



TIONG SENG HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Co. Reg. No: 200807295Z)

UNAUDITED 1Q 2015 FINANCIAL STATEMENT ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 2015

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 2015 S\$'000	3 Months Ended 31 March 2014 S\$'000	Change %
Revenue			
Revenue from construction contracts	97,876	166,998	-41
Revenue from sales of development properties	1,411	1,288	10
Revenue from sales of goods	2,617	1,408	86
Rental Income	412	313	32
	<u>102,316</u>	<u>170,007</u>	-40
Other income	1,496	1,178	27
Costs of construction	(87,256)	(154,708)	-44
Costs of sales of development properties	(1,404)	(1,109)	27
Cost of goods sold	(1,701)	(652)	>100
Depreciation and amortisation	(1,828)	(1,444)	27
Selling expenses	(387)	(2,134)	-82
Staff costs	(5,539)	(5,335)	4
Other expenses	(3,271)	(2,810)	16
	<u>(101,386)</u>	<u>(168,192)</u>	-40
Profit from operating activities	2,426	2,993	-19
Finance income	2,130	505	>100
Finance expenses	(1,758)	(1,382)	27
Net finance income (expense)	372	(877)	N.M
Share of profit of joint ventures, net of tax	429	-	N.M
Profit before income tax	3,227	2,116	53
Income tax	(596)	(573)	4
Profit for the period	<u>2,631</u>	<u>1,543</u>	71

N.M : Not Meaningful

	3 Months Ended 31 March 2015 S\$'000	3 Months Ended 31 March 2014 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	7,938	(4,383)	N.M
Exchange differences on monetary items forming part of net investment in a foreign operation	5,780	(2,368)	N.M
Net change in the fair value of available-for-sale investments	-	5	N.M
Income tax on other comprehensive income	-	(1)	N.M
Other comprehensive income for the period, net of tax	<u>13,718</u>	<u>(6,747)</u>	N.M
Total comprehensive income for the period	<u>16,349</u>	<u>(5,204)</u>	N.M
Profit attributable to:			
Owners of the Company	3,178	1,639	94
Non-controlling interests	(547)	(96)	>100
Profit for the period	<u>2,631</u>	<u>1,543</u>	71
Total comprehensive income attributable to:			
Owners of the Company	15,675	(4,405)	N.M
Non-controlling interests	674	(799)	N.M
Total comprehensive income for the period	<u>16,349</u>	<u>(5,204)</u>	N.M
Earnings per share			
- Basic and diluted (cents) ¹	<u>0.35</u>	<u>0.18</u>	94

¹ Based on 919,247,700 shares, net of non-controlling interests as at 31 March 2015 and 31 March 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 31 March 2015 S\$'000	3 Months Ended 31 March 2014 S\$'000	Change %
Fees from property management	(145)	(126)	15
Gain on disposal of spare parts & scrap materials	(42)	(206)	(80)
Gain on disposal of property, plant and equipment	(580)	-	100
Insurance expense	133	148	(10)
Legal and professional fees	533	442	21
Operating lease expenses	375	445	(16)
Repair and maintenance expenses	487	263	85
Travelling and transport	231	271	(15)

