



TIONG SENG HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Co. Reg. No: 200807295Z)

UNAUDITED 3Q 2017 FINANCIAL STATEMENT ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2017

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, 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 30 September 2017 S\$'000	3 Months Ended 30 September 2016 S\$'000	Change %	9 Months Ended 30 September 2017 S\$'000	9 Months Ended 30 September 2016 S\$'000	Change %
Revenue						
Revenue from construction contracts	129,279	140,863	(8)	528,916	433,571	22
Revenue from sales of development properties	-	4,628	(100)	23,839	116,273	(79)
Rental income	449	430	4	1,413	1,282	10
	<u>129,728</u>	<u>145,921</u>	<u>(11)</u>	<u>554,168</u>	<u>551,126</u>	<u>1</u>
Other income	1,946	1,229	58	4,221	5,252	(20)
Costs of construction	(115,609)	(128,641)	(10)	(481,314)	(395,445)	22
Costs of sales of development properties	-	(4,103)	(100)	(22,859)	(107,643)	(79)
Depreciation and amortisation	(1,224)	(1,211)	1	(3,451)	(3,621)	(5)
Selling expenses	(398)	(953)	(58)	(1,707)	(2,751)	(38)
Staff costs	(4,936)	(4,546)	9	(14,855)	(14,699)	1
Other expenses	(3,008)	(3,258)	(8)	(7,619)	(9,443)	(19)
	<u>(125,175)</u>	<u>(142,712)</u>	<u>(12)</u>	<u>(531,805)</u>	<u>(533,602)</u>	<u>-</u>
Profit from operating activities	<u>6,499</u>	<u>4,438</u>	<u>(46)</u>	<u>26,584</u>	<u>22,776</u>	<u>17</u>
Finance income	514	633	(19)	1,493	1,970	(24)
Finance expenses	(1,212)	(2,350)	(48)	(5,399)	(9,405)	(43)
Net finance expense	<u>(698)</u>	<u>(1,717)</u>	<u>(59)</u>	<u>(3,906)</u>	<u>(7,435)</u>	<u>(47)</u>
Share of profit/(loss) of joint ventures, net of tax	633	71	>100	988	(1,331)	NM
Profit before tax	<u>6,434</u>	<u>2,792</u>	<u>>100</u>	<u>23,666</u>	<u>14,010</u>	<u>69</u>
Tax	(1,221)	(655)	86	(4,012)	(4,445)	(10)
Profit for the period	<u>5,213</u>	<u>2,137</u>	<u>>100</u>	<u>19,654</u>	<u>9,565</u>	<u>>100</u>

	3 Months Ended 30 September 2017 S\$'000	3 Months Ended 30 September 2016 S\$'000	Change %	9 Months Ended 30 September 2017 S\$'000	9 Months Ended 30 September 2016 S\$'000	Change %
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss:						
Translation differences relating to financial statements of foreign subsidiaries	916	1,600	(43)	(4,691)	(14,141)	(67)
Exchange differences on monetary items forming part of net investment in a foreign operation	(284)	330	NM	(1,403)	(5,753)	(76)
Net change in the fair value of available-for-sale investments	(6)	-	100	2	-	100
Other comprehensive income for the period	626	1,930	(68)	(6,092)	(19,894)	(69)
Total comprehensive income for the period	5,839	4,067	44	13,562	(10,329)	NM
Profit/ (loss) attributable to:						
Owners of the Company	5,274	1,880	>100	19,567	10,090	94
Non-controlling interests	(61)	257	NM	87	(525)	NM
Profit/(loss) for the period	5,213	2,137	>100	19,654	9,565	>100
Total comprehensive income attributable to:						
Owners of the Company	5,767	3,267	77	14,867	(6,265)	NM
Non-controlling interests	72	800	(91)	(1,305)	(4,064)	(68)
Total comprehensive income for the period	5,839	4,067	44	13,562	(10,329)	NM
Earnings per share						
- Basic and diluted (cents) ¹	1.17	0.41		4.32	2.21	

¹ Based on weighted average number of shares outstanding and excluding treasury shares of 452,708,138 (2016: 456,421,637).

