TIONG SENG HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Co. Reg. No: 200807295Z)

UNAUDITED 12 MONTHS FINANCIAL STATEMENT ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

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

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

	12 Months Ended 31 December 2011	12 Months Ended 31 December 2010 (Restated)[1]	Change
	S$'000	S$'000	%
Revenue			
Revenue from construction contracts	350,685	226,785	55
Revenue from sales of development properties	53,828	22,885	>100
Revenue from sale of goods	8,806	1,679	>100
Rental Income	1,192	955	25
	414,511	252,304	64
Other income	9,246	13,918	-34
Costs of construction	(313,299)	(199,899)	57
Costs of sales of development properties	(50,083)	(14,684)	>100
Costs of goods sold	(5,218)	(1,459)	>100
Depreciation and amortisation	(3,886)	(3,650)	6
Selling expenses	(4,436)	(2,853)	55
Staff costs	(17,967)	(13,174)	36
Other expenses	(12,094)	(10,658)	13
	(406,983)	(246,377)	65
Profit from operating activities	16,774	19,845	-15
Finance income	2,343	2,006	17
Finance expenses	(1,892)	(3,682)	-49
Net finance income / (expense)	451	(1,676)	->100
Share of loss of associates, net of tax	(3)	(51)	-94
Share of profit of joint ventures, net of tax	20,582	16,323	26
Profit before income tax	37,804	34,441	10
Income tax	(10,878)	(3,637)	>100
Profit for the year	26,926	30,804	-13

	12 Months Ended 31 December 2011 S$'000	12 Months Ended 31 December 2010 (Restated)[1] S$'000	Change %
Other comprehensive expense			
Translation differences relating to financial statements of foreign subsidiaries	6,828	(4,508)	->100
Exchange differences on monetary items forming part of net investment in a foreign operation	(233)	(18)	>100
Net change in the fair value of available-for-sale investments	(53)	7	->100
Income tax on other comprehensive income	48	1	>100
Other comprehensive income for the year	6,590	(4,518)	->100
Total comprehensive income for the year	33,516	26,286	28
Profit attributable to:			
Equity holders of the Company	27,176	28,835	-6
Non-controlling interests	(250)	1,969	->100
Profit for the year	26,926	30,804	-13
Total comprehensive income attributable to:			
Equity holders of the Company	32,657	25,937	26
Non-controlling interests	859	349	>100
Total comprehensive income for the year	33,516	26,286	28
Earnings per share			
- Basic and diluted (cents)[2]	3.55	4.03	-12

[1] Restatement was made in accordance to the Singapore Financial Reporting Standard ("SFRS") 103 Business Combinations, arising from the acquisition of Cobiax Technologies AG group of companies as announced on 16 August 2010. Based on requirements of SFRS 103, the initial fair value of the assets and liabilities acquired were provisonally assessed at the date of acquisition resulting in the recognition of a gain on bargain purchase arising therefrom of approximately $2.3 million in 2010. Under SFRS 103, the Company has one year from the date of acquisition to finalise the acquisition accounting and make any appropriate retrospective adjustments to 2010 figures. During the allowed adjustment period, the Company has completed the assessment of the fair values of the assets and liabilities acquired and effected the appropriate adjustments.

Impact of the retrospective adjustments on the consolidated statement of comprehensive income are as follows:

	12 Months Ended 31 December 2010 (Restated) S$'000	12 Months Ended 31 December 2010 (Previously reported) S$'000	Change S$'000
Other income	13,918	6,304	7,614
Depreciation and amortisation	(3,650)	(3,269)	(381)
Profit before income tax	34,441	27,208	7,233
Income Tax	(3,637)	(3,737)	100
Profit for the year	30,804	23,471	7,333
Profit attributable to equity holders	28,835	21,446	7,389
Profit attributable to non-controlling interests	1,969	2,025	(56)

Impact of the retrospective adjustments on the balance sheet are as follows:

	12 Months Ended 31 December 2010 (Restated)	12 Months Ended 31 December 2010 (Previously reported)	Change
	S$'000	S$'000	S$'000
Intangible assets	8,428	3,098	5,330
Deferred tax assets	5,957	1,716	4,241
Deferred tax liabilities	1,604	212	1,392
Accumulated profits	105,783	98,394	7,389
Non-controlling interests	49,556	48,766	790

[2] Based on 766,039,750 shares, net of non-controlling interests as at 31 December 2011 and weighted average 715,778,750 shares, net of non-controlling interests as at 31 December 2010.

