TIONG SENG HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Co. Reg. No: 200807295Z)

UNAUDITED 12 MONTHS FINANCIAL STATEMENT ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 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.

	12 Months Ended 31 December 2010 S$'000	12 Months Ended 31 December 2009(1) S$'000	Change %
Revenue			
Revenue from construction contracts	226,785	279,086	-19
Revenue from sales of development properties	22,885	95,529	-76
Revenue from direct sales and licensing	1,679	-	100
Rental Income	955	1,010	-5
	252,304	375,625	-33
Other income	6,304	8,799	-28
Costs of construction	(199,899)	(244,800)	-18
Costs of sales of development properties	(14,684)	(70,198)	-79
Costs of goods sold	(1,459)	-	100
Depreciation and amortisation	(3,269)	(1,794)	82
Selling expenses	(2,853)	(1,251)	>100
Staff costs	(13,174)	(8,563)	54
Other expenses	(10,658)	(10,437)	2
	(245,996)	(337,043)	-27
Profit from operating activities	12,612	47,381	-73
Finance income	2,006	3,639	-45
Finance expenses	(3,682)	(5,475)	-33
Net finance expense	(1,676)	(1,836)	-9
Share of loss of associates, net of tax	(51)	-	100
Share of profit of joint ventures, net of tax	16,323	19,983	-18
Profit before income tax	27,208	65,528	-58
Income tax	(3,737)	(13,884)	-73
Profit for the year	23,471	51,644	-55
Other comprehensive expense			
Translation differences relating to financial statements of foreign subsidiaries	(4,508)	(1,872)	>100
Exchange differences on monetary items forming part of net investment in a foreign operation	(18)	(20)	-10
Net change in the fair value of available-for-sale investments	7	73	-90
Income tax on other comprehensive income	1	(9)	->100
Other comprehensive income for the year	(4,518)	(1,828)	>100
Total comprehensive income for the year	18,953	49,816	-62

	12 Months Ended 31 December 2010 S$'000	12 Months Ended 31 December 2009[(1)] S$'000	Change %
Profit attributable to:			
Equity holders of the Company	21,446	41,402	-48
Non-controlling interests	2,025	10,242	-80
Profit for the year	23,471	51,644	-55
Total comprehensive income attributable to:			
Equity holders of the Company	18,548	40,658	-54
Non-controlling interests	405	9,158	-96
Total comprehensive income for the year	18,953	49,816	-62
Earnings per share			
- Basic and diluted (cents)[2]	2.80	7.33	-62

[1] The comparative consolidated financial statements of the Group for the year ended 31 December 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.

[2] Based on share capital of 766,039,750 as at 31 December 2010 (2009: pre-invitation 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:

	12 Months Ended 31 December 2010 S$'000	12 Months Ended 31 December 2009 S$'000	Change %
Business tax incentive	(1,546)	(3,128)	-51
Fees from management of properties	(258)	(254)	2
Government grant – jobs credit scheme	(175)	(751)	-77
Gain on bargain purchase arising from acquisition of a subsidiary	(2,316)	-	100
Gain on disposal of investment properties	(649)	(323)	>100
Gain on disposal of property, plant and equipment	(187)	(2,428)	-92
Provision of demolition services and miscellaneous works	(130)	(536)	-76
Provision of project administrative service	-	(826)	-100
Direct operating expenses arising from rental of investment properties, plant and machinery	265	306	-13
Impairment loss on unquoted equity investment	-	2,300	-100
Initial public offering expenses	599	1,186	-49
Operating lease expenses	726	608	19
Travelling and transport expenses	1,110	730	52
Repair and maintenance expenses	1,311	989	33
Professional fees	762	507	50

