



TIONG SENG HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Co. Reg. No: 200807295Z)

UNAUDITED 3Q 2016 FINANCIAL STATEMENT ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2016

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 2016 S\$'000	3 Months Ended 30 September 2015 S\$'000	Change %	9 Months Ended 30 September 2016 S\$'000	9 Months Ended 30 September 2015 S\$'000	Change %
Revenue						
Revenue from construction contracts	140,613	155,189	-9	428,963	341,357	26
Revenue from sales of development properties	4,628	8,013	-42	116,273	13,984	>100
Revenue from sales of goods	250	1,622	-85	4,608	5,500	-16
Rental income	430	455	-5	1,282	1,551	-17
	<u>145,921</u>	<u>165,279</u>	-12	<u>551,126</u>	<u>362,392</u>	52
Other income	1,229	514	>100	5,252	5,635	-7
Costs of construction	(128,399)	(140,070)	-8	(392,011)	(308,504)	27
Costs of sales of development properties	(4,103)	(7,913)	-48	(107,643)	(13,853)	>100
Cost of goods sold	(242)	(1,138)	-79	(3,434)	(3,330)	3
Depreciation and amortisation	(1,211)	(1,024)	18	(3,621)	(4,856)	-25
Selling expenses	(953)	(1,024)	-7	(2,751)	(2,136)	29
Staff costs	(4,546)	(4,367)	4	(14,699)	(14,638)	-
Other expenses	(3,258)	(3,056)	7	(9,443)	(8,540)	11
	<u>(142,712)</u>	<u>(158,592)</u>	-10	<u>(533,602)</u>	<u>(355,857)</u>	50
Profit from operating activities	4,438	7,201	-38	22,776	12,170	87
Finance income	633	1,132	-44	1,970	4,067	-52
Finance expenses	(2,350)	(1,557)	51	(9,405)	(5,312)	77
Net finance expense	<u>(1,717)</u>	<u>(425)</u>	>100	<u>(7,435)</u>	<u>(1,245)</u>	>100
Share of profit/(loss) of joint ventures, net of tax	71	(2,151)	N.M	(1,331)	(1,315)	1
Profit before tax	2,792	4,625	-40	14,010	9,610	46
Tax	(655)	(898)	-27	(4,445)	(1,852)	>100
Profit for the period	<u>2,137</u>	<u>3,727</u>	-43	<u>9,565</u>	<u>7,758</u>	23

	3 Months Ended 30 September 2016 S\$'000	3 Months Ended 30 September 2015 S\$'000	Change %	9 Months Ended 30 September 2016 S\$'000	9 Months Ended 30 September 2015 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	1,600	4,755	-66	(14,141)	9,418	N.M
Exchange differences on monetary items forming part of net investment in a foreign operation	330	798	-59	(5,753)	1,727	N.M
Net change in the fair value of available-for-sale investments	-	(10)	-100	-	(10)	-100
Other comprehensive income for the period	<u>1,930</u>	<u>5,543</u>	-65	<u>(19,894)</u>	<u>11,135</u>	N.M
Total comprehensive income for the period	<u>4,067</u>	<u>9,270</u>	-56	<u>(10,329)</u>	<u>18,893</u>	N.M
Profit/ (loss) attributable to:						
Owners of the Company	1,880	2,674	-30	10,090	7,340	37
Non-controlling interests	257	1,053	-76	(525)	418	N.M
Profit/(loss) for the period	<u>2,137</u>	<u>3,727</u>	-43	<u>9,565</u>	<u>7,758</u>	23
Total comprehensive income attributable to:						
Owners of the Company	3,267	7,273	-55	(6,265)	16,728	N.M
Non-controlling interests	800	1,997	-60	(4,064)	2,165	N.M
Total comprehensive income for the period	<u>4,067</u>	<u>9,270</u>	-56	<u>(10,329)</u>	<u>18,893</u>	N.M
Earnings per share						
- Basic and diluted (cents) ¹	<u>0.41</u>	<u>0.58</u>	-29	<u>2.21</u>	<u>1.60</u>	38

¹ Based on weighted average number of shares outstanding after share consolidation and excluding treasury shares of 456,421,637 (2015: 459,620,368).

