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FOR IMMEDIATE RELEASE

Tiong Seng Narrows Losses in 2HFY2022

- **FY2022 earnings affected by the tail-end completion of onerous, non-cancellable construction projects contracted pre-COVID, which were hit by higher costs from supply chain disruptions**
- **The Group reports order book at S$1.1 billion, and is expected to extend till 2024**

SINGAPORE – 28 February 2023 – 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 2022 ("**2HFY2022**" and "**FY2022**" respectively).

Financial Highlights

S$ million	2HFY2022	2HFY2021	Y-o-Y % change	FY2022	FY2021	Y-o-Y % change
Revenue	208.1	114.7	82%	356.8	293.4	22%
Loss from operating activities	(44.8)	(55.2)	-19%	(85.7)	(51.2)	67%
Loss for the period / year	(41.4)	(54.0)	-23%	(85.9)	(52.7)	65%
			As of 31 December 2022			
Net asset value per share (S$)			0.21			
Cash & bank balances (S$ million)			47.6			

The Group narrowed its loss from S$54.0 million a year ago to S$41.4 million in 2HFY2022, as revenue from construction and engineering solutions jumped following the resumption of construction work, and after a lower impairment loss was recorded for the Group's development properties in the People's Republic of China ("PRC"). Net asset value per share stood at S$0.21 as at 31 December 2022, backed mainly by hard assets, including property, plant and equipment, development properties, as well as cash and bank balances.

Segmental Review

Business Segment	Segmental P&L (S$ million)	FY2022	FY2021	Y-o-Y % change
Construction	**Revenue**	297.2	190.6	56%
	Gross loss	(38.0)	(19.0)	100%
	Operating loss	(57.4)	(32.7)	75%
Engineering Solutions	**Revenue**	53.8	85.2	-37%
	Gross (loss)/profit	(9.2)	3.5	n.m.
	Operating loss	(19.6)	(0.4)	>100%
Property Development	**Revenue**	26.1	35.3	-26%
	Gross profit	5.6	9.5	-42%
	Operating loss	(5.5)	(16.9)	-68%

Revenue from the construction segment increased 56% y-o-y to S$297.2 million in FY2022. However, the segment recorded an increase in gross loss from a year ago to S$38.0 million, due to additional onerous contract provisions were provided for pre-Covid projects. Higher cost pressures from increased construction materials prices and additional cost pressures arose from the re-awarding of sub-contract work projects, and rose in energy prices due to Ukraine war and supply chain disruption.

The engineering solutions segment recorded a gross loss from a year ago as revenue decreased 37% y-o-y to S$53.8 million in FY2022. This was mainly due to lower production volumes, differences in profitability from various projects over the two periods, as well as the effect of over-recognition of revenue from the Group's wholly-owned operating subsidiary, Robin Village Development Pte. Ltd. ("RVD"), in prior years.

Revenue from sales of development properties in FY2022 decreased 26% y-o-y to S$26.1 million as fewer units from the Group's China property developments were sold. As at 31 December 2022, approximately S$22.4 million of gross development value were sold, but are yet to be recognised as revenue in accordance with the revenue recognition policy.

Mr. Pay Sim Tee, CEO of Tiong Seng Holdings Limited, commented, "***FY2022 has been a challenging year for the Group, as macroeconomic headwinds such as labour shortages and disruptions in supply chains continued to impact the Group, curtailing construction activity and escalating our project costs. Nonetheless, the Group has been able to maintain a robust balance sheet, thanks to our sturdy foundation which we have built over the years. Following the progressive shedding of the remnants of COVID-19 curbs, the supply chain has normalised and prices of raw materials have also stabilised.***"

Outlook

Following the resumption of industry activity and the corresponding economic rebound, new construction demand in the built environment is emerging. The Building and Construction Authority (BCA) has projected construction demand to remain strong in 2023, with total construction demand ranging between S$27 billion and S$32 billion, and the public sector forming about 60% of total construction demand. Disrupted supply chains have also begun to normalise, signaling stable operating conditions in the year ahead. Construction material market prices for cement, steel bars and ready-mixed concrete, as tracked by BCA, have remained fairly stable from October 2022 to December 2022. This stability in material prices is expected to continue into 1H2023, as projected by construction consultancy Linesight[1] . As at 31 December 2022, the Group's order book stood at S$1.1 billion, and is expected to extend till 2024.

As for our property development segment in China, the government has adopted various measures to help prop up the country's embattled real estate market. As at 31 December 2022, approximately S$22.4 million of gross development value, comprising 34 units (7,231 sqm) of the Equinox and 1 unit (300 sqm) of Tranquillity Residences, were sold, but were yet to be recognised as revenue in accordance with the Group's revenue recognition policy. For the Tranquillity Residences project in Suzhou New District Development zone, approximately 99.7% of the total 636 completed units were sold. As at 31 December 2022, approximately 75.8% of the total 565 units launched for the Equinox have been sold. Based on its current phase development plan and schedule, the Group is carrying out construction for two phases, E3 and G1, with expected completion and handover in mid-2023.

In Singapore, the Group's joint venture project located at Balmoral Road ("Balmoral Project") has achieved TOP in November 2022. All 52 units have been sold, with selling prices ranging from S$2,585 psf to S$3,339 psf.

The Group's second joint venture project, Cairnhill Rise ("Cairnhill Project"), has also reopened its sales gallery in January 2023, after undergoing a sleek transformation. The revamp has renewed interest among buyers, with 13 of the 39 available units being sold within weeks of the reopening. The project is an exclusive 15-storey freehold residential condominium at 16 Cairnhill Rise in District 9, Singapore's prime residential district. For the whole of 2022, prices of non-landed properties in

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[1] https://assets.ctfassets.net/1lsus2dflm8x/4D0NuTFMe6aNt5BlJQYBxd/1104fdc5fc20af1850245ab950cb3160/Linesight_Singapore_Commodities_and_Insights_Report_Q3_2022_b.pdf

Core Central Region (CCR) increased by 4.8%, according to the Urban Redevelopment Authority ("URA")[2].

Mr. Pay added: "***Over the last few years, the Group had made provisions for onerous, non-cancellable construction contracts following the surge in construction costs. The Group aims to achieve Temporary Occupation Permit ("TOP") status for six of these projects in a timely manner in 2023. Following the completion of these contracts, the Group is ready to take on new projects, amidst the strong underlying construction demand projected. In terms of property development, we have seen positive results from our joint venture projects in Singapore.***"

##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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[2] https://www.ura.gov.sg/Corporate/Media-Room/Media-Releases/pr23-02