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 30 September 2017 S\$'000	3 Months Ended 30 September 2016 S\$'000	Change %	9 Months Ended 30 September 2017 S\$'000	9 Months Ended 30 September 2016 S\$'000	Change %
Fees from property management	(154)	(105)	47	(486)	(477)	2
Gain on disposal of spare parts and scrap materials	(119)	(53)	>100	(246)	(239)	3
Gain on disposal of investment properties	(331)	2	NM	(331)	(216)	53
Loss/(gain) on disposal of property, plant and equipment	(95)	74	NM	(110)	(157)	(30)
Operating lease expenses	487	456	7	1,297	1,125	15
Travelling and transport	228	202	13	678	627	8
Repair and maintenance expenses	197	270	(27)	643	906	(29)
Legal and professional fees	234	503	(53)	944	1,303	(28)
Tender expenses	8	(40)	NM	26	355	(93)
Inventory written off	-	357	(100)	-	357	(100)

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	
	30.09.2017	31.12.2016	30.09.2017	31.12.2016
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	129,746	123,164	-	-
Intangible assets	848	1,235	-	-
Investment properties	13,774	14,927	-	-
Investment in subsidiaries	-	-	59,624	59,624
Associates and joint ventures	23,805	22,953	-	-
Trade and other receivables	19,028	30,719	-	-
Amount due from related parties	2,524	1,653	-	-
Other investments	1,280	1,145	-	-
Deferred tax assets	200	204	-	-
	191,205	196,000	59,624	59,624
Current assets				
Inventories	1,046	1,467	-	-
Construction work-in-progress	39,113	30,337	-	-
Development properties	333,378	336,049	-	-
Trade and other receivables	194,188	256,903	32	3
Amount due from related parties	55,018	51,645	129,981	129,981
Cash and cash equivalents	100,329	92,248	181	2,930
	723,072	768,649	130,194	132,914
Total assets	914,277	964,649	189,818	192,538
Equity attributable to owners of the Company				
Share capital	181,947	181,947	181,947	181,947
Treasury shares	(2,665)	(1,310)	(2,665)	(1,310)
Reserves	(69,617)	(65,948)	(45,850)	(45,850)
Retained earnings / (Accumulated losses)	161,336	145,517	(25,726)	(22,622)
	271,001	260,206	107,706	112,165
Non-controlling interests	53,365	57,641	-	-
Total equity	324,366	317,847	107,706	112,165
Non-current liabilities				
Trade and other payables	22,131	24,348	-	-
Loans and borrowings	17,515	90,931	-	72,568
Deferred tax liabilities	5,531	5,810	-	-
	45,177	121,089	-	72,568
Current liabilities				
Progress billings in excess of construction work-in-progress	2,686	8,545	-	-
Trade and other payables	424,382	395,651	2,104	3,197
Amount due to related parties	16,267	23,498	7,219	4,608
Loans and borrowings	90,896	85,449	72,789	-
Current tax payable	10,503	12,570	-	-
	544,734	525,713	82,112	7,805
Total liabilities	589,911	646,802	82,112	80,373
Total equity and liabilities	914,277	964,649	189,818	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 30.09.2017		As at 31.12.2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
18,107	72,789	85,449	-

Amount repayable after one year

As at 30.09.2017		As at 31.12.2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
17,515	-	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 loans 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. The Group has fully repaid the loans and is currently negotiating with the bank for new facilities under this existing security arrangement. Notwithstanding this, ChangDe, TSP, Zizhulin and Changhe still remain as subsidiaries of the Group.

