TIONG SENG HOLDINGS LIMITED
(Incorporated in Singapore)
(Company Registration No. 200807295Z)

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL

The Board of Directors (the "**Board**") of Tiong Seng Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's announcement dated 5 December 2023 in relation to the inclusion of the Company on the watch-list with effect from 5 December 2023 pursuant to Rule 1311(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") (the "**Listing Manual**").

The Company will have to take active steps to restore its financial health and meet the requirements of Rule 1314 of the Listing Manual within 36 months from 5 December 2023, failing which the SGX-ST will delist the Company or suspend trading in the Company’s shares with a view to delisting the Company.

Rule 1314 of the Listing Manual states that an issuer on the watch-list may apply to the SGX-ST to be removed from the watch-list if it records consolidated pre-tax profit for the most recently completed financial year (based on audited full year consolidated accounts) and has an average daily market capitalisation of S$40 million or more over the last 6 months.

Pursuant to Rule 1313(2) of the Listing Manual, the Company must, for the period in which it remains on the watch-list, provide the market with a quarterly update on its efforts and the progress made in meeting the exit criteria of the watch-list, including where applicable its financial situation, its future direction, or other material development that may have a significant impact on its financial position. If any material development occurs between the quarterly updates, it must be announced immediately.

<u>Update on Financial Situation</u>

The Group recorded a profit before tax of S$5.8 million for the financial year ended 31 December 2024. This included one-off gain on disposal of assets held for sale of S$6.5 million. For details of the Group's financial situation and financial position as at 31 December 2024, kindly refer to the Company's annual report released on 15 April 2025. We will continue to monitor developments in the subsequent quarters.

The average daily market capitalisation of the Company over the last six months prior to this announcement was above S$40 million.

<u>Update on Future Direction and Other Material Developments</u>

The Group is still in the process of identifying potential buyers for the properties (refer to the appendix to the notice of annual general meeting dated 15 April 2025).

Construction Sector

The construction landscape in Singapore remains on a steady path for 2025, with projected demand reaching between S$47 billion and S$53 billion. This upward trajectory follows 2024's strong performance of S$44.2 billion and is expected to maintain momentum through 2029, with annual demand forecasts from Singapore’s Building and Construction Authority (BCA) ranging from S$39 billion to S$46 billion.

Driving this sector momentum is a portfolio of significant projects: the expansion of Changi Airport with Terminal 5, ongoing MRT network developments including Cross Island Line (Phase 3), accelerated public housing construction, the Marina Bay Sands Integrated Resort expansion, as well as other large-scale institutional developments.

Our recent project portfolio has experienced a transitional phase, with several legacy projects carrying higher cost structures reaching completion in the first half of the year. Although this has had a short-term impact on our margin profile, we expect gradual improvement as our pipeline evolves. New contracts secured since the end of last year have already commenced, and we are seeing gradual progress this year, with these projects bringing better efficiency and returns that are aligned with our refined operational approach.

Our approach for 2025 continues to emphasise quality-focused growth. The recent strategic partnership with Continental Steel Pte Ltd — a leading regional steel supplier pioneering green solutions — strengthens our capacity to deliver innovative, sustainable construction methodologies. This collaboration, combined with our refined project selection criteria and streamlined operational structure, positions us to deliver enhanced value while maintaining our commitment to excellence.

Engineering Solutions

Sustainable construction practices continue to gain traction, with our Engineering Solutions division well positioned to meet growing market demands. We've developed a comprehensive technology portfolio featuring zero-waste reusable steel formwork systems, Prefabricated Prefinished Volumetric Construction (PPVC), Advanced Precast solutions, Structural Steel integration, and Mass Engineered Timber applications.

These innovations transform traditional building processes into manufacturing-driven approaches, yielding significant improvements in quality standards, operational efficiency and environmental sustainability. We have witnessed remarkable growth in interest for these solutions both domestically and internationally, reflecting the industry's shift towards greener, more productive practices.

Looking forward, our Engineering Solutions segment is poised to play a crucial role in achieving broader sustainability objectives while simultaneously strengthening our market presence locally and potentially expanding strategically abroad.

Property Development

China's property market in 2025 presents a mixed outlook, with premium segments and major cities showing signs of recovery while the broader market continues to face challenges. This contrast is evident in rising luxury property prices in tier-1 cities against declining national resale figures, revealing a significant gap between thriving urban centres and struggling smaller cities with excess housing inventory.

The government has rolled out targeted policies to stabilise the market, including local rule adjustments, a RMB6 trillion loan programme to ensure project completion, and homebuyer support through lower mortgage rates and reduced down payments for second homes .

Despite these efforts, experts believe the market will only stabilise by late 2025 , as it continues to deal with the effects of significant price declines since 2021 and ongoing debt issues. Recovery will remain uneven, with premium city markets performing better than smaller locations.

Against this backdrop, we're strategically realigning our market approach, focusing particularly on specialised segments like the Silver Economy and aged care facilities. This calculated repositioning allows us to navigate market uncertainties whilst pursuing sustainable growth opportunities within China's evolving property landscape.

The Company wishes to notify all its stakeholders and business partners that the Group's business and operations will continue as usual, and trading in its securities will also continue in the ordinary course. The Company is taking, and will continue to take, active measures to improve its financial health with a view towards meeting the requirements of Rule 1314 of the Listing Manual, and the Board will update the shareholders of the Company as and when there are any material developments that may have a significant impact on the financial position of the Group.

BY ORDER OF THE BOARD

Pay Sim Tee
Executive Director and CEO
9 May 2025