



TIONG SENG HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Co. Reg. No: 200807295Z)

UNAUDITED 1Q 2017 FINANCIAL STATEMENT ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 2017

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (1Q, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) Consolidated statement of comprehensive income, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	3 Months Ended 31 March 2017 S\$'000	3 Months Ended 31 March 2016 S\$'000	Change %
Revenue			
Revenue from construction contracts	193,968	154,928	25
Revenue from sales of development properties	13,221	91,787	-86
Rental Income	502	466	8
	<u>207,691</u>	<u>247,181</u>	-16
Other income	827	1,609	-49
Costs of construction	(180,113)	(141,507)	27
Costs of sales of development properties	(12,918)	(87,851)	-85
Depreciation and amortisation	(1,292)	(1,262)	2
Selling expenses	(490)	(659)	-26
Staff costs	(4,840)	(5,383)	-10
Other expenses	(2,275)	(2,973)	-23
	<u>(201,928)</u>	<u>(239,635)</u>	-16
Profit from operating activities	6,590	9,155	-28
Finance income	360	291	24
Finance expenses	(2,684)	(4,158)	-35
Net finance expense	<u>(2,324)</u>	<u>(3,867)</u>	-40
Share of profit/(loss) of joint ventures, net of tax	738	(669)	N.M
Profit before income tax	5,004	4,619	8
Income tax	(1,071)	(1,002)	7
Profit for the period	<u>3,933</u>	<u>3,617</u>	9

N.M : Not Meaningful

	3 Months Ended 31 March 2017 S\$'000	3 Months Ended 31 March 2016 S\$'000	Change %
Other comprehensive income:			
Items that are / may be reclassified subsequently to profit or loss			
Translation differences relating to financial statements of foreign subsidiaries	(5,909)	(9,186)	-36
Exchange differences on monetary items forming part of net investment in a foreign operation	(1,843)	(3,302)	-44
Net change in the fair value of available-for-sale investments	13	-	100
Other comprehensive income for the period, net of tax	<u>(7,739)</u>	<u>(12,488)</u>	-38
Total comprehensive income for the period	<u>(3,806)</u>	<u>(8,871)</u>	-57
Profit attributable to:			
Owners of the Company	4,090	3,737	9
Non-controlling interests	(157)	(120)	31
Profit for the period	<u>3,933</u>	<u>3,617</u>	9
Total comprehensive income attributable to:			
Owners of the Company	(2,033)	(6,362)	-68
Non-controlling interests	(1,773)	(2,509)	-29
Total comprehensive income for the period	<u>(3,806)</u>	<u>(8,871)</u>	-57
Earnings per share			
- Basic and diluted (cents) ¹	<u>0.90</u>	<u>0.82</u>	10

¹ Based on weighted average number of shares outstanding after share consolidation and excluding treasury shares of 453,759,166 (2016: 458,058,817) shares.

1(a)(ii) Notes to the consolidated statement of comprehensive income

The following items have been charged or (credited) in arriving at profit for the period:

	3 Months Ended 31 March 2017 S\$'000	3 Months Ended 31 March 2016 S\$'000	Change %
Fees from property management	(151)	(188)	-20
Insurance expense	143	74	93
Legal and professional fees	358	265	35
Operating lease expenses	312	349	-11
Repair and maintenance expenses	209	220	-5
Travelling and transport	247	233	6
Tender expenses	6	325	-98

