



TIONG SENG HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Co. Reg. No: 200807295Z)

UNAUDITED FULL YEAR FINANCIAL STATEMENT ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

1(a)(i) Consolidated statement of comprehensive income, together with a comparative statement for the corresponding year of the immediately preceding financial year.

	12 Months Ended 31 December 2015	12 Months Ended 31 December 2014	Change
	S\$'000	S\$'000	%
Revenue			
Revenue from construction contracts	482,220	627,480	-23
Revenue from sales of development properties	71,784	31,968	>100
Revenue from sales of goods	7,386	8,000	-8
Rental Income	2,410	1,306	85
	<u>563,800</u>	<u>668,754</u>	-16
Other income	10,486	5,185	>100
Costs of construction contracts	(432,906)	(582,719)	-26
Costs of sales of development properties	(62,560)	(31,915)	96
Costs of goods sold	(4,086)	(4,940)	-17
Reversal/(Allowance) for diminution in value of development properties	669	(34,573)	N.M
Depreciation and amortization	(6,629)	(6,282)	6
Selling expenses	(3,561)	(3,686)	-3
Staff costs	(19,534)	(18,416)	6
Other expenses	(14,150)	(13,853)	2
	<u>(542,757)</u>	<u>(696,384)</u>	-22
Profit/(Loss) from operating activities	31,529	(22,445)	N.M
Finance income	2,985	4,934	-40
Finance costs	(7,974)	(5,472)	46
Net finance costs	<u>(4,989)</u>	<u>(538)</u>	>100
Share of loss of joint ventures, net of tax	(3,137)	(1,635)	92
Profit/(Loss) before tax	23,403	(24,618)	N.M
Tax expense	(8,698)	(5,008)	74
Profit/(Loss) for the year	<u>14,705</u>	<u>(29,626)</u>	N.M

N.M : Not Meaningful

	12 Months Ended 31 December 2015	12 Months Ended 31 December 2014	Change
	S\$'000	S\$'000	%
Other comprehensive income			
Items that are / may be reclassified subsequently to profit or loss:			
Translation differences relating to financial statements of foreign subsidiaries	1,171	5,982	-80
Exchange differences on monetary items forming part of net investment in a foreign operation	97	2,506	-96
Equity accounted investee – share of other comprehensive income	(283)	-	100
Net change in the fair value of available-for-sale investments	(15)	(1)	>100
Other comprehensive income for the year, net of tax	970	8,487	-89
Total comprehensive income for the year	15,675	(21,139)	N.M
Profit/(Loss) attributable to:			
Owners of the Company	10,237	(15,279)	N.M
Non-controlling interests	4,468	(14,347)	N.M
Profit/(Loss) for the year	14,705	(29,626)	N.M
Total comprehensive income attributable to:			
Owners of the Company	11,004	(7,830)	N.M
Non-controlling interests	4,671	(13,309)	N.M
Total comprehensive income for the year	15,675	(21,139)	N.M
Earnings per share			
- Basic and diluted (cents) ¹	2.23	(3.32)	N.M

¹ The earnings per share net of non-controlling interests has been calculated based on weighted average number of shares outstanding after share consolidation and excluding treasury shares of 459,476,562 (2014: 459,623,849) shares.

1(a)(ii) Notes to the consolidated statement of comprehensive income

The following items have been charged or (credited) in arriving at profit/(loss) for the year:

	12 Months Ended 31 December 2015	12 Months Ended 31 December 2014	Change
	S\$'000	S\$'000	%
Fees from project and property management	(796)	(1,274)	-38
Gain on disposal of scrap parts and materials	(144)	(859)	-83
Gain on disposal of investment properties	(593)	(683)	-13
Impairment loss on intangible assets	1,284	1,656	-22
Operating lease expenses	1,392	1,510	-8
Legal and Professional fees	2,106	1,642	28
Advertisement and promotional expenses	1,755	2,573	-32
Gain from sales of car park lots	(3,586)	(460)	>100
Allowance for doubtful debts	979	459	>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	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	101,606	86,998	-	-
Intangible assets	1,747	3,523	-	-
Investment properties	15,880	16,205	-	-
Associates and joint ventures	22,200	23,263	-	-
Trade and other receivables	30,748	23,520	-	-
Investment in subsidiaries	-	-	59,624	59,624
Other investments	6,130	6,148	-	-
Deferred tax assets	3,140	3,334	-	-
	181,451	162,991	59,624	59,624
Current assets				
Inventories	1,875	2,173	-	-
Construction work-in-progress	45,430	50,917	-	-
Development properties	445,341	441,023	-	-
Trade and other receivables	206,113	199,795	6	9
Amounts due from related parties	52,799	40,826	125,685	126,161
Cash and cash equivalents	93,210	94,974	2,980	10,397
	844,768	829,708	128,671	136,567
Total assets	1,026,219	992,699	188,295	196,191
Equity attributable to owners of the Company				
Share capital	181,947	181,947	181,947	181,947
Treasury shares	(244)	-	(244)	-
Reserves	(54,001)	(54,768)	(45,850)	(45,850)
Retained earnings / (Accumulated losses)	132,510	124,111	(23,994)	(16,656)
	260,212	251,290	111,859	119,441
Non-controlling interests	59,799	45,430	-	-
Total equity	320,011	296,720	111,859	119,441
Non-current liabilities				
Trade and other payables	15,936	20,765	-	-
Loans and borrowings	87,244	178,013	74,129	73,730
Deferred tax liabilities	4,556	3,840	-	-
	107,736	202,618	74,129	73,730
Current liabilities				
Progress billings in excess of construction work-in-progress	15,138	7,054	-	-
Trade and other payables	342,438	340,046	2,307	2,020
Amounts due to related parties	17,314	18,360	-	-
Loans and borrowings	211,566	119,674	-	1,000
Current tax payable	12,016	8,227	-	-
	598,472	493,361	2,307	3,020
Total liabilities	706,208	695,979	76,436	76,750
Total equity and liabilities	1,026,219	992,699	188,295	196,191

