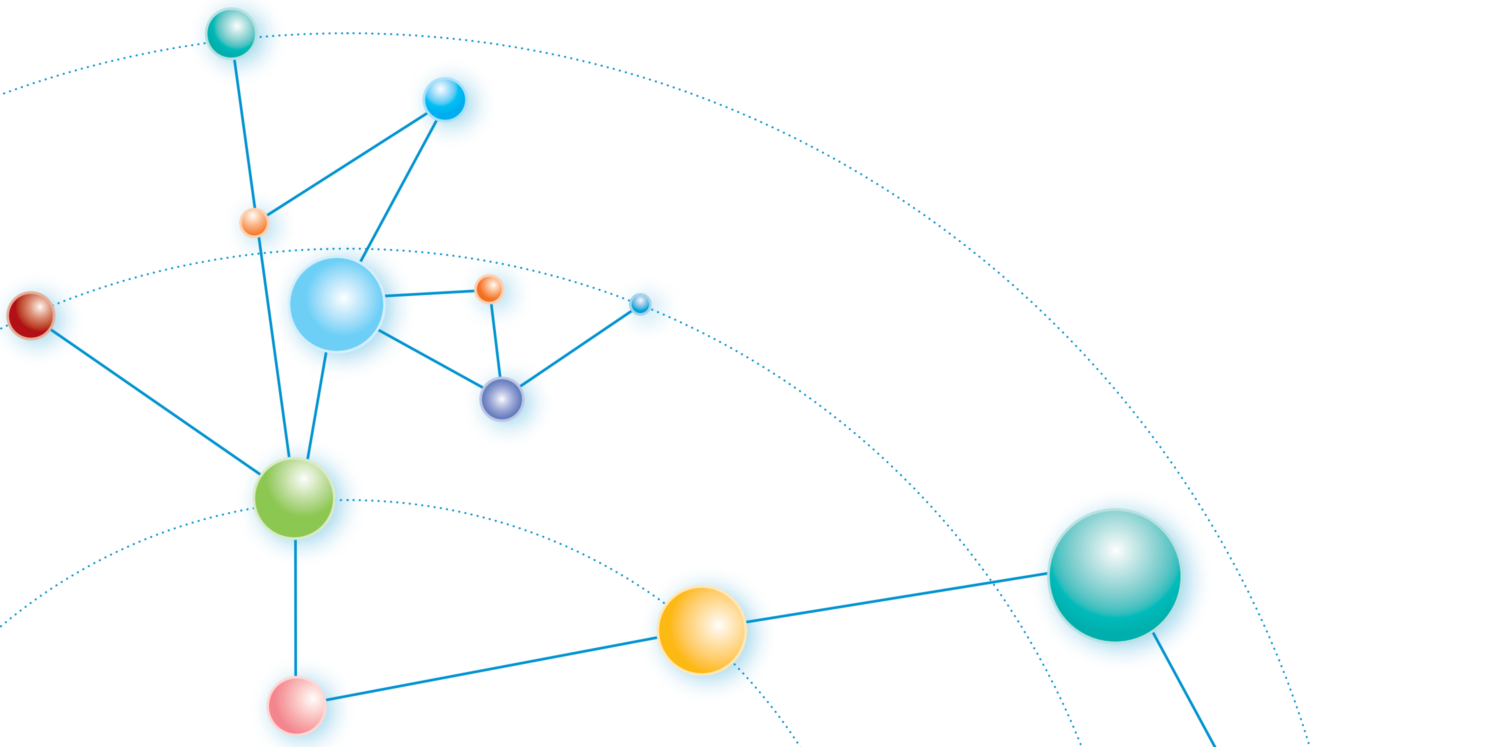
精砺 DYNA-MAC
beyond your expectations

Fostering GROWTH

ANNUAL REPORT
2014



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CORPORATE PROFILE

Dyna-Mac is a global leader in the detailed engineering, fabrication and construction of offshore FPSO (floating production storage offloading) and FSO (floating storage offloading) topside modules as well as onshore plants and other sub-sea products for the oil and gas industries. Listed on SGX Mainboard and headquartered in Singapore, Dyna-Mac has yards spanning across Singapore, Malaysia and China, with presence in the Philippines.

2014 KEY FIGURES

Revenue
$ 318.6 Million

Earnings Per Share
2.42 Cents

Net Profit
$ 26.2 Million

Return on Equity
12.6 %

Net Asset Value Per Share
19.58 Cents

Vision & Mission

A global leader in providing reliable, affordable products and services of unsurpassed quality for the marine, oil and gas industries.

We will achieve this by upholding the highest levels of quality, safety, reliability and service excellence.

Market Capitalisation

$ 353 Million

as at 31 January 2015

Distribution Per Share

1.5 Cents

Net Gearing Ratio

0.40 x

2014 Highlights

- Milestone achievement with the load-out of the 200th topside module in August 2014
- Achieved record of 53 deliveries in 2014 comprising 37 FPSO topside module load-outs, 14 non-FPSO modules and 2 specialised offshore projects in yards in Singapore, Malaysia, China and Philippines
- New orders secured in 2014, inclusive of new orders secured as at February 2015, stood at S$241 million
- Net orderbook as at February 2015 stood at S$353.7 million with deliveries and completions stretching till 2016
- Tanjung Kupang Yard, Malaysia commenced operations in late 2013 and the C7 modules and Tullow Ten pipe racks were successfully loaded out followed by Project Milestone celebration of 500,000 manhours without Lost Time Incident

GROWING BEYOND 25 YEARS

1990

Dyna-Mac Engineering Services Pte. Ltd. established by founder Mr Desmond Lim Tze Jong

1991

The first crane barge production contract, Atlantis III, awarded by Atlantis

1993

The company incorporated Dyna-Mac Engineering Services Sdn. Bhd and expanded its operation to Malaysia

1999

The first complete module fabrication work project for three topside modules for FPSO Espadarte, awarded by SBM

2012

- Yard facilities established in Tanjung Kupang, Johor, Malaysia

- The company acquired a 70% ownership in Paliy Marine Fabricator (Guangzhou) Co. Ltd. and renamed it to DMP Marine Fabricator (Nansha) Co. Ltd.

