



TIONG SENG HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Co. Reg. No: 200807295Z)

UNAUDITED FULL YEAR FINANCIAL STATEMENT ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

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

| | 12 Months Ended 31 December 2013 | 12 Months Ended 31 December 2012 | Change |
|--|-------------------------------------|-------------------------------------|----------------|
| | S\$'000 | S\$'000 | % |
| Revenue | | | |
| Revenue from construction contracts | 576,145 | 496,412 | 16 |
| Revenue from sales of development properties | 68,720 | 3,318 | >100 |
| Revenue from sales of goods | 8,939 | 10,312 | -13 |
| Rental Income | 1,111 | 1,385 | -20 |
| | <u>654,915</u> | <u>511,427</u> | 28 |
| Other income | <u>14,616</u> | <u>3,521</u> | >100 |
| Costs of construction contracts | (530,272) | (446,790) | 19 |
| Costs of sales of development properties | (68,386) | (2,741) | >100 |
| Costs of goods sold | (4,692) | (6,272) | -25 |
| Depreciation and amortisation | (5,855) | (4,704) | 24 |
| Selling expenses | (4,047) | (1,728) | >100 |
| Staff costs | (21,594) | (19,730) | 9 |
| Other expenses | (11,701) | (11,711) | - |
| | <u>(646,547)</u> | <u>(493,676)</u> | 31 |
| Profit from operating activities | 22,984 | 21,272 | 8 |
| Finance income | 3,118 | 2,027 | 54 |
| Finance costs | (5,740) | (3,333) | 72 |
| Net finance costs | (2,622) | (1,306) | >100 |
| Share of (loss) / profit of joint ventures, net of tax | (64) | 9,166 | N.M |
| Profit before tax | 20,298 | 29,132 | -30 |
| Tax expense | (11,422) | (2,705) | >100 |
| Profit for the year | 8,876 | 26,427 | -66 |

N.M : Not Meaningful

| | 12 Months Ended 31 December 2013 | 12 Months Ended 31 December 2012 | Change |
|--|-------------------------------------|-------------------------------------|------------|
| | S\$'000 | S\$'000 | % |
| Other comprehensive income | | | |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Translation differences relating to financial statements of foreign subsidiaries | 11,604 | (5,164) | N.M |
| Exchange differences on monetary items forming part of net investment in a foreign operation | 1,843 | (1,964) | N.M |
| Foreign currency translation difference on liquidation of subsidiary reclassified to profit and loss | 2,139 | - | N.M |
| Net change in the fair value of available-for-sale investments | (11) | 4 | N.M |
| Income tax on other comprehensive income | 2 | 425 | N.M |
| Other comprehensive income for the year, net of tax | 15,577 | (6,699) | N.M |
| Total comprehensive income for the year | 24,453 | 19,728 | 24 |
| Profit attributable to: | | | |
| Owners of the Company | 9,321 | 25,740 | -64 |
| Non-controlling interests | (445) | 687 | N.M |
| Profit for the year | 8,876 | 26,427 | -66 |
| Total comprehensive income attributable to: | | | |
| Owners of the Company | 23,561 | 21,273 | 11 |
| Non-controlling interests | 892 | (1,545) | N.M |
| Total comprehensive income for the year | 24,453 | 19,728 | 24 |
| Earnings per share | | | |
| - Basic and diluted (cents) ¹ | 1.22 | 3.36 | -64 |

¹Based on 766,039,750 shares, net of non-controlling interests as at 31 December 2013 and 31 December 2012

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 2013 | 12 Months Ended 31 December 2012 | Change |
|---|-------------------------------------|-------------------------------------|--------|
| | S\$'000 | S\$'000 | % |
| Gain from sales of car park lots | (3,356) | (208) | >100 |
| Fees from management of properties | (153) | (207) | -26 |
| Gain on disposal of investment properties | (8,133) | (343) | >100 |
| Advertisement expenses | 2,734 | 832 | >100 |
| Operating lease expenses | 1,470 | 1,355 | 8 |
| Professional expenses | 1,700 | 1,147 | 48 |
| Travelling and transport expenses | 1,339 | 1,153 | 16 |
| Repair and maintenance expenses | 1,288 | 1,572 | -18 |
| Tender expenses | 806 | 328 | >100 |

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 | |
|--|----------------|----------------|----------------|----------------|
| | 31.12.2013 | 31.12.2012 | 31.12.2013 | 31.12.2012 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Non-current assets | | | | |
| Property, plant and equipment | 87,052 | 84,376 | - | - |
| Intangible assets | 6,307 | 7,146 | - | - |
| Investment properties | 17,999 | 18,021 | - | - |
| Associates and joint ventures | 25,903 | 35,093 | - | - |
| Trade and other receivables | 33,872 | 20,332 | - | - |
| Investment in subsidiaries | - | - | 59,624 | 59,624 |
| Other investments | 6,018 | 6,027 | - | - |
| Deferred tax assets | 3,921 | 6,907 | - | - |
| | 181,072 | 177,902 | 59,624 | 59,624 |
| Current assets | | | | |
| Inventories | 2,714 | 2,625 | - | - |
| Construction work-in-progress | 43,519 | 66,408 | - | - |
| Development properties | 390,296 | 351,243 | - | - |
| Other investments | - | 194 | - | - |
| Asset held for sale | - | 371 | - | - |
| Trade and other receivables | 225,115 | 163,835 | 10,037 | 11 |
| Amounts due from related parties | 27,069 | 21,137 | 44,871 | 48,952 |
| Cash and cash equivalents | 79,812 | 66,378 | 26,465 | 85 |
| | 768,525 | 672,191 | 81,373 | 49,048 |
| Total assets | 949,597 | 850,093 | 140,997 | 108,672 |
| Equity attributable to owners of the Company | | | | |
| Share capital | 154,552 | 154,552 | 154,552 | 154,552 |
| Reserves | (34,822) | (76,457) | (18,456) | (45,850) |
| Retained earnings / (Accumulated losses) | 144,918 | 143,257 | (7,777) | (2,201) |
| | 264,648 | 221,352 | 128,319 | 106,501 |
| Non-controlling interests | 46,301 | 45,383 | - | - |
| Total equity | 310,949 | 266,735 | 128,319 | 106,501 |
| Non-current liabilities | | | | |
| Trade and other payables | 15,847 | 13,098 | - | - |
| Loans and borrowings | 93,582 | 88,947 | 1,000 | - |
| Deferred tax liabilities | 3,565 | 2,541 | - | - |
| | 112,994 | 104,586 | 1,000 | - |
| Current liabilities | | | | |
| Progress billings in excess of construction work-in-progress | 1,480 | 2,473 | - | - |
| Trade and other payables | 340,025 | 289,971 | 10,058 | 1,747 |
| Amounts due to related parties | 17,490 | 20,422 | 420 | 420 |
| Loans and borrowings | 158,455 | 149,140 | 1,200 | - |
| Current tax payable | 8,204 | 16,766 | - | 4 |
| | 525,654 | 478,772 | 11,678 | 2,171 |
| Total liabilities | 638,648 | 583,358 | 12,678 | 2,171 |
| Total equity and liabilities | 949,597 | 850,093 | 140,997 | 108,672 |