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

Amount repayable in one year or less, or on demand

As at 31.12.2015		As at 31.12.2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
211,566	-	118,674	1,000

Amount repayable after one year

As at 31.12.2015		As at 31.12.2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
13,114	74,130	104,283	73,730

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 loan 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. Notwithstanding this, ChangDe, TSP, Zizhulin and Changhe still remain as subsidiaries of the Group.

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

	31 December 2015	31 December 2014
	\$'000	\$'000
Carrying amounts of assets:		
Leasehold land	12,852	4,797
Freehold land	4,111	4,710
Leasehold properties	31,890	33,478
Investment properties	487	560
Development properties	172,673	129,991
Plant and machinery	13,448	16,123
Motor vehicles	1,296	1,370
Deposits pledged	1,166	37,158
Total	237,923	228,187

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.

	12 Months Ended 31 December 2015 S\$'000	12 Months Ended 31 December 2014 S\$'000
Cash flow from operating activities		
Profit/(Loss) from operating activities	31,529	(22,445)
Adjustments for:		
Allowance for doubtful trade receivables	979	459
Depreciation and amortisation	13,186	13,348
(Reversal)/ Allowance for diminution in value of development properties	(669)	34,573
Impairment loss on intangible assets	1,284	1,656
Property, plant and equipment written off	842	13
Gain on disposal of:		
- property, plant and equipment	(2,000)	(270)
- investment properties	(593)	(683)
- other investments	-	(16)
Operating profit before working capital changes	44,558	26,635
Changes in working capital:		
Inventories	393	420
Construction work-in-progress	13,571	(1,797)
Development properties	7,212	(64,799)
Trade and other receivables	(12,348)	28,260
Balances with related parties (trade)	(2,157)	3,089
Trade and other payables	(3,596)	11,672
Cash generated from operations	47,633	3,480
Income taxes paid	(5,621)	(5,737)
Income taxes refunded	-	551
Net cash from/(used in) operating activities	42,012	(1,706)
Cash flow from investing activities		
Balances with related parties (non-trade)	(4,694)	(4,015)
Balances with ultimate holding company	-	2,420
Dividend received from joint ventures	-	3,816
Dividend received from available for sale investments	1	1
Investment in a joint venture	(83)	(2,860)
Interest received	655	562
Proceeds from disposal of:		
- property, plant and equipment	4,550	464
- investment properties	629	1,950
- other investments	-	94
Purchase of treasury shares	(244)	-
Purchase of other investments	-	(130)
Purchase of property, plant and equipment	(26,008)	(9,582)
Purchase of intangible assets	(385)	(1,020)
Net cash used in investing activities	(25,579)	(8,300)

	12 Months Ended 31 December 2015 S\$'000	12 Months Ended 31 December 2014 S\$'000
Cash flow from financing activities		
Balances with related parties (non-trade)	1,446	(9,488)
Capital contribution by non-controlling interests	-	122
Repayment of loan to non-controlling interests	-	(996)
Decrease/(Increase) in deposits pledged	35,974	(17,778)
Decrease in restricted cash	1,337	8,530
Dividends paid to: - owners of the company	(1,838)	(5,515)
- non-controlling interests	-	(98)
Interest paid	(11,909)	(9,962)
Proceeds from issue of rights	-	10,026
Proceeds from issue of multicurrency medium term note	-	73,541
Payments of finance lease liabilities	(1,040)	(957)
Proceeds from loans and borrowings	58,688	218,823
Repayment of loans and borrowings	(62,495)	(246,700)
Net cash from financing activities	20,163	19,548
Net increase in cash and cash equivalents	36,596	9,542
Cash and cash equivalents at beginning of the year	53,209	44,977
Effect of exchange rate changes on balances held in foreign currencies	(1,031)	(1,310)
Cash and cash equivalents at end of the year	88,774	53,209

