



TIONG SENG HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Co. Reg. No: 200807295Z)

UNAUDITED 3Q 2010 FINANCIAL STATEMENT ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2010

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 2010 S\$'000	3 Months Ended 30 September 2009 ⁽¹⁾ S\$'000	Change %	9 Months Ended 30 September 2010 S\$'000	9 Months Ended 30 September 2009 ⁽¹⁾ S\$'000	Change %
Revenue						
Revenue from construction contracts	84,807	77,192	10	197,710	217,941	-9
Revenue from sales of development properties	4,371	6,687	-35	15,449	82,941	-81
Revenue from direct sales and licensing	600	-	100	600	-	100
Rental Income	233	174	34	681	791	-14
	<u>90,011</u>	<u>84,053</u>	7	<u>214,440</u>	<u>301,673</u>	-29
Other income	<u>1,378</u>	<u>476</u>	>100	<u>4,244</u>	<u>6,214</u>	-32
Costs of construction	(74,556)	(64,273)	16	(174,355)	(192,576)	-9
Costs of sales of development properties	(2,776)	(5,413)	-49	(9,595)	(62,685)	-85
Costs of goods sold	(493)	-	100	(493)	-	100
Depreciation and amortisation	(820)	(433)	89	(2,303)	(1,241)	86
Selling expenses	(720)	(354)	>100	(1,600)	(823)	94
Staff costs	(3,494)	(2,230)	57	(8,460)	(6,421)	32
Other expenses	(1,954)	(4,560)	-57	(7,208)	(7,808)	-8
	<u>(84,813)</u>	<u>(77,263)</u>	10	<u>(204,014)</u>	<u>(271,554)</u>	-25
Profit from operating activities	<u>6,576</u>	<u>7,266</u>	-9	<u>14,670</u>	<u>36,333</u>	-60
Finance income	811	446	82	1,470	2,996	-51
Finance expenses	(1,202)	(1,317)	-9	(2,839)	(3,622)	-22
Net finance expense	<u>(391)</u>	<u>(871)</u>	-55	<u>(1,369)</u>	<u>(626)</u>	>100
Share of loss of associates, net of tax	-	-	-	(52)	-	100
Share of profit of joint ventures, net of tax	3,208	5,364	-40	9,058	12,708	-29
Profit before income tax	<u>9,393</u>	<u>11,759</u>	-20	<u>22,307</u>	<u>48,415</u>	-54
Income tax	(1,922)	(1,408)	37	(4,064)	(9,861)	-59
Profit for the period	<u>7,471</u>	<u>10,351</u>	-28	<u>18,243</u>	<u>38,554</u>	-53
Other comprehensive (expense) / income						
Translation differences relating to financial statements of foreign subsidiaries	(4,454)	(1,653)	>100	(4,549)	(1,482)	>100
Exchange differences on monetary items forming part of net investment in a foreign operation	(67)	(13)	>100	(59)	(5)	>100
Net change in the fair value of available-for-sale investments	(2)	19	->100	13	46	-72
Income tax on other comprehensive income	11	(2)	->100	7	(8)	->100
Other comprehensive (expense) / income for the year	<u>(4,512)</u>	<u>(1,649)</u>	>100	<u>(4,588)</u>	<u>(1,449)</u>	>100
Total comprehensive income for the year	<u>2,959</u>	<u>8,702</u>	-66	<u>13,655</u>	<u>37,105</u>	-63

	3 Months Ended 30 September 2010 S\$'000	3 Months Ended 30 September 2009 ⁽¹⁾ S\$'000	Change %	9 Months Ended 30 September 2010 S\$'000	9 Months Ended 30 September 2009 ⁽¹⁾ S\$'000	Change %
Profit attributable to:						
Equity holders of the Company	7,456	9,816	-24	17,215	29,228	-41
Non-controlling interests	15	535	-97	1,028	9,326	-89
Profit for the period	7,471	10,351	-28	18,243	38,554	-53
Total comprehensive income attributable to:						
Equity holders of the Company	5,534	9,370	-41	15,334	28,332	-46
Non-controlling interests	(2,575)	(668)	>100	(1,679)	8,773	->100
Total comprehensive income for the period	2,959	8,702	-66	13,655	37,105	-63
Earnings per share						
- Basic and diluted (cents) ²	0.97	1.74	-44	2.25	5.17	-56