2. The secured bank loans and bank overdrafts are secured on the following assets:

	30 September 2017	31 December 2016
	\$'000	\$'000
Carrying amounts of assets:		
Leasehold lands	11,949	12,337
Freehold lands	4,005	3,818
Leasehold properties	38,042	39,301
Investment properties	445	470
Plant and machinery	5,923	11,276
Motor Vehicles	1,197	1,458
Deposits pledged	592	636
Total	62,153	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 30 September 2017 S\$'000	3 Months Ended 30 September 2016 S\$'000	9 Months Ended 30 September 2017 S\$'000	9 Months Ended 30 September 2016 S\$'000
Cash flow from operating activities				
Profit from operating activities	6,499	4,438	26,584	22,776
Adjustments for:				
Allowance for / (write-back of) doubtful trade receivables	66	96	(4)	96
Depreciation and amortisation	4,179	4,179	12,630	12,154
Loss/(gain) on disposal of:				
- property, plant and equipment	(95)	74	(110)	(157)
- investment properties	(331)	2	(331)	(216)
Inventory written off	-	357	-	357
Operating profit before working capital changes	10,318	9,146	38,769	35,010
Changes in working capital:				
Inventories	(194)	389	420	600
Construction work-in-progress	1,326	(2,784)	(14,636)	5,887
Development properties	(11,727)	4,279	(3,651)	89,311
Trade and other receivables	71,609	20,940	75,456	18,491
Balances with related parties (trade)	12,643	(2,832)	(9,067)	(905)
Trade and other payables	(26,941)	12,065	27,201	(5,958)
Cash generated from/(used in) operations	57,034	41,203	114,492	142,436
Income taxes paid	(2,104)	(38)	(6,293)	(1,457)
Income taxes refunded	-	-	29	-
Net cash from / (used in) operating activities	54,930	41,165	108,228	140,979
Cash flow from investing activities				
Balances with related parties (non-trade)	(1,757)	340	(1,757)	(1,509)
Distribution received from joint ventures	-	-	136	7,497
Distribution received from other investments	-	-	-	232
Interest received	120	230	571	768
Proceeds from disposal of property, plant and equipment	172	69	307	416
Proceeds from disposal of investment properties	733	83	733	407
Purchase of available-for-sale financial assets	-	(17,167)	-	(18,386)
Purchase of property, plant and equipment	(6,475)	(6,320)	(18,608)	(24,628)
Purchase of intangible assets	(1)	-	(1)	-
Purchase of other investments	(5)	-	(195)	-
Net cash used in investing activities	(7,213)	(22,765)	(18,814)	(35,203)

	3 Months Ended 30 September 2017 S\$'000	3 Months Ended 30 September 2016 S\$'000	9 Months Ended 30 September 2017 S\$'000	9 Months Ended 30 September 2016 S\$'000
Cash flow from financing activities				
Balances with related parties (non-trade)	122	224	10	(3,401)
Increase in restricted cash	(11)	(23)	(98)	(659)
Decrease / (increase) in deposits pledged	-	412	(3)	498
Dividends paid to owners of the company	(58)	(15)	(3,688)	(2,282)
Interest paid	(1,385)	(1,892)	(4,189)	(6,145)
Acquisition of non-controlling interest in a subsidiary	-	-	(2,000)	-
Purchase of treasury shares	(775)	(106)	(1,355)	(830)
Payments of finance lease liabilities	(146)	(279)	(575)	(730)
Proceeds from loans and borrowings	2,064	34,815	14,118	53,765
Repayment of loans and borrowings	(19,675)	(72,643)	(81,747)	(180,495)
Net cash (used in) / from financing activities	(19,864)	(39,507)	(79,527)	(140,279)
Net (decrease)/increase in cash and cash equivalents	27,853	(21,107)	9,887	(34,503)
Cash and cash equivalent at beginning of the period	67,857	74,389	87,602	88,774
Effect of exchange rate changes on balance held in foreign currencies	(80)	(41)	(1,859)	(1,030)
Cash and cash equivalents at end of the period	95,630	53,241	95,630	53,241

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	-	-	-	-	-	-	-	19,567	19,567	87	19,654
Other comprehensive income											
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	-	(3,299)	-	(3,299)	(1,392)	(4,691)
Exchange differences on monetary items forming part of net investment in a foreign operations	-	-	-	-	-	-	(1,403)	-	(1,403)	-	(1,403)
Net change in the fair value of available-for-sale investments	-	-	-	-	-	2	-	-	2	-	2
Total other comprehensive income	-	-	-	-	-	2	(4,702)	-	(4,700)	(1,392)	(6,092)
<i>Total comprehensive income and expenses for the period</i>	-	-	-	-	-	2	(4,702)	19,567	14,867	(1,305)	13,562
Transaction with owners, recognized directly in equity											
Contributions by and distributions to owners											
Purchase of treasury shares	-	(1,355)	-	-	-	-	-	-	(1,355)	-	(1,355)
Dividends paid	-	-	-	-	-	-	-	(3,630)	(3,630)	(58)	(3,688)
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>	-	(1,355)	-	1,031	-	-	-	(3,748)	(4,072)	(2,971)	(7,043)
At 30 September 2017	181,947	(2,665)	(77,720)	2,919	3,564	2	1,618	161,336	271,001	53,365	324,366