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

Amount repayable in one year or less, or on demand

| As at 31.12.2013 | | As at 31.12.2012 | |
|------------------|-----------|------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| 157,210 | 1,245 | 146,036 | 3,104 |

Amount repayable after one year

| As at 31.12.2013 | | As at 31.12.2012 | |
|------------------|-----------|------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| 93,582 | - | 88,947 | - |

Details of any collateral

1. Secured loan from a financial institution

Pursuant to a loan agreement dated 26 June 2010 and the shareholding entrusted agreements (the "Agreements"), the shareholders of our subsidiary, Tianjin Zizhulin Guangang Property Development Co., Ltd. ("Guangang"), pledged their equity interests as well as the shareholders' loan of RMB62 million to Northern International Trust & Investment Co., Ltd. as a form of security for loans up to RMB200 million to Guangang for a tenure of 24 months. Details of the loan are as per our announcement dated 29 June 2010. Notwithstanding this, Guangang remains a subsidiary of the Group. The loan repayment date has been extended to 5 August 2014.

2. Secured loan from a bank

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

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

| | 31 December 2013 | 31 December 2012 |
|------------------------------------|------------------|------------------|
| | \$'000 | \$'000 |
| Carrying amounts of assets: | | |
| Leasehold land | 4,902 | - |
| Freehold land | 4,835 | 4,983 |
| Leasehold properties | 34,279 | 8,952 |
| Investment properties | 567 | 963 |
| Development properties | 96,747 | 56,153 |
| Plant and machinery | 12,767 | 3,135 |
| Deposits pledged | 18,778 | 16,415 |
| Total | 172,875 | 90,601 |

The secured bank loans and bank overdrafts are also secured by assignment of rights, interests and benefits in connection with construction contracts and corporate guarantee of the Company.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial period.

| | 12 Months Ended 31 December 2013 S\$'000 | 12 Months Ended 31 December 2012 S\$'000 |
|--|--|--|
| Cash flow from operating activities | | |
| Profit from operating activities | 22,984 | 21,272 |
| Adjustments for: | | |
| Allowance for doubtful trade receivables | (4) | - |
| Depreciation and amortisation | 15,511 | 9,026 |
| Gain on disposal of: | | |
| - property, plant and equipment | (23) | (492) |
| - investment properties | (8,133) | (343) |
| Write off of property, plant and equipment | - | 58 |
| Operating profit before working capital changes | 30,335 | 29,521 |
| Changes in working capital: | | |
| Inventories | 19 | (1,468) |
| Construction work-in-progress | 21,836 | (4,615) |
| Development properties | (696) | (39,473) |
| Trade and other receivables | (62,439) | (45,802) |
| Balances with related parties (trade) | 862 | 5,558 |
| Trade and other payables | 34,764 | 80,189 |
| Cash from operations | 24,681 | 23,910 |
| Income taxes paid | (18,267) | (7,826) |
| Income taxes refunded | - | 3,199 |
| Net cash from operating activities | 6,414 | 19,283 |
| Cash flow from investing activities | | |
| Balances with related parties (non-trade) | (3,680) | (299) |
| Balances with ultimate holding company | (2,420) | - |
| Dividend received from joint ventures | 10,995 | 8,000 |
| Dividend received from available for sale investments | 4 | - |
| Interest received | 625 | 362 |
| Contribution of joint venture loan | - | (16,965) |
| Proceeds from disposal of: | | |
| - property, plant and equipment | 111 | 619 |
| - investment properties | 8,946 | 698 |
| - other investments | 3,849 | - |
| Purchase of other investments | (3,646) | - |
| Purchase of property, plant and equipment | (16,562) | (38,791) |
| Purchase of intangible assets | (872) | (1,128) |
| Net cash used in investing activities | (2,650) | (47,504) |

| | 12 Months Ended 31 December 2013 S\$'000 | 12 Months Ended 31 December 2012 S\$'000 |
|--|--|--|
| Cash flow from financing activities | | |
| Balances with related parties (non-trade) | (64) | (1,705) |
| Capital contribution by non-controlling interests | 26 | 134 |
| Repayment of loan to non-controlling interests | (2,577) | - |
| Dividends paid to non-controlling interests | - | (98) |
| Dividends paid to owners of the Company | (7,660) | (7,240) |
| Increase in deposits pledged | (1,515) | (101) |
| Interest paid | (16,122) | (15,506) |
| Proceeds from issue of rights | 17,551 | - |
| Proceeds from loan from business associates | - | 1,940 |
| Payments of finance lease liabilities | (586) | (418) |
| Proceeds from finance lease liabilities | 1,624 | - |
| Proceeds from loans and borrowings | 162,970 | 171,272 |
| Repayment of loans and borrowings | (157,980) | (131,796) |
| Net cash (used in) / from financing activities | (4,333) | 16,482 |
| Net decrease in cash and cash equivalents | (569) | (11,739) |
| Cash and cash equivalents at beginning of the year | 49,282 | 62,004 |
| Effect of exchange rate changes on balances held in foreign currencies | 853 | (983) |
| Cash and cash equivalents at end of the year | 49,566 | 49,282 |