¹ The comparative consolidated financial statements of the Group for the period ended 30 September 2009 represent the combination of all the financial statements of the companies in the Group, on the basis that the restructuring exercise had been completed on 1 January 2009.

² Based on share capital of 766,039,750 as at 30 September 2010; pre-invitation 564,995,750 shares as at 30 September 2009.

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 2010 S\$'000	3 Months Ended 30 September 2009 S\$'000	Change %	9 Months Ended 30 September 2010 S\$'000	9 Months Ended 30 September 2009 S\$'000	Change %
Business tax incentive	-	-	NM	(1,576)	(3,128)	-50
Fees from management of properties	(94)	(48)	96	(173)	(159)	9
Government grant – jobs credit scheme	-	(180)	->100	(176)	(554)	-68
Provision of demolition services and miscellaneous works	(23)	(2)	100	(124)	(117)	6
Negative goodwill arising from acquisition	(500)	-	100	(500)	-	100
Direct operating expenses arising from rental of investment properties, plant and machinery	89	65	37	202	247	-18
Impairment losses of unquoted equity investment	-	1,780	-100	-	1,780	-100
Initial public offering expenses	-	987	->100	573	1,160	-52
Operating lease expenses	172	133	29	473	416	14
Travelling and transport	271	134	>100	671	446	50
Repair and maintenance	336	347	-3	1,048	746	40
Professional Fees	418	23	>100	788	366	>100

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	
	30.09.2010	31.12.2009	30.09.2010	31.12.2009
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	24,888	23,064	-	-
Intangible assets	1,568	260	-	-
Investment properties	21,188	22,688	-	-
Associates and joint ventures	3,394	27,105	-	-
Trade and other receivables	9,667	9,004	-	-
Amounts due from related parties (trade)	104	-	-	-
Investment in subsidiaries	-	-	105,474	-
Other investments	3,647	1,162	-	-
Deferred tax assets	2,608	2,726	-	-
	67,064	86,009	105,474	-
Current assets				
Inventories	906	-	-	-
Construction work-in-progress	13,148	14,151	-	-
Development properties	182,518	80,236	-	-
Trade and other receivables	112,997	127,104	23	-
Amounts due from related parties	28,901	27,006	2,976	-
Cash and cash equivalents	110,337	32,841	47,669	52
	448,807	281,338	50,668	52
Total assets	515,871	367,347	156,142	52
Equity attributable to equity holders of the Company				
Share capital	154,552	20,000	154,552	-*
Reserves	(81,119)	(1,518)	-	-
Accumulated profits/(losses)	96,314	79,099	(4,245)	(253)
	169,747	97,581	150,307	(253)
Non-controlling interests	50,179	46,683	-	-
Total equity	219,926	144,264	150,307	(253)
Non-current liabilities				
Trade and other payables	4,677	5,463	-	-
Amounts due to related parties	4,346	6,724	-	-
Loans and borrowings	31,051	22,032	-	-
Deferred tax liabilities	665	885	-	-
	40,739	35,104	-	-
Current liabilities				
Progress billings in excess of construction work-in-progress	6,654	2,390	-	-
Trade and other payables	194,719	132,788	236	224
Amount due to related parties	13,819	12,225	5,599	81
Loans and borrowings	15,508	19,468	-	-
Current tax payable	24,506	21,108	-	-
	255,206	187,979	5,835	305
Total liabilities	295,945	223,083	5,835	305
Total equity and liabilities	515,871	367,347	156,142	52

