

SHS Holdings Ltd.
(Company Registration No. 197502208Z)

Unaudited Financial Statement Announcement for the Fourth Quarter of and Full Year 2015

PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement and statement of comprehensive income or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group 3 months ended 31 Dec			Group 12 months ended 31 Dec		
	2015 S\$'000	2014 S\$'000 Restated*	Change %	2015 S\$'000	2014 S\$'000 Restated*	Change %
<u>Continuing Operations</u>						
Revenue	19,653	20,611	(5%)	62,727	86,064	(27%)
Cost of sales and services	(15,161)	(14,472)	5%	(47,529)	(60,923)	(22%)
Gross profit	4,492	6,139	(27%)	15,198	25,141	(40%)
Other income	342	810	(58%)	698	2,033	(66%)
Selling and distribution expenses	(200)	(193)	3%	(824)	(1,038)	(21%)
Administrative expenses	(2,382)	(2,733)	(13%)	(9,536)	(10,097)	(6%)
Other operating expenses	(5,111)	(1,917)	167%	(10,133)	(7,575)	34%
(Loss)/profit from operations	(2,859)	2,106	N/M	(4,597)	8,464	N/M
Finance costs	(37)	(32)	15%	(100)	(150)	(33%)
Share of profit of associated companies	13,704	(136)	N/M	13,798	(136)	N/M
Profit before income tax	10,808	1,938	458%	9,101	8,178	11%
Income tax	299	238	26%	(127)	(381)	(67%)
Profit from continuing operations after tax	11,107	2,176	410%	8,974	7,797	15%
<u>Discontinued operations #</u>						
Profit from discontinued operations after tax	40,783	2,157	N/M	48,703	7,853	520%
Profit after income tax	51,890	4,333	N/M	57,677	15,650	269%
Attributable to:						
Equity holders of the Company						
- Continuing Operations	11,124	2,192	407%	9,012	7,826	15%
- Discontinued Operations	40,803	2,108	N/M	48,739	7,844	521%
	51,927	4,300	N/M	57,751	15,670	269%
Non-controlling interests, net of income tax						
- Continuing Operations	(17)	(16)	7%	(38)	(28)	34%
- Discontinued Operations	(20)	49	N/M	(36)	8	N/M
	(37)	33	N/M	(74)	(20)	275%
	51,890	4,333	N/M	57,677	15,650	269%

#Discontinued operations are explained in paragraph 8.

* Restated upon reclassification of Refined Petroleum segment as discontinued operation, as explained in paragraph 8.

Statement of Comprehensive Income

	Group			Group		
	3 months ended 31 Dec			12 months ended 31 Dec		
	2015	2014	Change	2015	2014	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit after income tax	51,890	4,333	N/M	57,677	15,650	269%
<u>Other comprehensive income</u>						
Foreign currency translation	(157)	320	N/M	250	231	8%
Deferred taxation	-	18	N/M	-	18	N/M
Impairment loss on revaluation of property	(1,490)	-	N/M	(1,490)	-	N/M
	<u>(1,647)</u>	<u>338</u>	<u>N/M</u>	<u>(1,240)</u>	<u>249</u>	<u>N/M</u>
Total comprehensive income	<u>50,243</u>	<u>4,671</u>	976%	<u>56,437</u>	<u>15,899</u>	255%
Attributable to:						
Equity holders of the Company	51,005	4,638	1000%	57,241	15,919	260%
Non-controlling interests, net of income tax	(762)	33	N/M	(804)	(20)	N/M
	<u>50,243</u>	<u>4,671</u>	976%	<u>56,437</u>	<u>15,899</u>	255%

Additional Information to Group Consolidated Profit and Loss Accounts Under the Provision of Rule 705 of SGX-ST Listing Manual

	Note	Group			Group		
		3 months ended 31 DEC			12 months ended 31 DEC		
		2015	2014	Change	2015	2014	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
			Restated		Restated		
Other Income	1	(65)	795	N/M	146	1,879	(92%)
Interest Income	2	25	11	121%	54	130	(59%)
Interest on borrowings	3	(37)	(32)	15%	(100)	(150)	(33%)
Depreciation	4	(812)	(840)	(3%)	(3,300)	(3,641)	(9%)
Fixed assets written off		(0)	24	(102%)	(3)	-	N/M
Gain/(loss) on disposal of fixed assets		(17)	2	(957%)	(28)	24	N/M
Impairment in goodwill	5	(2,753)	-	N/M	(2,753)	-	N/M
Amortisation of intangible assets	6	(45)	(405)	(89%)	(512)	(1,955)	(74%)
Allowance for doubtful debts	7	(1,402)	(195)	619%	(2,548)	(167)	N/M
Foreign exchange (loss)/gain	8	(72)	38	NM	(219)	86	N/M