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	
	31.12.2010	**31.12.2009**	**31.12.2010**	**31.12.2009**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Non-current assets				
Property, plant and equipment	30,394	23,064	-	-
Intangible assets	3,098	260	-	-
Investment properties	21,006	22,688	-	-
Associates and joint ventures	10,589	27,105	-	-
Trade and other receivables	10,404	9,004	-	-
Amounts due from related parties (trade)	104	-	-	-
Investment in subsidiaries	-	-	22,255	-
Other investments	6,642	1,162	-	-
Deferred tax assets	1,716	2,726	-	-
	83,953	86,009	22,255	-
Current assets				
Inventories	933	-	-	-
Construction work-in-progress	37,817	14,151	-	-
Development properties	206,106	80,236	-	-
Trade and other receivables	107,134	127,104	20	-
Amounts due from related parties	27,175	27,006	16,976	-
Cash and cash equivalents	86,547	32,841	44,565	52
	465,712	281,338	61,561	52
Total assets	549,665	367,347	83,816	52
Equity attributable to equity holders of the Company				
Share capital	154,552	20,000	154,552	-*
Reserves	(79,660)	(1,518)	(83,219)	-
Accumulated profits/(losses)	98,394	79,099	9,231	(253)
	173,286	97,581	80,564	(253)
Non-controlling interests	48,766	46,683	-	-
Total equity	222,052	144,264	80,564	(253)
Non-current liabilities				
Trade and other payables	6,375	5,463	-	-
Amounts due to related parties	-	6,724	-	-
Loans and borrowings	43,950	22,032	-	-
Deferred tax liabilities	212	885	-	-
	50,537	35,104	-	-
Current liabilities				
Progress billings in excess of construction work-in-progress	24,571	2,390		-
Trade and other payables	199,408	132,788	230	224
Amounts due to related parties	17,472	12,225	3,022	81
Loans and borrowings	13,124	19,468	-	-
Current tax payable	22,501	21,108	-	-
	277,076	187,979	3,252	305
Total liabilities	327,613	223,083	3,252	305
Total equity and liabilities	549,665	367,347	83,816	52

-*: Less than S$1,000

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

Amount repayable in one year or less, or on demand

As at 31.12.2010		As at 31.12.2009	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
13,124	-	19,468	-

Amount repayable after one year

As at 31.12.2010		As at 31.12.2009	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
43,950	-	22,032	-

Details of any collateral

1. Secured loan from a financial institution

(a) Pursuant to a loan agreement dated 28 June 2010 and the shareholding entrusted agreements (the "Agreements"), the shareholders of our subsidiary, Tianjin Zizhulin Guan Gang (formerly known as Tianjin Zizhulin Nanxi), pledged their equity interests as well as the shareholders' loan of RMB62 million to Northern International Trust & Investment Co., Ltd. ("Northern International Trust") as a form of security for loans up to RMB 300 million to Tianjin Zizhulin Guan Gang for a tenure of 30 months. Details of the loan are as per our announcement dated 29 June 2010. Notwithstanding this, Tianjin Zizhulin Guan Gang 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:

	31.12. 2010 S$'000	31.12. 2009 S$'000
Carrying amounts of assets:		
Leasehold land	5,216	5,321
Leasehold properties	9,231	5,984
Investment properties	906	944
Development properties	19,281	20,297
Plant and machinery	904	3,556
Deposits pledged	1,199	1,335
Total	**36,737**	**37,437**

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 or 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.

	12 Months Ended 31 December 2010 S$'000	12 Months Ended 31 December 2009 S$'000
Operating activities		
Profit from operating activities	12,612	47,381
Adjustments for:		
Allowance for doubtful trade receivables	-	21
Depreciation and amortisation	8,432	18,778
Gain on disposal of:		
- property, plant and equipment	(187)	(2,428)
- investment properties	(649)	(323)
- scrap material	(44)	-
Impairment loss of unquoted equity investment	-	2,300
Gain on bargain purchase arising from acquisition of a subsidiary	(2,316)	-
Reversal of allowance for impairment losses of unquoted equity instruments	-	(220)
Impairment loss on other receivable	33	-
Write off of:		
- bad debts	-	12
- property, plant and equipment	-	130
Operating profit before working capital changes	17,881	65,651
Changes in working capital:		
Inventories	(114)	-
Construction work-in-progress	(1,480)	(353)
Development properties	(66,271)	39,353
Trade and other receivables	(20,283)	(18,426)
Balances with related parties (trade)	2,446	(4,623)
Trade and other payables	47,679	(14,023)
Cash (used in)/ generated from operations	(20,142)	67,579
Income taxes paid	(7,636)	(4,453)
Income taxes refunded	-	1,195
Net cash from operating activities	(27,778)	64,321
Cash flow from investing activities		
Acquisition of a subsidiary, net of cash acquired	(376)	-
Balances with related parties (non-trade)	(2,489)	(1,903)
Dividend received from joint ventures	39,501	3,482
Interest received	441	44
Net cash outflow from investment in associates	-	(78)
Net cash outflow from investment in other investment	(5,886)	-
Proceeds from strike off of an associate	-	266
Proceeds from disposal of:		
- property, plant and equipment	204	2,107
- investment properties	1,080	1,057
- intangible asset	112	-
- other investments	391	-
Other receivables	-	504
Purchase of property, plant and equipment	(11,692)	(5,432)
Purchase of intangible assets	(286)	(170)
Net cash from investing activities	21,000	(123)