*: Less than S\$1,000

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

Amount repayable in one year or less, or on demand

As at 30.09.2010		As at 31.12.2009	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
15,508	-	19,468	-

Amount repayable after one year

As at 30.09.2010		As at 31.12.2009	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
31,051	-	22,032	-

Details of any collateral**1. Secured loan from a financial institution**

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

	Sep 2010	Dec 2009
	\$'000	\$'000
Carrying amounts of assets:		
Leasehold land	5,243	5,321
Leasehold properties	6,506	5,984
Investment properties	897	944
Development properties	19,407	20,297
Plant and machinery	904	3,556
Deposits pledged	1,174	1,335
Total	34,131	37,437

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 30 September 2010 S\$'000	3 Months Ended 30 September 2009 S\$'000	9 Months Ended 30 September 2010 S\$'000	9 Months Ended 30 September 2009 S\$'000
Operating activities				
Profit from operating activities	6,576	7,266	14,670	36,333
Adjustments for:				
Depreciation and amortization	1,918	5,013	6,580	14,991
Gain on disposal of:				
- property, plant and equipment	(162)	-	(571)	(1,223)
- investment properties	(387)	(42)	(388)	(189)
Impairment losses of unquoted equity investment		2,000	-	2,000
Negative goodwill arising from acquisition	(500)	-	(500)	-
Reversal of allowance for impairment losses of unquoted equity instruments	-	-	-	(220)
Write off of property, plant and equipment	-	-	-	68
Operating profit before working capital changes	7,445	14,237	19,791	51,760
Changes in working capital:				
Inventories	(119)	-	(119)	-
Construction work-in-progress	(9,468)	(1,559)	5,275	9,007
Development properties	(10,873)	134	(32,630)	38,042
Trade and other receivables	6,877	6,280	(24,610)	8,504
Balances with related parties (trade)	14	(439)	3,819	(4,655)
Trade and other payables	13,398	10,774	31,423	(33,556)
Cash (used in)/ generated from operations	7,274	29,427	2,949	69,102
Income taxes paid	(3,827)	(1,968)	(7,636)	(3,194)
Income taxes refunded	-	682	-	1,195
Net cash from operating activities	3,447	28,141	(4,687)	67,103
Cash flow from investing activities				
Acquisition of subsidiary, net cash required	(383)	-	(383)	-
Balances with related parties (non-trade)	3,095	298	(863)	(1,471)
Receipts from dividends and joint ventures	23,850	-	39,503	-
Interest received	69	8	119	24
Net cash outflow from investment in associates/ other investment	(2)	(15)	(2,887)	(15)
Proceeds from disposal of:				
- property, plant and equipment	168	188	610	1,141
- investment properties	523	651	523	875
- other investments	(17)	-	394	-
- associate	-	-	-	266
Other receivables	-	(159)	-	(159)
Purchase of property, plant and equipment	(2,667)	(94)	(7,452)	(5,195)
Purchase of intangible assets	(3)	-	(3)	-
Net cash from investing activities	24,633	877	29,561	(4,534)

Cash flow from financing activities				
Balances with related parties (non-trade)	(5,709)	(11,499)	(5,961)	(12,026)
Capital contribution by minority shareholders	-	-	6,839	-
Dividends paid to minority shareholders	-	-	-	-
Dividends paid to equity holders	-	-	(6,000)	-
(Increase) / decrease in deposits pledged	(2)	611	99	674
Interest paid	(825)	(1,347)	(1,785)	(2,889)
Net proceeds from initial public offerings	111	-	54,715	-
Payments of finance lease liabilities	(66)	(273)	(405)	(714)
Proceeds from loans and borrowings	6,084	23,621	47,012	38,674
Repayment of loans and borrowings	(8,111)	(24,335)	(39,798)	(43,814)
Net cash from financing activities	(8,518)	(13,222)	54,716	(20,095)
Net (decrease)/increase in cash and cash equivalents				
	19,562	15,796	79,590	42,474
Cash and cash equivalents at beginning of the period	90,165	19,539	29,921	(6,858)
Effect of exchange rate changes on balance held in foreign currencies	(564)	(10)	(348)	(291)
Cash and cash equivalents at end of the period	109,163	35,325	109,163	35,325