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 2015	181,947	-	(77,720)	1,888	3,564	15	17,485	124,111	251,290	45,430	296,720
Total comprehensive income for the year											
Profit for the year	-	-	-	-	-	-	-	10,237	10,237	4,468	14,705
Other comprehensive income											
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	-	968	-	968	203	1,171
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	-	-	-	97	-	97	-	97
Equity accounted investee – share of other comprehensive income	-	-	-	-	-	-	(283)	-	(283)	-	(283)
Net change in the fair value of available-for-sale investments	-	-	-	-	-	(15)	-	-	(15)	-	(15)
Total other comprehensive income	-	-	-	-	-	(15)	782	-	767	203	970
<i>Total comprehensive income for the year</i>	-	-	-	-	-	(15)	782	10,237	11,004	4,671	15,675
Transaction with owners, recognised directly in equity											
Contributions by and distributions to owners											
Purchase of treasury shares	-	(244)	-	-	-	-	-	-	(244)	-	(244)
Dividends declared	-	-	-	-	-	-	-	(1,838)	(1,838)	-	(1,838)
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	9,698	9,698
<i>Total transactions with owners of the Company</i>	-	(244)	-	-	-	-	-	(1,838)	(2,082)	9,698	7,616
At 31 December 2015	181,947	(244)	(77,720)	1,888	3,564	-	18,267	132,510	260,212	59,799	320,011

Group	Share capital	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
At 1 January 2014	154,552	(77,720)	29,283	3,564	16	10,035	144,918	264,648	46,301	310,949
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	(15,279)	(15,279)	(14,347)	(29,626)
Other comprehensive income										
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	4,944	-	4,944	1,038	5,982
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	-	-	2,506	-	2,506	-	2,506
Net change in the fair value of available-for-sale investments	-	-	-	-	(1)	-	-	(1)	-	(1)
Total other comprehensive income	-	-	-	-	(1)	7,450	-	7,449	1,038	8,487
<i>Total comprehensive income for the year</i>	-	-	-	-	(1)	7,450	(15,279)	(7,830)	(13,309)	(21,139)
Transaction with owners, recognised directly in equity										
Contributions by and distributions to owners										
Dividends declared	-	-	-	-	-	-	(5,515)	(5,515)	(98)	(5,613)
Reclass of reserves to share capital	27,395	-	(27,395)	-	-	-	-	-	-	-
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	(13)	(13)	13	-
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	12,523	12,523
<i>Total transactions with owners of the Company</i>	27,395	-	(27,395)	-	-	-	(5,528)	(5,528)	12,438	6,910
At 31 December 2014	181,947	(77,720)	1,888	3,564	15	17,485	124,111	251,290	45,430	296,720

Company	Share capital	Treasury Shares	Capital Reserve	Merger Reserve	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2015	181,947	-	-	(45,850)	(16,656)	119,441
Total comprehensive income for the period	-	-	-	-	(5,500)	(5,500)
Reclassification from capital reserves to share capital for rights shares issued	-	-	-	-	-	-
Dividend paid	-	-	-	-	(1,838)	(1,838)
Purchase of treasury shares	-	(244)	-	-	-	(244)
At 31 December 2015	181,947	(244)	-	(45,850)	(23,994)	111,859
At 1 January 2014	154,552	-	27,395	(45,850)	(7,778)	128,319
Total comprehensive income for the period	-	-	-	-	(3,363)	(3,363)
Reclassification from capital reserves to share capital for rights shares issued	27,395	-	(27,395)	-	-	-
Dividend paid	-	-	-	-	(5,515)	(5,515)
At 31 December 2014	181,947	-	-	(45,850)	(16,656)	119,441

- 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.

Issued and fully paid ordinary shares, with no par value	No of shares	S\$'000
At 1 January 2015	919,247,700	181,947
Share consolidation on 31 August 2015	(459,623,851)	-
Share buy-backs	(1,088,500)	-
Balance at 31 December 2015	458,535,349	181,947

On 31 August 2015, the Company completed a share consolidation of two existing shares into one consolidated share. As a results of the share consolidation exercise, the issued share capital of the Company comprises of 459,623,849 shares.

As at 31 December 2015, the Company held 1,088,500 treasury shares (Nil treasury shares as at 31 December 2014).