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	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	86,886	86,998	-	-
Intangible assets	3,160	3,523	-	-
Investment properties	16,781	16,205	-	-
Investment in subsidiaries	-	-	59,624	59,624
Associates and joint ventures	23,692	23,263	-	-
Trade and other receivables	23,695	23,520	-	-
Other investments	6,151	6,148	-	-
Deferred tax assets	3,415	3,334	-	-
	163,780	162,991	59,624	59,624
Current assets				
Inventories	2,118	2,173	-	-
Construction work-in-progress	55,209	50,917	-	-
Development properties	502,835	441,023	-	-
Trade and other receivables	197,441	199,795	21	9
Amount due from related parties	57,175	40,826	125,731	126,161
Cash and cash equivalents	60,006	94,974	8,473	10,397
	874,784	829,708	134,225	136,567
Total assets	1,038,564	992,699	193,849	196,191
Equity attributable to owners of the Company				
Share capital	181,947	181,947	181,947	181,947
Reserves	(42,271)	(54,768)	(45,850)	(45,850)
Retained earnings / (Accumulated losses)	127,289	124,111	(17,174)	(16,656)
	266,965	251,290	118,923	119,441
Non-controlling interests	55,802	45,430	-	-
Total equity	322,767	296,720	118,923	119,441
Non-current liabilities				
Trade and other payables	23,901	20,765	-	-
Loans and borrowings	184,930	178,013	73,734	73,730
Deferred tax liabilities	3,773	3,840	-	-
	212,604	202,618	73,734	73,730
Current liabilities				
Progress billings in excess of construction work-in-progress	12,558	7,054	-	-
Trade and other payables	344,984	340,046	492	2,020
Amount due to related parties	23,891	18,360	-	-
Loans and borrowings	113,048	119,674	700	1,000
Current tax payable	8,712	8,227	-	-
	503,193	493,361	1,192	3,020
Total liabilities	715,797	695,979	74,926	76,750
Total equity and liabilities	1,038,564	992,699	193,849	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 31.03.2015		As at 31.12.2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
113,048	-	119,674	-

Amount repayable after one year

As at 31.03.2015		As at 31.12.2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
111,196	73,734	104,283	73,730

Details of any collateral**1. Secured loan from a bank**

Pursuant to a loan facility arrangement with a bank, the Group pledges its shares in Chang De Investment Private Limited ("ChangDe"), Tiong Seng Properties (Private) Limited ("TSP"), Tianjin Zizhulin Development Co. Ltd. ("Zizhulin"), and Suzhou Changhe Investment and Development Co., Ltd ("Changhe") as well as the subordination of the group's share of existing and future shareholder's loan to those companies, to the bank as securities for loans of up to approximately S\$100 million to ChangDe for a tenure of 72 months. Notwithstanding this, ChangDe, TSP, Zizhulin and Changhe still remain as subsidiaries of the Group.

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

	31 March 2015	31 March 2014
	\$'000	\$'000
Carrying amounts of assets:		
Leasehold land	4,771	4,876
Freehold land	4,613	4,844
Leasehold properties	33,376	34,018
Investment properties	557	531
Development properties	169,687	107,313
Plant and machinery	14,080	12,618
Deposits pledged	4,885	4,263
Total	231,969	168,463

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 2015 S\$'000	3 Months Ended 31 March 2014 S\$'000
Cash flow from operating activities		
Profit from operating activities	2,426	2,993
Adjustments for:		
Depreciation and amortisation	3,507	3,449
Gain on disposal of:		
- property, plant and equipment	(580)	-
- other investments	-	(16)
Operating profit before working capital changes	5,353	6,426
Changes in working capital:		
Inventories	161	(93)
Construction work-in-progress	1,217	404
Development properties	(42,284)	(31,670)
Trade and other receivables	4,660	14,122
Balances with related parties (trade)	(377)	1,701
Trade and other payables	3,385	(3,922)
Cash used in operations	(27,885)	(13,032)
Income taxes paid	(208)	(261)
Net cash used in operating activities	(28,093)	(13,293)
Cash flow from investing activities		
Balances with related parties (non-trade)	(6,992)	(578)
Distributions received from joint ventures	-	94
Interest received	43	51
Proceeds from sales of property, plant and equipment	892	-
Purchase of property, plant and equipment	(2,881)	(4,955)
Purchase of other investments	-	(62)
Purchase of intangible assets	(73)	(142)
Net cash used in investing activities	(9,011)	(5,592)
Cash flow from financing activities		
Balances with related parties (non-trade)	6,948	(3,323)
Capital contribution by non-controlling interests	-	108
Repayment of loan to non-controlling interest	-	(1,545)
Decrease in deposits pledged	33,667	13,812
Interest paid	(2,223)	(485)
Proceeds from issue of rights	-	10,026
Payments of finance lease liabilities	(272)	(209)
Proceeds from loans and borrowings	30,177	66,433
Repayment of loans and borrowings	(32,207)	(55,150)
Net cash from financing activities	36,090	29,667
Net (decrease) / increase in cash and cash equivalent	(1,014)	10,782
Cash and cash equivalent at beginning of the period	53,209	49,566
Effect of exchange rate changes on balance held in foreign currencies	(1,859)	(1,392)
Cash and cash equivalents at end of the period	50,336	58,956