- 1) The decrease was due to lower service income; lower income from scrapped items and the absence of the compensation received (non-recurring income) in FY14 from the vendor of one of the investment following the shortfall of the lease extension.
- 2) The decrease in interest income for the full year was mainly due to repayment of shareholder loan extended to an associated company for its property development business.
- 3) The decrease in borrowings for the full year was due to lower borrowings in FY15.
- 4) The decrease was in line with lower fixed assets.
- 5) The impairment of goodwill arose from the acquisition of Eastern Tankstore Pte Ltd in FY12 for the purpose of developing a chemical hub. This project is shelved following the sale of the Group's chemical distribution business in FY15.
- 6) The decrease was mainly due to lower amortisation at the Group level of the fair value of Hetat's order book at acquisition as required by FRS 103.
- 7) The increase was mainly because more bad debts were noted and required to be written off for the structural steel engineering business
- 8) The foreign exchange loss in FY15 was mainly due to stronger US\$ against S\$ and the weaker Malaysian Ringgit against the S\$.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	31 Dec 2015 S\$'000	31 Dec 2014 S\$'000	31 Dec 2015 S\$'000	31 Dec 2014 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	27,138	39,748	8,995	12,181
Subsidiary companies	-	-	53,447	95,028
Associated companies	20,112	4,527	4,965	3,177
Financial assets, available-for-sale	19,712	18,162	17,136	15,289
Membership rights	-	125	-	-
Intangible assets	110	622	-	-
Goodwill	26,450	37,177	-	-
Other receivables	-	612	-	-
	<u>93,522</u>	<u>100,973</u>	<u>84,543</u>	<u>125,675</u>
Current Assets				
Stock and work-in-progress	4,083	31,553	-	-
Trade receivables	23,518	67,852	1,533	5,614
Amount due from related parties	-	-	12,690	14,209
Other receivables	20,932	14,068	17,714	7,337
Loan to related party	600	600	-	-
Fixed deposits	1,531	3,532	1,531	1,523
Cash and bank balances	102,224	35,596	90,691	3,525
	<u>152,888</u>	<u>153,201</u>	<u>124,159</u>	<u>32,208</u>
Total Assets	<u>246,410</u>	<u>254,174</u>	<u>208,702</u>	<u>157,883</u>
LIABILITIES				
Current Liabilities				
Trade payables and accruals	14,762	29,312	3,453	2,143
Other payables	1,662	3,457	338	363
Amount due to related parties	-	-	6,700	9,028
Term loans	150	1,377	-	-
Other amounts due to bankers	6,229	59,821	-	3,807
Hire purchase creditors	210	292	-	-
Provision for taxation	858	3,907	35	94
	<u>23,871</u>	<u>98,166</u>	<u>10,526</u>	<u>15,435</u>
Non-current Liabilities				
Hire purchase creditors	386	258	-	-
Deferred taxation	2,202	3,503	707	1,084
	<u>2,588</u>	<u>3,761</u>	<u>707</u>	<u>1,084</u>
Total Liabilities	<u>26,459</u>	<u>101,927</u>	<u>11,233</u>	<u>16,519</u>
EQUITY				
Share capital	143,730	143,625	143,730	143,625
Treasury shares	(3,226)	(3,226)	(3,226)	(3,226)
Asset revaluation reserve	1,586	2,508	2,874	2,874
Foreign currency translation reserve	1,400	1,172	-	-
Other reserve	-	(16,687)	3,297	-
Revenue reserve/(accumulated losses)	75,612	23,358	50,794	(1,909)
	<u>219,102</u>	<u>150,750</u>	<u>197,469</u>	<u>141,364</u>
Non-controlling interests	849	1,497	-	-
Total Equity	<u>219,951</u>	<u>152,247</u>	<u>197,469</u>	<u>141,364</u>
Total Liabilities and Equity	<u>246,410</u>	<u>254,174</u>	<u>208,702</u>	<u>157,883</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities

	31-Dec-15 S\$'000	31-Dec-14 S\$'000
Amount Repayable in one year or less, or on demand		
Secured	6,589	61,490
Unsecured	-	-
	<u>6,589</u>	<u>61,490</u>
Amount Repayable after one year, or on demand		
Secured	386	258
Unsecured	-	-
	<u>386</u>	<u>258</u>

Details of any collateral

The credit facilities of the Group were secured by the following:

- (i) A mortgage in-escrow and deed of assignment over 81 Tuas South Street 5 for the Company's banking facility (including foreign exchange spot and forward) of approximately S\$29.0 million.
- (ii) A mortgage in-escrow and deed of assignment over 19 Tuas Avenue 20, a corporate guarantee of S\$14 million by the Company and a corporate guarantee of S\$2 million by its subsidiary Hetat Engineering Construction Sdn Bhd for banking facilities (including foreign exchange spot and forward) extended to its subsidiary Hetat Pte Ltd of approximately S\$21.5 million; and
- (iii) Fixed assets of S\$0.94 million, under hire purchase arrangements.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		Group	
	3 months ended 31 Dec 2015	2014	12 months ended 31 Dec 2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
Cash Flows from Operating Activities				
Profit before income tax from continuing operations	10,808	1,938	9,101	8,178
Profit before income tax from discontinued operations	40,920	2,577	50,556	9,625
Profit before income tax, total	51,729	4,516	59,657	17,804
Adjustments for:				
Depreciation	1,161	1,185	4,666	5,049
Fixed assets written off	1	4	9	28
Amortisation of intangible assets	45	405	512	1,955
Loss on disposal of fixed assets	20	(2)	20	7
Interest on borrowings	333	285	1,166	1,254
Interest income	(33)	(17)	(85)	(163)
Share of profit of associated companies	(13,704)	136	(13,798)	135
Impairment of goodwill	2,753	-	2,753	-
Impairment of club membership	-	70	-	70
Gain on disposal of subsidiaries	(35,322)	-	(35,322)	-
Other income	-	(425)	-	(425)
Allowance for doubtful debts	1,343	615	2,860	632
(Write-back on allowance)/allowance for inventory obsolescence	736	(292)	928	(340)
Dividend income	(399)	-	(526)	-
Bad debts expense	35	181	78	184
Inventories written off	43	67	127	218
Net foreign currency translation adjustments	74	(216)	363	(612)
Operating cash flow before working capital changes	8,815	6,512	23,408	25,796
Changes in working capital				
Inventories and work-in-progress	473	(6,816)	(162)	(3,788)
Receivables	(6,004)	10,504	6,637	(2,980)
Payables	875	(11,793)	(2,829)	(2,836)
Cash generated from operations	4,159	(1,593)	27,054	16,192
Interest paid	(333)	(285)	(1,166)	(1,254)
Interest received	14	10	46	52
Income tax payment	(363)	(628)	(2,936)	(3,073)
Net cash generated from operating activities	3,477	(2,496)	22,998	11,917
Cash Flows from Investing Activities				
Dividend received	399	-	526	-
Purchase of property, plant and equipment	(1,485)	(887)	(3,414)	(1,962)
Proceeds from disposal of property, plant and equipment	(20)	1	34	507
Additional investment in associated company	(1,787)	(2,399)	(1,787)	(3,177)
Loan repayment by an associated company	-	-	-	10,500
Loan to investment company	(733)	(6,822)	(733)	(6,822)
Acquisition of other investment	(1,550)	(2,735)	(1,550)	(3,607)
Proceeds from lease shortfall	-	-	-	425
Deposit held in escrow	(10,000)	-	(10,000)	-
Net cash inflow on disposal of subsidiary	70,165	-	70,165	-
Cashflow on acquisition of subsidiary (net of cash)	-	-	-	(27,194)
Net cash generated from investing activities	54,989	(12,842)	53,241	(31,330)
Cash Flows from Financing Activities				
Net proceeds from issue of shares	95	-	105	35,172
Dividends paid	-	-	(5,659)	(5,659)
Fixed deposit pledges with bank	305	(328)	254	(29)
Fund repayment to hire purchase	(364)	(117)	(351)	(432)
Repayment to term loan	(150)	(461)	(1,227)	(7,170)
Drawdown/(repayment) to trusts receipts	(3,888)	3,254	(2,429)	(14,774)
Capital contribution from non-controlling interest	-	-	120	-
Net cash (used in)/ generated from financing activities	(4,002)	2,348	(9,187)	7,108
Net foreign currency translation adjustments	48	218	(117)	(139)
Net increase/(decrease) in cash and cash equivalents	54,512	(12,772)	66,935	(12,444)
Cash and cash equivalents at the beginning of the period	48,043	48,392	35,620	48,064
Cash and cash equivalents at the end of the period	102,555	35,620	102,555	35,620

