TIONG SENG HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Co. Reg. No: 200807295Z)

UNAUDITED 1Q 2016 FINANCIAL STATEMENT ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 2016

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (1Q, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

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

	3 Months Ended 31 March 2016 S$'000	3 Months Ended 31 March 2015 S$'000	Change %
Revenue			
Revenue from construction contracts	152,008	97,876	55
Revenue from sales of development properties	91,787	1,411	>100
Revenue from sales of goods	2,920	2,617	12
Rental Income	466	412	13
	247,181	102,316	>100
Other income	1,609	1,496	8
Costs of construction	(139,188)	(87,256)	60
Costs of sales of development properties	(87,851)	(1,404)	>100
Cost of goods sold	(2,319)	(1,701)	36
Depreciation and amortisation	(1,262)	(1,828)	-31
Selling expenses	(659)	(387)	70
Staff costs	(5,383)	(5,539)	-3
Other expenses	(2,973)	(3,271)	-9
	(239,635)	(101,386)	>100
Profit from operating activities	9,155	2,426	>100
Finance income	291	2,130	-86
Finance expenses	(4,158)	(1,758)	>100
Net finance (expense) income	(3,867)	372	N.M
Share of (loss)/profit of joint ventures, net of tax	(669)	429	N.M
Profit before income tax	4,619	3,227	43
Income tax	(1,002)	(596)	68
Profit for the period	3,617	2,631	37

N.M : Not Meaningful

	3 Months Ended 31 March 2016 S$'000	3 Months Ended 31 March 2015 S$'000	Change %
Other comprehensive income:			
Items that are / may be reclassified subsequently to profit or loss			
Translation differences relating to financial statements of foreign subsidiaries	(9,186)	7,938	N.M
Exchange differences on monetary items forming part of net investment in a foreign operation	(3,302)	5,780	N.M
Other comprehensive income for the period, net of tax	(12,488)	13,718	N.M
Total comprehensive income for the period	(8,871)	16,349	N.M
Profit attributable to:			
Owners of the Company	3,737	3,178	17
Non-controlling interests	(120)	(547)	-78
Profit for the period	3,617	2,631	37
Total comprehensive income attributable to:			
Owners of the Company	(6,362)	15,675	N.M
Non-controlling interests	(2,509)	674	N.M
Total comprehensive income for the period	(8,871)	16,349	N.M
Earnings per share			
- Basic and diluted (cents)[1]	0.82	0.69	

[1] Based on weighted average number of shares outstanding after share consolidation and excluding treasury shares of 458,058,817 (2015: 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 for the period:

	3 Months Ended 31 March 2016 S$'000	3 Months Ended 31 March 2015 S$'000	Change %
Fees from property management	(188)	(145)	29
Gain on disposal of spare parts & scrap materials	(84)	(42)	100
Gain on disposal of property, plant and equipment	(57)	(580)	-90
Insurance expense	74	133	-44
Legal and professional fees	265	533	-50
Operating lease expenses	349	375	-7
Repair and maintenance expenses	220	487	-55
Travelling and transport	233	231	1