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 2011	12 Months Ended 31 December 2010 (Re-stated)	Change
	S$'000	S$'000	%
Business tax incentive	(1,574)	(1,546)	2
Fees from management of properties	(410)	(258)	59
Fess from management of projects	(1,039)	-	100
Fees from sale of carpark lots	(938)	(613)	53
Gain on bargain purchase arising from acquisition of a subsidiary	-	(9,930)	-100
Gain on disposal of investment properties	(1,061)	(649)	63
Gain on disposal of property, plant and equipment	(142)	(187)	-24
Provision of project administrative service	(2,622)	-	100
Initial public offering expenses	25	599	-96
Operating lease expenses	801	726	10
Travelling and transport expenses	1,306	1,110	18
Repair and maintenance expenses	1,456	1,311	11
Professional fees	1,080	956	13

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	
	31.12.2011	31.12.2010 (Restated)	31.12.2011	31.12.2010
	S$'000	S$'000	S$'000	S$'000
Non-current assets				
Property, plant and equipment	51,335	30,394	-	-
Intangible assets	7,593	8,428	-	-
Investment properties	20,231	21,006	-	-
Associates and joint ventures	15,600	10,589	-	-
Trade and other receivables	10,421	10,404	-	-
Investment in subsidiaries	-	-	59,624	59,624
Other investments	6,227	6,642	-	-
Deferred tax assets	7,717	5,957	-	-
	119,124	93,420	59,624	59,624
Current assets				
Inventories	1,193	933	-	-
Construction work-in-progress	60,877	37,817	-	-
Development properties	308,720	206,106	-	-
Trade and other receivables	128,081	107,134	16	20
Amounts due from related parties	23,183	27,279	53,326	16,976
Cash and cash equivalents	79,845	86,547	6,183	44,565
	601,899	465,816	59,525	61,561
Total assets	721,023	559,236	119,149	121,185
Equity attributable to equity holders of the Company				
Share capital	154,552	154,552	154,552	154,552
Reserves	(74,179)	(79,660)	(45,850)	(45,850)
Accumulated profits	125,299	105,783	8,298	7,769
	205,672	180,675	117,000	116,471
Non-controlling interests	48,959	49,556	-	-
Total equity	254,631	230,231	117,000	116,471
Non-current liabilities				
Trade and other payables	7,417	6,375	-	-
Loans and borrowings	87,806	43,950	-	-
Deferred tax liabilities	3,798	1,604	-	-
	99,021	51,929	-	-
Current liabilities				
Progress billings in excess of construction work-in-progress	1,525	24,571	-	-
Trade and other payables	216,308	199,408	2,149	1,692
Amounts due to related parties	20,353	17,472	-	3,022
Loans and borrowings	112,730	13,124	-	-
Current tax payable	16,455	22,501	-	-
	367,371	277,076	2,149	4,714
Total liabilities	466,392	329,005	2,149	4,714
Total equity and liabilities	721,023	559,236	119,149	121,185

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

Amount repayable in one year or less, or on demand

As at 31.12.2011		As at 31.12.2010	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
111,404	1,326	13,124	-

Amount repayable after one year

As at 31.12.2011		As at 31.12.2010	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
87,806	-	43,950	-

Details of any collateral

1. Secured loan from a financial institution

Pursuant to a loan agreement dated 28 June 2010 and the shareholding entrusted agreements (the "Agreements"), the shareholders of our subsidiary, Tianjin Zizhulin Guangang Property Development Co., Ltd. ("Guangang")(formerly known as Tianjin Zizhulin Nanxi Co., Ltd.), 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 RMB 300 million to Guangang for a tenure of 30 months. Details of the loan are as per our announcement dated 29 June 2010. Notwithstanding this, Guangang remains a subsidiary of the Group.

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 project Company undertaking the Xushuguan Project in Suzhou, as well as the shareholder's loan of S$65.2 million, 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 the new Xushuguan project Company 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:

	December 2011 $'000	December 2010 $'000
Carrying amounts of assets:		
Leasehold land	5,111	5,216
Leasehold properties	8,926	9,231
Investment properties	1,013	906
Development properties	20,119	19,281
Plant and machinery	3,585	904
Deposits pledged	33,542	1,200
Total	**72,296**	**36,738**

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 2011 S$'000	12 Months Ended 31 December 2010 (Restated) S$'000
Operating activities		
Profit from operating activities	16,774	19,845
Adjustments for:		
Allowance for doubtful trade receivables	442	-
Depreciation and amortisation	6,951	8,825
Gain on disposal of:		
- property, plant and equipment	(143)	(187)
- investment properties	(1,061)	(649)
- scrap material	-	(44)
- other investment	(636)	-
- associate	18	-
Reversal of provision claims	-	(791)
Write off of intangible assets	-	112
Gain on bargain purchase arising from acquisition of a subsidiary	-	(9,930)
Impairment loss on other receivable	-	33
Operating profit before working capital changes	22,345	17,214
Changes in working capital:		
Inventories	(253)	(114)
Construction work-in-progress	(46,061)	(1,480)
Development properties	(83,292)	(66,271)
Trade and other receivables	(19,220)	(20,282)
Balances with related parties (trade)	6,520	2,446
Trade and other payables	12,659	48,470
Cash used in operations	(107,302)	(20,017)
Income taxes paid	(15,731)	(7,636)
Income taxes refunded	32	-
Net cash used in operating activities	(123,001)	(27,653)
Cash flow from investing activities		
Acquisition of a subsidiary, net of cash acquired	-	(377)
Balances with related parties (non-trade)	(835)	(2,489)
Dividend received from joint ventures	21,081	39,501
Interest received	347	441
Net cash outflow from investment in associates	(5,534)	-
Net cash outflow from investment in other investment	-	(5,886)
Proceeds from disposal of:		
- property, plant and equipment	246	270
- investment properties	2,057	1,080
- other investments	1,020	391
Purchase of property, plant and equipment	(24,837)	(11,693)
Purchase of intangible assets	(790)	(286)
Net cash (used in) / from investing activities	(7,245)	20,952