2013

- The company entered into a partnership with KS Investments Pte. Ltd. and incorporated Dyna-Mac Keppel Philippines, Inc
- First project from DSME, Korea. Fabrication and delivery of 14 modules for ZADCO Project in Abu Dhabi

- The largest and heaviest turret at 10,000 tonnes for FPSO Glen Lyon was delivered to SBM Offshore

2014

Loaded out the 200th topside module, Cluster 7 – Export Gas Compression, Fuel Gas & Gas Metering

2015

- A total of 5 modules loaded out in 2015 to-date
- 2015: Loaded out one of the heaviest modules, CO_2 Compression module and pipe rack, for FPSO Cidade De Saquarema
- 25th Anniversary of Dyna-Mac

2004

Awarded contract by Technip Australia for the assembly of 3 modules for MODEC and Mutineer

2006

- The first semi-submersible hull structure fabrication project, Thunder Hawk FPU-5500, awarded by SBM Atlantia
- Acquired the entire leasehold property at 45 Gul Road. Redesigned, redeveloped and upgraded the entire yard at 33, 45 and 59 Gul Road

2007

- Dyna-Mac Marine and Heavy Engineering Pte. Ltd. was incorporated
- Loaded out the Kikeh Pipeline which is 1.3m long in one piece

2008

Loaded out the Thunder Hawk Hull weighing 12,700 mt

2009

- Loaded out the 100th topside module, Petrobras-57 – Gas Compression

- Acquired the leasehold property at 31 Gul Road

2010

- Acquired the leasehold property at 13 Pandan Crescent
- The company entered into a collaboration agreement with Keppel Shipyard Limited
- First turnkey project and the largest value project for a single vessel, FPSO-PSVM, was delivered for Modec

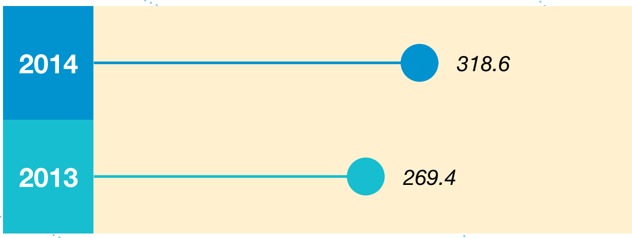
2011

- Dyna-Mac Holdings Ltd. was listed on the Mainboard of the Singapore Stock Exchange in March 2011

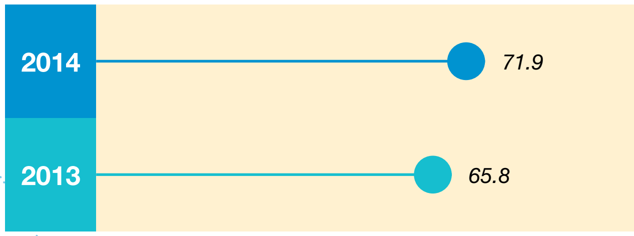
Group Financial Highlights

	2014	2013	% Change
Revenue and Profits ($'000)			
Revenue	318,566	269,351	18.3
Gross Profit	71,865	65,843	9.1
Gross Profit Margin (%)	22.6	24.4	(7.4)
Profit before tax	29,499	35,583	(17.1)
Net Profit for financial period	26,241	30,650	(14.4)
Net Profit Margin (%)	8.2	11.4	(28.1)
Non-controlling interest	1,476	1,964	(24.8)
Profit attributable to equity holders of the Company	24,765	28,686	(13.7)
Balance Sheet ($'000)			
Total Assets	404,139	351,517	15.0
Total Liabilities	203,791	156,996	29.8
Net Assets	200,348	194,521	3.0
Financial Indicators			
EPS (cents)	2.42	2.80	(13.6)
Dividends (cents)	1.5	2.0	(25.0)
ROE (%)	12.6	14.9	(13.3)
Net Gearing (times)	0.40	0.27	48.1
Cash Flow ($'000)			
Net cash (used in)/provided by operating activities	(17,119)	11,874	n.m.
Net cash used in investing activities	(8,343)	(37,578)	(77.8)
Net cash (used in)/provided by financing activities	10,280	14,029	(26.7)
Cash and cash equivalents	15,879	30,971	(48.7)
Add: Short Term Bank Deposits	26,276	30,480	(13.8)
Cash and bank balances	42,155	61,451	(31.4)

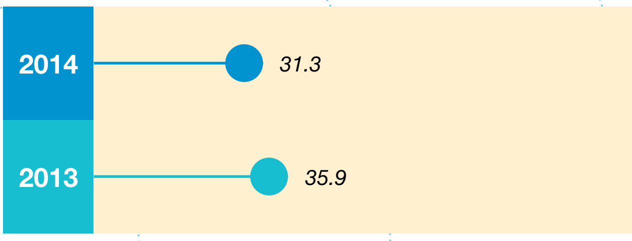
Revenue ($'M)



