



TIONG SENG HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Co. Reg. No: 200807295Z)

UNAUDITED 3Q 2015 FINANCIAL STATEMENT ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2015

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 2015 S\$'000	3 Months Ended 30 September 2014 S\$'000	Change %	9 Months Ended 30 September 2015 S\$'000	9 Months Ended 30 September 2014 S\$'000	Change %
Revenue						
Revenue from construction contracts	155,189	131,544	18	341,357	450,205	-24
Revenue from sales of development properties	8,013	27,319	-71	13,984	30,236	-54
Revenue from sales of goods	1,622	2,351	-31	5,500	5,303	4
Rental income	455	309	47	1,551	913	70
	<u>165,279</u>	<u>161,523</u>	2	<u>362,392</u>	<u>486,657</u>	-26
Other income	514	589	-13	5,635	3,808	48
Costs of construction	(140,070)	(117,360)	19	(308,504)	(417,387)	-26
Costs of sales of development properties	(7,913)	(27,258)	-71	(13,853)	(29,957)	-54
Cost of goods sold	(1,138)	(1,261)	-10	(3,330)	(2,796)	19
Depreciation and amortisation	(1,024)	(1,365)	-25	(4,856)	(4,301)	13
Selling expenses	(1,024)	(787)	30	(2,136)	(2,921)	-27
Staff costs	(4,367)	(4,519)	-3	(14,638)	(14,258)	3
Other expenses	(3,056)	(21,187)	-86	(8,540)	(26,796)	-68
	<u>(158,592)</u>	<u>(173,737)</u>	-9	<u>(355,857)</u>	<u>(498,416)</u>	-29
Profit/ (loss) from operating activities	7,201	(11,625)	->100	12,170	(7,951)	->100
Finance income	1,132	451	>100	4,067	1,904	>100
Finance expenses	(1,557)	(1,050)	48	(5,312)	(3,942)	35
Net finance expense	<u>(425)</u>	<u>(599)</u>	-29	<u>(1,245)</u>	<u>(2,038)</u>	-39
Share of profit/(loss) of joint ventures, net of tax	(2,151)	1,161	->100	(1,315)	1,777	->100
Profit /(loss) before tax	4,625	(11,063)	->100	9,610	(8,212)	->100
Tax	(898)	(432)	>100	(1,852)	(1,663)	11
Profit /(loss) for the period	<u>3,727</u>	<u>(11,495)</u>	->100	<u>7,758</u>	<u>(9,875)</u>	->100

	3 Months Ended 30 September 2015 S\$'000	3 Months Ended 30 September 2014 S\$'000	Change %	9 Months Ended 30 September 2015 S\$'000	9 Months Ended 30 September 2014 S\$'000	Change %
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss:						
Translation differences relating to financial statements of foreign subsidiaries	4,755	3,019	58	9,418	(1,437)	->100
Exchange differences on monetary items forming part of net investment in a foreign operation	798	2,010	-60	1,727	(386)	->100
Net change in the fair value of available-for-sale investments	(10)	(3)	>100	(10)	7	->100
Tax on other comprehensive income	-	1	-100	-	(1)	-100
Other comprehensive income for the period	5,543	5,027	10	11,135	(1,817)	->100
Total comprehensive income for the period	9,270	(6,468)	->100	18,893	(11,692)	->100
Profit/ (loss) attributable to:						
Owners of the Company	2,674	(7,918)	->100	7,340	(4,896)	->100
Non-controlling interests	1,053	(3,577)	->100	418	(4,979)	->100
Profit/ (loss) for the period	3,727	(11,495)	->100	7,758	(9,875)	->100
Total comprehensive income attributable to:						
Owners of the Company	7,273	(3,648)	->100	16,728	(6,525)	->100
Non-controlling interests	1,997	(2,820)	->100	2,165	(5,167)	->100
Total comprehensive income for the period	9,270	(6,468)	->100	18,893	(11,692)	->100
Earnings/ (loss) per share						
- Basic and diluted (cents) ¹	0.58	(1.72)	->100	1.60	(1.07)	->100

¹ Based on 459,620,368 weighted average number of ordinary shares, net of non-controlling interests as at 30 September 2015 and 459,623,849 (919,247,700 before share consolidation) ordinary shares as at 30 September 2014.