As at 8 Nov 2010, in aggregate, approximately S\$11.6 million of IPO proceeds has been drawn down, with approximately S\$2.8 million used for construction of pre-casting facilities, S\$3 million on repayment of outstanding sums owing to affiliated corporation and S\$5.8 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 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	-	-	-	-	-	-	17,215	17,215	1,028	18,243
Other comprehensive income										
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	(1,842)	-	(1,842)	(2,707)	(4,549)
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	-	-	(59)	-	(59)	-	(59)
Net change in the fair value of available-for-sale investments	-	-	-	-	13	-	-	13	-	13
Income tax on other comprehensive income	-	-	-	-	(2)	9	-	7	-	7
Total other comprehensive income / (expense)	-	-	-	-	11	(1,892)	-	(1,881)	(2,707)	(4,588)
<i>Total comprehensive income and expenses for the period</i>	-	-	-	-	11	(1,892)	17,215	15,334	(1,679)	13,655
Transaction with owners, recorded directly in equity										
Changes in ownership interests in subsidiaries										
Acquisition of Non-controlling interests	-	-	-	-	-	-	-	-	(2,115)	(2,115)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	451	451
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	(1,664)	(1,664)
Contributions by and distributions to owners										
Issue of ordinary shares	134,552	(77,720)	-	-	-	-	-	56,832	-	56,832
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-
Capital contribution by minority shareholders	-	-	-	-	-	-	-	-	6,839	6,839
Total contributions by and distributions to owners	134,552	(77,720)	-	-	-	-	-	56,832	6,839	63,671
<i>Total transaction with owners</i>	134,552	(77,720)	-	-	-	-	-	56,832	5,175	62,007
At 30 September 2010	154,552	(77,720)	(189)	976	72	(4,258)	96,314	169,747	50,179	219,926

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 consolidated financial statements of the Group for the period ended 30 September 2009 represent the combination of all the financial statements of the companies in the Group, on the basis that the restructuring exercise had been completed on 1 January 2009.

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.

Group	Share capital	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
At 1 January 2009									
Total comprehensive income for the period	20,000	(189)	944	-	(1,396)	43,729	63,088	30,663	93,751
Profit or loss	-	-	-	-	-	29,228	29,228	9,326	38,554
Other comprehensive income									
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	(929)	-	(929)	(553)	(1,482)
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	-	(5)	-	(5)	-	(5)
Net change in the fair value of available-for-sale investments	-	-	-	46	-	-	46	-	46
Income tax on other comprehensive income	-	-	-	(8)	-	-	(8)	-	(8)
Total other comprehensive income / (expense)	-	-	-	38	(934)	-	(896)	(553)	(1,449)
<i>Total comprehensive income and expenses for the period</i>	-	-	-	38	(934)	29,228	28,332	8,773	37,105
Transaction with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-
At 30 September 2009	20,000	(189)	944	38	(2,330)	72,957	91,420	39,436	130,856

Company

At 1 January 2010

Issuance of new shares pursuant to the restructuring exercise

Allotment and issue of shares to investors pursuant to the invitation

Profit or loss / Total comprehensive income for the period

At 30 September 2010

At 1 January 2009

Profit or loss / Total comprehensive income for the period

At 30 September 2009

	Share capital	Accumulated profits	Total equity
	S\$'000	S\$'000	S\$'000
At 1 January 2010	-*	(253)	(253)
Issuance of new shares pursuant to the restructuring exercise	99,836	-	99,836
Allotment and issue of shares to investors pursuant to the invitation	54,716	-	54,716
Profit or loss / Total comprehensive income for the period	-	(3,992)	(3,992)
At 30 September 2010	154,552	(4,245)	150,307
At 1 January 2009	-*	(79)	(79)
Profit or loss / Total comprehensive income for the period	-*	-*	-*
At 30 September 2009	-*	(79)	(79)

-*: 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.

