



**FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015**

1 (a) GROUP INCOME STATEMENT

	Group		
	FY2015	FY2014	Fav / (Unfav)
	\$'000	\$'000	%
Revenue	280,615	212,083	32.3
Cost of sales	(249,935)	(244,659)	(2.2)
Gross profit/(loss)	30,680	(32,576)	nm
Other income	539	554	(2.7)
General and administrative (expenses)/income	(18,967)	17,600	nm
Interest income	152	52	192.3
Finance costs	(5,545)	(4,639)	(19.5)
Profit /(Loss) before tax	6,859	(19,009)	nm
Taxation	(426)	10,518	nm
Net profit/(loss) attributable to shareholders of the Company	6,433	(8,491)	nm

Attributable to:

Owners of the Company	5,787	(8,491)	nm
Non-controlling interests	646	-	100.0
	6,433	(8,491)	nm

nm - not meaningful

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

Loss/(Gain) on disposal of property, plant & equipment	2,799	(32,464)
Allowance/(Write back) for impairment of receivable	2,160	(35)
Depreciation	27,441	27,843

1(b)(i) BALANCE SHEET

	Group		Company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	307,410	320,997	-	-
Investment in subsidiaries	-	-	39,064	39,026
Amount due from subsidiaries	-	-	70,796	70,593
Investment in a joint venture	1,468	1,468	-	-
Other investment	140	140	-	-
	309,018	322,605	109,860	109,619
Current assets				
Steel materials, at cost	50,121	60,211	-	-
Gross amount due from customers for contract work-in-progress	134,168	101,652	-	-
Trade debtors	31,032	27,657	-	-
Sundry debtors and deposits	16,348	50,323	684	7
Prepayments	2,576	1,108	5	6
Cash and bank balances	8,095	5,989	121	235
	242,340	246,940	810	248
Current liabilities				
Gross amount due to customers for contract work-in-progress	10,371	3,838	-	-
Trade creditors	61,461	56,288	-	-
Other creditors and accruals	9,848	11,240	1,257	496
Borrowings	69,675	81,849	-	-
Hire purchase creditors	4,513	7,429	-	-
Provision for taxation	815	540	4	3
	156,683	161,184	1,261	499
Net current assets / (liabilities)	85,657	85,756	(451)	(251)
Non-current liabilities				
Borrowings	65,000	85,000	-	-
Hire purchase creditors	3,216	4,595	-	-
Deferred taxation	19,958	18,713	-	-
	88,174	108,308	-	-
Net assets	306,501	300,053	109,409	109,368
Equity				
Share capital	96,379	96,379	96,379	96,379
Reserves	209,476	203,674	13,030	12,989
Non-controlling interest	646	-	-	-
	306,501	300,053	109,409	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 year. Net borrowings decreased due to repayment of borrowings.

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

	As at 31/12/15		As at 31/12/14	
	\$'000		\$'000	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	4,513	69,675	7,429	81,849
Amount repayable after one year	3,216	65,000	4,595	85,000

Details of collateral:

Hire Purchase 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

	FY2015	FY2014
	\$'000	\$'000
Operating activities		
Profit/(Loss) before tax	6,859	(19,009)
Add/(less):		
Depreciation	27,441	27,843
Consumption allowance	4,844	3,514
Interest income	(152)	(52)
Interest expense	5,545	4,639
Allowance/(Write back) for impairment of receivable	2,160	(35)
Write back for inventory valuation	(24)	(195)
Loss/(Gain) on disposal of property, plant & equipment	2,799	(32,464)
Effects of changes in foreign exchange	(542)	(3,013)
Operating cash flows before changes in working capital	48,930	(18,772)
(Increase)/ Decrease in steel materials and work-in-progress	(13,947)	19,580
(Increase)/ Decrease in trade and other debtors	(19,775)	13,252
Increase/ (Decrease) in trade and other creditors	4,232	(1,241)
Cash flows from operations	19,440	12,819
Income tax (paid)/refund	(39)	190
Interest received	152	52
Interest paid	(5,545)	(4,639)
Net cash flows from operating activities	14,008	8,422
Investing activities		
Purchase of property, plant & equipment	(23,963)	(24,167)
Proceeds from disposal of property, plant & equipment	52,106	18,580
Net cash flows from/ (used in) investing activities	28,143	(5,587)
Financing activities		
Dividend paid	-	(7,602)
Proceeds from borrowings	9,096	34,304
Repayment of borrowings	(41,222)	(29,947)
Hire purchase instalments paid	(8,004)	(8,519)
Net cash flows used in financing activities	(40,130)	(11,764)
Net increase/(decrease) in cash and cash equivalents	2,021	(8,929)
Effect of exchange rate changes on cash and cash equivalents	85	100
Cash and cash equivalents as at beginning of year	5,989	14,818
Cash and cash equivalents as at end of year	8,095	5,989