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 2015 S\$'000	3 Months Ended 30 September 2014 S\$'000	Change %	9 Months Ended 30 September 2015 S\$'000	9 Months Ended 30 September 2014 S\$'000	Change %
Fees from property management	(6)	(89)	-93	(366)	(296)	24
Gain on disposal of spare parts and scrap materials	(43)	(208)	-79	(120)	(741)	-84
Gain on disposal of investment properties	-	-	-	(593)	(683)	-13
Allowance for diminution in value of development properties	-	18,500	-100	-	18,500	-100
Operating lease expenses	580	386	50	1,025	1,103	-7
Legal and professional fees	23	367	-94	986	1,050	-6
Advertisement and promotional expenses	419	513	-18	1,382	1,971	-30

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	
	30.09.2015	31.12.2014	30.09.2015	31.12.2014
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	91,435	86,998	-	-
Intangible assets	3,085	3,523	-	-
Investment properties	16,130	16,205	-	-
Investment in subsidiaries	-	-	59,624	59,624
Associates and joint ventures	22,031	23,263	-	-
Trade and other receivables	25,378	23,520	-	-
Other investments	6,140	6,148	-	-
Deferred tax assets	3,415	3,334	-	-
	167,614	162,991	59,624	59,624
Current assets				
Inventories	1,666	2,173	-	-
Construction work-in-progress	51,708	50,917	-	-
Development properties	503,069	441,023	-	-
Trade and other receivables	193,999	199,795	16	9
Amount due from related parties	54,733	40,826	125,693	126,161
Cash and cash equivalents	59,759	94,974	3,516	10,397
	864,934	829,708	129,225	136,567
Total assets	1,032,548	992,699	188,849	196,191
Equity attributable to owners of the Company				
Share capital	181,947	181,947	181,947	181,947
Treasury shares	(23)	-	(23)	-
Reserves	(45,380)	(54,768)	(45,850)	(45,850)
Retained earnings / (Accumulated losses)	129,613	124,111	(22,609)	(16,656)
	266,157	251,290	113,465	119,441
Non-controlling interests	57,293	45,430	-	-
Total equity	323,450	296,720	113,465	119,441
Non-current liabilities				
Trade and other payables	16,955	20,765	-	-
Loans and borrowings	161,283	178,013	74,900	73,730
Deferred tax liabilities	3,624	3,840	-	-
	181,862	202,618	74,900	73,730
Current liabilities				
Progress billings in excess of construction work-in-progress	4,736	7,054	-	-
Trade and other payables	367,861	340,046	484	2,020
Amount due to related parties	20,020	18,360	-	-
Loans and borrowings	127,071	119,674	-	1,000
Current tax payable	7,548	8,227	-	-
	527,236	493,361	484	3,020
Total liabilities	709,098	695,979	75,384	76,750
Total equity and liabilities	1,032,548	992,699	188,849	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 30.09.2015		As at 31.12.2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
127,071	-	119,674	-

Amount repayable after one year

As at 30.09.2015		As at 31.12.2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
87,354	73,929	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 loans 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 and bank overdrafts are secured on the following assets:

	30 September 2015	31 December 2014
	\$'000	\$'000
Carrying amounts of assets:		
Leasehold lands	12,981	4,797
Freehold lands	4,023	4,710
Leasehold properties	32,206	33,478
Investment properties	505	560
Development properties	184,663	129,991
Plant and machinery	13,851	16,123
Motor Vehicles	1,248	1,370
Deposits pledged	1,229	37,158
Total	250,706	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.

