



# TIONG SENG HOLDINGS LIMITED

(Incorporated in the Republic of Singapore )

(Co. Reg. No: 200807295Z)

## AUDITED FULL YEAR FINANCIAL STATEMENT ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

### PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

#### 1(a)(i) Combined statement of comprehensive income, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	2009 S\$'000	2008 S\$'000	Change %
<b>Revenue</b>			
Revenue from construction contracts	279,086	261,561	7
Revenue from sales of development properties	95,529	8,431	>100
Rental Income	1,010	2,322	-57
	<u>375,625</u>	<u>272,314</u>	38
Other income	<u>8,799</u>	<u>2,476</u>	>100
Costs of construction	(244,800)	(244,846)	<1
Costs of sales of development properties	(70,198)	(4,554)	>100
Depreciation and amortisation	(1,794)	(1,828)	-2
Selling expenses	(1,251)	(456)	>100
Staff costs	(8,563)	(8,246)	4
Other expenses	(10,437)	(12,113)	-14
	<u>(337,043)</u>	<u>(272,043)</u>	24
<b>Profit from operating activities</b>	<u>47,381</u>	<u>2,747</u>	>100
Finance income	3,639	4,564	-20
Finance expenses	(5,475)	(3,593)	52
<b>Net finance (expense) / income</b>	<u>(1,836)</u>	<u>971</u>	>-100
Share of loss of associates, net of tax	-	(1)	NM
Share of profit of joint ventures, net of tax	19,983	6,981	>100
<b>Profit before income tax</b>	<u>65,528</u>	<u>10,698</u>	>100
Income tax	(13,884)	(2,916)	>100
<b>Profit for the year</b>	<u>51,644</u>	<u>7,782</u>	>100
<b>Other comprehensive (expense) / income</b>			
Translation differences relating to financial statements of foreign subsidiaries	(1,872)	3,624	NM
Exchange differences on monetary items forming part of net investment in a foreign operation	(20)	(38)	-76
Net change in the fair value of available-for-sale investments	73	(137)	NM
Income tax on other comprehensive income	(9)	32	NM
<b>Other comprehensive (expense) / income for the year</b>	<u>(1,828)</u>	<u>3,481</u>	NM
<b>Total comprehensive income for the year</b>	<u>49,816</u>	<u>11,263</u>	>100

NM: Not Meaningful

	2009 S\$'000	2008 S\$'000	Change %
<b>Profit / (loss) attributable to:</b>			
Equity holders of the Company	41,402	9,272	>100
Minority interest	10,242	(1,490)	NM
<b>Profit for the year</b>	<b>51,644</b>	<b>7,782</b>	<b>&gt;100</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company	40,658	10,551	>100
Minority interest	9,158	712	>100
<b>Total comprehensive income for the year</b>	<b>49,816</b>	<b>11,263</b>	<b>&gt;100</b>
<b>Earning per share</b>			
- Basic and diluted (cents) <sup>1</sup>	<b>7.33</b>	<b>1.64</b>	

NM: Not Meaningful

1: Based on pre-invitation share capital of 564,995,750 shares

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

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

	2009 S\$'000	2008 S\$'000	Change %
Business tax incentive	(3,128)	-	NM
Fees from management of properties	(254)	(364)	-30
Gain on disposal of property, plan and equipment	(2,428)	(135)	>100
Gain on disposal of investment properties	(323)	(375)	-14
Government grant – jobs credit scheme	(751)	-	NM
Provision of demolition services and miscellaneous works	(536)	(472)	14
Provision of project administrative services	(826)	-	NM
Direct operating expenses arising from rental of investment properties, plant and machinery	306	826	-63
Impairment loss on unquoted equity investments	2,300	650	>100
Initial public offering expenses	1,186	1,446	-18
Operating lease expenses	608	398	53