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

| Group | Share capital | Merger reserve | Capital reserve | Statutory reserve | Fair value reserve | Foreign currency translation reserve | 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 2013 | 154,552 | (77,720) | 1,888 | 3,564 | 25 | (4,214) | 143,257 | 221,352 | 45,383 | 266,735 |
| Total comprehensive income for the year | | | | | | | | | | |
| Profit for the year | - | - | - | - | - | - | 9,321 | 9,321 | (445) | 8,876 |
| Other comprehensive income | | | | | | | | | | |
| Translation differences relating to financial statements of foreign subsidiaries | - | - | - | - | - | 10,267 | - | 10,267 | 1,337 | 11,604 |
| Exchange differences on monetary items forming part of net investment in a foreign operation | - | - | - | - | - | 1,843 | - | 1,843 | - | 1,843 |
| Foreign currency translation difference on liquidation of subsidiary reclassified to profit and loss | - | - | - | - | - | 2,139 | - | 2,139 | - | 2,139 |
| Net change in the fair value of available-for-sale investments | - | - | - | - | (11) | - | - | (11) | - | (11) |
| Tax on other comprehensive income | - | - | - | - | 2 | - | - | 2 | - | 2 |
| Total other comprehensive income | - | - | - | - | (9) | 14,249 | - | 14,240 | 1,337 | 15,577 |
| Total comprehensive income for the year | - | - | - | - | (9) | 14,249 | 9,321 | 23,561 | 892 | 24,453 |
| Transaction with owners, recognised directly in equity | | | | | | | | | | |
| Contributions by and distributions to owners | | | | | | | | | | |
| Issue of rights, net of expenses | - | - | 27,394 | - | - | - | - | 27,394 | - | 27,394 |
| Dividends declared | - | - | - | - | - | - | (7,660) | (7,660) | - | (7,660) |
| Capital contribution by non-controlling interest | - | - | - | - | - | - | - | - | 26 | 26 |
| Total contributions by and distributions to owners | - | - | 27,394 | - | - | - | (7,660) | 19,734 | 26 | 19,760 |
| Changes in ownership interests in subsidiaries | | | | | | | | | | |
| Acquisition of non-controlling interests without a change in control | - | - | 1 | - | - | - | - | 1 | - | 1 |
| Total changes in ownership interests in subsidiaries | - | - | 1 | - | - | - | - | 1 | - | 1 |
| Total transaction with owners of the Company | - | - | 27,395 | - | - | - | (7,660) | 19,735 | 26 | 19,761 |
| At 31 December 2013 | 154,552 | (77,720) | 29,283 | 3,564 | 16 | 10,035 | 144,918 | 264,648 | 46,301 | 310,949 |

| Group | Share capital | Merger reserve | 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 2012 | 154,552 | (77,720) | (179) | 3,442 | 22 | 256 | 125,299 | 205,672 | 48,959 | 254,631 |
| Total comprehensive income for the year | | | | | | | | | | |
| Profit for the year | - | - | - | - | - | - | 25,740 | 25,740 | 687 | 26,427 |
| Other comprehensive income | | | | | | | | | | |
| Translation differences relating to financial statements of foreign subsidiaries | - | - | - | - | - | (2,932) | - | (2,932) | (2,232) | (5,164) |
| Exchange differences on monetary items forming part of net investment in a foreign operation | - | - | - | - | - | (1,964) | - | (1,964) | - | (1,964) |
| Net change in the fair value of available-for-sale investments | - | - | - | - | 4 | - | - | 4 | - | 4 |
| Tax on other comprehensive income | - | - | - | - | (1) | 426 | - | 425 | - | 425 |
| Total other comprehensive income | - | - | - | - | 3 | (4,470) | - | (4,467) | (2,232) | (6,699) |
| <i>Total comprehensive income for the year</i> | - | - | - | - | 3 | (4,470) | 25,740 | 21,273 | (1,545) | 19,728 |
| Transaction with owners, recognised directly in equity | | | | | | | | | | |
| Contributions by and distributions to owners | | | | | | | | | | |
| Dividends declared | - | - | - | - | - | - | (7,660) | (7,660) | (98) | (7,758) |
| Capital contribution by non-controlling interest | - | - | - | - | - | - | - | - | 134 | 134 |
| Transfer to statutory reserve | - | - | - | 122 | - | - | (122) | - | - | - |
| <i>Total contributions by and distributions to owners</i> | - | - | - | 122 | - | - | (7,782) | (7,660) | 36 | (7,624) |
| Changes in ownership interests in subsidiaries | | | | | | | | | | |
| Acquisition of non-controlling interests without a change in control | - | - | 2,067 | - | - | - | - | 2,067 | (2,067) | - |
| Total changes in ownership interests in subsidiaries | - | - | 2,067 | - | - | - | - | 2,067 | (2,067) | - |
| <i>Total transaction with owners of the Company</i> | - | - | 2,067 | 122 | - | - | (7,782) | (5,593) | (2,031) | (7,624) |
| At 31 December 2012 | 154,552 | (77,720) | 1,888 | 3,564 | 25 | (4,214) | 143,257 | 221,352 | 45,383 | 266,735 |

| Company | Share capital S\$'000 | Capital Reserve S\$'000 | Merger Reserve S\$'000 | Accumulated profits S\$'000 | Total equity S\$'000 |
|--|--------------------------|-------------------------------|------------------------------|-----------------------------------|----------------------------|
| At 1 January 2013 | 154,552 | - | (45,850) | (2,201) | 106,501 |
| Profit or loss / Total comprehensive income for the year | - | - | - | 2,084 | 2,084 |
| Issue of rights, net of expenses | - | 27,394 | - | - | 27,394 |
| Dividend paid | - | - | - | (7,660) | (7,660) |
| At 31 December 2013 | 154,552 | 27,394 | (45,850) | (7,777) | 128,319 |
| At 1 January 2012 | 154,552 | - | (45,850) | 8,298 | 117,000 |
| Profit or loss / Total comprehensive income for the year | - | - | - | (2,839) | (2,839) |
| Dividend paid | - | - | - | (7,660) | (7,660) |
| At 31 December 2012 | 154,552 | - | (45,850) | (2,201) | 106,501 |

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.