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 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.**

	No of shares	
	31 December 2015	31 December 2014
Total number of issued shares excluding treasury shares	458,535,349	919,247,700

- 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.**

The Company held 1,088,500 treasury shares as at the end of the current financial period ended 31 December 2015. There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial year reported on.

- 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 2014.

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 2015. 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.

	12 Months Ended 31 December 2015	12 Months Ended 31 December 2014
	(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	2.23	(3.32)
(b) On a fully diluted basis	2.23	(3.32)

The earning per ordinary share net of non-controlling interests has been calculated based on weighted average number of shares outstanding after share consolidation and excluding treasury shares of 459,476,562 (2014: 459,623,849) 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	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	(cents)	(cents)	(cents)	(cents)
Net asset value per ordinary share based on issued share capital at the end of:	56.75	54.67	24.39	25.99

The net asset value per ordinary share net of controlling interests has been calculated excluding treasury shares of 458,535,349 shares as at 31 December 2015 and 459,623,849 (919,247,700 before share consolidation) shares as at 31 December 2014.

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 FY2015 vs FY2014

Overview

The breakdown of our major business segment financial information as follows:

	<u>Construction</u>	<u>Property Development</u>	<u>Sales of Goods</u>	<u>Rental</u>	<u>Others</u>	<u>Total</u>
	Financial Year Ended 31 December 2015					
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	482,220	71,784	7,386	2,410	-	563,800
Costs	(432,906)	(62,560)	(4,086)	-	-	(499,552)
Gross Profit	49,314	9,224	3,300	2,410	-	64,248
Other income	4,880	3,941	49	593	1,023	10,486
Depreciation	(5,022)	(68)	(820)	(637)	(82)	(6,629)
Selling expenses	-	(3,128)	(419)	-	(14)	(3,561)
Staff costs	(13,155)	(2,285)	(2,395)	-	(1,699)	(19,534)
Other operating expenses	(6,678)	(2,082)	(2,981)	-	(2,409)	(14,150)
Reversal of allowance for diminution in value of development properties	-	669	-	-	-	669
Profit / (loss) from operating activities	29,339	6,271	(3,266)	2,366	(3,181)	31,529

	<u>Construction</u>	<u>Property Development</u>	<u>Sales of Goods</u>	<u>Rental</u>	<u>Others</u>	<u>Total</u>
	Financial Year Ended 31 December 2014					
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	627,480	31,968	8,000	1,306	-	668,754
Costs	(582,719)	(31,915)	(4,940)	-	-	(619,574)
Gross Profit	44,761	53	3,060	1,306	-	49,180
Other income	2,719	461	114	913	978	5,185
Depreciation	(4,253)	(92)	(695)	(1,112)	(130)	(6,282)
Selling expenses	-	(3,434)	(249)	-	(3)	(3,686)
Staff costs	(11,436)	(2,427)	(3,036)	-	(1,517)	(18,416)
Other operating expenses	(6,830)	(2,369)	(2,475)	-	(2,179)	(13,853)
Allowance for diminution in value of development properties	-	(34,573)	-	-	-	(34,573)
Profit / (loss) from operating activities	24,961	(42,381)	(3,281)	1,107	(2,851)	(22,445)

As a whole, the Group's profit from operating activities improved by approximately S\$54.0 million from a loss of S\$22.5 million in FY2014 to a profit of S\$31.5 million in FY2015. The improvement was mainly due to the increased in gross profits in both construction and property development segments by S\$4.6 million and S\$9.2 million respectively, higher other income of S\$5.3 million and the absence of S\$34.6 million one-off allowance for diminution in value in development property segment made in FY2014.

Operating profit in construction segment increased by approximately S\$4.4 million from S\$25.0 million in FY2014 to S\$29.4 million in FY2015, attributable mainly to the increased in gross profit of S\$4.6 million derived from the various projects mix.

Property development reported an operating profit of approximately S\$6.3 million in FY2015 as compared to a loss of S\$42.4 million in FY2014, with S\$9.2 million gross profit derived substantially from revenue recognition in phase III of the Sunny International Project and the absence of the one-off allowance for diminution in value of S\$34.6 million made in FY2014.

The Group's other income increased by S\$5.3 million as a result of the sale of car park lots from the development project and the aggregate gains on disposal of property, plant and equipment and investment properties.

Revenue

Revenue decreased by approximately S\$105.0 million or 16% yoy from S\$668.8 million in FY2014 to S\$563.8 million in FY2015, attributable mainly to decrease in revenue from construction contracts by S\$145.3 million, partially offset by an increase in sales of development properties of approximately S\$39.8 million.

Revenue from construction contracts

The decrease in revenue by approximately S\$145.3 million from S\$627.5 million in FY2014 to S\$482.2 million in FY2015 was mainly due to differences in stages of revenue recognition for the various construction contracts.

