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Independent auditors' report

Members of the Company
Tiong Seng Holdings Limited

We have audited the accompanying combined financial statements of Tiong Seng Holdings Limited (the Company) and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2009 and the combined statement of comprehensive income, the combined statement of changes in equity and combined statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages FS1 to FS70.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with Singapore Financial Reporting Standards. This responsibility includes:

- (a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



*Tiong Seng Holdings Limited
and its subsidiaries
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the combined financial statements of the Group present fairly, in all material respects, the financial position of the Group as at 31 December 2009 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with Singapore Financial Reporting Standards.

This report, including the opinion, has been prepared for and only for the Company's members for inclusion in the Annual Report of the Company.

KPMG LLP

KPMG LLP
*Public Accountants and
Certified Public Accountants*

Singapore
7 May 2010