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Share Capital S\$'000	Treasury Share S\$'000	Revaluation Reserve S\$'000	Other Reserve S\$'000	Foreign Currency Translation Reserve S\$'000	Revenue Reserve S\$'000	Total S\$'000	Non-controlling Interests S\$'000	Total Equity S\$'000
Group									
Balance at 01 January 2015	143,625	(3,226)	2,508	(16,687)	1,172	23,358	150,750	1,497	152,247
Comprehensive income	-	-	(760)	-	250	57,751	57,241	(804)	56,437
Exercise of warrants	105	-	-	-	-	-	105	-	105
Disposal of property, plant and equipment	-	-	(162)	-	-	162	-	-	-
Disposal of subsidiary	-	-	-	16,687	(22)	-	16,665	36	16,701
Dividends paid	-	-	-	-	-	(5,659)	(5,659)	-	(5,659)
Capital contribution by non-controlling interest	-	-	-	-	-	-	-	120	120
Balance at 31 December 2015	143,730	(3,226)	1,586	-	1,400	75,612	219,102	849	219,951
Balance at 01 January 2014	94,953	(3,226)	2,490	(16,687)	941	13,347	91,818	1,517	93,335
Comprehensive income	-	-	18	-	231	15,670	15,919	(20)	15,899
Allotment and issue of new ordinary shares to fund the acquisition of a company	13,500	-	-	-	-	-	13,500	-	13,500
Allotment and issue of new ordinary shares as consideration share for the acquisition of a company	36,024	-	-	-	-	-	36,024	-	36,024
Share issue expense	(852)	-	-	-	-	-	(852)	-	(852)
Dividends paid	-	-	-	-	-	(5,659)	(5,659)	-	(5,659)
Balance at 31 December 2014	143,625	(3,226)	2,508	(16,687)	1,172	23,358	150,750	1,497	152,247
Company									
Balance at 01 January 2015	143,625	(3,226)	2,874	-	-	(1,909)	141,364	-	141,364
Exercise of warrants	105	-	-	-	-	-	105	-	105
Comprehensive income	-	-	-	-	-	58,362	58,362	-	58,362
Other reserve arise through the transfer of shares within group	-	-	-	3,297	-	-	3,297	-	3,297
Dividends paid	-	-	-	-	-	(5,659)	(5,659)	-	(5,659)
Balance at 31 December 2015	143,730	(3,226)	2,874	3,297	-	50,794	197,469	-	197,469
Balance at 01 January 2014	94,953	(3,226)	2,874	-	-	(12,483)	82,118	-	82,118
Allotment and issue of new ordinary shares to fund the acquisition of a company	13,500	-	-	-	-	-	13,500	-	13,500
Allotment and issue of new ordinary shares as consideration share for the acquisition of a company	36,024	-	-	-	-	-	36,024	-	36,024
Share issue expense	(852)	-	-	-	-	-	(852)	-	(852)
Comprehensive income	-	-	-	-	-	16,233	16,233	-	16,233
Dividends paid	-	-	-	-	-	(5,659)	(5,659)	-	(5,659)
Balance at 31 December 2014	143,625	(3,226)	2,874	-	-	(1,909)	141,364	-	141,364

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Details of the changes in the issued and paid-up capital of the Company since 1 January 2015 to 31 December 2015 are as follows:-

<u>Ordinary shares</u>	<u>Number of shares</u>	<u>\$</u>
Issued and fully paid ordinary shares at 1 January 2015	625,561,178	143,624,719
Exercise of warrants	526,208	105,242
Issued and fully paid ordinary shares at 31 December 2015	<u>626,087,386</u>	<u>143,729,961</u>

Pursuant to announcements made on 18 December 2014, 303,641,586 Warrants were issued on 17 December 2014, and listed and quoted on the Mainboard of SGX-ST with effect from 19 December 2014 at an exercise price of S\$0.20. The Warrants have a 5-year exercise period from the date of issue and it will expire on 17 December 2019.

At the end of the financial year, the unissued ordinary shares of the Company under warrants were 303,115,378.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	<u>31-Dec-15</u>	<u>31-Dec-14</u>
Total number of shares (including treasury shares)	626,087,386	625,561,178
Less treasury shares	<u>(17,100,000)</u>	<u>(17,100,000)</u>
Total number of shares (excluding treasury shares)	<u>608,987,386</u>	<u>608,461,178</u>

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There are no sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

These figures have not been reviewed nor audited by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report including any qualifications or emphasis of matter**

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements for the financial year ended 31 December 2014.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

None.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group		Group	
	3 months ended 31 Dec		12 months ended 31 Dec	
	2015	2014	2015	2014
	Restated		Restated	
Continuing Operations				
Profit per ordinary share for the financial year based on consolidated profit attributable to members of the Company (Basic and diluted)				
- Basic	1.84 cents	0.36 cents	1.49 cents	1.29 cents
- Diluted	1.68 cents	0.31 cents	1.36 cents	1.12 cents
Based on the weighted average number of shares (Basic)	605,972,754	605,852,854	605,972,754	605,852,854
Based on the weighted average number of shares (Diluted)	660,718,289	701,809,777	660,718,289	701,809,777

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.