	12 Months Ended 31 December 2011 S$'000	12 Months Ended 31 December 2010 (Restated) S$'000
Cash flow from financing activities		
Balances with related parties (non-trade)	1,534	(4,923)
Capital contribution by non-controlling interests	-	6,889
Dividends paid to non-controlling interests	-	(49)
Dividends paid to equity holders	(7,660)	(6,000)
(Increase) / decrease in deposits pledged	(32,105)	96
Interest paid	(11,748)	(3,492)
Repayment of quasi loan to non-controlling interests	(1,456)	-
Net proceeds from initial public offerings	-	54,715
Payments of finance lease liabilities	(137)	(439)
Proceeds from loan business associate	1,326	-
Proceeds from loans and borrowings	207,775	67,344
Repayment of loans and borrowings	(67,278)	(52,348)
Net cash from financing activities	90,251	61,793
Net increase in cash and cash equivalents	(39,995)	55,092
Cash and cash equivalents at beginning of the year	84,370	29,921
Effect of exchange rate changes on balances held in foreign currencies	1,235	(643)
Cash and cash equivalents at end of the year	45,610	84,370

As at 17 February 2012, in aggregate, approximately S$50.3 million of IPO proceeds has been drawn down, with approximately of S$19.8 million used for construction of pre-casting facilities, S$9.0 million on repayment of outstanding sums owing to affiliated corporation, S$14.7 million on expansion of property development business in People's Republic of China ("PRC"), S$5.8 million paid for various IPO related expenses (including professional fees, management, underwriting and placement commission) and S$1 million as for working capital purposes.

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

Group	Share capital	Merger reserve [1]	Capital reserve	Statutory reserve	Fair value reserve	Foreign currency translation reserve	Accumulated profits	Total	Non-controlling interests	Total equity
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
At 1 January 2011	154,552	(77,720)	(179)	3,442	67	(5,270)	105,783	180,675	49,556	230,231
Total comprehensive income for the year										
Profit or loss	-	-	-	-	-	-	27,176	27,176	(250)	26,926
Other comprehensive income										
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	5,719	-	5,719	1,109	6,828
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	-	-	(233)	-	(233)	-	(233)
Net change in the fair value of available-for-sale investments	-	-	-	-	(53)	-	-	(53)	-	(53)
Income tax on other comprehensive income	-	-	-	-	8	40	-	48	-	48
Total other comprehensive income / (expense)	-	-	-	-	(45)	5,526	-	5,481	1,109	6,590
Total comprehensive income and expenses for the year	-	-	-	-	*(45)*	*5,526*	*27,176*	*32,657*	*859*	*33,516*
Contributions by and distributions to owners										
Dividends to equity holders	-	-	-	-	-	-	(7,660)	(7,660)	-	(7,660)
Repayment of quasi loan from non-controlling interests	-	-	-	-	-	-	-	-	(1,456)	(1,456)
Total contributions by and distributions to owners	-	-	-	-	-	-	(7,660)	(7,660)	(1,456)	(9,116)
Total transaction with owners	-	-	-	-	-	-	*(7,660)*	*(7,660)*	(1,456)	(9,116)
At 31 December 2011	154,552	(77,720)	(179)	3,442	22	256	125,299	205,672	48,959	254,631

