

DYNA-MAC HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No: 200305693E)

UNAUDITED RESULTS FOR THE FULL YEAR ENDED 31 MAY 2011 AND DIVIDEND ANNOUNCEMENT

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Collins Stewart Pte. Limited (“Collins Stewart”) is the Issue Manager of the Group’s Initial Public Offering. Collins Stewart, together with UOB Kay Hian Private Limited, are the Joint Underwriters and Joint Placement Agents of the Invitation.

1(a)(i) A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group					
	3 months ended 31 May 2011	3 months ended 31 May 2010	Change	Financial year ended 31 May 2011	Financial year ended 31 May 2010	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	44,775	46,270	-3.2%	167,851	218,541	-23.2%
Cost of sales	(30,837)	(31,488)	-2.1%	(117,524)	(167,758)	-29.9%
Gross profit	13,938	14,782	-5.7%	50,327	50,783	-0.9%
Gross profit margin	31.1%	31.9%		30.0%	23.2%	
Other income	49	310	-84.2%	2,033	2,460	-17.4%
Administrative expenses	(4,679)	(5,945)	-21.3%	(21,669)	(20,323)	6.6%
Finance expenses	(169)	(271)	-37.6%	(753)	(766)	-1.7%
Share of loss of an associated company	-	(9)	NM	(28)	(46)	-39.1%
Profit before income tax	9,139	8,867	3.1%	29,910	32,108	-6.8%
Income tax expense	(1,533)	(2,986)	-48.7%	(5,064)	(6,657)	-23.9%
Net profit for the financial period/year	7,606	5,881	29.3%	24,846	25,451	-2.4%
Net profit margin	17.0%	12.7%		14.8%	11.6%	
Other comprehensive income, net of tax:-						
Currency translation differences arising from consolidation	(10)	33	-130.3%	(8)	20	-140%
Total comprehensive income for the financial period/year	7,596	5,914	28.4%	24,838	25,471	-2.5%
Attributable to:-						
Equity holders of the Company	7,596	5,915	28.4%	24,838	25,472	-2.5%
Non-controlling interest	-	(1)	NM	-	(1)	NM
	7,596	5,914		24,838	25,471	

NM means not meaningful

1(a)(ii) The statement of comprehensive income is arrived at after (charging)/crediting the following:-

The Group's profit is stated after charging/(crediting):-

	Group					
	3 months ended	3 months ended	Change	Financial year ended	Financial year ended	Change
	31 May 2011	31 May 2010		31 May 2011	31 May 2010	
	\$'000	\$'000	%	\$'000	\$'000	%
The Group's profit is stated after charging/(crediting):-						
Rental income ^(note 1)	(14)	(177)	-92.1%	(399)	(1,328)	-70.0%
Interest on borrowings	169	271	-37.6%	753	766	-1.7%
Depreciation of property, plant and equipment	1,710	1,627	5.1%	6,671	5,844	14.2%
Allowance/(Write-back of allowance) for impairment of trade receivables ^(note 2)	-	1,543	NM	(1,481)	1,512	NM
Government grant – Job credit scheme	-	(75)	NM	(36)	(462)	-92.2%
Foreign exchange (gain)/loss, net	451	(83)	NM	695	(645)	NM
Underprovision of tax in respect of prior years	-	1,250	NM	-	1,332	NM
(Gain)/loss on disposal of property, plant and equipment, net ^(note 3)	13	(5)	NM	(54)	33	NM

Note 1 – Rental income comprises mainly rental income of investment properties, office container and warehouse.

Note 2 – The litigation case involving a subcontractor has been settled out-of-court. As a result, the billings on consumables for \$1,384k were cancelled. Correspondingly the allowance for impairment of trade receivables is written back.

Note 3 – Gain on disposal of property, plant and equipment came mainly from the completion of the sale of the defunct factory in Johor Bahru and sale of the company's vehicles.