The Company undertook a rights issue exercise of up to 153,207,950 new ordinary shares in the capital of the Company at an issue price of S\$0.18 for each right share on the basis of 1 rights share for every 5 existing ordinary shares in the capital of the Company as at the Book Closure Date of 9 December 2013. As of closing date for the right issue of 27 December 2013, the rights shares have been fully subscribed.

The Company did not have any outstanding convertibles and treasury shares 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.

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 issued shares as at 31 December 2013 and 31 December 2012. Subsequent to 31 December 2013, a total of 153,207,950 new shares were issued pursuant to the right issue exercise.

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.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the audited financial statements for the year ended 31 December 2012.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group adopted a number of new standards, amendments to standards and interpretations that are effective for annual for annual periods beginning on or after 1 January 2013. The adoptions of these new standards, amendments to standard and interpretations did not result in any significant impact on the financial statements of the Group.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

| | 12 Months Ended 31 December 2013 | 12 Months Ended 31 December 2012 |
|--|----------------------------------|----------------------------------|
| | (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 | 1.22 | 3.36 |
| (b) On a fully diluted basis | 1.22 | 3.36 |

The earning per ordinary share has been calculated net of non-controlling interests of 766,039,750 shares for the year ended 31 December 2013 and 2012.

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 2013 | 31 December 2012 | 31 December 2013 | 31 December 2012 |
| | (cents) | (cents) | (cents) | (cents) |
| Net asset value per ordinary share based on issued share capital at the end of: | 34.55 | 28.90 | 16.75 | 13.90 |

The net asset value per ordinary share has been calculated net of non-controlling interests of 766,039,750 shares for the year ended 31 December 2013 and 2012.

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:
- 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
 - 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 FY2013 vs FY2012

Overview

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

| | <u>Construction</u> | <u>Property Development</u> | <u>Sales of Goods</u> | <u>Rental</u> | <u>Others</u> | <u>Total</u> |
|---|---------------------------------------|-----------------------------|-----------------------|---------------|---------------|--------------|
| | Financial Year Ended 31 December 2013 | | | | | |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Revenue | 576,145 | 68,720 | 8,939 | 1,111 | - | 654,915 |
| Costs | (530,272) | (68,386) | (4,692) | - | - | (603,350) |
| Gross Profit | 45,873 | 334 | 4,247 | 1,111 | - | 51,565 |
| Other income | 2,975 | 3,356 | 104 | 8,133 | 48 | 14,616 |
| Depreciation | (3,858) | (108) | (767) | (979) | (143) | (5,855) |
| Selling expenses | - | (3,844) | (169) | - | (34) | (4,047) |
| Staff costs | (13,594) | (2,215) | (2,652) | - | (3,133) | (21,594) |
| Other operating expenses | (6,716) | (1,776) | (703) | - | (2,506) | (11,701) |
| Profit / (loss) from operating activities | 24,680 | (4,253) | 60 | 8,265 | (5,768) | 22,984 |

| | <u>Construction</u> | <u>Property Development</u> | <u>Sales of Goods</u> | <u>Rental</u> | <u>Others</u> | <u>Total</u> |
|---|---------------------------------------|-----------------------------|-----------------------|---------------|---------------|--------------|
| | Financial Year Ended 31 December 2012 | | | | | |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Revenue | 496,412 | 3,318 | 10,312 | 1,385 | - | 511,427 |
| Costs | (446,790) | (2,741) | (6,272) | - | - | (455,803) |
| Gross Profit | 49,622 | 577 | 4,040 | 1,385 | - | 55,624 |
| Other income | 1,514 | 718 | 106 | - | 1,183 | 3,521 |
| Depreciation | (2,972) | (112) | (497) | (988) | (135) | (4,704) |
| Selling expenses | - | (1,330) | (242) | - | (156) | (1,728) |
| Staff costs | (10,992) | (1,230) | (3,032) | - | (4,476) | (19,730) |
| Other operating expenses | (6,216) | (2,232) | (980) | - | (2,283) | (11,711) |
| Profit / (loss) from operating activities | 30,956 | (3,609) | (605) | 397 | (5,867) | 21,272 |

Generally, the Group's profit from operating activities increased by S\$1.7 million or 8% from approximately S\$21.3 million in FY2012 to S\$23.0 million in FY2013. The increase was mainly contributed by rental segment and sales of goods, increased approximately S\$7.9 million and S\$0.7 million respectively in FY2013, offset with the decrease in construction segment and property development of approximately S\$6.3 million and S\$0.6 million respectively.

Increased of profit from operating activities in rental segment due mainly to increase in other income of approximately S\$8.1 million, offset with decrease in rental income of approximately S\$0.3 million.

Increase of profit from operating activities in sales of goods segment due mainly to decrease in staff costs and other expenses of S\$0.4 million and S\$0.3 million respectively.

Decrease of profit from operating activities in construction segment was due mainly to reduction of gross profit margin caused the reduce of gross profit of approximately S\$3.7 million and increase of staff costs of approximately S\$2.6 million.

Decrease of profit from operating activities in development properties segment due mainly to increase in selling expenses and staff costs of approximately S\$2.5 million and S\$1.0 million respectively, offset with increase in other income of approximately S\$2.6 million.

Revenue

Revenue increased by approximately S\$143.5 million or 28% from approximately S\$511.4 million in FY2012 to approximately S\$654.9 million in FY2013, attributable mainly to increase in revenue from construction contracts and revenue from sale of development properties of approximately S\$79.7 million and S\$65.4 million respectively, offset with decrease in sales of goods and rental income of approximately S\$1.4 and S\$0.2 million respectively.

Revenue from construction contract

Increase in revenue was mainly due to increase in work done for new and on-going projects, being Waterway Terraces I & II, The Glyndebourne, The Archipelago, The Luxurie, Joo Koon Integrated Hub & Fairprice Distribution Centre, SIM HQ campus extension Haus and Springside, which resulted in an aggregate increase in revenue of approximately S\$360.2 million as compared to FY2012. The increase is lowered by the decrease in work done for projects, being The Wharf Residences, Volari, Hotel at Upper Pickering Street, NUS Staff Housing at Kent Vale, Hundred Trees and Tree House of approximately S\$280.5 million.

