



# TIONG SENG HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Co. Reg. No: 200807295Z)

## UNAUDITED Q1 2010 FINANCIAL STATEMENT ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 2010

### 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 31 March 2010 S\$'000	3 Months Ended 31 March 2009 <sup>(1)</sup> S\$'000	Change e %
<b>Revenue</b>			
Revenue from construction contracts	48,869	57,460	-15
Revenue from sales of development properties	5,149	65,090	-92
Rental Income	177	286	-38
	<u>54,195</u>	<u>122,836</u>	-56
Other income	<u>2,385</u>	<u>3,895</u>	-39
Costs of construction	(44,194)	(54,091)	-18
Costs of sales of development properties	(2,808)	(48,201)	-94
Depreciation and amortisation	(745)	(401)	86
Selling expenses	(465)	(314)	48
Staff costs	(2,591)	(2,262)	15
Other expenses	(2,664)	(1,612)	65
	<u>(53,467)</u>	<u>(106,881)</u>	-50
<b>Profit from operating activities</b>	<u>3,113</u>	<u>19,850</u>	-84
Finance income	392	1,148	-66
Finance expenses	(1,195)	(1,233)	-3
<b>Net finance expense</b>	<u>(803)</u>	<u>(85)</u>	>100
Share of profit of joint ventures, net of tax	<u>2,948</u>	<u>2,185</u>	35
<b>Profit before income tax</b>	<u>5,258</u>	<u>21,950</u>	-76
Income tax	(1,476)	(8,399)	-82
<b>Profit for the period</b>	<u>3,782</u>	<u>13,551</u>	-72
<b>Other comprehensive (expense) / income</b>			
Translation differences relating to financial statements of foreign subsidiaries	(455)	2,755	NM
Exchange differences on monetary items forming part of net investment in a foreign operation	(1)	(46)	-98
Net change in the fair value of available-for-sale investments	49	-	100
Income tax on other comprehensive income	(8)	8	NM
<b>Other comprehensive (expense) / income for the year</b>	<u>(415)</u>	<u>2,717</u>	NM
<b>Total comprehensive income for the year</b>	<u>3,367</u>	<u>16,268</u>	-79

NM: Not Meaningful

	3 Months Ended 31 March 2010 S\$'000	3 Months Ended 31 March 2009 <sup>(1)</sup> S\$'000	Change %
<b>Profit attributable to:</b>			
Equity holders of the Company	3,072	5,206	-41
Minority interest	710	8,345	-91
<b>Profit for the period</b>	<b>3,782</b>	<b>13,551</b>	<b>-72</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company	2,936	5,333	-45
Minority interest	431	10,935	-96
<b>Total comprehensive income for the period</b>	<b>3,367</b>	<b>16,268</b>	<b>-79</b>
<b>Earning per share</b>			
- Basic and diluted (cents) <sup>2</sup>	0.54	0.92	-41

NM: Not Meaningful

<sup>1</sup> The comparative consolidated financial statements of the Group for the period ended 31 March 2009 represent the combination of all the financial statements of the companies in the Group, on the basis that the restructuring exercise had been completed on 1 January 2009.

<sup>2</sup> Based on pre-invitation share capital of 564,995,750 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 year:

	3 Months Ended 31 March 2010 S\$'000	3 Months Ended 31 March 2009 S\$'000	Change %
Business tax incentive	(1,581)	(3,188)	-50
Fees from management of properties	(17)	(62)	-73
Government grant – jobs credit scheme	(106)	(183)	-42
Provision of demolition services and miscellaneous works	(101)	(36)	>100
Direct operating expenses arising from rental of investment properties, plant and machinery	16	75	-79
Initial public offering expenses	104	98	6
Operating lease expenses	161	146	10
Stamp duty	211	-	100
Travelling and transport	195	162	20

