



TIONG SENG HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Co. Reg. No: 200807295Z)

UNAUDITED 1Q 2018 FINANCIAL STATEMENT ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 2018

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 2018 S\$'000	3 Months Ended 31 March 2017 S\$'000 Restated	Change %
Revenue			
Revenue from construction contracts	131,831	150,314	-12
Revenue from sales of development properties	8,430	15,389	-45
Rental Income	493	502	-2
	<u>140,754</u>	<u>166,205</u>	-15
Other income	1,543	827	87
Costs of construction	(118,708)	(141,150)	-16
Costs of sales of development properties	(7,366)	(12,918)	-43
Depreciation and amortisation	(1,918)	(1,292)	48
Selling expenses	(280)	(227)	23
Staff costs	(5,172)	(4,840)	7
Other expenses	(2,773)	(2,275)	22
	<u>(136,217)</u>	<u>(162,702)</u>	-16
Profit from operating activities	6,080	4,330	40
Finance income	714	360	98
Finance expenses	(1,393)	(3,648)	-62
Net finance costs	<u>(679)</u>	<u>(3,288)</u>	-79
Share of profit of joint ventures, net of tax	81	738	-89
Profit before income tax	5,482	1,780	>100
Income tax	(1,216)	(290)	>100
Profit for the period	<u>4,266</u>	<u>1,490</u>	>100

N.M : Not Meaningful

	3 Months Ended 31 March 2018 S\$'000	3 Months Ended 31 March 2017 S\$'000 Restated	Change %
Other comprehensive income:			
Items that are / may be reclassified subsequently to profit or loss			
Translation differences relating to financial statements of foreign subsidiaries	2,572	(5,925)	N.M.
Exchange differences on monetary items forming part of net investment in a foreign operation	1,583	(1,843)	N.M.
Realisation of exchange differences on monetary items previously forming part of net investment in a foreign operation	299	-	100
Net change in the fair value of available-for-sale investments	-	13	-100
Other comprehensive income for the period, net of tax	<u>4,454</u>	<u>(7,755)</u>	N.M.
Total comprehensive income for the period	<u>8,720</u>	<u>(6,265)</u>	N.M.
Profit attributable to:			
Owners of the Company	4,941	1,017	>100
Non-controlling interests	(675)	473	N.M.
Profit for the period	<u>4,266</u>	<u>1,490</u>	>100
Total comprehensive income attributable to:			
Owners of the Company	8,352	(5,115)	N.M.
Non-controlling interests	368	(1,150)	N.M.
Total comprehensive income for the period	<u>8,720</u>	<u>(6,265)</u>	N.M.
Earnings per share			
- Basic and diluted (cents) ¹	<u>1.10</u>	<u>0.22</u>	>100

¹ Based on weighted average number of shares outstanding excluding treasury shares of 447,497,105 (2017: 453,759,166) shares.

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

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

	3 Months Ended 31 March 2018 S\$'000	3 Months Ended 31 March 2017 S\$'000 Restated	Change %
Fees from property management	(162)	(151)	7
Insurance expense	28	143	-80
Legal and professional fees	414	358	16
Operating lease expenses	716	312	>100
Repair and maintenance expenses	193	209	-8
Travelling and transport	182	247	-26

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	
	31.03.2018	31.12.2017	31.03.2018	31.12.2017
	S\$'000	S\$'000	S\$'000	S\$'000
		Restated		
Non-current assets				
Property, plant and equipment	120,852	129,349	-	-
Intangible assets	423	408	-	-
Investment properties	17,638	13,584	-	-
Investment in subsidiaries	-	-	59,624	59,624
Associates and joint ventures	26,629	24,663	-	-
Trade and other receivables	13,034	13,929	-	-
Amount due from related parties	2,850	2,715	-	-
Other investments	1,283	1,285	-	-
Deferred tax assets	327	202	-	-
	183,036	186,135	59,624	59,624
Current assets				
Inventories	992	1,074	-	-
Contract assets	4,324	3,105	-	-
Development properties	278,544	278,676	-	-
Trade and other receivables	154,871	134,965	18	7
Amount due from related parties	50,371	49,716	104,436	104,436
Cash and cash equivalents	34,549	143,715	181	77,078
	523,651	611,251	104,635	181,521
Total assets	706,687	797,386	164,259	241,145
Equity attributable to owners of the Company				
Share capital	181,947	181,947	181,947	181,947
Treasury shares	(4,255)	(3,033)	(4,255)	(3,033)
Reserves	(67,737)	(71,148)	(45,850)	(45,850)
Retained earnings / (Accumulated losses)	168,699	163,758	(27,907)	(27,641)
	278,654	271,524	103,935	105,423
Non-controlling interests	47,350	46,982	-	-
Total equity	326,004	318,506	103,935	105,423
Non-current liabilities				
Trade and other payables	11,226	23,296	-	-
Loans and borrowings	16,397	17,184	-	-
Deferred tax liabilities	3,798	3,779	-	-
	31,421	44,259	-	-
Current liabilities				
Trade and other payables	263,129	287,911	2,140	3,592
Amount due to related parties	15,127	15,486	58,169	59,119
Loans and borrowings	53,668	114,882	-	72,996
Current tax payable	17,338	16,342	15	15
	349,262	434,621	60,324	135,722
Total liabilities	380,683	478,880	60,324	135,722
Total equity and liabilities	706,687	797,386	164,259	241,145