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 2016 S\$'000	3 Months Ended 30 September 2015 S\$'000	Change %	9 Months Ended 30 September 2016 S\$'000	9 Months Ended 30 September 2015 S\$'000	Change %
Fees from property management	(105)	(6)	>100	(477)	(366)	30
Gain on disposal of spare parts and scrap materials	(53)	(43)	23	(239)	(120)	99
Gain on disposal of investment properties	2	-	100	(216)	(593)	-64
Loss/(gain) on disposal of property, plant and equipment	74	(98)	N.M	(157)	(1,955)	-92
Operating lease expenses	456	580	21	1,125	1,025	10
Travelling and transport	202	303	-33	627	780	-20
Repair and maintenance expenses	270	217	24	906	744	22
Legal and professional fees	503	733	-31	1,303	1,719	-24
Tender expenses	(40)	-	-100	355	30	>100
Inventory written off	346	-	100	357	-	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	
	30.09.2016	31.12.2015	30.09.2016	31.12.2015
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	114,432	101,606	-	-
Intangible assets	1,299	1,747	-	-
Investment properties	14,793	15,880	-	-
Investment in subsidiaries	-	-	59,624	59,624
Associates and joint ventures	22,200	22,200	-	-
Trade and other receivables	33,192	30,748	-	-
Other investments	6,123	6,130	-	-
Deferred tax assets	1,781	3,140	-	-
	193,820	181,451	59,624	59,624
Current assets				
Inventories	905	1,875	-	-
Construction work-in-progress	30,641	45,430	-	-
Development properties	336,456	445,341	-	-
Trade and other receivables	185,647	206,113	19	6
Amount due from related parties	53,861	52,799	130,273	125,685
Available-for-sale financial assets	18,385	-	-	-
Cash and cash equivalents	57,769	93,210	507	2,980
	683,664	844,768	130,799	128,671
Total assets	877,484	1,026,219	190,423	188,295
Equity attributable to owners of the Company				
Share capital	181,947	181,947	181,947	181,947
Treasury shares	(1,074)	(244)	(1,074)	(244)
Reserves	(70,356)	(54,001)	(45,850)	(45,850)
Retained earnings / (Accumulated losses)	140,318	132,510	(20,628)	(23,994)
	250,835	260,212	114,395	111,859
Non-controlling interests	55,735	59,799	-	-
Total equity	306,570	320,011	114,395	111,859
Non-current liabilities				
Trade and other payables	20,886	15,936	-	-
Loans and borrowings	87,203	87,244	74,340	74,129
Deferred tax liabilities	5,061	4,556	-	-
	113,150	107,736	74,340	74,129
Current liabilities				
Progress billings in excess of construction work-in-progress	6,230	15,138	-	-
Trade and other payables	334,599	342,438	1,688	2,307
Amount due to related parties	21,472	17,314	-	-
Loans and borrowings	84,451	211,566	-	-
Current tax payable	11,012	12,016	-	-
	457,764	598,472	1,688	2,307
Total liabilities	570,914	706,208	76,028	76,436
Total equity and liabilities	877,484	1,026,219	190,423	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 30.09.2016		As at 31.12.2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
84,451	-	211,566	-

Amount repayable after one year

As at 30.09.2016		As at 31.12.2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
12,863	74,340	13,115	74,129

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 2016	31 December 2015
	\$'000	\$'000
Carrying amounts of assets:		
Leasehold lands	12,465	12,853
Freehold lands	4,120	4,111
Leasehold properties	30,075	30,949
Investment properties	458	487
Development properties	-	172,673
Plant and machinery	12,045	13,448
Motor Vehicles	1,078	1,296
Deposits pledged	598	1,165
Total	60,839	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 30 September 2016 S\$'000	3 Months Ended 30 September 2015 S\$'000	9 Months Ended 30 September 2016 S\$'000	9 Months Ended 30 September 2015 S\$'000
Cash flow from operating activities				
Profit from operating activities	4,438	7,201	22,776	12,170
Adjustments for:				
Allowance for doubtful trade receivables	96	-	96	(17)
Depreciation and amortisation	4,179	2,295	12,154	9,370
Loss/(gain) on disposal of:				
- property, plant and equipment	74	(99)	(157)	(1,956)
- investment properties	2	-	(216)	(593)
Inventory written off	357	-	357	-
Operating profit before working capital changes	9,146	9,397	35,010	18,974
Changes in working capital:				
Inventories	389	201	600	653
Construction work-in-progress	(2,784)	(14,040)	5,887	(3,149)
Development properties	4,279	(8,077)	89,311	(44,020)
Trade and other receivables	20,940	(2,256)	18,491	8,247
Balances with related parties (trade)	(2,832)	(27)	(905)	(3,369)
Trade and other payables	12,065	38,431	(5,958)	18,881
Cash generated from/(used in) operations	41,203	23,629	142,436	(3,783)
Taxes paid	(38)	(1,335)	(1,457)	(4,116)
Net cash from / (used in) operating activities	41,165	22,294	140,979	(7,899)
Cash flow from investing activities				
Balances with related parties (non-trade)	340	(1,591)	(1,509)	(3,609)
Distribution received from joint ventures	-	-	7,497	-
Distribution received from other investments	-	-	232	-
Investment in a joint venture	-	-	-	(83)
Interest received	230	46	768	123
Proceeds from disposal of property, plant and equipment	69	141	416	4,004
Proceeds from disposal of investment properties	83	-	407	629
Purchase of available-for-sale financial assets	(17,167)	-	(18,386)	-
Purchase of property, plant and equipment	(6,320)	(11,398)	(24,628)	(15,826)
Purchase of intangible assets	-	(19)	-	(137)
Net cash used in investing activities	(22,765)	(12,821)	(35,203)	(14,899)