	Number of shares	Share capital S\$
Pre-Invitation share capital as at 31 March 2010	564,995,750	99,836,012
New shares issued pursuant to the invitation (note 1)	201,044,000	54,715,397
Share capital as at 30 September 2010	766,039,750	154,551,409

Note 1

Pursuant to the Company's listing on the Main Board of Singapore Exchange Securities Trading Limited, a total of 201,044,000 new shares were being issued. In addition, a total of S\$111,843 additional proceeds were received from underwriting and placement agent for the balances of capital after deducting the underwriting and placement commission and brokerage fees.

- 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 30 September 2010 and 1 share as at 31 December 2009.

- 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 2009.

- 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 30 September 2010	3 Months Ended 30 September 2009	9 Months Ended 30 September 2010	9 Months Ended 30 September 2009
	(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	0.97	1.74	2.25	5.17
(b) On a fully diluted basis	0.97	1.74	2.25	5.17
Number of shares in issue at the end of the period	766,039,750	564,995,750	766,039,750	564,995,750

The earning per ordinary share has been calculated net of Non-controlling interestss on 766,039,750 shares at 30 September 2010 (30 September 2009: on the pre-invitation share capital of 564,995,750).

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 2010	31 December 2009	30 September 2010	31 December 2009
	(cents)	(cents)	(cents)	(cents)
Net asset value per ordinary share based on issued share capital at the end of:	22.15	17.27	19.62	NM

The net asset value per ordinary share has been calculated net of Non-controlling interestss, on 766,039,750 shares at 30 September 2010 (31 December 2009: on the pre-invitation share capital of 564,995,750 shares).

NM: Not meaningful

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 9M2010 vs 9M2009 and 3Q2010 vs 3Q2009

Revenue

Revenue decreased by approximately S\$87.2 million or 29% from approximately S\$301.7 million in 9M2009 to approximately S\$214.5 million in 9M2010. The decrease was mainly attributable by a decrease in construction contract revenue and development properties revenue of approximately S\$20.2 million and S\$67.5 million respectively in 9M2010.

However, comparing the revenue in 3Q 2010 and 3Q 2009, it increased by approximately S\$5.9 million or 7% from approximately S\$84.1 million to S\$90.0 million. The increase was mainly attributable by an increase in construction contract revenue of approximately S\$7.6 million offset by a decrease in development properties revenue of approximately S\$2.3 million in 3Q2010.

Revenue from construction contract

The decrease in revenue in 9M2010 from S\$217.9 million to S\$197.7 million as compared to 9M2009 were due mainly to lower work done for near to completion / completed projects, Capella, Tribeca, Wilkie, Sky @ Eleven, Marina Bay Financial Centre Tower 3 and Sentosa Integrated Resorts, with an aggregated decrease of approximately S\$133.9 million. The decrease was lowered by the increase in work done for on-going projects, Raffles City Shopping Mall, Hilltops and Shelford Suites, totaling S\$109.3 million.

However, comparing the revenue in 3Q 2010 and 3Q2009, it increased by approximately S\$7.6 million or 10% from approximately S\$77.2 million to S\$84.8 million. The increase was due mainly to the increase in work done for the project, Raffles City Shopping Mall, Hilltops and Shelford Suites, amounting to S\$64.9 million lowered by the decrease in work done for near completion/ completed projects, Capella, Tribeca, Wilkie, Sky @ Eleven, Marina Bay Financial Centre Tower 3 and Sentosa Integrated Resorts, amounting to approximately S\$59.0 million.

In accordance with our revenue recognition policy, work done amounting to approximately \$19.1 million from newly commenced projects, Hundred Trees, Tree House and NUS Staff Housing at Kent Vale, have yet to be recognised as revenue in 9M2010.