**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	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	23,064	38,591	-	-
Intangible assets	260	-	-	-
Investment properties	22,688	24,623	-	-
Associates and joint ventures	27,105	10,203	-	-
Trade and other receivables	9,004	15,331	-	-
Amount due from related parties (trade)	-	334	-	-
Other investments	1,162	3,192	-	-
Deferred tax assets	2,726	937	-	-
	86,009	93,211	-	-
<b>Current assets</b>				
Construction work-in-progress	14,151	11,584	-	-
Development properties	80,236	121,890	-	-
Trade and other receivables	127,104	105,889	-	-
Amount due from related parties	27,006	22,022	-	-
Cash and cash equivalents	32,841	10,932	52	-
Assets classified as held for sale	-	439	-	-
	281,338	272,756	52	-
<b>Total assets</b>	<b>367,347</b>	<b>365,967</b>	<b>52</b>	<b>-</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	20,000	20,000	-*	-*
Reserves	(1,518)	(641)	-	-
Accumulated profits/(losses)	79,099	43,729	(253)	(79)
	97,581	63,088	(253)	(79)
<b>Minority interest</b>	<b>46,683</b>	<b>30,663</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>144,264</b>	<b>93,751</b>	<b>(253)</b>	<b>(79)</b>
<b>Non-current liabilities</b>				
Trade and other payables	5,463	7,026	-	-
Amounts due to related parties	6,724	10,170	-	-
Loans and borrowings	22,032	3,439	-	-
Deferred tax liabilities	885	1,062	-	-
	35,104	21,697	-	-
<b>Current liabilities</b>				
Progress billings in excess of construction work-in-progress	2,390	2,695	-	-
Trade and other payables	132,788	143,744	224	-
Amount due to related parties	12,225	21,926	81	79
Loans and borrowings	19,467	71,694	-	-
Current tax payable	21,109	10,460	-	-
	187,979	250,519	305	79
<b>Total liabilities</b>	<b>223,083</b>	<b>272,216</b>	<b>305</b>	<b>79</b>
<b>Total equity and liabilities</b>	<b>367,347</b>	<b>365,967</b>	<b>52</b>	<b>-*</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 31.12.2009		As at 31.12.2008	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
19,467	-	71,061	633

**Amount repayable after one year**

As at 31.12.2009		As at 31.12.2008	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
22,032	-	3,439	-

**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>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amounts of assets:</b>		
Leasehold land	5,321	5,426
Leasehold properties	5,984	6,157
Investment properties	944	1,033
Development properties	20,297	81,078
Plant and machinery	3,556	15,132
Deposits pledged	1,335	2,374
<b>Total</b>	<b><u>37,437</u></b>	<b><u>111,200</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 year.**

	2009 S\$'000	2008 S\$'000
<b>Operating activities</b>		
Profit from operating activities	47,381	2,747
Adjustments for:		
Allowance for doubtful trade receivables	21	110
Depreciation and amortization	18,778	14,753
Gain on disposal of:		
- investment properties	(323)	(375)
- other investments	-	(26)
- property, plant and equipment	(2,428)	(135)
- subsidiaries	-	(355)
Impairment losses of:		
- quoted equity instruments	-	32
- unquoted equity instruments	2,300	650
Reversal of allowance for impairment losses of:		
- unquoted equity instruments	(220)	-
Write off of:		
- bad debts	12	102
- property, plant and equipment	130	2
<b>Operating profit before working capital changes</b>	<b>65,651</b>	<b>17,505</b>
Changes in working capital:		
Construction work-in-progress	(353)	839
Development properties	39,353	(19,274)
Trade and other receivables	(18,426)	(10,763)
Balances with related parties (trade)	(4,623)	2,066
Trade and other payables	(14,023)	23,360
Cash generated from operations	67,579	13,733
Income taxes paid	(4,453)	(9,609)
Income taxes refunded	1,195	1
<b>Net cash from operating activities</b>	<b>64,321</b>	<b>4,125</b>
<b>Cash flow from investing activities</b>		
Balances with related parties (non-trade)	(1,903)	(11,625)
Dividend received	3,482	42
Interest received	44	1,539
Net cash outflow from investment in associates	(78)	-
Net cash outflow on acquisition of interests in subsidiaries	-	(1,020)
Net cash outflow from disposal of subsidiaries in:		
- current year	-	(474)
- prior year	-	2,279
Proceeds from strike off of an associate	266	-
Proceeds from disposal of:		
- property, plant and equipment	2,107	597
- investment properties	1,057	479
- other investments	-	32
Purchase of:		
- property, plant and equipment	(5,432)	(25,620)
- investment properties	-	(229)
- other investments	-	(1,915)