In accordance with our revenue recognition policy, work done amounting to approximately S\$26.8 million from newly commenced projects have yet to be recognized as revenue as at 31 December 2015.

Revenue from sales of development properties

Revenue from sales of development properties in FY2015 amounted to S\$71.8 million contributed mainly from the sale recognition of 408 units (41,692 sqm) of phase II and III of the Sunny International Project, 21 units (4,847 sqm) from Equinox Project and 1 unit (141 sqm) from Tianmen Jinwan Project respectively.

As at 31 December 2015, approximately S\$117.8 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 recognize	
			Units	Sqm
Sunny International	1,457	1,419	18	1,734
Equinox	234	91	57	14,661
Tranquility Residences	486	-	364	40,903

Revenue from rental

The increase in revenue from rental segment by approximately S\$1.1 million from S\$1.3 million in FY2014 to S\$2.4 million in FY2015 was mainly attributable by rental income from a joint venture of S\$0.4 million and an increase in rental income from investment properties in the People's Republic of China by S\$0.3 million.

Other income

Other income increased by S\$5.3 million from S\$5.2 million in FY2014 to S\$10.5 million in FY2015 was mainly due to car park lots sold from phase III of the Sunny International Project of S\$3.6 million and the aggregate gains on disposal of property, plant and equipment and investment properties of S\$1.7 million.

Gross profit in construction segment

Gross profit margin increased approximately 3.1% from 7.1% in FY2014 to 10.2% in FY2015 due mainly to improvement in overall project mix.

Gross profit in property development segment

Gross profit margin increased approximately 12.6% from 0.2% in FY2014 to 12.8% in FY2015 following the recognition of phase III of the Sunny International Project.

Gross profit in sales of goods segment

Gross profit margin increased from 38.2% in FY2014 to 44.7% in FY2015, due mainly to increase in license income with higher profit margin.

Net finance costs

Net finance expense increased by approximately S\$4.5 million to S\$5.0 million in FY2015 due mainly to a full year of interest of approximately S\$4.0 million as compared to only half a year in FY2014, following the issuance of the multicurrency medium term note in early July 2014. Further, the fluctuation of the RMB vis-à-vis SGD in FY2015 & discounting of long term retention receivables and payables gave rise to S\$1.1 million and S\$1.0 million increases in net finance costs.

Share of loss of joint ventures, net of tax

The Group registered a share of loss from joint ventures of approximately S\$3.1 million in FY2015 due mainly to loss recognition from a few joint venture projects.

Income tax expense

Income tax expense increased by approximately S\$3.7 million to S\$8.7 million in FY2015 due mainly to higher land appreciation tax in PRC of approximately S\$3.8 million arising from profit on sales of development properties.

Profit for the year

FY2015 reported a profit of S\$14.7 million as a result of the factors mentioned in the preceding paragraphs.

Review of Group Financial Position

Non-Current Assets

As at 31 December 2015, non-current assets stood at S\$181.5 million or approximately 17.7% of total assets, an increase of approximately S\$18.5 million as compared to 31 December 2014.

Increase in property, plant and equipment (“PPE”) of approximately S\$14.6 million to S\$101.6 million as at 31 December 2015 was mainly due to purchase of PPE amounting to S\$30.5 million, partially offset by disposals and depreciation during the same year.

The decrease in intangible assets of S\$1.8 million to S\$1.7 million as at 31 December 2015 was mainly due to amortisation charges of approximately S\$1.0 million and impairment loss of S\$1.3 million in sales of goods segment, partially offset by additional development costs incurred during the year.

Increase in trade and other receivables by S\$7.2 million to S\$30.7 million as at 31 December 2015 was mainly due to increase in retention sums from construction projects.

Current Assets

As at 31 December 2015, current assets stood at S\$844.8 million or approximately 82.3% of total assets, an increase of approximately S\$15.1 million as compared to 31 December 2014.

Amount due from related parties increased by S\$12.0 million to S\$52.8 million as at 31 December 2015 mainly due to interest bearing loans to non-controlling shareholders in the property development segment.

Non-Current Liabilities

As at 31 December 2015, non-current liabilities amounted to S\$107.7 million or approximately 15.3% of total liabilities, a decrease of approximately S\$94.9 million as compared to 31 December 2014.

Non-current loans and borrowings decreased by S\$90.8 million to S\$87.2 million as at 31 December 2015 due mainly to reclassification of S\$93.6 million loans due within 12 months to current liabilities as well as a net increase in loans and borrowings.

Non-current trade and other payables decreased by S\$4.8 million to S\$15.9 million as at 31 December 2015 due mainly to release of retention sum money arising from the completion and finalization of certain construction projects.

