

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

RESPONSE TO QUERIES RAISED BY SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE "SGX-ST") ON COMPANY'S ANNOUNCEMENT OF THE UNAUDITED RESULTS FOR FULL YEAR ENDED 31 DECEMBER 2020

The Board of Directors of Tiong Seng Holdings Limited (the "Company", together with its subsidiaries, the "Group") would like to announce the following in response to the queries raised by SGX-ST on the Company's unaudited results for the full year ended 31 December 2020.

SGX's Queries:

Question 1:

On page 5 of the Company's FY2020 results, the Company disclosed non-current trade and other receivables amounting to \$5.8 million as at 31 December 2020. Please disclose:

- (i) the breakdown of the Group's trade and other receivables (where applicable);
- (ii) the nature of the non-current receivables; and
- (iii) the Board's assessment of the recoverability of the non-current trade and other receivables.

Company's Response

The whole of the \$5.8 million reflected under "non-current trade and other receivables" is of trade nature and relates to retention sum receivables arising from construction contracts with developers.

Retention sum receivables are only due for payment by the construction clients typically upon the expiry of the defect liability periods subsequent to their completion. Our construction clients are either companies with good financial standing in the market, listed on the Singapore Stock Exchange or government agencies. All outstanding amounts are also regularly monitored, reviewed and followed up for collection. Based on the historical track record and regular review of the outstanding balances, the Board's assessment is that these receivables are recoverable and not impaired.

Question 2:

On page 15 of the Company's FY2020 results, the Company disclosed that "Due to the worldwide adverse economic impact arising from the Covid-19 in 2020, the Group made an allowance for diminution in value of S\$4.7 million for its property development project in Tianjin, the People's Republic of China".

Please elaborate and provide the Board's basis for making an allowance for diminution in value of S\$4.7 million for its property development project in Tianjin.

Company's Response

The Board has reviewed the basis of the impairment made on its property development project in Tianjin, the People's Republic of China, and concurred that the valuation done by Cushman & Wakefield, a professional qualified valuer with international presence, is appropriate and consistent with the Group's experiences and understanding of the property market in Tianjin. Accordingly, an impairment of \$4.7 million is made for the difference in value between the carrying amount in books versus that valued by the professional valuation.

**BY ORDER OF THE BOARD
TIONG SENG HOLDINGS LIMITED**

**Pay Sim Tee
Executive Director and CEO**

9 March 2021