Revenue from sales of development properties

The decrease in property development revenue in 9M2010 and 3Q2010 were due mainly to a decrease in revenue contributed from the Tianmen Jinwan Building in Tianjin. Following its completion in March 2009, all units sold from the commencement of sales since October 2007 till its completion, were recorded in 2009. Revenue for 9M2010 and 3Q2010 was derived only from the sales of the remaining completed units during the respective financial periods.

Revenue from direct sales and licensing

Revenue from direct sales and licensing increased approximately S\$0.6 million in both 9M2010 and 3Q 2010 was contributed by the Cobiax Group, which was acquired in August 2010.

Other Income

Other income decreased by approximately S\$2.0 million in 9M2010 due mainly to reduction of S\$1.5 million in business tax incentive granted from The People's Government of Tianjin City, PRC to one of our subsidiaries to encourage city re-development and S\$0.6 million gain on disposal of property, plant and equipment compared to 9M2009.

In fact, other income increased by approximately S\$0.9 million in 3Q2010 due mainly to S\$0.5 million goodwill arising from acquisition of the Cobiax Group in Switzerland and S\$0.5 million from gain on disposal of property, plant and equipment and investment properties compared to 3Q2009.

Cost of construction

The fluctuation in cost of construction for 9M2010 and 3Q2010 were generally in line with the fluctuation in revenue.

Cost of sales of development properties

Decrease in cost of sales of development properties in 9M2010 and 3Q2010 were due mainly to decrease in revenue from development properties.

Cost of goods sold

Cost of goods sold increased by S\$0.5 million in both 9M2010 and 3Q2010 due mainly to acquisition of the Cobiex Group in August 2010.

Depreciation and amortisation

Increase in depreciation and amortisation in 9M2010 and 3Q2010 were due mainly to additional property, plant and equipments purchased.

Selling expenses

Increase in selling expenses of approximately S\$0.8 million and S\$0.4 million in 9M2010 and 3Q2010 respectively were due mainly to the increase in sales commission rate charged by the agents for the properties sold for Tianjin Tianmen Jinwan and increase of S\$0.2 million sales commission in another project, Sunny International for Cangzhou City Huashi in 3Q2010.

Staff costs

Increase in staff costs in 9M2010 and 3Q2010 were due mainly to additional headcount to support new construction projects such as Wharf, The Volari, Hotel at Upper Pickering Street, NUS Staff Housing at Kent Vale, Hundred Trees and Tree House.

Other expenses

Other expenses decreased by approximately S\$0.6 million in 9M2010 and S\$2.6 million in 3Q2010 due mainly to decrease in initial public offerings expenses and impairment loss of unquoted shares by approximately S\$1.0 million and S\$1.8 million respectively, offset with the increase in professional fees by approximately S\$0.4 million.

Finance Income

Finance Income in 9M2010 decreased by approximately S\$1.5 million due mainly to a S\$0.8 million decrease in accretion of discount implicit in retention sum receivables. Contributing to the 9M2010 decrease was also the fact that there were no retention payables from the property development segment, as no property development project was completed during this period, as compared to the completion of Jinwan project in March 2009. This led to a decrease in implicit interest in retention sum payable of S\$0.4 million.

Finance income in 3Q2010 increased by S\$0.4 million due mainly to increase in accretion of discount implicit in retention sum receivables following the completion of Sky@Eleven and Tribeca as well as from Hilltops, a project coming to completion.

Finance expenses

Finance expenses decreased by approximately S\$0.8 million in 9M2010 and S\$0.1 million in 3Q2010, due mainly to a reduction in borrowing costs.

Share of profit of joint ventures, net of tax

Share of profit of joint ventures decreased by approximately S\$3.7 million and S\$2.2 million in 9M2010 and 3Q2010 respectively, due mainly to completion of certain of our joint venture projects, which resulted in a lower share of profit compared to 9M2009 and 3Q2009.

