



**FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2014**

1 (a) GROUP INCOME STATEMENT

	Group					
	3Q 2014	3Q 2013	Fav /	9 Months	9 Months	Fav /
	30/9/2014	30/9/2013	(Unfav)	30/9/2014	30/9/2013	(Unfav)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	47,292	95,920	(50.7)	180,691	292,957	(38.3)
Cost of sales	(53,146)	(87,740)	39.4	(186,539)	(242,887)	23.2
Gross (loss)/profit	(5,854)	8,180	NA	(5,848)	50,070	NA
Other income	55	87	(36.8)	371	212	75.0
General and administrative expenses	(2,929)	(14,045)	79.1	(9,918)	(31,627)	68.6
Interest income	1	9	(88.9)	10	19	(47.4)
Finance costs	(1,160)	(809)	(43.4)	(3,540)	(2,109)	(67.9)
(Loss)/ Profit before tax	(9,887)	(6,578)	(50.3)	(18,925)	16,565	NA
Taxation	1,468	3,166	(53.6)	3,335	173	>100
Net (loss)/ profit attributable to shareholders of the Company	(8,419)	(3,412)	(146.7)	(15,590)	16,738	NA

NA - Not Applicable

(Loss)/Profit before tax is arrived at after charging/(crediting):

Loss on disposal of property, plant & equipment	284	8,104	1,117	7,240
Depreciation	6,787	6,698	20,497	20,254
(Write back)/Provision for doubtful debt	(5)	-	(5)	4,903

1(b)(i) BALANCE SHEET

	Group		Company	
	30/9/2014	31/12/2013	30/9/2014	31/12/2013
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	343,310	356,867	-	-
Investment in subsidiaries	-	-	39,026	39,026
Amount due from subsidiaries	-	-	70,449	76,474
Investment in a joint venture	1,025	1,025	-	-
Other investment	140	140	-	-
Trade debtor	3,976	3,976	-	-
	348,451	362,008	109,475	115,500
Current assets				
Steel materials, at cost	65,670	64,373	-	-
Gross amount due from customers for contract work-in-progress	117,415	116,045	-	-
Trade debtors	26,282	35,684	-	-
Sundry debtors and deposits	5,469	5,395	-	1,226
Prepayments	1,151	2,442	6	22
Cash and bank balances	8,627	14,818	234	623
	224,614	238,757	240	1,871
Current liabilities				
Gross amount due to customers for contract work-in-progress	2,326	3,508	-	-
Trade creditors	52,293	57,453	-	-
Other creditors and accruals	12,393	11,286	357	439
Borrowings	77,830	50,815	-	-
Hire purchase creditors	7,781	8,427	-	-
Provision for taxation	540	245	6	13
	153,163	131,734	363	452
Net current assets / (liabilities)	71,451	107,023	(123)	1,419
Non-current liabilities				
Borrowings	94,713	111,623	-	-
Hire purchase creditors	6,310	11,732	-	-
Deferred taxation	25,810	29,249	-	-
	126,833	152,604	-	-
Net assets	293,069	316,427	109,352	116,919
Equity				
Share capital	96,379	96,379	96,379	96,379
Reserves	196,690	220,048	12,973	20,540
	293,069	316,427	109,352	116,919

Trade debtors decreased due to timing in billing and collection of receivables for on-going projects. Prepayments decreased due to prepaid expenses charged to profit and loss when they were incurred in the quarter.

Trade creditors decreased due to timing in progress billings and payment of payables for on-going projects. Increase in other creditors and accruals was mainly due to increase in accrued operating expenses in the quarter. Net borrowings increased due to higher working capital requirements.

1(b)(ii) GROUP BORROWINGS AND DEBT SECURITIES

	As at 30/09/14		As at 31/12/13	
	\$'000		\$'000	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	10,894	74,717	11,709	47,533
Amount repayable after one year	11,023	90,000	18,355	105,000

Details of collateral:

Certain group borrowings (including HP creditors) are secured by way of a fixed charge on certain assets of the Group's principal subsidiaries.