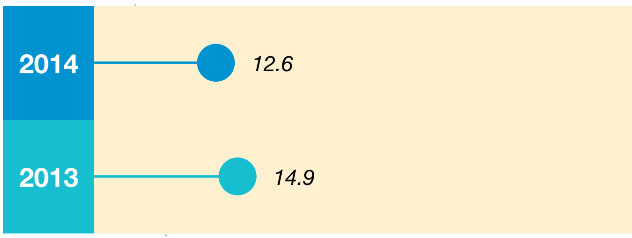
Gross Profit ($'M)



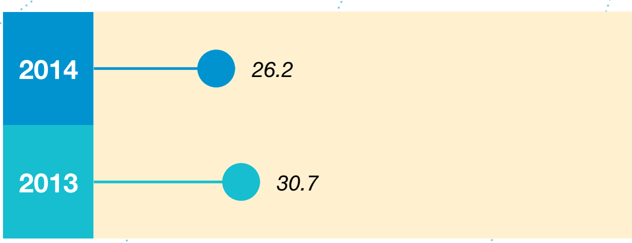
Operating Profit ($'M)



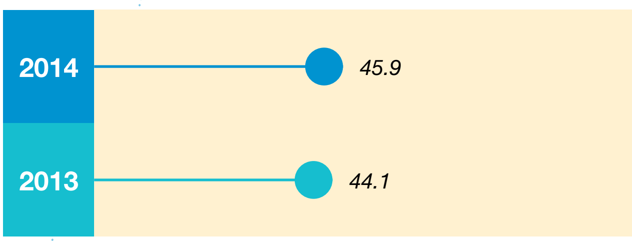
ROE (%)



Net Profit ($'M)



EBITDA ($'M)



Executive Chairman & CEO's Letter to Shareholders

Mr Lim Tze Jong Desmond
Executive Chariman & CEO

"We achieved a key milestone with the load-out of our 200th module in August 2014. This achievement will spur us on to build a globally competitive group for sustainable growth."

Dear Shareholders,

2014 had been a challenging year for the global market with the Brent crude prices having fallen close to 50 per cent since June 2014. Amid this volatility in oil price and the uncertain macro-economic environment, the Dyna-Mac Group recorded a net profit after tax of $26.2 million for the financial year ended 31 December 2014.

This was 14.4 per cent lower as compared with 2013 due mainly to the unrealised fair value adjustment on hedging instruments resulting from mark-to-market adjustments of foreign currency forward contracts of $3.8 million and the accelerated depreciation of $2.7 million for the early termination of the lease on one of our yards in China. Excluding these two items, our normalised net profit in 2014 would have been 6.7 per cent higher than the $30.7 million recorded in 2013.

Group revenue was $318.6 million in 2014, with operating profit at $31.3 million and pre-tax profit at $29.5 million. Gross profit grew by 9.1% to $71.9 million, or $6.1 million higher as compared with $65.8 million in 2013, due mainly to the higher volume of work in the yards in Singapore and overseas.

Earnings per share (EPS) were 2.42 cents with return on equity (ROE) at 12.6 per cent.

Dividend

While we are mindful of the need for long-term sustainable growth, we are at the same time striving to reward our shareholders on an annual basis with a sustainable ordinary dividend payout based on our performance, cash position, working capital, capital expenditure plans and the market environment.

For 2014, the Board has proposed a first and final ordinary one-tier tax-exempt cash dividend of 1.5 cents per share. This translates to a payout ratio of 61 per cent.

Review of Business Operations

The year in review was a busy year for the Group's yards in Singapore and overseas. Revenue hit a high of $318.6 million, an increase of 18.3 per cent over the previous year. The offshore FPSO topside modules segment was the largest contributor, constituting 97.2 per cent or $309.7 million of our total revenue in 2014 with the balance of 2.8 per cent or $8.9 million from others comprising specialised offshore projects.

FPSO Cidade De Marica TS012 Power Generation B Module loaded out from yard

Record Deliveries in 2014

The Group registered record deliveries of 53 units in 2014. This comprised a record of 37 FPSO topsides modules delivered from our Singapore and overseas yards. Of these, 25 modules came from our Singapore yards, 10 modules from our China yard and two modules from our Malaysia yard. For the non-FPSO module segment, our joint-venture company in the Philippines delivered a total of eight modules for the Malampaya Phase 3 project. Our yard in Tanjung Kupang was also kept busy with the delivery of 10 specialised offshore projects comprising pipe racks and mobile offshore drilling units, besides the two FPSO topsides modules.

A key milestone with the load-out of the 200th Module in August 2014

200th Module Load-out

Our yard also achieved a key milestone with the load-out of our 200th module in August 2014. This was indeed an achievement as the first 100th module load-out in October 2009 took us 10 years, from 1999 to September 2009. Our next 100th module load-out was achieved within a record time-frame of five years, from October 2009 to August 2014. This ability to achieve the next 100th modules within half the time-frame is a reflection of the yard's efficiency, the workforce productivity, the yard's capabilities and track record of on-time and on-track delivery. As at end-2014, our total modules load-out was 237 units, which is indeed an engineering and construction feat.

Positioning for Growth

Our strategy for long-term competitiveness and sustainable growth involves strengthening our capabilities and expertise in Singapore while expanding regionally in Malaysia and China. We remain focused on delivering incident-free, quality and timely execution of our projects while challenging ourselves to further improve efficiencies and raise productivity.

