



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

1 (a) **GROUP INCOME STATEMENT**

	Group					
	3Q 2016	3Q 2015	Fav /	9 Months	9 Months	Fav /
	30/9/2016	30/9/2015	(Unfav)	30/9/2016	30/9/2015	(Unfav)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	96,879	75,474	28.4	254,936	212,059	20.2
Cost of sales	(92,111)	(67,698)	(36.1)	(234,604)	(191,540)	(22.5)
Gross profit	4,768	7,776	(38.7)	20,332	20,519	(0.9)
Other income	83	73	13.7	533	547	(2.6)
General and administrative expenses	(3,390)	(3,796)	10.7	(13,587)	(11,047)	23.0
Interest income	26	4	550.0	29	150	(80.7)
Finance costs	(1,341)	(1,426)	6.0	(4,451)	(4,060)	9.6
Profit before tax	146	2,631	(94.5)	2,856	6,109	(53.2)
Taxation	781	(672)	nm	657	(1,364)	nm
Net profit	927	1,959	(52.7)	3,513	4,745	(26.0)
Attributable to:						
Owners of the Company	(622)	1,606	nm	703	4,235	(83.4)
Non-controlling interests	1,549	353	338.8	2,810	510	451.0
	927	1,959	(52.7)	3,513	4,745	(26.0)

nm - not meaningful

Profit before tax is arrived at after charging:

Loss on disposal of property, plant & equipment	8	2,015	65	4,655
Depreciation	6,970	6,844	20,626	20,631

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

	Group		Company	
	30/9/2016	31/12/2015	30/9/2016	31/12/2015
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	311,433	307,410	-	-
Investment in subsidiaries	-	-	39,430	39,064
Amount due from subsidiaries	-	-	103,583	70,796
Investment in a joint venture	1,468	1,468	-	-
Other investment	140	140	-	-
	313,041	309,018	143,013	109,860
Current assets				
Steel materials, at cost	44,966	50,121	-	-
Gross amount due from customers for contract work-in-progress	138,256	123,171	-	-
Trade debtors	31,551	31,032	-	-
Sundry debtors and deposits	13,159	16,365	128	684
Prepayments	1,284	2,576	-	5
Cash and bank balances	22,729	8,095	57	121
	251,945	231,360	185	810
Current liabilities				
Gross amount due to customers for contract work-in-progress	7,319	10,371	-	-
Trade creditors	72,751	61,461	-	-
Other creditors and accruals	7,403	9,865	442	1,257
Borrowings	61,194	69,675	-	-
Hire purchase creditors	3,268	4,513	-	-
Provision for taxation	1,179	815	-	4
	153,114	156,700	442	1,261
Net current assets / (liabilities)	98,831	74,660	(257)	(451)
Non-current liabilities				
Borrowings	57,275	65,000	-	-
Hire purchase creditors	4,646	3,216	-	-
Deferred taxation	16,964	18,089	-	-
	78,885	86,305	-	-
Net assets	332,987	297,373	142,756	109,409
Equity				
Share capital	129,636	96,379	129,636	96,379
Reserves	199,895	200,349	13,120	13,030
Non-controlling interest	3,456	645	-	-
	332,987	297,373	142,756	109,409

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. Decrease in sundry debtors and deposits was mainly due to reclassification of deposit paid for purchase of lands to property, plant and equipments upon completion.

Increase in trade creditor was due to unpaid work done for on-going projects. Other creditors and accruals decreased due to settlement of certain obligations during the period. Net borrowings decreased due to right issue proceeds and repayment of borrowing during the quarter.

Share capital increased due to issuance of shares as result of right issue exercise completed on 5 July 2016.

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

	As at 30/09/16		As at 31/12/15	
	\$'000		\$'000	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	23,594	40,868	4,513	69,675
Amount repayable after one year	61,921	-	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