Income tax expense

Decrease in income tax expense in 9M2010 and 3Q2010 respectively were generally in line with the decrease in revenue.

Profit for the periods

Profit for the periods decreased by approximately S\$20.3 million in 9M2010 and S\$2.9 million in 3Q2010 respectively, due mainly to decrease in profit from operating activities.

Review of Group Financial Position

Non-Current Assets

As at 30 September 2010, non-current assets stood at S\$67.1 million or approximately 13.0% of total assets, a decrease of approximately S\$18.9 million.

Decrease in associates and joint ventures by S\$23.7 million were due mainly to net receipts from our joint ventures.

Increase in intangible assets of approximately S\$1.3 million arose mainly due to the acquisition of the Cobiax Group.

Increase in other investments by approximately S\$2.5 million was due mainly to new investment in Tianjin Eco-City Sheng Jing of approximately S\$2.9 million offset by disposal of S\$0.4 million investment in Yangzhou Huili.

Increase in property, plant and equipment of approximately S\$1.8 million was due mainly to additions amounting to S\$7.5 million offset by depreciation charges of S\$ 6.0 million.

Current Assets

As at 30 September 2010, current assets stood at S\$448.8 million or approximately 87.0% of total assets. Current assets increased by approximately S\$167.5 million.

The increase of development properties by approximately S\$102.3 million was due mainly to capitalisation of Dagang land use right of S\$100.4 million to development property and incurrence of additional development property costs on Sunny International Project, partially offset by a decrease in development property costs of Tianmen Jinwan project upon the sales of some of the remaining completed units during 9M2010.

Increase in cash and cash equivalents of approximately S\$77.5 million were due mainly to net proceeds from the initial public offering amounting to approximately S\$54.7 million and net cash receipts from investment in joint ventures.

Trade and other receivables decreased by S\$14.1 million. The decrease was due mainly to the transfer of the S\$43.0 million deposit placed for a land use right to property development cost. This was partially offset by an increase of S\$13.5 million in net accrued receivables and S\$5.9 million in trade receivables, mainly from new projects, such as The Volari, Raffles City Shopping Mall and Hotel at Upper Pickering Street, NUS Staff Housing at Kent Vale, Hundred Trees, Tree House and increase of work done for on-going project, Hilltops, offset by lower work done for near completion projects, such as Tribeca and Shelford Suites.

The decrease in construction work-in-progress (net of excess of progress billings over construction work-in-progress) of about S\$5.3 million was due mainly to the increased progress billings in excess of work-in-progress costs from new projects as at 30 September 2010.

Non-Current Liabilities

As at 30 September 2010, non-current liabilities totaled S\$40.7 million or approximately 13.8% of total liabilities, an increase of S\$5.6 million compared to 31 December 2009.

Non-current portion loans and borrowing increased by S\$9.0 million due mainly to new loan of S\$25.6 million from Northern International Trust for the property development projects, offset by repayment of loan of approximately S\$14.4 million and reclassification of loans to current liabilities due to the repayments being due within one year.

Current Liabilities

As at 30 September 2010, current liabilities stood at S\$255.2 million or approximately 86.2% of total liabilities, an increase of S\$67.2 million.

Trade and other payables increased by approximately S\$62.7 million due mainly to accrual of outstanding amount of S\$54.0 million payable for the land use right and increase in receipts in advance of S\$15.7 million contributed by Sunny International Project since its commencement of phase I sales in August 2009.

Decrease in loans and borrowings of approximately S\$4.0 million was due mainly to repayment approximately S\$9.4 million made during the period. The decrease was offset by increase of loans due within the next 12 months amounting to S\$6.8 million, which were reclassified from non-current liabilities.

Increase in amount due to related parties of approximately S\$1.6 million was due mainly to increase in loan from minority shareholders.