Group	Share capital	Treasury shares	Merger reserve	Capital reserve	Statutory 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
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	-	-	-	-	-	-	10,090	10,090	(525)	9,565
Other comprehensive income										
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	(10,602)	-	(10,602)	(3,539)	(14,141)
Exchange differences on monetary items forming part of net investment in a foreign operations	-	-	-	-	-	(5,753)	-	(5,753)	-	(5,753)
Total other comprehensive income	-	-	-	-	-	(16,355)	-	(16,355)	(3,539)	(19,894)
<i>Total comprehensive income and expenses for the period</i>	-	-	-	-	-	(16,355)	10,090	(6,265)	(4,064)	(10,329)
Transaction with owners, recognised directly in equity										
Contributions by and distributions to owners										
Purchase of treasury shares	-	(830)	-	-	-	-	-	(830)	-	(830)
Dividends paid	-	-	-	-	-	-	(2,282)	(2,282)	-	(2,282)
<i>Total transaction with owners of the Company</i>	-	(830)	-	-	-	-	(2,282)	(3,112)	-	(3,112)
At 30 September 2016	181,947	(1,074)	(77,720)	1,888	3,564	1,912	140,318	250,835	55,735	306,570

Company	Share Capital S\$'000	Treasury Shares S\$'000	Merger Reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
At 1 January 2017	181,947	(1,310)	(45,850)	(22,622)	112,165
Total comprehensive income for the period	-	-	-	526	526
Purchase of treasury shares	-	(1,355)	-	-	(1,355)
Dividend paid	-	-	-	(3,630)	(3,630)
At 30 September 2017	181,947	(2,665)	(45,850)	(25,726)	107,706
At 1 January 2016	181,947	(244)	(45,850)	(23,994)	111,859
Total comprehensive income for the period	-	-	-	5,648	5,648
Purchase of treasury shares	-	(830)	-	-	(830)
Dividend paid	-	-	-	(2,282)	(2,282)
At 30 September 2016	181,947	(1,074)	(45,850)	(20,628)	114,395

- 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 July 2017	451,847,349	181,947
Share buy-backs	(2,477,900)	-
Balance at 30 September 2017	449,369,449	181,947

As at 30 September 2017, the Company held 10,254,400 treasury shares (4,570,500 treasury shares as at 30 September 2016) which represents 2.28% (1.00% as at 30 September 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	
	30 September 2017	31 December 2016
Total number of issued shares excluding treasury shares	449,369,449	454,014,149

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

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.

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

The figures have 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 30 September 2017	3 Months Ended 30 September 2016	9 Months Ended 30 September 2017	9 Months Ended 30 September 2016
	(cents)	(cents)	(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 *	1.17	0.41	4.32	2.21
(b) On a fully diluted basis*	1.17	0.41	4.32	2.21

The earning per ordinary share net of controlling interest has been calculated based on weighted average number of shares outstanding (excluding treasury shares) of 452,708,138 (2016: 456,421,637) 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	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	(cents)	(cents)	(cents)	(cents)
Net asset value per ordinary share based on issued share capital at the end of:	60.31	57.31	23.97	24.71

The net asset value per ordinary share, net of non-controlling interests and excluding treasury shares, has been calculated based on 449,369,449 shares and 454,014,149 shares as at 30 September 2017 and as at 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:**
- (a) **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**
- (b) **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 9M2017 vs 9M2016

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>
	9 Months Ended 30 September 2017				
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	528,916	23,839	1,413	-	554,168
Costs	(481,314)	(22,859)	-	-	(504,173)
Gross Profit	47,602	980	1,413	-	49,995
Other income	1,981	776	122	1,342	4,221
Depreciation	(2,570)	(35)	(820)	(26)	(3,451)
Selling expenses	(5)	(1,702)	-	-	(1,707)
Staff costs	(11,569)	(1,268)	-	(2,018)	(14,855)
Other operating expenses	(5,094)	(1,094)	-	(1,431)	(7,619)
Profit / (loss) from operating activities	30,345	(2,343)	715	(2,133)	26,584