Cash flow from financing activities		
Balances with related parties (non-trade)	(4,923)	(11,400)
Capital contribution by non-controlling interests	6,889	6,862
Dividends paid to non-controlling interests	(49)	(49)
Dividends paid to equity holders	(6,000)	-
Decrease in deposits pledged	96	1,039
Interest paid	(3,492)	(3,627)
Net proceeds from initial public offerings	54,715	-
Payments of finance lease liabilities	(439)	(955)
Proceeds from loans and borrowings	67,344	46,652
Repayment of loans and borrowings	(52,348)	(65,693)
Net cash from financing activities	61,793	(27,171)
Net increase in cash and cash equivalents	55,015	37,027
Cash and cash equivalents at beginning of the year	29,921	(6,858)
Effect of exchange rate changes on balances held in foreign currencies	(566)	(248)
Cash and cash equivalents at end of the year	84,370	29,921

As at 23 February 2011, in aggregate, approximately S$14.2 million of IPO proceeds has been drawn down, with approximately S$5.0 million used for construction of pre-casting facilities, S$3.0 million on repayment of outstanding sums owing to affiliated corporation and S$6.2 million paid for various IPO related expenses, including management, underwriting and placement commission.

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 [1]	Capital reserve	Statutory reserve	Fair value reserve	Foreign currency translation reserve	Accumulated profits	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 2010	20,000	-	(189)	976	61	(2,366)	79,099	97,581	46,683	144,264
Total comprehensive income for the year										
Profit or loss	-	-	-	-	-	-	21,446	21,446	2,025	23,471
Other comprehensive income										
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	(2,888)	-	(2,888)	(1,620)	(4,508)
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	-	-	(18)	-	(18)	-	(18)
Net change in the fair value of available-for-sale investments	-	-	-	-	7	-	-	7	-	7
Income tax on other comprehensive income	-	-	-	-	(1)	2	-	1	-	1
Total other comprehensive income / (expense)	-	-	-	-	6	(2,904)	-	(2,898)	(1,620)	(4,518)
Total comprehensive income and expenses for the year	-	-	-	-	*6*	*(2,904)*	*21,446*	*18,548*	*405*	*18,953*
Transaction with owners, recorded directly in equity										
Changes in ownership interests in subsidiaries										
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	315	315	(3,233)	(2,918)
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	331	331
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	315	315	(2,902)	(2,587)
Contributions by and distributions to owners										
Issue of ordinary shares	134,552	(77,720)	-	-	-	-	-	56,832	-	56,832
Dividends to equity holders	-	-	-	-	-	-	-	-	(2,315)	(2,315)
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	6,889	6,889
Additional capital injection by non-controlling interests	-	-	10	-	-	-	-	10	6	16
Total contributions by and distributions to owners	134,552	(77,720)	10	-	-	-	-	56,842	4,580	61,422
Total transaction with owners	134,552	*(77,720)*	*10*	-	-	-	*315*	*57,157*	1,678	58,835
Transfer to statutory reserve	-	-	-	2,466	-	-	(2,466)	-	-	-
At 31 December 2010	154,552	(77,720)	(179)	3,442	67	(5,270)	98,394	173,286	48,766	222,052

