



**FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2015**

1 (a) **GROUP INCOME STATEMENT**

	Group					
	3Q 2015	3Q 2014	Fav /	9 Months	9 Months	Fav /
	30/9/2015	30/9/2014	(Unfav)	30/9/2015	30/9/2014	(Unfav)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	75,474	47,292	59.6	212,059	180,691	17.4
Cost of sales	(67,698)	(53,146)	(27.4)	(191,540)	(186,539)	(2.7)
Gross profit/ (loss)	7,776	(5,854)	nm	20,519	(5,848)	nm
Other income	73	55	32.7	547	371	47.4
General and administrative expenses	(3,796)	(2,929)	(29.6)	(11,047)	(9,918)	(11.4)
Interest income	4	1	300.0	150	10	>100
Finance costs	(1,426)	(1,160)	(22.9)	(4,060)	(3,540)	(14.7)
Profit/ (Loss) before tax	2,631	(9,887)	nm	6,109	(18,925)	nm
Taxation	(672)	1,468	nm	(1,364)	3,335	nm
Net profit/ (loss) attributable to shareholders of the Company	1,959	(8,419)	nm	4,745	(15,590)	nm
Attributable to:						
Owners of the Company	1,606	(8,419)	nm	4,235	(15,590)	nm
Non-controlling interests	353	-	nm	510	-	nm
	1,959	(8,419)	nm	4,745	(15,590)	nm

nm - not meaningful

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

Loss on disposal of property, plant & equipment	2,015	284	4,655	1,117
Depreciation	6,844	6,787	20,631	20,497

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

	Group		Company	
	30/9/2015	31/12/2014	30/9/2015	31/12/2014
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	309,450	320,997	-	-
Investment in subsidiaries	-	-	39,026	39,026
Amount due from subsidiaries	-	-	71,079	70,593
Investment in a joint venture	1,468	1,468	-	-
Other investment	140	140	-	-
	311,058	322,605	110,105	109,619
Current assets				
Steel materials, at cost	50,068	60,211	-	-
Gross amount due from customers for contract work-in-progress	121,488	101,652	-	-
Trade debtors	40,375	27,657	-	-
Sundry debtors and deposits	8,999	50,323	261	7
Prepayments	981	1,108	16	6
Cash and bank balances	16,724	5,989	117	235
	238,635	246,940	394	248
Current liabilities				
Gross amount due to customers for contract work-in-progress	10,021	3,838	-	-
Trade creditors	55,638	56,288	-	-
Other creditors and accruals	9,813	11,240	1,099	496
Borrowings	70,895	81,849	-	-
Hire purchase creditors	5,524	7,429	-	-
Provision for taxation	733	540	-	3
	152,624	161,184	1,099	499
Net current assets / (liabilities)	86,011	85,756	(705)	(251)
Non-current liabilities				
Borrowings	70,000	85,000	-	-
Hire purchase creditors	2,094	4,595	-	-
Deferred taxation	20,015	18,713	-	-
	92,109	108,308	-	-
Net assets	304,960	300,053	109,400	109,368
Equity				
Share capital	96,379	96,379	96,379	96,379
Reserves	208,071	203,674	13,021	12,989
Non-controlling interest	510	-	-	-
	304,960	300,053	109,400	109,368

Decrease in steel materials was due to consumption of materials to project. Increase in work-in-progress was due to unbilled work done for some of the on-going projects.

Trade debtors increased due to timing in billing and collection of receivables for on-going projects. Decrease in sundry debtors and deposits was due to receipt of sale proceeds from disposal of Malaysia property held in escrow as at previous year end. Other creditors and accruals decreased due to settlement of certain obligations during the period. Net borrowings decreased due to repayment of borrowings.

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

	As at 30/09/15		As at 31/12/14	
	\$'000		\$'000	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	5,524	70,895	7,429	81,849
Amount repayable after one year	2,094	70,000	4,595	85,000