	<u>Construction</u>	<u>Property Development</u>	<u>Rental</u>	<u>Others</u>	<u>Total</u>
	9 Months Ended 30 September 2016				
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	433,571	116,273	1,282	-	551,126
Costs	(395,445)	(107,643)	-	-	(503,088)
Gross Profit	38,126	8,630	1,282	-	48,038
Other income	2,471	1,774	104	903	5,252
Depreciation	(2,675)	(116)	(794)	(36)	(3,621)
Selling expenses	(141)	(2,608)	-	(2)	(2,751)
Staff costs	(11,359)	(1,457)	-	(1,883)	(14,699)
Other operating expenses	(5,919)	(1,596)	-	(1,928)	(9,443)
Profit / (loss) from operating activities	20,503	4,627	592	(2,946)	22,776

Review of Financial Performance

As a whole, the Group's profit from operating activities improved by S\$3.8 million or 16.7% year-on-year (yoy) from approximately S\$22.8 million in 9M2016 to S\$26.6 million in 9M2017. The improvement was mainly driven by an increase in revenue in construction segment that lifted the profit in this segment by S\$9.8 million to S\$30.3 million in 9M2017. This was partially offset by loss reported in property development segment of S\$2.3 million for 9M2017 as contrast to a profit registered of S\$4.6 million in 9M2016. Increase in revenue in construction segment was driven by higher construction work done arising from the various construction projects whereas loss in property development segment was mainly due to lower revenue recognition, in accordance to the Group's revenue recognition policy.

Revenue

Revenue increased by approximately S\$3.0 million or 0.6% yoy from approximately S\$551.1 million in 9M2016 to approximately S\$554.2 million in 9M2017, attributable mainly to increase in revenue from construction segment by S\$95.3 million partially offset by decreased in revenue from property development segment by S\$92.4 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 results of differences in stages of various construction contracts.

In accordance with our revenue recognition policy, work done amounting to approximately S\$8.2 million from newly commenced projects have yet to be recognized as revenue as at 30 September 2017.

Revenue from sales of development properties

Revenue from sales of development properties in 9M2017 amounted to approximately S\$23.8 million was contributed mainly from the sale recognition of 30 units (9,346 sqm) in Equinox Project, 2 units (265 sqm) in Sunny International Project and 1 unit (226 sqm) in Tranquility Project. In 9M2016, revenue amounted to S\$116.3 million was contributed mainly from the sale recognition of 501 units (57,259 sqm) of phase I in Tranquility Project and 30 units (3,313 sqm) in Sunny International Project respectively.

As at 30 September 2017, approximately S\$121.8 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 recognise	
			Units	Sqm
Equinox	322	161	103	18,379
Tranquility Residences	636	504	71	22,738

Other income

Other income decreased by approximately S\$1.0 million from approximately S\$5.3 million in 9M2016 to approximately S\$4.2 million in 9M2017 was mainly due to reduction in sales of car park lots.

Gross profit in property development segment

Gross profit margin decreased approximately 3.3% from 7.4% in 9M2016 to 4.1% in 9M2017 mainly due to the difference in projects' profile and relative weighted average profitability in the projects recognized over the two periods.

Selling expenses

Decrease in selling expenses of approximately S\$1.0 million to S\$1.7 million in 9M2017 due mainly to a decrease in sales and marketing activities for the properties in the People's Republic of China ("PRC").

Other expenses

Decrease in other expenses of approximately S\$1.8 million to S\$7.6 million in 9M2017 due mainly to a combination decrease in tender, repair and maintenance, legal and professional expenses, inventory written off for building materials and lower property management fee for properties in PRC.

Net finance expenses

Net finance expenses decreased by approximately S\$3.5 million to S\$3.9 million in 9M2017 due mainly to lower exchange loss primarily from depreciation in RMB vis-à-vis SGD of approximately S\$1.0 million as compared to S\$3.6 million in the corresponding period and decreased in interest expense by S\$0.6 million to S\$4.1 million in 9M2017.

Share of profit/(loss) of joint ventures, net of tax

The Group registered a share of profit from joint ventures of approximately S\$1.0 million in 9M2017 as compared to a loss of approximately S\$1.3 million in 9M2016 due mainly to net contribution from certain joint ventures projects.

