



**FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014**

1 (a) GROUP INCOME STATEMENT

	Group		
	FY2014	FY2013	Fav / (Unfav)
	\$'000	\$'000	%
Revenue	212,083	361,636	(41.4)
Cost of sales	(244,659)	(323,490)	24.4
Gross (loss)/profit	(32,576)	38,146	NA
Other income	554	265	109.1
General and administrative income/(expenses)	17,600	(31,082)	NA
Interest income	52	28	85.7
Finance costs	(4,639)	(3,007)	(54.3)
(Loss)/ Profit before tax	(19,009)	4,350	NA
Taxation	10,518	1,189	NA
Net (loss)/ profit attributable to shareholders of the Company	(8,491)	5,539	NA

NA - Not Applicable

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

(Gain)/ Loss on disposal of property, plant & equipment	(32,464)	8,469
(Write back)/ Allowance for impairment of receivable	(35)	4,864
Depreciation	27,843	27,448

1(b)(i) BALANCE SHEET

	Group		Company	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	320,997	356,867	-	-
Investment in subsidiaries	-	-	39,026	39,026
Amount due from subsidiaries	-	-	70,593	76,474
Investment in a joint venture	1,468	1,468	-	-
Other investment	140	140	-	-
Trade debtor	-	3,976	-	-
	322,605	362,451	109,619	115,500
Current assets				
Steel materials, at cost	60,211	64,373	-	-
Gross amount due from customers for contract work-in-progress	101,652	116,045	-	-
Trade debtors	27,657	35,684	-	-
Sundry debtors and deposits	50,323	5,395	7	1,226
Prepayments	1,108	2,442	6	22
Fixed deposit	140	-	-	-
Cash and bank balances	5,849	14,818	235	623
	246,940	238,757	248	1,871
Current liabilities				
Gross amount due to customers for contract work-in-progress	3,838	3,508	-	-
Trade creditors	56,288	57,453	-	-
Other creditors and accruals	11,240	11,348	496	439
Borrowings	81,849	50,815	-	-
Hire purchase creditors	7,429	8,427	-	-
Provision for taxation	540	245	3	13
	161,184	131,796	499	452
Net current assets / (liabilities)	85,756	106,961	(251)	1,419
Non-current liabilities				
Borrowings	85,000	111,623	-	-
Hire purchase creditors	4,595	11,732	-	-
Deferred taxation	18,713	29,249	-	-
	108,308	152,604	-	-
Net assets	300,053	316,808	109,368	116,919
Equity				
Share capital	96,379	96,379	96,379	96,379
Reserves	203,674	220,429	12,989	20,540
	300,053	316,808	109,368	116,919

Decrease in property, plant and equipment was due mainly to disposal of property in Malaysia subsidiary.

Decrease in work-in-progress was in line with decreased revenue. Trade debtors decreased due to timing in billing and collection of receivables for on-going projects. Sundry debtors and deposits increased due to sale proceed from disposal of Malaysia property held in escrow as at year end.

Net borrowings increased due to higher working capital requirements.

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

	As at 31/12/14		As at 31/12/13	
	\$'000		\$'000	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	7,429	81,849	11,709	47,533
Amount repayable after one year	4,595	85,000	18,355	105,000

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

	FY2014	FY2013
	\$'000	\$'000
Operating activities		
(Loss)/ Profit before tax	(19,009)	4,350
Add/(less):		
Depreciation	27,843	27,448
Consumption allowance	3,514	1,532
Interest income	(52)	(28)
Interest expense	4,639	3,007
(Write back)/ Allowance for impairment of receivable	(35)	4,864
Write back for inventory valuation	(195)	(306)
(Gain)/ Loss on disposal of property, plant & equipment	(32,464)	8,469
Effects of changes in foreign exchange	(3,013)	(1,298)
Operating cash flows before changes in working capital	(18,772)	48,038
Decrease/(Increase) in steel materials and work-in-progress	19,580	(33,452)
Decrease in trade and other debtors	13,252	2,548
Decrease in trade and other creditors	(1,241)	(8,195)
Cash flows from operations	12,819	8,939
Income tax refund/(paid)	190	(4,429)
Interest received	52	28
Interest paid	(4,639)	(3,007)
Net cash flows from operating activities	8,422	1,531
Investing activities		
Increase in investment of quoted share	-	(40)
Investment in a joint venture	-	52
Purchase of property, plant & equipment	(24,167)	(55,984)
Proceeds from disposal of property, plant & equipment	18,580	10,773
Net cash flows used in investing activities	(5,587)	(45,199)
Financing activities		
Dividend paid	(7,602)	(12,640)
Proceeds from borrowings	34,304	193,699
Repayment of borrowings	(29,947)	(124,424)
Hire purchase instalments paid	(8,519)	(10,145)
Issuance of ordinary shares	-	867
Net cash flows (used in)/from financing activities	(11,764)	47,357
Net (decrease)/ increase in cash and cash equivalents	(8,929)	3,689
Effect of exchange rate changes on cash and cash equivalents	100	(33)
Cash and cash equivalents as at beginning of year	14,818	11,162
Cash and cash equivalents as at end of year	5,989	14,818