	3 Months Ended 30 September 2015 S\$'000	3 Months Ended 30 September 2014 S\$'000	9 Months Ended 30 September 2015 S\$'000	9 Months Ended 30 September 2014 S\$'000
Cash flow from operating activities				
Profit/(loss) from operating activities	7,201	(11,625)	12,170	(7,951)
Adjustments for:				
Allowance for doubtful trade receivables	-	363	(17)	363
Depreciation and amortisation	2,295	2,944	9,370	9,609
Allowance for diminution in value of development properties	-	18,500	-	18,500
Gain on disposal of:				
- property, plant and equipment	(99)	(13)	(1,956)	(191)
- investment properties	-	-	(593)	(683)
- other investments	-	-	-	(16)
Operating profit before working capital changes	9,397	10,169	18,974	19,631
Changes in working capital:				
Inventories	201	(286)	653	(321)
Construction work-in-progress	(14,040)	(7,497)	(3,149)	14,719
Development properties	(8,077)	18,930	(44,020)	(38,128)
Trade and other receivables	(2,256)	8,644	8,247	10,910
Balances with related parties (trade)	(27)	(4,361)	(3,369)	1,211
Trade and other payables	38,431	(26,473)	18,881	(16,339)
Cash generated from/(used in) operations	23,629	(874)	(3,783)	(8,317)
Taxes paid	(1,335)	(1,443)	(4,116)	(3,780)
Net cash from / (used in) operating activities	22,294	(2,317)	(7,899)	(12,097)
Cash flow from investing activities				
Balances with related parties (non-trade)	(1,591)	(2,613)	(3,609)	(3,947)
Balances with ultimate holding company	-	-	-	2,420
Dividends received from joint ventures (gross)	-	3,816	-	3,816
Investment in a joint venture	-	(440)	(83)	(440)
Interest received	46	42	123	135
Proceeds from disposal of property, plant and equipment	141	211	4,004	818
Proceeds from disposal of investment properties	-	-	629	1,950
Proceeds from disposal of other investments	-	-	-	94
Purchase of treasury shares	(23)	-	(23)	-
Purchase of other investment	-	-	-	(62)
Purchase of property, plant and equipment	(11,398)	(1,375)	(15,826)	(8,508)
Purchase of intangible assets	(19)	(13)	(137)	(155)
Net cash used in investing activities	(12,844)	(372)	(14,922)	(3,879)

	3 Months Ended 30 September 2015 S\$'000	3 Months Ended 30 September 2014 S\$'000	9 Months Ended 30 September 2015 S\$'000	9 Months Ended 30 September 2014 S\$'000
Cash flow from financing activities				
Balances with related parties (non-trade)	118	12,534	5,094	(389)
Capital contribution by non-controlling interests	-	12	-	122
Repayment of loan to non-controlling interests	-	-	-	(1,724)
Decrease/ (increase) in deposits pledged	3,958	(32,859)	37,111	(19,130)
Dividends paid to: - owners of the company	-	-	(1,838)	(5,515)
- non-controlling interests	-	(98)	-	(98)
Interest paid	(1,339)	(2,757)	(4,424)	(5,789)
Proceeds from issue of rights	-	-	-	10,026
Proceeds from issue of multicurrency medium term note	-	73,541	-	73,541
Payments of finance lease liabilities	(248)	(257)	(826)	(699)
Proceeds from loans and borrowings	3,161	59,013	38,880	167,482
Repayment of loans and borrowings	(6,323)	(120,626)	(48,396)	(208,889)
Net cash (used in) / from financing activities	(673)	(11,497)	25,601	8,938
Net increase / (decrease) in cash and cash equivalents	8,777	(14,186)	2,780	(7,038)
Cash and cash equivalent at beginning of the period	44,092	54,518	53,209	49,566
Effect of exchange rate changes on balance held in foreign currencies	877	492	(2,243)	(1,704)
Cash and cash equivalents at end of the period	53,746	40,824	53,746	40,824