	GROUP		COMPANY	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
Net asset backing per ordinary share	35.98 cents	24.78 cents	32.43 cents	23.23 cents
Based on the number of shares in issue, excluding treasury shares	608,987,386	608,461,178	608,987,386	608,461,178

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Overview

On 18 September 2015, the Group announced that it had entered into a conditional sale and purchase agreement with Brenntag (Holding) B.V., for the sale of its entire shareholding interests in TAT Petroleum Pte Ltd, Axxmo International Pte Ltd and PT TAT Petroleum Indonesia (the "RP segment") for a total consideration of approximately S\$100.3 million. The transaction was completed on 31 December 2015.

Following the completion of the sale of one of the Group's key business segments in December 2015, ie Distribution of refined petroleum products, the Group's accounts would be presented in two parts namely (1) Continuing Operations ie Corrosion Prevention ("CP") and Structural Steel and Façade ("SSF") segments and (2) Discontinued Operations ie Refined Petroleum ("RP") segment.

In accordance with Singapore Financial Reporting Standards FRS 105, Non-current Assets Held for Sale and Discontinued Operations, the results of RP segment have been presented separately on the Group's Income Statement as Discontinued Operations for the financial years ended 31 December 2015 and comparatives restated accordingly for 31 December 2014.

For the fourth quarter results ended 31 December 2015 ("4Q15"), the Group recorded a 5% decrease in revenue to S\$19.7 million and a 410% increase in profit from continuing operations after tax to S\$11.1 million.

For the full year ended 31 December 2015 ("FY15"), the Group's revenue decreased by 27% year-on-year from S\$86.1 million to S\$62.7 million. Profit from continuing operations after tax increased by 15% year-on-year from S\$7.8 million to S\$9.0 million in FY15. The Group recorded in the fourth quarter a S\$13.9 million share of profit from its associated company for the Heron Bay Executive condominium project.

Profit from discontinued operations after tax is at S\$40.8 million in 4Q15 and S\$48.7 million in FY15 which comprised operating profit contributed by the RP segment up to completion date of the sale and the gain on the sale of the RP business

As at 31 December 2015, the Group strengthened its balance sheet with net assets growing from S\$152.2 million to S\$220.0 million. Cash and cash equivalents stood at S\$102.6 million from the sales proceed of RP segment. The Group is in a net cash position of S\$96.8 million.

Continuing Operations

Revenue

Revenue From Continuing Operations						
S\$'000	4Q15	4Q14	Change	FY15	FY14	Change
CP	6,044	6,769	(11%)	23,020	33,377	(31%)
SSF	13,575	13,767	(1%)	38,827	51,693	(25%)
Others	34	75	(55%)	880	994	(12%)
Total	19,653	20,611	(5%)	62,727	86,064	(27%)

The Group's total revenue from continuing operations declined by 5% to S\$19.7 million in 4Q15, compared with S\$20.6 million in the previous corresponding period. This was mainly due to the decrease in revenue from both CP and SSF segments.

For FY15, the Group registered a 27% decrease in total revenue from continuing operations to S\$62.7 million, which can be attributed to the decrease in revenue across all business segments.

CP segment

Revenue for CP segment declined by 11% to S\$6.0 million in 4Q15, compared with S\$6.8 million in 4Q14. For FY15, revenue decreased by 31% to S\$23.0 million, from S\$33.4 million in FY14. The global slowdown in the offshore and marine sector as well as the weak performance in the construction and infrastructure industries, continued to dampen the business activities in the CP segment. In 4Q15 and FY15, the lower revenue was mainly due to the drop in volume across its business units against the tough and competitive business environment.

SSF segment

Revenue for SSF segment decreased marginally by 1% from S\$13.8 million in 4Q14 to S\$13.6 million in 4Q15. For FY15, revenue was lower by 25% at S\$38.8 million compared to S\$51.7 million recorded in FY14. The decrease in revenue in 4Q15 and FY15 was due to reduced business activities as a result of the slowdown in Singapore's construction sector.

Gross Profit and Gross Margin

Gross Profit From Continuing Operations						
S\$'000	4Q15	4Q14	Change	FY15	FY14	Change
CP	1,586	2,037	(22%)	6,289	11,614	(46%)
SSF	3,029	3,999	(24%)	8,827	13,227	(33%)
Others	(123)	103	NM	82	300	(73%)
Total	4,492	6,139	(27%)	15,198	25,141	(40%)

The Group's overall gross profit from continuing operations in 4Q15 declined by 27% year-on-year to S\$4.5 million from S\$6.1 million in 4Q14. In line with the drop in gross profit, gross profit margin dipped to 23% in 4Q15 compared to 30% in 4Q14.

For FY15, the Group's gross profit from continuing operations declined by 40% year-on-year to S\$15.2 million from S\$25.1 million in FY14. Gross profit margin for FY15 was also lower at 24% compared to 29% recorded in FY14.

In 4Q15 and FY15, the challenging business environment affected the revenue contributions from both CP and SSF segments, resulting in sub optimal capacity utilization and pricing pressures thus affecting gross profits and gross profit margin.