[1] 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 year ended 31 December 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	Non-controlling interests	Total equity
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
At 1 January 2009									
Total comprehensive income for the year	20,000	(189)	944	-	(1,396)	43,729	63,088	30,663	93,751
Profit or loss	-	-	-	-	-	41,402	41,402	10,242	51,644
Other comprehensive income									
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	(788)	-	(788)	(1,084)	(1,872)
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	-	(20)	-	(20)	-	(20)
Net change in the fair value of available-for-sale investments	-	-	-	73	-	-	73	-	73
Income tax on other comprehensive income	-	-	-	(12)	3	-	(9)	-	(9)
Total other comprehensive income / (expense)	-	-	-	61	(805)	-	(744)	(1,084)	(1,828)
Total comprehensive income and expenses for the year	-	-	-	*61*	*(805)*	*41,402*	*40,658*	*9,158*	*49,816*
Transaction with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-
Changes in ownership interests in subsidiaries									
Effect of liquidation of a subsidiary	-	-	-	-	(165)	-	(165)	-	(165)
Total changes in ownership interests in subsidiaries	-	-	-	-	(165)	-	(165)	-	(165)
Contributions by and distributions to owners									
Dividends to equity holders	-	-	-	-	-	(6,000)	(6,000)	-	(6,000)
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	6,862	6,862
Total contributions by and distributions to owners	-	-	-	-	-	(6,000)	(6,000)	6,862	862
Total transaction with owners	-	-	-	-	(165)	(6,000)	(6,165)	6,862	697
Transfer to statutory reserve	-	-	32	-	-	(32)	-	-	-
At 31 December 2009	20,000	(189)	976	61	(2,366)	79,099	97,581	46,683	144,264

Company	Share capital S$'000	Merger Reserve S$'000	Accumulated profits S$'000	Total equity S$'000
At 1 January 2010	-*	-	(253)	(253)
Issuance of new shares pursuant to the restructuring exercise	99,836	(83,219)	-	16,617
Allotment and issue of shares to investors pursuant to the invitation	54,716	-	-	54,716
Profit or loss / Total comprehensive income for the year	-	-	9,484	9,484
At 31 December 2010	154,552	**(83,219)**	**9,231**	**80,564**
At 1 January 2009	-*	-	(79)	(79)
Profit or loss / Total comprehensive income for the year	-	-	(174)	(174)
At 31 December 2009	-*	-	(253)	(253)

-*: 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$
Pre-invitation share capital as at 31 March 2010	564,995,750	99,836,012
New shares issued pursuant to the invitation (Note 1)	201,044,000	54,715,397
Share capital as at 31 December 2010	766,039,750	154,551,409

Note 1
Pursuant to the Company's listing on the Main Board of Singapore Exchange Securities Trading Limited, a total of 201,044,000 new shares were 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 766,039,750 shares as at 31 December 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 year reported on.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's independent auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has adopted the same accounting policies and method of computation in the financial statements for the current year 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.**

During the current financial year, the Group and the Company have adopted the following new and revised FRSs which took effect from the financial year beginning 1 January 2010.

- FRS 103 *Business Combinations (2009)*
- FRS 27 *Consolidated and Separate Financial Statements (2009)*

These changes in accounting policies are assessed to have no material impact to the results or the opening balance of the accumulated profits of the Group and of the Company for the year ended 31 December 2010.

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.

	12 Months Ended 31 December 2010	12 Months Ended 31 December 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	2.80	7.33
(b) On a fully diluted basis	2.80	7.33
Number of shares in issue at the end of the year	766,039,750	564,995,750

The earnings per ordinary share has been calculated net of non-controlling interests on 766,039,750 shares at 31 December 2010 (31 December 2009: 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 December 2010	31 December 2009	31 December 2010	31 December 2009
	(cents)	(cents)	(cents)	(cents)
Net asset value per ordinary share based on issued share capital at the end of:	22.62	17.27	10.52	NM

The net asset value per ordinary share has been calculated net of non-controlling interests, on 766,039,750 shares at 31 December 2010 (31 December 2009: 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.

<u>Review of Group Performance for FY2010 vs FY2009</u>

Revenue

Revenue decreased by approximately S$123.3 million or 33% from approximately S$375.6 million in FY2009 to approximately S$252.3 million in FY2010. The decrease was mainly attributable to a decrease in revenue from construction contracts and revenue from sales of development properties of approximately S$52.3 million and S$72.6 million respectively in FY2010.

Revenue from construction contract

The decrease in revenue in FY2010 from S$279.1 million to S$226.8 million as compared to FY2009 was due mainly to lower work done for near to completion / completed projects, being Capella, Tribeca, Wilkie, Sky @ Eleven, Marina Bay Financial Centre Tower 3 and Sentosa Integrated Resorts, with an aggregated decrease of approximately S$165.8 million. The decrease was partially offset by the increase in work done for on-going projects, being Raffles City Shopping Mall, Hilltops, Shelford Suites, Wharf, The Volari and Hotel at Upper Pickering Street and projects at Papua New Guinea totaling S$114.2 million.

In accordance with our revenue recognition policy, work done amounting to approximately S$34.6 million from newly commenced projects, Hundred Trees, Tree House and NUS Staff Housing at Kent Vale, have yet to be recognised as revenue as at 31 December 2010.