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 period											
Profit for the period	-	-	-	-	-	-	-	7,340	7,340	418	7,758
Other comprehensive income											
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	-	7,671	-	7,671	1,747	9,418
Exchange differences on monetary items forming part of net investment in a foreign operations	-	-	-	-	-	-	1,727	-	1,727	-	1,727
Net change in fair value of available for sales investment	-	-	-	-	-	(10)	-	-	(10)	-	(10)
Total other comprehensive income	-	-	-	-	-	(10)	9,398	-	9,388	1,747	11,135
<i>Total comprehensive income and expenses for the period</i>	-	-	-	-	-	(10)	9,398	7,340	16,728	2,165	18,893
Transaction with owners, recognised directly in equity											
Contributions by and distributions to owners											
Purchase of treasury shares	-	(23)	-	-	-	-	-	-	(23)	-	(23)
Dividends paid	-	-	-	-	-	-	-	(1,838)	(1,838)	-	(1,838)
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	9,698	9,698
<i>Total transaction with owners of the Company</i>	-	(23)	-	-	-	-	-	(1,838)	(1,861)	9,698	7,837
At 30 September 2015	181,947	(23)	(77,720)	1,888	3,564	5	26,883	129,613	266,157	57,293	323,450

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 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 period											
Profit or for the period	-	-	-	-	-	-	-	(4,896)	(4,896)	(4,979)	(9,875)
Other comprehensive income											
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	-	(1,249)	-	(1,249)	(188)	(1,437)
Exchange differences on monetary items forming part of net investment in a foreign operations	-	-	-	-	-	-	(386)	-	(386)	-	(386)
Net change in the fair value of available for sale investment	-	-	-	-	-	7	-	-	7	-	7
Tax on other comprehensive income	-	-	-	-	-	(1)	-	-	(1)	-	(1)
Total other comprehensive income	-	-	-	-	-	6	(1,635)	-	(1,629)	(188)	(1,817)
<i>Total comprehensive income and expenses for the period</i>	-	-	-	-	-	6	(1,635)	(4,896)	(6,525)	(5,167)	(11,692)
Transactions with owners, recognised directly in equity											
Contributions by and distributions to owners											
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	(5,515)	(5,515)	(98)	(5,613)
Reclassification from capital reserves to share capital for rights issued	27,395	-	-	(27,395)	-	-	-	-	-	-	-
Capital contribution by non-controlling interest	-	-	-	-	-	-	-	-	-	122	122
<i>Total transaction with owners of the Company</i>	27,395	-	-	(27,395)	-	-	-	(5,515)	(5,515)	24	(5,491)
At 30 September 2014	181,947	-	(77,720)	1,888	3,564	22	8,400	134,507	252,608	41,158	293,766

Company	Share Capital S\$'000	Treasury Shares S\$'000	Capital Reserve S\$'000	Merger Reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
At 1 January 2015	181,947	-	-	(45,850)	(16,656)	119,441
Total comprehensive income for the period	-	-	-	-	(4,115)	(4,115)
Purchase of treasury shares	-	(23)	-	-	-	(23)
Dividend paid	-	-	-	-	(1,838)	(1,838)
At 30 September 2015	181,947	(23)	-	(45,850)	(22,609)	113,465
At 1 January 2014	154,552	-	27,395	(45,850)	(7,778)	128,319
Total comprehensive income for the period	-	-	-	-	(1,650)	(1,650)
Reclassification from capital reserves to share capital for rights shares issued	27,395	-	(27,395)	-	-	-
Dividend paid	-	-	-	-	(5,515)	(5,515)
At 30 September 2014	181,947	-	-	(45,850)	(14,943)	121,154

- 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.**

Changes in the Company's share capital

The movement in the Company's issued and fully paid-up share capital from 1 July 2015 to 30 September 2015 were as follows:

Issued share capital	No. of <u>Shares</u>	Share Capital <u>(\$'000)</u>
At 1 July 2015	919,247,700	181,947
Share consolidation on 31 August 2015	(459,623,851)	-
Share buy-backs	(116,000)	-
At 30 September 2015	<u>459,507,849</u>	<u>181,947</u>

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

As at 30 Sep 2015, the Company held 116,000 treasury shares (Nil treasury shares as at 30 Sep 2014).