CP segment

CP segment's gross profit decreased by 22% and 46% to S\$1.6 million in 4Q15 and to S\$6.3 million in FY15, respectively. Gross profit margin declined from 30% in 4Q14 to 26% in 4Q15 and from 35% in FY14 to 27% in FY15.

Business volume generated in 2015 was affected largely by the uncertainties in the offshore & marine, oil & gas sectors which saw a significant slowdown in global capital spending and hence lower demand for CP services and to a lesser extent the construction and infrastructure industries.

SSF segment

Gross profit for SSF segment decreased by 24% from S\$4.0 million in 4Q14 to S\$3.0 million in 4Q15. For the full year, gross profit decreased by 33% from S\$13.2 million in FY14 to S\$8.8 million in FY15. Gross profit margin decreased from 29% in 4Q14 to 22% in 4Q15 and from 26% for FY14 to 23% in FY15. The segment continued to be impacted by intense competition and the slowdown in activities in the construction sector.

Other Income

Other income decreased by 58% year-on-year from S\$0.8 million in 4Q14 to S\$0.3 million in 4Q15 and for FY15, it decreased by 66% to S\$0.7 million from S\$2.0 million in FY14. The

decrease was largely due to the absence of the compensation received in FY14 from the vendor of one of the Group's investment (non-recurring income) following the shortfall of the lease extension; lower service income from SSF segment as it has to commence its plant redevelopment project; and lower income from scrapped items.

Selling, Distribution, Administrative, Other Operating Expenses, Finance Costs

Expenses and Finance Costs						
S\$'000	4Q15	4Q14	Change	FY15	FY14	Change
Selling & Distribution	200	193	3%	824	1,038	(21%)
Admin	2,382	2,733	(13%)	9,536	10,097	(6%)
Other OPEX	5,111	1,917	167%	10,133	7,575	34%
Total OPEX	7,693	4,842	59%	20,493	18,709	10%

Total operating expenses increased by 59% year-on-year from S\$4.8 million in 4Q14 to S\$7.7 million in 4Q15. Total operating expenses increased 10% year-on-year to S\$20.5 million in FY15 from S\$18.7 million in FY14. This was mainly due to higher other operating expenses, which were partly offset by lower administrative expenses.

The lower administrative expenses was due to cost control measures while the lower selling and distribution expenses was in line with lower business volume across all business segments.

The increase in other operating expenses was mainly due to S\$2.7 million of impairment of the goodwill on acquisition of Eastern Tankstore in 2012 and impairment of accounts receivable of S\$2.5 million in the SSF segment offset by lower amortisation (S\$1.5 million) of the fair value of SSF order book at acquisition as required by FRS 103 and lower business operating costs from cost rationalisation.

Finance costs increased slightly to S\$37,000 in 4Q15, as compared to S\$32,000 in 4Q14, which was in line with the slight increase in interest rate. For FY15, finance cost decreased by 33% to S\$100,000 from S\$150,000 in FY14 due to lower borrowings.

Share of Associates' Results

For 4Q15, the Group recognised S\$13.9 million of profit from the share of associates results from the Heron Bay Executive Condominium project and share of loss of S\$0.1 million from Aenergy Holdings Company Limited. In 4Q15, the condominium received its temporary occupancy permit ("TOP") as the keys were progressively handed over to the homeowners. As at 31 December 2015, about 95% of the 394 unit keys were issued. The share of profit is based on the Group's 30% share of the profit from the sale of the 374 units in the condominium project.

Discontinued Operations - RP segment

The profit from discontinued operations arising from the divestment of the Group's RP segment comprise the following:

	4Q15	4Q14	%	FY15	FY14	%
Profit arising from RP business prior to completion of divestment	5,461	2,157	153%	13,382	7,853	70%
Profit after tax from sale of RP business	35,322	-	NM	35,322	-	NM
Total	40,783	2,157	NM	48,703	7,853	520%

Financial Position and Cash Flow Analysis

As at 31 December 2015, total equity attributable to shareholders increased to S\$219.1 million as compared to S\$150.8 million as at 31 December 2014. On a per share basis, this increase from 24.78 cents in 2014 to 35.98 cents in 2015. The increase was mainly contributed by profit from discontinued operations (the sale of the Group's RP businesses) and the share of profit of associate company arising from the completion of the sale of the Heron Bay Executive Condominium project.

The Group's cash stood at S\$103.8 million as at 31 December 2015 compared to S\$39.1 million in the previous corresponding period.