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31.03.2017	31.12.2016	31.03.2017	31.12.2016
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	125,594	123,164	-	-
Intangible assets	1,105	1,235	-	-
Investment properties	14,378	14,927	-	-
Investment in subsidiaries	-	-	59,624	59,624
Associates and joint ventures	23,691	22,953	-	-
Trade and other receivables	28,964	30,719	-	-
Amount due from related parties	2,124	1,653	-	-
Other investments	1,305	1,145	-	-
Deferred tax assets	200	204	-	-
	197,361	196,000	59,624	59,624
Current assets				
Inventories	1,183	1,467	-	-
Construction work-in-progress	34,867	30,337	-	-
Development properties	324,665	336,049	-	-
Trade and other receivables	210,626	256,903	27	3
Amount due from related parties	60,940	51,645	129,981	129,981
Cash and cash equivalents	97,725	92,248	857	2,930
	730,006	768,649	130,865	132,914
Total assets	927,367	964,649	190,489	192,538
Equity attributable to owners of the Company				
Share capital	181,947	181,947	181,947	181,947
Treasury shares	(1,374)	(1,310)	(1,374)	(1,310)
Reserves	(71,040)	(65,948)	(45,850)	(45,850)
Retained earnings / (Accumulated losses)	149,489	145,517	(24,109)	(22,622)
	259,022	260,206	110,614	112,165
Non-controlling interests	52,955	57,641	-	-
Total equity	311,977	317,847	110,614	112,165
Non-current liabilities				
Trade and other payables	22,701	24,348	-	-
Loans and borrowings	18,986	90,931	-	72,568
Deferred tax liabilities	5,530	5,810	-	-
	47,217	121,089	-	72,568
Current liabilities				
Progress billings in excess of construction work-in-progress	3,472	8,545	-	-
Trade and other payables	398,617	395,651	2,695	3,197
Amount due to related parties	20,329	23,498	4,608	4,608
Loans and borrowings	132,888	85,449	72,572	-
Current tax payable	12,867	12,570	-	-
	568,173	525,713	79,875	7,805
Total liabilities	615,390	646,802	79,875	80,373
Total equity and liabilities	927,367	964,649	190,489	192,538

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

As at 31.03.2017		As at 31.12.2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
60,316	72,572	85,449	-

Amount repayable after one year

As at 31.03.2017		As at 31.12.2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
18,986	-	18,363	72,568

Details of any collateral**1. Secured loan from a bank**

Pursuant to a loan facility arrangement with a bank, the Group pledges its shares in Chang De Investment Private Limited ("ChangDe"), Tiong Seng Properties (Private) Limited ("TSP"), Tianjin Zizhulin Development Co. Ltd. ("Zizhulin"), and Suzhou Changhe Investment and Development Co., Ltd ("Changhe") as well as the subordination of the group's share of existing and future shareholder's loan to those companies, to the bank as securities for loans of up to approximately S\$100 million to ChangDe for a tenure of 72 months. Notwithstanding this, ChangDe, TSP, Zizhulin and Changhe still remain as subsidiaries of the Group.

2. The secured bank loans, secured loan from a financial institution and secured bank overdrafts are secured on the following assets:

	31 March 2017	31 December 2016
	\$'000	\$'000
Carrying amounts of assets:		
Leasehold land	12,207	12,337
Freehold land	3,933	3,818
Leasehold properties	38,880	39,301
Investment properties	456	470
Plant and machinery	8,284	11,276
Motor vehicles	1,281	1,458
Deposits pledged	607	636
Total	65,648	69,296

The secured bank loans and bank overdrafts are also secured by assignment of rights, interests and benefits in connection with construction contracts and corporate guarantee of the Company.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial period.

	3 Months Ended 31 March 2017 S\$'000	3 Months Ended 31 March 2016 S\$'000
Cash flow from operating activities		
Profit from operating activities	6,590	9,155
Adjustments for:		
Allowance for doubtful trade receivables	(70)	-
Depreciation and amortisation	4,275	4,271
Gain on disposal of property plant and equipment	-	(57)
Operating profit before working capital changes	10,795	13,369
Changes in working capital:		
Inventories	282	95
Construction work-in-progress	(9,604)	(7,644)
Development properties	2,662	70,338
Trade and other receivables	47,996	20,170
Balances with related parties (trade)	(7,110)	153
Trade and other payables	2,122	(29,801)
Cash generated from operations	47,143	66,680
Income taxes paid	(987)	(163)
Income tax refund	29	-
Net cash from operating activities	46,185	66,517
Cash flow from investing activities		
Balances with related parties (non-trade)	(6,343)	1,090
Distributions received from joint ventures	-	7,497
Interest received	222	46
Proceeds from sales of property, plant and equipment	61	440
Purchase of property, plant and equipment	(6,685)	(10,948)
Purchase of other investments	(132)	-
Net cash used in investing activities	(12,877)	(1,875)
Cash flow from financing activities		
Balances with related parties (non-trade)	353	(3,790)
Increase in restricted cash	(172)	(975)
(Increase)/decrease in deposits pledged	(3)	51
Interest paid	(618)	(2,172)
Acquisition of non-controlling interest of a subsidiary	(2,000)	-
Purchase of treasury shares	(64)	(444)
Payments of finance lease liabilities	(214)	(225)
Proceeds from loans and borrowings	9,768	10,922
Repayment of loans and borrowings	(34,063)	(88,883)
Net cash used in financing activities	(27,013)	(85,516)
Net increase/(decrease) in cash and cash equivalent	6,295	(20,874)
Cash and cash equivalent at beginning of the period	87,602	88,774
Effect of exchange rate changes on balance held in foreign currencies	(851)	738
Cash and cash equivalents at end of the period	93,046	68,638