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 2015 30/09/2015	3Q 2014 30/09/2014	9 Months 30/09/2015	9 Months 30/09/2014
	\$'000	\$'000	\$'000	\$'000
Operating activities				
Profit/ (Loss) before tax	2,631	(9,887)	6,109	(18,925)
Add/(less):				
Depreciation	6,844	6,787	20,631	20,497
Consumption allowance	1,414	660	4,277	2,737
Interest income	(4)	(1)	(150)	(10)
Interest expense	1,426	1,160	4,060	3,540
Provision for doubtful debt	-	-	-	-
Write back of impairment of receivable	-	(5)	(40)	(5)
Loss on disposal of property, plant & equipment	2,015	284	4,655	1,117
Effects of changes in foreign exchange	(1,458)	(419)	(2,038)	(427)
Operating cash flows before changes in working capital	12,868	(1,421)	37,504	8,524
(Increase)/ Decrease in steel materials and work-in-progress	(8,509)	13,428	(2,568)	(3,758)
Decrease/ (Increase) in trade and other debtors	14,162	618	(17,358)	10,732
Increase/(Decrease) in trade and other creditors	7,198	(12,470)	(1,562)	(4,219)
Cash flows from operations	25,719	155	16,016	11,279
Income tax (paid)/ refund	(19)	-	(52)	190
Interest received	4	1	150	10
Interest paid	(1,426)	(1,160)	(4,060)	(3,540)
Net cash flows from/ (used in) operating activities	24,278	(1,004)	12,054	7,939
Investing activities				
Purchase of property, plant & equipment	(4,726)	(1,915)	(17,951)	(14,016)
Proceeds from disposal of property, plant & equipment	194	1,644	49,404	4,003
Net cash flows (used in)/ from investing activities	(4,532)	(271)	31,453	(10,013)
Financing activities				
Dividend paid	-	-	-	(7,601)
Proceeds from borrowings	4,235	6,533	10,754	27,063
Repayment of borrowings	(13,500)	(5,835)	(37,000)	(17,173)
Hire purchase instalments paid	(1,760)	(2,142)	(6,623)	(6,397)
Amount due to a joint venture partner	(490)	-	-	-
Net cash flows used in financing activities	(11,515)	(1,444)	(32,869)	(4,108)
Net increase/(decrease) in cash and cash equivalents	8,231	(2,719)	10,638	(6,182)
Effect of exchange rate changes on cash and cash equivalents	60	-	97	(9)
Cash and cash equivalents as at beginning of period	8,433	11,346	5,989	14,818
Cash and cash equivalents as at end of period	16,724	8,627	16,724	8,627

1(d)(i) STATEMENT OF COMPREHENSIVE INCOME

	Group					
	3Q 2015 30/09/2015	3Q 2014 30/09/2014	Fav/(Unfav)	9 Months 30/09/2015	9 Months 30/09/2014	Fav/(Unfav)
	\$'000	\$'000	%	\$'000	\$'000	%
Profit/ (loss) after tax	1,959	(8,419)	nm	4,745	(15,590)	nm
Foreign currency translation	691	259	nm	162	(167)	nm
Total comprehensive income/ (loss)	2,650	(8,160)	nm	4,907	(15,757)	nm
Attributable to:						
Owners of the Company	2,297	(8,160)	nm	4,397	(15,757)	nm
Non-controlling interests	353	-	nm	510	-	nm
	2,650	(8,160)	nm	4,907	(15,757)	nm

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	Non-controlling interests \$'000	Total \$'000
GROUP							
Balance at 1 January 2015	96,379	17,411	12,800	(4,662)	178,125	-	300,053
Total comprehensive income for the period	-	-	-	(529)	2,629	157	2,257
Balance at 30 June 2015	96,379	17,411	12,800	(5,191)	180,754	157	302,310
Total comprehensive income for the period	-	-	-	691	1,606	353	2,650
Balance at 30 September 2015	96,379	17,411	12,800	(4,500)	182,360	510	304,960
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
COMPANY							
Balance at 1 January 2015	96,379	10,574	12,800	-	(10,385)	-	109,368
Total comprehensive income for the period	-	-	-	-	22	-	22
Balance at 30 June 2015	96,379	10,574	12,800	-	(10,363)	-	109,390
Total comprehensive income for the period	-	-	-	-	10	-	10
Balance at 30 September 2015	96,379	10,574	12,800	-	(10,353)	-	109,400
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

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

There were no shares issued during the period from 1 July 2015 to 30 September 2015.

As at 30 September 2015, there were 18,305,000 (30 September 2014: 73,220,000) unissued ordinary shares relating to options granted and unexercised under the Employee Share Option Scheme.

As at 30 September 2015, the total number of issued shares was 316,735,383 (31 December 2014: 1,266,942,003).

On 25 May 2015, the Company completed the share consolidation of every four (4) ordinary shares into one (1) ordinary share in the capital of the Company, fractional entitlements to be disregarded.