In accordance with our revenue recognition policy, work done amounting to approximately S\$13.0 million from newly commenced projects in Singapore have yet to be recognized as revenue as at 31 December 2013.

Revenue from sales of development properties

Revenue from sales of property development in FY2013 was contributed mainly from the sale recognition of 241 units (36,215 sqm) and 293 units (33,985 sqm) of phase II and IV from Sunny International Project respectively.

As at 31 December 2013, approximately S\$59.8 million of gross development value were sold, but yet to be recognised as revenue in accordance to our revenue recognition policy, as follows:

| <u>Projects</u> | <u>Units</u> | <u>Sqm</u> |
|---------------------|--------------|------------|
| Sunny International | 143 | 13,665 |
| Equinox | 88 | 19,661 |
| Wenchang Baihui | 3 | 183 |
| Tianmen Jinwan | 1 | 141 |

Revenue from sales of goods

Decrease of revenue from sales of goods by approximately S\$1.4 million in FY2013 was due mainly to decrease of sales volume in FY2013.

Other income

Increase in other income by approximately S\$11.1 million in FY2013 was due mainly to aggregate gain on disposal of investment properties by subsidiaries, Tiong Seng Contractors (PNG) Limited and Tiong Seng Contractors (Private) Limited and gain on sales of carpark lots in Sunny International project of approximately S\$8.1 million and S\$3.4 million respectively.

Costs of construction

Decrease in gross profit margin of approximately 2.0% from 10.0% in FY2012 to 8.0% in FY2013 due mainly to the challenging tender landscape as well as the resultant impact from manpower tightening policy which increased the cost of construction at a greater pace than that of the corresponding revenue.

Costs of sales of development properties

Increase in cost of sales of development property was generally in line with the increase in revenue from sales of development property in FY2013. Approximately 45.9% of sales in phase II of the Sunny International project recognized was in relation to resettlement of existing residents which resulted in a lower gross profit margin being recognized for this phase.

Costs of goods sold

Decrease in cost of goods sold was generally in line with the decrease in revenue from sales of goods.

Depreciation and amortisation expenses

Increase in depreciation and amortisation expenses of approximately S\$1.2 million in FY2013 was due mainly to the completion of the automated pre-fabrication hub in Q2 2012 and the corresponding full year depreciation in 2013, coupled with the acquisition of additional S\$16.6 million property, plant and equipment during the year.

Selling expenses

Increase in selling expenses of approximately S\$2.3 million in FY2013 due mainly to the increase in selling expenses incurred for Equinox and Sunny International project of approximately S\$2.1 million and S\$0.2 million respectively.

Staff costs

Increase in staff costs of approximately S\$1.9 million in FY2013 was due mainly to additional staff headcount recruited to support expansion of existing construction business and new construction projects secured.

Net finance costs

Net finance costs increased by approximately S\$1.3 million in FY2013 due mainly to an increase in discount implicit in retention sum payables of approximately S\$1.7 million, partially offset by decrease in accretion of implicit discount on long term retention sum receivable of approximately S\$0.5 million.

Share of (loss) / profit of joint ventures, net of tax

Share of (loss) / profit of joint ventures decreased by approximately S\$9.2 million in FY2013 due mainly to newly commenced joint venture projects, which have yet to reach the revenue recognition milestone as at 31 December 2013. Besides that, this period also recorded a downward adjustment in gross profit margin of a joint venture project.

Income tax expense

Income tax expense increased by S\$8.7 million due to increase in land appreciation tax of S\$2.9 million derived from recognition of revenue on sales on development properties and corporate tax of S\$0.9 million due mainly to increase of profit before tax on construction segment. In addition, deferred tax asset reversal arising from expiry of statutory tax losses carried forward from subsidiary, Cobiex Technologies AG, and non-recognition of tax losses arising from certain subsidiaries in the PRC on prudence ground, resulted in an increase in deferred tax expense of S\$4.9 million.

Profit for the year

Profit in FY2013 was decreased by approximately S\$17.6 million as a result of the factors mentioned in the preceding paragraphs.

Review of Group Financial Position

Non-Current Assets

As at 31 December 2013, non-current assets stood at S\$181.1 million or approximately 19.1% of total assets, an increase of approximately S\$3.2 million compared to 31 December 2012.

Increase in property, plant and equipment ("PPE") of approximately S\$2.7 million was due mainly to purchase of PPE amounting to S\$16.6 million which was offset by depreciation charges of S\$13.0 million.

Decrease in intangible assets of approximately S\$0.8 million was mainly due to amortisation charges during the year.

Decrease in associates and joint ventures by approximately S\$9.2 million was due mainly to a net receipt of dividend distribution.

Increase in trade and other receivables by S\$13.5 million was due mainly to additional retention sums from on-going projects in Singapore.

Decrease in deferred tax assets by S\$3.0 million pertains to reversal of deferred tax assets arising from expiry of statutory of tax losses in subsidiary, Cobiex Technologies AG of approximately S\$2.7 million.

Current Assets

As at 31 December 2013, current assets stood at S\$768.5 million or approximately 80.9% of total assets, an increase of approximately S\$96.3 million compared to 31 December 2012.

The decrease in construction work-in-progress (net of excess of progress billings over construction work-in-progress) of about S\$21.9 million was due mainly to decrease in work-in-progress from on-going projects as at 31 December 2013.

The increase in development properties by S\$39.1 million was mainly due to increase in development costs for ongoing PRC development projects, being Sunny International, Equinox and Xushuguan projects of approximately S\$45.9 million, S\$38.6 million and S\$23.0

million respectively, partially offset with recognition of sales of development properties for Sunny International project phase II and IV of approximately S\$68.4 million.

Trade and other receivables increased by approximately S\$61.3 million due mainly to increase in trade receivables, advances to suppliers, accrued receivables, retention sum on construction contracts and other receivables of approximately S\$3.2 million, S\$5.7 million, S\$33.5 million, S\$9.8 million and S\$9.2 million respectively.

Amount due from related parties increased by approximately S\$5.9 million mainly due to increase of joint venture balances and amount due from non-controlling interests of approximately S\$2.8 million and S\$0.7 million respectively.

