



**FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE PERIOD ENDED 30 JUNE 2016**

1 (a) GROUP INCOME STATEMENT

	Group					
	2Q 2016 30/6/2016	2Q 2015 30/6/2015	Fav / (Unfav)	Half-year 30/6/2016	Half-year 30/6/2015	Fav / (Unfav)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	84,291	70,689	19.2	158,057	136,585	15.7
Cost of sales	(76,917)	(63,862)	(20.4)	(142,581)	(123,842)	(15.1)
Gross profit	7,374	6,827	8.0	15,476	12,743	21.4
Other income	228	50	356.0	538	474	13.5
General and administrative expenses	(5,095)	(3,266)	(56.0)	(10,197)	(7,251)	(40.6)
Interest income	1	4	(75.0)	3	146	(97.9)
Finance costs	(1,399)	(1,180)	(18.6)	(3,110)	(2,634)	(18.1)
Profit before tax	1,109	2,435	(54.5)	2,710	3,478	(22.1)
Taxation	(233)	(382)	39.0	(124)	(692)	82.1
Net profit	876	2,053	(57.3)	2,586	2,786	(7.2)
Attributable to:						
Owners of the Company	156	1,896	(91.8)	1,325	2,629	(49.6)
Non-controlling interests	720	157	358.6	1,261	157	703.2
	876	2,053	(57.3)	2,586	2,786	(7.2)
Profit before tax is arrived at after charging:						
Loss on disposal of property, plant & equipment	51	1,541		57	2,640	
Depreciation	6,865	6,883		13,656	13,787	

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

	Group		Company	
	30/6/2016	31/12/2015	30/6/2016	31/12/2015
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	314,104	307,410	-	-
Investment in subsidiaries	-	-	39,396	39,064
Amount due from subsidiaries	-	-	70,845	70,796
Investment in a joint venture	1,468	1,468	-	-
Other investment	140	140	-	-
	315,712	309,018	110,241	109,860
Current assets				
Steel materials, at cost	50,059	50,121	-	-
Gross amount due from customers for contract work-in-progress	124,915	123,171	-	-
Trade debtors	34,264	31,032	-	-
Sundry debtors and deposits	8,095	16,365	-	684
Prepayments	2,099	2,576	-	5
Cash and bank balances	3,214	8,095	53	121
	222,646	231,360	53	810
Current liabilities				
Gross amount due to customers for contract work-in-progress	6,442	10,371	-	-
Trade creditors	66,888	61,461	-	-
Other creditors and accruals	8,948	9,865	854	1,257
Borrowings	67,023	69,675	-	-
Hire purchase creditors	3,956	4,513	-	-
Provision for taxation	1,185	815	2	4
	154,442	156,700	856	1,261
Net current assets/ (liabilities)	68,204	74,660	(803)	(451)
Non-current liabilities				
Borrowings	62,631	65,000	-	-
Hire purchase creditors	5,240	3,216	-	-
Deferred taxation	17,707	18,089	-	-
	85,578	86,305	-	-
Net assets	298,338	297,373	109,438	109,409
Equity				
Share capital	96,379	96,379	96,379	96,379
Reserves	200,053	200,349	13,059	13,030
Non-controlling interest	1,906	645	-	-
	298,338	297,373	109,438	109,409

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 tax refund and reclassification of deposit paid for purchase of lands to property, plant and equipments upon completion.

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

	As at 30/06/16		As at 31/12/15	
	\$'000		\$'000	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	68,671	2,308	4,513	69,675
Amount repayable after one year	67,871	-	3,216	65,000

Details of collateral:

Certain group borrowings (including HP creditors) are secured by way of a fixed charge on certain assets of the Group's principal subsidiaries.