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	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
<i>Total comprehensive income for the period</i>	-	-	-	-	-	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
<i>Total transaction with owners of the Company</i>	-	-	-	-	-	-	-	-	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

Group	Share capital	Merger reserve	Capital reserve	Statutory reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2014	154,552	(77,720)	29,283	3,564	16	10,035	144,918	264,648	46,301	310,949
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	1,639	1,639	(96)	1,543
Other comprehensive income										
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	(3,680)	-	(3,680)	(703)	(4,383)
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	-	-	(2,368)	-	(2,368)	-	(2,368)
Net change in the fair value of available-for-sale investments	-	-	-	-	5	-	-	5	-	5
Income tax on other comprehensive income	-	-	-	-	(1)	-	-	(1)	-	(1)
Total other comprehensive income / (expense)	-	-	-	-	4	(6,048)	-	(6,044)	(703)	(6,747)
<i>Total comprehensive income and expenses for the period</i>	-	-	-	-	4	(6,048)	1,639	(4,405)	(799)	(5,204)
Transaction with owners, recognised directly in equity										
Contributions by and distributions to owners										
Reclassification from capital reserves to share capital for rights shares issued	27,395	-	(27,395)	-	-	-	-	-	-	-
Capital contribution by non-controlling interest	-	-	-	-	-	-	-	-	108	108
<i>Total transaction with owners of the Company</i>	-	-	-	-	-	-	-	-	108	108
At 31 March 2014	181,947	(77,720)	1,888	3,564	20	3,987	146,557	260,243	45,610	305,853

Company	Share capital	Capital Reserve	Merger Reserve	Accumulated profits	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
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
At 1 January 2014	154,552	27,395	(45,850)	(7,778)	128,319
Profit or loss / Total comprehensive income for the period	-	-	-	(649)	(649)
Reclassification from capital reserves to share capital for rights shares issued	27,395	(27,395)	-	-	-
At 31 March 2014	181,947	-	(45,850)	(8,427)	127,670

- 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.

There were no changes in the Company's share capital for the three months ended 31 March 2015.

The Company did not have any outstanding convertibles or treasury shares 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.**

The Company has a total of 919,247,700 shares as at 31 March 2015 and 31 December 2014.

- 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.**

There are no 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 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 thereasons 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 31 March 2015	3 Months Ended 31 March 2014
	(cents)	(cents)
Earnings per ordinary share of the group, after deducting any provision for preference dividends (in cents):		
(a) Based on weighted average number of ordinary shares on issue; and	0.35	0.18
(b) On a fully diluted basis	0.35	0.18

The earning per ordinary share has been calculated net of non-controlling interests of 919,247,700 shares as at 31 March 2015 and 31 March 2014.

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 2015	31 December 2014	31 March 2015	31 December 2014
	(cents)	(cents)	(cents)	(cents)
Net asset value per ordinary share based on issued share capital at the end of:	29.04	27.34	12.94	12.99

The net asset value per ordinary share has been calculated net of non-controlling interests of 919,247,700 shares as at 31 March 2015 and 31 December 2014.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Group Performance for 1Q2015 compared to 1Q2014

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>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
	3 Months Ended 31 March 2015					
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