In Singapore, we continued to upgrade our yard facilities, redesign the workflow and invest in newer technologies to cope with the increase in workload going forward. In Malaysia, we have also progressively upgraded our yard development in Tanjung Kupang, Johor, in 2014.

The Main Yard was kept busy with record deliveries of topside modules

Sustainability for Growth

Recognising the importance of balancing our economic, environmental and social objectives, we are committed to sustainability and corporate social responsibility even as we grow and expand our business.

As a responsible business enterprise, we focused on value creation for our employees, customers, contractors, suppliers, partners and stakeholders through upholding good corporate governance, maintaining health and safety standards, limiting our impact on the environment, using resources more efficiently as well as promoting community care and engagement.

In expanding regionally, we continued to recruit, train and retain the best people for the job. The Group has a systematic training and career development plan to retain employees for business sustainability.

In celebration of the International Year of the Family 2014 and in conjunction with the SG50 Singapore Jubilee, we participated in charity events which saw our staff joining in the charity walkathon iLoveSingapore Walk and the Ultimate Hawker Fest 2014.

Going forward, we will continue to engage our internal and external stakeholders through various channels as part of our continuous efforts to enhance our sustainability programme and performance further.

Outlook and Prospects

The Group has a net order book of $353.7 million, with completion and deliveries extending into 2016. This includes a total of $149 million in new orders secured in 2015 to date, comprising $89 million for the construction of 10 FPSO topside modules for the Catcher oil fields in the UK sector of the North Sea and $60 million for six units of FPSO topside modules destined for Block 15/06 East Hub field located in deep water offshore Angola.

The global economy remains fragile and uncertain. Despite the volatile economic conditions and a competitive landscape, we remain focused on growing our core business. Moving ahead, we will further improve our operational efficiency, productivity and safety management as well as ensure timely delivery of our projects to our customers.

Acknowledgements

Our success today is attributed to many stakeholders who have contributed to our progress. On behalf of the Board, we would like to express our deepest gratitude to our customer partners and business associates for their steadfast support and their continued confidence in us over the years. Our appreciation also extends to the Board of Directors, our dedicated team of management, employees, union and subcontractor partners for their hard work and commitment. We shall continue working together as a united resilient team to further enhance our operational efficiencies and build a globally competitive group for sustainable growth.

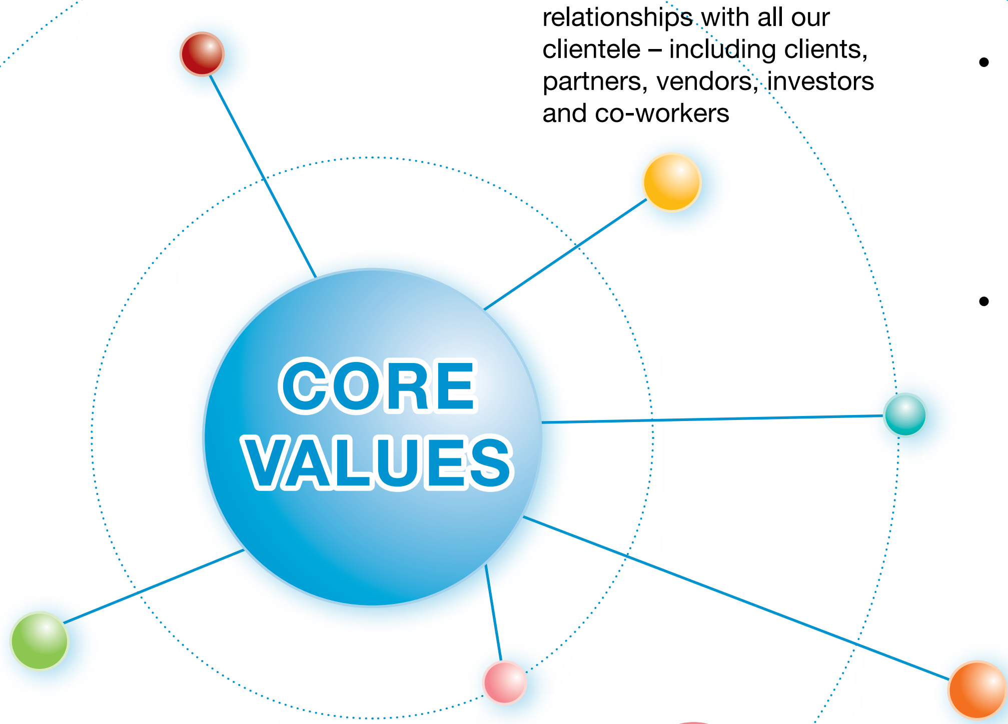
Finally, we would like to extend our heartfelt thanks to our valued shareholders for their continuous support of the Dyna-Mac Group. As we embark on our journey of growth, we will continue to build on our sustainable growth strategy to create long-term value for our stakeholders.

