TIONG SENG HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Co. Reg. No: 200807295Z)

UNAUDITED 1Q 2011 FINANCIAL STATEMENT ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 2011

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 2011	3 Months Ended 31 March 2010	Change
	S$'000	S$'000	%
Revenue			
Revenue from construction contracts	55,950	48,869	14
Revenue from sales of development properties	3,561	5,149	-31
Revenue from sales of goods	1,711	-	100
Rental Income	315	177	78
	61,537	54,195	14
Other income	2,429	2,385	2
Costs of construction	(48,532)	(44,194)	10
Costs of sales of development properties	(1,606)	(2,808)	-43
Cost of goods sold	(869)	-	100
Depreciation and amortisation	(775)	(745)	4
Selling expenses	(942)	(465)	>100
Staff costs	(4,743)	(2,591)	83
Other expenses	(3,391)	(2,664)	27
	(60,858)	(53,467)	14
Profit from operating activities	3,108	3,113	NM
Finance income	241	392	-39
Finance expenses	(488)	(1,195)	-59
Net finance expense	(247)	(803)	-69
Share of profit of joint ventures, net of tax	609	2,948	-79
Profit before income tax	3,470	5,258	-34
Income tax	(483)	(1,476)	-67
Profit for the period	2,987	3,782	-21
Other comprehensive expense			
Translation differences relating to financial statements of foreign subsidiaries	(583)	(455)	28
Exchange differences on monetary items forming part of net investment in a foreign operation	42	(1)	>100
Net change in the fair value of available-for-sale investments	-	49	-100
Income tax on other comprehensive income	(7)	(8)	-13
Other comprehensive expense for the period	(548)	(415)	32
Total comprehensive income for the period	2,439	3,367	-28

NM: Not Meaningful

	3 Months Ended 31 March 2011 S$'000	3 Months Ended 31 March 2010 S$'000	Change %
Profit attributable to:			
Equity holders of the Company	2,139	3,072	-30
Non-controlling interests	848	710	19
Profit for the period	2,987	3,782	-21
Total comprehensive income attributable to:			
Equity holders of the Company	3,068	2,936	4
Non-controlling interests	(629)	431	->100
Total comprehensive income for the period	2,439	3,367	-28
Earning per share			
- Basic and diluted (cents) [1]	0.28	0.54	-48

[1] Based on 766,039,750 shares, net of non-controlling interests as at 31 March 2011 (31 March 2010: pre-invitation 564,995,750 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 2011 S$'000	3 Months Ended 31 March 2010 S$'000	Change %
Business tax incentive	(1,576)	(1,581)	NM
Fees from management of properties	(77)	(17)	>100
Government grant – jobs credit scheme	(13)	(106)	-88
Provision of demolition services and miscellaneous works	(6)	(101)	-94
Initial public offering expenses	20	104	-81
Operating lease expenses	211	161	31
Stamp duty	-	211	-100
Travelling and transport	371	195	90
Repair and maintenance expenses	370	392	-6
Professional fees	175	247	-29

NM: Not Meaningful

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	
	31.03.2011	31.12.2010	31.03.2011	31.12.2010
	S$'000	S$'000	S$'000	S$'000
Non-current assets				
Property, plant and equipment	38,446	30,394	-	-
Intangible assets	3,064	3,098	-	-
Investment properties	20,523	21,006	-	-
Investment in subsidiaries	-	-	59,624	59,624
Associates and joint ventures	11,177	10,589	-	-
Trade and other receivables	11,878	10,404	-	-
Other investments	6,639	6,642	-	-
Deferred tax assets	2,964	1,716	-	-
	94,691	83,849	59,624	59,624
Current assets				
Inventories	859	933	-	-
Construction work-in-progress	46,325	37,817	-	-
Development properties	211,203	206,106	-	-
Trade and other receivables	94,598	107,134	22	20
Amount due from related parties	27,757	27,279	16,976	16,976
Cash and cash equivalents	70,567	86,547	42,321	44,565
	451,309	465,816	59,319	61,561
Total assets	546,000	549,665	118,943	121,185
Equity attributable to equity holders of the Company				
Share capital	154,552	154,552	154,552	154,552
Reserves	(78,731)	(79,660)	(45,850)	(45,850)
Accumulated profits/(losses)	100,533	98,394	7,337	7,769
	176,354	173,286	116,039	116,471
Non-controlling interests	46,681	48,766	-	-
Total equity	223,035	222,052	116,039	116,471
Non-current liabilities				
Trade and other payables	6,295	6,375	-	-
Loans and borrowings	52,542	43,950	-	-
Deferred tax liabilities	1,173	212	-	-
	60,010	50,537	-	-
Current liabilities				
Progress billings in excess of construction work-in-progress	16,026	24,571	-	-
Trade and other payables	196,361	199,408	1,982	1,692
Amount due to related parties	16,951	17,472	922	3,022
Loans and borrowings	15,807	13,124	-	-
Current tax payable	17,810	22,501	-	-
	262,955	277,076	2,904	4,714
Total liabilities	322,965	327,613	2,904	4,714
Total equity and liabilities	546,000	549,665	118,943	121,185

