

DYNA-MAC HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No: 200305693E)

UNAUDITED RESULTS FOR THE FULL YEAR ENDED 31 DECEMBER 2012

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On 20 December 2011, the Company changed its financial year end from 31 May to 31 December. As such, the 2011 comparatives are derived figures.

Canaccord Genuity Singapore Pte. Ltd. (formerly known as Collins Stewart Pte. Limited) is the Issue Manager of the Group's Initial Public Offering. Canaccord Genuity Singapore Pte. Ltd., 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.

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group					
	3 months ended 31 Dec 2012	3 months ended 31 Dec 2011	Change	12 months ended 31 Dec 2012	12 months ended 31 Dec 2011	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	74,189	11,800	528.7%	215,286	118,570	81.6%
Cost of sales	(57,024)	(9,382)	507.8%	(158,624)	(80,969)	95.9%
Gross profit	17,165	2,418	609.9%	56,662	37,601	50.7%
Gross profit margin	23.1%	20.5%		26.3%	31.7%	
Other income	1,518	2,840	-46.5%	3,119	4,173	-25.3%
Administrative expenses	(8,850)	(4,843)	82.7%	(26,281)	(20,438)	28.6%
Finance expenses	(3)	(3)	-%	(167)	(383)	-56.4%
Share of loss of an associated company	-	*	NM	-	*	NM
Profit before income tax	9,830	412	2285.9%	33,333	20,953	59.1%
Income tax expense	(1,041)	520	-300.2%	(4,953)	(2,818)	75.8%
Net profit for the financial period	8,789	932	843.0%	28,380	18,135	56.5%
Net profit margin	11.8%	7.9%		13.2%	15.3%	
Other comprehensive income, net of tax:-						
Currency translation differences arising from consolidation	145	(19)	NM	151	(17)	NM
Total comprehensive income for the financial period	8,934	913	878.5%	28,531	18,118	57.5%
Attributable to:-						
Equity holders of the Company	8,789	932	843.0%	28,380	18,135	56.5%

* amount less than \$1,000

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			Group		
	3 months ended 31 Dec 2012	3 months ended 31 Dec 2011	Change	12 months ended 31 Dec 2012	12 months ended 31 Dec 2011	Change
	\$'000	\$'000	%	\$'000	\$'000	%
The Group's profit is stated after charging/(crediting):-						
Rental income ^(Note 1)	(317)	(16)	1881.3%	(542)	(292)	85.6%
Interest income - bank deposits	(59)	(54)	9.3%	(189)	(242)	-21.9%
Interest on borrowings	3	3	NM	167	383	-56.4%
Depreciation of property, plant and equipment	1,673	1,657	1.0%	6,899	6,406	7.7%
Fair value loss/(gain) on derivative financial instruments	(185)	72	NM	(1,954)	72	NM
Fair value gain on investment properties ^(Note 2)	(2,000)	(2,058)	-2.8%	(2,000)	(2,058)	-2.8%
Foreign exchange loss/(gain), Net	469	(54)	NM	1,050	508	NM
Gain on disposal of property, plant and equipment, net	-	-	NM	(94)	(11)	NM

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

Note 2 – Investment properties were reclassified to Property, plant and equipment as at 31 Dec 2012 at the Group level as it intends to hold it for its own use.

NM - 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

UNAUDITED STATEMENT OF FINANCIAL POSITION

	Group		Company	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current Assets				
Cash and bank balances	62,646	28,207	1,016	651
Trade and other receivables	92,263	36,512	140,769	81,104
Derivative financial instrument	318	-	-	-
Inventories	566	1,443	-	-
Construction contract work-in-progress	504	716	-	-
Other current assets	2,675	2,478	12	20
	158,972	69,356	141,797	81,755
Non-Current Assets				
Club memberships	407	407	-	-
Investment in subsidiaries	-	-	25,475	25,476
Investment in an associated company	63	63	-	-
Investment properties ^(Note 2)	-	12,000	-	-
Goodwill	5,556	-	-	-
Property, plant and equipment ^(Note 2)	100,030	77,268	-	-
	106,056	89,738	25,475	25,476
Total Assets	265,028	159,094	167,272	107,251
LIABILITIES				
Current Liabilities				
Trade and other payables	67,460	36,044	319	268
Derivative financial instrument	-	72	-	-
Borrowings	447	197	-	-
Current income tax liabilities	7,550	2,893	-	-
	75,457	39,206	319	268
Non-Current Liabilities				
Borrowings	462	124	-	-
Deferred income tax liabilities	4,619	4,822	-	-
	5,081	4,946	-	-
Total Liabilities	80,538	44,152	319	268
Net Assets	184,490	114,942	166,953	106,983
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	145,271	99,603	145,271	99,603
Foreign currency translation reserves	117	(34)	-	-
Retained profits	39,102	15,373	21,682	7,380
Total Equity	184,490	114,942	166,953	106,983