	3 Months Ended 30 September 2016 S\$'000	3 Months Ended 30 September 2015 S\$'000	9 Months Ended 30 September 2016 S\$'000	9 Months Ended 30 September 2015 S\$'000
Cash flow from financing activities				
Balances with related parties (non-trade)	224	118	(3,401)	5,094
Increase in restricted cash	(23)	-	(659)	-
Decrease in deposits pledged	412	3,958	498	37,111
Dividends paid to: - owners of the company	(15)	-	(2,282)	(1,838)
Interest paid	(1,892)	(1,339)	(6,145)	(4,424)
Purchase of treasury shares	(106)	(23)	(830)	(23)
Payments of finance lease liabilities	(279)	(248)	(730)	(826)
Proceeds from loans and borrowings	34,815	3,161	53,765	38,880
Repayment of loans and borrowings	(72,643)	(6,323)	(180,495)	(48,396)
Net cash (used in) / from financing activities	(39,507)	(696)	(140,279)	25,578
Net (decrease)/increase in cash and cash equivalents	(21,107)	8,777	(34,503)	2,780
Cash and cash equivalent at beginning of the period	74,389	44,092	88,774	53,209
Effect of exchange rate changes on balance held in foreign currencies	(41)	877	(1,030)	(2,243)
Cash and cash equivalents at end of the period	53,241	53,746	53,241	53,746

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	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 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	-	-	-	-	-	-	10,090	10,090	(525)	9,565
Other comprehensive income										
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	(10,602)	-	(10,602)	(3,539)	(14,141)
Exchange differences on monetary items forming part of net investment in a foreign operations	-	-	-	-	-	(5,753)	-	(5,753)	-	(5,753)
Total other comprehensive income	-	-	-	-	-	(16,355)	-	(16,355)	(3,539)	(19,894)
<i>Total comprehensive income and expenses for the period</i>	-	-	-	-	-	(16,355)	10,090	(6,265)	(4,064)	(10,329)
Transaction with owners, recognised directly in equity										
Contributions by and distributions to owners										
Purchase of treasury shares	-	(830)	-	-	-	-	-	(830)	-	(830)
Dividends paid	-	-	-	-	-	-	(2,282)	(2,282)	-	(2,282)
<i>Total transaction with owners of the Company</i>	-	(830)	-	-	-	-	(2,282)	(3,112)	-	(3,112)
At 30 September 2016	181,947	(1,074)	(77,720)	1,888	3,564	1,912	140,318	250,835	55,735	306,570

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 or 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 the fair value of available for sale 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
Transactions 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 interest	-	-	-	-	-	-	-	-	-	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

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 2016	181,947	(244)	-	(45,850)	(23,994)	111,859
Total comprehensive income for the period	-	-	-	-	5,648	5,648
Purchase of treasury shares	-	(830)	-	-	-	(830)
Dividend paid	-	-	-	-	(2,282)	(2,282)
At 30 September 2016	181,947	(1,074)	-	(45,850)	(20,628)	114,395
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

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 July 2016	455,494,049	181,947
Share buy-backs	(440,700)	-
Balance at 30 September 2016	455,053,349	181,947