Revenue from sales of development properties

The decrease in revenue from sales of development properties in FY2010 was due mainly to a decrease in revenue contributed from the Tianmen Jinwan Building project 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 FY2009. Revenue for FY2010 was derived only from the sales of the remaining units during the financial year.

Revenue from direct sales and licensing

Revenue from direct sales and licensing increased by approximately S$1.7 million in FY2010 and was contributed by the Cobiax Group, which was acquired in August 2010.

Other Income

Other income decreased by approximately S$2.5 million in FY2010 due mainly to reduction of S$1.6 million in business tax incentive granted by The People's Government of Tianjin City, PRC to one of our subsidiaries to encourage city re-development, reduction of S$2.2 million gain on disposal of property, plant and equipment and reduction of S$0.8 million from provision of project administrative service. The decrease was partially offset by the S$2.3 million gain on bargain purchase arising from acquisition of Cobiax Group in FY2010.

Cost of construction

The fluctuation in cost of construction for FY2010 was generally in line with the fluctuation in revenue from construction contracts.

Cost of sales of development properties

Decrease in cost of sales of development properties in FY2010 was due mainly to decrease in revenue from sales of development properties.

Cost of goods sold

Cost of goods sold increased by S$1.5 million in FY2010 due mainly to the acquisition of Cobiax Group in August 2010.

Depreciation and amortisation

Increase in depreciation and amortisation in FY2010 was due mainly to additions of property, plant and machinery amounting to S$14.5 million in FY2010.

Selling expenses

Increase in selling expenses of approximately S$1.6 million in FY2010 was due mainly to the increase in sales commission rate charged by the agents for properties sold for Tianmen Jinwan Building in Tianjin, resulting in an increase of S$0.8 million in selling expense for Tianjin Tianmen Jinwan. In addition, there was also an increase of S$0.8 million in sales commission expenses incurred for the Sunny International project in Cangzhou City Huashi and Guangang project in FY2010.

Staff costs

Increase in staff costs in FY2010 was due mainly to additional headcount to support new construction projects such as Wharf, The Volari, Hotel at Upper Pickering Street, NUS Staff Housing at Kent Vale, Hundred Trees and Tree House and approximately S$1.1 million due mainly to acquisition of Cobiax Group.

Other expenses

Other expenses increased by approximately S$0.2 million in FY2010 due mainly to the aggregate increase in bank charges, professional fees, repair and maintenance expenses, travelling and transport expenses, plant hire expenses and general expenses totalling approximately S$3.2 million. The increase was partially offset by the decrease in initial public offerings expenses and impairment loss on unquoted shares by approximately S$0.6 million and S$2.3 million respectively.

Finance Income

Finance income decreased by approximately S$1.6 million in FY2010 due mainly to S$1.1 million decrease in accretion of discount implicit in retention sum receivables. Contributing to the FY2010 decrease was also the fact that there were no retention payables from the property development segment, as no property development project was completed during this year, as compared to the completion of Tianmen Jinwan Building project in March 2009. This led to a decrease in implicit interest in retention sum payable of S$0.4 million.

Finance expenses

Finance expenses decreased by approximately S$1.8 million in FY2010 due mainly to a reduction in borrowing costs.

Share of profit of joint ventures, net of tax

Share of profit of joint ventures decreased by approximately S$3.7 million in FY2010, due mainly to the completion of certain of our joint venture projects, which resulted in a lower share of profits compared to FY2009.

Income tax expense

Decrease in income tax expense in FY2010 was generally due to the decrease in profit for the year.

Profit for the year

Profit for the year decreased by approximately S$28.7 million in FY2010, due mainly to the decrease in profit from operating activities.

Review of Group Financial Position

Non-Current Assets

As at 31 December 2010, non-current assets stood at S$84.0 million or approximately 15.3% of total assets.

The decrease in associates and joint ventures of S$16.5 million was due mainly to net receipts from our joint ventures.

The increase in intangible assets of approximately S$2.8 million arose mainly due to the acquisition of Cobiax Group.

The increase in other investments of approximately S$5.4 million was due mainly to the new investment in Tianjin Eco-City Sheng Jing of approximately S$5.8 million, offset by decrease in other investment of S$0.4 million.