The Company did not have any outstanding options or convertibles as at 30 September 2015 and 30 September 2014.

- 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	
	<u>30-Sep-15</u>	<u>31-Dec-14</u>
Total number of issued shares excluding treasury shares	459,507,849	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 116,000 treasury shares as at the end of the financial period ended 30 September 2015. 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 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.

	3 Months Ended 30 September 2015	3 Months Ended 30 September 2014	9 Months Ended 30 September 2015	9 Months Ended 30 September 2014
	(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 *	0.58	(1.72)	1.60	(1.07)
(b) On a fully diluted basis*	0.58	(1.72)	1.60	(1.07)

The earning per ordinary share has been calculated after share consolidation, excluding treasury shares and net of controlling-interests of 459,620,368 (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.

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	Group		Company	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
	(cents)	(cents)	(cents)	(cents)
Net asset value per ordinary share based on issued share capital at the end of:	57.92	54.67	24.69	25.99

The net asset value per ordinary share has been calculated net of non-controlling interests of 459,507,849 shares as at 30 Sep 2015 and 459,623,849 (919,247,700 before share consolidation) as at 31 Dec 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 9M2015 vs 9M2014

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>
	9 Months Ended 30 September 2015					
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	341,357	13,984	5,500	1,551	-	362,392
Costs	(308,504)	(13,853)	(3,330)	-	-	(325,687)
Gross Profit	32,853	131	2,170	1,551	-	36,705
Other income	4,229	116	32	593	665	5,635
Depreciation	(3,369)	(56)	(506)	(857)	(68)	(4,856)
Selling expenses	-	(1,837)	(299)	-	-	(2,136)
Staff costs	(9,768)	(1,730)	(1,684)	-	(1,456)	(14,638)
Other operating expenses	(4,973)	(1,326)	(393)	-	(1,848)	(8,540)
Profit / (loss) from operating activities	18,972	(4,702)	(680)	1,287	(2,707)	12,170

	<u>Construction</u>	<u>Property Development</u>	<u>Sales of Goods</u>	<u>Rental</u>	<u>Others</u>	<u>Total</u>
	9 Months Ended 30 September 2014					
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	450,205	30,236	5,303	913	-	486,657
Costs	(417,387)	(29,957)	(2,796)	-	-	(450,140)
Gross Profit	32,818	279	2,507	913	-	36,517
Other income	2,187	48	130	874	569	3,808
Depreciation	(2,801)	(68)	(495)	(832)	(105)	(4,301)
Selling expenses	(7)	(2,702)	(212)	-	-	(2,921)
Staff costs	(8,615)	(2,057)	(2,389)	-	(1,197)	(14,258)
Other operating expenses	(4,551)	(19,744)	(893)	-	(1,608)	(26,796)
Profit / (loss) from operating activities	19,031	(24,244)	(1,352)	955	(2,341)	(7,951)

Review of Financial Performance

As a whole, the Group's profit from operating activities improved by S\$20.1 million from a loss of S\$7.9 million in 9M2014 to a profit of S\$12.2 million in 9M2015. The improvement was mainly due to the absence of S\$18.5 million allowance for diminution in value in development property segment made in 9M2014 and a S\$1.8 million increase in other income in 9M2015.

Revenue

Revenue decreased by approximately S\$124.3 million or 25.5% year-on-year ("yoy") from approximately S\$486.7 million in 9M2014 to approximately S\$362.4 million in 9M2015, the decrease is mainly attributable -to decrease in revenue from construction contracts by S\$108.9 million, coupled with lower revenue from property development by S\$16.3 million.

Revenue from construction contract

The decrease in revenue by approximately S\$108.9 million from S\$450.2 million in 9M2014 to S\$341.3 million in 9M2015 was mainly due to differences in stages of revenue recognition for various construction contracts.