Note 2 – Investment properties were reclassified to Property, plant and equipment as at 31 Dec 2012 at the Group level as it intends to hold it for its own use.

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:-

	As at 31 Dec 2012		As at 31 Dec 2011	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less	447	-	197	-
Amount repayable after one year	462	-	124	-

Details of any collateral:-

The Group's borrowings are secured by 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.

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended 31 Dec 2012	3 months ended 31 Dec 2011	12 months ended 31 Dec 2012	12 months ended 31 Dec 2011
	\$'000	\$'000	\$'000	\$'000
Cash Flows From Operating Activities				
Net profit	8,789	932	28,380	18,135
Adjustment for:				
- Income tax expense/(credit)	1,041	(520)	4,953	2,818
- Depreciation of property, plant and equipment	1,673	1,657	6,899	6,406
- Write-off of property, plant and equipment	1,011	-	1,011	-
- Gain on disposal of property, plant and equipment	-	-	(94)	(11)
- Interest income	(59)	(54)	(189)	(242)
- Interest expense	3	3	167	383
- Fair value (gain)/loss on derivative financial instruments	102	72	(390)	72
- Fair value gain on investment properties ^(Note 2)	(2,000)	(2,058)	(2,000)	(2,058)
- Unrealised translation loss/(gain)	72	(54)	37	(54)
	10,632	(22)	38,774	25,449
Changes in working capital				
- Trade and other receivables	109	9,311	(55,438)	(1,499)
- Construction contract work-in-progress	463	(716)	212	(692)
- Inventories	(194)	1,127	877	669
- Other current assets	483	(1,632)	175	(426)
- Trade and other payables	(6,301)	(24,031)	26,261	(49,718)
Cash (used in)/ generated from operations	5,192	(15,963)	10,861	(26,217)
Interest received	59	54	189	242
Income tax paid	(128)	(2,873)	(989)	(5,097)
Net cash provided by/(used in) operating activities	5,123	(18,782)	10,061	(31,072)
Cash Flows From Investing Activities				
- Acquisition of a subsidiary, net of cash acquired	(900)	-	(1,355)	-
- Additions to property, plant and equipment	(7,280)	(3,675)	(16,023)	(22,164)
- Additions to club membership	-	-	-	(329)
- Improvement for investment properties	-	-	-	325
- Proceeds from disposal of property, plant and equipment	-	-	167	376
- Decrease/(increase) in bank deposits with maturity more than 3 months	(20,000)	18,000	(10,000)	(3,962)
Net cash (used in)/provided by investing activities	(28,180)	14,325	(27,211)	(25,754)
Cash Flows From Financing Activities				
- Repayment of finance lease liabilities	(125)	(79)	(518)	(510)
- Proceeds from finance lease liabilities	-	-	1,106	-
- Proceeds from issuance of ordinary shares	46,509	-	46,509	75,567
- Share issue expenses	(841)	-	(841)	(2,440)
- Interest expense paid	(3)	(3)	(167)	(383)
- Dividend paid to equity holders of the Company	-	(18,603)	(4,651)	(18,603)
- Settlement of draft loans, net	(11,377)	-	-	(18,082)
- Decrease in bank deposits pledged	20,000	11,670	-	13,920
Net cash provided by/(used in) financing activities	54,163	(7,015)	41,438	49,469
Net increase/(decrease) in cash and cash equivalents	31,106	(11,472)	24,288	(7,357)
Effect of currency translation on cash and cash equivalents	145	72	151	74
Cash and cash equivalents at beginning of the financial period	11,395	29,607	18,207	25,490
Cash and cash equivalents at end of the financial period	42,646	18,207	42,646	18,207

Note 2 – Investment properties were reclassified to Property, plant and equipment as at 31 Dec 2012 at the Group level as it intends to hold it for its own use.