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31.03.2011		As at 31.12.2010	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
15,807	-	13,124	-

Amount repayable after one year

As at 31.03.2011		As at 31.12.2010	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
52,542	-	43,950	-

Details of any collateral

1. Secured loan from a financial institution

Pursuant to a loan agreement dated 28 June 2010 and the shareholding entrusted agreements (the "Agreements"), the shareholders of our subsidiary, Tianjin Zizhulin Guangang Property Development Co., Ltd. ("Guanguan")(formerly known as Tianjin Zizhulin Nanxi Co., Ltd.), pledged their equity interests as well as the shareholders' loan of RMB62 million to Northern International Trust & Investment Co., Ltd. as a form of security for loans up to RMB 300 million to Guangang for a tenure of 30 months. Details of the loan are as per our announcement dated 29 June 2010. Notwithstanding this, Guangang remains a subsidiary of the Group.

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

	Mar 2011	Dec 2010
	$'000	**$'000**
Carrying amounts of assets:		
Leasehold land	5,190	5,216
Leasehold properties	9,149	9,231
Investment properties	879	906
Development properties	18,969	19,281
Plant and machinery	4,484	904
Deposits pledged	1,152	1,200
Total	**39,823**	**36,738**

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 or personal guarantees by certain directors and executive officers.

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 2011 S$'000	3 Months Ended 31 March 2010 S$'000
Operating activities		
Profit from operating activities	3,108	3,113
Adjustments for:		
Allowance for doubtful trade receivables	80	-
Depreciation and amortization	1,421	2,528
(Gain)/loss on disposal of:		
- property, plant and equipment	-	(4)
- associate	19	-
- scrap material	(34)	-
Operating profit before working capital changes	4,594	5,637
Changes in working capital:		
Inventories	72	-
Construction work-in-progress	(17,063)	5,611
Development properties	(5,968)	2,104
Trade and other receivables	11,100	(9,485)
Balances with related parties (trade)	(606)	3,594
Trade and other payables	(1,938)	(1,443)
Cash generated from operations	(9,809)	6,018
Income taxes paid	(5,191)	(1,446)
Net cash from operating activities	(15,000)	4,572
Cash flow from investing activities		
Balances with related parties (non-trade)	(499)	(1,411)
Interest received	125	19
Net cash outflow from investment in associates	-	(1,004)
Proceeds from disposal of property, plant and equipment	3	-
Purchase of property, plant and equipment	(9,281)	(1,635)
Purchase of intangible assets	(84)	-
Net cash from investing activities	(9,736)	(4,031)
Cash flow from financing activities		
Balances with related parties (non-trade)	(86)	513
Capital contribution by non-controlling interests	-	2,882
Dividends paid to equity holders	-	(6,000)
Decrease in deposits pledged	-	127
Interest paid	(2,573)	(573)
Net cash outflow from repayment of quasi loan to non-controlling interests	(1,456)	-
Payments of finance lease liabilities	(41)	(216)
Proceeds from loans and borrowings	12,216	15,460
Repayment of loans and borrowings	(781)	(15,770)
Net cash from financing activities	7,279	(3,577)
Net decrease in cash and cash equivalent	(17,457)	(3,036)
Cash and cash equivalent at beginning of the period	84,370	29,921
Effect of exchange rate changes on balance held in foreign currencies	918	(44)
Cash and cash equivalents at end of the period	67,831	26,841

As at 10 May 2011, in aggregate, approximately S$17.0 million of IPO proceeds has been drawn down, with approximately S$7.7 million used for construction of pre-casting facilities, S$3.0 million on repayment of outstanding sums owing to affiliated corporation and S$6.3 million paid for various IPO related expenses, including management, underwriting and placement commission.