Lim Tze Jong Desmond

Executive Chairman & CEO

9 March 2015

The loaded-out modules transported by floating barge to location



INTEGRITY

- We uphold a strong belief in performing our duties with honesty and responsibility
- We abide by the value of trust to deliver quality solutions

CUSTOMER FOCUS

- We seek to provide customers with reliable and value-added solutions on time and within budget
- We actively build and maintain healthy relationships with all our clientele – including clients, partners, vendors, investors and co-workers

HEALTH, SAFETY AND ENVIRONMENT (HSE)

- We are committed to achieving excellent results in our HSE performances at our workplace
- We train everyone in the workplace to proactively safeguard themselves, their co-workers, the environment and our assets and to identify existing and potential hazards
- We are focused on creating an environment of operational excellence with zero harm to people, property and the environment

PEOPLE DEVELOPMENT

- We aim to attract, develop and retain the best people, treating each individual with compassion and respect regardless of race, religion and position
- We are committed to create an environment of fairness and equitable treatment, providing each with equal opportunities and developing them to their fullest potential

TEAMWORK

- We are committed to a teamwork environment where every individual is a valued member and encouraged to help one another to reach his/her highest potential
- We promote a culture of unity and team spirit through open and honest communication as we believe no individual effort can be greater than the holistic contribution of a strong and closely knit team

POSITIVE ATTITUDE

- We encourage a positive attitude that motivates team members and results in more effective problem solving and greater promotion of ideas, innovation, cooperation and teamwork
- We show enthusiasm and pride in everything we do and strive to improve the work process and better our solutions

Our West Yard in Pandan Crescent

CERTIFICATIONS

ABS Quality Evaluations
OHSAS18001:2007

Certificate of Conformance OHSAS 18001:2007 45 Gul Road

ABS Quality Evaluations
OHSAS18001:2007

Certificate of Conformance OHSAS 18001:2007 13 Pandan Crescent

ABS Quality Evaluations
ISO9001:2008

Certificate of Conformance ISO 9001:2008 45 Gul Road

ABS Quality Evaluations
ISO9001:2008

Certificate of Conformance ISO 9001:2008 59 Gul Road, 13 Pandan Crescent

ABS Quality Evaluations
ISO/TS29001:2010

Certificate of Conformance ISO/TS29001:2010 45 Gul Road

ABS Quality Evaluations
ISO/TS29001:2010

Certificate of Conformance ISO/TS29001:2010 59 Gul Road, 13 Pandan Crescent

Our Approach to Governance and Sustainability

> **"*Recognising the importance of balancing our economic, environmental and social objectives, we are committed to sustainability and corporate social responsibility even as we expand our regional footprint."***

Dyna-Mac is committed to delivering value to all our stakeholders through balancing economic, environmental and social objectives. To meet these objectives, we are guided by the company's vision/mission, core values strategy and internationally recognised principles, standards and guidelines.

As a responsible business enterprise, we are focused on creating recurring value for our customers, suppliers, partners and communities, protecting the health and safety of our employees and business partners, limiting our impact on the environment, using resources more efficiently as well as investing in communities where we operate.

Suggestion/Feedback Box to Management

COMMUNICATION PLATFORMS IN 2014

CUSTOMERS

- Strike-steel and delivery ceremonies
- Milestone achievement with load-out of 200th topside module
- Customer involvement in emergency preparedness and confined space exercises in the yards
- Participation at customers' safety events to better understand their safety requirements and expectations

EMPLOYEES

- Training and development programmes
- National Day Observance ceremony
- Opening of Medical Centre, helmed by a qualified doctor in occupational health and safety, an industrial nurse and a clinic assistant
- Family Day celebrations at Sentosa
- Festive celebrations for employees from diverse nationalities
- Annual Dinner and Dance celebrations

SUPPLIERS AND CONTRACTORS

- Safety education conducted for all contractors and suppliers
- Compulsory in-house safety orientation programmes for all new contractor workers
- Safety campaigns and events

FINANCIAL COMMUNITY

- Quarterly results announcements and media releases
- Briefings for analysts and investors
- Yard tours
- Annual general meeting
- Roadshows and investor conferences
- Corporate website
- One-on-one meetings and conference calls

GOVERNMENT AND EXTERNAL PARTNERS

- Bizsafe Star award
- Opening of Ministry of Manpower Accredited Work-At-Height Dyna-Mac Training Centre
- Joint exercise with Singapore Civil Defence Force to test yard's emergency preparedness procedures and systems in handling emergencies

LOCAL AND OVERSEAS COMMUNITIES

- Celebration of International Year of the Family and the SG50 Singapore Jubilee
- Participation in iLoveSingapore charity walkathon
- Donation to Ultimate Hawker Festival 2014
- Participation in SGX Bull Charge, a corporate charity run for the underprivileged children and families
- Response to Typhoon Haiyan humanitarian cause

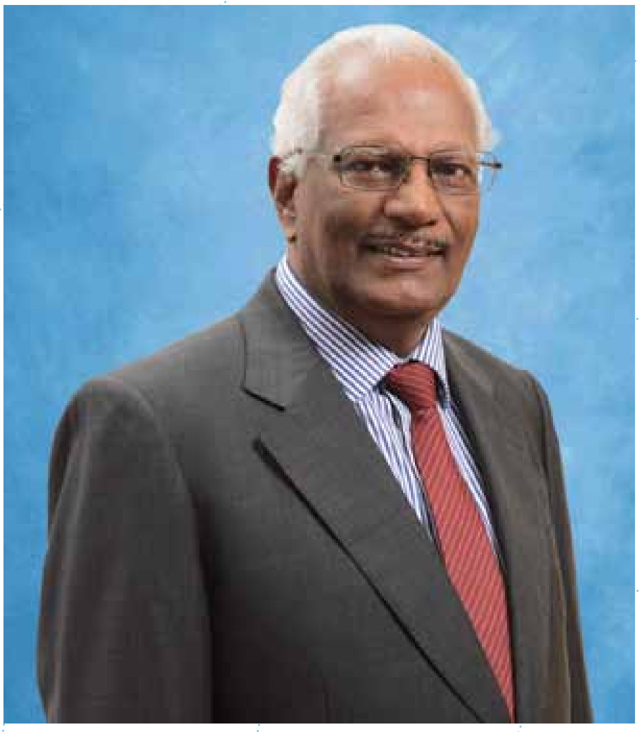
Board of Directors

Mr Lim Tze Jong Desmond

Chairman & Chief Executive Officer
Executive/Non-Independent Director
Appointed 19 June 2003

Mr Lim is an Executive and a Non-Independent Director. He is currently the Chairman and Chief Executive Officer (CEO) of Dyna-Mac, a company he founded in 1990. He has been instrumental in spearheading the growth of the company from its initial business of construction of piping systems and steel structures to its present business of providing engineering services in the construction of topside modules for FPSOs and FSOs for the oil and gas industries.