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

	Group		
	FY2014	FY2013	Fav/(Unfav)
	\$'000	\$'000	%
(Loss)/Profit after tax	(8,491)	5,539	NA
Foreign currency translation	(662)	(84)	(688.1)
Total comprehensive (loss)/income	(9,153)	5,455	NA

NA - Not Applicable

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

	Share capital \$'000	Capital reserves \$'000	Share option reserves \$'000	Foreign currency translation reserves \$'000	Retained earnings \$'000	Total \$'000
<u>GROUP</u>						
Balance at 1 January 2014	96,379	17,411	12,800	(4,000)	194,218	316,808
Total comprehensive income 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
Balance at 1 January 2013	95,512	17,411	12,800	(3,916)	201,319	323,126
Total comprehensive income for the year	-	-	-	(84)	5,539	5,455
Dividend on ordinary shares	-	-	-	-	(12,640)	(12,640)
Issuance of shares	867	-	-	-	-	867
Balance at 31 December 2013	96,379	17,411	12,800	(4,000)	194,218	316,808
<u>COMPANY</u>						
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
Balance at 1 January 2013	95,512	10,574	12,800	-	(13,394)	105,492
Total comprehensive income for the year	-	-	-	-	23,200	23,200
Dividend on ordinary shares	-	-	-	-	(12,640)	(12,640)
Issuance of shares	867	-	-	-	-	867
Balance at 31 December 2013	96,379	10,574	12,800	-	(2,834)	116,919

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

There was no shares issued during the period from 1 October 2014 to 31 December 2014.

As at 31 December 2014, there was 73,220,000 (31 December 2013: 73,220,000) unissued ordinary shares relating to options granted and unexercised under the Employee Share Option Scheme.

As at 31 December 2014, the total number of issued shares was 1,266,942,003 (31 December 2013: 1,266,942,003).

2 AUDIT

These figures have not been audited or reviewed by the auditors.

3 AUDITOR'S REPORT

Not applicable.

4 ACCOUNTING POLICIES

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current reporting year as those in the financial year ended 31 December 2013, 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 2014. 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 (cent)	
	FY2014	FY2013
(i) Based on weighted average number of shares in issue	(0.67)	0.44
(ii) On a fully diluted basis	(0.66)	0.43

The computation of basic earnings per share for year ended 31 December 2014 is based on the weighted average number of shares of 1,266,942,003 (FY2013: 1,265,446,253) and weighted average number of shares for diluted earnings of 1,280,023,021 (FY2013: 1,286,548,664).

7 NET ASSET VALUE PER SHARE

	Group (cents)		Company (cents)	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Net asset value per share	23.68	25.01	8.63	9.23

8 REVIEW OF THE PERFORMANCE OF THE GROUP

With the completion of major projects and final revenue recognition of the Marina Coastal Expressway ("MCE") contracts at the end of FY2013, and the Singapore Sports Hub at the end of 1QFY2014, the Group's revenue for the financial year ended 31 December 2014 ("FY2014") decreased 41.4% to \$212.1 million. This compares with \$361.6 million in FY2013.

Revenue contribution from Specialist Civil Engineering was primarily driven by ongoing projects such as MRT Downtown Line 2, Downtown Line 3 and the Hong Kong MTR. This segment turned in a revenue of \$94.5 million in FY2014.

In the year under review, Structural Steelwork projects recorded a revenue of \$117.6 million. The South Beach, Market Street, Marina One and Changi Terminal 4 projects were key revenue contributors to this segment.

In the course of 2014, the Group witnessed the tailing down of existing projects, and slow starts in new projects such as Changi Terminal 4 and Marina One. As such, there was a lower level of fabrication and erection activities to absorb the Group's fixed production and overhead costs. This accounted mainly for the gross loss of \$32.6 million in FY2014. In addition, lower margin projects coupled with provisions made in expectation of lower variation orders for certain projects also impacted the Group's gross profit margin.

On a geographical basis, Singapore continued to be the core contributor, accounting for 83.1% of total revenue, compared to 80.1% in FY2013. The other contributors were Hong Kong and Malaysia.