**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	
	31.03.2010	31.12.2009	31.03.2010	31.12.2009
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	22,328	23,064	-	-
Intangible assets	248	260	-	-
Investment properties	22,419	22,688	-	-
Associates and joint ventures	31,057	27,105	-	-
Trade and other receivables	10,993	9,004	-	-
Investment in subsidiaries	-	-	105,473	-
Other investments	1,201	1,162	-	-
Deferred tax assets	2,182	2,726	-	-
	90,428	86,009	105,473	-
<b>Current assets</b>				
Construction work-in-progress	10,941	14,151	-	-
Development properties	78,023	80,236	-	-
Trade and other receivables	134,723	127,104	-	-
Amount due from related parties	29,225	27,006	-	-
Cash and cash equivalents	28,048	32,841	11	52
	280,960	281,338	11	52
<b>Total assets</b>	<b>371,388</b>	<b>367,347</b>	<b>105,484</b>	<b>52</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	99,836	20,000	99,836	-*
Reserves	(79,374)	(1,518)	-	-
Accumulated profits/(losses)	82,171	79,099	(639)	(253)
	102,633	97,581	99,197	(253)
<b>Minority interest</b>	47,880	46,683	-	-
<b>Total equity</b>	<b>150,513</b>	<b>144,264</b>	<b>99,197</b>	<b>(253)</b>
<b>Non-current liabilities</b>				
Trade and other payables	4,970	5,463	-	-
Amounts due to related parties	7,719	6,724	-	-
Loans and borrowings	15,826	22,032	-	-
Deferred tax liabilities	33	885	-	-
	28,548	35,104	-	-
<b>Current liabilities</b>				
Progress billings in excess of construction work-in-progress	4,792	2,390	-	-
Trade and other payables	126,801	132,788	327	224
Amount due to related parties	16,155	12,225	5,960	81
Loans and borrowings	23,474	19,468	-	-
Current tax payable	21,105	21,108	-	-
	192,327	187,979	6,287	305
<b>Total liabilities</b>	<b>220,875</b>	<b>223,083</b>	<b>6,287</b>	<b>305</b>
<b>Total equity and liabilities</b>	<b>371,388</b>	<b>367,347</b>	<b>105,484</b>	<b>52</b>

\*: Less than S\$1,000

NM: Not Meaningful

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

**Amount repayable in one year or less, or on demand**

As at 31.03.2010		As at 31.12.2009	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
23,474	-	19,468	-

**Amount repayable after one year**

As at 31.03.2010		As at 31.12.2009	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
15,826	-	22,032	-

**Details of any collateral**

**1. Secured loan from a financial institution**

Pursuant to a loan agreement dated 23 September 2009 and the shareholding entrusted agreements (the "Agreements"), the Group subsidiaries, namely Tianjin Zizhulin and Suzhou Huisheng transferred their collective interest, amounting to 60.6% of the entire equity interest in Tianjin Tianmen Jinwan, to Northern International Trust & Investment Co., Ltd. ("Northern International Trust") as a form of security for the loan amounting to RMB72,000,000 (approximately \$14,800,000) from Northern International Trust to Tianjin Zizhulin Investment. The terms and conditions of the Agreements provide that Northern International Trust will transfer the shares back to Tianjin Zizhulin and Suzhou Huisheng at no consideration upon the repayment of loan and the relevant interest payable by Tianjin Zizhulin Investment to Northern International Trust on or before 23 March 2011. Notwithstanding this, Tianjin Tianmen Jinwan remains a subsidiary of the Group.

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

	<b>Mar 2010</b>	<b>Dec 2009</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amounts of assets:</b>		
Leasehold land	5,295	5,321
Leasehold properties	5,923	5,984
Investment properties	926	944
Development properties	20,206	20,297
Plant and machinery	2,213	3,556
Deposits pledged	1,207	1,335
<b>Total</b>	<b><u>35,770</u></b>	<b><u>37,437</u></b>

The secured bank loans and bank overdrafts are also secured by assignment of rights, interests and benefits in connection with construction contracts and personal guarantees by certain directors and executive officers.