Current Liabilities

As at 31 December 2015, current liabilities stood at S\$598.5 million or approximately 84.7% of total liabilities, an increase of S\$105.1 million as compared to 31 December 2014.

Loans and borrowings increased by S\$91.9 million to S\$211.6 million as at 31 December 2015 mainly due to reclassification of loans due within 12 months from non-current liabilities as mentioned above.

Current tax payable increased by S\$3.8 million to S\$12.0 million as at 31 December 2015 due mainly to higher taxable profits for both construction and property development segments.

Review of Statement of Cash Flows

Net cash from operating activities

For the year ended 31 December 2015, the Group recorded a net cash inflow from operating activities of approximately S\$42.0 million, as compared to S\$1.7 million net cash outflow in the previous corresponding year. Net cash inflow from operating activities was the result of improved profitabilities in the construction and property development segments.

Net cash from investing activities

For the year ended 31 December 2015, the Group recorded a net cash outflow from investing activities of S\$25.6 million, increased by S\$17.3 million as compared to the previous corresponding year ended 31 December 2014. This was mainly due to investment in property, plant and equipment of approximately S\$26.0 million arising from the redevelopment of existing workshops and new additions of equipment.

Net cash from financing activities

For the year ended 31 December 2015, the Group recorded a net cash inflow from financing activities of S\$20.2 million, consistent to net cash inflow of S\$19.5 million in the previous corresponding year.

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

Based on advance estimates released by the Ministry of Trade and Industry¹ ("MTI") on 4 January 2016, Singapore's economy for FY2015 will grow by 2.1%, in line with previous estimates. This will be the weakest growth the country has experienced since the global financial crisis. Despite a slight pick-up in public sector construction activity in 4Q2015, the construction segment is expected to grow 1.1%, a decline from the 3.0% in FY2014.

On 15 January 2016, the Building & Construction Authority² ("BCA") projected total construction demand for FY2016 to fall to between S\$27 billion to S\$34 billion. Of this amount, approximately 65% is expected to be contributed from the public sector largely due to a growth in demand for civil engineering projects. Due to less favourable conditions and an influx of new private housing projects and offices coming onboard during the year, private sector construction is expected to slow down to between S\$8.5 billion to S\$12.5 billion. In FY2015, total construction demand fell below BCA's initial estimates of S\$29 billion to S\$36 billion to arrive at S\$27.2 billion. Public sector projects accounted for slightly over 50% of demand.

¹ Singapore's GDP grew by 2.0 per cent in the fourth quarter of 2015", Ministry of Trade and Industry, 4 January 2016

² "BCA estimates S\$27 billion to S\$34 billion worth of construction contracts to be awarded this year", Building and Construction Authority, 15 January 2016

In view of the overall slowdown in construction, BCA stepped up efforts to drive productivity and technology adoption in the sector. In December 2015, the organisation launched a new Centre for Lean & Virtual Construction, a first-of-its-kind immersive and experiential facility equipped with the latest Building Information Modelling (“BIM”) software and 3D technologies such as Virtual Design and Construction (“VDC”). As one of the pioneers of construction technology in Singapore, Tiong Seng has long been an advocate of productivity enhancing technologies and remains committed to further strengthening its portfolio.

Construction Order Book

In FY2015, the Group secured S\$420.1 million worth of contracts, bringing its order book of approximately S\$1.3 billion extended to 2020. These three new projects fall within the public sector and include:

- July 2015: S\$277.3 million from JTC Corporation for the construction of JTC Space @ Tuas
- October 2015: S\$72.9 million contract from the Land Transport Authority (“LTA”) for the development of Sungei Seletar Bus Depot
- December 2015: S\$69.9 million contract from the LTA for the development of Ulu Pandan Bus Depot

Property Development Outlook

The Chinese government has been progressively implementing a series of supportive monetary and regulatory policies including lowering of the minimum required mortgage down payment for first- and second-home purchases in February 2016³. As a result of stronger demand, favourable policies and limited supply growth, new home prices increased in January 2016 for the sixth straight month¹.

As at 31 December 2015, approximately S\$117.8 million of gross development value comprises of 18 units (1,734 sqm) of Sunny International, 57 units (14,661 sqm) of the Equinox and 364 units (40,903 sqm) of Tranquility Residences were sold, but yet to be recognized as revenue in accordance to Tiong Seng’s revenue recognition policy.

As at 31 December 2015, approximately 63.2% of the total 234 units launched for Equinox have been sold. Based on current existing phase development plan and schedule, the Group is currently carrying out construction for one of its phases E1, with expected completion and handover in 2Q2016. Also, the Group will commence its construction for another phase B3 by end of 1Q2016 which is expected to be completed in mid 2018.

For Tranquility Residences project in Suzhou New District Development zone, construction of phase 1 of total 2 phases, is expected to be completed and handover in 1Q2016 whereas construction of Phase 2 is expected to be completed and handover in 3Q2017.