NM means not meaningful

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

STATEMENT OF FINANCIAL POSITION

	Group		Company	
	31 May 2011	31 May 2010	31 May 2011	31 May 2010
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current Assets				
Cash and cash equivalents	81,992	33,246	21,755	11
Trade and other receivables	67,758	52,882	75,635	14,977
Inventories	2,002	2,688	-	-
Construction contract work-in-progress	30	-*	-	-
Other current assets	349	2,151	60	-
	152,131	90,967	97,450	14,988
Non-Current Assets				
Club memberships	407	77	-	-
Investment in subsidiaries	-	-	25,476	25,531
Investment in an associated company	63	81	-	-
Investment properties	9,942	9,916	-	-
Property, plant and equipment	65,581	63,689	-	-
	75,993	73,763	25,476	25,531
Total Assets	228,124	164,730	122,926	40,519
LIABILITIES				
Current Liabilities				
Trade and other payables	74,674	102,696	600	13,450
Borrowings	4,529	4,632	-	-
Current income tax liabilities	3,988	5,034	-	-
	83,191	112,362	600	13,450
Non-Current Liabilities				
Borrowings	12,078	16,636	-	-
Deferred income tax liabilities	4,941	5,741	-	-
	17,019	22,377	-	-
Total Liabilities	100,210	134,739	600	13,450
Net Assets	127,914	29,991	122,326	27,069
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	99,603	26,476	99,603	26,476
Foreign currency translation reserves	(50)	(42)	-	-
Retained profits	28,361	3,515	22,723	593
	127,914	29,949	122,326	27,069
Non-controlling interest	-	42	-	-
Total Equity	127,914	29,991	122,326	27,069

-* Amount is less than S\$1,000

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

	Group			
	31 May 2011		31 May 2010	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less	4,529	-	4,632	-
Amount repayable after one year	12,078	-	16,636	-

Details of any collateral:-

The Group's borrowings are secured by short-term bank deposits, a legal mortgage over the Group's freehold land & building, site building & yard improvement, investment properties and the rights to the leased site equipment and tools and motor vehicles.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended 31 May 2011	3 months ended 31 May 2010	Financial year ended 31 May 2011	Financial year ended 31 May 2010
	\$'000	\$'000	\$'000	\$'000
Cash Flows From Operating Activities				
Net profit	7,606	5,881	24,846	25,451
Adjustment for:				
- Income tax expense	1,533	2,986	5,064	6,657
- Depreciation of property, plant and equipment	1,710	1,627	6,671	5,844
- (Gain)/loss on disposal of property, plant and equipment	13	(5)	(54)	33
- Write-off of property, plant and equipment	-	1,503	342	1,503
- Impairment in investment of club memberships	-	11	-	11
- Interest income	(48)	(6)	(63)	(25)
- Interest expense	169	271	753	766
- Share of loss of an associated company	-	9	28	46
- Reversal of cost related to old completed project	(4,754)	-	(10,251)	-
- Unrealised translation loss	51	31	43	20
	6,280	12,308	27,379	40,306
Changes in working capital				
- Trade and other receivables	(21,653)	5,073	(14,850)	(8,495)
- Construction contract work-in-progress	371	441	(30)	1,154
- Inventories	178	31	686	4,484
- Other current assets	129	(488)	1,802	(1,067)
- Trade and other payables	161	(5,796)	(4,391)	8,311
Cash generated from operations	(14,534)	11,569	10,596	44,693
Interest received	22	6	37	25
Income tax paid	(562)	(568)	(6,910)	(3,658)
Net cash provided by/(used in) operating activities	(15,074)	11,007	3,723	41,060
Cash Flows From Investing Activities				
- Additions to property, plant and equipment	(4,325)	(15,765)	(9,256)	(20,998)
- Improvements to investment properties	328	(151)	(26)	(203)
- Proceeds from disposal of property, plant and equipment	352	-	750	222
- Investment in an associated company	-	-	(13)	(127)
- Addition of club memberships	(371)	-	(371)	-
- Disposal of club memberships	41	-	41	-
Net cash used in investing activities	(3,975)	(15,916)	(8,875)	(21,106)
Cash Flows From Financing Activities				
- Repayment of finance lease liabilities	(283)	(80)	(708)	(317)
- Repayment of bank borrowings	(1,071)	(12,500)	(4,300)	(17,026)
- Proceeds from bank borrowings	-	17,500	-	22,500
- Proceeds from issuance of ordinary shares	16,358	-	73,127	-
- Interest expense paid	(169)	(271)	(753)	(766)
- Dividend paid to equity holders of the Company	(103)	(3,082)	(13,422)	(8,886)
- (Increase)/decrease in bank deposits	(20,005)	4,995	(20,020)	(10,324)
Net cash provided by/(used in) financing activities	(5,273)	6,562	33,924	(14,819)
Net increase/(decrease) in cash and cash equivalent	(24,322)	1,653	28,772	5,135
Effect of currency translation on cash and cash equivalents	(60)	(3)	(46)	(3)
Cash and cash equivalent at beginning of the financial period/year	66,412	11,654	13,304	8,172
Cash and cash equivalents at end of financial period/year	42,030	13,304	42,030	13,304