As at 30 September 2016, the Company held 4,570,500 treasury shares (116,000 treasury shares as at 30 September 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 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	
	30 September 2016	31 December 2015
Total number of issued shares excluding treasury shares	455,053,349	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 4,570,500 treasury shares as at the end of the financial period ended 30 September 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 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 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 30 September 2016	3 Months Ended 30 September 2015	9 Months Ended 30 September 2016	9 Months Ended 30 September 2015
	(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 *	0.41	0.58	2.21	1.60
(b) On a fully diluted basis*	0.41	0.58	2.21	1.60

The earning per ordinary share has been calculated after share consolidation, excluding treasury shares and net of controlling-interests of 456,421,637 (2015: 459,620,368) 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	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	(cents)	(cents)	(cents)	(cents)
Net asset value per ordinary share based on issued share capital at the end of:	55.12	56.75	25.14	24.39

The net asset value per ordinary share has been calculated net of non-controlling interests of 455,053,349 shares and 458,535,349 shares as at 30 September 2016 and as at 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:
- 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
 - 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 9M2016 vs 9M2015

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 2016					
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	428,963	116,273	4,608	1,282	-	551,126
Costs	(392,011)	(107,643)	(3,434)	-	-	(503,088)
Gross profit	36,952	8,630	1,174	1,282	-	48,038
Other income	2,439	1,774	32	104	903	5,252
Depreciation	(2,219)	(116)	(456)	(794)	(36)	(3,621)
Selling expenses	-	(2,608)	(141)	-	(2)	(2,751)
Staff costs	(10,661)	(1,457)	(698)	-	(1,883)	(14,699)
Other operating expenses	(4,997)	(1,596)	(922)	-	(1,928)	(9,443)
Profit / (loss) from operating activities	21,514	4,627	(1,011)	592	(2,946)	22,776

	<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

Review of Financial Performance

As a whole, the Group's profit from operating activities improved by S\$10.6 million or 87.1% year-on-year (yoy) from approximately S\$12.2 million in 9M2015 to S\$22.8 million in 9M2016. The improvement was mainly driven by Phase I revenue recognition for Tranquility property development project, which reversed a loss of approximately S\$4.7 million in 9M2015 to profit of approximately S\$4.6 million in 9M2016 and increased in revenue in construction segment that edged up the profit in this segment by S\$2.5 million to S\$21.5 million in 9M2016.

Revenue

Revenue increased by approximately S\$188.7 million or 52.1% yoy from approximately S\$362.4 million in 9M2015 to approximately S\$551.1 million in 9M2016, attributable mainly to increase in both revenue from construction and development properties segments by S\$87.6 million and S\$102.3 million respectively.

Revenue from construction contract

The increase in revenue by approximately S\$87.6 million from S\$341.4 million in 9M2015 to S\$429.0 million in 9M2016 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\$11.5 million from newly commenced projects have yet to be recognized as revenue as at 30 September 2016.

Revenue from sales of development properties

Revenue from sales of development properties in 9M2016 amounted to approximately S\$116.3 million was contributed mainly from the sales recognition of 501 units (57,259 sqm) of phase I from Tranquility Project and 30 units (3,313 sqm) of phases I, II, III and IV from Sunny International Project respectively.

As at 30 September 2016, approximately S\$102.4 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 recognise	
			Units	Sqm
Equinox	300	91	95	20,830
Tranquility Residences	636	501	54	16,620

Revenue from sales of goods

The decrease in revenue from sales of goods by approximately S\$0.9 million from S\$5.5 million in 9M2015 to S\$4.6 million in 9M2016 was mainly due to downsizing in operation of one of our building materials subsidiary.

Gross profit in construction segment

Gross profit margin decreased approximately 1.0% from 9.6% in 9M2015 to 8.6% in 9M2016 due mainly to overall project mix.

Gross profit in property development segment

Gross profit margin increased approximately 6.5% from 0.9% in 9M2015 to 7.4% in 9M2016, due mainly to the revenue recognition of phase I of the Tranquility project and phase III of Sunny International project with better profit margin.

Gross profit in sales of goods segment

Gross profit margin decreased from 39.5% in 9M2015 to 25.5% in 9M2016, due mainly to a decrease in licensing income with higher profit margins and reduction of profit margin in component sales.