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share capital	Treasury shares	Merger reserve	Capital reserve	Statutory reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2017	181,947	(1,310)	(77,720)	1,888	3,564	-	6,320	145,517	260,206	57,641	317,847
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	4,090	4,090	(157)	3,933
Other comprehensive income											
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	-	(4,293)	-	(4,293)	(1,616)	(5,909)
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	-	-	-	(1,843)	-	(1,843)	-	(1,843)
Net change in the fair value of available-for-sale investments	-	-	-	-	-	13	-	-	13	-	13
Total other comprehensive income	-	-	-	-	-	13	(6,136)	-	(6,123)	(1,616)	(7,739)
<i>Total comprehensive income for the period</i>	-	-	-	-	-	13	(6,136)	4,090	(2,033)	(1,773)	(3,806)
Transaction with owners, recognised directly in equity											
Contributions by and distributions to owners											
Purchase of treasury shares	-	(64)	-	-	-	-	-	-	(64)	-	(64)
Acquisition of non-controlling interest without a change in control	-	-	-	1,031	-	-	-	(118)	913	(2,913)	(2,000)
<i>Total transaction with owners of the Company</i>	-	(64)	-	1,031	-	-	-	(118)	849	(2,913)	(2,064)
At 31 March 2017	181,947	(1,374)	(77,720)	2,919	3,564	13	184	149,489	259,022	52,955	311,977

Group	Share capital	Treasury shares	Merger reserve	Capital reserve	Statutory reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2016	181,947	(244)	(77,720)	1,888	3,564	-	18,267	132,510	260,212	59,799	320,011
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	3,737	3,737	(120)	3,617
Other comprehensive income											
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	-	(6,797)	-	(6,797)	(2,389)	(9,186)
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	-	-	-	(3,302)	-	(3,302)	-	(3,302)
Total other comprehensive income	-	-	-	-	-	-	(10,099)	-	(10,099)	(2,389)	(12,488)
<i>Total comprehensive income for the period</i>	-	-	-	-	-	-	(10,099)	3,737	(6,362)	(2,509)	(8,871)
Transaction with owners, recognised directly in equity											
Contributions by and distributions to owners											
Purchase of treasury shares	-	(444)	-	-	-	-	-	-	(444)	-	(444)
<i>Total transaction with owners of the Company</i>	-	(444)	-	-	-	-	-	-	(444)	-	(444)
At 31 March 2016	181,947	(688)	(77,720)	1,888	3,564	-	8,168	136,247	253,406	57,290	310,696

Company	Share capital	Treasury Shares	Merger Reserve	Accumulated profits	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2017	181,947	(1,310)	(45,850)	(22,622)	112,165
Total comprehensive income for the period	-	-	-	(1,487)	(1,487)
Purchase of treasury shares	-	(64)	-	-	(64)
At 31 March 2017	181,947	(1,374)	(45,850)	(24,109)	110,614
At 1 January 2016	181,947	(244)	(45,850)	(23,994)	111,859
Total comprehensive income for the period	-	-	-	(1,522)	(1,522)
Purchase of treasury shares	-	(444)	-	-	(444)
At 31 March 2016	181,947	(688)	(45,850)	(25,516)	109,893

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.