For the purpose of the consolidated statement of cash flows, the consolidated cash and cash equivalents as at the end of the financial period comprised the following:-

	3 months ended 31 May 2011	3 months ended 31 May 2010	Financial year ended 31 May 2011	Financial year ended 31 May 2010
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	81,992	33,246	81,992	33,246
Less: bank deposit pledged	(18,000)	(19,103)	(18,000)	(19,103)
Less: bank deposit with maturity more than 3 months	(21,962)	(839)	(21,962)	(839)
Cash and cash equivalents per consolidated statement of cash flows	42,030	13,304	42,030	13,304

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.

STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company			Non-controlling interest	Total equity
	Share Capital	Retained profits	Foreign currency translation reserve		
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
Balance as at 1 June 2009	26,476	63	(62)	43	26,520
Total comprehensive income for the financial period	-	25,452	20	(1)	25,471
Dividend	-	(22,000)	-	-	(22,000)
Balance as at 31 May 2010	26,476	3,515	(42)	42	29,991
Balance as at 1 June 2010	26,476	3,515	(42)	42	29,991
Total comprehensive income for the financial period	-	24,846	(8)	-	24,838
Disposal of a subsidiary	-	-	-	(42)	(42)
Share issued pursuant to IPO	75,567	-	-	-	75,567
Share issue expenses	(2,440)	-	-	-	(2,440)
Balance as at 31 May 2011	99,603	28,361	(50)	-	127,914
Company					
Balance as at 1 June 2009	26,476	664	-	-	27,140
Total comprehensive income for the financial period	-	21,929	-	-	21,929
Dividend	-	(22,000)	-	-	(22,000)
Balance as at 31 May 2010	26,476	593	-	-	27,069
Balance as at 1 June 2010	26,476	593	-	-	27,069
Total comprehensive income for the financial period	-	22,130	-	-	22,130
Share issued pursuant to IPO	75,567	-	-	-	75,567
Share issue expenses	(2,440)	-	-	-	(2,440)
Balance as at 31 May 2011	99,603	22,723	-	-	122,326

- 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.**

	Number of Ordinary Shares	Resultant issued share capital \$
Balance as at 1 June 2009 and 31 May 2010	26,475,853	26,475,853
Balance as at 1 June 2010	26,475,853	26,475,853
Sub-division of shares	687,809,147	-
Pre-invitation share capital	714,285,000	26,475,853
New shares issue pursuant to IPO ⁽¹⁾	215,907,000	73,127,409
Balance as at 31 May 2011	930,192,000	99,603,262

Note (1) – 186,000,000 new shares were issued on 1 March 2011 pursuant to our IPO and 29,907,000 shares were issued on 4 April 2011 to satisfy the over-allotment.

- 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.**

The Company did not hold any treasury shares as at 31 May 2011 and 31 May 2010. The Company’s total number of issued shares excluding treasury shares as at 31 May 2011 is 930,192,000 (31 May 2010: 26,475,853)

- 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.**

Not applicable.

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

The figures have not been audited or reviewed by the Group’s independent auditor.

- 3. Where the figures have been audited or reviewed, the auditors’ report (including any qualifications or emphasis of a 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 adopted the same accounting policies and methods of computation adopted in the financial statements for the current reporting period, as those used for the audited consolidated financial statements for the financial year ended 31 May 2010, on the same basis referred to in the Prospectus dated 21 February 2011 and the Accountants’ Report therein, except as mentioned in Note 5 below.

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.

On 1 June 2010, the Group adopted the new or revised Singapore Financial Reporting Standard (FRS) and Interpretations (INT FRS) that are mandatory for application from that date.