The increase in property, plant and equipment of approximately S$7.3 million was due mainly to additions amounting to S$14.5 million which was offset by depreciation charges of S$7.5 million.

Current Assets

As at 31 December 2010, current assets stood at S$465.7 million or approximately 84.7% of total assets. Current assets increased by approximately S$184.4 million.

The increase in development properties of approximately S$125.9 million was due mainly to capitalisation of Guangang land use right of S$100.4 million to development property and incurrence of additional development property costs on the Sunny International project. The increase was partially offset by a decrease in development property costs of the Tianmen Jinwan Building project upon the sales of some of the remaining units during FY2010.

The increase in cash and cash equivalents of approximately S$53.7 million was due mainly to net proceeds from the initial public offering amounting to approximately S$54.7 million.

Trade and other receivables decreased by S$19.9 million. The decrease was due mainly to the transfer of the S$43.0 million deposit placed for Guangang land use right to property development cost. This was partially offset by S$3.9 million increase in net accrued receivables, S$9.3 million in trade receivables, S$3.1 million in deposit and prepayment, S$1.0 million tax prepayment and S$5.0 million increase in retention sum receivables, mainly from new projects, such as The Volari, Raffles City Shopping Mall, Hotel at Upper Pickering Street, NUS Staff Housing at Kent Vale, Hundred Trees and Tree House and increase in work done for on-going project such as Hilltops. These increases were offset by lower work done for 2010 completed projects, such as Tribeca and Shelford Suites.

The increase in construction work-in-progress (net of excess of progress billings over construction work-in-progress) of about S$1.5 million was due mainly to the increased progress billings in excess of construction work-in-progress costs from new projects as at 31 December 2010.

Non-Current Liabilities

As at 31 December 2010, non-current liabilities totaled S$50.5 million or approximately 15.4% of total liabilities, an increase of S$15.4 million compared to 31 December 2009.

Non-current portion loans and borrowings increased by S$21.9 million due mainly to new loans of S$39.1 million from Northern International Trust for the property development projects, offset by repayment of loans and the reclassification of loans to current liabilities due to the balances being due within one year, approximately of $19.8 million.

Current Liabilities

As at 31 December 2010, current liabilities stood at S$277.1 million or approximately 84.6% of total liabilities, an increase of S$89.1 million.

Trade and other payables increased by approximately S$66.6 million due mainly to accrual of outstanding amount of S$17.5 million payable for Guangang land use right, accrual for resettlement cost of approximately S$16 million and increase in receipts in advance of S$34.7 million mainly contributed by the Sunny International project since its commencement of phase I sales in August 2009 and increase in construction project accruals of S$11.5 million.

Decrease in loans and borrowings of approximately S$6.3 million was due mainly to repayment of approximately S$39.4 million made during the year. The decrease was offset by the increase in loans due within the next 12 months amounting to S$6.8 million, which were reclassified from non-current liabilities.

Increase in amounts due to related parties of approximately S$5.2 million was due mainly to the increase in non-trade amounts due to joint venture of S$4.3 million and increase in non-trade amounts due to non-controlling interests of S$1.8 million, offset by repayment made to related parties.

Review of Statement of Cash Flows

Net cash from operating activities

For the year ended 31 December 2010, the Group recorded a net cash outflow from operating activities of approximately S$27.8 million due mainly to the followings:

(a) Increase in development properties by S$66.3 million, due mainly to additional payment on land use right for the Guangang project and capitalisation of additional development property costs for Sunny International project.

(b) Net increase in trade and other receivables by S$20.3 million, due mainly to increase in retention sum receivables, accrued receivables and trade receivables from new projects, being The Volari, Hotel at Upper Pickering Street, Raffles City Shopping Mall, Wharf, NUS Staff Housing at Kent Vale, Hundred Trees, Tree House and increase in work done for existing project, being Hilltops.

(c) Net increase in construction work-in-progress by S$1.5 million due mainly to new projects' progress billings in excess of work-in-progress costs, which has yet to be recognised as revenue in accordance with our revenue recognition policy.

(d) Net increase in trade and other payables by S$47.7 million due mainly to increase in accrued trade payables and aggregate sum of retainage and retention for new projects, being The Volari, Hotel at Upper Pickering Street, Raffles City Shopping Mall, Hundred Trees and Tree House with their increase in work done as well as the accruals of land title cost for the Guangang project and increase of advance receipts from the pre-sales of properties in Cangzhou Huashi.