State also the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Issued and fully paid ordinary shares, with no par value	No of shares	S\$'000
At 1 January 2017	454,014,149	181,947
Share buy-backs	(273,900)	-
Balance at 31 March 2017	453,740,249	181,947

As at 31 March 2017, the Company held 5,883,600 treasury shares (2,968,400 treasury shares as at 31 March 2016) which represents 1.30% (0.65% as at 31 March 2016) of the total number of issued shares of the Company (excluding treasury shares).

The Company did not have any outstanding options or convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediate preceding financial year.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	No of shares	
	31 March 2017	31 December 2016
Total number of issued shares excluding treasury shares	453,740,249	454,014,149

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

The Company held 5,883,600 treasury shares as at the end of the current financial period ended 31 March 2017. There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There are no subsidiary holdings as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures has not been audited or reviewed by the Company's independent auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not Applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the audited financial statements for the year ended 31 December 2016.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group adopted a number of new standards, amendments to standard and interpretations that are effective for annual periods beginning on or after 1 January 2017. The adoptions of these new standards, amendments to standard and interpretations did not result in any significant impact on the financial statements of the Group.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	3 Months Ended 31 March 2017	3 Months Ended 31 March 2016
	(cents)	(cents)
Earnings per ordinary share of the group, after deducting any provision for preference dividends (in cents):		
(a) Based on weighted average number of ordinary shares on issue; and	0.90	0.82
(b) On a fully diluted basis	0.90	0.82

The earning per ordinary share net of non-controlling interests has been calculated based on weighted average number of shares outstanding after share consolidation and excluding treasury shares of 453,759,166 (2016: 458,058,817) shares.

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.**

	Group		Company	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
	(cents)	(cents)	(cents)	(cents)
Net asset value per ordinary share based on issued share capital at the end of:	57.09	57.31	24.38	24.71

The net asset value per ordinary share, net of non-controlling interests and excluding treasury shares, has been calculated based on 453,740,249 shares and 454,014,149 shares as at 31 March 2017 and 31 December 2016 respectively.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
- any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Group Performance for 1Q2017 compared to 1Q2016

Overview

The breakdown of our major business segment financial information as follows:

	<u>Construction</u>	<u>Property Development</u>	<u>Rental</u>	<u>Others</u>	<u>Total</u>
	3 Months Ended 31 March 2017				
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	193,968	13,221	502	-	207,691
Costs	(180,113)	(12,918)	-	-	(193,031)
Gross Profit	13,855	303	502	-	14,660
Other income	473	172	-	182	827
Depreciation and amortisation	(995)	(13)	(274)	(10)	(1,292)
Selling expenses	(54)	(436)	-	-	(490)
Staff costs	(3,557)	(486)	-	(797)	(4,840)
Other operating expenses	(1,436)	(479)	-	(360)	(2,275)
Profit / (loss) from operating activities	8,286	(939)	228	(985)	6,590

	<u>Construction</u>	<u>Property Development</u>	<u>Rental</u>	<u>Others</u>	<u>Total</u>
	3 Months Ended 31 March 2016				
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	154,928	91,787	466	-	247,181
Costs	(141,507)	(87,851)	-	-	(229,358)
Gross Profit	13,421	3,936	466	-	17,823
Other income	912	428	60	209	1,609
Depreciation and amortisation	(958)	(12)	(280)	(12)	(1,262)
Selling expenses	(75)	(584)	-	-	(659)
Staff costs	(3,979)	(596)	-	(808)	(5,383)
Other operating expenses	(1,862)	(575)	-	(536)	(2,973)
Profit / (loss) from operating activities	7,459	2,597	246	(1,147)	9,155

Generally, the Group's profit from operating activities decreased by approximately S\$2.6 million or 28.0% from approximately S\$9.2 million in 1Q2016 to S\$6.6 million in 1Q2017. The decrease was mainly due to loss reported in property development segment of S\$0.9 million in 1Q2017 as contrast to a profit registered of S\$2.6 million in 1Q2016, partially offset by increased profit in construction segment by S\$0.8 million. Loss in property development segment was mainly due to lower revenue recognition, in accordance with the Group's revenue recognition policy, while increase in profit in construction segment was driven by higher construction work done arising from the various construction projects.

