



**FINANCIAL STATEMENTS ANNOUNCEMENT  
FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

1 (a) **GROUP INCOME STATEMENT**

	<b>Group</b>					
	3Q 2017	3Q 2016	Fav /	9 Months	9 Months	Fav /
	30/9/2017	30/9/2016	(Unfav)	30/9/2017	30/9/2016	(Unfav)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	68,406	96,879	(29.4)	239,647	254,936	(6.0)
Cost of sales	(70,081)	(92,111)	23.9	(238,424)	(234,604)	(1.6)
Gross (loss)/ profit	(1,675)	4,768	nm	1,223	20,332	(94.0)
Other income	47	83	(43.4)	222	533	(58.3)
General and administrative expenses	(3,095)	(3,390)	8.7	(10,391)	(13,587)	(23.5)
Interest income	3	26	(88.5)	13	29	(55.2)
Finance costs	(1,276)	(1,341)	4.8	(3,686)	(4,451)	(17.2)
(Loss)/ Profit before tax	(5,996)	146	nm	(12,619)	2,856	nm
Taxation	1,265	781	62.0	2,222	657	238.2
Net (loss)/ profit	(4,731)	927	nm	(10,397)	3,513	nm
Attributable to:						
Owners of the Company	(4,923)	(622)	691.5	(10,505)	703	nm
Non-controlling interests	192	1,549	(87.6)	108	2,810	(96.2)
	(4,731)	927	nm	(10,397)	3,513	nm

nm - not meaningful

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

(Gain)/ Loss on disposal of property, plant & equipment	(88)	8	(275)	65
Depreciation	7,138	6,970	21,302	20,626

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

	<b>Group</b>		<b>Company</b>	
	30/9/2017	31/12/2016	30/9/2017	31/12/2016
	\$'000	\$'000	\$'000	\$'000
<b>Non-current assets</b>				
Property, plant and equipment	317,045	314,203	-	-
Investment in subsidiaries	-	-	39,430	39,430
Amount due from subsidiaries	-	-	103,690	103,551
Investment in a joint venture	1,468	1,468	-	-
Other investment	-	32	-	-
	<b>318,513</b>	<b>315,703</b>	<b>143,120</b>	<b>142,981</b>
<b>Current assets</b>				
Steel materials, at cost	43,299	40,353	-	-
Gross amount due from customers for contract work-in-progress	93,964	104,790	-	-
Trade debtors	16,312	35,979	-	-
Other debtors and deposits	3,942	13,547	9	113
Prepayments	1,321	2,974	15	4
Cash and bank balances	16,080	15,914	48	192
	<b>174,918</b>	<b>213,557</b>	<b>72</b>	<b>309</b>
<b>Current liabilities</b>				
Gross amount due to customers for contract work-in-progress	5,570	13,206	-	-
Trade creditors	75,770	79,395	-	-
Other creditors and accruals	12,425	9,912	376	522
Borrowings	81,419	54,782	-	-
Hire purchase creditors	1,969	2,864	-	-
Provision for taxation	543	837	-	-
	<b>177,696</b>	<b>160,996</b>	<b>376</b>	<b>522</b>
<b>Net current assets / (liabilities)</b>	<b>(2,778)</b>	<b>52,561</b>	<b>(304)</b>	<b>(213)</b>
<b>Non-current liabilities</b>				
Borrowings	15,494	51,921	-	-
Hire purchase creditors	3,568	4,499	-	-
Deferred taxation	10,620	12,811	-	-
	<b>29,682</b>	<b>69,231</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>	<b>286,053</b>	<b>299,033</b>	<b>142,816</b>	<b>142,768</b>
<b>Equity</b>				
Share capital	129,636	129,636	129,636	129,636
Reserves	156,819	169,907	13,180	13,132
Non-controlling interest	(402)	(510)	-	-
	<b>286,053</b>	<b>299,033</b>	<b>142,816</b>	<b>142,768</b>

Decrease in work-in-progress was due to billing of work done for on-going projects. Trade debtors decreased due to receipts of trade receivable for on-going projects.