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31.03.2016	31.12.2015	31.03.2016	31.12.2015
	S$'000	S$'000	S$'000	S$'000
Non-current assets				
Property, plant and equipment	108,646	101,606	-	-
Intangible assets	1,555	1,747	-	-
Investment properties	15,123	15,880	-	-
Investment in subsidiaries	-	-	59,624	59,624
Associates and joint ventures	22,200	22,200	-	-
Trade and other receivables	33,312	30,748	-	-
Other investments	6,127	6,130	-	-
Deferred tax assets	2,996	3,140	-	-
	189,959	181,451	59,624	59,624
Current assets				
Inventories	1,767	1,875	-	-
Construction work-in-progress	39,211	45,430	-	-
Development properties	357,811	445,341	-	-
Trade and other receivables	183,190	206,113	32	6
Amount due from related parties	46,692	52,799	125,685	125,685
Available-for-sale financial assets	2,092	-	-	-
Cash and cash equivalents	71,834	93,210	517	2,980
	702,597	844,768	126,234	128,671
Total assets	892,556	1,026,219	185,858	188,295
Equity attributable to owners of the Company				
Share capital	181,947	181,947	181,947	181,947
Treasury shares	(688)	(244)	(688)	(244)
Reserves	(64,100)	(54,001)	(45,850)	(45,850)
Retained earnings / (Accumulated losses)	136,247	132,510	(25,516)	(23,994)
	253,406	260,212	109,893	111,859
Non-controlling interests	57,290	59,799	-	-
Total equity	310,696	320,011	109,893	111,859
Non-current liabilities				
Trade and other payables	15,344	15,936	-	-
Loans and borrowings	88,778	87,244	74,133	74,129
Deferred tax liabilities	4,834	4,556	-	-
	108,956	107,736	74,133	74,129
Current liabilities				
Progress billings in excess of construction work-in-progress	1,274	15,138	-	-
Trade and other payables	310,173	342,438	1,832	2,307
Amount due to related parties	17,062	17,314	-	-
Loans and borrowings	131,902	211,566	-	-
Current tax payable	12,493	12,016	-	-
	472,904	598,472	1,832	2,307
Total liabilities	581,860	706,208	75,965	76,436
Total equity and liabilities	892,556	1,026,219	185,858	188,295

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

Amount repayable in one year or less, or on demand

As at 31.03.2016		As at 31.12.2015	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
131,902	-	211,566	-

Amount repayable after one year

As at 31.03.2016		As at 31.12.2015	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
14,645	74,133	13,114	74,130

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 March 2016 $'000	31 December 2015 $'000
Carrying amounts of assets:		
Leasehold land	12,723	12,853
Freehold land	4,278	4,111
Leasehold properties	30,656	30,949
Investment properties	469	487
Development properties	97,066	172,673
Plant and machinery	13,586	13,448
Motor vehicles	1,148	1,296
Deposits pledged	1,045	1,165
Total	**160,971**	**236,982**

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.

	3 Months Ended 31 March 2016 S$'000	3 Months Ended 31 March 2015 S$'000
Cash flow from operating activities		
Profit from operating activities	9,155	2,426
Adjustments for:		
Depreciation and amortisation	4,271	3,507
Gain on disposal of property plant and equipment	(57)	(580)
Operating profit before working capital changes	13,369	5,353
Changes in working capital:		
Inventories	95	161
Construction work-in-progress	(7,644)	1,217
Development properties	70,338	(42,284)
Trade and other receivables	20,170	4,660
Balances with related parties (trade)	153	(377)
Trade and other payables	(29,801)	3,385
Cash used in operations	66,680	(27,885)
Income taxes paid	(163)	(208)
Net cash from/(used in) operating activities	66,517	(28,093)
Cash flow from investing activities		
Balances with related parties (non-trade)	1,090	(6,992)
Distributions received from joint ventures	7,497	-
Interest received	46	43
Proceeds from sales of property, plant and equipment	440	892
Purchase of property, plant and equipment	(10,948)	(2,881)
Purchase of treasury shares	(444)	-
Purchase of available-for-sale financial assets	(2,092)	(73)
Net cash used in investing activities	(4,411)	(9,011)
Cash flow from financing activities		
Balances with related parties (non-trade)	(3,790)	6,948
Increase in restricted cash	(975)	-
Decrease in deposits pledged	51	33,667
Interest paid	(2,172)	(2,223)
Payments of finance lease liabilities	(225)	(272)
Proceeds from loans and borrowings	10,922	30,177
Repayment of loans and borrowings	(88,883)	(32,207)
Net cash (used in)/from financing activities	(85,072)	36,090
Net decrease in cash and cash equivalent	(22,966)	(1,014)
Cash and cash equivalent at beginning of the period	88,774	53,209
Effect of exchange rate changes on balance held in foreign currencies	738	(1,859)
Cash and cash equivalents at end of the period	66,546	50,336

