

## **TIONG SENG HOLDINGS LIMITED**

(Incorporated in Singapore)

(Company Registration No. 200807295Z)

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### **REVENUE RECOGNITION OF SUBSIDIARY**

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The Board of Directors (the “**Board**”) of Tiong Seng Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) refers to the Company’s announcements dated 8 August 2022 and 13 August 2022 (collectively, the “**Previous Announcements**”) in relation to an extension of time to 14 September 2022 to release its unaudited results for the half year ended 30 June 2022 (the “**Unaudited 1H2022 Results**”) and the Company’s announcement dated 13 September 2022 of the Unaudited 1H2022 Results.

The Board wishes to announce that there had been an over-recognition of approximately S\$8.0 million in the revenue of the Company’s wholly-owned subsidiary, Robin Village Development Pte. Ltd. (“**RVD**”), for the financial years ended 31 December (“**FY**”) 2020 and 2021. The financial statements of RVD for FY2021 together with the comparative figures for FY2020 therein will be restated to correct the revenue over-recognition and will thereafter be re-audited by the Group’s auditors and re-filed with the Accounting and Corporate Regulatory Authority of Singapore.

The revenue over-recognition was discovered by the Group finance team during the preparation of the Unaudited 1H2022 Results. Upon receiving a report from the Group finance team about the revenue over-recognition, the Board immediately instructed the Group’s external auditor KPMG LLP to carry out an expanded scope of audit and the Group’s internal auditor PricewaterhouseCoopers Risk Services Pte. Ltd. to review the adequacy and effectiveness of the key internal controls relating to the revenue over-recognition. Based on the findings, the management of RVD is responsible for the revenue over-recognition for failing to adhere to the laid-down internal controls and accounting policies. As the Managing Director of RVD and the former Financial Controller of RVD are responsible for the accuracy of the financial statements and the effectiveness of the internal controls of RVD, both of them have to take responsibility for this. In this regard, the Managing Director has stepped down and a new Managing Director has been appointed, while the former Financial Controller had resigned and left the Group as of June 2022 and has been replaced by a new Financial Controller.

The Board has determined that the revenue over-recognition does not have any material impact on the audited consolidated financial statements of the Group for FY2021 and the Unaudited 1H2022 Results. Save for the restatement and re-auditing of the standalone financial statements of RVD for FY2021, no restatement and re-auditing of any other financial statements of RVD or the Group are necessary.

**BY ORDER OF THE BOARD**

**TIONG SENG HOLDINGS LIMITED**

Pay Sim Tee

Executive Director and CEO

13 September 2022