Group	Share capital	Merger reserve [1]	Capital reserve	Statutory reserve	Fair value reserve	Foreign currency translation reserve	Accumulated profits	Total	Non-controlling interests	Total equity
(Restated)	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
At 1 January 2010	20,000	-	(189)	976	61	(2,366)	79,099	97,581	46,683	144,264
Total comprehensive income for the year										
Profit or loss	-	-	-	-	-	-	28,835	28,835	1,969	30,804
Other comprehensive income										
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	-	-	(2,888)	-	(2,888)	(1,620)	(4,508)
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	-	-	(18)	-	(18)	-	(18)
Net change in the fair value of available-for-sale investments	-	-	-	-	7	-	-	7	-	7
Income tax on other comprehensive income	-	-	-	-	(1)	2	-	1	-	1
Total other comprehensive income / (expense)	-	-	-	-	6	(2,904)	-	(2,898)	(1,620)	(4,518)
Total comprehensive income and expenses for the year	-	-	-	-	*6*	*(2,904)*	*28,835*	*25,937*	*349*	*26,286*
Transaction with owners, recorded directly in equity										
Changes in ownership interests in subsidiaries										
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	315	315	(3,233)	(2,918)
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	1,177	1,177
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	315	315	(2,056)	(1,741)
Contributions by and distributions to owners										
Issue of ordinary shares:										
- Restructuring exercise	79,837	(77,720)	-	-	-	-	-	2,117	-	2,117
- Initial public offering	56,292	-	-	-	-	-	-	56,292	-	56,292
Share issue expenses	(1,577)	-	-	-	-	-	-	(1,577)	-	(1,577)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	(2,315)	(2,315)
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	6,889	6,889
Additional capital injection by non-controlling interests	-	-	10	-	-	-	-	10	6	16
Total contributions by and distributions to owners	134,552	(77,720)	10	-	-	-	-	56,842	4,580	61,422
Total transaction with owners	134,552	*(77,720)*	*10*	-	-	-	*315*	*57,157*	1,678	58,835
Transfer to statutory reserve	-	-	-	2,466	-	-	(2,466)	-	-	-
At 31 December 2010	154,552	(77,720)	(179)	3,442	67	(5,270)	105,783	180,675	49,556	230,231

[1] On 18 March 2010, the Group undertook a restructuring exercise, accounted for as a combination of business under common control, in a manner similar to the "pooling of interest" method. Such a manner of presentation reflects the economic substance of the combined companies, which were under common control throughout the relevant period, as a single economic enterprise, although the legal parent-subsidiary relationships were not established until 18 March 2010.

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

Company	Share capital S$'000	Merger Reserve S$'000	Accumulated profits S$'000	Total equity S$'000
At 1 January 2011	154,552	(45,850)	7,769	116,471
Profit or loss / Total comprehensive income for the year	-	-	8,189	8,189
Dividend paid	-	-	(7,660)	(7,660)
At 31 December 2011	**154,552**	**(45,850)**	**8,298**	**117,000**
At 1 January 2010	-*	-	(253)	(253)
Issuance of new shares pursuant to the restructuring exercise	99,836	(45,850)	-	53,986
Allotment and issue of shares to investors pursuant to the invitation	54,716	-	-	54,716
Profit or loss / Total comprehensive income for the year	-	-	8,022	8,022
At 31 December 2010	**154,552**	**(45,850)**	**7,769**	**116,471**

-*: 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 were no changes in the Company's share capital for the year ended 31 December 2011.

The Company did not have any outstanding convertibles and treasury shares as at the end of the current financial year 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 shares as at 31 December 2011 and 31 December 2010.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There are no treasury shares as at the end of the current financial year reported on.

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

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

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

Not applicable

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

The Group has adopted the same accounting policies and method of computation in the financial statements for the current year compared with the Group's most recently audited financial statements for the year ended 31 December 2010.

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

During the current financial year, the Group and the Company have adopted the following new and revised FRSs which took effect from the financial year beginning 1 January 2011.

- FRS 103 *Business Combinations (2009)*
- FRS 24 *Related Party Disclosures (2010)*

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

	12 Months Ended 31 December 2011	12 Months Ended 31 December 2010 (Re-stated)
	(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	3.55	4.03
(b) On a fully diluted basis	3.55	4.03

The earning per ordinary share has been calculated net of non-controlling interests of 766,039,750 shares for the year ended 31 December 2011 and weighted average 715,778,750 shares for the year ended 31 December 2010.

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 2011	31 December 2010 (Restated)	31 December 2011	31 December 2010
	(cents)	(cents)	(cents)	(cents)
Net asset value per ordinary share based on issued share capital at the end of:	26.85	25.24	15.27	16.27

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 2011 and weighted average 715,778,750 shares for the year ended 31 December 2010.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

<u>Review of Group Performance for FY2011 vs FY2010</u>

Revenue

Revenue increased by approximately S$162.2 million or 64% from S$252.3 million in FY2010 to S$414.5 million in FY2011. The increase was mainly attributable to an increase in revenue from construction contracts, revenue from sales of development properties and revenue from sales of goods of approximately S$123.9 million, S$30.9 million and S$7.1 million respectively in FY2011.