Due to the substantial reduction in sale of goods segment operation and its relative insignificance to the financial of the Group, this segment has been aggregated into construction segment.

Revenue

Revenue decreased by approximately S\$39.5 million or 16.0% from approximately S\$247.2 million in 1Q2016 to approximately S\$207.7 million in 1Q2017, attributable mainly to lower revenue recognised in property development by S\$78.6 million partially offset by increase in revenue from construction segment by S\$39.0 million.

Revenue from construction contract

Increase in revenue was mainly due to net increase in work done for new and on-going projects as a result of differences in stages of the various construction contracts.

In accordance with our revenue recognition policy, work done amounting to approximately S\$6.7 million from newly commenced projects have yet to be recognized as revenue as at 31 March 2017.

Revenue from sales of development properties

Revenue from sales of development properties in 1Q2017 amounted to S\$13.2 million contributed mainly from the sale recognition of 16 units (5,661 sqm) from Equinox Project and 1 unit (226 sqm) from phase I of the Tranquility Project. In 1Q2016, revenue amounted to S\$91.8 million was mainly derived from the sale recognition of 436 units (47,258 sqm) of phase I from Tranquility Project and 22 units (2,209 sqm) of phase II and phase III from Sunny International Project.

As at 31 March 2017, approximately S\$112.5 million of gross development value were sold, but yet to be recognised as revenue in accordance to our revenue recognition policy, as follows:

Projects	Total units launched	Units sold and recognised	Units sold but yet to recognize	
			Units	Sqm
Equinox	322	147	93	16,718
Tranquility Residences	636	504	67	21,472

Gross profit in construction segment

Decrease in gross profit margin of approximately 1.6% from 8.7% in 1Q2016 to 7.1% in 1Q2017 was due mainly to project mix.

Gross profit in property development segment

Gross profit margin decreased approximately 2.0% from 4.3% in 1Q2016 to 2.3% in 1Q2017 mainly due to the difference in projects' profile and relative profitability in the projects recognized over the two periods.

Other income

Other income decreased by S\$0.8 million from S\$1.6 million in 1Q2016 to S\$0.8 million in 1Q2017 mainly due to combined reduction in profits from sale of car park lots, disposal of plant and equipment and sundry revenue.

Selling expenses

Decrease in selling expenses of approximately S\$0.2 million to S\$0.5 million in 1Q2017 mainly due to a decrease in sales and marketing activities for the properties in the People's Republic of China.

Staff costs

Staff cost decreased by S\$0.5 million to S\$4.8 million in 1Q2017 mainly due to cost saving from down sizing of the sale of goods segment and continual cost rationalisation efforts of the Group.

Other expenses

Decrease in other expenses of approximately S\$0.7 million to S\$2.3 million in 1Q2017 due mainly to cost saving from down sizing of the sale of goods segment, decrease in tender and property management expenses.

Net finance expenses

Net finance expense decreased by approximately S\$1.5 million from S\$3.9 million in 1Q2016 to S\$2.3 million in 1Q2017 due mainly to lower exchange loss as a result of depreciation in RMB vis-à-vis SGD of approximately S\$1.0 million in 1Q2017 as compared to S\$2.2 million in 1Q2016. In addition, there is a decrease in net finance expense on discounting of long term retention receivables and payables amounted to S\$0.2 million.

Share of profit of joint ventures, net of tax

The Group registered a share of profit from joint ventures of approximately S\$0.7 million in 1Q2017 as compared to a loss of approximately S\$0.7 million in 1Q2016 due mainly to contribution from certain joint ventures projects.

Profit for the period

Profit in 1Q2017 increased by approximately S\$0.3 million to S\$3.9 million as a result of the factors mentioned in the preceding paragraphs.

Review of Financial Position

Non-Current Assets

As at 31 March 2017, non-current assets stood at S\$197.4 million or approximately 21.3% of total assets, an increase of approximately S\$1.4 million as compared to 31 December 2016.