	2009 S\$'000	2008 S\$'000
- intangible asset	(170)	-
Other receivables	504	1,983
<b>Net cash from investing activities</b>	<b>(123)</b>	<b>(33,932)</b>
<b>Cash flow from financing activities</b>		
Balances with related parties (non-trade)	(11,400)	9,530
Capital contribution by minority shareholders	6,862	7,899
Dividends paid to minority shareholders	(49)	-
Decrease / (increase) in deposits pledged	1,039	(475)
Interest paid	(3,627)	(3,311)
Payments of finance lease liabilities	(955)	(964)
Proceeds from loans and borrowings	46,652	29,154
Repayment of loans and borrowings	(65,693)	(24,237)
<b>Net cash from financing activities</b>	<b>(27,171)</b>	<b>17,596</b>
<b>Net increase / (decrease) in cash and cash equivalent</b>	<b>37,027</b>	<b>(12,211)</b>
Cash and cash equivalent at beginning of the year	(6,858)	4,345
Effect of exchange rate changes on balance held in foreign currencies	(248)	1,008
<b>Cash and cash equivalents at end of the year</b>	<b>29,921</b>	<b>(6,858)</b>

**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	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	20,000	(189)	944	-	(1,396)	43,729	63,088	30,663	93,751
<b>Total comprehensive income for the year</b>									
Profit or loss	-	-	-	-	-	41,402	41,402	10,242	51,644
<b>Other comprehensive income</b>									
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)
<i>Total comprehensive income and expenses for the year</i>	-	-	-	61	(805)	41,402	40,658	9,158	49,816
<b>Transaction with owners, recorded directly in equity</b>									
<b>Changes in ownership interests in subsidiaries</b>									
Effect of liquidation of a subsidiary	-	-	-	-	(165)	-	(165)	-	(165)
Total changes in ownership interests in subsidiaries	-	-	-	-	(165)	-	(165)	-	(165)
<b>Contributions by and distributions to owners</b>									
Dividends to equity holders	-	-	-	-	-	(6,000)	(6,000)	-	(6,000)
Capital contribution by minority shareholders	-	-	-	-	-	-	-	6,862	6,862
Total contributions by and distributions to owners	-	-	-	-	-	(6,000)	(6,000)	6,862	862
<i>Total transaction with owners</i>	-	-	-	-	(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

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 2008									
<b>Total comprehensive income for the year</b>	20,000	(189)	189	112	(2,769)	35,212	52,555	20,351	72,906
Profit or loss	-	-	-	-	-	9,272	9,272	(1,490)	7,782
<b>Other comprehensive income</b>									
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	1,422	-	1,422	2,202	3,624
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	-	(38)	-	(38)	-	(38)
Net change in the fair value of available-for-sale investments	-	-	-	(137)	-	-	(137)	-	(137)
Income tax on other comprehensive income	-	-	-	25	7	-	32	-	32
Total other comprehensive income / (expense)	-	-	-	(112)	1,391	-	1,279	2,202	3,481
<i>Total comprehensive income and expenses for the year</i>	-	-	-	(112)	1,391	9,272	10,551	712	11,263
<b>Transaction with owners, recorded directly in equity</b>									
<b>Changes in ownership interests in subsidiaries</b>									
Effect of liquidation of a subsidiary	-	-	-	-	(18)	-	(18)	1,701	1,683
Total changes in ownership interests in subsidiaries	-	-	-	-	(18)	-	(18)	1,701	1,683
<b>Contributions by and distributions to owners</b>									
Capital contribution by minority shareholders	-	-	-	-	-	-	-	7,899	7,899
Total contributions by and distributions to owners	-	-	-	-	-	-	-	7,899	7,899
<i>Total transaction with owners</i>	-	-	-	-	(18)	-	(18)	9,600	9,582
Transfer to statutory reserve	-	-	755	-	-	(755)	-	-	-
At 31 December 2008	20,000	(189)	944	-	(1,396)	43,729	63,088	30,663	93,751

## Company

	Share capital	Accumulated profits	Total equity
	S\$'000	S\$'000	S\$'000
At 1 January 2009	-*	(79)	(79)
Profit or loss / Total comprehensive income for the year	-	(174)	(174)
<b>Transactions with owners, recorded directly in equity</b>			
At 31 December 2009	-*	(253)	(253)
At 15 April 2008 (date of incorporation)	-*	-	-
Profit or loss / Total comprehensive income for the period	-	(79)	(79)
At 31 December 2009	-*	(79)	(79)

-\*: 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.**

There are no changes in the Company's share capital during the financial year ended 31 December 2009 ("FY 2009"). Subsequent to FY 2009, the Company had undergone a restructuring and initial public offering exercise, for the purpose of listing the Company's shares in the Singapore Exchange Securities Trading Limited on 16 April 2010, with a revised share capital comprising 753,995,750 shares.