	3Q 2016 30/09/2016	3Q 2015 30/09/2015	9 Months 30/09/2016	9 Months 30/09/2015
	\$'000	\$'000	\$'000	\$'000
Operating activities				
Profit before tax	146	2,631	2,856	6,109
Add/(less):				
Depreciation	6,970	6,844	20,626	20,631
Consumption allowance	260	1,414	2,203	4,277
Interest income	(26)	(4)	(29)	(150)
Interest expense	1,341	1,426	4,451	4,060
Write back of impairment of receivable	-	-	-	(40)
Loss on disposal of property, plant & equipment	8	2,015	65	4,655
Effects of changes in foreign exchange	482	(1,458)	1,565	(2,038)
Operating cash flows before changes in working capital	9,181	12,868	31,737	37,504
Increase in steel materials and work-in-progress	(7,392)	(8,509)	(13,933)	(2,568)
Decrease/ (Increase) in trade and other debtors	(1,632)	14,162	3,768	(17,358)
Increase/(Decrease) in trade and other creditors	4,342	7,198	9,043	(1,562)
Cash flows from operations	4,499	25,719	30,615	16,016
Income tax (paid)/ refund	(2)	(19)	15	(52)
Interest received	26	4	29	150
Interest paid	(1,341)	(1,426)	(4,451)	(4,060)
Net cash flows from operating activities	3,182	24,278	26,208	12,054
Investing activities				
Purchase of property, plant & equipment	(4,852)	(4,726)	(26,704)	(17,951)
Proceeds from disposal of property, plant & equipment	708	194	2,440	49,404
Net cash flows (used in)/ from investing activities	(4,144)	(4,532)	(24,264)	31,453
Financing activities				
Proceeds from issuance of shares	33,257	-	33,257	-
Proceeds from borrowings	537	4,235	9,240	10,754
Repayment of borrowings	(11,900)	(13,500)	(25,400)	(37,000)
Hire purchase instalments paid	(1,417)	(1,760)	(4,380)	(6,623)
Net cash flows from/(used in) financing activities	20,477	(11,025)	12,717	(32,869)
Net increase in cash and cash equivalents	19,515	8,721	14,661	10,638
Effect of exchange rate changes on cash and cash equivalents	-	60	(27)	97
Cash and cash equivalents as at beginning of period	3,214	8,433	8,095	5,989
Cash and cash equivalents as at end of period	22,729	17,214	22,729	16,724

1(d)(i) STATEMENT OF COMPREHENSIVE INCOME

	Group					
	3Q 2016 30/09/2016	3Q 2015 30/09/2015	Fav/(Unfav)	9 Months 30/09/2016	9 Months 30/09/2015	Fav/(Unfav)
	\$'000	\$'000	%	\$'000	\$'000	%
Profit after tax	927	1,959	(52.7)	3,513	4,745	(26.0)
Foreign currency translation	465	691	(32.7)	(1,156)	162	nm
Total comprehensive income	1,392	2,650	(47.5)	2,357	4,907	(52.0)
Attributable to:						
Owners of the Company	(157)	2,297	nm	(453)	4,397	nm
Non-controlling interests	1,549	353	338.8	2,810	510	451.0
	1,392	2,650	(47.5)	2,357	4,907	(52.0)

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 for the period	-	-	-	(1,621)	1,325	1,261	965
Balance at 30 June 2016	96,379	6,837	12,800	(6,268)	186,684	1,906	298,338
Total comprehensive income for the period	-	-	-	465	(622)	1,549	1,392
Issuance of shares	33,257	-	-	-	-	-	33,257
Balance at 30 September 2016	129,636	6,837	12,800	(5,803)	186,062	3,455	332,987
Balance at 1 January 2015	96,379	17,411	12,800	(4,662)	178,125	-	300,053
Total comprehensive income for the period	-	-	-	(529)	2,629	157	2,257
Balance at 30 June 2015	96,379	17,411	12,800	(5,191)	180,754	157	302,310
Total comprehensive income for the period	-	-	-	691	1,606	353	2,650
Balance at 30 September 2015	96,379	17,411	12,800	(4,500)	182,360	510	304,960
COMPANY							
Balance at 1 January 2016	96,379	-	12,800	-	230	-	109,409
Total comprehensive income for the period	-	-	-	-	29	-	29
Balance at 30 June 2016	96,379	-	12,800	-	259	-	109,438
Total comprehensive income for the period	-	-	-	-	61	-	61
Issuance of shares	33,257	-	-	-	-	-	33,257
Balance at 30 September 2016	129,636	-	12,800	-	320	-	142,756
Balance at 1 January 2015	96,379	10,574	12,800	-	(10,385)	-	109,368
Total comprehensive income for the period	-	-	-	-	22	-	22
Balance at 30 June 2015	96,379	10,574	12,800	-	(10,363)	-	109,390
Total comprehensive income for the period	-	-	-	-	10	-	10
Balance at 30 September 2015	96,379	10,574	12,800	-	(10,353)	-	109,400

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

There were 158,367,548 shares issued during the period from 1 July 2016 to 30 September 2016 as result of allotment and issuance of the right issue.