**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 2010 S\$'000	3 Months Ended 31 March 2009 S\$'000
<b>Operating activities</b>		
Profit from operating activities	3,113	19,850
Adjustments for:		
Depreciation and amortization	2,528	4,759
Gain on disposal of property, plant and equipment	(4)	(80)
<b>Operating profit before working capital changes</b>	<u>5,637</u>	<u>24,529</u>
Changes in working capital:		
Construction work-in-progress	5,611	(2,596)
Development properties	2,104	31,953
Trade and other receivables	(9,485)	15,831
Balances with related parties (trade)	3,594	6,791
Trade and other payables	(1,443)	(63,666)
Cash generated from operations	<u>6,018</u>	<u>12,842</u>
Income taxes paid	(1,446)	(625)
<b>Net cash from operating activities</b>	<u>4,572</u>	<u>12,217</u>
<b>Cash flow from investing activities</b>		
Balances with related parties (non-trade)	(1,411)	699
Interest received	19	7
Net cash outflow from investment in associates	(1,004)	-
Proceeds from disposal of:		
- property, plant and equipment	-	4
- associate	-	266
Purchase of property, plant and equipment	(1,635)	(2,429)
<b>Net cash from investing activities</b>	<u>(4,031)</u>	<u>(1,453)</u>
<b>Cash flow from financing activities</b>		
Balances with related parties (non-trade)	513	16
Capital contribution by minority shareholders	2,882	-
Dividends paid to minority shareholders	-	(49)
Dividends paid to equity holders	(6,000)	-
Decrease / (increase) in deposits pledged	127	(11)
Interest paid	(573)	(650)
Payments of finance lease liabilities	(216)	(188)
Proceeds from loans and borrowings	15,460	7,607
Repayment of loans and borrowings	(15,770)	(3,976)
<b>Net cash from financing activities</b>	<u>(3,577)</u>	<u>2,749</u>
<b>Net (decrease)/increase in cash and cash equivalent</b>	<u>(3,036)</u>	<u>13,513</u>
Cash and cash equivalent at beginning of the period	29,921	(6,858)
Effect of exchange rate changes on balance held in foreign currencies	(44)	48
<b>Cash and cash equivalents at end of the period</b>	<u>26,841</u>	<u>6,703</u>

**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 <sup>(1)</sup>	Capital reserve	Statutory reserve	Fair value reserve	Foreign currency translation reserve	Accumulated profits	Total	Minority interest	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 2010	20,000	-	(189)	976	61	(2,366)	79,099	97,581	46,683	144,264
<b>Total comprehensive income for the period</b>										
Profit or loss	-	-	-	-	-	-	3,072	3,072	710	3,782
<b>Other comprehensive income</b>										
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	(176)	-	(176)	(279)	(455)
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	-	-	(1)	-	(1)	-	(1)
Net change in the fair value of available-for-sale investments	-	-	-	-	49	-	-	49	-	49
Income tax on other comprehensive income	-	-	-	-	(8)	-	-	(8)	-	(8)
Total other comprehensive income / (expense)	-	-	-	-	41	(177)	-	(136)	(279)	(415)
<i>Total comprehensive income and expenses for the period</i>	-	-	-	-	41	(177)	3,072	2,936	431	3,367
<b>Transaction with owners, recorded directly in equity</b>										
<b>Changes in ownership interests in subsidiaries</b>										
Acquisition of minority interest	-	-	-	-	-	-	-	-	(2,116)	(2,116)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	(2,116)	(2,116)
<b>Contributions by and distributions to owners</b>										
Issue of ordinary shares	79,836	(77,720)	-	-	-	-	-	2,116	-	2,116
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-
Capital contribution by minority shareholders	-	-	-	-	-	-	-	-	2,882	2,882
Total contributions by and distributions to owners	79,836	(77,720)	-	-	-	-	-	2,116	2,882	4,998
<i>Total transaction with owners</i>	79,836	(77,720)	-	-	-	-	-	2,116	766	2,882
At 31 March 2010	99,836	(77,720)	(189)	976	102	(2,543)	82,171	102,633	47,880	150,513

<sup>1</sup> On 18 March 2010, the Group undertook a restructuring exercise, accounted for as a combination of business under common control, in a manner similar to the "pooling of interest" method. Such a manner of presentation reflects the economic substance of the combined companies, which were under common control throughout the relevant period, as a single economic enterprise, although the legal parent-subsidiary relationships were not established until 18 March 2010. The consolidated financial statements of the Group for the period ended 31 March 2009 represent the combination of all the financial statements of the companies in the Group, on the basis that the restructuring exercise had been completed on 1 January 2009.

The difference between the par value of shares issued by the Company and the nominal value of shares acquired from the acquisition of subsidiaries, as a result of the restructuring exercise, was accounted for under the merger reserve.

