



**FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE PERIOD ENDED 31 MARCH 2013**

1 (a) GROUP PROFIT AND LOSS ACCOUNT

	Group		
	3 mths 31/3/2013	3 mths 31/3/2012	Fav / (Unfav)
	\$'000	\$'000	%
Revenue	81,909	67,275	21.8
Cost of sales	(62,386)	(47,534)	(31.2)
Gross profit	19,523	19,741	(1.1)
Other income	54	22	145.5
General and administrative expenses	(6,151)	(6,338)	3.0
Interest income	4	20	(80.0)
Finance costs	(691)	(746)	7.4
Profit before tax	12,739	12,699	0.3
Taxation	(1,217)	(1,263)	3.6
Net profit attributable to shareholders of the Company	11,522	11,436	0.8
Profit before tax is arrived at after crediting / (charging):			
Gain on disposal of property, plant & equipment	460	5	
Depreciation	(6,663)	(5,644)	

1(b)(i) **BALANCE SHEET**

	Group		Company	
	31/3/2013	31/12/2012	31/3/2013	31/12/2012
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	352,416	346,320	-	-
Investment in subsidiaries	-	-	39,026	39,026
Amount due from subsidiaries	-	-	70,216	69,655
Investment in a joint venture	-	52	-	-
Other investment	100	100	-	-
Trade debtor	-	1,985	-	-
	352,516	348,457	109,242	108,681
Current assets				
Steel materials, at cost	71,894	71,861	-	-
Gross amount due from customers for contract work-in-progress	105,549	94,298	-	-
Trade debtors	33,728	42,643	-	-
Sundry debtors and deposits	4,226	3,736	-	20
Prepayments	1,043	1,292	5	8
Cash and bank balances	11,164	11,162	203	245
	227,604	224,992	208	273
Current liabilities				
Gross amount due to customers for contract work-in-progress	11,324	18,589	-	-
Trade creditors	61,276	60,726	-	-
Other creditors and accruals	11,239	16,519	667	456
Borrowings	90,379	83,110	3,000	3,000
Hire purchase creditors	8,628	9,089	-	-
Provision for taxation	4,887	4,728	3	6
	187,733	192,761	3,670	3,462
Net current assets / (liabilities)	39,871	32,231	(3,462)	(3,189)
Non-current liabilities				
Borrowings	9,688	10,369	-	-
Hire purchase creditors	16,065	16,787	-	-
Deferred taxation	31,623	30,406	-	-
	57,376	57,562	-	-
Net assets	335,011	323,126	105,780	105,492
Equity				
Share capital	95,640	95,512	95,640	95,512
Reserves	239,371	227,614	10,140	9,980
	335,011	323,126	105,780	105,492

Increase in property, plant and equipment was due mainly to purchases of struts required for various projects.

Trade debtors (non-current) has been transferred to current trade debtors as the amount is expected to be repaid within 12 months. Trade debtors decreased due to collection of receivables during the quarter. Sundry debtors and deposits increased due to deposits paid for acquisition of certain equipments.

Trade creditors increased due to timing in progress billings for on-going projects. Reduction in other creditors and accruals was mainly due to the settlement of certain obligations. Net borrowings increased marginally due to higher working capital requirements.

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

	As at 31/03/13		As at 31/12/12	
	\$'000		\$'000	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	12,542	86,465	12,895	79,304
Amount repayable after one year	25,753	-	27,156	-

Details of collateral:

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

	3 mths 31/03/2013	3 mths 31/03/2012
	\$'000	\$'000
Operating activities		
Profit before tax	12,739	12,699
Add/(less):		
Depreciation	6,663	5,644
Consumption allowance	505	374
Interest income	(4)	(20)
Interest expense	691	746
Gain on disposal of property, plant & equipment	(460)	(5)
Write back of impairment of receivable	(50)	-
Effects of changes in foreign exchange	(679)	249
Operating cash flows before changes in working capital	19,405	19,687
Increase in steel materials and work-in-progress	(18,585)	(3,932)
Decrease in trade and other debtors	10,789	11,591
Decrease in trade and other creditors	(4,937)	(11,646)
Decrease in amount due from a joint venture	-	400
Cash flows from operations	6,672	16,100
Income tax received/ (paid)	159	(1,732)
Interest received	4	20
Interest paid	(691)	(746)
Net cash flows from operating activities	6,144	13,642
Investing activities		
Purchase of property, plant & equipment	(11,650)	(13,761)
Proceeds from disposal of property, plant & equipment	1,636	55
Investment in a joint venture	52	-
Net cash flows used in investing activities	(9,962)	(13,706)
Financing activities		
Proceeds from borrowings	19,612	13,684
Repayment of borrowings	(13,198)	(26,128)
Hire purchase instalments paid	(2,741)	(2,655)
Issuance of ordinary shares	128	404
Net cash flows from/ (used in) financing activities	3,801	(14,695)
Net decrease in cash and cash equivalents	(17)	(14,759)
Effect of exchange rate changes on cash and cash equivalents	19	(23)
Cash and cash equivalents as at beginning of period	11,162	27,989
Cash and cash equivalents as at end of period	11,164	13,207

1(d)(i) STATEMENT OF COMPREHENSIVE INCOME

	Group		
	3 mths 31/03/2013	3 mths 31/03/2012	Fav/(Unfav)
	\$'000	\$'000	%
Profit after tax	11,522	11,436	0.8
Foreign currency translation	235	189	(24.3)
Total comprehensive income	11,757	11,625	1.1