Net cash from investing activities

For the year ended 31 December 2010, the Group recorded a net cash inflow from investing activities of approximately S$21.0 million, increased by S$21.0 million compared to the previous year ended 31 December 2009.

The increase in net cash inflow from investing activities was due mainly to receipt from joint ventures of S$39.5 million which was offset by new investment of approximately S$5.9 million in Tianjin Eco-City Sheng Jing and purchase of property, plant and equipment of S$11.7 million.

Net cash from financing activities

For the year ended 31 December 2010, the Group recorded a net cash inflow from financing activities of S$61.8 million, compared to the previous year ended 31 December 2009 of net cash outflow of S$27.2 million. This was due mainly to net proceeds from initial public offerings of S$54.7 million, a receipt of S$6.9 million of capital contributions from non-controlling interests and net receipt of S$15.0 million of loans and borrowings. This was offset by payment of dividends of S$6.0 million recorded in the last financial year, interest paid of S$3.5 million and net cash outflow from balances with related parties (non-trade) by S$4.9 million during the year.

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

Not applicable.

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

Backed by strong economic growth, Singapore's construction demand increased by 14% year-on-year from $22.5 billion in 2009 to $25.7 billion in 2010, according to the Building Construction Authority (BCA). In 2011, Singapore's construction sector outlook continues to be promising, and BCA has projected that construction demand will sustain between $22 billion and $28 billion. In keeping with this positive outlook, the Group managed to maintain a strong order book, which stands at approximately $1.0 billion (as at 31 December 2010).

Rising costs in building materials and foreign workers' levies will continue to be of concern to construction companies in Singapore. The government's recent initiative to increase foreign workers' levy reinforces the critical need to employ the latest technologies to enhance cost efficiencies and productivity. To cushion this impact, the Group will continue to explore investments in automation, training and other measures to improve productivity, and at the same time, utilise the government's new initiative for higher tax allowances for such productivity investments.

Further, with investments in technologies such as pre-casting and advanced formwork systems to reduce its reliance on labour and increase cost efficiencies, the Group believes it is ready to meet the aforesaid challenges.

The Group is also looking forward to the completion of its Prefabrication Hub in 3Q2011 which will revolutionise the automated production of pre-cast building components, thereby enhancing productivity at all levels. Its acquisition of a majority stake in Switzerland-based Cobiax Technologies AG also gives it a strong edge in driving efficiency and productivity by cutting the volume of concrete used in reinforcement concrete slab by as much as 30%.

The entry of a number of large foreign contractors in Singapore in 2010 has increased the competition for the Group, however, given our established track record and experience in enhancing productivity, efficiency and construction quality, the Group is reasonably confident that it will meet the challenges in its stride.

Property Development in the PRC

The PRC Government's continual measures to cool and regulate the property market will likely have a short-term impact on property inflation, but it is expected that the PRC property market will continue to see good growth momentum in the longer term[1]. In addition, the Group still feels optimistic about the increasing rate of urbanization which invariably would boost demand for quality housing in China's cities. Due to its strong economic growth in the past several years, China's urbanization rate has grown from 36.2% in 2000 to 45.7% in 2008[2]. It is been estimated that by 2020, almost 50% of the population will live in cities, and by 2050, this number will grow to 75%. Currently, China's urbanization still lags behind the 85% achieved in developed countries, and has, therefore, more room to grow[3]. Accordingly, we expect that the focus and initiatives to develop the second-tier and third-tier cities beyond the first-tier cities have not ceased. Price trends for residential and commercial units in second-tier and third-tier cities are likely to remain at least stable in 2011 and the near medium term. This is more so in Tianjin, where the Tianjin Binhai New Area ("TBNA") is viewed as a new driving force in the PRC economy.

[1] The Business Times (Singapore): China hikes rates, moves to cool property further, 9 Feb 2011

[2] China Statistical Yearbook 2008

[3] "China's urbanization rate to reach 50% by 2020" (Chinadaily.com.cn, 5 Dec 2010) quoting the 2009 City Development Report of China.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

Name of Dividend:	First and Final
Dividend Type:	Cash
Dividend Rate:	1 cent per ordinary share
Tax rate:	1-tier tax-exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

Name of Dividend:	First and Final
Dividend Type:	Cash
Dividend rate:	1.06 cents per ordinary share
Tax rate:	1-tier tax-exempt

(c) Date payable

The proposed dividend, if approved at the Annual General Meeting, will be paid out at a date to be announced.