Tax expense

Income tax expense decreased by approximately S\$0.4 million to S\$4.0 million in 9M2017 in the absence of profit contribution from property segment as contrast to the corresponding period.

Profit for the period

Profits in 9M2017 increased by approximately S\$10.1 million to S\$19.7 million as a result of the factors mentioned in the preceding paragraphs.

Review of Financial Position

Non-Current Assets

As at 30 September 2017, non-current assets stood at S\$191.2 million or approximately 20.9% of total assets, a decrease of approximately S\$4.8 million as compared to 31 December 2016.

Increase in property, plant and equipment ("PPE") of approximately S\$6.6 million to S\$129.7 million as at 30 September 2017 was mainly due to costs incurred in property under

construction amounted to S\$13.6 million and additions on other PPE items of S\$5.0 million partially offset by depreciation in the same period.

Decrease in intangible assets by S\$0.4 million to S\$0.8 million mainly due to amortization over the period reported on.

Decrease in trade and other receivables by S\$11.7 million was mainly due to reclassification of retention sums receivable within 12 months to current assets.

Increase in amount due from related parties by S\$0.9 million to S\$2.5 million due to increase in retention sum receivable from a joint venture project.

Current Assets

As at 30 September 2017, current assets stood at S\$723.1 million or approximately 79.1% of total assets, a decrease of approximately S\$45.6 million as compared to 31 December 2016.

Increase in construction work-in-progress (net of excess of progress billings over construction work-in-progress) of about S\$14.6 million was mainly due to differences in stages of various construction projects.

Decrease in trade and other receivables by approximately S\$62.7 million to S\$194.2 million due mainly to collection of retention monies on construction contracts partially offset by reclassification of retention from non current assets, decrease in trade and accrued receivables of approximately S\$16.5 million, S\$34.6 million and S\$8.6 million respectively.

Non-Current Liabilities

As at 30 September 2017, non-current liabilities amounted to S\$45.2 million or approximately 7.7% of total liabilities, a decrease of S\$75.9 million as compared to 31 December 2016.

Loan and borrowings decreased by S\$73.4 million to S\$17.5 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 30 September 2017, current liabilities stood at S\$544.7 million or approximately 92.3% of total liabilities, an increase of approximately S\$19.0 million as compared to 31 December 2016.

Trade and other payables increased by approximately S\$28.7 million to S\$424.4 million as at 30 September 2017 due mainly to net increase in accrued trade payables by S\$28.6 million.

A decrease in amount due to related parties of approximately S\$7.2 million to S\$16.3 million as at 30 September 2017 was due mainly to decrease in trade payable to affiliated corporation of S\$5.6 million and S\$1.2 million reduction in amount due to non-controlling interest in subsidiaries in the People's of Republic China ("PRC").

Loans and borrowings increased by S\$5.4 million to S\$90.9 million as at 30 September 2017 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.

Decrease in current tax payable by S\$2.1 million to S\$10.5 million due mainly to tax paid partially offset by provision of tax expenses during the period reported on.

Review of Statement of Cash Flows

Net cash from operating activities

For the 9M2017, the Group recorded a net cash inflow from operating activities of approximately S\$108.2 million, as compared to S\$141.0 million net cash inflow in the previous corresponding period ended 30 September 2016. This was mainly due to higher cash inflow in 9M2016 from property development segment following increased in sales in phase I of Tranquility as contrast to that in 9M2017, where the Group's cashflow was mainly generated from the construction segment.

Net cash from investing activities

For the 9M2017, the Group recorded a net cash outflow from investing activities of S\$18.8 million, a decrease of S\$16.4 million as compared to previous corresponding period ended 30 September 2016. Net cash used in investment activities in 9M2017 was mainly for investment in PPE of S\$18.6 million. In contrast, net cash outflow from investment activities in 9M2016 was attributed to investment in PPE of S\$24.6 million and purchase of financial products of S\$18.4 million, partially offset by distribution received from joint ventures of S\$7.5 million.