As the CEO of the company, Mr Lim oversees the overall organisation, management and marketing of the Group. He is responsible for steering the strategic directions and growth of the Group.



Mr Varghese John

Chief Corporate and Technical Officer
Executive/Non-Independent Director
Appointed 8 February 2011

Mr Varghese is a Non-Independent Director. He joined the Group in 1999 and is currently the Chief Corporate and Technical Officer of Dyna-Mac. He oversees the company's overall operational functions that include quality assurance and quality control, safety and security, engineering, human resource and overseas project in the Philippines.

Mr Varghese brings with him more than 35 years of working experience in project management for engineering, procurement and construction contracts involving refineries, chemical plants and oil and gas projects and in the field of quality assurance.

Mr Varghese holds a Bachelor in Mechanical Engineering from the University of Kerala, India. He was a member of the United National Industrial Development Organisation Fellowship in Welding Technology at Kiev, the former USSR, and a fellow of the Welding Institute UK until 1995. He is also a member of the Singapore Welding Society and the Indian Institute of Welding. He published several technical papers on quality, productivity and project management on FPSO topside modules.

Mr Lim Tjew Yok

Chief Operating Officer
Executive/Non-Independent Director
Appointed 8 February 2011

Mr Lim is a Non-Independent Director. Currently the Chief Operating Officer of Dyna-Mac, Mr Lim joined the Group in 2001. He is responsible for the yard's operations and facilities management, development and maintenance, including project management. Prior to joining the Group, Mr Lim gained valuable engineering experience working for companies including Kailay Engineering and Shin Nippon Air Technologies, where he managed several projects worth between $10 million and $50 million each.

Mr Lim obtained his Diploma in Mechanical Engineering from the Singapore Polytechnic in 1979.

Mr Teo Boon Hwee Simon

Chief Marketing Officer
Executive/Non-Independent Alternate Director
to Mr Lim Tze Jong Desmond
Appointed 28 June 2011

Mr Teo was appointed an Alternate Director to Mr Lim Tze Jong Desmond on 1 June 2011. Currently, the Chief Marketing Officer of Dyna-Mac, Mr Teo joined the company in 1998 as General Manager in the commercial department and was subsequently promoted to his current position in June 2011. He has more than 26 years of experience in the fields of marketing, sourcing and procurement. He plays an instrumental role in liaising with customers on commercial matters and provides leadership for tenders and customer relationships.

Mr Teo graduated from the University of Aston in Birmingham, UK in 1984 with a Bachelor in Production Technology and Production Management (Honours) degree. He is also a chartered engineer with the Engineering Council in the UK.

Board of Directors

Mr Tan Soo Kiat

Non-Executive/Lead Independent Director
Appointed 8 February 2011
Chairman, Audit Committee

Mr Tan was appointed Dyna-Mac's Lead Independent Director on 8 February 2011. He heads the Board's Audit Committee.

Currently a Director of Intergate Pte Ltd, a company engaged in the provision of corporate advisory services, Mr Tan is also an Independent Director of one other company listed on the SGX-ST. He has more than 17 years of experience in the banking and finance industry. Prior to setting up his corporate advisory services business in May 2001, Mr Tan was the Chief Operating Officer and Executive Director of Goodpack, a General Manager and Executive Director of Progen Holdings, Vice President (Finance) of Pacific Century Regional Developments and Treasurer with the investment banking arm of DBS Bank.

Prior to working in Singapore, Mr Tan was a Senior Internal Auditor and Marketing and Loans Manager with the Bank of Western Australia Ltd.

Mr Tan graduated from the University of Otago, New Zealand, with a Bachelor of Commence (Accounting) degree in 1983. He is a chartered accountant with the New Zealand Institute of Chartered Accountants.

Dr Ong Seh Hong

Non-Executive/Independent Director
Appointed 8 February 2011
Chairman, Remuneration Committee and Nominating Committee

Dr Ong was appointed a Director of Dyna-Mac on 8 February 2011. He heads the Board's Remuneration and Nominating Committees.

Currently a Senior Consultant Psychiatrist at Alexandra Healthgroup, Dr Ong was the clinical director and chief operating officer of the Ren Ci Hospital & Medicare Centre and vice-president (corporate services) of GIC Special Investments Private Limited, a unit of the Government of Singapore Investment Corporation. He was a Member of Parliament from 2001 to 2011.

Dr Ong sits on the boards of Hock Lian Seng Holdings Ltd, Zhongmin Baihui Retail Group Holdings Ltd and MoneyMax Financial Services Ltd, which are listed on the Singapore Stock Exchange.