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

	3 months ended 31 Dec 2012	3 months ended 31 Dec 2011	12 months ended 31 Dec 2012	12 months ended 31 Dec 2011
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents at end of the financial period	42,646	18,207	42,646	18,207
Add: bank deposits pledged	-	-	-	-
Add: bank deposits with maturity more than 3 months	20,000	10,000	20,000	10,000
Cash and bank balances	62,646	28,207	62,646	28,207

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	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group						
Balance at 1 January 2012	99,603	15,373	(34)	114,942	-	114,942
Total comprehensive income for the financial year	-	28,380	151	28,531	-	28,531
Dividend relating to the 7-month financial period ended 31 December 2011	-	(4,651)	-	(4,651)	-	(4,651)
Shares issued October 2012	45,668	-	-	45,668	-	45,668
Balance at 31 December 2012	145,271	39,102	117	184,490	-	184,490
Company						
Balance at 1 January 2012	99,603	7,380	-	106,983	-	106,983
Total comprehensive income for the financial year	-	18,953	-	18,953	-	18,953
Dividend relating to the 7-month financial period ended 31 December 2011	-	(4,651)	-	(4,651)	-	(4,651)
Shares issued October 2012	45,668	-	-	45,668	-	45,668
Balance at 31 December 2012	145,271	21,682	-	166,953	-	166,953

- 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 31 December 2011	930,192,000	99,603,262
New shares issued October 2012	93,019,000	45,668,084
Balance as at 31 December 2012	1,023,211,000	145,271,346

- 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 December 2012 and 31 December 2011. The Company’s total number of issued shares excluding treasury shares as at 31 December 2012 is 1,023,211,000 and 31 December 2011 is 930,192,000.

- 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 seven-month financial period ended 31 December 2011.

As consistent with the results for the seven months ended 31 December 2011, the Group has early adopted the amended Singapore Financial Reporting Standard (“FRS”) 12 Income Taxes, issued in February 2011 and effective from January 2012. The early adoption of the amended FRS did not result in any significant impact on the financial statements of the Group.

- 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.**

Not applicable.

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 Dec 2012	3 months ended 31 Dec 2011	12 months ended 31 Dec 2012	12 months ended 31 Dec 2011
EPS (based on consolidated net profit attributable to equity holders):- Based on the weighted average number of ordinary shares in issue (cents)	0.89	0.10	3.00	1.95
Weighted average number of shares issue during the period used in computing of Basic EPS	992,204,800	930,192,000	945,695,167	930,192,000

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 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
Net asset value per ordinary share based on existing share capital (cents)	18.03	12.36	16.32	11.50
Number of shares	1,023,211,000	930,192,000	1,023,211,000	930,192,000

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

Revenue increased by \$96.7m or 81.6% from \$118.6m in FY2011 to \$215.3m in FY2012. The increase was due to higher volume of projects and related variation orders in FY2012.

Gross Profit

Gross profit for FY2012 increased by \$19.1m or 50.7% from \$37.6m in FY2011 to \$56.7m in FY2012. The higher gross profit in FY2012 was due to higher volume of work.

However, gross profit margin decreased by 5.4 percentage points from 31.7% in FY2011 to 26.3% in FY2012. This is due to higher variation orders recognized in FY2011 as compared to FY2012.

Other Income

Other income for FY2012 decreased by \$1.1m from \$4.2m in FY2011 to \$3.1m in FY2012. The decrease was mainly due to foreign exchange loss.

Administrative Expenses

Administrative expenses for FY2012 increased by \$5.9m from \$20.4m in FY2011 to \$26.3m in FY2012. The increase was mainly due to higher employee compensation as the Group recruited more staff and workers to cope with the higher business volume.

Finance expenses

Finance expenses comprise mainly interest expenses on bank borrowings and finance leases which were minimal for the financial periods under review.