Revenue from construction contract

The increase in revenue in FY2011 from S$226.8 million to S$350.7 million as compared to FY2010 was mainly due to increase in work done for new and on-going projects, being The Wharf Residences, The Volari, Hotel at Upper Pickering Street, Hundred Trees, Tree House, NUS Staff Housing at Kent Vale, Waterway Terraces I and The Glyndebourne, which resulted in an aggregate increase in revenue by S$245.8 millions. The increase was offset by decrease in work done for completed/almost completed projects in Singapore, being Tribeca, Wilkie Studio, Sky @ Eleven, Hilltops, Shelford Suites and Raffles City Shopping Mall totalling S$147.2 million. In addition, there was a decrease in Papua New Guinea (PNG)'s revenue by S$7.8 million, mainly due to decrease in work done for current year as compared to prior year.

In accordance with our revenue recognition policy, work done amounting to approximately S$6.0 million from newly commenced projects in Singapore and PNG have yet to be recognised as revenue in FY2011.

Revenue from sales of development properties

Revenue from sale of development properties of S$53.8 million in FY2011 was contributed mainly from sale and recognition of Phase I (total 4 phases) of Sunny International project in Cangzhou ("Sunny International") which comprises 443 units totaling 50,850 sqm and Tianmen Jinwan Building in Tianjin which comprises 13 units totaling 2,896 sqm. This was in comparison to sales and recognition of 55 units totaling 10,988 sqm of Tianmen Jinwan Building in FY2010.

As at 31 December 2011, remaining 6 units totaling 891 sqm and 5 units totaling 835 sqm of Phase 1 of Sunny International project and Tianmen Jinwan Building respectively are fully sold, but yet to be recognised as revenue in accordance to our revenue recognition policy.

Revenue from sales of goods

Revenue from sale of goods increased by approximately S$7.1 million from S$1.7 million in FY2010 to S$8.8 million in FY2011, attributable mainly to the Cobiax business which was newly acquired in 3Q2010 and contributed its maiden income with effect from 3Q2010 onwards.

Other Income

Other income decreased by approximately S$4.7 million from S$13.9 million in FY2010 to S$9.2 million in FY2011 due mainly to one off gain on bargain purchase of S$9.9 million arising from acquisition of Cobiax Group in 3Q2010. The decrease was offset by S$0.5 million gain on disposal of investment property, fees from project management of $1.0 million (contributed by our project management consulting subsidiary, Tiong Seng (Tianjin) Project Management and Consulting Co., Ltd, (“TSPMC”) with effect from 2011 onwards), increase of S$2.6 million from provision of project administrative service and increase of S$0.3 million gain from sale of carpark lots.

Cost of construction

Increase in cost of construction was generally in line with the increase in revenue from construction contracts.

Cost of sales of development properties

Increase in cost of sales of development properties was due mainly to increase in revenue from sales of development properties as explained earlier.

Cost of goods sold

Increase in cost of goods sold was generally in line with the increase in revenue from sales of goods.

Selling expenses

Increase in selling expenses of approximately S$1.6 million or 55% in FY2011 was due mainly to the increase in selling expenses incurred for its Equinox project in PRC, undertaken by Guangang for its various marketing activities.

Staff costs

Increase in staff costs of approximately S$4.8 million or 36% in FY2011 was due mainly to increase of S$3.1 million contributed from the newly acquired Cobiax business and TSPMC, which became operational only in 2H2010. The remaining increase was mainly due to additional staff headcount recruited to support expansion of existing construction and property development businesses and new construction projects secured.

Other expenses

Other expenses increased by approximately S$1.4 million or 13% in FY2011 due mainly to contribution from the newly acquired Cobiax business since 3Q2010 as well as additional operating costs in relation to the increase in the business of the Group.

Finance expense

Finance expense decreased by approximately S$1.8 million in FY2011 due mainly to an appreciation in Renminbi vis-à-vis SGD, which resulted in an exchange gain of approximately S$1.2 million in current year.

Share of profit of joint ventures, net of tax

Share of profit of joint ventures increased by approximately S$4.3 million or 26% in FY2011, due mainly to the increase in share of profit from our various joint venture projects.

Income tax expense

In tandem with the increase in revenue for the year, the Group's income tax, which includes land appreciation tax, increased $7.2 million in current year.

Profit for the year

Profit for the year decreased by approximately S$3.9 million or 13% in FY2011, due mainly to one-time gain on bargain purchase arising from acquisition of Cobiax group in FY2010.

Review of Group Financial Position

Non-Current Assets

As at 31 December 2011, non-current assets totaled S$119.1 million or approximately 16.5% total assets. Non-current assets increased by approximately S$25.7 million.

Increase in property, plant and equipment ("PPE") of S$20.9 million was due mainly to additions amounting to S$24.9 million (out of which $14.9 million was due to construction of pre-casting facilities) offset by depreciation charges of approximately S$4.6 million.

Increase in associates and joint ventures by approximately S$5.0 million were mainly due to additional share of profits of joint ventures for current year and investment in a new associate - Feature (Balmoral) Pte. Ltd.