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

Amount repayable in one year or less, or on demand

As at 31.03.2018		As at 31.12.2017	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
53,668	-	41,886	72,996

Amount repayable after one year

As at 31.03.2018		As at 31.12.2017	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
16,397	-	17,184	-

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. 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 2018	31 December 2017
	\$'000	\$'000
Carrying amounts of assets:		
Leasehold land	11,691	11,820
Freehold land	4,102	3,962
Leasehold properties	33,243	37,624
Investment properties	4,412	438
Plant and machinery	4,335	5,006
Motor vehicles	838	866
Deposits pledged	562	580
Total	59,183	60,296

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 2018 S\$'000	3 Months Ended 31 March 2017 S\$'000 Restated
Cash flow from operating activities		
Profit from operating activities	6,080	4,330
Adjustments for:		
Allowance for doubtful trade receivables	-	(70)
Depreciation and amortisation	4,038	4,275
Gain on disposal of property, plant and equipment	(408)	-
Operating profit before working capital changes	9,710	8,535
Changes in working capital:		
Inventories	82	282
Contract assets	(1,219)	(4,718)
Development properties	4,648	2,662
Trade and other receivables	(18,983)	34,725
Balances with related parties (trade)	238	(7,110)
Trade and other payables	(36,809)	12,767
Cash generated from operations	(42,333)	47,143
Income taxes paid	(2,181)	(987)
Income tax refund	-	29
Net cash (used in)/from operating activities	(44,514)	46,185
Cash flow from investing activities		
Balances with related parties (non-trade)	(187)	(6,343)
Investment in a joint venture	(5,640)	-
Loan repayment from joint ventures	2,970	-
Interest received	107	222
Proceeds from disposal of property, plant and equipment	2,685	61
Purchase of property, plant and equipment	(1,376)	(6,685)
Purchase of intangible assets	(34)	-
Purchase of other investments	(2)	(132)
Net cash used in investing activities	(1,477)	(12,877)
Cash flow from financing activities		
Balances with related parties (non-trade)	(161)	353
Decrease/(Increase) in restricted cash	1,561	(172)
Increase in deposits pledged	-	(3)
Interest paid	(424)	(618)
Acquisition of non-controlling interest of a subsidiary	-	(2,000)
Purchase of treasury shares	(1,222)	(64)
Payments of finance lease liabilities	(127)	(214)
Proceeds from loans and borrowings	18,301	9,768
Repayment of loans and borrowings	(80,197)	(34,063)
Net cash used in financing activities	(62,269)	(27,013)
Net (decrease)/increase in cash and cash equivalent	(108,260)	6,295
Cash and cash equivalent at beginning of the period	141,334	87,602
Effect of exchange rate changes on balance held in foreign currencies	675	(851)
Cash and cash equivalents at end of the period	33,749	93,046