In accordance with our revenue recognition policy, work done amounting to approximately S\$14.6 million from newly commenced projects have yet to be recognized as revenue as at 30 September 2015.

Revenue from sales of development properties

Revenue from sales of development properties in 9M2015 amounted to approximately S\$14.0 million was contributed mainly to the sale recognition of sale of 19 units (3,707 sqm) of phase II Sunny International Project, 18 units (4,101 sqm) from Equinox Project and 1 unit (141 sqm) from Tiamen Jinwan Project respectively.

As at 30 September 2015, approximately S\$129.0 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	1,030	362	35,438
Equinox	234	88	54	13,555
Tranquility Residences	314	-	186	21,099

Revenue from rental

The increase in revenue from rental segment by approximately S\$0.6 million from S\$0.9 million in 9M2014 to S\$1.5 million in 9M2015 was mainly attributable by rental income from a joint venture of S\$0.3 million and an increase in rental income from investment properties in the People's Republic of China by S\$0.2 million.

Other income

An increase in other income of approximately S\$1.8 million from S\$3.8 million in 9M2014 to S\$5.6 million in 9M2015 was mainly due to the aggregate gains on disposal of property, plant and equipment and investment properties of S\$1.7 million, following the completion of a few projects in Papua New Guinea in FY2014.

Gross profit in construction segment

Gross profit margin increased approximately 2.3% from 7.3% in 9M2014 to 9.6% in 9M2015 due mainly to overall project mix.

Gross profit in property development segment

Gross profit margin remains insignificant due to stiff price competition following the build-up in high inventory levels in the market and price competition from other property developers in order to boost their sales.

Gross profit in sales of goods segment

Gross profit margin decreased from 47.2% in 9M2014 to 39.5% in 9M2015, due mainly to a reduction in profit margin for component sales.

Depreciation and amortization

The Group registered an increase in depreciation and amortisation expenses of approximately S\$0.6 million to S\$4.9 million in 9M2015 due mainly to lower utilisation of property, plant and equipment, as a result of the various stages of the projects, thereby attributing lower depreciation expenses to cost of construction in the current period.

Selling expenses

Selling expenses decreased approximately S\$0.8 million to S\$2.1 million in 9M2015 due mainly to lesser marketing activities for the various property development projects in the People's Republic of China.

Other expenses

Decrease in other expenses of approximately S\$18.3 million mostly due to allowance for diminution in value of development properties of S\$18.5 million made in 9M2014.

Net finance expenses

Net finance expenses decreased by S\$0.8 million to S\$1.2 million in 9M2015 due mainly to increase in net exchange gain of S\$2.9 million to S\$3.1 million in 9M2015 as a result of appreciation in Renminbi (RMB) and Swiss Franc (CHF) vis-à-vis SGD. This is partially offset by the increase in finance expense of S\$1.9 million from multicurrency medium term note issued in early July 2014.

Share of profit of joint ventures, net of tax

The Group registered a share of loss from joint ventures of approximately S\$1.3 million in 9M2015 due mainly to provision for foreseeable losses on a joint venture project.

Tax expense

Tax expense increased by approximately S\$0.2 million to S\$1.9 million in 9M2015 due mainly to the improvement in operating results. Excluding the allowance for diminution in value in development property made in 9M2014, profit from operating activities less net finance expense has improved from S\$8.5 million in 9M2014 to S\$10.9 million in 9M2015.

Profit for the period

Profit in 9M2015 increased by approximately S\$17.6 million from a loss of S\$9.9 million in 9M2014 to a profit of S\$7.7 million in 9M2015 as a result of the factors mentioned in the preceding paragraphs.

Review of Financial Position

Non-Current Assets

As at 30 September 2015, non-current assets stood at S\$167.6 million or approximately 16.2% of total assets, an increase of approximately S\$4.6 million as compared to 31 December 2014.