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 2013	95,512	17,411	12,800	(3,916)	201,319	323,126
Total comprehensive income for the period	-	-	-	235	11,522	11,757
Issuance of shares	128	-	-	-	-	128
Balance at 31 March 2013	95,640	17,411	12,800	(3,681)	212,841	335,011
Balance at 1 January 2012	94,493	17,432	12,800	(3,695)	170,421	291,451
Total comprehensive income for the period	-	-	-	189	11,436	11,625
Issuance of shares	404	-	-	-	-	404
Balance at 31 March 2012	94,897	17,432	12,800	(3,506)	181,857	303,480
COMPANY						
Balance at 1 January 2013	95,512	10,574	12,800	-	(13,394)	105,492
Total comprehensive income for the period	-	-	-	-	160	160
Issuance of shares	128	-	-	-	-	128
Balance at 31 March 2013	95,640	10,574	12,800	-	(13,234)	105,780
Balance at 1 January 2012	94,493	10,595	12,800	-	(834)	117,054
Total comprehensive income for the period	-	-	-	-	17	17
Issuance of shares	404	-	-	-	-	404
Balance at 31 March 2012	94,897	10,595	12,800	-	(817)	117,475

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

For the period of 1 January 2013 to 31 March 2013, 990,000 shares were issued pursuant to the exercise of 990,000 employee share options.

As at 31 March 2013, there was 76,767,000 (31 December 2012: 77,757,000) unissued ordinary shares relating to options granted and unexercised under the Employee Share Option Scheme.

As at 31 March 2013, the total number of issued shares was 1,263,395,003 (31 December 2012: 1,262,405,003).

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 2012, 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 2013. 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 (cent)	
	3 mths 31/03/2013	3 mths 31/03/2012
(i) Based on weighted average number of shares in issue	0.91	0.91
(ii) On a fully diluted basis	0.89	0.89

The computation of basic earnings per share for the period ended 31 March 2013 is based on the weighted average number of shares of 1,262,735,003 (1Q FY2012: 1,255,115,502) and weighted average number of shares for diluted earnings of 1,292,529,217 (1Q FY2012: 1,291,758,436).

7 NET ASSET VALUE PER SHARE

	Group (cents)		Company (cents)	
	31/3/2013	31/12/2012	31/3/2013	31/12/2012
Net asset value per share	26.52	25.60	8.37	8.36

8 REVIEW OF THE PERFORMANCE OF THE GROUP

Strong contributions from Structural Steelwork projects in Singapore and Malaysia boosted Group revenue to \$81.9 million for the quarter ended March 31, 2013 ("1QFY2013"), up 21.8%, from \$67.3 million in 1QFY2012.

Revenue from Structural Steelworks increased by 90.5%, from \$23.8 million in 1QFY2012 to \$45.4 million in 1QFY2013. On-going projects like the Singapore Sports Hub, Suntec City Convention Centre and the belt conveyor structure project in Malaysia were the key contributors to the strong performance by Structural Steelworks in 1QFY2013.

With the substantial completion of the Marina Coastal Expressway projects at the end of FY2012, revenue from Specialist Civil Engineering for the quarter under review decreased by 15.6% year-on-year, from \$43.3 million to \$36.5 million. On-going projects like MRT Downtown Line 2 and Downtown Line 3, the Hong Kong MTR and residual revenue from the Marina Coastal Expressway were the key contributors.

The lower revenue mix from higher margin Specialist Civil Engineering projects (45% in 1QFY2013 compared to 65% in 1QFY2012) as well as the substantial completion of some higher margin projects by end of FY2012 resulted in a lower gross profit margin of 23.8% in 1QFY2013.

General and administrative expenses decreased by \$0.2 million to \$6.2 million, largely due to lower staff costs and a 7.4% reduction in bank interests and charges to \$691k in 1QFY2013. This enable the Group to report a net profit attributable to shareholders of \$11.5 million, reflecting a marginal 0.8% increase, from \$11.4 million in 1QFY2012 to \$11.5 million in 1QFY2013.

The Group's earnings per share remain unchanged at 0.91 Singapore cent in 1QFY2013 compared to the corresponding quarter in FY2012. Net asset value per share improved 0.92 Singapore cent, from 25.60 Singapore cents as at 31 December 2012 to 26.52 Singapore cents as at 31 March 2013. Yongnam's net gearing increased marginally, from 0.33 times as at 31 December 2012 to 0.34 times as at 31 March 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 prospect statement made in results announcement for the financial year ended 31 December 2012.

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 development in Singapore and the region is positive, with strong demand projected for 2013 and beyond, anchored mainly by public sector projects. The Group continues to actively pursue \$1.3 billion worth of new infrastructural and commercial projects in Singapore, Hong Kong, Malaysia, India, Indonesia and the Middle East, many of which, if awarded, are expected to commence in the second half of FY2013. Yongnam's order book which stood at \$324 million at the end of March 2013.

The Group is optimistic that it will continue to perform reasonably well in FY2013.

In order to develop new and recurring revenue streams for subsequent years, the Group has recently announced plans to leverage on its core competencies and strong track record to diversify into infrastructural development on a build, operate and transfer basis. In this regard, following the prequalification by the Myanmar Department of Civil Aviation ("DCA") in February, the Group, together with consortium partners, Changi Airport Planners and Engineers and JGC Corporation have tendered for its first project, in April, for the right to expand, operate and maintain the existing Yangon International Airport and its facilities on the basis of a public-private partnership agreement for a 30-year concession period. Together with the same consortium partners, Yongnam is currently working on another tender for the design, construction and management of the new Myanmar's Hanthawaddy International Airport.

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 31 March 2013.

13 Interested Person Transactions

The Group has not obtained a general mandate from shareholders for Interested Party 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 3 months ended 31 March 2013 to be false or misleading.

BY ORDER OF THE BOARD

SEOW SOON YONG
Chief Executive Officer

CHIA SIN CHENG
Finance & Executive Director

Date: 15 May 2013