1(d)(i) STATEMENT OF COMPREHENSIVE INCOME

	Group		
	FY2015	FY2014	Fav/(Unfav)
	\$'000	\$'000	%
Profit/(Loss) after tax	6,433	(8,491)	nm
Foreign currency translation	15	(662)	102.3
Total comprehensive income/(loss)	6,448	(9,153)	nm
Attributable to:			
Owners of the Company	5,802	(9,153)	nm
Non-controlling interests	646	-	nm
	6,448	(9,153)	nm

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

	Share capital	Capital reserves	Share option reserves	Foreign currency translation reserves	Retained earnings	Non-controlling interests	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
GROUP							
Balance at 1 January 2015	96,379	17,411	12,800	(4,662)	178,125	-	300,053
Total comprehensive income for the year	-	-	-	15	5,787	646	6,448
Balance at 31 December 2015	96,379	17,411	12,800	(4,647)	183,912	646	306,501
Balance at 1 January 2014	96,379	17,411	12,800	(4,000)	194,218	-	316,808
Total comprehensive loss for the year	-	-	-	(662)	(8,491)	-	(9,153)
Dividend on ordinary shares	-	-	-	-	(7,602)	-	(7,602)
Balance at 31 December 2014	96,379	17,411	12,800	(4,662)	178,125	-	300,053
COMPANY							
Balance at 1 January 2015	96,379	10,574	12,800	-	(10,385)	-	109,368
Total comprehensive income for the year	-	-	-	-	41	-	41
Balance at 31 December 2015	96,379	10,574	12,800	-	(10,344)	-	109,409
Balance at 1 January 2014	96,379	10,574	12,800	-	(2,834)	-	116,919
Total comprehensive income for the year	-	-	-	-	51	-	51
Dividend on ordinary shares	-	-	-	-	(7,602)	-	(7,602)
Balance at 31 December 2014	96,379	10,574	12,800	-	(10,385)	-	109,368

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

There was no shares issued during the period from 1 October 2015 to 31 December 2015.

As at 31 December 2015, there was 18,305,000 (31 December 2014: 73,220,000) unissued ordinary shares relating to options granted and unexercised under the Employee Share Option Scheme.

As at 31 December 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.

Resulting from the share consolidation, unissued ordinary shares relating to options granted and unexercised under the Employee Share Option Scheme as at 31 December 2015 was 18,305,000 compared to 73,220,000 before the share consolidation.

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 year 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 year based on net profit attributable to shareholders:-

	Group (cents)	
	FY2015	FY2014
		Restated *
(i) Based on weighted average number of shares in issue	2.03	(2.68)
(ii) On a fully diluted basis	2.03	(2.65)
(i) Weighted average number of shares in issue	316,735,383	316,735,383
(ii) weighted average number of shares for diluted earnings	317,284,576	320,005,755

* 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.

7 NET ASSET VALUE PER SHARE

	Group (cents)		Company (cents)	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
		Restated *		Restated *
Net asset value per share	96.77	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.

8 REVIEW OF THE PERFORMANCE OF THE GROUP

The Group's revenue for the financial year ended 31 December 2015 ("FY2015") increased 32.3% from \$212.1 million in FY2014 to \$280.6 million, due to higher revenue contribution from Structural Steelwork projects.

In the year under review, Structural Steelwork projects recorded a revenue of \$188.1 million compared to \$117.6 million in FY2014. Marina One, Changi Terminal 4, Senoko Food Hub and Jewel Changi Airport projects were key revenue contributors to this segment.

Revenue contribution from Specialist Civil Engineering was primarily driven by ongoing projects such as MRT Downtown Line 3, Thomson Line and the Hong Kong MTR. This segment turned in a revenue of \$86.0 million in FY2015, 9% lower than that of FY2014, mainly due to substantial completion of MRT Downtown Line 2 by end of FY2014.

Mechanical Engineering registered a revenue of \$5.8 million in FY2015, mainly contributed by Singapore Wind Tunnel Facility projects.

The Group reported gross profit of \$30.7 million in FY2015, a reversal from a gross loss of \$32.6 million in FY2014. The improved margins were mainly due to better margins achieved from ongoing projects in FY2015. In addition, gross profit in FY2014 was impacted by provisions made for certain projects.

On a geographical basis, Singapore continued to be the core contributor, accounting for 88.1% of total revenue, compared to 83.1% in FY2014. The other contributor was Hong Kong.

The Group reported a general and administrative expense of \$19.0 million in FY2015 as compared to general and administrative income of \$17.6 million in FY2014. This was mainly due to the recognition of a one-off \$34.4 million gain on disposal of a Malaysian property in FY2014. Excluding the non-recurring gain, general and administrative expenses would have been \$16.8 million in FY2014. In addition, an impairment of receivable made in FY2015 also contributed to the increase of \$2.2 million in general and administrative expense from \$16.8 million to \$19.0 million. Finance costs increased from \$4.6 million to \$5.5 million in FY2015 due to higher bank interest and charges.