Increase in property, plant and equipment ("PPE") of approximately S\$2.4 million to S\$125.6 million as at 31 March 2017 was mainly due to cost incurred in property under construction amounted to S\$4.9 million and addition on other PPE items of S\$1.7 million partially offset by depreciation in the same period.

Increase in amount due from related parties by S\$0.5 million to S\$2.1 million due to increase in retention sum receivable from a joint venture project.

Current Assets

As at 31 March 2017, current assets stood at S\$730.0 million or approximately 78.7% of total assets, a decrease of approximately S\$38.6 million as compared to 31 December 2016.

Trade and other receivables decreased by approximately S\$46.3 million to S\$210.6 million due mainly to decrease in trade receivables, accrued receivables and retention sum on construction contracts of approximately S\$22.9 million, S\$16.5 million and S\$5.8 million respectively.

Decrease in development properties by S\$11.4 million to S\$324.7 million as at 31 March 2017 was due mainly to revenue recognition in Equinox and Tranquility project.

Decrease in current assets was partially offset by an increase in amount due from related parties by approximately S\$9.3 million to S\$60.9 million due mainly to receivables arising from construction revenue from affiliated corporation of S\$4.1 million and increase in trade receivable from joint venture of S\$6.1 million.

Increase in construction work-in-progress (net of excess progress billings in excess of construction work-in-progress) of about S\$9.6 million was due mainly to differences in stages of various construction projects.

Non-Current Liabilities

As at 31 March 2017, non-current liabilities amounted to S\$47.2 million or approximately 7.7% of total liabilities, a decrease of approximately S\$73.9 million as compared to 31 December 2016.

Loan and borrowings decreased by S\$71.9 million to S\$19.0 million mainly due to reclassification of multi-currency medium term note which is due for repayment within 12 months to current liabilities.

Current Liabilities

As at 31 March 2017, current liabilities stood at S\$568.2 million or approximately 92.3% of total liabilities, an increase of S\$42.5 million as compared to 31 December 2016.

Loans and borrowings increased by S\$47.4 million to S\$132.9 million mainly due to reclassification of multi-currency medium term note due for repayment within 12 months from non-current liabilities partially offset by net repayment of loan during the period reported on.

Amount due to related parties decreased by S\$3.2 million to S\$20.3 million due mainly to decline in trade payable to affiliated corporation of S\$2.7 million.

Review of Statement of Cash Flows

Net cash from operating activities

For the 3 months ended 31 March 2017, the Group recorded a net cash inflow from operating activities of approximately S\$46.2 million, as compared to S\$66.5 million net cash inflow in the previous corresponding period ended 31 March 2016. This was mainly due to higher cash inflow in 1Q2016 from property segment following the increased in sales and profit recognition in phase I of Tranquility as compared to improved cash flow in 1Q2017 as a result of timing in collection of construction revenue.

Net cash from investing activities

For the 3 months ended 31 March 2017, the Group recorded a net cash outflow from investing activities of S\$12.9 million, increased by S\$11.0 million as compared to previous corresponding period ended 31 March 2016. This was mainly due to increase in amount due from related parties and the absence of profit distribution from certain joint ventures in

previous corresponding period, partially offset by decrease in investment in property, plant and equipment.

Net cash from financing activities

For the 3 months ended 31 March 2017, the Group recorded a net cash outflow from financing activities of S\$27.0 million, decreased by S\$58.5 million as compared to previous corresponding period ended 31 March 2016. This was due mainly to net repayment of loans and borrowings of S\$24.3 for the 3 months ended 31 March 2017 as compared to S\$78.0 million in previous corresponding period ended 31 March 2016.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Construction Outlook

While the private sector construction demand is expected to remain sluggish due to the slowdown in the property market, the public sector construction demand will be spurred by the strong pipeline of mega infrastructure projects that the government will be releasing over the next few years. The S\$700.0 million worth of infrastructure projects include Tengah HDB Town, LTA's Circle Line 6 and Changi Airport Terminal 5. To aid small and medium-sized local firms, the government has called for public agencies to parcel out larger projects into smaller ones where appropriate.¹

According to BCA's projections, the total value of construction contracts to be awarded in 2017 to reach between S\$28.0 billion and S\$35.0 billion, with a surge in public sector construction demand from S\$15.8 billion last year to S\$24.0 billion for 2017. The public sector is expected to comprise 70.0% of the total construction demand.²

As at 31 March 2017, the Group's order book stands at approximately S\$924 million, expected to extend till year 2020.