Meantime, the Group has fully completed the construction of the Sunny International project .

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

Name of Dividend:	First and Final
Dividend Type:	Cash
Dividend Rate:	0.5 cent per ordinary share
Tax rate:	1-tier tax-exempt

³ “China eases mortgage down payment to 20% for first homes”, Bloomberg, 2 February 2016)

¹ “China new home prices up in January, rising for 6th straight month”, The Straits Times, 1 February 2016

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

Name of Dividend: First and Final
Dividend Type: Cash
Dividend rate: 0.2 cent per ordinary share
Tax rate: 1-tier tax-exempt

(c) Date payable

The proposed dividend, if approved at the Annual General Meeting, will be paid out at a date to be announced.

(d) Books closure date

The books closure date will be announced at a later date.

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

Not applicable.

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 year ended 31 December 2015.

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)	
	4Q2015	FY2015	4Q2015	FY2015
Peck Tiong Choon Transport (Pte) Ltd – Hiring charges	-	-	1,630,000	4,496,000

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is no applicable to Q1, Q2, Q3, or Half Year Results)**

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

(a) Business segments

31 December 2015	Construction	Property Development	Rental	Sales of goods	Segments total	Others *	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
External revenue	482,220	71,784	2,410	7,386	563,800	-	563,800
Interest income	92	600	-	-	692	22	714
Interest expenses	(2,384)	-	-	(22)	(2,406)	(4,164)	(6,570)
Depreciation and amortization	(11,579)	(69)	(637)	(820)	(13,105)	(81)	(13,186)
Allowance for diminution in value of development properties	-	669	-	-	669	-	669
Impairment loss on intangible assets	-	-	-	(1,284)	(1,284)	-	(1,284)
Reportable segment profit / (loss) before income tax	28,079	6,609	2,366	(3,305)	33,749	(7,209)	26,540
Share of (loss)/ profit of associates and joint ventures, net of tax	(3,326)	189	-	-	(3,137)	-	(3,137)
Profit before income tax							23,403
Income tax expense							(8,698)
Profit for the year							14,705
Reportable segment assets	422,843	550,205	15,882	4,263	993,193	10,826	1,004,019
Investment in associates and joint ventures	-	22,200	-	-	22,200	-	22,200
Total assets							1,026,219
Reportable segment liabilities	376,748	316,802	-	8,076	701,626	4,582	706,208
Capital expenditure	30,428	128	-	335	30,891	4	30,895

31 December 2014	Construction	Property Development	Rental	Sales of goods	Segments total	Others *	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
External revenue	627,480	31,968	1,306	8,000	668,754	-	668,754
Interest income	38	420	-	-	458	104	562
Interest expenses	(1,824)	(149)	-	(67)	(2,040)	(2,049)	(4,089)
Depreciation and amortization	(11,319)	(92)	(1,112)	(695)	(13,218)	(130)	(13,348)
Allowance for diminution in value of Development properties	-	(34,573)	-	-	(34,573)	-	(34,573)
Impairment loss on intangible assets	-	-	-	(1,656)	(1,656)	-	(1,656)
Reportable segment profit/ (loss) before income tax	24,368	(41,473)	1,108	(3,418)	(19,415)	(3,568)	(22,983)
Share of loss of associates and joint ventures, net of tax	(1,041)	(594)	-	-	(1,635)	-	(1,635)
Loss before income tax							(24,618)
Income tax expense							(5,008)
Loss for the year							(29,626)
Reportable segment assets	394,300	519,213	16,207	7,889	937,609	31,827	969,436
Investment in associates and joint ventures	1,234	22,029	-	-	23,263	-	23,263
Total assets							992,699
Reportable segment liabilities	360,742	325,631	-	4,121	690,494	5,485	695,979
Capital expenditure	11,693	59	-	2,054	13,806	10	13,816

*General Corporate activities

(b) Geographical segment

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets. The construction and property development segments are mainly domiciled in Singapore and the PRC respectively.

	<u>Revenue from external customers</u>		<u>Non-current assets*</u>	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Singapore	481,671	619,927	116,509	102,413
PRC	73,260	33,092	16,181	16,394
PNG	1,146	7,735	752	2,105
Europe	7,353	8,000	39	2,299
Malaysia	370	-	7,952	6,778
	563,800	668,754	141,433	129,989

* The non-current asset consists of property, plant and equipment, intangible assets, investment properties and investment in associates and joint ventures.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to section 8.