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 2016	181,947	(244)	(77,720)	1,888	3,564	-	18,267	132,510	260,212	59,799	320,011
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	3,737	3,737	(120)	3,617
Other comprehensive income											
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	-	(6,797)	-	(6,797)	(2,389)	(9,186)
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	-	-	-	(3,302)	-	(3,302)	-	(3,302)
Total other comprehensive income	-	-	-	-	-	-	(10,099)	-	(10,099)	(2,389)	(12,488)
Total comprehensive income for the period	-	-	-	-	-	-	*(10,099)*	*3,737*	*(6,362)*	*(2,509)*	*(8,871)*
Transaction with owners, recognised directly in equity											
Contributions by and distributions to owners											
Purchase of treasury shares	-	(444)	-	-	-	-	-	-	(444)	-	(444)
Total transaction with owners of the Company	-	(444)	-	-	-	-	-	-	(444)	-	(444)
At 31 March 2016	181,947	(688)	(77,720)	1,888	3,564	-	8,168	136,247	253,406	57,290	310,696

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 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 period										
Profit for the period	-	-	-	-	-	-	3,178	3,178	(547)	2,631
Other comprehensive income										
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	6,717	-	6,717	1,221	7,938
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	-	-	5,780	-	5,780	-	5,780
Total other comprehensive income	-	-	-	-	-	12,497	-	12,497	1,221	13,718
Total comprehensive income for the period	-	-	-	-	-	*12,497*	*3,178*	*15,675*	*674*	*16,349*
Transaction with owners, recognised directly in equity										
Contributions by and distributions to owners										
Capital contribution by non-controlling interest	-	-	-	-	-	-	-	-	9,698	9,698
Total transaction with owners of the Company	-	-	-	-	-	-	-	-	9,698	9,698
At 31 March 2015	181,947	(77,720)	1,888	3,564	15	29,982	127,289	266,965	55,802	322,767

Company	**Share capital S$'000**	**Treasury Shares S$'000**	**Merger Reserve S$'000**	**Accumulated profits S$'000**	**Total equity S$'000**
At 1 January 2016	181,947	(244)	(45,850)	(23,994)	111,859
Total comprehensive income for the period	-	-	-	(1,522)	(1,522)
Purchase of treasury shares	-	(444)	-	-	(444)
At 31 March 2016	181,947	(688)	(45,850)	(25,516)	109,893
At 1 January 2015	181,947	-	(45,850)	(16,656)	119,441
Profit or loss / Total comprehensive income for the period	-	-	-	(518)	(518)
At 31 March 2015	181,947	-	(45,850)	(17,174)	118,923

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 2016	458,535,349	181,947
Share buy-backs	(1,879,900)	-
Balance at 31 March 2016	456,655,449	181,947

As at 31 March 2016, the Company held 2,968,400 treasury shares (Nil treasury shares as at 31 March 2015).

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 immediate preceeding 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 March 2016	31 December 2015
Total number of issued shares excluding treasury shares	456,655,449	458,535,349

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 2,968,400 treasury shares as at the end of the current financial period ended 31 March 2016. There were no sales, transfers, disposal, cancellation and/or use of 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.

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 2015.

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 2016. 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.

	3 Months Ended 31 March 2016	3 Months Ended 31 March 2015
	(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	0.82	0.69
(b) On a fully diluted basis	0.82	0.69

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 458,058,817 (2015: 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 March 2016	31 December 2015	31 March 2016	31 December 2015
	(cents)	(cents)	(cents)	(cents)
Net asset value per ordinary share based on issued share capital at the end of:	55.49	56.75	24.06	24.39

The net asset value per ordinary share, net of non-controlling interests and excluding treasury shares, has been calculated based on 456,655,449 shares and 458,535,349 shares as at 31 March 2016 and 31 December 2015 respectively.