Dr Ong graduated from the National University of Singapore with a MBBS degree in 1987. He obtained a MRCPsyh from The Royal College of Psychiatrist (UK) and FAMS from the Academy of Medicine, Singapore, in 1994 and 1997 respectively. He also earned a Master of Science (Applied Finance) degree from the National University of Singapore in 1999.

Mr Chia Hock Chye Michael

Non-Executive/Non-Independent Director
Appointed 8 November 2012

Mr Chia is a Non-Independent Director and serves as a member on the Board's Audit, Remuneration and Nominating Committees.

Currently the Managing Director (Marine and Technology) of Keppel Offshore & Marine and Managing Director of Keppel Offshore & Marine Technology Centre, Mr Chia was also a Director in charge of group strategy and development at Keppel Corporation from January 2011 to January 2013 and the Executive Director of Keppel FELS from 2002 to 2009, with overall responsibility for the business management of the company. Mr Chia was also a Deputy Chairman of Keppel Integrated Engineering from 2009 to 2011 and Chief Executive Officer from 2009 to 2010. He has more than 30 years of management experience in corporate development, engineering, operations and commercial matters.

He was the President of the Association of Singapore Marines Industries from 2005 to 2009 and a member of the Ngee Ann Polytechnic Council from 2006 to 2012. Mr Chia has been the Chairman of the Singapore Maritime Foundation since 2010 and is a member of the American Bureau of Shipping, USA, a fellow member with the Society of Naval Architects and Marine Engineers Singapore and a fellow member with the Singapore Institute of Arbitrators.

A Colombo Plan Scholar, Mr Chia holds a Bachelor of Science (First Class Honours) in Naval Architecture and Marine Engineering from the University of Newcastle-Upon-Tyne, UK, and a Master of Business Administration from the National University of Singapore. He also holds a Graduate Certificate in International Arbitration from the National University of Singapore.

Mr Wong Ngiam Jih

Non-Executive/Non-Independent Alternate Director to Mr Chia Hock Chye Michael
Appointed 2 September 2012

Mr Wong was appointed an Alternate Director to Mr Chia Hock Chye Michael on 2 September 2012. He is currently the Chief Financial Officer at Keppel Offshore & Marine.

Prior to his current position, Mr Wong held various positions within the Keppel Group of companies within a span of 38 years. He is also a Director of a number of companies in the Keppel Group, including Keppel Nantong Shipyard, Keppel Singmarine and Keppel Smit Towage.

Mr Wong holds a Bachelor of Business Administration from the National University of Singapore.

Senior Management

Mr Lim Tze Jong Desmond

- Chairman & Chief Executive Officer

Mr Varghese John

- Chief Corporate and Technical Officer
- Bachelor in Mechanical Engineering, University of Kerala, India

Ms Joyce Tiong Sai Lan

- Chief Financial Officer
- Fellow member, Association of Chartered Certified Accountants
- Member, Institute of Singapore Chartered Accountants

Mr Lim Tjew Yok

- Chief Operating Officer
- Diploma in Mechanical Engineering, Singapore Polytechnic

Mr Teo Boon Hwee Simon

- Chief Marketing Officer
- Bachelor in Production Technology and Production Management (Honours), University of Aston, Birmingham, UK

Ms Judy Han

- Chief Corporate Relations Officer
- Bachelor of Arts, University of Singapore
- Bachelor of Social Sciences in Economics (Honours), University of Singapore

Mr Ong Chee Tiong Tony

- Vice President (Operations)
- Diploma in Ship Building and Offshore Engineering, Ngee Ann Polytechnic

Mr Park Yong Kap

- Vice President, Marketing & Business Development
- Bachelor in Naval Architecture, INHA University, Korea

Ms Chong Swee Lee

- Vice President, Human Resource & Administration
- Bachelor of Business Administration, National University of Singapore
- Professional member, Singapore Human Resource Institute

Mr Chin Woon Kwong, Ian

- Vice President, Commercial
- Bachelor of Engineering in Aeronautical Engineering, The Queen's University, Northern Ireland, UK
- Master of Business Administration, University of Leicester, UK

Mr Lee Poh Tong Vincent

- Vice President, Procurement & Subcontracting
- GCE O-Level

Corporate Governance

"Commitment to a strong and transparent corporate governance will enable the Dyna-Mac Group to embark on a sustainable growth path to create long-term value for our stakeholders."

The Directors recognise the importance of corporate governance and the offering of high standards of accountability to the shareholders of our Company. The Company aims to comply with the recommendations of the Code of Corporate Governance 2012 ("Code") through effective self-regulatory corporate practices to protect and enhance the interests of its shareholders. The statement describes the Company's corporate governance processes and actions with reference to the Code, Listing Manual of the Singapore Exchange Securities Trading Limited, the Singapore Companies Act, and the Audit Committee Guidebook.

(I) BOARD MATTERS

The Board's Conduct of its Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with the Management to achieve this objective and the Management remains accountable to the Board.

The Board effectively leads the Company, working together with the Management to achieve success for the Group. The Management remains accountable to the Board.

In managing the Group's business, the principal functions of the Board are to:

1. Undertake the strategic planning and setting of long-term objectives for the Group;
2. Approve major investment and funding decisions;
3. Establish a framework of prudent and effective control systems and policies which enables risks to be assessed and managed including safeguarding of shareholders' interest and company's assets;
4. Monitor the financial performance of the Group;
5. Evaluate the performance and determine the compensation of key management personnel; and
6. Assume responsibility for corporate governance.

The Board is obliged to act in good faith and consider at all times the interest of the Company.