Current Assets

As at 31 December 2011, current assets stood at S$601.9 million or approximately 83.5% of total assets. Current assets increased by approximately S$136.1 million.

The increase in construction work-in-progress (net of excess of progress billings over construction work-in-progress) of approximately S$46.1 million was due mainly to higher projects' work-in-progress costs, which have yet to be certified by external consultants and lower progress billings over construction work-in-progress as at 31 December 2011

The increase in development properties by S$102.6 million was mainly due to increase in development costs for ongoing PRC development projects of approximately S$80.3 million and acquisition of land use right at Xushuguan development zone, Suzhou, PRC of approximately S$73.9 million. The increase was partially offset by decrease in property development costs of Tianmen Jinwan Building and Phase I Sunny International projects of collectively S$49.9 million upon their recognition.

Trade and other receivables increased by approximately S$20.9 million due mainly to increase in deposit and prepayments, trade receivables and accrued receivables of approximately S$4.4 million, S$8.6 million and S$9.2 million respectively, offset by decrease in retention sum receivables of construction contracts of approximately S$2.4 million.

Amounts due from related parties decreased by approximately S$4.0 million due mainly to decrease in trade amounts due from joint venture of approximately S$3.4 million.

There was a net decrease in cash and cash equivalents of approximately S$6.7 million, mainly due to net cash outflow from operating activities of approximately S$123.0 million.

Non-Current Liabilities

As at 31 December 2011, non-current liabilities totaled S$99.0 million or approximately 30.0% of total liabilities, an increase of approximately S$47.1 million compared to 31 December 2010.

Non-current loans and borrowings increased by S$43.9 million due mainly to new loans of S$85.2 million obtained from banks and financial institutions to mainly finance property development projects in PRC. The increase was offset by reclassification of loans of approximately S$43.0 million to current loans and borrowings.

Current Liabilities

As at 31 December 2011, current liabilities stood at S$367.4 million or approximately 78.8% of total liabilities, an increase of S$90.3 million.

The increase was due mainly to aggregate increase of approximately S$119.4 million in loans and borrowings, trade and other payables and amounts due to related parties, offset by aggregate decrease in progress billings in excess of construction work in progress and current tax payables of approximately S$29.1 million.

Increase in loans and borrowing of approximately S$99.6 million was due mainly to new loans drawdown of approximately S$122.6 million to mainly finance the Group's property development and construction businesses and reclassification of loans and borrowings of approximately S$43.0 million from non-current loans and borrowings. The increase was offset by repayments of approximately S$67.3 million made during the year.

Increase in trade and other payables of approximately S$16.9 million was due mainly to increase in trade payables and accrued trade payables of aggregate S$44.0 million due mainly to more construction projects in current year and increase in accrued operating expenses of S$5.5 million, offset by decrease in receipts in advance of S$33.4 million arising from revenue recognition of sales of Sunny International units.

Decrease in current tax payable of S$6.1 million was mainly due to payments made in current year.

<u>Review of Statement of Cash Flows</u>

Net cash from operating activities

For the year ended 31 December 2011, the Group recorded a net cash outflow from operating activities of approximately S$123.0 million due mainly to the followings:

(a) Increase in development properties by S$83.3 million, due mainly to payment on land use right for Equinox project undertaken by Guangang, acquisition of new land use right at Xushuguan development zone and capitalisation of additional development property costs for Sunny International project.

(b) Net increase in trade and other receivables by S$19.2 million, due mainly to increase in accrued receivables and trade receivables from projects, being The Volari, Hotel at Upper Pickering Street, Wharf, NUS Staff Housing at Kent Vale, Hundred Trees and Tree House.

(c) Net increase in construction work-in-progress by S$46.1 million due mainly to projects' work-in-progress costs, which have yet to be certified by external consultants.

(d) Net increase in trade and other payables by S$12.7 million due mainly to increase in trade payables and retainage payables for projects with their increase in work done, offset by reduction in receipt in advance arising from revenue recognition of Phase I Sunny International units.

Net cash from investing activities

For the year ended 31 December 2011, the Group recorded a net cash outflow from investing activities of approximately S$7.0 million, decreased by S$28.0 million compared to the previous year ended 31 December 2010.

The increase in net cash outflow from investing activities was due mainly to purchase of property, plant and equipment of S$24.8 million (out of which $14.9 million was due to construction of pre-casting facilities) and new investment in associates of S$5.5 million, offset by receipt from joint ventures of S$21.1 million.

Net cash from financing activities

For the year ended 31 December 2011, the Group recorded a net cash inflow from financing activities of S$90.3 million, compared to the previous year ended 31 December 2010.

This was due mainly to net receipts from loans and borrowings of S$140.5 million, offset by increase in deposits pledged of S$32.1 million, payment of dividends of S$7.7 million recorded in the last financial year and interest paid of S$11.7 million during the year.