FRS 103 (revised) Business Combinations
 FRS 27 (revised) Consolidated and Separate Financial Statements
 Amendment to FRS 7 Cash Flow Statement

The adoption of the above new and revised FRS is assessed to have no material impact to the results of the Group and of the Company for the period ended 31 May 2011.

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			
	3 months ended 31 May 2011	3 months ended 31 May 2010	Financial year ended 31 May 2011	Financial year ended 31 May 2010
EPS (based on consolidated net profit attributable to equity holders):- Based on the weighted average number of ordinary shares in issue (cents)	0.83	0.82	3.24	3.56
Weighted average number of shares in issue during the period used in computing of Basic EPS	919,139,413 ⁽²⁾	714,285,000 ⁽¹⁾	765,919,537 ⁽²⁾	714,285,000 ⁽¹⁾

Note (1) – For the purpose of computing the EPS, the sub-division into 714,285,000 shares was assumed to have been taken place on 1 June 2009.

Note (2) – 186,000,000 new shares were issued on 1 March 2011 pursuant to our IPO and 29,907,000 shares were issued on 4 April 2011 to satisfy the over-allotment.

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 May 2011	31 May 2010	31 May 2011	31 May 2010
Net asset value per ordinary share based on existing share capital (cents)	13.75	4.20	13.15	3.79
Number of shares	930,192,000 ⁽²⁾	714,285,000 ⁽¹⁾	930,192,000 ⁽²⁾	714,285,000 ⁽¹⁾

Note (1) – For the purpose of computing the net asset value, the sub-division into 714,285,000 shares was assumed to have been taken place on 1 June 2009.

Note (2) – 186,000,000 new shares were issued on 1 March 2011 pursuant to our IPO and 29,907,000 shares were issued on 4 April 2011 to satisfy the over-allotment.

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.**

Income Statement Overview

Revenue

We derive our revenue mainly from the following business segments:-

- (i) Module Business, which consists of fabrication of Topside Modules
(ii) Ad Hoc Projects, which consists of fabrication of other steel or mechanical structures

Revenue decreased by \$50.6m or 23.2% from \$218.5m for the year ended 31 May 2010 (“FY2010”) to \$167.9m for the year ended 31 May 2011 (“FY2011”). The decline in revenue was mainly due to a slowdown in activities in the oil and gas industry as a result of the moratorium on deepwater drilling activities by the USA government following the oil spill disaster in the Gulf of Mexico in April last year.

Gross Profit

Gross profit decreased by \$0.5m or 0.9% from \$50.8m in FY2010 to \$50.3m in FY2011 in line with decrease in revenue. However, gross profit margin improved by 6.8 percentage points from 23.2% in FY2010 to 30.0% in FY2011 due mainly to reversal of contingent costs relating to projects completed in the previous years and also a higher profit margin achieved by completed projects.

Other Income

Other income decreased by \$0.4m or 17.4% from \$2.5m in FY2010 to \$2.1m in FY2011. The decrease was due mainly to a decrease in warehouse rental income of \$0.9m, a decrease in receipt of government grant under the Job Credit Scheme of \$0.4m and a decrease in gain on foreign exchange of \$0.6m, partially offset by a write back of \$1.5m on provision for doubtful debt when dispute with Swanlin Asia Pte Ltd was finally settled out-of-court.

Administrative Expenses

Administrative expenses increased by \$1.4m or 6.7% from \$20.3m in FY2010 to \$21.7m in FY2011. The increase was mainly due to an increase in legal and professional fees of \$1.4m relating to the IPO, an increase in property tax of \$0.3m due to higher annual property value assessed by IRAS and the addition of the yard at 13 Pandan Crescent, an increase in marketing costs of \$0.4m incurred in China and Brazil, an increase in foreign exchange loss of \$0.7m relating to one of the projects, partially offset by a decrease in entertainment expenses of \$0.4m, and a decrease in bad debt expense of \$1.5m.

Finance expenses

Finance expenses were mainly interest expense on bank borrowings and finance leases and have been maintained at relatively the same level.

Income Tax expense

The effective tax rate for FY2011 is provided at the prevailing Singapore corporate tax rate at 17%. The effective tax rate for FY2010 was higher at 21% due to additional tax assessed in respect of income from prior years.