Group	Share capital	Capital reserve	Statutory reserve	Fair value reserve	Foreign currency translation reserve	Accumulated profits	Total	Minority interest	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2009									
<b>Total comprehensive income for the period</b>	20,000	(189)	944	-	(1,396)	43,729	63,088	30,663	93,751
Profit or loss	-	-	-	-	-	5,206	5,206	8,345	13,551
<b>Other comprehensive income</b>									
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	165	-	165	2,590	2,755
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	-	(46)	-	(46)	-	(46)
Net change in the fair value of available-for-sale investments	-	-	-	-	-	-	-	-	-
Income tax on other comprehensive income	-	-	-	-	8	-	8	-	8
Total other comprehensive income / (expense)	-	-	-	-	127	-	127	2,590	2,717
<i>Total comprehensive income and expenses for the period</i>	-	-	-	-	127	5,206	5,333	10,935	16,268
<b>Transaction with owners, recorded directly in equity</b>	-	-	-	-	-	-	-	-	-
At 31 March 2009	20,000	(189)	944	-	(1,269)	48,935	68,421	41,598	110,019

## Company

	Share capital	Accumulated profits	Total equity
	S\$'000	S\$'000	S\$'000
At 1 January 2010	-*	(253)	(253)
Issuance of new shares	99,836	-	99,836
Profit or loss / Total comprehensive income for the period	-	(386)	(386)
<b>At 31 March 2010</b>	<b>99,836</b>	<b>(639)</b>	<b>99,197</b>
At 1 January 2009	-*	(79)	(79)
Profit or loss / Total comprehensive income for the period	-	-*	-*
<b>At 31 March 2009</b>	<b>-*</b>	<b>(79)</b>	<b>(79)</b>

-\*: Less than S\$1,000

**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.

	Number of shares	Share capital S\$
As at 31 December 2009	1	1
Issuance of new shares (note 1)	564,995,749	99,836,011
As at 31 March 2010	564,995,750	99,836,012

Note 1

Pursuant to a restructuring exercise in March 2010 for the purpose of the Company's listing on the Main Board of Singapore Exchange Securities Trading Limited, a total of 564,995,749 new shares were being issued.

**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 564,995,750 shares as at 31 March 2010 and 1 share as at 31 December 2009.

**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.**

The Group has adopted the same accounting policies and method of computation in the financial statements for the current period compared with the Group's most recently audited financial statements for the year ended 31 December 2009.

**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.**

Not Applicable



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 2010	3 Months Ended 31 March 2009
	(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	0.54	0.92
(b) On a fully diluted basis	0.54	0.92

The earning per ordinary share has been calculated net of minority interests on the pre-invitation share capital of 564,995,750 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 2010	31 December 2009	31 March 2010	31 March 2009
	(cents)	(cents)	(cents)	(cents)
Net asset value per ordinary share based on issued share capital at the end of:	18.17	17.27	NM	NM

The net asset value per ordinary share has been calculated net of minority interests, on the pre-invitation share capital of 564,995,750 shares.

NM: Not meaningful

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 Q12010 compared to Q12009**

##### **Revenue**

Revenue decreased by approximately S\$68.6 million or 56% from approximately S\$122.8 million in Q12009 to approximately S\$54.2 million in Q12010, attributable mainly to a decrease in construction contract revenue and development properties revenue of approximately S\$8.6 million and S\$59.9 million respectively.

##### **Revenue from construction contract**

Decrease in revenue was due mainly to lower work done for near to completion / completed projects, Tribeca, Wilkie and Integrated Resort Sentosa, with an aggregated decrease of approximately S\$28.7 million. The impact was lowered by the increase in work done for on-going projects, Sky11, Hilltop, Shelford Suites and road upgrading work in Papua New Guinea, totaling S\$18.8 million.

### **Revenue from sales of development properties**

The property development revenue in Q12009 and Q12010 was contributed mainly from the Tianmen Jinwan Building in Tianjin. Following its completion in March 2009, all units sold from the commencement of sales since October 2007 till its completion, were recorded in that period. Revenue for Q12010 was derived only from the sales of the remaining completed units during Q12010.

### **Other Income**

Other income decreased by approximately S\$1.5 million due mainly to business tax incentive of S\$1.6 million granted and received from The People's Government of Tianjin City, PRC to one of our subsidiaries to encourage city re-development in Q12010 compared to S\$3.2 million received in Q12009.