Other debtors decreased due to reclassification of deposit for purchase of land in Malaysia to property, plant and equipment upon completion and receipts of other receivables in the quarter. Increase in others creditors was due to provision for certain obligation as at reporting quarter end. Net borrowing decreased due to repayment of borrowings.

The increase in current borrowing is due to reclassification of existing long term bank loan from non-current borrowings to current borrowings as it is repayable within one year. This is in line with a corresponding decrease in non-current borrowings. The reclassification of the non-current borrowings to current borrowings has resulted in net current liabilities as at the end of the quarter. The Group is in the process of refinancing the term loan.

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

	As at 30/09/17		As at 31/12/16	
	\$'000		\$'000	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	69,070	14,318	23,376	34,270
Amount repayable after one year	19,062	-	56,420	-

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 2017 30/09/2017	3Q 2016 30/09/2016	9 Months 30/09/2017	9 Months 30/09/2016
	\$'000	\$'000	\$'000	\$'000
<b>Operating activities</b>				
(Loss)/ Profit before tax	(5,996)	146	(12,619)	2,856
Add/(less):				
Depreciation	7,138	6,970	21,302	20,626
Consumption allowance	829	260	195	2,203
Interest income	(3)	(26)	(13)	(29)
Interest expense	1,276	1,341	3,686	4,451
Loss on disposal of other investment	-	-	8	-
(Gain)/ Loss on disposal of property, plant & equipment	(88)	8	(275)	65
Effects of changes in foreign exchange	265	482	934	1,565
<b>Operating cash flows before changes in working capital</b>	<b>3,421</b>	<b>9,181</b>	<b>13,218</b>	<b>31,737</b>
Increase in steel materials and work-in-progress	(4,699)	(7,392)	(356)	(13,933)
Decrease/ (Increase) in trade and other debtors	19,661	(1,632)	26,106	3,768
(Decrease)/Increase in trade and other creditors	(2,087)	4,342	(874)	9,043
<b>Cash flows from operations</b>	<b>16,296</b>	<b>4,499</b>	<b>38,094</b>	<b>30,615</b>
Income tax (paid)/ refund	(1)	(2)	(3)	15
Interest received	3	26	13	29
Interest paid	(1,276)	(1,341)	(3,686)	(4,451)
<b>Net cash flows from operating activities</b>	<b>15,022</b>	<b>3,182</b>	<b>34,418</b>	<b>26,208</b>
<b>Investing activities</b>				
Purchase of property, plant & equipment	(6,292)	(4,852)	(24,741)	(26,704)
Proceeds from disposal of property, plant & equipment	551	708	2,299	2,440
Proceeds from disposal of other investment	-	-	24	-
<b>Net cash flows used in investing activities</b>	<b>(5,741)</b>	<b>(4,144)</b>	<b>(22,418)</b>	<b>(24,264)</b>
<b>Financing activities</b>				
Proceeds from borrowings	1,597	537	9,137	9,240
Repayment of borrowings	(5,190)	(11,900)	(18,315)	(25,400)
Hire purchase instalments paid	(791)	(1,417)	(2,498)	(4,380)
<b>Net cash flows used in financing activities</b>	<b>(4,384)</b>	<b>(12,780)</b>	<b>(11,676)</b>	<b>(20,540)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>4,897</b>	<b>(13,742)</b>	<b>324</b>	<b>(18,596)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(42)</b>	<b>-</b>	<b>(158)</b>	<b>(27)</b>
Cash and cash equivalents as at beginning of period	11,225	3,214	15,914	8,095
<b>Cash and cash equivalents as at end of period</b>	<b>16,080</b>	<b>(10,528)</b>	<b>16,080</b>	<b>(10,528)</b>

