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 (the "**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.

Update on Financial Situation

For the details of the Group's financial performance and financial position as at 30 June 2024, kindly refer to the unaudited financial results of the Group and the Company for the six months ended 30 June 2024 which were released via SGXNET on 12 August 2024.

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

Update on Future Direction and Other Material Developments

The Group is still in the process of identifying potential buyers for the Fan Yoong Property, the Tuas Property and the Pontian Land Parcels (each as defined in the appendix to the notice of annual general meeting dated 15 April 2024).

As stated in the Company's announcement dated 15 October 2024, in September 2024, the Group officially opened its flagship Watermark Tiong Seng Lifestyle Centre in Tianjin, China, through its wholly foreign-owned entity in Tianjin, Tiong Seng Silvercare, which was established in 2024 as the Group's vehicle for developing senior-living facilities in China as part of the Group's efforts to leverage on robust growth opportunities in China's silver economy. The Watermark Tiong Seng Lifestyle Centre is a 4,700-square metre facility which is inspired by the concept behind Singapore's Active Ageing Centres and provides recreational and fitness amenities, nutritious dining choices, access to medical services network and a range of community activities, and will be completed by the upcoming Health and Medical Centre, spanning 2,700 square metres and projected to open in 2026.

This marks Tiong Seng’s first foray into China’s silver economy, a strategic expansion that capitalises on the Group’s expertise in the built environment sector to address accelerating demand for assisted living and care facilities.

Construction

According to research and consultancy reports, Singapore’s construction industry is expected to expand by 3.3% in real terms in 2024, driven by public infrastructure, housing projects as well as private investment in areas like renewable energy. The Group is well-positioned to benefit from this growing demand and aims to secure more projects, particularly in the public sector. Our construction segment will actively pursue opportunities, while maintaining strong collaborations with key stakeholders to enhance the Group's branding and reputation.

Engineering Solutions

The Singapore Green Building Masterplan has set a target for at least 80% of buildings (by gross floor area) to be green by 2030. As a leading engineering specialist, the Group offers sustainable Design for Manufacturing and Assembly solutions, enabling the Group to design and build Green Mark-certified buildings.

On 30 October 2024, Singapore's Building and Construction Authority (BCA) also introduced a new environmental sustainability criteria in the Quality component of the Price Quality Method (PQM) framework for the procurement of construction services that will come into effect from 31 January 2025, for public construction tenders exceeding S$50 million. Up to 5% of tender evaluation points will now be allocated based on environmental sustainability, incentivizing tenderers to adopt greener construction methods.

This adoption of advanced technologies keeps the Group at the forefront of the industry and boosts its competitiveness. The Prefabricated Prefinished Volumetric Construction market is expected to grow. Tiong Seng, holding the highest grading of A1 awarded by the BCA, is well-positioned to benefit from this market expansion. Our engineering solutions segment will continue promoting green solutions to third-party clients, aiming to expand the order book and improve profit margins.

Senior-Care

China is projected to spend RMB 2.84 trillion on elder care by 2035, which represents close to double the amount budgeted in 2020, including on expanding retirement facilities, recruiting more staff and tapping technology to ease its manpower crunch.

China’s Ministry of Civil Affairs reported that China's diversified supply system of elderly services have been continuously optimised and the development of home and community elderly services accelerated. With this improvement, there were 410,000 nursing homes and facilities for the elderly across China as of the end of the second quarter of 2024, representing approximately a 100 percent increase for both figures compared with 2019.

Property Development

The real estate market in China remains subdued due to an economic slowdown and decreased consumer spending. On a bright note, China’s leaders, led by President Xi, pledged stronger support to halt the real estate downturn, focusing on stabilizing housing supply, lowering mortgage rates, and boosting confidence to revive household property purchases. This policy initiatives aim to stabilize a critical economic sector, addressing both immediate and long-term growth needs.

The Group is closely monitoring developments and adjusting strategies as necessary. The focus remains on managing risks and navigating uncertain market conditions with prudence.

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
14 November 2024