Profit after tax

Profit after tax decreased slightly by \$0.7m from \$25.5m in FY2010 to \$24.8m in FY2011. However, profit after tax margin improved from 11.6% in FY2010 to 14.8% in FY2011. The increase in profit margin is due mainly to an increase in gross profit margin.

Statement of Financial Position

There is no material variance for the statement of financial position items between 31 May 2011 and 31 May 2010, except for the followings:-

Current Assets

Cash and cash equivalent increased by \$48.8m or 146.6% from \$33.2m as at 31 May 2010 to \$82.0m as at 31 May 2011 due to the proceeds from the issuance of new shares pursuant to the IPO.

Trade and other receivables increased by \$14.9m or 28.1% from \$52.9m as at 31 May 2010 to \$67.8m as at 31 May 2011, due to a slower payment pattern from the customers of our on-going projects as at year end.

Non-Current Assets

Non-current assets increased by \$2.2m as at 31 May 2011 from \$73.8m as at 31 May 2010 to \$76.0m as at 31 May 2011 due mainly to an increase in club membership of \$0.4m and an increase in property, plant and equipment of \$9.6m, partially offset by depreciation charge of \$6.7m for the financial year.

Current Liabilities

Trade and other payables decreased by \$28.0m or 27.3% from \$102.7m as at 31 May 2010 to \$74.7m as at 31 May 2011 in line with lower business activities.

Current income tax liabilities decreased by \$1.0m or 20.8% from \$5.0m as at 31 May 2010 to \$4.0m as at 31 May 2011 due to payment of previous year's tax liabilities.

Non-Current Liabilities

Borrowings decreased by \$4.6m or 27.4% from \$16.7m as at 31 May 2010 to \$12.1m as at 31 May 2011 due to repayment of bank borrowings.

Equity

Share capital increased by \$73.1m from \$26.5m as at 31 May 2010 to \$99.6m as at 31 May 2011. The increase was due to the proceeds from new shares issued by the Company pursuant to the IPO.

Consolidated Cash Flow

As at 31 May 2011, the Group had cash and cash equivalents of \$82.0m. The Group generated cash from operating activities before working capital changes of \$27.4m. Net cash used in working capital amounted to \$16.8m due mainly to increase in trade and other receivables of \$14.9m and decrease in trade and other payables of \$4.4m, partially offset by a decrease in other current assets of \$1.8m and decrease in inventories of \$0.7m. We also paid income tax of \$6.9m.

Cash used in investing activities amounted to \$8.9m in FY2011 mainly due to continued investments in property, plant and equipment of \$9.3m and addition on club memberships of \$0.4m, offset by proceeds from disposal of property, plant and equipment of \$0.8m.

Cash generated from financing activities amounted to \$33.9m in FY2011 due mainly to proceeds from issuance of new shares of \$73.1m, partially offset by repayment of bank borrowings of \$4.3m, repayment of finance lease liabilities of \$0.7m, payment of interest of \$0.8m, payment of dividends of \$13.4m and increase in bank deposit of \$20m.

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

No forecast or prospect statement has been previously disclosed to shareholders.

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.

Oil prices are expected to remain buoyant in view of current market dynamics and OPEC's recent decision of not raising its official output quotas. At the same time, oil prices are expected to be volatile amid increased uncertainties in global macroeconomic conditions, such as heightened concerns over the European sovereign debt issue, softening US economic data, and speed of recovery of the Japanese economy following the nuclear fallout amongst other factors.

Our order book, consisting of existing and new projects, has been increasing steadily to \$117m as at to date from about \$90m as at 28 February 2011. Included in our order books are two projects awarded by the Keppel Group for a combined value of about \$18m pursuant to the collaboration arrangement. We continue to receive strong support from our existing clients, SBM, Modec and Bumi Armada and are optimistic in securing more projects in the near future.

11. Dividend

- (a) **Current financial period reported on**
Any dividend declared for the current financial period reported on?

Yes

Name of Dividend	Final
Dividend type	Cash
Dividend per share	\$0.02
Tax rate	Tax exempt

- (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	Final
Dividend type	Cash
Dividend per share	\$0.83*
Tax rate	Tax exempt

* The dividends paid would be \$0.03 per ordinary share if computed based on the pre-
invitation share capital of 714,285,000 shares.

- (c) **Date payable**

To be announced later.