**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 1 share as at 1 January 2009 and 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.

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

The figures for the financial year ended 31 December 2009 have been audited by the Company's independent auditors in accordance with Singapore Standards on Auditing. The figures for the financial year ended 31 December 2008 were unaudited as the Company was exempted from audit under the Companies Act, Chapter 50.

The Auditors Reports are attached to this announcement.

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

Please refer to Appendix as attached to this announcement.

**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 those of the previous financial year, except that the Group has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2009. The adoption of these new/ revised FRSs and INT FRSs do not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current of last financial year.

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.**

Please refer to section 4 above.

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.**

	2009	2008
	(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	7.33	1.64
(b) On a fully diluted basis	7.33	1.64

The earnings 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	
	2009	2008	2009	2008
	(cents)	(cents)	(cents)	(cents)
Net asset value per ordinary share based on issued share capital at the end of:	17.27	11.17	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 FY2009 compared to FY2008**

**Revenue**

Revenue increased by approximately S\$103.3 million or 38% mainly attributed to increase in construction contract revenue by approximately S\$17.5 million and development properties business in PRC by approximately S\$87.1 million, partially offset by decrease in rental income by approximately S\$1.3 million.

***Revenue from construction contract***

Revenue from our construction contracts increased approximately S\$146.5 million derived from projects, namely, the Sentosa Integrated Resorts Project, Tribeca, Sky @ Eleven,

Hilltops and 2 new projects, namely Shelford and Marina Boulevard Financial Centre T3, partially offset by an approximately S\$127 million decrease in revenue from on-going project Capella Phase 1 & 2 and four completed projects, namely Parc Emily, Riveredge Condominium, The ARC at Draycott, and Marina Boulevard Financial Centre (Foundation Engineering) in 2008.

**Revenue from sales of development properties**

The property development revenue in FY2009 was mainly contributed from the Tianmen Jinwan Building in Tianjin, following its completion in March 2009, while FY2008 was derived mainly from the sales of units in Wenchang Broadway in Yangzhou.

**Other Income**

Other income increased by approximately S\$6.3 million mainly due to the receipt of S\$3.1 million business tax incentive granted by The People's Government of Tianjin City, PRC to one of our subsidiaries to encourage city re-development and a gain on disposal of property, plant and equipment of S\$2.4 million in FY2009 as compared to S\$0.1 million in FY2008.

**Cost of construction**

There was only marginal increase in cost of construction for the two financial years due mainly to the improved gross profit margins for our new projects.

**Cost of sales of development properties**

Cost of sales of development properties increased by approximately S\$65.6 million following the recognition of sales from units sold in Tianmen Jinwan Building in Tianjin.

**Selling Expenses**

Selling expenses increased by approximately S\$0.8 million, attributable to the step-up of marketing efforts in promoting the sale of units in Tianmen Jinwan Building in Tianjin.

**Other Expenses**

Other expenses decreased by approximately S\$1.7 million mainly due to S\$0.9 million decrease in legal and professional fees, S\$0.5 million reduction in direct operating expenses arising from rental of investment properties, plant and machinery and S\$0.3 million reduction each in initial public offering expenses and repair and maintenance expenses.

**Finance Income**

Finance income decreased by approximately S\$0.9 million mainly due to a decrease in interest income from bank deposits, loan to a business associate and an investee by S\$0.1 million, S\$0.4 million and S\$0.7 million respectively. The decrease in finance income was partially offset by increase in loan interest income from loan to a minority shareholder by S\$0.4 million.

**Finance Expense**

Finance expense increased by approximately S\$1.9 million, due mainly to an increase of approximately S\$1.2 million in interest expenses incurred with the increased in construction and development activities in FY 2009.

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

Share of profit of joint ventures increased by approximately S\$13.0 million mainly due to the increase in share of profits from our joint venture projects.

**Profit for the year**

Profit for the year increased by approximately S\$43.9 million due to an improvement in profit from operating activities and higher share of profit from our joint ventures.

## **Review of Financial Position**

### **Non-Current Assets**

As at 31 December 2009, our non-current assets stood at S\$86.0 million or approximately 23.4% of our total assets, decreased by approximately S\$7.2 million.

There was a decrease in property, plant and equipment ("PPE") of approximately S\$15.5 million due to additional depreciation of approximately S\$18.1 million, of which S\$14.7 million was for tools and moulds, partially offset by additional purchases of S\$3.1 million.