The Group turned in a general and administrative income of \$17.6 million in FY2014, which included a one-off \$34.4 million gain on disposal of a Malaysian property. Excluding the non-recurring gain, general and administrative expenses would be \$16.8 million in FY2014, which is \$1.1 million lower than the general and administrative expenses of \$17.9 million in FY2013 (excluding a one-off \$8.1 million loss on disposal of fixed assets and a \$5.1 million provision made on amounts owing from an insolvent main contractor). The reduction was mainly due to lower staff costs and professional fees incurred in FY2014. Finance costs increased from \$3.0 million to \$4.6 million in FY2014 due to higher borrowings, bank interest and charges. Consequently, the Group recorded a net loss of \$8.5 million in FY2014, compared to a profit of \$5.5 million in FY2013.

As a result of the lower operating results, the Group registered a loss per share of 0.67 Singapore cent in FY2014, compared to profit per share of 0.44 Singapore cent in FY2013. Net asset value per share declined by 1.33 Singapore cents, from 24.98 Singapore cents as at 31 December 2013 to 23.65 Singapore cents as at 31 December 2014. Net gearing remained healthy at 0.58 times as at 31 December 2014, notwithstanding a marginal increase from 0.53 times as at 31 December 2013.

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

The results are in line with prospect statement made in results announcement for the financial period ended 30 September 2014.

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 secured a total of \$277.3 million worth of orders for FY2014 which included two new structural steelworks subcontract for the Changi International Airport Terminal 4, the Project Jewel at Changi Airport and the Thomson MRT Line subcontracts. These new contract wins will contribute significantly to the Group's financial performance in FY2015.

On 29 October 2014, the Group, together with its consortium partners, JGC Corporation and Changi Airport Planners and Engineers, were selected as the successful tenderer for the Hanthawaddy International Airport ("HIA") project in Myanmar. This is based on a public-private partnership ("PPP") agreement for a 30-year concession period. The Consortium is currently in discussion and negotiation with the Myanmar authorities to finalise details and terms of the HIA project.

The Group is currently in active pursuit of \$1.1 billion worth of new infrastructural and commercial projects in Singapore, Hong Kong, Malaysia and the Middle East.

As at 31 December 2014, the Group's order book stood at a healthy \$405 million, compared to \$316 million at the end of September 2014.

Outlook for infrastructural developments and commercial projects in Singapore and the region remains positive.

11 DIVIDEND

(a) Current financial period reported on

None

(b) Corresponding period of the immediately preceding financial year

Name of Dividend	: Ordinary Share First and Final Dividend
Dividend Type	: Cash
Dividend Rate	: 0.6 Singapore cent per ordinary share
Tax Rate	: Tax exempt (One-tier)
Date paid	: 30 May 2014

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

No dividend has been recommended for the year ended 31 December 2014.

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 2014.

14 Segmental Information

	Singapore \$'000	Rest of Asia \$'000	Middle East \$'000	Eliminations \$'000	Group \$'000
Year ended 31 December 2014					
Revenue					
External customers	176,242	35,841	-	-	212,083
Inter-segment revenue	-	17,145	-	(17,145)	-
Total revenue	176,242	52,986	-	(17,145)	212,083
Result					
Segment result	(51,013)	36,688	(97)	-	(14,422)
Finance income					52
Finance cost					(4,639)
Loss before tax					(19,009)
Tax					10,518
Loss after tax					(8,491)

	Singapore \$'000	Rest of Asia \$'000	Middle East \$'000	Eliminations \$'000	Group \$'000
Year ended 31 December 2013					
Revenue					
External customers	289,673	71,963	-	-	361,636
Inter-segment revenue	-	22,118	-	(22,118)	-
Total revenue	289,673	94,081	-	(22,118)	361,636
Result					
Segment result	(9,327)	16,820	(164)	-	7,329
Finance income					28
Finance cost					(3,007)
Profit before tax					4,350
Tax					1,189
Profit after tax					5,539

	FY2014 \$'000	FY2013 \$'000
Structural steelworks	117,560	214,460
Specialist civil engineering	94,512	147,019
Mechanical engineering	11	157
	212,083	361,636

15 Breakdown of sales and profit after tax

	Group		
	FY2014 \$'000	FY2013 \$'000	Decrease %
(a) Sales reported for first half year	133,399	197,037	(32.3)
(b) (Loss)/ Profit after tax for first half year	(7,171)	20,150	N.A
(c) Sales reported for second half year	78,684	164,599	(52.2)
(d) Loss after tax for second half year	(1,320)	(14,611)	(91.0)

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

	FY2014 \$'000	FY2013 \$'000
Final ordinary dividend	-	7,602

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	59	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	58	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	57	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	40	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	Senior Project Manager; Responsible for overseeing the development of projects and other related operational matter
Seow Zi Xian	31	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	Project Engineer; Supports the Project Manager on an assigned project and assists in gathering and distributing information to team members

SEOW SOON YONG
Chief Executive Officer

CHIA SIN CHENG
Finance & Executive Director

Date: 28 February 2015