Non-Current Liabilities

As at 31 December 2013, non-current liabilities amounted to S\$113.0 million or approximately 17.7% of total liabilities, an increase of approximately S\$8.4 million compared to 31 December 2012.

Non-current loans and borrowings increased by S\$4.6 million due mainly to increase of S\$23.8 million of new loans and finance lease, offset by reclassification of loans from non-current to current of approximately S\$19.2 million in current year.

Non-current trade and other payables increased by S\$2.7 million due mainly to increase of retention sums payable as a result from increase in work done for on-going and new projects.

Deferred tax liabilities increased by S\$1.0 million due mainly to temporary difference arise from purchase of plant and machinery.

Current Liabilities

As at 31 December 2013, current liabilities stood at S\$525.7 million or approximately 82.3% of total liabilities, an increase of S\$47.0 million.

Trade and other payables increased by approximately S\$50.1 million due mainly to a collective net increase in trade and accrued payables, accrued operating expenses, receipt in advance and retention sum payables of approximately S\$45.9 million, S\$4.3 million, S\$6.3 million and S\$2.5 million respectively, partially offset by decrease in other payable of approximately S\$10.6 million. Increase in trade and accrued payables were mainly due to increase in construction activities during the period.

Decrease in amount due to related parties of approximately S\$2.9 million due mainly to repayment of loans to non-controlling interests.

Loans and borrowings increased by S\$9.3 million mainly due to reclassification of loans from non-current to current of approximately S\$19.2 million and repayment of loan (net of new secured bank loan) of S\$9.9 million to finance expansion of precast operations and to fund development cost for development projects in the PRC.

Decrease in current tax payable of approximately S\$8.6 million due mainly to income tax payment of approximately S\$18.3 million partially offset by provision for corporate income tax of approximately S\$10.0 million.

Review of Statement of Cash Flows

Net cash from operating activities

For the year ended 31 December 2013, the Group recorded a net cash inflow from operating activities of approximately S\$6.4 million, decreased by S\$12.9 million as compared to the previous corresponding year ended 31 December 2012.

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

- (a) Decrease in construction work-in-progress by S\$21.8 million due mainly to current projects' work-in-progress costs, for works where they have yet to be certified by external quality surveyors.
- (b) Increase in development properties by S\$0.7 million, due mainly to additional property development costs for Equinox and Xushuguan projects and partially offset by recognition of Cangzhou Sunny International phase I and II.
- (c) Increase in trade and other receivables by S\$62.4 million, due mainly to increase in accrued receivables and retention sum receivables for on-going projects in Singapore.
- (d) Increase in trade and other payables by S\$34.8 million, due mainly to increase in accrued trade payables for projects with their increase in work done and increase in receipts in advance of property development projects in PRC.

Net cash from investing activities

For the year ended 31 December 2013, the Group recorded a net cash outflow from investing activities of S\$2.7 million, decreased by S\$44.9 million as compared to the previous corresponding year ended 31 December 2012. This was mainly due to reduction in purchase of property, plant and equipment and a loan injection of our share in a joint venture approximately S\$22.2 million and S\$17.0 million respectively in FY2012.

Net cash from financing activities

For the year ended 31 December 2013, the Group recorded a net cash outflow from financing activities of S\$4.3 million, decreased by S\$20.8 million as compared to net cash inflow of S\$16.5 million from financing activities at previous corresponding year ended 31 December 2012.

This was mainly due to reduction in net receipts in loans and borrowings obtained in current year compared to FY2012, repayment of loan to non-controlling interests of approximately S\$34.5 million and S\$2.6 million respectively, partially offset by the receipt of proceeds from rights issue during the year of approximately S\$17.6 million.

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 Outlook

The Ministry of Trade and Industry (“MTI”) announced on 20 February 2014 that the Singapore economy grew by 4.1% in 2013¹. MTI has also maintained that the growth forecast for 2014 at 2.0 to 4.0%. The construction sector grew by 4.8% on a yoy basis in 4Q2013, slower than the 6.6% growth in the preceding quarter, due to a moderation in private sector construction activities.

Meanwhile, the Building & Construction Authority announced on 9 January 2014 that the construction demand for 2014 will remain strong. Driven by strong public housing demand and anticipated higher construction demand for institutional developments and major infrastructure projects, the contracts for the built environment could reach between S\$31 billion and S\$38 billion in 2014. The private sector is expected to moderate in 2014 as a result of the Government’s multi-pronged approach to stabilize the property market. The total construction demand reached a historical high of S\$35.8 billion in 2013².

Tiong Seng expects to benefit from the uptick in demand and is well-positioned to capture a larger market share as the Group focuses on its industry-leading construction technologies to increase productivity and reduce the reliance on labour in its work processes.

The Group will continue to focus on investments and introduce complementary offerings to its current suite of construction technologies in order to strengthen its current forerunner position within the industry when it comes to pioneering construction technology.

Construction Order Book

During the year, the Group secured S\$472.0 million of new contracts, bringing its order book to \$1.1 billion as at 31 December 2013. The projects came from various sectors including industrial, institutional, residential, and commercial and are expected to be fulfilled within the next 12 – 30 months.

- March 2013: Secured a S\$223.4 million contract from SP Setia International (S) Pte Ltd for a condominium housing and Kallang Development Pte Ltd to build terrace houses
- October 2013: Secured a \$44.3 million contract from Mapletree Industrial Trust to build 7-storey industrial building at One North
- December 2013: Secured a S\$204.5 million contract from Housing and Development Board to build 11 blocks of public housing at Woodlands Crescent and Woodlands Rise

Subsequent to year end, the Group successfully secured a \$210.0 million contract from Wheelock Properties (Singapore) Ltd to build The Panorama condominium on February 2014.

Property Development Outlook

In 2013, housing prices and sales in major Chinese cities shot up quickly as homebuyers returned to the market after concluding that the central government was unlikely to impose further property curbs. Total property sales rose 26.3% to 8.14 trillion yuan (\$1.34 trillion) in 2013, up from the 10% gain recorded in 2012³.