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	Merger reserve [1]	Capital reserve	Statutory reserve	Fair value reserve	Foreign currency translation reserve	Accumulated profits	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 2011	154,552	(77,720)	(179)	3,442	67	(5,270)	98,394	173,286	48,766	222,052
Total comprehensive income for the period										
Profit or loss	-	-	-	-	-	-	2,139	2,139	848	2,987
Other comprehensive income										
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	894	-	894	(1,477)	(583)
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	-	-	42	-	42	-	42
Income tax on other comprehensive income	-	-	-	-	-	(7)	-	(7)	-	(7)
Total other comprehensive income / (expense)	-	-	-	-	-	929	-	929	(1,477)	(548)
Total comprehensive income and expenses for the period	-	-	-	-	-	*929*	*2,139*	*3,068*	*(629)*	*2,439*
Contributions by and distributions to owners										
Repayment of quasi loan from non-controlling interests	-	-	-	-	-	-	-	-	(1,456)	(1,456)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	(1,456)	(1,456)
Total transaction with owners	-	-	-	-	-	*929*	*2,139*	*3,068*	(2,085)	983
At 31 March 2011	154,552	(77,720)	(179)	3,442	67	(4,341)	100,533	176,354	46,681	223,035

Group	Share capital	Merger reserve (1)	Capital reserve	Statutory reserve	Fair value reserve	Foreign currency translation reserve	Accumulated profits	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 2010	20,000	-	(189)	976	61	(2,366)	79,099	97,581	46,683	144,264
Total comprehensive income for the period										
Profit or loss	-	-	-	-	-	-	3,072	3,072	710	3,782
Other comprehensive income										
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	(176)	-	(176)	(279)	(455)
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	-	-	(1)	-	(1)	-	(1)
Net change in the fair value of available-for-sale investments	-	-	-	-	49	-	-	49	-	49
Income tax on other comprehensive income	-	-	-	-	(8)	-	-	(8)	-	(8)
Total other comprehensive income / (expense)	-	-	-	-	41	(177)	-	(136)	(279)	(415)
Total comprehensive income and expenses for the period	-	-	-	-	*41*	*(177)*	*3,072*	*2,936*	*431*	*3,367*
Transaction with owners, recorded directly in equity										
Changes in ownership interests in subsidiaries										
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	(2,116)	(2,116)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	(2,116)	(2,116)
Contributions by and distributions to owners										
Issue of ordinary shares	79,836	(77,720)	-	-	-	-	-	2,116	-	2,116
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	2,882	2,882
Total contributions by and distributions to owners	79,836	(77,720)	-	-	-	-	-	2,116	2,882	4,998
Total transaction with owners	79,836	*(77,720)*	-	-	-	-	-	*2,116*	766	2,882
At 31 March 2010	99,836	(77,720)	(189)	976	102	(2,543)	82,171	102,633	47,880	150,513

[1] On 18 March 2010, the Group undertook a restructuring exercise, accounted for as a combination of business under common control, in a manner similar to the "pooling of interest" method. Such a manner of presentation reflects the economic substance of the combined companies, which were under common control throughout the relevant period, as a single economic enterprise, although the legal parent-subsidiary relationships were not established until 18 March 2010.

The difference between the par value of shares issued by the Company and the nominal value of shares acquired from the acquisition of subsidiaries, as a result of the restructuring exercise, was accounted for under the merger reserve.

Company	Share capital S$'000	Merger Reserve S$'000	Accumulated profits S$'000	Total equity S$'000
At 1 January 2011	154,552	(45,850)	7,769	116,471
Profit or loss / Total comprehensive income for the period	-	-	(432)	(432)
At 31 March 2011	154,552	(45,850)	7,337	116,039
At 1 January 2010	-*	-	(253)	(253)
Issuance of new shares	99,836	-	-	99,836
Profit or loss / Total comprehensive income for the period	-	-	(386)	(386)
At 31 March 2010	99,836	-	(639)	99,197

-*: Less than S$1,000

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, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

There were no changes in the Company's share capital for the three months ended 31 March 2011.