Increase in property, plant and equipment ("PPE") of approximately S\$4.4 million to S\$91.4 million as at 30 September 2015 was mainly due to purchase of PPE amounting to S\$16.4 million which was partially offset by disposal and depreciation in the same period.

The decrease in intangible assets of S\$0.4 million was mainly due to amortization charges in 9M2015.

Current Assets

As at 30 September 2015, current assets stood at S\$864.9 million or approximately 83.8% of total assets, an increase of approximately S\$35.2 million as compared to 31 December 2014. The increase was mainly attributable to a collective increase in development properties and amount due from related parties, partially offset by a reduction in cash and cash equivalents.

Increase in development properties by S\$62.0 million to S\$503.1 million as at 30 September 2015 was due mainly to an increase in development costs for ongoing PRC development projects, being Tranquility Residence and Equinox projects of approximately S\$71.6 million, partially offset by units sold.

Amount due from related parties increased by approximately S\$13.9 million to S\$54.7 million due mainly to an increase in receivables of S\$12.7 million from non-controlling shareholders in the property development segment and amount due from joint ventures of approximately S\$1.2 million.

Cash and cash equivalents reduced by S\$35.2 million to S\$59.8 million as at 30 September 2015 in order to support the investment in development properties, which was partially offset by the advance receipt from the sale of development properties.

Non-Current Liabilities

As at 30 September 2015, non-current liabilities amounted to S\$181.9 million or approximately 25.6% of total liabilities, a decrease of S\$20.8 million as compared to 31 December 2014.

Non-current loans and borrowings decreased by S\$16.7 million to S\$161.3 million as at 30 September 2015 due mainly to reclassification of S\$42.0 million loan due within 12 months to current liabilities partially offset by net increase in borrowings.

Non-current trade and other payables decreased by S\$3.8 million to S\$16.9 million as at 30 September 2015 due mainly to release of retention sum money arising from the construction projects.

Current Liabilities

As at 30 September 2015, current liabilities stood at S\$527.2 million or approximately 74.4% of total liabilities, an increase of approximately S\$33.9 million as compared to 31 December 2014. The increase was mainly due to increase in trade and other payables as well as loans and borrowings.

Trade and other payables increased by approximately S\$27.8 million to S\$367.9 million as at 30 September 2015 due mainly to an increase in receipt in advance and trade payables of approximately S\$38.0 million and S\$12.5 million respectively. The increase was partially offset by decrease in accrued trade payable and retention payables of S\$8.6 million and S\$15.4 million respectively.

Loans and borrowings increased by S\$7.4 million to S\$127.1 million as at 30 September 2015 mainly due to reclassification of loan due within 12 months from non-current liabilities partially offset by net repayment of loan and borrowings.

Review of Statement of Cash Flows

Net cash from operating activities

For the 9 months ended 30 September 2015, the Group recorded a net cash outflow from operating activities of approximately S\$7.9 million, as compared to S\$12.1 million in the previous corresponding period ended 30 September 2014, to support working capital of the Group. The changes in working capital from operating activities arose mainly from:

- (a) Increase in trade and other payables by S\$18.9 million, due mainly to a increase in receipt in advance.
- (b) Net increase in construction work-in-progress by S\$3.1 million, due mainly to changes in different stages of the construction projects.
- (c) Increase in development properties by S\$44.0 million, due mainly to additional property development costs for Tranquility Residences and Equinox projects, partially offset by units sold.
- (d) Decrease in trade and other receivables by S\$8.2 million, due mainly to a decrease in accrued receivables from on-going projects and retention sum receivables.

Net cash from investing activities

For the 9 months ended 30 September 2015, the Group recorded a net cash outflow from investing activities of S\$14.9 million, an increase of S\$11.0 million as compared to previous corresponding period ended 30 September 2014. This was mainly due to payment made for purchase of property, plant and equipment of S\$15.8 million in 9M2015.