16. A breakdown of sales and profit before tax.

	2015 S\$'000	2014 S\$'000	Increase / (Decrease) %
Sales reported for first half year	197,113	325,134	(39)
Operating profit after tax before deducting non-controlling interests reported for first half year	4,031	1,620	>100
Sales reported for second half year	366,687	343,620	7
Operating (loss) / profit after tax before deducting non-controlling interests reported for second half year	10,674	(31,246)	>100

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Total annual dividend (Refer to note 11 for the details).

	Latest full year (S\$'000) (Recommended)	Previous full year (S\$'000)
Ordinary	2,293	1,838
Preference	-	-
Total:	2,293	1,838

18. PERSONS OCCUPYING MANAGERIAL POSITIONS PURSUANT TO RULE 704(13)

Name	Age	Family Relationship with any Director and/or Chief Executive Officer and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Pek Lian Guan	51	<p>Brother of Pek Dien Kee (Head of Asset Management).</p> <p>Cousin of Pay Sim Tee (Executive Director) and Pay Teow Heng (Project Director).</p> <p>Uncle of Ong Chun Tiong (General Manager for the Group's subsidiaries in Tianjin, PRC), Pek Chik Lay (General Manager of Cobiax Technologies (Asia) Pte Ltd and Robin Village Development Pte Ltd), Peh Geok Soon (Deputy General Manager of Suzhou Huisheng Construction Development Co., Ltd & Deputy General Manager of Suzhou Chang He Investment & Development Co. Ltd), Pek Chee Keong (General Manager of Jet-Scan Private Limited) and Pay Simin Jasmine (Deputy Contracts Manager) of Tiong Seng Contractors (Private) Limited).</p>	Executive Director & CEO since 15 April 2008 and 2010 respectively	Not Applicable
Pay Sim Tee	65	<p>Uncle of Ong Chun Tiong (General Manager for the Group's subsidiaries in Tianjin, PRC), Pek Chik Lay (General Manager of Cobiax Technologies (Asia) Pte Ltd and Robin Village Development Pte Ltd), Peh Geok Soon (Deputy General Manager of Suzhou Huisheng Construction Development Co., Ltd & Deputy General Manager of Suzhou Chang He Investment & Development Co. Ltd), Pek Chee Keong (General Manager of Jet-Scan Private Limited) and Pay Simin Jasmine (Deputy Contracts Manager of Tiong Seng Contractors (Private) Limited).</p>	Executive Director since 2010	Not Applicable
Pek Dien Kee	62	<p>Brother of Pek Lian Guan (Executive Director and CEO).</p> <p>Cousin of Pay Sim Tee (Executive Director).</p>	Head of Asset Management since 2010	Not Applicable

Name	Age	Family Relationship with any Director and/or Chief Executive Officer and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Pay Teow Heng	49	Cousin of Pek Lian Guan (Executive Director and CEO) and Pay Sim Tee (Executive Director).	Project Director since 2010	Not Applicable
Ong Chun Tiong	43	Nephew of Pek Lian Guan (Executive Director and CEO) and Pay Sim Tee (Executive Director).	General Manager for the Group's subsidiaries in Tianjin, PRC since 2004	Not Applicable
Pek Chik Lay	39	Nephew of Pek Lian Guan (Executive Director and CEO) and Pay Sim Tee (Executive Director).	General Manager of Cobiax Technologies (Asia) Pte Ltd since 2012 and Robin Village Development Pte Ltd since 2014	Not applicable
Peh Geok Soon	61	Nephew of Pek Lian Guan (Executive Director and CEO) and Pay Sim Tee (Executive Director).	Deputy General Manager of Suzhou Huisheng Construction Development Co., Ltd since 2003 & Deputy General Manager of Suzhou Chang He Investment & Development Co. Ltd since 2011	Not Applicable
Pek Chee Keong	34	Nephew of Pek Lian Guan (Executive Director and CEO) and Pay Sim Tee (Executive Director).	General Manager of Jet-Scan Private Limited since 2014	Not applicable
Pay Simin Jasmine	34	Niece of Pek Lian Guan (Executive Director and CEO) and Pay Sim Tee (Executive Director)	Deputy Contracts Manager of Tiong Seng Contractors Pte Ltd since 2015	Pay Simin Jasmine was appointed as Deputy Contracts Manager of Tiong Seng Constructors (Private) Limited since 2015

19. Confirmation Pursuant to Rule 720 (1) of the Listing Manual

In view of the latest guideline from the Exchange in relation to Rule 720(1) of the SGX-ST Listing Manual, the Company will procure signed undertakings from all its directors and executive officers based on the latest revised form of Appendix 7.7 of the SGX-ST Listing Manual on or before 30 April 2016, which will replace and supersede the undertakings previously signed by the directors and executive officers as announced on 13 November 2015.

On behalf of the Board of Directors

BY ORDER OF THE BOARD

Pek Lian Guan
Executive Director and CEO
22 February 2016