Non-current assets decreased from S\$100.9 million as at 31 December 2014 to S\$93.5 million as at 31 December 2015. This was mainly due to:

- a) Depreciation of Property, plant and equipment charged to the income statement in the current year of S\$3.3 million;
- b) FY14 included RP fixed assets and goodwill on acquisition amounting to S\$11 million and S\$8 million respectively which were disposed in FY15;
- c) Impairment of goodwill on acquisition of Eastern Tankstore of S\$2.7 million and impairment of the revaluation surplus arising previously from property in Eastern Tankstore of S\$1.5 million; offset partially by
- d) Additional strategic investments in Energy Drilling Pte Ltd and Aenergy Holdings Co Ltd totaling S\$3.6 million; and
- e) Increase in the value of investment in associate of S\$13.9 million arising from the share of profits of Heron Bay Executive Condominium project.

Current assets decreased by S\$0.3 million to S\$152.9 million as at 31 December 2015 from S\$153.2 million as at 31 December 2014. Stocks decreased S\$27 million as FY14 included inventories of the RP business. Trade receivables decreased S\$44 million driven by FY14 included trade receivables of RP business of S\$37 million; lower trade receivables of the CP and SSF division in line with the drop in business volume and higher provision for doubtful debts in the SSF division. Other receivables increased S\$6.9 million as the disposal of the RP businesses include S\$10 million of the sale consideration to be held in escrow account for one year. Fixed deposits and cash increased S\$64.6 million from the sale of the RP business.

Current liabilities as at 31 December 2015 decreased significantly by S\$74.3 million from S\$98.2 million as at 31 December 2014 to S\$23.9 million. Included in FY14 was S\$74.5 million of current liabilities for the RP business of which the business was disposed in FY15.

Non-current liabilities as at 31 December 2015 were marginally lower at S\$2.6 million due to reversal of deferred tax liabilities no longer required.

During FY15, the Group reported net cash generated from operating activities of S\$23.0 million as compared to S\$11.9 million in FY14.

Net cash generated from investing activities amounted to S\$53.2 million in FY15, mainly due to the S\$70.1 million net cash received from sale of RP but partially offset by purchase of property, plant and equipment, deposit held in escrow and increase in strategic investments.

Net cash used in financing activities in FY15 was S\$9.2 million, mainly due to the dividend paid, settlement of trust receipts, and repayment of bank loans.

After taking into account net foreign currency translation adjustments, the Group recorded a net increase in cash equivalents of S\$66.9 million to S\$102.6 million for FY15.

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

The current announced results are in line with the prospect commentary previously disclosed to shareholders in the results announcement for the period ended 30 September 2015.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group expects the business landscape in FY16 to remain challenging in the face of domestic and global economic volatility, heightening competition and depressed oil prices that will continue to impact the Group's operating performance.

The Group's construction and infrastructure segment is facing margin pressure in an increasingly competitive industry. To mitigate these challenges, the SSF Division has taken appropriate action to stay efficient and nimble while managing to secure a stable order book for FY16.

The depressed marine, offshore and oil & gas sector will continue to impact the Group's CP business in FY16. In addition, the hike in foreign worker levies and foreign worker dependency ratios are expected to increase CP's operating cost. Faced with these challenges, the Group will continue its cost rationalisation exercise and enhance productivity to maintain an appropriate and efficient cost structure while it focuses on expanding and diversifying its customer base.

Following the disposal of its RP business in December 2015, the Group is actively seeking new growth engines to replace the loss of the income stream previously contributed by the RP business. Its entry into the renewable energy business, specifically the solar power business (which is subject to shareholders' approval) as well as the planned extension of the Group's SSF business into the higher value-added Pre-fabrication, Pre-finished Volumetric Construction (PPVC) segment, when in place in the next few years, is expected to generate new income streams to the Group.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

Name of Dividend	:	Proposed Final
Dividend Type	:	Cash
Dividend Amount per Ordinary Share	:	0.32 cents
Tax Rate	:	Tax exempt one-tier

Name of Dividend	:	Special
Dividend Type	:	Cash
Dividend Amount per Ordinary Share	:	3.68 cents
Tax Rate	:	Tax exempt one-tier

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

Name of Dividend	:	Proposed Final
Dividend Type	:	Cash
Dividend Amount per Ordinary Share	:	0.93 cents
Tax Rate	:	Tax exempt one-tier

(c) Date payable

Subject to shareholders' approval at Annual General Meeting of the Company to be held on 28 April 2016, the final dividend will be paid on 23 May 2016.

(d) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 13 May 2016. Duly completed transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623, up to 5 p.m. on 12 May 2016 will be registered to determine entitlements to the final dividend. In respect of shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the final dividend will be paid by the Company to CDP which will in turn distribute the dividend entitlement to shareholders.

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

Not applicable.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect,

There were no interested person transactions during the three months ended 31 December 2015. The Group does not have a general mandate pursuant to Rule 920(1)(a)(ii).