¹ Ministry of Trade and Industry, “MTI maintains 2014 GDP growth forecast at 2.0 to 4.0 per cent”, 20 Feb 2014

² Building and Construction Authority, “Construction demand for 2014 to remain strong”, 9 Jan 2014

³ The Wall Street Journal, “China’s property market fueled growth in 2013”, 20 Jan 2014

Standard and Poor Research however forecasted that strong underlying demand driven by increases in urbanization and disposable incomes should continue to support volume and modest price growth for property in China⁴.

The industry trend outlined is supported by the China's Prime Minister, Li Keqiang's emphasis on urbanization to sustain the next leg of economic growth. China continues to adopt a two-prong approach with people moving from the countryside into cities and cities expanding to engulf smaller communities on the peripheral⁵.

As at 31 December 2013, approximately S\$59.8 million of gross development area comprises of 1 unit, totaling 141 sqm of Tianmen Jinwan Building, and 143 units (13,655 sqm), of Sunny International project, 88 units (19,661 sqm), of the Equinox and 3 units totaling 183 sqm of Wenchang Broadway in Yangzhou were sold, but yet to be recognized as revenue in accordance to Tiong Seng's revenue recognition policy.

Also, the Group is currently carrying out construction for B1 (phase 1), B2 (phase 1) and C (phase 2) out of 7 Phases for the Equinox project. The construction for B1 and B2 are expected to be completed towards 1Q2014 and 4Q2014 respectively, while C is expected to be completed in 1Q2015. Sales for B1 and B2 have commenced in 4Q2011 and 2Q2012, whereas sales for C has commenced in 4Q2012. As at 31 December 2013, approximately 42.9% of the total 205 units of phase 1 and 2 have been sold.

For Xushuguan project in Suzhou New District Development zone, construction of phase 1, total 2 phases, has commenced in 3Q2013 with expected completion in 2015. Phase 2 will commence construction in 2014 with expected completion in 2016.

Moving forward, the Group will focus on the sales and development of its multi-phased projects in the PRC.

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: | 0.6 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 cent 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.

⁴ As per footnote 3

⁵ RBC Wealth Management, via BTInvest, "Global Insight – Special report on China property market", April 2013

(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

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as require under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company does not have a shareholders' mandate on IPT.

14. Use of proceeds

While the closing date for the rights issuance exercise was 27 December 2013, the total proceeds and issuance of new shares were subsequent to financial year 2013. The Company will make the relevant announcement in the event of a use of the rights proceeds.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3, or Half Year Results)

15. 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 2013 | Construction S\$'000 | Property Development S\$'000 | Rental S\$'000 | Sales of goods S\$'000 | Segments total S\$'000 | Others* S\$'000 | Total S\$'000 |
|--|-------------------------|------------------------------------|-------------------|------------------------------|------------------------------|--------------------|------------------|
| External revenue | 576,145 | 68,720 | 1,111 | 8,939 | 654,915 | - | 654,915 |
| Interest income | 45 | 419 | - | - | 464 | 161 | 625 |
| Interest expenses | (1,812) | (270) | - | (124) | (2,206) | (84) | (2,290) |
| Depreciation and amortization | (3,858) | (108) | (979) | (767) | (5,712) | (143) | (5,855) |
| Reportable segment profit before income tax | 20,328 | (2,397) | 8,265 | (142) | 26,054 | (5,692) | 20,362 |
| Share of loss of associates and joint ventures, net of tax | (3) | (61) | - | - | (64) | - | (64) |
| Profit before income tax | | | | | | | 20,298 |
| Income tax expense | | | | | | | (11,422) |
| Profit for the year | | | | | | | <u>8,876</u> |
| Reportable segment assets | 397,112 | 458,770 | 17,999 | 10,381 | 884,262 | 39,432 | 923,694 |
| Investment in associates and joint ventures | 3,280 | 22,623 | - | - | 25,903 | - | 25,903 |
| Total assets | | | | | | | <u>949,597</u> |
| Reportable segment liabilities | 336,271 | 264,526 | - | 5,452 | 606,249 | 32,399 | 638,648 |
| Capital expenditure | 17,572 | 15 | - | 597 | 18,184 | 99 | 18,283 |

| 31 December 2012 | Construction S\$'000 | Property Development S\$'000 | Rental S\$'000 | Sales of goods S\$'000 | Segments total S\$'000 | Others* S\$'000 | Total S\$'000 |
|--|-------------------------|------------------------------------|-------------------|------------------------------|------------------------------|--------------------|------------------|
| External revenue | 496,412 | 3,318 | 1,385 | 10,312 | 511,427 | - | 511,427 |
| Interest income | 34 | 584 | - | 19 | 637 | 105 | 742 |
| Interest expenses | (615) | (309) | - | (89) | (1,013) | 291 | (722) |
| Depreciation and amortization | (6,481) | (160) | (609) | (1,638) | (8,888) | (138) | (9,026) |
| Reportable segment profit before income tax | 29,126 | (3,176) | 397 | (674) | 25,673 | (5,707) | 19,966 |
| Share of profit of associates and joint ventures, net of tax | 8,979 | 187 | - | - | 9,166 | - | 9,166 |
| Profit before income tax | | | | | | | 29,132 |
| Income tax expense | | | | | | | (2,705) |
| Profit for the year | | | | | | | <u>26,427</u> |
| Reportable segment assets | 355,742 | 424,333 | 18,021 | 9,049 | 807,145 | 7,855 | 815,000 |
| Investment in associates and joint ventures | 12,409 | 22,684 | - | - | 35,093 | - | 35,093 |
| Total assets | | | | | | | <u>850,093</u> |
| Reportable segment liabilities | 279,209 | 295,788 | - | 4,470 | 579,467 | 3,891 | 583,358 |
| Capital expenditure | 40,310 | 99 | - | 1,008 | 41,417 | 73 | 41,490 |

*General Corporate activities

(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.

| | <u>Revenue from external customers</u> | | <u>Non-current assets*</u> | |
|-----------------|--|-----------------|-------------------------------|-----------------|
| | 2013 S\$'000 | 2012 S\$'000 | 2013 S\$'000 | 2012 S\$'000 |
| Singapore | 568,474 | 483,819 | 113,416 | 112,064 |
| PRC | 69,574 | 4,171 | 17,181 | 16,658 |
| PNG | 7,928 | 13,158 | 2,498 | 3,649 |
| Other countries | 8,939 | 10,279 | 4,166 | 12,265 |
| | 654,915 | 511,427 | 137,261 | 144,636 |

* The non-current asset consists of property, plant and equipment, intangible assets, investment properties and investment in associates and joint ventures.