(d) Books closure date

The books closure date will be announced at a later date.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is no applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

(a) Business segments

31 December 2010	Construction	Property Development	Rental	Direct Sales and Licensing	Segments total	Others	Elimination	Total
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
External revenue	226,785	22,885	955	1,679	252,304	-	-	252,304
Interest income	1,131	153	-	261	1,545	905	(1,942)	508
Interest expenses	(540)	(497)	-	(113)	(1,150)	(1,125)	1,130	(1,145)
Depreciation and amortisation	(7,349)	(106)	(663)	(263)	(8,381)	(51)	-	(8,432)
Reportable segment profit before income tax	13,434	5,171	298	(1,514)	17,389	(5,641)	(812)	10,936
Share of profit of associates and joint ventures, net of tax	16,323	-	-	-	16,323	(51)	-	16,272
Profit before income tax								27,208
Income tax expense								(3,737)
Profit for the year								23,471
Other material non-cash items:								
- Gain on bargain purchase arising from acquisition of subsidiary	2,316	-	-	-	2,316	-	-	2,316
Reportable segment assets	263,307	254,995	21,006	7,147	546,455	63,990	(71,369)	539,076
Investment in associates and joint ventures	10,568	-	-	-	10,568	21	-	10,589
Total assets								549,665
Reportable segment liabilities	162,542	169,953	-	5,238	337,733	60,088	(70,208)	327,613
Capital expenditure	14,875	183	380	249	15,687	315	-	16,002

31 December 2009	Construction S$'000	Property Development S$'000	Rental S$'000	Direct Sales and Licensing S$'000	Segments total S$'000	Others S$'000	Elimination S$'000	Total S$'000
External revenue	279,086	95,529	1,010	-	375,625	-	-	375,625
Interest income	1,129	653	-	-	1,782	225	(1,348)	659
Interest expenses	(1,442)	(1,932)	-	-	(3,374)	(1,125)	1,125	(3,374)
Depreciation and amortisation	(17,913)	(145)	(720)	-	(18,778)	-	-	(18,778)
Reportable segment profit before income tax	22,864	23,997	185	-	47,046	(1,278)	(223)	45,545
Share of profit of associates and joint ventures, net of tax	19,983	-	-	-	19,983	-	-	19,983
Profit before income tax								65,528
Income tax expense								(13,884)
Profit for the year								51,644
Other material non-cash items:								
- Allowance for impairment losses in unquoted equity investments	(2,300)	-	-	-	(2,300)	-	-	(2,300)
Reportable segment assets	175,767	177,301	22,689	-	375,757	10,692	(46,207)	340,242
Investment in associates and joint ventures	27,031	-	-	-	27,031	74	-	27,105
Total assets								367,347
Reportable segment liabilities	129,673	80,707	-	-	210,380	57,958	(45,255)	223,083
Capital expenditure	3,183	229	-	-	3,412	25	-	3,437

(b) Geographical segment

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets. The construction and property development segments are mainly domiciled in Singapore and the PRC respectively.

	Revenue from external customers		Non-current assets	
	2010 S$'000	2009 S$'000	**2010 S$'000**	2009 S$'000
Singapore	**215,001**	272,238	**43,932**	32,619
PRC	**23,428**	95,946	**19,421**	21,029
PNG	**12,184**	7,421	**4,847**	2,449
Other countries	**1,691**	20	**3,361**	-
Investment in associates and joint ventures	**-**	-	**10,589**	27,105
Other unallocated amounts	**-**	-	**1,803**	2,807
	252,304	375,625	**83,953**	86,009

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to section 8.

15. A breakdown of sales and profit before tax.

	2010 S$'000	2009 S$'000	Increase / (Decrease) %
Sales reported for first half year	124,429	217,620	(43)
Operating profit after tax before deducting non-controlling interests reported for first half year	10,772	28,203	(62)
Sales reported for second half year	127,875	158,005	(19)
Operating profit after tax before deducting non-controlling interests reported for second half year	12,699	23,441	(46)

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Total annual dividend (Refer to note 11 for the details).

	Latest full year (S$'000)	Previous full year (S$'000)
Ordinary	7,660	6,000
Preference	-	-
Total:	7,660	6,000

On behalf of the Board of Directors

BY ORDER OF THE BOARD

Pek Lian Guan
Executive Director and CEO
23 February 2011