1(c) GROUP CONSOLIDATED CASH FLOW STATEMENT

	2Q 2016 30/06/2016	2Q 2015 30/06/2015	Half-year 30/06/2016	Half-year 30/06/2015
	\$'000	\$'000	\$'000	\$'000
Operating activities				
Profit before tax	1,109	2,435	2,710	3,478
Add/(less):				
Depreciation	6,865	6,883	13,656	13,787
Consumption allowance	274	1,739	1,943	2,863
Interest income	(1)	(4)	(3)	(146)
Interest expense	1,399	1,180	3,110	2,634
Write back of impairment of receivable	-	(10)	-	(40)
Loss on disposal of property, plant & equipment	51	1,541	57	2,640
Effects of changes in foreign exchange	383	930	1,083	(580)
Operating cash flows before changes in working capital	10,080	14,694	22,556	24,636
Decrease/ (Increase) in steel materials and work-in-progress	3,021	24,454	(6,541)	5,941
Decrease/ (Increase) in trade and other debtors	2,372	(27,167)	5,400	(31,520)
(Decrease)/Increase in trade and other creditors	(2,432)	(4,974)	4,701	(8,760)
Cash flows from/ (used in) operations	13,041	7,007	26,116	(9,703)
Income tax (paid)/refund	(8)	(1)	17	(33)
Interest received	1	4	3	146
Interest paid	(1,399)	(1,180)	(3,110)	(2,634)
Net cash flows from/ (used in) operating activities	11,635	5,830	23,026	(12,224)
Investing activities				
Purchase of property, plant & equipment	(16,357)	(8,137)	(21,852)	(13,225)
Proceeds from disposal of property, plant & equipment	1,361	3,811	1,732	49,210
Net cash flows (used in) /from investing activities	(14,996)	(4,326)	(20,120)	35,985
Financing activities				
Dividend paid	-	-	-	-
Proceeds from borrowings	4,896	4,200	8,703	6,519
Repayment of borrowings	(5,000)	(9,000)	(13,500)	(23,500)
Hire purchase instalments paid	(1,514)	(2,863)	(2,963)	(4,863)
Amount due to a joint venture partner	-	490	-	490
Net cash flows used in financing activities	(1,618)	(7,173)	(7,760)	(21,354)
Net (decrease)/increase in cash and cash equivalents	(4,979)	(5,669)	(4,854)	2,407
Effect of exchange rate changes on cash and cash equivalents	(27)	(48)	(27)	37
Cash and cash equivalents as at beginning of period	8,220	14,150	8,095	5,989
Cash and cash equivalents as at end of period	3,214	8,433	3,214	8,433

1(d)(i) STATEMENT OF COMPREHENSIVE INCOME

	Group					
	2Q 2016 30/06/2016	2Q 2015 30/06/2015	Fav/(Unfav)	Half-year 30/06/2016	Half-year 30/06/2015	Fav/(Unfav)
	\$'000	\$'000	%	\$'000	\$'000	%
Profit after tax	876	2,053	(57.3)	2,586	2,786	(7.2)
Foreign currency translation	(453)	(293)	(54.6)	(1,621)	(529)	(206.4)
Total comprehensive income	423	1,760	(76.0)	965	2,257	(57.2)

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

	Share capital \$'000	Capital reserves \$'000	Share option reserves \$'000	Foreign currency translation reserves \$'000	Retained earnings \$'000	Non-controlling interests \$'000	Total \$'000
GROUP							
Balance at 1 January 2016	96,379	6,837	12,800	(4,647)	185,359	645	297,373
Total comprehensive income/(loss) for the period	-	-	-	(1,168)	1,169	541	542
Balance at 31 March 2016	96,379	6,837	12,800	(5,815)	186,528	1,186	297,915
Total comprehensive income/(loss) for the period	-	-	-	(453)	156	720	423
Balance at 30 June 2016	96,379	6,837	12,800	(6,268)	186,684	1,906	298,338
Balance at 1 January 2015	96,379	17,411	12,800	(4,662)	178,125	-	300,053
Total comprehensive income/(loss) for the period	-	-	-	(236)	733	-	497
Balance at 31 March 2015	96,379	17,411	12,800	(4,898)	178,858	-	300,550
Total comprehensive income/(loss) for the period	-	-	-	(293)	1,896	157	1,760
Balance at 30 June 2015	96,379	17,411	12,800	(5,191)	180,754	157	302,310
COMPANY							
Balance at 1 January 2016	96,379	-	12,800	-	230	-	109,409
Total comprehensive income for the period	-	-	-	-	10	-	10
Balance at 31 March 2016	96,379	-	12,800	-	240	-	109,419
Total comprehensive income for the period	-	-	-	-	19	-	19
Balance at 30 June 2016	96,379	-	12,800	-	259	-	109,438
Balance at 1 January 2015	96,379	10,574	12,800	-	(10,385)	-	109,368
Total comprehensive income for the period	-	-	-	-	13	-	13
Balance at 31 March 2015	96,379	10,574	12,800	-	(10,372)	-	109,381
Total comprehensive income for the period	-	-	-	-	9	-	9
Balance at 30 June 2015	96,379	10,574	12,800	-	(10,363)	-	109,390

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

There were no shares issued during the period from 1 April 2016 to 30 June 2016.