Depreciation and amortization

Decrease in depreciation and amortization expenses of approximately S\$1.2 million to S\$3.6 million in 9M2016 due mainly to lower assets values for property, plant & equipment and intangible assets following full depreciation of certain equipments and previous impairment made in intangible assets in FY2015. At the same time, higher utilization of property, plant and equipment in the construction projects resulted in these depreciation being directly charged to cost of construction.

Selling expenses

Increase in selling expenses of approximately S\$0.6 million to S\$2.8 million in 9M2016 due mainly to the increased in sales and marketing activities for the properties in the People's Republic of China ("PRC").

Other expenses

Increase in other expenses of approximately S\$0.9 million mostly due to a combination of increase in tender expenses, inventory written off for building materials and higher property management fee for properties in PRC.

Net finance expenses

Net finance expenses increased by S\$6.2 million to S\$7.4 million in 9M2016 due mainly to net exchange loss of approximately S\$3.6 million in 9M2016 as a result of depreciation in Renminbi (RMB) vis-à-vis SGD, in contrast to an exchange gain of approximately S\$3.1 million in the corresponding period.

Tax expense

Income tax expense increased by approximately S\$2.6 million to S\$4.4 million in 9M2016 due mainly to an increase in profit contribution from the property segment in PRC, where the tax rate is higher.

Profit for the period

Profits in 9M2016 increased by approximately S\$1.8 million to S\$9.6 million as a result of the factors mentioned in the preceding paragraphs.

Review of Financial Position

Non-Current Assets

As at 30 September 2016, non-current assets stood at S\$193.8 million or approximately 22.1% of total assets, an increase of approximately S\$12.4 million as compared to 31 December 2015.

Increase in property, plant and equipment ("PPE") of approximately S\$12.8 million to S\$114.4 million as at 30 September 2016 was mainly due to addition in PPE and on-going progress in our property under construction amounting to S\$15.3 million and S\$9.6 million respectively which was partially offset by disposal and depreciation in the same period.

Decrease in intangible assets by S\$0.4 million to S\$1.3 million mainly due to amortization over the period reported on.

Decrease in deferred tax assets by S\$1.4 million to S\$1.8 million mainly due to utilization of tax losses carried forward in property development segment in PRC.

Current Assets

As at 30 September 2016, current assets stood at S\$683.7 million or approximately 77.9% of total assets, a decrease of approximately S\$161.1 million as compared to 31 December 2015.

Decrease in inventories by approximately S\$1.0 million to S\$0.9 million mainly due to downsizing in operation of one of our building materials subsidiary and the clearance of approximately S\$0.4 million obsolete stocks.

Decrease in construction work-in-progress (net of excess of progress billings over construction work-in-progress) of about S\$5.9 million was mainly due to differences in stages of various construction projects.

Decrease in development properties by S\$108.9 million to S\$336.5 million as at 30 September 2016 was due mainly to revenue recognition in phase I of Tranquility project and phase I, II, III and IV of Sunny International project.

Decrease in trade and other receivables by approximately S\$20.5 million to S\$185.6 million due mainly to decrease in trade and accrued receivables of approximately S\$22.0 million and S\$5.5 million respectively, partially offset by the increase in retention sum on construction contracts of approximately S\$7.7 million.

Available-for-sale financial assets were financial products purchased from the bank amounted to S\$18.4 million for short term placement of cash.

Non-Current Liabilities

As at 30 September 2016, non-current liabilities amounted to S\$113.2 million or approximately 19.8% of total liabilities, an increase of S\$5.4 million as compared to 31 December 2015.

Non-current trade and other payables increased by S\$5.0 million to S\$20.9 million as at 30 September 2016 due mainly to increase in retention sum money arising from the construction projects.

Deferred tax liabilities increased by S\$0.5 million to S\$5.1 million as at 30 September 2016 was mainly due to timing differences on accounting and taxable profits in construction segment.

Current Liabilities

As at 30 September 2016, current liabilities stood at S\$457.8 million or approximately 80.2% of total liabilities, a decrease of approximately S\$140.7 million as compared to 31 December 2015.

Loans and borrowings decreased by S\$127.1 million to S\$84.5 million as at 30 September 2016 mainly due to net repayment of loan during the period reported on.

An increase in amount due to related parties of approximately S\$4.2 million to S\$21.5 million as at 30 September 2016 was due mainly to increase in trade payable to affiliated corporation.