1(c) GROUP CONSOLIDATED CASH FLOW STATEMENT

	3Q 2014 30/09/2014	3Q 2013 30/09/2013	9 Months 30/09/2014	9 Months 30/09/2013
	\$'000	\$'000	\$'000	\$'000
Operating activities				
(Loss)/ Profit before tax	(9,887)	(6,578)	(18,925)	16,565
Add/(less):				
Depreciation	6,787	6,698	20,497	20,254
Consumption allowance	660	(2,204)	2,737	65
Interest income	(1)	(9)	(10)	(19)
Interest expense	1,160	809	3,540	2,109
Provision for doubtful debt	-	-	-	5,053
Write back of impairment of receivable	(5)	-	(5)	(150)
Loss on disposal of property, plant & equipment	284	8,104	1,117	7,240
Effects of changes in foreign exchange	(419)	(348)	(427)	(1,461)
Operating cash flows before changes in working capital	(1,421)	6,472	8,524	49,656
Decrease/(Increase) in steel materials and work-in-progress	13,428	(8,952)	(3,758)	(44,394)
Decrease in trade and other debtors	618	4,862	10,732	648
(Decrease)/Increase in trade and other creditors	(12,470)	3,053	(4,219)	2,662
Cash flows from operations	155	5,435	11,279	8,572
Income tax refund/(paid)	-	(1,674)	190	(3,847)
Interest received	1	9	10	19
Interest paid	(1,160)	(809)	(3,540)	(2,109)
Net cash flows (used in)/from operating activities	(1,004)	2,961	7,939	2,635
Investing activities				
Purchase of property, plant & equipment	(1,915)	(16,065)	(14,016)	(44,840)
Proceeds from disposal of property, plant & equipment	1,644	3,691	4,003	8,489
Investment in a joint venture	-	-	-	52
Net cash flows used in investing activities	(271)	(12,374)	(10,013)	(36,299)
Financing activities				
Dividend paid	-	-	(7,601)	(12,640)
Proceeds from borrowings	6,533	41,822	27,063	141,196
Repayment of borrowings	(5,835)	(30,562)	(17,173)	(82,625)
Hire purchase instalments paid	(2,142)	(2,630)	(6,397)	(7,981)
Issuance of ordinary shares	-	94	-	867
Net cash flows (used in)/from financing activities	(1,444)	8,724	(4,108)	38,817
Net (decrease)/increase in cash and cash equivalents	(2,719)	(689)	(6,182)	5,153
Effect of exchange rate changes on cash and cash equivalents	-	-	(9)	19
Cash and cash equivalents as at beginning of period	11,346	17,023	14,818	11,162
Cash and cash equivalents as at end of period	8,627	16,334	8,627	16,334

1(d)(i) STATEMENT OF COMPREHENSIVE INCOME

	Group					
	3Q 2014 30/09/2014	3Q 2013 30/09/2013	Fav/(Unfav)	9 Months 30/09/2014	9 Months 30/09/2013	Fav/(Unfav)
	\$'000	\$'000	%	\$'000	\$'000	%
(Loss)/Profit after tax	(8,419)	(3,412)	NA	(15,590)	16,738	NA
Foreign currency translation	259	(978)	NA	(167)	(540)	NA
Total comprehensive (loss)/income	(8,160)	(4,390)	NA	(15,757)	16,198	NA