	<u>Construction</u>	<u>Property Development</u>	<u>Sales of Goods</u>	<u>Rental</u>	<u>Others</u>	<u>Total</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
	3 Months Ended 31 March 2014					
Revenue	166,998	1,288	1,408	313	-	170,007
Costs	(154,708)	(1,109)	(652)	-	-	(156,469)
Gross Profit	12,290	179	756	313	-	13,538
Other income	1,007	-	17	-	154	1,178
Depreciation and amortisation	(862)	(22)	(239)	(283)	(38)	(1,444)
Selling expenses	-	(2,061)	(73)	-	-	(2,134)
Staff costs	(3,370)	(514)	(762)	-	(689)	(5,335)
Other operating expenses	(1,747)	(315)	(214)	-	(534)	(2,810)
Profit / (loss) from operating activities	7,318	(2,733)	(515)	30	(1,107)	2,993

Generally, the Group's profit from operating activities decreased by S\$0.6 million or 18.9% from approximately S\$3.0 million in 1Q2014 to S\$2.4 million in 1Q2015. The decrease was mainly due to lower profit recognized in Construction segment by S\$2.4 million partially offset by lower loss suffered in Property Development and Sales of Goods segments by S\$1.3 million and S\$0.3 million respectively. Construction segment experienced lower profit as a result of lower revenue recognized and general increase in operating expenses. Property segment loss decreased as a result of lower selling expenses incurred while Sales of Goods segment loss reduced due to improved revenue and lower operating cost.

Revenue

Revenue decreased by approximately S\$67.7 million or 40% from approximately S\$170.0 million in 1Q2014 to approximately S\$102.3 million in 1Q2015, attributable mainly to decrease in revenue from construction contracts of approximately S\$69.1 million.

Revenue from construction contract

Decrease in revenue was mainly due to net decrease 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\$31.6 million from newly commenced projects have yet to be recognized as revenue as at 31 March 2015.

Revenue from sales of development properties

Revenue from sales of development properties in 1Q2015 amounted to S\$1.4 million and was contributed mainly from the sale recognition of 3 units (601 sqm) of phase II from Sunny International Project and 2 units (383 sqm) of B1 from Equinox Project respectively.

As at 31 March 2015, approximately S\$87.6 million of gross development value were sold, but yet to be recognised as revenue in accordance to our revenue recognition policy, as follows:

Projects	Units	Sqm
Sunny International	269	26,618
Equinox	50	13,474
Tranquility Residences	58	7,116
Wenchang Baihui	1	59
Tianmen Jinwan	1	141

Revenue from sales of goods

Increase in revenue from sales of goods by approximately S\$1.2 million from S\$1.4 million in 1Q2014 to S\$2.6 million in 1Q2015 was due mainly to an increase in sales volume.

Other income

Increase in other income of approximately S\$0.3 million from S\$1.2 million in 1Q2014 to S\$1.5 million in 1Q2015 was mainly due to gain on disposal of plant and equipments.

Gross profit in construction segment

Increase in gross profit margin of approximately 3.5% from 7.4% in 1Q2014 to 10.9% in 1Q2015 due mainly to improved margin in precast business.

Gross profit in property development segment

Gross profit dipped by S\$0.2 million in 1Q2015 amid slowdown in residential property sales growth, higher inventory levels in the market and liquidity crunch in the PRC property market.

Gross profit in sales of goods segment

Gross profit margin decreased from 53.7% in 1Q2014 to 35.0% in 1Q2015, due mainly to decrease in licensing income with higher profit margin and reduced profit margin in component sales.

Depreciation and amortisation expenses

Increase in depreciation and amortisation expenses of approximately S\$0.4 million to S\$1.8 million in 1Q2015 due mainly to lower utilization of property, plant and equipment, thereby attributing lower depreciation expenses to cost of construction in current period, partly following the completion of projects in Papua New Guinea in FY2014.

Selling expenses

Decrease in selling expenses of approximately S\$1.7 million in 1Q2015 to S\$0.4 million due mainly to lesser marketing activities to promote the various property development projects in the People's Republic of China in 1Q2015.

Other expenses

Increase in other expenses of approximately S\$0.5 million in 1Q2015 due mainly to aggregate increase in repair and maintenance cost, legal and professional fees and office supplies expenses.