Overall, the Group recorded a net profit of \$6.4 million in FY2015, a reversal from a net loss of \$8.5 million in FY2014. Net asset value per share increased from 94.73 Singapore cents as at 31 December 2014 to 96.77 Singapore cents as at 31 December 2015. The Group's net gearing remained at a healthy level of 0.44 time as at 31 December 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 prospect statement made in results announcement for the financial period ended 30 September 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 overall business environment to be challenging and competitive. Yongnam is focused on tapping opportunities presented by the infrastructure sector in Singapore and the region, backed by the Group's strong track record and expertise accumulated over the years. In Singapore, the Building and Construction Authority ("BCA") expects \$27 billion to \$34 billion of construction contracts to be awarded in 2016, with about 65% expected to come from the public sector.

During the year under review, the Group's newly established Design & Build Division secured its first project worth \$13.5 million and is currently pursuing \$78 million worth of industrial and commercial 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 is currently in active pursuit of \$1.35 billion worth of new 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 through joint-ventures has also submitted bids for selected civil engineering projects as the main contractor.

Yongnam, together with its consortium partners, JGC Corporation and Changi Airport International, has signed a framework agreement with the Myanmar Department of Civil Aviation on 30 January 2016 for the design, construction and management of Hanthawaddy International Airport ("HIA") on the basis of a public-private partnership. This marks an important step towards the eventual inking of the HIA concession agreement.

As at 31 December 2015, the Group's order book stood at \$375 million. The Group has also announced on 24 February 2016 that it has secured orders amounting to \$69.8 million, including two new Structural Steelworks subcontracts for Jewel Changi Airport's glass dome and the Robinson Tower development in Singapore and two supply and fabrication projects for power plants in Qatar and Egypt.

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 year ended 31 December 2015.

13 Interested Person Transactions

The Group has not obtained a general mandate from shareholders for Interested Party Transactions. There was no interested party transactions entered into by the Group during the fourth quarter ended 31 December 2015.

14 Segmental Information

	Singapore \$'000	Rest of Asia \$'000	Hong Kong \$'000	Middle East \$'000	Eliminations \$'000	Group \$'000
Year ended 31 December 2015						
Revenue						
External customers	247,143	42	33,430	-	-	280,615
Inter-segment revenue	6,119	18,016		-	(24,135)	-
Total revenue	253,262	18,058	33,430	-	(24,135)	280,615
Result						
Segment result	10,655	(2,859)	4,585	(28)	(101)	12,252
Finance income						152
Finance cost						(5,545)
Loss before tax						6,859
Tax						(426)
Loss after tax						6,433
Year ended 31 December 2014						
Revenue						
External customers	176,242	2,660	33,181	-	-	212,083
Inter-segment revenue	-	17,145		-	(17,145)	-
Total revenue	176,242	19,805	33,181	-	(17,145)	212,083
Result						
Segment result	(51,013)	34,106	2,582	(97)	-	(14,422)
Finance income						52
Finance cost						(4,639)
Profit before tax						(19,009)
Tax						10,518
Profit after tax						(8,491)

	FY2015 \$'000	FY2014 \$'000
Structural steelworks	188,079	117,560
Specialist civil engineering	85,999	94,512
Mechanical engineering	5,751	11
Design and Build	786	-
	280,615	212,083

15 Breakdown of sales and profit after tax

	Group		
	FY2015 \$'000	FY2014 \$'000	Fav/(Unfav) %
(a) Sales reported for first half year	136,585	133,399	2.4
(b) Profit/(Loss) after tax for first half year	2,786	(7,171)	nm
(c) Sales reported for second half year	144,030	78,684	83.0
(d) Profit/(Loss) after tax for second half year	3,647	(1,320)	nm

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

	FY2015 \$'000	FY2014 \$'000
Final ordinary dividend	-	-

Reports of person occupying managerial position who are related to a director, chief executive officer or substantial shareholder

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Seow Soon Hock	60	Brother of Seow Soon Yong, Seow Soon Hee, Siau Sun King; Cousin of Tan Tin Nam	Production Director; Responsible for all fabrication, logistic, planning, manufacturing and delivery of all manufactured products of the Group 2002	Nil
Cheong Wai Yee	59	Sister-in-law of Seow Soon Yong, Seow Soon Hee, Siau Sun King; and Cousin-in-law of Tan Tin Nam	Admin Manager; Responsible for the day-to-day function of the administration department and providing general support for management 1993	Nil
Seow Khng Chai	58	Brother of Seow Soon Yong, Seow Soon Hee, Siau Sun King; and Cousin of Tan Tin Nam	General Manager - Malaysia Operation; Responsible for the day-to-day functions of the fabrication facility in Malaysia, including co-ordination of production planning, scheduling, manufacturing and logistics activities 2002	Nil
Siau Sze You	41	Son of Siau Sun King, Nephew of Tan Tin Nam, Seow Soon Yong and Seow Soon Hee	Deputy General Manager; Responsible for business development for the company driving sales activities and the acquisition of new business 2014	Nil
Seow Zi Xian	32	Son of Seow Soon Yong, Nephew of Tan Tin Nam, Siau Sun King and Seow Soon Hee	Site Manager; Responsible for overseeing the development of projects and other related operational matter 2014	Nil

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

SEOW SOON YONG
Chief Executive Officer

CHIA SIN CHENG
Finance & Executive Director

Date: 29 February 2016