1(d)(ii) STATEMENT OF CHANGES IN EQUITY

	Share capital \$'000	Capital reserves \$'000	Share option reserves \$'000	Foreign currency translation reserves \$'000	Retained earnings \$'000	Total \$'000
GROUP						
Balance at 1 January 2014	96,379	17,411	12,800	(4,381)	194,218	316,427
Total comprehensive loss for the period	-	-	-	(426)	(7,171)	(7,597)
Dividend on ordinary shares	-	-	-	-	(7,601)	(7,601)
Balance at 30 June 2014	96,379	17,411	12,800	(4,807)	179,446	301,229
Total comprehensive loss for the period	-	-	-	259	(8,419)	(8,160)
Balance at 30 September 2014	96,379	17,411	12,800	(4,548)	171,027	293,069
Balance at 1 January 2013	95,512	17,411	12,800	(3,916)	201,319	323,126
Total comprehensive income for the period	-	-	-	438	20,150	20,588
Dividend on ordinary shares	-	-	-	-	(12,640)	(12,640)
Issuance of shares	773	-	-	-	-	773
Balance at 30 June 2013	96,285	17,411	12,800	(3,478)	208,829	331,847
Total comprehensive loss for the period	-	-	-	(978)	(3,412)	(4,390)
Issuance of shares	94	-	-	-	-	94
Balance at 30 September 2013	96,379	17,411	12,800	(4,456)	205,417	327,551
COMPANY						
Balance at 1 January 2014	96,379	10,574	12,800	-	(2,834)	116,919
Total comprehensive income for the period	-	-	-	-	24	24
Dividend on ordinary shares	-	-	-	-	(7,601)	(7,601)
Balance at 30 June 2014	96,379	10,574	12,800	-	(10,411)	109,342
Total comprehensive income for the period	-	-	-	-	10	10
Balance at 30 September 2014	96,379	10,574	12,800	-	(10,401)	109,352
Balance at 1 January 2013	95,512	10,574	12,800	-	(13,394)	105,492
Total comprehensive income for the period	-	-	-	-	463	463
Dividend on ordinary shares	-	-	-	-	(12,640)	(12,640)
Issuance of shares	773	-	-	-	-	773
Balance at 30 June 2013	96,285	10,574	12,800	-	(25,571)	94,088
Total comprehensive income for the period	-	-	-	-	(25)	(25)
Issuance of shares	94	-	-	-	-	94
Balance at 30 September 2013	96,379	10,574	12,800	-	(25,596)	94,157

1(d)(iii)&(iv) SHARE CAPITAL

There were no shares issued during the period from 1 July 2014 to 30 September 2014.

As at 30 September 2014, there were 73,220,000 (30 September 2013: 73,220,000) unissued ordinary shares relating to options granted a unexercised under the Employee Share Option Scheme.

As at 30 September 2014, the total number of issued shares was 1,266,942,003 (31 December 2013: 1,266,942,003).

2 AUDIT

These figures have not been audited or reviewed by the auditors.

3 AUDITOR'S REPORT

Not applicable.

4 ACCOUNTING POLICIES

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current reporting period as those in the financial year ended 31 December 2013, except as disclosed in paragraph 5 below.

5 CHANGES IN ACCOUNTING POLICIES

The Group adopted the new/revised FRS and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2014. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these FRS and INT FRS did not have any significant impact on the financial statements of the Group.

6 EARNINGS PER SHARE

Earnings per share for the period based on net profit attributable to shareholders:-

	Group (cents)			
	3Q 2014 30/09/2014	3Q 2013 30/09/2013	9 Months 30/09/2014	9 Months 30/09/2013
(i) Based on weighted average number of shares in issue	(0.66)	(0.27)	(1.23)	1.32
(ii) On a fully diluted basis	(0.66)	(0.26)	(1.22)	1.29

The computation of basic earnings per share for 3Q FY2014 is based on the weighted average number of shares of 1,266,942,003 (3Q FY2013: 1,266,942,003) and weighted average number of shares for diluted earnings of 1,281,820,251 (3Q FY2013: 1,296,238,967).

The computation of basic earnings per share for 9 months FY2014 is based on the weighted average number of shares of 1,266,942,003 (9M2013: 1,264,947,670) and weighted average number of shares for diluted earnings of 1,281,820,251 (9M2013: 1,294,244,633).