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 2018	181,947	(3,033)	(77,720)	(2)	3,564	-	2,960	172,815	280,531	46,838	327,369
Adoption of SFRS(I) 15	-	-	-	-	-	-	50	(9,057)	(9,007)	144	(8,863)
As restated at 1 January 2018	181,947	(3,033)	(77,720)	(2)	3,564	-	3,010	163,758	271,524	46,982	318,506
Profit for the period	-	-	-	-	-	-	-	4,941	4,941	(675)	4,266
Other comprehensive income											
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	-	1,529	-	1,529	1,043	2,572
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	-	-	-	1,583	-	1,583	-	1,583
Realisation of exchange differences on monetary items previously forming part of net investment in a foreign operation transferred to income statement	-	-	-	-	-	-	299	-	299	-	299
Total other comprehensive income	-	-	-	-	-	-	3,411	-	3,411	1,043	4,454
<i>Total comprehensive income for the period</i>	-	-	-	-	-	-	3,411	4,941	8,352	368	8,720
Transaction with owners, recognised directly in equity											
Contributions by and distributions to owners											
Purchase of treasury shares	-	(1,222)	-	-	-	-	-	-	(1,222)	-	(1,222)
<i>Total transaction with owners of the Company</i>	-	(1,222)	-	-	-	-	-	-	(1,222)	-	(1,222)
At 31 March 2018	181,947	(4,255)	(77,720)	(2)	3,564	-	6,421	168,699	278,654	47,350	326,004

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 2017	181,947	(1,310)	(77,720)	1,888	3,564	-	6,320	145,517	260,206	57,641	317,847
Adoption of SFRS(I) 15	-	-	-	-	-	-	-	(10,291)	(10,291)	(697)	(10,988)
As restated at 1 January 2017	181,947	(1,310)	(77,720)	1,888	3,564	-	6,320	135,226	249,915	56,944	306,859
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	1,017	1,017	473	1,490
Other comprehensive income											
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	-	(4,302)	-	(4,302)	(1,623)	(5,925)
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	-	-	-	(1,843)	-	(1,843)	-	(1,843)
Net change in the fair value of available-for-sale investments	-	-	-	-	-	13	-	-	13	-	13
Total other comprehensive income	-	-	-	-	-	13	(6,145)	-	(6,132)	(1,623)	(7,755)
<i>Total comprehensive income for the period</i>	-	-	-	-	-	13	(6,145)	1,017	(5,115)	(1,150)	(6,265)
Transaction with owners, recognised directly in equity											
Contributions by and distributions to owners											
Purchase of treasury shares	-	(64)	-	-	-	-	-	-	(64)	-	(64)
Acquisition of non-controlling interest without a change in control	-	-	-	1,031	-	-	-	(118)	913	(2,913)	(2,000)
<i>Total transaction with owners of the Company</i>	-	(64)	-	1,031	-	-	-	(118)	849	(2,913)	(2,064)
At 31 March 2017	181,947	(1,374)	(77,720)	2,919	3,564	13	175	136,125	245,649	52,881	298,530

Company	Share capital	Treasury Shares	Merger Reserve	Accumulated profits	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2018	181,947	(3,033)	(45,850)	(27,641)	105,423
Total comprehensive income for the period	-	-	-	(266)	(266)
Purchase of treasury shares	-	(1,222)	-	-	(1,222)
At 31 March 2018	181,947	(4,255)	(45,850)	(27,907)	103,935
At 1 January 2017	181,947	(1,310)	(45,850)	(22,622)	112,165
Total comprehensive income for the period	-	-	-	(1,487)	(1,487)
Purchase of treasury shares	-	(64)	-	-	(64)
At 31 March 2017	181,947	(1,374)	(45,850)	(24,109)	110,614

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, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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.

State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Issued and fully paid ordinary shares, with no par value	No of shares	S\$'000
At 1 January 2018	448,381,449	181,947
Share buy-backs	(3,093,900)	-
Balance at 31 March 2018	445,287,549	181,947

As at 31 March 2018, the Company held 14,366,300 treasury shares (5,883,600 treasury shares as at 31 March 2017) which represents 3.23% (1.30% as at 31 March 2017) of the total number of issued shares of the Company (excluding treasury shares).

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	
	31 March 2018	31 December 2017
Total number of issued shares excluding treasury shares	445,287,549	448,381,449

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

The Company held 14,366,300 treasury shares as at the end of the current financial period ended 31 March 2018. There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There are no subsidiary holdings 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 2017.

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 has adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) (SFRS(I)s) on 1 January 2018. In adopting SFRS(I)s, the Group has applied the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International) in preparing the financial information included in this announcement. There is no material impact on the financial statements in adopting SFRS(I)s and applying specific transition requirements under SFRS(I) 1.

The Group has also concurrently applied the following SFRS(I)s, interpretations of SFRS(I)s and requirements of SFRS(I)s which are mandatorily effective from the same date.