Investment properties decreased by approximately S\$1.9 million mainly due to additional depreciation charged of S\$0.7 million and reclassification of one investment property of S\$0.6 million to assets classified as held for sale and sold within the same year.

Decrease in non-current trade and other receivables by approximately S\$6.3 million was mainly due to the reclassification of retention monies for certain construction projects to current as these amounts were due to be released within the next 12 months in anticipation of the completion of these projects.

Decrease in other investment by approximately S\$2.0 million was mainly due to additional impairment made of approximately S\$2.3 million for one of our unquoted security investment. The above decreases were partially offset by S\$16.9 million increase in investments in associate and joint ventures.

### **Current Assets**

As at 31 December 2009, our current assets stood at S\$281.4 million or approximately 76.8% of our total assets. Our current assets were increased by approximately S\$8.6 million.

Our trade and other receivables increased by S\$21.2 million. The increase was largely due to increase in deposit placed for acquisition of land use right by S\$23.6 million and increase in retention monies receivables from construction projects by approximately S\$17.0 million as our construction projects progressed. The increase was partially offset by decreases in trade receivables, accrued receivables and tax recoverable of S\$9.2 million, S\$4.8 million and S\$3.0 million respectively.

Amount due from related parties increased by S\$5.0 million mainly due to increase in amount owing by a joint venture partner of S\$4.7 million in relation to work performed and other expenses paid on its behalf.

Cash and cash equivalent increased by S\$21.9 million, mainly due to advance cash receipts from development properties projects in PRC and the advance stages of respective construction projects, where the amount claimed and collected are generally of higher quantum as compared to the earlier stages.

Development properties decreased by S\$41.7 million following the completion of Tianmen Jinwan Building in March 2009, partially offset by additional development costs capitalised from on-going development properties projects.

### **Non-Current Liabilities**

As at 31 December 2009, our non-current liabilities stood at S\$35.1 million or approximately 15.7% of our total liabilities, increased by S\$13.4 million.

Non-current portion loans and borrowing increased by S\$18.6 million mainly due to additional loan obtained to finance development properties projects in the PRC.

Decrease in non-current trade and other payables by S\$1.6 million were mainly due to reclassification of retention sum payables to current liabilities. Decrease in non-current amount due to related parties by S\$3.5 million was mainly due to repayment made during the year.

### **Current Liabilities**

As at 31 December 2009, our current liabilities stood at S\$188.0 million or approximately 84.3% of our total liabilities, a decrease of S\$62.5 million.

Trade and other payables decreased by approximately S\$11.0 million in FY2009. The decrease was mainly due to the recognition of S\$58.0 million of receipts in advance from property buyers, primarily of units in Tianmen Jinwan Building, as revenue in FY2009. This reduction was partially offset by increase in receipts in advance of S\$25.8 million, contributed from Sunny International Project; increase in accrued trade payables of S\$7.9 million mainly due to increase in accrual made for our construction activities and new properties development project; increase in retention sum payables of S\$8.9 million as more projects were expected to be completed within the next 12-month; interim dividend payables of S\$6 million and accrued operating expenses of S\$0.6 million mainly for IPO expenses.

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

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

In FY2009, we recorded a net cash inflow from operating activities of S\$64.3 million, increased by S\$60.2 million as compared to FY2008. The net cash inflow from operating activities comprised operating profit before working capital changes of S\$65.6 million and net working capital inflow of S\$1.9 million, income taxes refunded of S\$1.2 million, offset by income taxes paid of S\$4.5 million.

The net working capital inflow from operating activities arose mainly from:

- (a) Net decrease in development properties by S\$39.4 million, due mainly to the completion of Tianmen Jinwan Building in March 2009 and recognition of related development costs to the profit and loss, partially offset by additional development costs incurred.
- (b) Net increase in trade and other receivables of S\$18.4 million, due mainly to additional deposit placed for acquisition of land use right, offset by decrease in tax recoverable and tax prepayment.
- (c) Net decrease in trade and other payables of S\$14.0 million, due mainly to decrease in receipts in advance from customer for Tianmen Jinwan Building, partially offset by additional receipts in advance collected from Sunny International Project, and increased in accrued trade payables and retention sum payables.

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

In FY2009, we recorded a net cash outflow from investing activities of S\$0.1 million, decreased by S\$33.8 million as compared to FY2008.