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

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Construction

This year, total construction demand is projected to range between S$21 billion - S$27 billion as compared to the 16% year-on-year increase to S$32 billion recorded in 2011. The expected softening is largely due to lower projected demand from the private sector of between S$8 billion and S$12 billion amid the global economic uncertainty and a slowdown in the Singapore economy. For 2013 and 2014, the average construction demand is projected to range between S$19 billion - S$27 billion per annum, of which, about 56% - 63% is expected to come from the public sector[1].

At large, the operating landscape is expected to remain challenging, with higher construction costs, higher material costs and foreign workers' levies, reduction in the number of foreign workers,and stiff competition from large foreign contractors.

Tiong Seng is equipped with investments in technology such as pre-cast construction, automation, training to improve productivity and efficiency, and advanced formwork systems to reduce its reliance on labour and increase cost efficiencies. As such, the Group believes that it remains in good stead for the long haul, particularly amid the government's recent call for higher productivity within the construction sector.

The Group continued its momentum with 3 new construction contract wins in 4Q2011, and its construction order book as at 31 December 2011 remains robust with a strong pipeline of orders valued at approximately S$1.4 billion.

The Group expects to complete the construction of the "Tiong Seng Prefab Hub" in Tuas for automating the manufacture of pre-cast building components by mid-2012. Coupled with its investment in Cobiax, a cutting-edge green construction technology that reduces the volume of concrete used in slabs by as much as 30%, the Group believes it will have an added head-start maximising productivity and efficiency.

Property Development in the PRC

The Chinese property market continued its downward correction with the government's series of measures[2] to cool the property market over the last year. The authorities have put in place further tightening measures such as higher down-payments for mortgages, price caps on real estate[2], and home purchase restrictions in more cities, and these measures are expected to be maintained in the immediate term[3]. The government is also boosting housing supply by constructing 10 million affordable housing units.

Faced with liquidity pressures and tighter credit controls, developers have also started reducing selling prices of residential units during the last quarter of 2011. Some property developers have started cutting prices by 20% to 30% on some projects in coastal cities such as Shanghai. Going forward, sales volume is expected to decline this year in view of lacklustre demand in the tier-one and tier-two markets[2].

In the longer term, PRC's urbanisation is expected to continue to drive demand for quality housing in China. Its current urbanisation rate of 47% still lags behind the 85%[4] in developed countries, and therefore has more room to grow by an expected 1 percentage point every year for the next 20 years to approximately 70% by 2030[5].

As at 31 December 2011, the Group has completed the construction and sales of Phase 1 out of 4 Phases, of the Sunny International project. The other phases are currently in construction and sales for phase 2 and phase 4 commenced in 2Q2011 and 4Q2011 respectively. In addition, the Group is currently carrying out construction for Phase 1, Phase 2 and Phase 3 out of 7 phases, for the Equinox project and sales for Phase 1 has commenced in 4Q2011. Sales for Phase 2 and Phase 3 are expected to commence in 2Q2012. Commencement of construction of residential project in Suzhou New District Xushuguan Development Zone is expected to be in 2Q2012.

The Group will continue to monitor policy changes closely and focus on the sales and development of its China projects, and look for more opportunities to build its development land bank where possible.

[1] "Public sector projects to sustain construction demand in 2012", Building and Construction Authority, 16 Jan 2012
[2] "China should maintain property curbs: Vice Premier", The Business Times, 29 November 2011
[3] "China November home price in biggest drop this year", Today, 2 December 2011
[4] "China's urbanisation rate to reach 50% by 2020", Chinadaily.com.cn, quoting the 2009 City Development Report of China, 5 Dec 2010.
[5] "Urbanisation to drive China's growth", Chinadaily.com.cn, 26 Mar 2011

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

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

(c) Date payable

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

(d) Books closure date

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

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

Not applicable

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

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

(a) Business segments

31 December 2011	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	350,685	53,828	1,192	8,806	414,511	-	414,511
Interest income	71	229	-	47	347	-	347
Interest expenses	(551)	(273)	-	(93)	(917)	(327)	(1,244)
Depreciation and amortization	(4,192)	(135)	(629)	(1,882)	(6,838)	(113)	(6,951)
Reportable segment profit before income tax	27,014	433	563	(3,613)	24,397	(7,172)	17,225
Share of profit of associates and joint ventures, net of tax	20,582	(3)	-	-	20,579	-	20,579
Profit before income tax							37,804
Income tax expense							(10,878)
Profit for the year							26,926
Reportable segment assets	269,969	367,412	20,231	17,481	675,093	30,330	705,423
Investment in associates and joint ventures	10,069	5,531	-	-	15,600	-	15,600
Total assets							721,023
Reportable segment liabilities	201,668	249,789	-	5,551	457,008	9,384	466,392
Capital expenditure	24,210	188	-	1,062	25,460	229	25,689