As at 30 June 2016, there were 18,305,000 (30 June 2015: 18,305,000) unissued ordinary shares relating to options granted and unexercised under the Employee Share Option Scheme.

As at 30 June 2016, the total number of issued shares was 316,735,383 (31 December 2015: 316,735,383).

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 2015, 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 2016. 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 (cent)			
	2Q 2016 30/06/2016	2Q 2015 30/06/2015	Half-year 30/06/2016	Half-year 30/06/2015
(i) Based on weighted average number of shares in issue	0.05	0.60	0.42	0.83
(ii) On a fully diluted basis	0.05	0.60	0.42	0.83
(i) Weighted average number of shares in issue	316,735,383	316,735,383	316,735,383	316,735,383
(ii) weighted average number of shares for diluted earnings	316,735,383	317,735,822	316,735,383	317,735,822

7 NET ASSET VALUE PER SHARE

	Group (cents)		Company (cents)	
	30/6/2016	31/12/2015	30/6/2016	31/12/2015
Net asset value per share	94.19	93.89	34.55	34.54

8 REVIEW OF THE PERFORMANCE OF THE GROUP

Group revenue increased by 19.2% to \$84.3 million for the quarter ended June 30, 2016 ("2Q2016"), compared to \$70.7 million in 2Q2015, due mainly to higher contributions from the Group's Structural Steelworks and Mechanical Engineering businesses.

On a segmental basis, revenue contribution from Structural Steelworks increased 21.4%, from \$44.4 million in 2QFY2015 to \$53.9 million in 2QFY2016. Marina One, Senoko Food Hub, and Changi Jewel were the key contributors to Structural Steelwork's revenue in the quarter under review.

Mechanical Engineering registered revenue of \$9.7 million in 2QFY2016, compared to \$0.7 million in 2QFY2015. The increase is due to the supply and fabrication of Heat Recovery Steam Generator ("HRSG") non-pressure parts for two power plants in Qatar and Egypt.

Revenue from Specialist Civil Engineering projects decreased by 24.2%, from \$25.6 million in 2QFY2015 to \$19.4 million in 2QFY2016, due to the tailing down of the MRT Downtown Line 2 and Downtown Line 3 projects at the end of FY2015. The contributions for the review quarter came from on-going projects, including remaining works for MRT Downtown Line 3, Thomson Line and the Hong Kong MTR.

While the Group's gross profit increased by 8.0% to \$7.4 million in 2Q2016 (compared to \$6.8 million in 2Q2015), the lower revenue mix from higher margin Specialist Civil Engineering projects resulted in a lower gross margin of 8.7% in 2Q2016, compared to 9.7% in 2Q2015.

Other income increased by \$178,000 mainly due to the receipt of temporary employment credit from Ministry of Manpower and higher rental income. General and administrative expenses increased from \$3.3 million in 2Q2015 to \$5.1 million in 2Q2016, mainly due to higher professional fees, tendering costs and other general and administrative expenses. Finance costs increased from \$1.2 million to \$1.4 million, due to higher bank charges and interests.

Consequently, the Group reported a net profit of \$0.9 million in 2Q2016, compared to a net profit of \$2.1 million in 2Q2015.

Net asset value per share increased from 93.89 Singapore cents as at 31 December 2015 to 94.19 Singapore cents as at 30 June 2016.

The Group's net gearing remained at a healthy level of 0.45 time as at 30 June 2016, unchanged from 0.45 time as at 31 December 2015.

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 31 March 2016.

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

Moving into the second half of 2016, the regional market environment remains challenging and competitive. The Group will continue to leverage its strong track record and expertise as a steel specialist to secure suitable growth opportunities in the infrastructure sector in Singapore and the region.

As at 30 June 2016, the Group's order book stood at \$349 million. During the quarter, the Group secured new contracts worth \$29.6 million, including a specialised civil engineering subcontract for infrastructure works at the Kai Tak Development in Hong Kong and a fast-tracked design and build contract for light industrial development at 1 & 3 Kallang Junction in Singapore.

The Group is currently in active pursuit of \$1.46 billion worth of new infrastructure and commercial projects in Singapore, Hong Kong, Malaysia and the Middle East.

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 June 2016.

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 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 6 months ended 30 June 2016 to be false or misleading.

15 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: 11 August 2016