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 1Q2016 compared to 1Q2015

Overview

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

	Construction	Property Development	Sales of Goods	Rental	Others	Total
	3 Months Ended 31 March 2016					
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Revenue	152,008	91,787	2,920	466	-	247,181
Costs	(139,188)	(87,851)	(2,319)	-	-	(229,358)
Gross Profit	12,820	3,936	601	466	-	17,823
Other income	883	428	29	60	209	1,609
Depreciation and amortisation	(792)	(12)	(166)	(280)	(12)	(1,262)
Selling expenses	-	(584)	(75)	-	-	(659)
Staff costs	(3,638)	(596)	(341)	-	(808)	(5,383)
Other operating expenses	(1,779)	(575)	(83)	-	(536)	(2,973)
Profit / (loss) from operating activities	7,494	2,597	(35)	246	(1,147)	9,155

	Construction	Property Development	Sales of Goods	Rental	Others	Total
	3 Months Ended 31March2015					
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Revenue	97,876	1,411	2,617	412	-	102,316
Costs	(87,256)	(1,404)	(1,701)	-	-	(90,361)
Gross Profit	10,620	7	916	412	-	11,955
Other income	1,218	40	56	-	182	1,496
Depreciation and amortisation	(1,170)	(24)	(324)	(286)	(24)	(1,828)
Selling expenses	-	(262)	(125)	-	-	(387)
Staff costs	(3,740)	(615)	(569)	-	(615)	(5,539)
Other operating expenses	(1,961)	(606)	(170)	-	(534)	(3,271)
Profit / (loss) from operating activities	4,967	(1,460)	(216)	126	(991)	2,426

Generally, the Group's profit from operating activities increased by approximately S$6.8 million or 277.4% from approximately S$2.4 million in 1Q2015 to S$9.2 million in 1Q2016. The increase was mainly due to higher profit recognized in the construction segment by S$2.5 million and profit registered in the property development of S$2.6 million as contrast to a loss of S$1.5 million in the previous corresponding period. Profit in the construction segment increased as a result of higher revenue recognized while property segment profit was mainly derived from the recognition of revenue of phase I of the Tranquility project.

Revenue

Revenue increased by approximately S$144.9 million or 141.6% from approximately S$102.3 million in 1Q2015 to approximately S$247.2 million in 1Q2016, attributable mainly to increase in revenue from both construction contracts and property development of approximately S$54.1 million and S$90.4 million respectively.

Revenue from construction contract

Increase in revenue was mainly due to net increase in work done for new, on-going and completed projects as a result of differences in stages of the various construction contracts.

In accordance with our revenue recognition policy, work done amounting to approximately S$2.4 million from newly commenced projects have yet to be recognized as revenue as at 31 March 2016.

Revenue from sales of development properties

Revenue from sales of development properties in 1Q2016 amounted to S$91.8 million and was contributed mainly from the sale recognition of 436 units (47,258 sqm) of phase I from Tranquility Project and 22 units (2,209 sqm) of phase II and III from Sunny International Project respectively.

As at 31 March 2016, approximately S$99.9 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
Equinox	234	91	63	16,643
Tranquility Residences	554	436	99	21,656

Revenue from sales of goods

Increase in revenue from sales of goods by approximately S$0.3 million from S$2.6 million in 1Q2015 to S$2.9 million in 1Q2016 was due mainly to an increase in sales volume.

Gross profit in construction segment

Decrease in gross profit margin of approximately 2.4% from 10.8% in 1Q2015 to 8.4% in 1Q2016 was due mainly to project mix.

Gross profit in property development segment

Gross profit margin increased approximately 3.8% from 0.5% in 1Q2015 to 4.3% in 1Q2016 mainly due to the recognition of revenue of phase I of Tranquility project and phase II and III of Sunny International project.

Gross profit in sales of goods segment

Gross profit margin decreased from 35.0% in 1Q2015 to 20.6% in 1Q2016, due mainly to decrease in licensing income with higher profit margin and reduced profit margin in component sales.

Depreciation and amortisation expenses

Decrease in depreciation and amortisation expenses of approximately S$0.5 million to S$1.3 million in 1Q2016 due mainly to impairment made to certain intangible assets in FY2015 and portion of the plant and equipment and intangible assets which were fully depreciated or amortised in FY2015.

Selling expenses

Increase in selling expenses of approximately S$0.3 million to S$0.7 million in 1Q2016 mainly due to increased in sales and marketing activities for the properties in the People's Republic of China.