### **Cost of construction**

Decrease in cost of construction was generally in line with the decrease in revenue.

### **Cost of sales of development properties**

Decrease in cost of sales of development properties was due mainly to decrease in revenue from development property.

### **Other Expenses**

Other expenses increased by approximately S\$1.0 million mainly due mainly to the aggregate effect of increase in repair and maintenance fees, stamp duty expense, tender expense by S\$0.2 million each and increase in professional fees by S\$0.1 million.

### **Finance Income**

Finance income decreased by approximately S\$0.8 million due mainly to a decrease in accretion of discount implicit in retention sum receivables and implicit interest in retention sum payables by S\$0.3 million and S\$0.4 million respectively.

### **Share of profit of joint ventures, net of tax**

Share of profit of joint ventures increased by approximately S\$0.8 million due mainly to the increase in share of profit from our joint venture projects with Kajima Overseas Asia Pte Ltd.

### **Profit for the period**

Profit for the period decreased by approximately S\$9.8 million due to decrease in profit from operating activities.

### **Review of Financial Position**

#### **Non-Current Assets**

As at 31 March 2010, non-current assets stood at S\$90.4 million or approximately 24.3% of total assets, an increase of approximately S\$4.4 million.

Decrease in property, plant and equipment ("PPE") of approximately S\$0.7 million was due to additional depreciation of approximately S\$2.4 million, partially offset by additional purchase of PPE by S\$1.7 million.

Increase in associates and joint ventures by S\$4.0 million were due mainly to new investment in an associate, namely Tianjin Eco-City Sheng Jing Investment and Development Co., Ltd., & shares of results of associates and joint ventures.

Increase in non-current trade and other receivables by approximately S\$2.0 million was due mainly to additional retention sums from new projects, e.g. Raffles City Shopping Mall, The Volari and Hotel at Upper Pickering Street projects, and the increase in work done for the current projects, such as Hilltop and Shelford Suites.

### **Current Assets**

As at 31 March 2010, current assets stood at S\$281.0 million or approximately 75.7% of total assets. Current assets decreased by approximately S\$0.4 million.

The decrease in construction work-in-progress (net of excess of progress billings over construction work-in-progress) of about S\$5.6 million was due mainly to increase progress billings in excess of work-in-progress costs from new projects as at 31 March 2010.

The decrease of development properties by S\$2.2 million was due mainly to recognition of additional costs into income statement by Tianmen Jinwan Project of S\$2.8 million. The decrease was partially offset by an increase in additional development costs in ongoing development project.

Trade and other receivables increased by S\$7.6 million. The increase was due mainly to increase in net accrued receivables by S\$4.8 million due mainly to the new projects such as The Volari, Raffles City Shopping Mall and Hotel at Upper Pickering Street. Other increase included increase in deposit placed for land use rights by S\$3.9 million.

Increase in amount due from related parties by S\$2.2 million was due mainly to reimbursement of payroll paid on behalf of joint venture partners, yet to be received as at period end.

### **Non-Current Liabilities**

As at 31 March 2010, non-current liabilities totaled S\$28.5 million or approximately 12.9% of total liabilities, a decrease of S\$6.6 million compared to 31 December 2009.

Amount due to related parties increased by approximately S\$1.0 million due mainly to owing to a minority shareholder, from one of the Group's PRC subsidiaries, to finance the development properties projects.

Non-current portion loans and borrowing decreased by S\$6.2 million due mainly to repayment of loan obtained from a financial institution S\$9.5 million to finance the development properties projects in the PRC. The decrease was partially offset by additional loan of S\$3.4 million to finance the Group's construction projects.

### **Current Liabilities**

As at 31 March 2010, current liabilities stood at S\$192.3 million or approximately 87.1% of total liabilities, an increase of S\$4.3 million.

The increase was due mainly to increase in progress billings in excess of construction work in progress, amount due to related parties and loans and borrowings by S\$2.4 million, S\$3.9 million and S\$4.0 million respectively. The increase was partially offset by decrease in trade and other payables by S\$6.0 million and current tax payables by S\$0.4 million.

Increase in amount due to related parties was due mainly to increase in amount due to joint venture for advances received arising from the new joint venture. The increase was partially offset by repayment of non-trade amount due to a corporate shareholder of S\$0.5 million during the period.