Review of Statement of Cash Flows

Net cash from operating activities

For the 9-month ended 30 September 2010, the Group recorded a net cash outflow from operating activities of approximately S\$4.7 million due mainly to the followings:

- (a) Increase in development properties by S\$32.6 million, due mainly to additional payment on a land use right of S\$23.6 million and capitalisation of additional development property costs on Sunny International Project.
- (b) Net increase in trade and other receivables by S\$24.6 million, due mainly to increase in retention sum receivables, accrued receivables and trade receivables of S\$4.5 million, S\$13.5 million and S\$5.9 million respectively from new projects, The Volari, Hotel at Upper Pickering Street, Raffles City Shopping Mall, Wharf, NUS Staff Housing at Kent Vale, Hundred Trees, Tree House and increase in work done for existing project, Hilltops.
- (c) Net decrease in construction work in progress by S\$5.3 million due mainly to new projects' progress billings in excess of work in progress costs, which has yet to be recognised as revenue in accordance with the accounting policy.
- (d) Net increase in trade and other payables by S\$31.4 million due mainly to increase in accrued trade payables for new projects, The Volari, Hotel at Upper Pickering Street, Raffles City Shopping Mall, Hundred Trees and Tree House with their increased in work done as well as the accruals of land title cost for Dagang Project and increase of

advance receipts of S\$15.7 million arising from pre-sales of properties in Cangzhou Huashi.

Net cash from investing activities

For the 9-month ended 30 September 2010, the Group recorded a net cash inflow from investing activities of approximately S\$29.6 million, increased by S\$34.1 million compared to the previous corresponding period ended 30 September 2009.

The increase in net cash inflow from investing activities was due mainly to receipt from joint ventures of S\$39.5 million offset by additional new investment approximately S\$2.9 million in PRC, purchase of property, plant and equipment of S\$7.5 million and net cash outflow from balances with related parties by S\$0.9 million.

Net cash from financing activities

For the 9-month ended 30 September 2010, the Group recorded a net cash inflow from financing activities of S\$54.7 million, compared to the previous corresponding period ended 30 September 2009 of net cash outflow of S\$20.1 million. This was due mainly to net proceeds from initial public offerings of S\$54.7 million, a receipt of S\$6.8 million capital contribution from minority shareholder and net borrowings of S\$7.2 million from loans and borrowings. This was offset by payment of dividends S\$6.0 million recorded in the last financial year, interest paid of S\$1.8 million and net cash outflow from balances with related parties (non-trade) by S\$6.0 million during the period

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

The Singapore construction industry will continue to see an uptrend due to increase in the demand for construction services, particularly in the public sector. The Group's order book as of 30 September 2010 stands at approximately \$1.07 billion. While the global economy is experiencing some recovery, costs are expected to remain stable or increase slightly for the coming periods. As for the recent increase in foreign workers' levy over the next three years, this will increase our costs if the Group's productivity were to lag behind. However, given that the Group has been actively investing in and using technologies to increase cost efficiencies and productivities, impact of increased levy is expected to be manageable.

Property Development in the PRC

Price trend for residential units in Tianjin is likely to increase due to a projected sustained demand in 2010 and in the near medium term as well as from contributing factor where the Tianjin Binhai New Area ("TBNA") is viewed as a new driving force in the economy.

While concerns over an overheated property market have resulted in the PRC Government introducing various cooling measures to reign in speculation and maintaining sustainability, its focus and initiatives to develop the second- and third-tier cities beyond the first-tier cities have not ceased. Price trends for residential and commercial units in second- and third-tier cities are likely to remain constant or increase in 2010 and the near medium term.

Since the beginning of 2010, the Group has observed a slight increase in the prices of steel, concrete and aluminum as well as an increase in land prices. Nonetheless, the overall demand for raw materials in PRC is expected to remain relatively stable in 2010.

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.

No dividend has been declared or recommended for the period ended 30 September 2010.

On behalf of the Board of Directors

BY ORDER OF THE BOARD

Pek Lian Guan
Executive Director and CEO
08 November 2010



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 2010 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

08 November 2010