16. 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.

17. A breakdown of sales and profit before tax.

| | 2013 | 2012 | Increase / (Decrease) % |
|--|----------------|----------------|--|
| | S\$'000 | S\$'000 | |
| Sales reported for first half year | 278,094 | 232,987 | 19 |
| Operating profit after tax before deducting non-controlling interests reported for first half year | 13,381 | 14,469 | (8) |
| Sales reported for second half year | 376,821 | 278,440 | 35 |
| Operating (loss) / profit after tax before deducting non-controlling interests reported for second half year | (4,505) | 11,958 | N.M |

18. 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) (Recommended) | Previous full year (S\$'000) |
|------------|---|-------------------------------------|
| Ordinary | 5,515 | 7,660 |
| Preference | - | - |
| Total: | 5,515 | 7,660 |

19. PERSONS OCCUPYING MANAGERIAL POSITIONS PURSUANT TO RULE 704(13)

| Name | Age | Family Relationship with any Director and/or Chief Executive Officer and/or Substantial Shareholder | Current position and duties, and the year position was first held | Details of changes in duties and position held, if any, during the year |
|---------------|-----|---|--|---|
| Pek Ah Tuan | 88 | <p>Substantial shareholder of the Company and father of Pek Lian Guan (Executive Director & Chief Executive Officer ("CEO")) and Pek Dien Kee (Head of Asset Management).</p> <p>Uncle of Pay Sim Tee (Executive Director) and Pay Teow Heng (Project Director).</p> <p>Grandfather of Ong Chun Tiong (General Manager for the Group's subsidiaries in Tianjin, PRC) and Pek Chik Lay (Manager of Cobiax Technologies (Asia) Pte Ltd).</p> <p>Granduncle of Peh Geok Soon (Deputy General Manager of Suzhou Huisheng Construction Development Co., Ltd & Deputy General Manager of Suzhou Chang He Investment & Development Co. Ltd).</p> | Non-Executive Chairman since 2010 | Not Applicable |
| Pek Lian Guan | 49 | <p>Son of Pek Ah Tuan (Non-Executive Chairman).</p> <p>Brother of Pek Dien Kee (Head of Asset Management).</p> <p>Cousin of Pay Sim Tee (Executive Director) and Pay Teow Heng (Project Director).</p> <p>Uncle of Ong Chun Tiong (General Manager for the Group's subsidiaries in Tianjin, PRC), Pek Chik Lay (General Manager of Cobiax Technologies (Asia) Pte Ltd) and Peh Geok Soon (Deputy General Manager of Suzhou Huisheng Construction Development Co., Ltd & Deputy General Manager of Suzhou Chang He Investment & Development Co. Ltd).</p> | Executive Director & CEO since 15 April 2008 and 2010 respectively | Not Applicable |

| Name | Age | Family Relationship with any Director and/or Chief Executive Officer and/or Substantial Shareholder | Current position and duties, and the year position was first held | Details of changes in duties and position held, if any, during the year |
|----------------|-----|---|--|---|
| Pay Sim Tee | 63 | <p>Nephew of Pek Ah Tuan (Non-Executive Chairman).</p> <p>Cousin of Pek Lian Guan (Executive Director & CEO), Pek Dien Kee (Head of Asset Management) and Pay Teow Heng (Project Director).</p> <p>Uncle of Ong Chun Tiong (General Manager for the Group's subsidiaries in Tianjin, PRC), Pek Chik Lay (General Manager of Cobiax Technologies (Asia) Pte Ltd) and Peh Geok Soon (Deputy General Manager of Suzhou Huisheng Construction Development Co., Ltd & Deputy General Manager of Suzhou Chang He Investment & Development Co. Ltd).</p> | Executive Director since 2010 | Not Applicable |
| Pek Dien Kee | 60 | <p>Son of Pek Ah Tuan (Non-Executive Chairman).</p> <p>Brother of Pek Lian Guan (Executive Director and CEO).</p> <p>Cousin of Pay Sim Tee (Executive Director).</p> | Head of Asset Management since 2010 | Not Applicable |
| Pay Teow Heng | 47 | <p>Nephew of Pek Ah Tuan (Non-Executive Chairman).</p> <p>Cousin of Pek Lian Guan (Executive Director and CEO) and Pay Sim Tee (Executive Director).</p> | Project Director since 2010 | Not Applicable |
| Ong Chun Tiong | 41 | <p>Grandson of Pek Ah Tuan (Non-Executive Chairman).</p> <p>Nephew of Pek Lian Guan (Executive Director and CEO) and Pay Sim Tee (Executive Director).</p> | General Manager for the Group's subsidiaries in Tianjin, PRC. since 2004 | Not Applicable |
| Pek Chik Lay | 37 | <p>Grandson of Pek Ah Tuan (Non-Executive Chairman).</p> <p>Nephew of Pek Lian Guan (Executive Director and CEO) and Pay Sim Tee (Executive Director).</p> | General Manager of Cobiax Technologies (Asia) Pte Ltd since 2012 | Not Applicable |

| Name | Age | Family Relationship with any Director and/or Chief Executive Officer and/or Substantial Shareholder | Current position and duties, and the year position was first held | Details of changes in duties and position held, if any, during the year |
|---------------|------------|--|--|--|
| Peh Geok Soon | 59 | Grandnephew of Pek Ah Tuan (Non-Executive Chairman). Nephew of Pek Lian Guan (Executive Director and CEO) and Pay Sim Tee (Executive Director). | Deputy General Manager of Suzhou Huisheng Construction Development Co., Ltd since 2003 & Deputy General Manager of Suzhou Chang He Investment & Development Co. Ltd since 2011 | Not Applicable |

On behalf of the Board of Directors

BY ORDER OF THE BOARD

Pek Lian Guan
Executive Director and CEO
28 February 2014