- SFRS(I) 15 Revenue from Contracts with Customers which includes the clarifications to IFRS 15 Revenue from Contracts with Customers issued by the IASB in April 2016;
- SFR(I) 9 Financial Instruments which includes the amendments to IFRS 4 Insurance Contracts – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts issued by the IASB in September 2016;
- requirements in SFRS(I) 2 Share-based Payment arising from the amendments to IFRS 2 – Classification and Measurement of Share-based Payment Transactions issued by the IASB in June 2016;
- requirements in SFRS(I) 1-40 Investment Property arising from the amendments to IAS 40 – Transfer of Investment Property issued by the IASB in December 2016;
- requirement in SFRS(I) 1 arising from the amendments to IFRS 1 – Deletion of short-term exemptions for the first-time adopters issued by the IASB in December 2016;
- requirements in SFRS(I) 1-28 Investment in Associates and Joint Ventures arising from the amendments in IAS 28 – Measuring an associate or joint venture at fair value issued by the IASB in December 2016; and
- SFRS(I) INT 22 Foreign Transactions and Advance Consideration

The application of the above standards does not have any significant impact on the financial information except for SFRS(I) 15.

The impact of the adoption of SFRS(I) 15 to the accounting of contracts of the Group are described below:

(i) Contract revenue and contract costs

Contract revenue and costs were recognized with reference to the stage of completion from independent certification performed prior to the adoption of SFRS(I) 15.

On adoption of SFRS(I) 15, the costs incurred to fulfill the satisfied performance obligation are recognized in profit or loss as control of goods or services to the customer is transferred over time while revenue are recognized using percentage of completion method computed based on actual costs incurred to date over the budgeted costs.

Where the control of goods and services to the customer is transferred at a future point in time, the costs incurred to fulfill the future performance obligation are capitalized as they are recoverable, and presented as "contract assets" within the balance sheet. The costs capitalised are recognized in profit or loss when the performance obligation is satisfied.

(ii) Sales commissions paid to sales or marketing agents on the sale of real estate units

Commissions paid or payable to property agents on the sale of property are capitalized as incremental costs to obtain a contract with customer if these costs are recoverable, and presented as "contract assets" within balance sheet. The costs capitalized are amortised to profit or loss when the Group recognizes the related revenue. Prior to the adoption of SFRS(I) 15, commissions are recognized as expense when incurred.

(iii) Significant financing components arising from payments from customers

The revenue of certain contracts, where the period between the transfer of promised goods or services to customer and payment by customer exceeds one year, is deemed to contain a financing component of which the transaction price is adjusted for the time value of money of the contracts.

The financial effect of adopting SFRS(I)s on the comparative figures for 1Q2018 Financial Statements are as follows:

Consolidated Income Statement	3 Months Ended 31 March 2017
	Increase/(decrease) profit
	S\$'000
Revenue from construction contracts	(43,654)
Revenue from sales of development properties	2,168
Cost of construction	38,963
Gross Profit	(2,523)
Selling expenses	263
Finance expenses	(964)
Profit before income tax	(3,224)
Income tax	781
Profit for the period	(2,443)
Non-controlling interests	(630)
Profit attributable to owners of the Company	(3,073)
Earnings per share – basic & diluted (cents)	(0.68)

Consolidated Financial Position	31 December 2017	1 January 2017
	Increase/(decrease)	Increase/(decrease)
	S\$'000	S\$'000
Construction work-in-progress	(28,558)	(30,337)
Contract assets	3,105	4,198
Trade and other receivables	(30,653)	(56,925)
Total assets	(56,106)	(83,064)
Foreign currency translation reserve	50	-
Retained earnings	(9,057)	(10,291)
Non-controlling interest	144	(697)
Total equity	(8,863)	(10,988)
Progress billings in excess of construction work-in-progress	-	(8,545)
Trade and other payables	(45,513)	(61,916)
Current tax payables	(1,730)	(1,615)
Total liabilities	(47,243)	(72,076)
Total equity and liabilities	(56,106)	(83,064)

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 2018	3 Months Ended 31 March 2017
	(cents)	(cents)
		Restated
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	1.10	0.22
(b) On a fully diluted basis	1.10	0.22

The earning per ordinary share net of non-controlling interests has been calculated based on weighted average number of shares outstanding of 447,497,105 (2017: 453,759,166) excluding treasury shares.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
	(cents)	(cents)	(cents)	(cents)
		Restated		
Net asset value per ordinary share based on issued share capital at the end of:	62.58	60.57	23.34	23.51

The net asset value per ordinary share, net of non-controlling interests and excluding treasury shares, has been calculated based on 445,287,549 shares and 448,381,449 shares as at 31 March 2018 and 31 December 2017 respectively.