Income Tax expense

The effective tax rate for FY2011 is at 13.4% and FY2012 is at 14.9% due to capital allowance claimed from acquisition of machinery and equipment.

Statement of Financial Position

Current Assets

The Group's current assets increased by \$89.6m from \$69.4m as at 31 December 2011 to \$159.0m as at 31 December 2012 mainly due to increases in cash and bank balances, trade and other receivables, other current assets and derivative financial instrument. The increase in current assets was partially offset by a reduction in inventories and construction contract work-in-progress.

Cash and bank balances increased by \$34.4m from \$28.2m as at 31 December 2011 to \$62.6m as at 31 December 2012 mainly due to proceeds from issuance of ordinary shares.

Trade and other receivables increased by \$55.8m from \$36.5m as at 31 December 2011 to \$92.3m as at 31 December 2012 due to higher volume of business activities resulting in higher billings in December 2012.

Derivative financial instrument increased by \$0.4m from \$(0.1m) as at 31 December 2011 to \$0.3m as at 31 December 2012 due to favourable movements in contracted USD forward rates against market spot rates.

Inventories decreased by \$0.9m from \$1.4m as at 31 December 2011 to \$0.5m as at 31 December 2012 mainly due to sale of steel plates to a third party.

Other current assets increased by \$0.2m from \$2.5m as at 31 December 2011 to \$2.7m as at 31 December 2012 mainly due to prepaid rentals made for additional yard space to cope with current order book.

Non-Current Assets

Non-current assets increased by \$16.3m from \$89.7m as at 31 December 2011 to \$106.0m as at 31 December 2012 mainly due to additions in property, plant and equipment of \$16.0m, partially reduced by depreciation charges of \$6.9m, provision for goodwill of \$5.6m due to the acquisition of Paliy Marine Fabricator (Guangzhou) Limited (n.k.a DMP Marine Fabricator (Nansha) Co. Ltd ("DMP")) and fair value gain on investment properties of \$2.0m. The investment property has been reclassified to property, plant and equipment as at 31 December 2012 at the Group level as it is not generating income.

Current Liabilities

Trade and other payables increased by \$31.5m from \$36.0m as at 31 December 2011 to \$67.5m as at 31 December 2012 mainly due to higher volume of business activities..

Current income tax liabilities increased by \$4.7m from \$2.9m as at 31 December 2011 to \$7.6m as at 31 December 2012 mainly due to higher amount of tax provided.

Total borrowings increased by \$0.6m from \$0.3m as at 31 December 2011 to \$0.9m as at 31 December 2012 mainly due to the utilization of hire purchase facilities to acquire plant and equipment.

Consolidated Cash Flow

As at 31 December 2012, the Group had cash and cash equivalent of \$42.6m. For the twelve months ended 31 December 2012, the Group generated cash from operating activities before changes in working capital of \$38.8m. Net cash generated from operations amounted to \$10.9m mainly due to increase in trade and other payables of \$26.3m and partially offset by increase in trade and other receivables of \$55.4m.

For the twelve months ended 31 December 2012, cash used in investing activities amounted to \$27.2m mainly due to additions of property, plant and equipment of \$16.0m, acquisition of a subsidiary, net of cash acquired of \$1.4m, placement of bank deposits with maturity more than three months of \$10.0m, partially offset by proceeds from the disposal of property, plant and equipment of \$0.2m.

For the twelve months ended 31 December 2012, cash provided by financing activities amounted to \$41.4m mainly due to proceeds from issuance of ordinary shares of \$46.5m, partially offset by share issue expenses of \$0.8m, and dividend payments of \$4.7m in relation to the 7-months financial period ended 31 December 2011.

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 the 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.

Brent crude prices of around US\$100 per barrel continue to support growth in our sector, which translate to active tender enquiries seen by the Group.

For the financial year ended 31 December 2012, the Group achieved a 56% increase in net profits to close at a record S\$28.4 million.

Our yard in Singapore operated at full capacity for most part of the year.

Our newly acquired leased yard in Nansha, Guangzhou, China started operation and begin contributing to the Group by fourth quarter 2012.