Net finance income (expenses)

Net finance expense increased by approximately S$4.2 million from S$0.4 million net finance income in 1Q2015 to S$3.8million net finance expenses in 1Q2016 due mainly to depreciation in RMB vis-à-vis SGD, which resulted an exchange loss of approximately S$2.2 million in 1Q2016, as contrast to an exchange gain of approximately S$1.7 million in 1Q2015. In addition, the discounting of long term retention receivables and payables gave rise to a net S$0.4 million increase in finance cost.

Share of profit of joint ventures, net of tax

The Group registered a share of loss from joint ventures of approximately S$0.7 million in 1Q2016 due mainly to net loss recognition in certain joint venture projects.

Income tax

Income tax expense increased by approximately S$0.4 million to S$1.0 million in 1Q2016 due mainly to higher taxable profit.

Profit for the period

Profit in 1Q2016 increased by approximately S$1.0 million to S$3.6 million as a result of the factors mentioned in the preceding paragraphs.

Review of Financial Position

Non-Current Assets

As at 31 March 2016, non-current assets stood at S$190.0 million or approximately 21.3% of total assets, an increase of approximately S$8.5 million as compared to 31 December 2015.

Increase in property, plant and equipment ("PPE") of approximately S$7.0 million to S$108.6 million as at 31 March 2016 was mainly due to purchase of PPE amounting to S$10.9 million, partially offset by depreciation during the same period.

Decrease in intangible assets by S$0.2 million to S$1.6 million mainly due to amortization over the period reported on.

Current Assets

As at 31 March 2016, current assets stood at S$702.6 million or approximately 78.7% of total assets, a decrease of approximately S$142.2 million as compared to 31 December 2015.

Increase in construction work-in-progress (net of excess progress billings in excess of construction work-in-progress) of about S$7.6 million was due mainly to differences in stages of various construction projects.

Decrease in development properties by S$87.5 million to S$357.8 million due mainly to revenue recognition in phase I of Tranquility project and phase II and III of Sunny International project.

Trade and other receivables decreased by approximately S$22.9 million to S$183.2 million due mainly to decrease in trade receivables and retention sum on construction contracts of approximately S$10.0 million and S$12.9 million respectively.

Amount due from related parties decreased by approximately S$6.1 million to S$46.7 million due mainly to the receipt of S$7.5 million profit distribution due from certain joint ventures.

Available-for-sale financial assets refer to financial products purchased from bank amounted to S$2.1 million for short term placement of cash.

Non-Current Liabilities

As at 31 March 2016, non-current liabilities amounted to S$109.0 million or approximately 18.7% of total liabilities, an increase of approximately S$1.2 million compared to 31 December 2015.

Current Liabilities

As at 31 March 2016, current liabilities stood at S$472.9 million or approximately 81.3% of total liabilities, a decrease of S$125.6 million as compared to 31 December 2015.

Trade and other payables decreased by approximately S$32.3 million to S$310.2 million due mainly to a collective net decrease in receipts in advance and retention sum payables of approximately S$42.8 million and S$11.0 million respectively, partially offset by increase in accruals, trade payables and other payables of approximately S$17.4 million, S$1.5 million and S$2.7 million respectively.

Loans and borrowings decreased by S$79.7 million to S$131.9 million as at 31 March 2016 mainly due to net repayment of loan during the period reported on.

Review of Statement of Cash Flows

Net cash from operating activities

For the 3 months ended 31 March 2016, the Group recorded a net cash inflow from operating activities of approximately S$66.5 million, as compared to S$28.1 million net cash outflow in the previous corresponding period ended 31 March 2015. Net cash inflow from operating activities was mainly due to the improved operating cash flow from the property development segment following the increased in sales and profit recognition in phase I of the Tranquility project.

Net cash from investing activities

For the 3 months ended 31 March 2016, the Group recorded a net cash outflow from investing activities of S$4.4 million, decreased by S$4.6 million as compared to previous corresponding period ended 31 March 2015. This was mainly due to profit distribution from certain joint ventures and decrease in amount due from related parties partially offset by an increase in investment in PPE.