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

Review of Group Performance for 1Q2018 compared to 1Q2017

Overview

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

	<u>Construction</u>	<u>Property Development</u>	<u>Rental</u>	<u>Others</u>	<u>Total</u>
	3 Months Ended 31 March 2018				
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	131,831	8,430	493	-	140,754
Costs	(118,708)	(7,366)	-	-	(126,074)
Gross Profit	13,123	1,064	493	-	14,680
Other income	1,271	5	-	267	1,543
Depreciation and amortisation	(1,590)	(15)	(305)	(8)	(1,918)
Selling expenses	-	(280)	-	-	(280)
Staff costs	(4,071)	(508)	-	(593)	(5,172)
Other operating expenses	(1,771)	(547)	-	(455)	(2,773)
Profit / (loss) from operating activities	6,962	(281)	188	(789)	6,080

	<u>Construction</u>	<u>Property Development</u>	<u>Rental</u>	<u>Others</u>	<u>Total</u>
	3 Months Ended 31 March 2017 (Restated)				
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	150,314	15,389	502	-	166,205
Costs	(141,150)	(12,918)	-	-	(154,068)
Gross Profit	9,164	2,471	502	-	12,137
Other income	473	172	-	182	827
Depreciation and amortisation	(995)	(13)	(274)	(10)	(1,292)
Selling expenses	(54)	(173)	-	-	(227)
Staff costs	(3,557)	(486)	-	(797)	(4,840)
Other operating expenses	(1,436)	(479)	-	(360)	(2,275)
Profit / (loss) from operating activities	3,595	1,492	228	(985)	4,330

Generally, the Group's profit from operating activities increased by approximately S\$1.8 million or 40.4% from approximately S\$4.3 million in 1Q2017 to S\$6.1 million in 1Q2018. The increase was mainly due to increased profit in construction segment by S\$3.4 million, partially offset by loss reported in property development segment of S\$0.3 million in 1Q2018 as contrast to a profit registered of S\$1.5 million in 1Q2017. Increase in profit in construction segment was driven by higher gross profit margin from the various construction projects, while loss in property development segment was mainly due to lower revenue recognition, in accordance with the Group's revenue recognition policy.

Revenue

Revenue decreased by approximately S\$25.5 million or 15.3% from approximately S\$166.2 million in 1Q2017 to approximately S\$140.8 million in 1Q2018, attributable mainly to decreased construction work done from various construction projects by S\$18.5 million and lower revenue recognised in property development by S\$7.0 million.

Revenue from construction contract

Decrease in revenue was mainly due to net decrease in work done for on-going projects as a result of differences in stages of the various construction contracts.

Revenue from sales of development properties

Revenue from sales of development properties in 1Q2018 amounted to S\$8.4 million contributed mainly from the sale recognition of 7 units (2,038 sqm) from Equinox Project and 3 units (900 sqm) from Tranquility Project. In 1Q2017, revenue amounted to S\$15.4 million was mainly derived from the sale recognition of 16 units (5,661 sqm) from Equinox Project and 1 unit (226 sqm) from Tranquility Project.

As at 31 March 2018, approximately S\$57.3 million of gross development value were sold, but yet to be recognised as revenue in accordance to our revenue recognition policy, as follows:

Projects	Total units launched	Units sold and recognised	Units sold but yet to recognize	
			Units	Sqm
Equinox	322	172	102	18,073
Tranquility Residences	636	576	1	299

Gross profit in construction segment

Increase in gross profit margin of approximately 3.9% from 6.1% in 1Q2017 to 10.0% in 1Q2018 was due mainly to difference in projects' profile and relative weighted average profitability in the projects recognized over the two periods.

Gross profit in property development segment

Gross profit margin decreased approximately 3.5% from 16.1% in 1Q2017 to 12.6% in 1Q2018 mainly due to the difference in projects' profile and relative profitability in the units recognized in both projects over the two periods.

Other income

Other income increased by S\$0.7 million from S\$0.8 million in 1Q2017 to S\$1.5 million in 1Q2018 mainly due to gain on disposal of plant and equipment and scraps sales.