Increase in loans and borrowing was due mainly to new loans drawdown for project financing and purchase of equipments by S\$5.8 million. The increase was partially offset by repayment of bank overdraft by S\$1.6 million.

Trade and other payables decreased by approximately S\$6.0 million was due mainly to decrease in dividends payable, trade payables and receipts in advance from Tianmen Jinwan Project by S\$6.0 million, S\$5.3 million and S\$2.2 million respectively. The decrease was partially offset by increase in receipts in advance of S\$6.9 million contributed by Sunny International Project since its commencement of sales in August 2009.

## **Review of Statement of Cash Flows**

### **Net cash from operating activities**

For the 3-month ended 31 March 2010, the Group recorded a net cash inflow from operating activities of S\$4.6 million, decreased by S\$7.6 million as compared to the previous corresponding period ended 31 March 2009. The net cash inflow from operating activities comprised operating profit before working capital changes of S\$5.6 million and net working capital inflow of S\$0.4 million, offset by income taxes paid of S\$1.4 million.

The changes in working capital from operating activities arose mainly from:

- (a) Decrease in development properties by S\$2.1 million, due mainly to the completion of Tianmen Jinwan Building in March 2009 and the recognition of related development costs to the profit and loss.
- (b) Net increase in trade and other receivables by S\$9.5 million, due mainly to increase in net accrued receivables by S\$7.3 million from new projects such as The Volari, Hotel at Upper Pickering Street and Raffles City Shopping Mall. Other increase included increase in deposit placed for land use rights by S\$3.9 million.
- (c) Net decrease in trade and other payables by S\$1.4 million.

### **Net cash from investing activities**

For the 3-month ended 31 March 2010, the Group recorded a net cash outflow from investing activities of S\$4.0 million, increased by S\$2.5million as compared to the previous corresponding period ended 31 March 2009.

The increase in net cash outflow from investing activities due mainly to additional new investment in an associate S\$1.0 million in PRC, purchase of property, plant and equipment of S\$1.6 million and net cash outflow from balances with related parties by S\$1.4 million.

### **Net cash from financing activities**

For the 3-month ended 31 March 2010, the Group recorded a net cash outflow from financing activities of S\$3.6 million, compared to the previous corresponding period ended 31 March 2009 of net cash inflow of S\$2.7 million. This was mainly due to payment of dividends S\$6.0 million during the period. This was offset by a receipt of S\$2.9 million capital contribution from minority shareholder. For loans and borrowings, there was a net repayment of S\$0.3 million in the 3-month period ended 31 March 2010 compared to a net proceed of S\$3.6 million in the corresponding period ended 31 March 2009.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

This is in line with the Group's profit guidance announcement released on 1 June 2010.

**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**

The Singapore construction industry will continue to see an uptrend due to increase in the demand for construction services, particularly in the public sector. The Group's order book as of 31 May 2010 stands at approximately \$954 million. While the global economy is experiencing some recovery, costs are expected to remain stable or increase slightly for the coming periods. As for the recent increase in foreign workers' levy over the next three years, this will increase our costs if the Group's productivity were to lag behind. However, given that the Group has been actively investing in and using technologies to increase cost efficiencies and productivities, impact of increased levy is expected to be manageable.

### **Property Development in the PRC**

Price trend for residential units in Tianjin is likely to increase due to a projected sustained demand in 2010 and in the near medium term as well as from contributing factor where the Tianjin Binhai New Area ("TBNA") is viewed as a new driving force in the economy.

Given the PRC government's current focus and initiatives to develop the second- and third-tier cities beyond the first-tier cities, price trends for residential and commercial units in second- and third-tier cities are likely to remain constant or increase in 2010 and the near medium term.

Since the beginning of 2010, the Group has observed a slight increase in the prices of steel, concrete and aluminum as well as an increase in land prices. Nonetheless, the overall demand for raw materials in PRC is expected to remain relatively stable in 2010.

### **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 dividend has been declared or recommended for the period ended 31 March 2010.

On behalf of the Board of Directors

BY ORDER OF THE BOARD

Pek Lian Guan  
Executive Director and CEO  
02 June 2010



# **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 1<sup>st</sup> quarter financial statements for the financial period ended 31 March 2010 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 June 2010