7 NET ASSET VALUE PER SHARE

	Group (cents)		Company (cents)	
	30/9/2014	31/12/2013	30/9/2014	31/12/2013
Net asset value per share	23.13	24.98	8.63	9.23

8 REVIEW OF THE PERFORMANCE OF THE GROUP

With the completion of the Marina Coastal Expressway ("MCE") contracts at the end of FY2013, the Singapore Sports Hub at the end of 1QFY2014, Group revenue dropped by 50.7% to \$47.3 million in 3QFY2014, compared to \$95.9 million in 3QFY2013. However, quarter-on-quarter, Group revenue fell by a lower 23.2%, from \$61.6 million in 2QFY2014. Revenue contribution from Specialist Civil Engineering segment decreased by 49.5% year-on-year, from \$39.0 million in 3Q FY2013 to \$19.7 million in 3QFY2014. Quarter-on-quarter, revenue from Specialist Civil Engineering saw a lower decline of 33.8%, from \$29.7 million in 2QFY2014. The contributions were received from on-going projects, including MRT Downtown Line 2, Downtown Line 3 and the Hong Kong MTR.

Structural Steelwork projects recorded a similar year-on-year revenue decrease of 51.5%, from \$56.8 million in 3Q FY2013 to \$27.6 million in 3QFY2014. Quarter-on-quarter, this segment saw a lower decline of 13%, from \$31.7 million in 2QFY2014. South Beach Development, Market Street and Marina One were the key contributors to Structural Steelworks revenue in the quarter under review.

Fewer projects with lower margins in the review quarter mean there were lower fabrication and erection activities to absorb the fixed production and overhead costs. The Group incurred a gross loss of \$5.9 million, compared to a gross profit of \$8.2 million in 3QFY2013.

General and administrative expenses decreased by \$11.1 million to \$2.9 million in view of a one-off \$8.1 million loss on disposal of fixed assets incurred in 3QFY2013. Excluding the non-recurring loss on disposal of fixed asset, general and administrative expenses would still be lowered by \$3.0 million, from \$5.9 million in 3QFY2013 to \$2.9 million in 3QFY2014, mainly due to lower expenses and professional fees incurred. Finance costs increased from \$0.8 million to \$1.2 million in 3QFY2014 due to higher borrowings, bank interest and charges. Consequently, the Group recorded a net loss of \$8.4 million in 3QFY2014, compared to a loss of \$3.4 million in 3QFY2013.

As a result, the Group registered a loss per share of 0.66 Singapore cent in 3QFY2014, compared to loss per share of 0.27 Singapore cent in 3QFY2013. Net asset value per share declined by 1.85 Singapore cents, from 24.98 Singapore cents as at 31 December 2013 to 23.13 Singapore cents as at 30 September 2014.

Net gearing remained at a healthy level of 0.61 times as at 30 September 2014, notwithstanding a marginal increase from 0.53 times as at 31 December 2013.

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

The results are in line with statement made in results announcement for the financial period ended 30 June 2014.

10 A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or event that may effect the group in the next reporting period and the next 12 months

Outlook for infrastructural developments and commercial projects in Singapore and the region remains positive.

The Group secured new contracts for the 9 months ended 30 September 2014 valued at \$157 million. Together with the new contract wins amounting to \$93.1 million recently announced on 12 November 2014, the total value of the Group's year-to-date contract wins now stands at over \$250.1 million. The new contract wins will contribute marginally to FY2014's financial performance but are expected to make significant impact from FY2015.

On 29 October 2014, the Group, together with consortium partners, JGC Corporation and Changi Airport Planners and Engineers was selected as the successful tenderer for the Hanthawaddy International Airport ("HIA") in Myanmar and its facilities on the basis of a public-private partnership agreement for a 30-year concession period. The Consortium will now enter into advanced discussion and negotiation with the Myanmar authorities to finalise details and terms of the HIA project.

The Group is currently in active pursuit of \$964 million worth of new infrastructural and commercial projects in Singapore, Hong Kong, Malaysia and the Middle East.

The Group's order book stood at \$316 million at the end of September 2014, compared to \$275 million as at 30 June 2014.

11 DIVIDEND

(a) Current financial period reported on

None

(b) Corresponding period of the immediately preceding financial year

None

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

No dividend has been recommended for the period ended 30 September 2014.

13 Interested Person Transactions

The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

14 Negative assurance

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the financial results for the 9 months ended 30 September 2014 to be false or misleading.

BY ORDER OF THE BOARD

SEOW SOON YONG
Chief Executive Officer

CHIA SIN CHENG
Finance & Executive Director

Date: 14 November 2014