Depreciation and amortisation

Increase in depreciation and amortisation expenses of approximately S\$0.6 million to S\$1.9 million in 1Q2018 mainly due to depreciation of its newly built up leasehold property at 21 Fan Yong Road and lower utilization of plant and equipment in the construction projects.

Selling expenses

Increase in selling expenses of approximately S\$0.1 million to S\$0.3 million in 1Q2018 mainly due to a higher sales and marketing costs for the properties in the People's Republic of China.

Other expenses

Increase in other expenses of approximately S\$0.5 million to S\$2.8 million in 1Q2018 due mainly to aggregate increase in operating lease expense and legal and professional fee.

Net finance costs

Net finance expense decreased by approximately S\$2.6 million from S\$3.3 million in 1Q2017 to S\$0.7 million in 1Q2018 due mainly to exchange gain of approximately S\$0.5 million in 1Q2018 as contrast to exchange loss of S\$1.0 million in 1Q2017 a result of exchange differences in RMB vis-à-vis SGD. In addition, there is a decrease in interest expense of approximately S\$0.9 million following the redemption of the S\$75 million multi-currency medium term notes on 3 January 2018.

Share of profit of joint ventures, net of tax

The Group registered a net share of profit from joint ventures of approximately S\$0.1 million in 1Q2018 due mainly to net profit of results from the joint venture projects.

Tax expense

Income tax expense increased by approximately S\$0.9 million to S\$1.2 million in tandem with the increased in taxable profit.

Profit for the period

Profit in 1Q2018 increased by approximately S\$2.8 million to S\$4.3 million as a result of the factors mentioned in the preceding paragraphs.

Review of Financial Position

Non-Current Assets

As at 31 March 2018, non-current assets stood at S\$183.0 million or approximately 25.9% of total assets, a decrease of approximately S\$3.1 million as compared to 31 December 2017.

Decrease in property, plant and equipment ("PPE") of approximately S\$8.5 million to S\$120.9 million as at 31 March 2018 was mainly due to reclassification of a property of approximately S\$4.0 million from PPE to investment properties following a change in use from self-occupied to leasing out for rental income as well as depreciation incurred for the period.

Increase in investment properties by S\$4.1 million to S\$17.6 million was due to reclassification of property from PPE to investment property of S\$4.0 million as described in previous paragraph.

Associates and joint ventures increased by S\$2.0 million to S\$26.6 million due to increased investment in joint ventures for development properties in Singapore of S\$5.6 million partially offset by loan repayment from a joint venture amounted to S\$3.0 million.

Current Assets

As at 31 March 2018, current assets stood at S\$523.7 million or approximately 74.1% of total assets, a decrease of approximately S\$87.6 million as compared to 31 December 2017.

Contract assets increased by S\$1.2 million to S\$4.3 million as at 31 March 2018 due to a difference in timing between the advance incurrence of recoverable costs versus the underlying revenue to be recognized in future, with the control of goods and services being passed to customers subsequently.

Trade and other receivables increased by approximately S\$19.9 million to S\$154.9 million due mainly to increase in accrued receivables as at 31 March 2018.

Non-Current Liabilities

As at 31 March 2018, non-current liabilities amounted to S\$31.4 million or approximately 8.3% of total liabilities, a decrease of approximately S\$12.8 million as compared to 31 December 2017.

Non-current trade and other payables decreased by S\$12.1 million to S\$11.2 million as at 31 March 2018 due mainly to decrease in retention sum payable arising from the construction projects.

Current Liabilities

As at 31 March 2018, current liabilities stood at S\$349.3 million or approximately 91.7% of total liabilities, a decrease of S\$85.4 million as compared to 31 December 2017.

Trade and other payables decreased by approximately S\$24.8 million to S\$263.1 million as at 31 March 2018 due mainly to decreased accrued trade payables of approximately S\$29.5 million, partially offset by increase in retention sum payables on construction contracts of approximately S\$4.7 million.

Loans and borrowings decreased by S\$61.2 million to S\$53.7 million mainly due to redemption of S\$75.0 million multi-currency medium term note on 3 January 2018 partially offset by net increase in borrowings during the period reported on.

Review of Statement of Cash Flows

Net cash from operating activities

For the 3 months ended 31 March 2018, the Group recorded a net cash outflow from operating activities of approximately S\$44.5 million, as compared to S\$46.2 million net cash inflow in the previous corresponding period ended 31 March 2017. This was mainly due to difference in timing in collection of construction revenue and payment for construction costs for both financial period.