Net cash from financing activities

For the 9 months ended 30 September 2015, the Group recorded a net cash inflow from financing activities of S\$25.6 million, an increase of S\$16.7 million as compared to previous corresponding period ended 30 September 2014. This was due mainly to a reduction in deposits pledged of S\$37.1 million in 9M2015 as compared to an increase in deposit pledged of S\$19.1million in 9M2014 and lower net repayment of loans and borrowings of S\$31.9 million. The increase in net cash from financing activities was partially offset by the absence of net receipt from issue of multicurrency medium term note S\$ 73.5 million in 9M2014.

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

On 14 October 2015, the Ministry of Trade and Industry (“MTI”) released advance estimates¹ announcing that the Singapore economy grew 1.4% yoy in 3Q2015, a decrease from 2.0% growth in the previous quarter. The economy expanded by 0.1% on a quarter-on-quarter basis (“qoq”), a reversal from the 2.5% contraction in the preceding quarter.

In October 2015, the Group secured a S\$72.9 million contract from the Land Transport Authority for the proposed construction of a bus depot at Sungai Seletar. This updates the Group’s order book to approximately S\$1.4 billion as of to date and is expected to extend till year 2020.

Property Development Outlook

On 2 November 2015, Moody’s Investor Service predicted that the outlook for China’s property sector will remain stable in 2016, with growth expected to fall between 0% – 5% yoy². However the nationwide property sales growth in 2016 will be slower than the excess of 10% yoy in 2015, mainly reflective of the higher base comparison in 2015. The growth in 2015 is expected to be driven by favourable monetary and regulatory policies that were implemented in the second half of 2014. According to the National Bureau of Statistics, 40 of the 70 major cities in China reported an increase in price in September 2015, up from 35 in August 2015.

As at 30 September 2015, approximately S\$129.0 million of gross development value comprises 362 units (35,438 sqm) of Sunny International, 54 units (13,555 sqm) of the Equinox, 186 units (21,099 sqm) of Tranquility Residences and one unit totaling 59 sqm of Wenchang Baihui were sold, but yet to be recognized as revenue in accordance to the Group’s revenue recognition policy.

As at 30 September 2015, approximately 60.7% of the total 234 units launched for Equinox have been sold. Based on current existing phased development plan and schedule, the Group is currently carrying out construction for 29 units of the Equinox project, with completion of construction and handing over expected towards 2Q2016.

For Tranquility Residences project in Suzhou New District Development zone, construction of phase 1, total 2 phases, is expected to be completed and handover in 4Q2015. Phase 2 has commenced construction in 2Q2014 with expected completion and handover in 3Q2017. Meantime, the Group has fully completed the construction of the Sunny International project.

The Company would like to refer to the announcement dated 29 April 2010, where the Company was invited to develop a residential project on 3 plots of land in Tianjin Eco-city, China together with Sino-Singapore Tianjin Eco-City Investment and Development Co., Ltd. and Mitsui Fudosan Residential Co., Ltd..

¹“Singapore’s GDP Growth Moderated in the Third Quarter of 2015”, Ministry of Trade and Industry, 14 October 2015

²“China property outlook for 2016 stable, but growth in nationwide property sales will slow”, Moody’s Investors Services, 2 November 2015

The joint venture partners had successfully developed and sold out all units in the first plot of land. However, the Company decided not to participate in the development of the remaining 2 plots of land after a review of the property market conditions in China.

The decision not to participate in the remaining development is not expected to have a material impact on the Group's net tangible assets and earnings per share of the Group for the financial year ending 31 December 2015.

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 interim dividend has been declared/recommended by the Directors in 3Q2015.

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 30 September 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)	
	3Q2015	9M2015	3Q2015	9M2015
Peck Tiong Choon Transport (Pte) Ltd – Hiring charges	-	-	976,000	2,866,000

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

The Company confirms that the undertakings from all its Directors and executive officers have been procured under Rule 720(1).

On behalf of the Board of Directors

BY ORDER OF THE BOARD

Pek Lian Guan
Executive Director and CEO
13 November 2015



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 2015 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

13 November 2015