Net cash from financing activities

For the 9M2017, the Group recorded a net cash outflow from financing activities of approximately S\$79.5 million, as compared to net cash outflow of S\$140.3 million in previous corresponding period ended 30 September 2016. This was due mainly to net repayment of loans and borrowings of S\$67.6 million in 9M2017 as compared to S\$126.7 million in previous corresponding period ended 30 September 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 construction sector continues on a sluggish trend, growth in 2018 is expected to be driven largely by the roll-out of public infrastructure projects. In an effort to lift the sector, the Singapore government indicated that it was bringing forward S\$700 million worth of public amenities projects to this year and next, on top of another \$700 million worth of public sector contracts it had announced earlier in the year¹. Following the recent spate of land bank acquisitions, private construction demand could potentially carve out a turnaround in the sector.

In a move to encourage more firms in the industry to invest in construction technologies, new tender criteria that place greater emphasis on quality rather than price will raise industry standards and minimise price wars. Furthermore, government bodies reviewing these tenders will scrutinise a firm's past performance, productivity and safety record more thoroughly before awarding a contract². This development aims to move Singapore's construction sector in a direction of greater automation and innovation so as to reap quality products in a more productive fashion.

¹"Extra \$700m in projects to boost construction sector", The Straits Times, 29 September 2017

²"Construction firms upbeat about new tender criteria, The Straits Times, 29 September 2017

Over the longer term, the Building and Construction Authority (BCA) aims to more than double the number of personnel trained in technologies and innovation, so as to drive productivity improvement in the sector³. This move was set in place to enable local firms to compete abroad and expand their market opportunities.

The Group's order book as at 30 September 2017 stood at approximately S\$636.9 million which is expected to extend till year 2020.

Property Development Outlook

Despite a series of cooling measures in the past year amidst fears of an asset bubble, sanguine observers note that outrageous price levels for Chinese apartments are mainly restricted to the megacities like Beijing and Shanghai⁴. Correspondingly, economic fundamentals continue to justify investment in housing, especially inland cities where development still lags far behind wealthy coastal areas. The lack of oversupply in these areas further alleviates concerns of a slowdown of the Chinese real estate market.

In Singapore, overall private home prices are showing gradual signs of bottoming out. After more than three years of continuing price declines over 15 quarters since the last peak in 3Q2013⁵, this turnaround presents gaps of opportunities for local property developers.

In an announcement dated 1 November 2017, the Group announced that it had exercised its right to rescind the option to purchase 2 freehold sites located at Jervois Road. This was mainly due to a restriction of redevelopment plans placed by the relevant authority to TSky Jervois for the remaining left-behind plots. Looking forward, the Group continues to prospect for land acquisition prudently, focusing on selective land banking to avoid overpaying in the current heated market driven by the recent spate of en bloc sales.

As at 30 September 2017, approximately S\$121.8 million of gross development value comprising 103 units (18,379 sqm) of the Equinox and 71 units (22,738 sqm) of Tranquility Residences were sold, but yet to be recognized as revenue in accordance to the Group's revenue recognition policy.

As at 30 September 2017, approximately 82.0% 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 two of its phases, B3 and E2, with expected completion and handover in mid 2018 and end 2019 respectively.

For Tranquility Residences project in Suzhou New District Development zone, construction of phase 2 is expected to be completed and handover in 1Q2018.

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

³ "80,000 professionals to be trained by 2025 to transform construction sector", Today, 24 October 2017

⁴ "Chinese property boom props up Xi's hopes for the economy", Financial Times, 19 October

⁵ "A new dawn for Singapore high-end condos?", The Business Times, 3 October 2017

(c) Date payable

Not Applicable

(d) Books closure date

Not Applicable

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

No interim dividend has been declared/recommended by the Directors in 3Q2017.

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 30 September 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)	
	3Q2017 S\$'000	9M2017 S\$'000	3Q2017 S\$'000	9M2017 S\$'000
Hiring charges				
Peck Tiong Choon Transport (Pte) Ltd	-	-	1,790	6,712
Peck Tiong Choon Logistic (Pte) Ltd	-	-	5	39
Total	-	-	1,795	6,751
Construction revenue				
Peck Tiong Choon (Pte) Ltd*	3,710	20,980	-	-
Total	3,710	20,980	-	-

*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) of the Listing Manual.

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 Mnaual.

On behalf of the Board of Directors

BY ORDER OF THE BOARD

Pek Lian Guan
Executive Director and CEO
10 November 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 3rd quarter financial statements for the financial period ended 30 September 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

10 November 2017