In Philippines, preparation work intensified in fourth quarter 2012 to undertake a module fabrication project in Keppel Subic Shipyard together with KS Investment Pte Ltd as our partner. The company, Dyna-Mac Keppel Philippines Inc was subsequently incorporated on 20 February 2013. Production has commenced and the project is expected to complete in 2014.

In order to further support the Singapore yard, we have leased a yard in Johor, Malaysia. Improvement work and equipment installation are on-going to prepare the yard for immediate production.

The Group has also entered into a Sale and Purchase Agreement to purchase a workshop in Jurong to provide for additional production facilities. The pre-completion process is on-going and is expected to complete by May 2013.

The Group has raised net proceeds of approximately S\$45.7 million in a placement exercise in October 2012 by placing out 10% of new shares at S\$0.50 each, to cater for additional working capital required in line with the expected higher level of business activities.

Our order book as at today is about S\$134 million. On top of that, the Group has a healthy tender book which is supportable by the additional yard space leased in 2012. The Group will continue to focus on safety, quality and on-time delivery of its projects and its overseas expansion plans to strive for yet another year of good performance.

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?**

The Company announced the change of its financial year end from 31 May to 31 December on 20 December 2011. Therefore, the preceding financial year is for a seven-month period from 1 June 2011 to 31 December 2011.

For the financial year ended 31 May 2011, we have declared a dividend \$0.02. For the financial period from 1 June 2011 to 31 December 2011, we have declared a dividend of \$0.005.

(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:-

	12 months Financial period ended 31 Dec 2012			12 months Financial period ended 31 Dec 2011		
	Module Business	Ad Hoc Project (Other Services)	Total	Module Business	Ad Hoc Project (Other Services)	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Sales						
Total segment sales – sales to external parties	164,009	51,277	215,286	110,868	7,702	118,570
Gross profit	36,839	19,823	56,662	31,762	5,839	37,601
Other income			3,119			4,173
Administrative expenses			(26,281)			(20,438)
Finance expenses			(167)			(383)
Share of loss of an associated company			-			*
Profit before income tax			33,333			20,953
Income tax expense			(4,953)			(2,818)
Net profit			28,380			18,135

* amount less than \$1,000

	As at 31 Dec 2012			As at 31 Dec 2011		
	Module Business \$'000	Ad Hoc Project (Other Services) \$'000	Total \$'000	Module Business \$'000	Ad Hoc Project (Other Services) \$'000	Total \$'000
Total assets	70,202	21,950	92,152	31,818	5,312	37,130
Total liabilities	42,280	13,219	55,499	26,309	4,244	30,553

Reconciliation of segment assets to total assets as follows:-

	31 Dec 2012 \$'000	31 Dec 2011 \$'000
Segment assets for reportable segments	92,152	37,130
- Cash and cash at bank	62,646	28,207
- Derivatives	318	-
- Goodwill	5,556	-
- Other receivables	1,181	1,541
- Other current assets	2,675	2,478
- Property, plant and equipment ^(Note 3)	100,030	77,268
- Club memberships	407	407
- Investment in associated company	63	63
- Investment properties ^(Note 2)	-	12,000
	265,028	159,094

Note 2 – Investment properties were reclassified to property, plant and equipment as at 31 Dec 2012 at the Group level as it is not generating income.

Note 3 – Prior year comparatives for property, plant and equipment have been reclassified as they are of common use.

Reconciliation of segment liabilities to total liabilities as follows:-

	31 Dec 2012 \$'000	31 Dec 2011 \$'000
Segment liabilities for reportable segments	55,499	30,553
- Other payables	11,961	5,491
- Derivatives	-	72
- Borrowings	909	321
- Current income tax liabilities	7,550	2,893
- Deferred income tax liabilities	4,619	4,822
	80,538	44,152

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:-

	12 months ended 31 Dec 2012 \$'000	12 months ended 31 Dec 2011 \$'000	Change %
(a) Sales reported for the financial period	215,286	118,570	81.6
(b) Operating profit after tax before deducting minority interest reported for financial period	28,380	18,135	56.5

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 Dec 2012 \$'000 Proposed	31 Dec 2011 \$'000 Distributed
Ordinary	20,464	4,651

The Company announced the change of its financial year end from 31 May to 31 December on 20 December 2011. Therefore, the preceding financial year is for a seven-month period from 1 June 2011 to 31 December 2011.