Net finance income (expenses)

Net finance income (expense) increased by approximately S\$1.2 million from S\$0.9 million net finance expense in 1Q2014 to S\$0.3 million net finance income in 1Q2015 due mainly to appreciation in RMB and CHF vis-à-vis SGD, which resulted an exchange gain of approximately S\$1.7 million in 1Q2015, as contrast to an exchange loss of approximately S\$0.4 million in 1Q2014. This is partially offset by the increase in finance expense of S\$0.9 million from multicurrency medium term note issued in early July 2014.

Share of profit of joint ventures, net of tax

Share of profit of joint ventures increased by approximately S\$0.4 million from nil in 1Q2014 due mainly to recognition of profit from our joint venture projects.

Profit for the period

Profit in 1Q2015 increased by approximately S\$1.1 million to S\$2.6 million as a result of the factors mentioned in the preceding paragraphs.

Review of Financial Position

Non-Current Assets

As at 31 March 2015, non-current assets stood at S\$163.8 million or approximately 15.8% of total assets, a minor increase of approximately S\$0.8 million as compared to 31 December 2014.

Current Assets

As at 31 March 2015, current assets stood at S\$874.8 million or approximately 84.2% of total assets, an increase of approximately S\$45.1 million as compared to 31 December 2014.

Increase in development properties by S\$61.8 million to S\$502.8 million due mainly to an increase in development costs for ongoing PRC development projects, being Equinox and Tranquility Residences projects of approximately S\$18.8 million and S\$41.3 million respectively.

Trade and other receivables decreased by approximately S\$2.4 million to S\$197.4 million due mainly to decrease in accrued receivables and retention sum on construction contracts of approximately S\$9.8 million and S\$7.2 million respectively, partially offset by the increase in trade receivables, other receivables and other recoverable of approximately S\$10.0 million, S\$3.8 million and S\$0.4 million respectively.

Amount due from related parties increased by approximately S\$16.3 million to S\$57.2 million due mainly to receivables of S\$10.9 million from non-controlling shareholder in the property development segment and increase in amount due from a joint venture of approximately S\$5.2 million.

Non-Current Liabilities

As at 31 March 2015, non-current liabilities amounted to S\$212.6 million or approximately 29.7% of total liabilities, an increase of approximately S\$10.0 million compared to 31 December 2014.

Non-current trade and other payables increased by S\$3.1 million to S\$23.9 million due mainly to increase of retention sums payable from construction projects.

Current Liabilities

As at 31 March 2015, current liabilities stood at S\$503.2 million or approximately 70.3% of total liabilities, an increase of S\$9.8 million as compared to 31 December 2014.

Trade and other payables increased by approximately S\$4.9 million to S\$345.0 million due mainly to a collective net increase in trade payables and receipts in advance of approximately S\$11.6 million and S\$12.7 million respectively, partially offset by decrease in accrued payables, accrued operating expenses and retention sum payable of approximately S\$12.3 million, S\$4.8 million and S\$1.5 million respectively.

Increase in amount due to related parties of approximately S\$5.5 million to S\$23.9 million due mainly to advance payment received from a joint venture of approximately S\$6.9 million, partially offset by decrease in amount due to an affiliated corporation of approximately S\$1.7 million.

Review of Statement of Cash Flows

Net cash from operating activities

For the 3 months ended 31 March 2015, the Group recorded a net cash outflow from operating activities of approximately S\$28.1 million, as compared to S\$13.3 million net cash outflow in the previous corresponding period ended 31 March 2014, to support working capital of the Group. The changes in working capital from operating activities arose mainly from:

- (a) Increase in development properties by S\$42.3 million, due mainly to additional property development costs for Equinox and Tranquility Residences projects, partially offset by units sold in Cangzhou Sunny International phase II and Equinox.
- (b) Decrease in trade and other receivables by S\$4.7 million, due mainly to decrease in accrued receivables from on-going projects and retention sum receivables.
- (c) Increase in trade and other payables by S\$3.4 million, due mainly to increase in trade payables and receipts in advance, partially offset by decrease in accrued trade payables, accrued operating expenses and retention sum payable.