*General Corporate activities

31 December 2010	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	226,785	22,885	955	1,679	252,304	-	252,304
Interest income	-	153	-	261	414	94	508
Interest expenses	(540)	(497)	-	(106)	(1,143)	-	(1,143)
Depreciation and amortisation	(7,349)	(106)	(663)	(644)	(8,762)	(63)	(8,825)
Reportable segment profit before income tax	12,302	5,171	298	5,724	23,495	(5,326)	18,169
Share of profit of associates and joint ventures, net of tax	16,323	-	-	-	16,323	(51)	16,272
Profit before income tax							34,441
Income tax expense							(3,637)
Profit for the year							30,804
Other material non-cash items:							
- Gain on bargain purchase arising from acquisition of a subsidiary	-	-	-	9,930	9,930	-	9,930
Reportable segment assets	204,128	253,828	21,006	16,718	495,680	52,967	548,647
Investment in associates and joint ventures	10,568	-	-	-	10,568	21	10,589
Total assets							559,236
Reportable segment liabilities	162,541	157,379	-	5,799	325,719	3,286	329,005
Capital expenditure	14,021	183	380	249	14,833	317	15,150

(b) Geographical segment

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

	Revenue from external customers		Non-current assets	
	2011 S$'000	2010 S$'000	**2011 S$'000**	2010 S$'000
Singapore	**346,904**	215,001	**47,998**	27,065
PRC	**54,570**	23,428	**18,591**	19,225
PNG	**4,462**	12,184	**4,629**	4,847
Other countries	**8,575**	1,691	**7,942**	8,691
Investment in associates and joint ventures	**-**	-	**15,600**	10,589
Other unallocated amounts	**-**	-	**24,364**	23,003
	414,511	252,304	**119,124**	93,420

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

Please refer to section 8.

15. A breakdown of sales and profit before tax.

	2011 S$'000	2010 S$'000	Increase / (Decrease) %
Sales reported for first half year	145,460	124,429	17
Operating profit after tax before deducting non-controlling interests reported for first half year	11,922	10,772	11
Sales reported for second half year	269,051	127,875	110
Operating profit after tax before deducting non-controlling interests reported for second half year	15,004	20,032	-25

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

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

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

17. 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	86	Father of Pek Lian Guan (Executive Director & Chief Executive Officer ("CEO")) and Pek Dien Kee (Head of Asset Management). Uncle of Pay Sim Tee (Executive Director), Pay Teow Heng (Project Director). 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). 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).	Non-Executive Chairman since 2010	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
Pek Lian Guan	47	Son of Pek Ah Tuan (Non-Executive Chairman). Brother of Pek Dien Kee (Head of Asset Management). Cousin of Pay Sim Tee (Executive Director), Pay Teow Heng (Project Director). Uncle of Ong Chun Tiong (General Manager for the Group's subsidiaries in Tianjin, PRC), Pek Chik Lay (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).	Executive Director & CEO since 2010	Not Applicable
Pay Sim Tee	61	Nephew of Pek Ah Tuan (Non-Executive Chairman). Cousin of Pek Lian Guan (Executive Director & CEO), Pek Dien Kee (Head of Asset Management) and Pay Teow Heng (Project Director). Uncle of Ong Chun Tiong (General Manager for the Group's subsidiaries in Tianjin, PRC), Pek Chik Lay (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).	Executive Director since 2010	Not Applicable
Pek Dien Kee	58	Son of Pek Ah Tuan (Non-Executive Chairman). Brother of Pek Lian Guan (Executive Director and CEO). Cousin of Pay Sim Tee (Executive Director).	Head of Asset Management since 2010	Not Applicable
Pay Teow Heng	45	Nephew of Pek Ah Tuan (Non-Executive Chairman). Cousin of Pek Lian Guan (Executive	Project Director since 2010	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
		Director and CEO) and Pay Sim Tee (Executive Director).		
Ong Chun Tiong	39	Grandson of Pek Ah Tuan (Non-Executive Chairman). Nephew of Pek Lian Guan (Executive Director and CEO) and Pay Sim Tee (Executive Director).	General Manager for the Group's subsidiaries in Tianjin, PRC. since 2004	Not Applicable
Pek Chik Lay	35	Grandson of Pek Ah Tuan (Non-Executive Chairman). Nephew of Pek Lian Guan (Executive Director and CEO) and Pay Sim Tee (Executive Director).	Manager of Cobiax Technologies (Asia) Pte Ltd since 2011	Changed from Business Process Manager of Tiong Seng Contractors (Private) Limited to Manager of Cobiax Technologies (Asia) Pte Ltd
Peh Geok Soon	57	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	Additional position of Deputy General Manager of Suzhou Chang He Investment & Development Co. Ltd

On behalf of the Board of Directors

BY ORDER OF THE BOARD

Pek Lian Guan
Executive Director and CEO
20 February 2012