For the financial year ended 31 May 2011, we have declared a dividend \$0.02. For the financial period from 1 June 2011 to 31 December 2011, we have declared a dividend of \$0.005.

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 \$0.35 for each share raising net proceeds in total of \$73.2m.

Use of proceeds	Amount allocated (\$'million)	Amount utilized (\$'million)	Balance amount (\$'million)
a. Expansion of yard facility at 13 Pandan Crescent	8.0	8.0	-
b. Upgrading and expansion of yard facility at Main Yard	12.0	12.0	-
c. Acquisition of additional equipment and machineries	7.0	7.0	-
d. Expansion of operations overseas	20.0	4.5	15.5
e. General working capital	26.2	26.2	-
	73.2	57.7	15.5

18. Use of Placement Proceeds

93,019,000 placement shares were issued on 29 October 2012 pursuant to the Share Placement at \$0.50 for each share raising net proceeds in total of \$45.7m.

Use of proceeds	Amount allocated (\$'million)	Amount utilized (\$'million)	Balance amount (\$'million)
a. General working capital	45.7	-	45.7
	45.7	-	45.7

19. Interested person transaction disclosure

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$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 \$100,000)	
	12 months ended 31 Dec 2012 \$'000	12 months ended 31 Dec 2011 \$'000	12 months ended 31 Dec 2012 \$'000	12 months ended 31 Dec 2011 \$'000
PURCHASES AND OTHER EXPENSES				
Transactions with Speedgrow International Pte. Ltd. ("Speedgrow")				
Supply of machine and equipment by Speedgrow	-	151	-	-
Transactions with L&W United Engineering Pte. Ltd. ("L&W")				
Subcontracting services for steel and piping fabrication by L&W	2,528	2,135	-	-
REVENUE				
Keppel Shipyard Limited ("KSL")				
Fabrication of topside module	-	-	7,572	8,812
Other adhoc projects (other services)	-	-	796	-
REVENUE				
Keppel FELS Limited ("KFL")				
Other adhoc projects (other services)	-	-	772	4,306

20. Report of Persons Occupying Managerial Positions Who Are Related to a Director, Chief Executive Officer or Substantial Shareholder

Pursuant to Rule 704(11) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the particulars of persons occupying managerial positions in the Company who are related to the Directors, Chief Executive Officer or Substantial Shareholders of the Company are set as below:

Name	Age	Family relationship with any director, CEO 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
Lim Tze Jong	55	Brother-in-law of Mr Teo Boon Hwee, Alternate Director to Mr Lim Tze Jong and Chief Marketing Officer, and Brother of Executive Director and Chief Operating Officer, Mr Lim Tjew Yok.	Executive Chairman and CEO since 2011. Responsible for overseeing the overall organisation, management and marketing of the Group, evaluating of current performance and future expansion programme, taking policy decisions, planning for growth, authorising quality and safety policies and steering of the company's objectives as well as its profits.	Not Applicable.
Lim Tjew Yok	53	Brother-in-law of Mr Teo Boon Hwee, Chief Marketing Officer, and Brother of Executive Chairman and CEO, Mr Lim Tze Jong.	Executive Director and Chief Technical Officer since 2011. Promoted to Chief Operating Officer as at February 2013. Responsible for the operation functions of yard management and development, maintenance and facilities, project management, overseas project management in Malaysia.	Not Applicable.

Name	Age	Family relationship with any director, CEO 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
Teo Boon Hwee	56	Brother-in-law of Executive Chairman and CEO, Mr Lim Tze Jong, and Executive Director and Chief Operating Officer, Mr Lim Tjew Yok.	Alternate Director to Mr Lim Tze Jong and Chief Marketing Officer since 2011. Responsible for overseas expansion of business feasibilities, procurement and sub-contracting, marketing, business development, contracts and commercial, tender and estimation, overseas project management in China, promotion advertising, clients' co-ordination and Government relationship including MPA, JTC and EDB.	Not Applicable.

BY ORDER OF THE BOARD

Lim Tze Jong
Executive Chairman and CEO
26 February 2013