Net cash from investing activities

For the 3 months ended 31 March 2015, the Group recorded a net cash outflow from investing activities of S\$9.0 million, increased by S\$3.4 million as compared to previous corresponding period ended 31 March 2014. This was mainly due to purchase of property, plant and equipment of approximately S\$2.9 million in 1Q2015 and increase in amount due from related parties of approximately S\$7.0 million.

Net cash from financing activities

For the 3 months ended 31 March 2015, the Group recorded a net cash inflow from financing activities of S\$36.1 million, increased by S\$6.4 million as compared to the previous corresponding period ended 31 March 2014. This was due mainly to reduction in deposits pledged of S\$33.7 million as compared to S\$13.8 million in previous corresponding period ended 31 March 2014 and funds received from related parties of S\$6.9 million, partially offset by net receipt of loans and borrowings of S\$11.3 million and balance proceeds from issue of rights of S\$10.0 million in previous corresponding period ended 31 March 2014.

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 April 2015, the Ministry of Trade and Industry (“MTI”) issued advanced estimates¹ that the Singapore economy grew 2.1% yoy in 1Q2015, similar to the growth in 1Q2014. On a quarter-on-quarter basis (“qoq”), the economy expanded 1.1% compared to 4.9% in the preceding quarter.

The construction sector expanded 3.3% yoy, an improvement from 0.7% in the preceding quarter driven by higher private sector construction activities.

The competitive tender process and government legislation continue to add pressure to the construction industry. As a result, the Group remains focused on strengthening its suite of construction technologies in order to further improve project efficiency.

As at 31 March 2015, the Group’s order book stands at S\$1.2 billion, expected to extend till year 2020.

Property Development Outlook

According to a report by Moody’s Investor Service on 31 March 2015², new measures introduced on 30 March 2015 regarding the easing of mortgage lending conditions and relaxation of tax rules will help boost property sales in the short term. However, pricing power for developers will be limited due to high levels of housing inventory in the market. In addition, the number of cities with more than 5% yoy declines in home prices increased from 38 to 52 in January 2015.

As at 31 March 2015, approximately S\$87.6 million of gross development value comprises of 1 unit, totaling 141 sqm of TianmenJinwan, 269 units (26,618sqm) of Sunny International, 50 units (13,474sqm) of the Equinox, 58 units (7,116sqm) of Tranquility Residences and 1 unit

¹ Ministry of Trade and Industry, “Singapore’s GDP gre by 2.1 per cent in the first quarter of 2015”, 14 April 2015

² “Easing of mortgage terms and housing taxes credit positive for Chinese property developers”, Moody’s Investors Services, 31 March 2015

totaling 59 sqm of WenchangBaihui were sold, but yet to be recognized as revenue in accordance to Tiong Seng's revenue recognition policy.

Also, the Group has completed construction for B1 (phase 1) in 1Q2014 and B2 (phase 1) in 4Q2014 and is currently carrying out construction for C (phase 2) and E1 (phase 3) out of the 7 phases for the Equinox Project. The construction for C and E1 are expected to be completed towards 2Q2015 and 4Q2015 respectively. As at 31 March 2015, approximately 51.7% of the total 234 units of phase 1, 2 and 3 launched have been sold.

For Tranquility Residences project in Suzhou New District Development zone, construction of phase 1, total 2 phases, has commenced in 3Q2013 with expected completion in 4Q2015. Phase 2 has commenced construction in 2Q2014 with expected completion in 2016. Meantime, the Group has completed construction for the last phase of the 4 phases of Sunny International project in 4Q2014.

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 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)
Peck Tiong Choon Transport (Pte) Ltd – Hiring charges	-	1,092,000

On behalf of the Board of Directors

BY ORDER OF THE BOARD

Pek Lian Guan
Executive Director and CEO
15 May 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 1st quarter financial statements for the financial period ended 31 March 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

15 May 2015