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 2014, 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 2015. 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 2015 30/09/2015	3Q 2014 30/09/2014	9 Months 30/09/2015	9 Months 30/09/2014
		Restated *		Restated *
(i) Based on weighted average number of shares in issue	0.62	(2.66)	1.50	(4.92)
(ii) On a fully diluted basis	0.62	(2.63)	1.49	(4.86)
(i) Weighted average number of shares in issue	316,735,383	316,735,383	316,735,383	316,735,383
(ii) weighted average number of shares for diluted earnings	317,459,110	320,455,063	317,459,110	320,455,063

* For comparison purpose, prior year earnings per shares are adjusted due to the share consolidation of every four (4) ordinary shares into one (1) ordinary share in the capital of the Company, fractional entitlements to be disregarded.

7 NET ASSET VALUE PER SHARE

	Group (cents)		Company (cents)	
	30/9/2015	31/12/2014 Restated *	30/9/2015	31/12/2014 Restated *
Net asset value per share	96.28	94.73	34.54	34.53

* For comparison purpose, prior year net asset values are adjusted due to the share consolidation of every four (4) ordinary shares into one (1) ordinary share in the capital of the Company, fractional entitlements to be disregarded.

8 REVIEW OF THE PERFORMANCE OF THE GROUP

Group revenue increased by 59.6% to \$75.5 million for the quarter ended September 30, 2015 ("3Q2015"), compared to \$47.3 million in 3Q2014, due mainly to higher contributions from the Group's Structural Steelworks business.

On a segmental basis, revenue from Structural Steelwork projects registered a nearly two-fold increase from \$27.6 million in 3Q2014 to \$54.1 million in 3Q2015. Marina One, Changi Airport Terminal 4 and Senoko Food Hub were the key contributors to Structural Steelwork's revenue in the quarter under review.

Revenue from Specialist Civil Engineering increased marginally by 6.5% year-on-year, from \$19.7 million in 3Q2014 to \$21.0 million in 3Q2015. Contributions for the quarter under review came from on-going projects, mainly from MRT Downtown Line 3, Thomson Line and the Hong Kong MTR.

The Group reported gross profit of \$7.8 million in 3Q2015, a reversal from a gross loss of \$5.9 million in 3Q2014. The improved margins reported in the latest financial quarter were mainly due to better margins achieved from ongoing projects.

General and administrative expenses increased from \$2.9 million in 3Q2014 to \$3.8 million in 3Q2015, mainly due to loss on disposal of fixed assets. Finance costs increased from \$1.2 million to \$1.4 million, due to higher bank charges and interests.

Overall, the Group reported a net profit of \$2.0 million in 3Q2015, a reversal from a net loss of \$8.4 million in 3Q2014. Net asset value per share increased from 94.73 Singapore cents as at 31 December 2014 to 96.28 Singapore cents as at 30 September 2015. The Group's net gearing remained at a healthy level of 0.43 time as at 30 September 2015, compared to 0.58 time as at 31 December 2014.

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 2015.

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

The Group expects the outlook for infrastructure development, civil engineering services and commercial projects to remain positive, backed by the renewal and expansion of urban infrastructure in Singapore and the region. For Singapore, the Building and Construction Authority ("BCA") anticipates that average construction demand is expected to be \$27 billion to \$36 billion in 2016 and 2017 per annum, largely driven by mega public sector infrastructure projects to meet Singapore's long-term needs and to maintain its competitive advantage.

The Group is currently in active pursuit and bidding for \$1.3 billion worth of Structural Steelworks, Specialist Civil Engineering and Mechanical Engineering infrastructural and commercial projects in Singapore, Hong Kong, Malaysia and the Middle East.

Leveraging its BCA A1 gradings in both General Building and Civil Engineering, the Group has submitted bids for selected civil engineering projects as the main contractor via joint-venture partnerships and will continue to explore opportunities.

The Group's newly established Design & Build Division to pursue business opportunities in industrial and commercial projects is making good progress and has secured its first project worth \$13.5 million. It is currently pursuing \$91 million worth of building projects. Leveraging Yongnam's experience in project and construction management, the Group will be a one-stop solutions provider of conceptual design, construction, project management and final delivery.

The Group has also recently announced its planned acquisition of three plots of adjacent industrial land for approx. RM38.4 million (approx. S\$13.0 million) in Malaysia as a permanent solution for the shortage of storage space for strutting materials in Singapore. This will result in cost savings in rental cost as well as yard shifting costs for the Group. The proposed acquisition will also provide the Group the flexibility to bid for local projects in Malaysia.

As at 30 September 2015, the Group's order book stood at \$400 million. The Group expects about 18.5% of the existing orders to be fulfilled by the end of FY2015.

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 2015.

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 2015 to be false or misleading.

BY ORDER OF THE BOARD

SEOW SOON YONG
Chief Executive Officer

CHIA SIN CHENG
Finance & Executive Director

Date: 12 November 2015