The Company did not have any outstanding convertibles and treasury shares 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.

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.

The Company has a total of 766,039,750 shares as at 31 March 2011 and 31 December 2010.

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 are no treasury shares 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.

The Group has adopted the same accounting policies and method of computation in the financial statements for the current period compared with the Group's most recently audited financial statements for the year ended 31 December 2010, except for the adoption of the applicable new/revised IFRSs and interpretations which came into effect on 1 January 2011.

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.**

Not Applicable.

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 2011	3 Months Ended 31 March 2010
	(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	0.28	0.54
(b) On a fully diluted basis	0.28	0.54

The earning per ordinary share has been calculated net of non-controlling interests of 766,039,750 shares as at 31 March 2011 and pre-invitation of 564,995,750 shares as at 31 March 2010.

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 2011	31 December 2010	31 March 2011	31 December 2010
	(cents)	(cents)	(cents)	(cents)
Net asset value per ordinary share based on issued share capital at the end of:	23.02	22.62	15.15	15.20

The net asset value per ordinary share has been calculated net of non-controlling interests of 766,039,750 shares.

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 1Q2011 compared to 1Q2010

Revenue

Revenue increased by approximately S$7.3 million or 14% from approximately S$54.2 million in 1Q2010 to approximately S$61.5 million in 1Q2011, attributable mainly to an increase in construction contract revenue and sales of goods revenue of approximately S$7.0 million and S$1.7 million respectively, offset with a decrease in development properties revenue of approximately S$1.6 million.

Revenue from construction contract

Increase in revenue was mainly due to increase in work done for new/on-going projects, being The Wharf Residences, Volari, Hotel at Upper Pickering Street projects and NUS Staff Housing at Kent Vale, which resulted in an aggregated increase in revenue by S$44.5 million. The increase was lowered by the decrease in work done for projects in Papua New Guinea and completed/almost completed projects in Singapore, being Tribeca, Sky @ Eleven, Wilkie Studio, Hilltops and Shelford Suites totalling S$38.5 million.

In accordance with our 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 recognized as revenue as at 31 March 2011.

Revenue from sales of development properties

The property development revenue in 1Q2011 and 1Q2010 was contributed mainly from the sale of 4 units totaling 1,165 sqm and 15 units totaling 2,178 sqm respectively in Tianmen Jinwan Building in Tianjin. 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 sales of goods

Revenue from sales of goods increased by approximately S$1.7 million in 1Q2011 and was contributed by the Cobiax Group, which was acquired in 3Q2010.

Cost of construction

Increase in cost of construction was generally in line with the increase in revenue from construction contracts.

Cost of sales of development properties

Decrease in cost of sales of development properties was due mainly to decrease in revenue from development properties.

Cost of goods sold

Cost of goods sold increased by S$0.9 million in 1Q2011 was due mainly to increase in revenue from sales of goods upon acquisition of Cobiax Group in 3Q2010.

Selling expenses

Increase in selling expenses of approximately S$0.5 million in 1Q2011 was due mainly to the increase in selling expenses incurred for Equinox project in Dagang for its various marketing activities.

Staff costs

Increase in staff costs of approximately S$2.1 million in 1Q2011 was due mainly to additional headcount to support new construction and current property development projects and approximately S$0.8 million due mainly to Cobiax Group which was acquired in 3Q2010.

Other Expenses

Other expenses increased by approximately S$0.7 million in 1Q2011 due mainly to approximately $0.3 million sales taxes relating to property development sale in Jinwan building.

Finance Income

Finance income decreased by approximately S$0.2 million in 1Q2011 due mainly to decrease in accretion of discount implicit in retention sum receivables.

Finance expenses

Finance expenses decreased by approximately S$0.7 million in 1Q2011 due mainly to a reduction in borrowing costs by approximately S$0.4 million and decrease in accretion of discount implicit in retention sum payables by approximately S$0.2 million.

Share of profit of joint ventures, net of tax

Share of profit of joint ventures decreased by approximately S$2.3 million in 1Q2011 due mainly to the completion of certain of our joint venture projects, which resulted in a lower share of profits compared to 1Q2010, when the projects were at their peak.

Income tax expense

Decrease in income tax expense in 1Q2011 was generally due to the decrease in profit for the period.