Net cash from investing activities

For the 3 months ended 31 March 2018, the Group recorded a net cash outflow from investing activities of S\$1.5 million, decreased by S\$11.4 million as compared to previous corresponding period ended 31 March 2017. This was mainly due to decrease in investment in PPE from S\$6.7 million in 1Q2017 to S\$1.4 million in 1Q2018, and collection of loan repayment from a joint venture and proceeds from disposal of PPE of S\$3.0 million and S\$2.7 million respectively in 1Q2018.

Net cash from financing activities

For the 3 months ended 31 March 2018, the Group recorded a net cash outflow from financing activities of S\$62.3 million, increased by S\$35.3 million as compared to previous corresponding period ended 31 March 2017. This was due mainly to redemption of S\$75.0 million multi-currency term note partially offset by net borrowings of S\$13.1 million in 1Q2018 as compared to net repayment of loans and borrowings of S\$24.3 in 1Q2017.

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

In contrast to sluggish market conditions for the construction sector in 2017, proposed inflows of government infrastructure projects and private sector construction demand promises greener pastures as the year progresses into the remainder of 2018. Industry observers indicated that construction companies are generally positive on taking on more construction projects in 2018 in view of the slew of en-bloc projects that could be relaunched as well as upcoming mega infrastructure projects, including the North-South Corridor, Changi Airport Terminal 5 and KL-Singapore High-Speed Rail (HSR)¹.

With the Building and Construction Authority's (BCA) value of construction contracts awarded this year projected to rise to between S\$26.0-S\$31.0 billion, construction companies are largely optimistic on replenishing their order books toward the second half of 2018².

As at 31 March 2018, the Group's order book stands at approximately S\$491.0 million, expected to extend till year 2020.

Property Development Outlook

Despite persistent curbs to dampen speculative demand, China's new home prices rose for their 35th consecutive month in March, with more cities reporting growth as the government supported demand from first-time buyers³. While many expect tightening measures to be gradually extended to smaller cities at risk of overheating, China's drive to get rid of shanty towns - offering money and resettlement to squatters - may continue to counter cooling demand this year⁴.

Buoyed by the stronger-than-expected economic growth outlook, buyer sentiment in the property market in Singapore has continued to improve significantly. Property sales were off to a good start in January as total transactions in both primary and secondary markets doubled compared to a year ago. While the bullishness ensues, the market has also displayed signs of fatigue, especially when most of the recently concluded deals were sold through a private treaty after an unsuccessful public tender. In addition, developers are also

¹ "Construction to benefit from improving demand & shorter cash cycles this year: CIMB", The Edge Singapore, 10 April 2018

² "Construction bosses bullish on higher orders in 2018", Singapore Business Review, 10 April 2018

³ "China's new home prices edge up, gains extend to larger cities", Reuters, 18 April 2018

⁴ "China's home prices expected to rise in 2018 on falling inventories: poll", The Business Times, 4 April 2018

becoming more cautious in their pricing strategy after more land sites were awarded at reserve price levels rather than at a premium⁵. These developments may potentially translate into lower upward pressure on final selling prices when projects are launched going forward.

As at 31 March 2018, approximately 85.1% of the total 322 units launched for Equinox have been sold. Based on current existing phase development plan and schedule, the Group is currently carrying out construction for two of its phases, B3 and E2, with expected completion and handover in 2018 and 2019 respectively.

For Tranquility Residences project in Suzhou New District Development zone, development of the project is fully completed with approximately 90.7% of the total 636 units launched being sold.

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.

⁵ "Developers turning more cautious when replenishing landbanks, says DBS", The Edge Singapore, 19 February 2018

- 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 2018.

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)	
	1Q2018 S\$'000	FY2018 S\$'000	1Q2018 S\$'000	FY2018 S\$'000
Hiring charges				
Peck Tiong Choon Transport (Pte) Ltd	-	-	1,568	1,568
Peck Tiong Choon Logistic (Pte) Ltd	-	-	30	30
Total	-	-	1,598	1,598
Construction revenue				
Peck Tiong Choon (Pte) Ltd*	3,813	3,813	-	-
Total	3,813	3,813	-	-

*The transaction was approved by shareholders in an extraordinary general meeting held on 16 December 2016 under Rule 906(1)(a) of the listing manual.

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

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

On behalf of the Board of Directors

BY ORDER OF THE BOARD

Pek Lian Guan
Executive Director and CEO
14 May 2018



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 2018 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

14 May 2018