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

As at 30 September 2016, the total number of issued shares was 475,102,931 (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 (cents)			
	3Q 2016 30/09/2016	3Q 2015 30/09/2015	9 Months 30/09/2016	9 Months 30/09/2015
(i) Based on weighted average number of shares in issue	(0.13)	0.51	0.19	1.34
(ii) On a fully diluted basis	(0.13)	0.51	0.19	1.33
(i) Weighted average number of shares in issue	475,102,931	316,735,383	369,524,566	316,735,383
(ii) weighted average number of shares for diluted earnings	475,102,931	317,459,110	369,524,566	317,459,110

7 NET ASSET VALUE PER SHARE

	Group (cents)		Company (cents)	
	30/9/2016	31/12/2015	30/9/2016	31/12/2015
Net asset value per share	70.09	93.89	45.07	34.54

8 REVIEW OF THE PERFORMANCE OF THE GROUP

Group revenue increased by 28.4% to \$96.9 million for the quarter ended September 30, 2016 ("3Q2016"), compared to \$75.5 million in 3Q2015, 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 27.9%, from \$54.1 million in 3QFY2015 to \$69.2 million in 3QFY2016. Marina One, Senoko Food Hub, and Jewel Changi Airport were the key contributors to Structural Steelwork's revenue in the quarter under review.

Mechanical Engineering registered revenue of \$9.6 million in 3QFY2016, compared to \$0.2 million in 3QFY2015. 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 22.2%, from \$21.0 million in 3QFY2015 to \$16.3 million in 3QFY2016, 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 Thomson Line and the Hong Kong MTR.

Gross margin for 3Q2016 was 4.9%, compared to 10.3% in 3Q2015, due mainly to a change in revenue mix and lower level of strutting activities, which was insufficient to absorb overheads costs.

General and administrative expenses decreased from \$3.8 million in 3Q2015 to \$3.4 million in 3Q2016, mainly due to lower staff cost. Finance cost decreased marginally from \$1.4 million to \$1.3 million, due to lower borrowing interests.

As a result, the Group reported a net profit of \$0.9 million in 3Q2016, compared to a net profit of \$2.0 million in 3Q2015.

Net asset value per share decreased from 93.89 Singapore cents as at 31 December 2015 to 70.09 Singapore cents as at 30 September 2016 arising from the rights issue on 5 July 2016.

The Group's net gearing remained at a healthy level of 0.31 time as at 30 September 2016, compared to 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 30 June 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

Going forward, the regional market environment is expected to remain competitive and challenging even as governments in Singapore and in the region continue to invest in key infrastructural developments.

The Group will continue to leverage its strong track record and expertise as a steel specialist to tap suitable growth opportunities in the infrastructure sector in Singapore and the region.

As at 30 September 2016, the Group's order book stood at \$302 million and the Group is in active pursuit of \$1.5 billion worth of new infrastructure and commercial projects in Singapore, Hong Kong, Malaysia and the Middle East.

To enhance its cost competitiveness and operational efficiency, the Group announced plans to acquire three adjacent plots of freehold industrial land in Johor, Malaysia, for approximately S\$15.6 million in August 2016. The new premises will house the bulk of its factory operations, which will be re-located from Singapore. This move will enable the Group to reap cost savings from a reduction in foreign worker levies to be paid in Singapore, lower fabrication labour cost as well as ancillary staff cost such as accommodation and transportation.

11 DIVIDEND

(a) Current financial period reported on

None

(b) Corresponding period of the immediately preceding financial year

None

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

No dividend has been recommended for the period ended 30 September 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 Use of Rights Issue Proceeds

The Group had, on 21 September 2016, announced that of the net proceeds of S\$32.6 million raised from Rights Issue, S\$20.2 million has been utilized as follows:

	\$'000
Payment of operating expenses	7,700
Subcontractor and trade payables	12,500
Total Amount Utilised	20,200

The above utilisations are in accordance with the intended use of proceeds of the Rights Issue, as stated by the Company in the Rights Issue Announcement dated 1 June 2016 and the Offer Information Statement.

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

15 Negative assurance

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the financial results for the 9 months ended 30 September 2016 to be false or misleading, in any material aspect.

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

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

BY ORDER OF THE BOARD

SEOW SOON YONG
Chief Executive Officer

CHIA SIN CHENG
Finance & Executive Director

Date: 10 November 2016