- (d) **Books closure date**

To be announced later.

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

Not applicable.

13. **Segmented revenue and results 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.**

Management manages and monitors the business in the two primary business segments: Module business and Ad hoc project.

The segment information is as follows:-

	Financial year ended 31 May 2011			Financial year ended 31 May 2010		
	Module Business \$'000	Ad Hoc Project (Other Services) \$'000	Total \$'000	Module Business \$'000	Ad Hoc Project (Other Services) \$'000	Total \$'000
Sales						
Total segment sales – sales to external parties	165,414	2,437	167,851	214,061	4,480	218,541
Gross profit	47,909	2,418	50,327	48,221	2,562	50,783
Other income			2,033			2,460
Administrative expenses			(21,669)			(20,323)
Finance expenses			(753)			(766)
Share of loss of an associated company			(28)			(46)
Profit before income tax			29,910			32,108
Income tax expense			(5,064)			(6,657)
Net profit			24,846			25,451
Net profit includes:						
Depreciation	6,574	97	6,671	5,725	119	5,844
Total assets	130,030	3,961	133,991	111,114	7,269	118,383
Total assets includes:						
Additions to property, plant and equipment	9,464	139	9,603	20,861	436	21,297
Total liabilities	66,996	963	67,959	80,303	1,589	81,892

Reconciliation of segment assets to total assets as follows:-

	31 May 2011	31 May 2010
	\$'000	\$'000
Segment assets for reportable segments	133,991	118,383
- Cash and cash equivalent	81,992	33,246
- Other receivables	1,380	876
- Other current assets	349	2,151
- Club memberships	407	77
- Investment in associated company	63	81
- Investment properties	9,942	9,916
	228,124	164,730

Reconciliation of segment liabilities to total liabilities as follows:-

	31 May 2011	31 May 2010
	\$'000	\$'000
Segment liabilities for reportable segments	67,959	81,892
- Other payables	6,715	20,804
- Borrowings	16,607	21,268
- Current income tax liabilities	3,988	5,034
- Deferred income tax liabilities	4,941	5,741
	100,210	134,739

14. 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 paragraph 8 above.

15. A breakdown of sales as follows:-

	31 May 2011	31 May 2010	Change
	\$'000	\$'000	%
(a) Sales reported for first half year	83,686	124,585	-32.8
(b) Operating profit/loss after tax before deducting minority interest reported for first half year	10,061	13,098	-23.2
(c) Sales reported for second half year	84,165	93,956	-10.4
(d) Operating profit/loss after tax before deducting minority interests reported for second half year	14,785	12,353	19.7

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

	31 May 2011	31 May 2010
	\$'000	\$'000
	Proposed	Distributed
Ordinary	18,603	22,000

17. Use of IPO Proceeds

186,000,000 new shares were issued on 1 March 2011 pursuant to our IPO and 29,907,000 shares were issued on 4 April 2011 to satisfy the over-allotment at S\$0.35 for each share raising net proceeds in total of \$73.1m.

Use of proceeds	Amount allocated (\$'million)	Amount utilised (\$'million)	Balance amount (\$'million)
a. Expansion of yard facility at 13 Pandan Crescent	8.0	0.7	7.3
b. Upgrading and expansion of yard facility at Main Yard	12.0	2.4	9.6
c. Acquisition of additional equipment and machineries	7.0	0.8	6.2
d. Expansion of operations overseas	20.0	-	20.0
e. General working capital	26.1	7.3	18.8
	73.1	11.2	61.9

18. Interested person transaction disclosure

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than S\$100,000)	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
PURCHASES AND OTHER EXPENSES				
Transactions with Speedgrow International Pte. Ltd. ("Speedgrow")				
Sub-contracting services for fabrication of structural steel by Speedgrow	-	125	-	-
Supply of machine and equipment by Speedgrow	269	1,295	-	-
Transactions with L&W United Engineering Pte. Ltd. ("L&W")				
Subcontracting services for steel and piping fabrication by L&W	2,599	1,950	-	-
Supply of manpower services by L&W	194	1,326	-	-
REVENUE				
Keppel Shipyard Limited ("KSL")				
Fabrication of topside module	-	-	700	-

BY ORDER OF THE BOARD

Lim Tze Jong
Executive Chairman and CEO
21 July 2011