**1(d)(i) STATEMENT OF COMPREHENSIVE INCOME**

	<b>Group</b>					
	3Q 2017 30/09/2017	3Q 2016 30/09/2016	Fav/(Unfav)	9 Months 30/09/2017	9 Months 30/09/2016	Fav/(Unfav)
	\$'000	\$'000	%	\$'000	\$'000	%
(Loss)/ Profit after tax	(4,731)	927	nm	(10,397)	3,513	nm
Foreign currency translation	(478)	465	nm	(2,583)	(1,156)	(123.4)
Total comprehensive income	(5,209)	1,392	nm	(12,980)	2,357	nm
Attributable to:						
Owners of the Company	(5,401)	(157)	(3,340.1)	(13,088)	(453)	(2,789.2)
Non-controlling interests	192	1,549	(87.6)	108	2,810	(96.2)
	(5,209)	1,392	nm	(12,980)	2,357	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
<b>GROUP</b>							
Balance at 1 January 2017	129,636	6,837	12,800	(3,451)	153,722	(511)	299,033
Total comprehensive income for the period	-	-	-	(2,105)	(5,582)	(84)	(7,771)
Balance at 30 June 2017	129,636	6,837	12,800	(5,556)	148,140	(595)	291,262
Total comprehensive income for the period	-	-	-	(478)	(4,923)	192	(5,209)
Balance at 30 September 2017	129,636	6,837	12,800	(6,034)	143,217	(403)	286,053
Balance at 1 January 2016	96,379	6,837	12,800	(4,647)	185,359	645	297,373
Total comprehensive income for the period	-	-	-	(1,621)	1,325	1,261	965
Balance at 30 June 2016	96,379	6,837	12,800	(6,268)	186,684	1,906	298,338
Total comprehensive income for the period	-	-	-	465	(622)	1,549	1,392
Issuance of shares	33,257	-	-	-	-	-	33,257
Balance at 30 September 2016	129,636	6,837	12,800	(5,803)	186,062	3,455	332,987
<b>COMPANY</b>							
Balance at 1 January 2017	129,636	-	12,800	-	332	-	142,768
Total comprehensive income for the period	-	-	-	-	41	-	41
Balance at 30 June 2017	129,636	-	12,800	-	373	-	142,809
Total comprehensive income for the period	-	-	-	-	7	-	7
Balance at 30 September 2017	129,636	-	12,800	-	380	-	142,816
Balance at 1 January 2016	96,379	-	12,800	-	230	-	109,409
Total comprehensive income for the period	-	-	-	-	29	-	29
Balance at 30 June 2016	96,379	-	12,800	-	259	-	109,438
Total comprehensive income for the period	-	-	-	-	61	-	61
Issuance of shares	33,257	-	-	-	-	-	33,257
Balance at 30 September 2016	129,636	-	12,800	-	320	-	142,756

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

There was no shares issued during the period from 1 July 2017 to 30 September 2017.

As at 30 September 2017, there were 7,612,704 (30 September 2016: 18,305,000) unissued ordinary shares relating to options granted and unexercised under the Employee Share Option Scheme.

As at 30 September 2017, the total number of issued shares was 475,102,931 (31 December 2016: 475,102,931).

## 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 2016, 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 2017. 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 2017 30/09/2017	3Q 2016 30/09/2016	9 Months 30/09/2017	9 Months 30/09/2016
(i) Based on weighted average number of shares in issue	(1.04)	(0.13)	(2.21)	0.19
(ii) On a fully diluted basis	(1.04)	(0.13)	(2.21)	0.19
(i) Weighted average number of shares in issue	475,102,931	475,102,931	475,102,931	369,524,566
(ii) weighted average number of shares for diluted earnings	475,102,931	475,102,931	475,102,931	369,524,566

## 7 NET ASSET VALUE PER SHARE

	Group (cents)		Company (cents)	
	30/9/2017	31/12/2016	30/9/2017	31/12/2016
Net asset value per share	60.21	62.94	30.06	30.05

## 8 REVIEW OF THE PERFORMANCE OF THE GROUP

Group revenue decreased by 29.4% to \$68.4 million for the quarter ended September 30, 2017 ("3QFY2017"), compared to \$96.9 million in 3Q2016, due mainly to lower contributions from the Group's Structural Steelworks and Mechanical Engineering businesses.