Review of Statement of Cash Flows

Net cash from operating activities

For the 9 months ended 30 September 2016, the Group recorded a net cash inflow from operating activities of approximately S\$141.0 million, as compared to S\$7.9 million net cash outflow in the previous corresponding period ended 30 September 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 both construction and property development segments.

Net cash from investing activities

For the 9 months ended 30 September 2016, the Group recorded a net cash outflow from investing activities of S\$35.2 million, an increase of S\$20.3 million as compared to previous corresponding period ended 30 September 2015. This was mainly due the purchase of financial products amounted to S\$18.4 million for short term placement of cash and higher investment in property, plant and equipment of approximately S\$24.6 million in 9M2016 as compared to S\$15.8 million in 9M2015.

Net cash from financing activities

For the 9 months ended 30 September 2016, the Group recorded a net cash outflow from financing activities of approximately S\$140.3 million, as compared to net cash inflow of S\$25.6 million in previous corresponding period ended 30 September 2015. This was due mainly to net repayment of loans and borrowings of S\$126.7 million in 9M2016 and the absence of reduction in deposits pledged of S\$37.1 million in previous corresponding period ended 30 September 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

On 14 October 2016, the Ministry of Trade and Industry (“MTI”) released advance estimates announcing that the Singapore gross domestic product (“GDP”) grew 0.6% yoy in 3Q2016, a decrease from 2.0% growth in the previous quarter. The economy contracted by 4.1% on a seasonally-adjusted quarter-on-quarter (“qoq”) annualised basis, a reversal from the annualised 0.2% growth in the preceding quarter¹. In spite of the overall downturn, the construction industry recorded a growth of 2.6% yoy, expanding at an annualised rate of 0.5%, on a qoq basis.

The Group’s order book as at 30 September 2016 stood at approximately S\$1.2 billion which is expected to extend till year 2020.

¹ “Singapore’s GDP Grew by 0.6 Per Cent in Third Quarter of 2016”, Ministry of Trade and Industry, 14 October 2016

Property Development Outlook

Based on data from the National Statistics Bureau (“NBS”), new home prices in PRC’s 70 major cities witnessed a growth of 11.2% in September yoy, which is 2.0% higher than the preceding month as well as the fastest on record¹. However, cooling measures, which include buying limits and increased down-payment ratios, were introduced by the Chinese government in late September and early October. They potentially resulted in a decline in price growth by an average of 2.5%, in the first half of October in 15 tier-1 and tier-2 cities. However, from the mid-October findings by the NBS, it appears that since the cooling measures are location-specific, their effects are likewise not uniform across PRC. For instance, in tier-2 and tier-3 cities such as Zhengzhou and Wuxi, property prices still increased by more than 4.0%. This is in line with experts’ opinion that tightening in the major cities may compel buyers to move into smaller cities², and that lower tier cities with high inventory will continue to witness the slackening of regulations³.

As at 30 September 2016, approximately S\$102.4 million of gross development value comprising 95 units (20,830 sqm) of the Equinox and 54 units (16,620 sqm) of Tranquility Residences but yet to be recognized as revenue in accordance to the Group’s revenue recognition policy.

As at 30 September 2016, approximately 62.0% of the total 300 units launched for Equinox have been sold. Based on current existing phase development plan and schedule, the Group is currently carrying out construction for its B3 which is expected to be completed in mid 2018. Also, both phase C and E1 is expected to be completed and handover in 4Q2016.

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.

No interim dividend has been declared/recommended by the Directors in 3Q2016.

¹ “China September home prices rise at record rate, stretching affordability further”, Reuters, 21 October 2016

² “China’s housing frenzy starts to calm”, Financial Times, 21 October 2016

³ “Chinese property market sees effects of cooling measures just weeks after record price gains”, South China Morning Post, 25 October 2016

- 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 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)	
	3Q2016	9M2016	3Q2016	9M2016
Peck Tiong Choon Transport (Pte) Ltd – Hiring charges	-	-	2,656,000	7,626,000
Peck Tiong Choon Logistic (Pte) Ltd – Hiring charges	-	-	11,000	11,000
Total	-	-	2,667,000	7,637,000

- 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) of the Listing Manual.**

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 Mnaual.

On behalf of the Board of Directors

BY ORDER OF THE BOARD

Pek Lian Guan
Executive Director and CEO
2 November 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 3rd quarter financial statements for the financial period ended 30 September 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

2 November 2016