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half YEAR Results)

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Products and services from which reportable segments derive their revenues

Segment information reported externally was analysed on the basis of the types of goods supplied and services provided by the Group's operating divisions. Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is also focussed on the three principal reportable segments of the group. The Group's reportable segments under FRS 108 are therefore as follows:

Corrosion Prevention
Distribution
Structural Steel and Façade Engineering

The corrosion prevention segment provides coating services to marine, oil and gas, construction and infrastructure industries.

The distribution segment distributes refined petroleum products which was disposed on 31 December 2015

The structural steel and façade engineering is in the business of designing, engineering and construction of steel, aluminium and glass structures.

Information regarding the Group's reportable segments is presented below.

(a) Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment:

	Corrosion prevention		Distribution (Discontinued Operations)		Structural Steel & Façade		Others		Adjustment and elimination #		Total	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Segment revenue	23,020	33,377	324,624	360,708	38,827	51,693	880	994	(324,624)	(360,708)	62,727	86,064
Segment result	3,054	7,682	25,342	21,373	4,061	8,835	(119)	12	(25,342)	(21,373)	6,995	16,528
Impairment of goodwill	-	-	-	-	-	-	(2,753)	-	-	-	(2,753)	-
Finance cost	-	-	(1,066)	(1,105)	(90)	(137)	(10)	(12)	1,066	1,105	(100)	(150)
Share of profit/(loss) of associates, net of tax											13,798	(136)
Central administration costs and directors' salaries											(9,536)	(10,097)
Other income											698	2,033
Profit before tax											9,101	8,178

Adjustments and elimination relates to the sale of distribution business as explained in paragraph 8

Revenue reported above represents revenue generated from external customers. Inter-segment sales for the year 2015 was S\$10,445,000 (2013: S\$12,213,000).

Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' salaries, share of profits of associates, other income and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

(b) Segment assets and liabilities

	Group	
	2015 S\$'000	2014 S\$'000
Segment assets		
Corrosion prevention	32,593	39,866
Distribution (Discontinued Operations)	-	115,660
Structural steel & façade	61,855	63,158
Others *	151,961	35,490
Total segment assets	246,410	254,174
Consolidated assets	246,410	254,174
Segment liabilities		
Corrosion prevention	8,547	9,537
Distribution (Discontinued Operations)	-	72,222
Structural steel & façade	11,710	11,324
Others	3,142	1,434
Total segment liabilities	23,399	94,517
Unallocated liabilities		
- Provision for taxation	858	3,907
- Deferred income tax	2,202	3,503
Consolidated liabilities	26,459	101,927

*others include corporate head office and strategic investments.

(c) Other segment information

	Group			
	Depreciation and amortisation		Additions to non-current assets	
	Year ended	Year ended	Year ended	Year ended
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
Corrosion prevention	1,757	1,697	633	1,029
Distribution (Discontinued Operations)	-	-	775	415
Structural steel & façade	1,740	3,582	2,573	42,690
Others	316	317	-	8
	3,812	5,596	3,981	44,142

Non-current assets excluding investment in associates, loan receivable from associate and financial assets available-for-sale.

(d) Geographical information

The Group's continuing operation is primarily carried out in Singapore, no segmented revenue and results for geographical segment is presented.

(e) Any single individual customer contributed significantly to the Group's revenue

No.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to section 8 of this announcement.

16. A breakdown of sales

	Full Year 2015 S\$'000	Full Year 2014 S\$'000 Restated	Change %
Revenue reported for first half year			
Continuing operation	23,821	41,444	(43%)
Discontinued operation	222,000	137,700	61%
Net profit reported for first half year			
Continuing operation	(1,845)	3,743	(149%)
Discontinued operation	5,774	3,616	60%
Revenue reported for second half year			
Continuing operation	38,906	44,620	(13%)
Discontinued operation	102,624	223,008	(54%)
Net profit reported for second half year			
Continuing operation	10,819	4,054	167%
Discontinued operation	42,929	4,237	913%
Total revenue reported for the full year			
Continuing operation	62,727	86,064	(27%)
Discontinued operation	324,624	360,708	(10%)
Total net profit reported for the full year			
Continuing operation	8,974	7,797	15%
Discontinued operation	48,703	7,853	520%

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

Total Annual Dividend

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary	5,659	5,659
Preference	0	0
Total	5,659	5,659

The final dividend for FY16 is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

18. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Goh Sia Teck	56	Nephew of Thomas Lim Siok Kwee	Manager (Operations) - Assisting CEO in marine projects (since May 2006)	Nil
Lim Peng Cheng	47	Nephew of Thomas Lim Siok Kwee	Assistant Production Manager - Assisting CEO and Production Manager in plant operation (since April 2010)	Nil

BY ORDER OF THE BOARD

Ng Han Kok, Henry
Group Chief Executive Officer
29 February 2016