Profit for the period

Profit in 1Q2011 decreased by approximately S$0.8 million as a result of the factors mentioned in the preceding paragraphs.

<u>Review of Financial Position</u>

Non-Current Assets

As at 31 March 2010, non-current assets stood at S$94.7 million or approximately 17.3% of total assets, an increase of approximately S$10.8 million.

Increase in property, plant and equipment ("PPE") of S$8.1 million was due mainly to additions amounting to S$9.3 million which was offset by depreciation charges of S$1.1 million.

Increase in associates and joint ventures by S$0.6 million were due mainly to shares of profit from our joint ventures for current period.

Increase in non-current trade and other receivables by approximately S$1.5 million was due mainly to additional retention sums from on-going projects, e.g. The Wharf Residences, Volari, Hotel at Upper Pickering Street projects, NUS Staff Housing at Kent Vale, Hundred Trees and Tree House in Singapore.

Current Assets

As at 31 March 2010, current assets stood at S$451.3 million or approximately 82.7% of total assets. Current assets decreased by approximately S$14.7 million.

The increase in construction work-in-progress (net of excess of progress billings over construction work-in-progress) of about S$17.1 million was due mainly to increase in work-in-progress from on-going and new projects as at 31 March 2011.

The increase in development properties by S$5.1 million was due mainly to increase in development costs for ongoing development projects, Sunny International and Equinox Dagang projects by approximately S$7.2 million. The increase was partially offset by decrease in property development costs of Tianmen Jinwan Building project of S$1.8 million upon the sales of units in 1Q2011.

Trade and other receivables decreased by S$12.5 million due mainly to S$5.7 million and S$6.7 million decrease in trade receivables and accrued receivables respectively, mainly arising from decrease in receivables for almost completed project, Hilltop.

There was a decrease in cash and cash equivalents of approximately S$16.2 million, mainly due from increase in net cash outflow from operating activities of approximately S$19.5 million.

Non-Current Liabilities

As at 31 March 2010, non-current liabilities totaled S$60.0 million or approximately 18.6% of total liabilities, an increase of S$9.5 million compared to 31 December 2010.

Non-current portion loans and borrowings increased by S$8.6 million due mainly to new loans of S$12.2 million obtained from banks and financial institutions to finance development property projects in PRC. The increase was offset by repayment of loans approximately of $0.8 million.

Current Liabilities

As at 31 March 2010, current liabilities stood at S$262.9 million or approximately 81.4% of total liabilities, a decrease of S$14.3 million.

The decrease was due mainly to decrease of approximately S$17.0 million in aggregate in progress billings in excess of construction work in progress, trade and other payables, amount due to related parties and current tax payables. The decrease was partially offset by increase in loans and borrowings by S$2.7million.

Trade and other payables decreased by approximately S$3.3 million due mainly to decrease in accrued payable of approximately S$1.7 million following the finalization of projects and payments made to sub-contractors for completed projects such as Emily, Capella, Riveredge Condominium, Marina Bay Financial Centre Tower 3, Wilkie Studio, Tribeca and Sky @ Eleven, and approximately S$2.5 million decrease of accrued operating expenses. The decrease was partially offset by increase in retention sum payables and other payables by approximately of S$0.6 million and S$0.4 million respectively.

Increase in loans and borrowing was due mainly to new loans drawdown of approximately S$2.5 million to finance Sunny International project.

<u>Review of Statement of Cash Flows</u>

Net cash from operating activities

For the 3 months ended 31 March 2011, the Group recorded a net cash outflow from operating activities of S$15.0 million, decreased by S$19.6 million as compared to the previous corresponding period ended 31 March 2010. The net cash outflow from operating activities comprised operating profit before working capital changes of S$4.6 million and net working capital outflow of S$14.4 million and income taxes paid of S$5.2 million.

The changes in working capital from operating activities arose mainly from:

(a) Net increase in construction work-in-progress by S$17.1 million due mainly to new projects' work-in-progress costs, which have yet to be certified by external quality surveyors.

(b) Increase in development properties by S$6.0 million, due mainly to additional development property costs for Sunny International and Equinox Dagang projects.

(c) Net decrease in trade and other receivables by S$11.1 million, due mainly to lower work done in 1Q2011 as compared to 4Q2010. The decrease was partially offset by the increase of other receivables by approximately S$1.9 million.