On a segmental basis, revenue contribution from Structural Steelworks decreased 47.1%, from \$69.2 million in 3QFY2016 to \$36.6 million in 3QFY2017, mainly due to substantial completion of Marina One, Jewel Changi Airport and Senoko Food Hub projects. SGH Community Hospital and the remaining works in Senoko Food Hub and Jewel Changi Airport were the key contributors to Structural Steelwork's revenue in the quarter under review.

Mechanical Engineering revenue decreased from \$9.6 million in 3QFY2016 to \$0.1 million in 3QFY2017, due to the completion of the fabrication of Heat Recovery Steam Generator ("HRSG") non-pressure parts for two power plants in Qatar and Egypt.

Revenue from Specialist Civil Engineering projects increased by 56.8%, from \$16.3 million in 3QFY2016 to \$25.6 million in 3QFY2017 due to higher contribution from Woodlands Health Campus and Thomson-East Coast MRT projects.

Lower margins from certain projects as well as the overall lower level of strutting and fabrication activities resulted in overhead costs not being fully absorbed. The Group therefore incurred a gross loss of \$1.7 million in 3QFY2017 as compared to gross profit of \$4.8 million in 3QFY2016.

General and administrative expenses decreased from \$3.4 million in 3Q2016 to \$3.1 million in 3Q2017, mainly due to lower professional fees and other general and administrative expenses. Finance costs decreased marginally from \$1.34 million to \$1.28 million, mainly due to lower borrowings.

The Group reported a net loss of \$4.7 million in 3Q2017 compared to a net profit of \$0.9 million in 3Q2016.

Net asset value per share decreased from 62.94 Singapore cents as at 31 December 2016 to 60.21 Singapore cents as at 30 September 2017. The Group's net gearing remained at a healthy level of 0.30 times as at 30 September 2017, improved from 0.33 times as at 31 December 2016.

**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 2017.

**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**

Upcoming mega public sector infrastructure projects in Singapore this year, which the Group has bid for, include various major contracts for the Circle Line 6 and North-South Corridor. The Group is also bidding for various infrastructure projects in Hong Kong and Australia. Public sector demand is expected to be supported by upcoming mega infrastructure projects in the medium term, such as the Jurong Regional Line, Cross Island Line, the Kuala Lumpur – Singapore High Speed Rail and various infrastructure developments for Changi Airport Terminal 5.

The Group is currently in active pursuit of \$1.16 billion worth of new infrastructure and commercial projects in Singapore, Hong Kong, Australia, Malaysia and the Middle East. As at 30 September 2017, the Group's order book stood at \$208 million.

The Group expects its overall business outlook to remain challenging in 2017 as it continues to invest time and resources in bidding for potential projects. Most of the potential projects, if awarded, are expected to contribute marginally to FY2017's financial performance and make a significant impact only from 2018.

**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 2017.

**13 Interested Person Transactions**

The Group has not obtained a general mandate from shareholders for Interested Party Transactions pursuant to Rule 920(1)(a)ii.

**14 Use of Share Placement Proceeds**

The Group had partially utilised the net proceeds of S\$11.85 million raised from Share Placement as follows:

	\$'000
Payment of operating expenses	1,872
Subcontractor and trade payables	3,928
Total Amount Utilised	5,800

The above utilisations are in accordance with the intended use of proceeds of the Share Placement, as stated by the Company in the Share Placement Announcement dated 5 October 2017.

The Company will continue to make further announcements via SGXNET when the remaining proceeds are materially disbursed.

**15 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 2017 to be false or misleading, in any material aspect.

**16 Confirmation that the issuer has procured undertakings from all its directors and executive officers**

The Company confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual of Singapore Exchange Securities Trading Limited.

BY ORDER OF THE BOARD

**SEOW SOON YONG**  
Chief Executive Officer

**CHIA SIN CHENG**  
Finance & Executive Director

Date: 14 November 2017