TIONG SENG HOLDINGS LIMITED

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FOR IMMEDIATE RELEASE

Tiong Seng records 1QFY2011 net profit of S$2.1 million

- ***Strong $1.1 billion order book to be fulfilled over the next 12 to 30 months***

S$'000	1QFY2011	1QFY2010	Change (%)
Revenue	61,537	54,195	+14
Net profit attributable to equity holders	2,139	3,072	-30
Earnings per share (cents)	0.28*	0.54**	nm

S$'000	As at 31 Mar 2011	As at 31 Dec 2010
Net asset value per share (cents)	23.02*	22.62*
Cash & cash equivalents	70,567	86,547

**   Based on 766,039,750 shares, net of non-controlling interests, as at 31 Mar 2011*
*** Based on pre-invitation 564,995,750 shares as at 31 Mar 2010*

SINGAPORE – **10 May 2011** – 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 attributable to equity holders of S$2.1 million on revenue of S$61.5 million for the first quarter ended 31 March 2011 ("1QFY2011").

Group revenue was up by 14%, largely due to the increase in construction contract revenue and direct sales and licensing revenue by approximately S$7.0 million and S$1.7 million respectively, offset by a decline in revenue from development properties of approximately S$1.6 million.

An increase in work done for new and on-going projects such as Wharf, Volari, Hotel at Upper Pickering Street and NUS Staff Housing at Kent Vale helped to boost revenue from **construction contracts** by 14% year-on-year to S$56.0 million in 1QFY2011. However, it was offset by less work done for projects in Papua New Guinea and completed and almost completed projects in Singapore – Tribeca, Sky @ Eleven, Wilkie Studio, Hilltops and Shelford Suites, totaling S$38.5 million as compared to corresponding period last year.

Revenue from its **property development** business in China dipped 31% to S$3.6 million as the Group recorded the sale of only 4 units from its Tianmen Jinwan Building in Tianjin totaling 1,165 sqm in 1Q2011 as contrast to 15 units totaling 2,178 sqm for the corresponding period. As at 31 March 2011, remaining 14 units totaling 2,553 sqm are fully sold but not recognized as revenue as those units have yet to meet the revenue recognition policy.

Revenue from the **direct sales and licensing** segment, arising from the acquisition of a majority stake in Cobiax Technologies AG in August 2010, contributed approximately S$1.7 million to the Group's topline in 1QFY2011.

In accordance with the Group's revenue recognition policy, work done amounting to approximately S$21.8 million from newly commenced projects, Hundred Trees and Tree House have yet to be recognised as revenue as at 31 March 2011.

The Group's financial position as at 31 March 2011 remains healthy, with a strong cash and cash equivalents of approximately S$70.6 million. For 1QFY2011, the Group achieved earnings per share of 0.28 Singapore cents (based on the share capital of 766,039,750 shares and net of non-controlling interests) and net asset value per share of 23.02 Singapore cents (as at 31 March 2011).

Strong Project Pipeline and Commanding Order Book

The Group's pipeline of projects continues to be very strong, and as at 31 March 2011, its order book for construction and civil engineering projects based on secured contracts stands at approximately S$1.1 billion. The Group expects majority of these orders to be fulfilled over the next 12 to 30 months.

Looking Ahead

Construction

Singapore's construction sector outlook continues to be promising and demand is projected to reach between $22 billion and $28 billion in 2011[1]. While rising costs in building materials and foreign workers' levies will continue to be of concern to construction companies in Singapore, market competition has also intensified due to the entry of a number of large foreign contractors in Singapore in 2010.

To cushion the impact, the Group will continue to explore investments in automation, training and other measures to improve productivity, and at the same time, utilise the government's new initiative for higher tax allowances for such productivity investments.

Said Mr Pek Lian Guan (白連源), CEO of Tiong Seng Holdings Limited, "Going forward, we are making a strong push towards improving productivity and efficiency to meet the challenges ahead. Our investments in pre-casting and advanced formwork systems will reduce our reliance on labour and increase our cost efficiencies."

"With the upcoming completion of our Prefabrication Hub in 3Q2011, coupled with the automated production of pre-cast building components, we will be able to push for even higher productivity. Our investment in Cobiax's unique concrete technology is also expected to contribute to our overall efficiency through savings in concrete used in reinforcement concrete slabs."

Property Development in the PRC

The series of measures implemented by the PRC government to cool and regulate the property market will likely have a short-term impact on property inflation. However, the growth momentum is expected to continue in the longer term[2]. The increasing rate of urbanization continues to boost demand for quality housing in China's cities. It has been estimated that 50% of the population will live in cities by 2020, and reach 75% by 2050. Currently, China's urbanization still lags behind the 85% achieved in developed countries, and has, therefore, more room to grow[3].

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[1] Building and Construction Authority: Promising outlook for construction sector demand in 2011, 12 Jan 2011

[2] The Business Times (Singapore): China hikes rates, moves to cool property further, 9 Feb 2011

[3] "China's urbanization rate to reach 50% by 2020" (Chinadaily.com.cn, 5 Dec 2010) quoting the 2009 City Development Report of China.

"The PRC government will still continue to develop its second- and third-tier cities. The price trends for residential and commercial units in these cities will likely remain at least stable in the near term. We believe that this will hold true particularly in Tianjin, as the Tianjin Binhai New Area ("TBNA") is slated to be a new driving force in the PRC economy," concluded Mr Pek.

As at 31 March 2011, Tiong Seng has substantially completed the construction and sales for Phase 1 of the Sunny International project, a 4-phase development project in Cangzhou. Sold units are expected to be handed over to owners starting 3Q 2011. Currently, this project is in Phase 2 and it is under construction and sales are expected to commence by 2Q2011.

In addition, the Group is currently carrying out construction for Phase 1 of the Equinox project in Dagang. Sales for Phase 1 of this project is expected to commence in 4Q2011.

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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 50 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.