(d) Net decrease in trade and other payables by S$1.9 million.

Net cash from investing activities

For the 3 months ended 31 March 2011, the Group recorded a net cash outflow from investing activities of S$9.7 million, increased by S$5.7 million as compared to the previous corresponding period ended 31 March 2010.

The increase in net cash outflow from investing activities was due mainly to purchase of property, plant and equipment of S$9.3 million and net cash outflow from balances with related parties of S$0.5 million.

Net cash from financing activities

For the 3 months ended 31 March 2011, the Group recorded a net cash inflow from financing activities of S$7.3 million, compared to the previous corresponding period ended 31 March 2010 of net cash outflow of S$3.6 million. This was mainly due to repayment of non-controlling interests' quasi loan of S$1.5 million in PRC and additional loans and borrowings proceeds obtained in current period with a net receipt of S$11.4 million in current period as compared to prior period of S$0.3 million.

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

Not applicable.

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

Backed by strong economic growth, Singapore's construction demand increased by 14% year-on-year from $22.5 billion in 2009 to $25.7 billion in 2010, according to the Building Construction Authority (BCA). In 2011, Singapore's construction sector outlook continues to be promising, and BCA has projected that construction demand will sustain between $22 billion and $28 billion. In keeping with this positive outlook, the Group managed to maintain a strong order book, which stands at approximately $1.1 billion as at 31 March 2011.

Rising costs in building materials and foreign workers' levies will continue to be of concern to construction companies in Singapore. The government's recent initiative to increase foreign workers' levy reinforces the critical need to employ the latest technologies to enhance cost efficiencies and productivity. To cushion this 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.

Further, with investments in technologies such as pre-casting and advanced formwork systems to reduce its reliance on labour and increase cost efficiencies, the Group believes it is ready to meet the aforesaid challenges.

The Group is also looking forward to the completion of its Prefabrication Hub in 3Q2011 which will revolutionise the automated production of pre-cast building components, thereby enhancing productivity at all levels. Its acquisition of a majority stake in Switzerland-based Cobiax Technologies AG also gives it a strong edge in driving efficiency and productivity by cutting the volume of concrete used in reinforcement concrete slab by as much as 30%.

The entry of a number of large foreign contractors in Singapore in 2010 has increased the competition for the Group, however, given our established track record and experience in enhancing productivity, efficiency and construction quality, the Group is reasonably confident that it will meet the challenges in its stride.

Property Development in the PRC

The PRC Government's continual measures to cool and regulate the property market will likely have a short-term impact on property inflation, but it is expected that the PRC property market will continue to see good growth momentum in the longer term[1]. In addition, the Group still feels optimistic about the increasing rate of urbanization which invariably would boost demand for quality housing in China's cities. Due to its strong economic growth in the past several years, China's urbanization rate has grown from 36.2% in 2000 to 45.7% in 2008[2]. It is been estimated that by 2020, almost 50% of the population will live in cities, and by 2050, this number will grow to 75%. Currently, China's urbanization still lags behind the 85% achieved in developed countries, and has, therefore, more room to grow[3]. Accordingly, we expect that the focus and initiatives to develop the second-tier and third-tier cities beyond the first-tier cities have not ceased. Price trends for residential and commercial units in second-tier and third-tier cities are likely to remain at least stable in 2011 and the near medium term. This is more so in Tianjin, where the Tianjin Binhai New Area ("TBNA") is viewed as a new driving force in the PRC economy.

As at 31 March 2011, in relation to Sunny International project, the Group has substantially completed the construction and sales of Phase 1, out of 4 Phases, of the project. Commencement of the handing over of Phase 1 sold units are expected to begin in 3Q 2011. Phase 2 is currently in construction and sales are expected to commence in 2Q 2011. In addition, the Group is currently carrying out construction for Phase 1 for Equinox Dagang project. Sales for Phase I is expected to commence in 4Q 2011.

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

[2] China Statistical Yearbook 2008

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

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.

On behalf of the Board of Directors

BY ORDER OF THE BOARD

Pek Lian Guan
Executive Director and CEO
10 May 2011

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 2011 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	Pay Sim Tee
Executive Director & CEO	Executive Director

10 May 2011