The decrease in net cash outflow from investing activities due mainly to payment of S\$5.4 million capital expenditure in PPE in FY2009 as compared to S\$25.6 million in FY2008 and increase in non-trade balances with related parties of S\$1.9 million in FY2009 as compared to S\$11.6 million in FY2008.

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

In FY2009, we recorded a net cash outflow from financing activities of S\$27.2 million, increased by S\$44.8 million as compared to FY2008. This was mainly due to repayment of loans and borrowings by S\$65.7 million in FY2009 as compared to S\$24.2 million in FY2008 as well as net cash outflow for non-trade balances with related parties by S\$11.4 million as contrast to net cash inflow of S\$9.5 million in FY2008. The net cash outflow was partially offset by proceeds from loans and borrowings of S\$46.7 million in FY2009 as compared to S\$29.2 million in FY2008.

**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

The Singapore construction industry will continue to see an uptrend due to increase in the demand for construction services, particularly in the public sector. 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 our productivity were to lag behind. However, given that we have 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, our Group has observed a slight increase in the prices of steel, concrete and aluminium 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?

Name of dividend: Interim

Dividend Type: Cash

Dividend amount per share\* (in cents): 1.06

\*based on pre-invitation share capital of 564,995,750 shares as of 31 December 2009

**(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**

N/A

**(d) Books closure date**

N/A

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

Save for interim dividend as mentioned in section 11 (a), no dividend has been declared or recommended for the financial year ended 31 December 2009.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

(This part is not 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.**

The reportable segments for the years ended 31 December 2008 and 2009 is as follows:

31 December 2009

	Constructio n \$'000	Property development \$'000	Rental \$'000	Segments total \$'000	Others \$'000	Elimination \$'000	Total \$'000
External revenues	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	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							<u>367,347</u>
Reportable segment liabilities	129,673	80,707	–	210,380	57,958	(45,255)	222,083
Capital expenditure	<u>3,183</u>	<u>229</u>	<u>–</u>	<u>3,412</u>	<u>25</u>	<u>–</u>	<u>3,437</u>



**31 December 2008**

	<b>Construction</b>	<b>Property development</b>	<b>Rental</b>	<b>Segments total</b>	<b>Others</b>	<b>Elimination</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
External revenues	261,561	8,431	2,322	272,314	–	–	272,314
Interest income	1,439	811	–	2,250	149	(865)	1,534
Interest expenses	(1,740)	(428)	–	(2,168)	(670)	650	(2,188)
Depreciation	(13,659)	(107)	(987)	(14,753)	–	–	(14,753)
Reportable segment profit before income tax	2,813	665	1,294	4,772	(839)	(215)	3,718
Share of profit of associates and joint ventures, net of tax	6,980	–	–	6,980	–	–	6,980
Profit before income tax							10,698
Income tax expense							(2,916)
Profit for the year							7,782
Other material non-cash items:							
- Allowance for impairment losses in unquoted equity investments	(650)	–	–	(650)	–	–	(650)
Reportable segment assets	173,254	199,305	24,186	396,745	14,004	(54,985)	355,764
Investment in associates and joint ventures	10,203	–	–	10,203	–	–	10,203
Total assets							365,967
Reportable segment liabilities	145,632	132,928	–	278,560	47,913	(54,257)	272,216
Capital expenditure	27,791	75	384	28,250	–	–	28,250

### Geographical segments

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 customer

	2009 \$'000	2008 \$'000
Singapore	272,238	252,651
PRC	95,946	9,347
PNG	7,420	10,056
Other countries	21	260
	375,625	272,314

#### Non-current assets

	2009 \$'000	2008 \$'000
Singapore	32,619	56,414
PRC	21,029	22,335
PNG	2,449	2,907
Other countries	–	395
Investment in associates and joint ventures	27,105	10,203
Other unallocated amounts	1,923	957
	85,125	93,211

**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.**

	Group 2009 \$'000	Group 2008 \$'000	Group % increase/ (decrease)
(a) Revenue first half year	217,620	143,097	52
(b) Operating profit after tax before deducting minority interests reported for first half year	28,203	3,867	>100
(c) Revenue for second half year	158,005	129,217	22
(d) Operating profit after tax before deducting minority interests reported for second half year	23,441	3,915	>100

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 Para 16 of Appendix 7.2 for the required details*)

	2009 (S\$'000)	2008 (S\$'000)
Ordinary	6,000	-
Preference	-	-
Total:	6,000	-

BY ORDER OF THE BOARD

Pek Lian Guan  
Executive Director and CEO  
7 May 2010