 88% Y-o-Y.

Revenue from sales of development properties in FY2023 decreased by 5% Y-o-Y to S$24.9 million, as we sold out on the remaining project. This segment reported a loss of S$6.5 million, an increase of S$1 million or 18% Y-o-Y compared to a segmental loss in FY2022.

Mr Pay Sim Tee, CEO of Tiong Seng Holdings Limited, commented, *"**We are optimistic about the future, with the Group turning profitable in 2HFY2023. This is due to the collective efforts of every member of the Tiong Seng family focusing on cost reduction while concurrently enhancing operational efficiency. As we come to the tail-end of loss-making projects that have hampered the Group's performance over the last three years, Tiong Seng is now in a strong position to actively pursue new projects where we have a competitive advantage. Our intention***

to actively divest non-core assets to strengthen our balance sheet highlights the determination of the Group to overcome these challenging times and emerge stronger and more resilient from the industry down cycle."

Outlook

Construction Outlook

The Building and Construction Authority (BCA) estimates Singapore's 2024 construction demand to range between S$32 billion and S$38 billion, predominantly driven by the public sector, which will account for 55% of this demand through projects like the Cross Island Line and new hospital developments[1]. The private sector is also anticipated to contribute significantly, with an estimated demand of S$11 billion to S$14 billion[2]. The industry remains resilient despite rising costs due to shortages of labour and materials as well as elevated interest rates[3].

We will capitalise on the increasing number of opportunities to secure new projects in the current year, particularly from the public works sector in the areas of healthcare and education. At the same time, our construction segment will continue collaborating with key stakeholders on projects that will leverage our expertise and enhance our reputation. Simultaneously, the engineering solutions segment will increasingly market its green solutions to third-party clients to boost our order book and profit margins.

Property Development Outlook

Singapore

Given the intensifying competition in the residential market in the current year, our property development segment will shift its focus to the commercial space, which is more resilient, offers higher investment yields, advantageous cost frameworks, and can meet the diverse needs of various business occupants. The projected value of Singapore's commercial real estate market is expected to reach US$0.51 trillion in 2024, underscoring its significant growth potential. This market segment is also forecast to continue expanding at a compound annual growth rate (CAGR) of 1.44% during 2024-2028, resulting in a market volume of US$0.54 trillion by 2028[4].

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[1] Steady Demand for the Construction Sector Projected for 2024
[2] Building and Construction Authority: Singapore's Construction Demand to remain strong in 2023
[3] Contractors and developers to face skilled labour crunch and high costs in 2024
[4] Commercial Real Estate - Singapore

China

China's real estate industry faces several challenges, such as developer debts, cooling measures by the government, and a general slowdown in demand. To counter these challenges, as well as to stabilise and stimulate the market, the government has launched a slew of supportive measures, including increased investment in infrastructure and urban renewal projects with significant funding allocated for megaprojects. However, it is yet to be seen whether these actions by the government will positively impact China's property sector, and we remain cautious with regard to our activities in China.

"The Tiong Seng Group has undergone a strategic transformation to become more agile and resilient to take advantage of emerging opportunities. This transformation involved developing independent growth paths for our business segments, improving operational efficiency, and increasing our ability to adapt to constant changes in the built environment sector," added Mr. Pay. ***"Moving forward, we stand at a pivotal point in our transformation journey, poised to return to steady growth in 2024. Having emerged stronger from navigating a myriad of challenges, we remain cautiously optimistic about our prospects in the year ahead."***

##END##

About Tiong Seng Holdings Limited

Established in 1959 and listed on the Mainboard of the Singapore Exchange since 2010, Tiong Seng Holdings Limited (SGX: BFI) is principally engaged in three core pillars of business: Building Construction & Civil Engineering, Property Development and Engineering Solutions.

Tiong Seng is one of the leading building and civil engineering contractors in Singapore and holds the highest grading of A1 from the Building and Construction Authority (BCA) for both general building and civil engineering, qualifying the Group to undertake public sector projects with unlimited contract value. For over 60 years, Tiong Seng has built up a comprehensive track record of private and public sector projects of different complexity, uses and sizes.

On the property development front, Tiong Seng has successfully developed both residential and commercial projects in various second and third-tier cities in China, including Tianjin, Suzhou and Yangzhou. The Group currently has three ongoing projects in the Bohai Economic Rim, one of the main economic zones in China. More recently, the Group made headway in the Singapore property market with acquisitions of residential landbanks in the prime districts 9 and 10.

As a technological frontrunner, Tiong Seng has developed a diverse portfolio of innovative innovations which encompasses Engineering Solutions, the Group's third business segment. This segment provides building solutions as a service and comprises a blend of engineering capabilities such as Prefabricated Prefinished Volumetric Construction ("PPVC"), Pre-cast, Structural Steel, Mass Engineered Timber ("MET") and Tunnel Segment production. With this asset-light business model, the Group is positioned to capture rising industry demand for modern and efficient building solutions.

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Investor Relations and Media Contact:

Ms Emily Choo

Mobile +65 9734 6565

Email emily@gem-comm.com