Property Development Outlook

In spite of the ever-tightening property controls, new home prices in March were lifted month-on-month in nine of the 15 first and second-tier cities that it closely monitors, according to the data that was recently published by National Statistics Bureau ("NBS") data.³ Furthermore, the average new home price across the 100 cities monitored by the China Index Academy declined 4.4% year-on-year in March.⁴

¹ "More support and incentives to transform built environment sector" – Building and Construction Authority, 7 March 2017

² "Construction demand projected to grow in 2017: BCA" – Channel NewsAsia, 6 January 2017

³ "China home prices rise in more cities in March" – South China Morning Post, 18 April 2017

⁴ "China home prices dip in March despite easing of policies, private surveys show" – South China Morning Post, 18 April 2017

The aforementioned findings clearly point to the unpredictable effects of China's tightening measures on the overheated property market. Experts have also opined that due to lag effect, the latest round of upgraded curbs, including the increase in down-payment requirements, controls on selling prices, and restrictions on purchases by non-locals and second-home buyers, which were implemented in late-March may only take effect in the later months.⁵

As a result of the above, the Group will vigilantly monitor the situation and carefully assess the impact of the Chinese government's tightening policies on its operations in second and third-tier cities in China.

As at 31 March 2017, approximately S\$112.5 million of gross development value comprises of 93 units (16,718 sqm) of the Equinox and 67 units (21,472 sqm) of Tranquility Residences were sold, but yet to be recognized as revenue in accordance to Tiong Seng's revenue recognition policy.

As at 31 March 2017, approximately 75% of the total 322 units launched for Equinox have been sold. Based on current existing phase development plan and schedule, the Group is currently carrying out construction for one of its phases B3, with expected completion and handover in mid 2018. Also, phase C was completed and started to be handed over in 1Q2017.

For Tranquility Residences project in Suzhou New District Development zone, construction of phase 2 is expected to be completed and handed over in 4Q2017.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not Applicable

(d) Books closure date

Not Applicable

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

⁵ "China home prices rise in more cities in March" – South China Morning Post, 18 April 2017

- 13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as require under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

Pursuant to Rule 920(1)(a)(ii), the following interested person transactions were entered into during the financial period ended 31 March 2017.

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
	1Q2017	FY2017	1Q2017	FY2017
Hiring charges				
Peck Tiong Choon Transport (Pte) Ltd	-	-	2,334,000	2,334,000
Peck Tiong Choon Logistic (Pte) Ltd	-	-	13,000	13,000
Total	-	-	2,347,000	2,347,000
Construction revenue				
Peck Tiong Choon (Pte) Ltd*	7,300,000	7,300,000	-	-
Total	7,300,000	7,300,000	-	-

*The transaction was approved by shareholders in an extraordinary general meeting held on 16 December 2016 under Rule 906(1)(a) of the listing manual.

- 14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company confirms that the undertakings required under Rule 720(1) of the Listing Manual have been obtained from all its directors and executive officers in the format set out in Appendix 7.7 of the Listing Manual.

On behalf of the Board of Directors

BY ORDER OF THE BOARD

Pek Lian Guan
Executive Director and CEO
11 May 2017



TIONG SENG HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Co. Reg. No: 200807295Z)

CONFIRMATION BY DIRECTORS PURSUANT TO RULE 705(5) OF THE LISTING MANUAL OF SGX-ST

On behalf of the Board of Directors of TIONG SENG HOLDINGS LIMITED (the "Company"), we, the undersigned, confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the 1st quarter financial statements for the financial period ended 31 March 2017 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors of
TIONG SENG HOLDINGS LIMITED

Pek Lian Guan
Executive Director & CEO

Pay Sim Tee
Executive Director

11 May 2017