Net cash from financing activities

For the 3 months ended 31 March 2016, the Group recorded a net cash outflow from financing activities of S$85.1 million, as compared to S$36.1 million net cash inflow in the previous corresponding period ended 31 March 2015. This was due mainly to net repayment

of loans and borrowings of S$78.0 for the 3 months ended 31 March 2016 and the absence of reduction in deposits pledged of S$33.7 million in previous corresponding period ended 31 March 2015.

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

According to advanced estimates issued by the Ministry of Trade and Industry ("MTI")[1] on 14 April 2016, the Singapore economy grew 1.8% year-on-year ("yoy") in 1Q2016. Growth remained flat on a quarter-on-quarter ("qoq") basis as compared to the 6.2% qoq expansion in the preceding quarter.

Public and private construction activities increased in 1Q2016, contributing to the 6.2% yoy in the construction sector. This growth was also more than the 4.9% yoy growth within the previous quarter. On a qoq basis, the segment grew 10.2% compared to 6.0% in the preceding quarter.

On 9 May 2016, Robin Village International (Pte.) Ltd. ("RV"), the wholly-owned subsidiary of Tiong Seng, celebrated the official opening of Geostr-RV factory for precast tunnel segments in Iskandar, Malaysia. The official factory opening follows the creation of a Joint Venture ("JV") in 2014 with Japanese partners, Geostr and Marubeni. Geostr and Marubeni bring to the table leading precast tunnel solutions and an extensive distribution network respectively so as to readily complement RV's suite of precast technologies and introduce cutting-edge precast tunnel capabilities to the region.

As at 31 March 2016, the Group's order book stands at approximately S$1.1 billion, expected to extend till year 2020.

Property Development Outlook

Statistics from property services firm China Real Estate Index System (CREIS)[2] showed prices of new homes rising 9% yoy in 100 cities during the month of April 2016. This was higher than the 7.4% yoy rise in the month of March 2016. In order to slow down the steep rise in residential prices, local Chinese authorities introduced property cooling measures in March 2016 such as the tightening of down payment requirements for second homes and raising eligibility requirements for non-residents. However, these cooling measures were applied only to the ten biggest cities and tier-2 and tier-3 cities continue to enjoy favourable governmental initiatives.

As at 31 March 2016, approximately S$99.9 million of gross development value comprises of 63 units (16,643 sqm) of the Equinox and 99 units (21,656 sqm) of Tranquility Residences

[1] "Singapore's GDP grew by 1.8 per cent in the first quarter of 2016", MTI, 14 April 2016
[2] "China home prices grow faster in April despite tightening in big cities", Reuters, 2 May 2016

were sold, but yet to be recognized as revenue in accordance to Tiong Seng's revenue recognition policy.

As at 31 March 2016, approximately 65% 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 has commenced its construction for another phase B3 in 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, was completed and handed over in 1Q2016 whereas construction of Phase 2 is expected to be completed and handover in 3Q2017.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No.

(c) Date payable

Not Applicable

(d) Books closure date

Not Applicable

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

Not applicable.

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 period ended 31 March 2016.

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)
Peck Tiong Choon Transport (Pte) Ltd – Hiring charges	-	1,816,000

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company confirms that the undertakings required under Rule 720(1) of the Listing Manual have been obtained from all its directors and executive officers in the format set out in Appendix 7.7 of the Listing Manual.

On behalf of the Board of Directors

BY ORDER OF THE BOARD

Pek Lian Guan
Executive Director and CEO
10 May 2016

TIONG SENG HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Co. Reg. No: 200807295Z)

CONFIRMATION BY DIRECTORS PURSUANT TO RULE 705(5) OF THE LISTING MANUAL OF SGX-ST

On behalf of the Board of Directors of TIONG SENG HOLDINGS LIMITED (the "Company"), we, the undersigned, confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the 1st quarter financial statements for the financial period ended 31 March 2016 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

10 May 2016