The Company has adopted a set of approving authority limit, setting out the level of authorisation required for specified transactions, including those that require Board approval.

<u>Continuing Briefings and Updates</u>

Newly appointed Directors will be briefed by the Management on the history and business operations and corporate governance practices of the Group. The Board is updated from time to time on changes to regulations and accounting standards which have a material bearing on the Company.

Senior management conducts orientation and induction programmes to familiarise new directors with its business and governance practices so that the directors can understand the Company's business to assimilate into their new roles. The programme also allows new directors to get acquainted with senior management, thereby facilitating board interaction and independent access to senior management. Continuing briefings and updates could be provided in areas such as directors' duties and responsibilities for the newly appointed directors, corporate governance, changes in financial reporting standards and issues which have a direct impact on financial statements, updates on industry trends and developments and changes in trends in governance practices.

Briefings and updates provided to the Board members of the Company in the financial year 2014 were:

(a) at every AC meeting, the external auditor briefs the AC members on developments in accounting and governance standards;

(b) the CEO updates the Board at each meeting on business and strategic developments in the industry.

The Company will issue a formal letter of appointment to new Directors indicating the time commitment required and setting out their duties and obligations when they are appointed.

To assist in the execution of its responsibilities, the Board has delegated decisions on certain Board matters to specialised Board Committees. Minutes of the Board Committee Meetings are available to all Board members.

During the financial year ended 31 December 2014, four scheduled Board Meetings were held. Ad hoc meetings are held when the circumstances require. Details relating to the number of Board and Committee Meetings held during this financial year and the attendance of the Directors are set out on Page 29 of this Report.

Board Composition and Guidance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from the Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board comprises six Directors of which two of them are Independent Directors. The Nominating Committee conducted its annual review of the Directors' independence.

Bearing in mind that the new Code prescribes that half of the Board of Directors should consist of Independent Directors where the Chairman also holds the position of Chief Executive Officer, the Nominating Committee had accordingly recommended to the Board to consider the appointment of additional independent director in due course.

The Board is supported by various committees, namely, the Audit Committee, the Remuneration Committee and the Nominating Committee whose powers and duties are described in this Report. The Board is able to exercise objective judgement independently from Management and no individual or small group of individuals dominates the decisions of the Board. Non-Executive Directors, when presented with proposals for their consideration, will evaluate the assumptions made by the Management and these Directors also provide guidance to Management on different aspects of the Company's business. The Independent Directors constructively challenge and assist in the development of proposals on strategies, and assist the Board in reviewing the performance of Management. The profile of the members of the Board is set out in the "Board of Directors" section of the Annual Report.

The Board is made up of Directors who are qualified and experienced in various fields including business and management, accounting, finance as well as engineering industry. The Board is of the opinion that, given the scope and nature of the Group's operations, the size of the Board is appropriate for effective decision making.

Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

Although Mr Desmond Lim, who is the Executive Chairman of the Group, also holds the position of Chief Executive Officer, the Company always ensures that there is a clear division of responsibilities between these two roles. As the Executive Chairman of the Group, with the assistance of the Management, Mr Desmond Lim ensures that there is effective communication with shareholders, encourages constructive relations between the Board and the Management, as well as between Board members. Whereas, as the Chief Executive Officer, he bears executive responsibility for the Group's business, management of the day-to-day operations of the Group and the achievement of the corporate goals set for the Group.

In addition, the establishment of various committees with power and authority to perform key functions beyond authority of, or without undue influence from, the Executive Chairman (or Chief Executive Officer), and the putting in place of various internal controls, are able to promote an effective Board oversight, appropriate balance of power and the spirit of good corporate governance.

Mr Tan Soo Kiat has been appointed as the Lead Independent Director to our Board. As the Lead Independent Director, he is the contact person for shareholders in situations where there are concerns or issues in which communications with the Chairman and the Management have failed to resolve or where such communication is inappropriate.

Board Membership

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees the contribution by each director to the effectiveness of the Board.

The Nominating Committee comprises two Independent Directors and one Non-Executive Director:

Dr Ong Seh Hong	(Chairman)
Mr Chia Hock Chye Michael	(Member)
Mr Tan Soo Kiat	(Member)

<u>Process for Selection and Appointment of New Directors</u>

The Nominating Committee conducts annual review of the composition of the Board in terms of the size and mix of skills and qualifications of Board members. It may, if it deems appropriate, recommend the appointment of additional directors to strengthen the composition of the Board or as part of ongoing Board renewal process. The Nominating Committee will review and identify the desired competencies for a new appointment.

Where there is a resignation or retirement of an existing director, the Nominating Committee re-evaluates the Board composition to assess the competencies for the replacement and submits its recommendations to the Board for approval.

A set of criteria has to be determined by the Nominating Committee to assess all new appointments and the following are some of the criteria generally used:

(a) integrity;

(b) independent mindset;

(c) ability to commit time and effort to carry out duties and responsibilities effectively; and

(d) past achievements and value-add to the company.

<u>Search</u>

Candidates are first sourced through a network of contacts and identified based on the established criteria. Recommendations from Directors and Management are the usual source for potential candidates. Where applicable, search through external search consultants can be considered.

<u>Selection</u>

The Nominating Committee will shortlist candidates and conducts formal interviews with each of them to assess their suitability and to verify that the candidates are aware of the expectations and the level of commitment required. Finally, the Nominating Committee will make recommendations on the appointment(s) to the Board for approval.

Our Nominating Committee is also responsible for:

(a) re-nomination of our Directors having regard to our Director's contribution and performance;

(b) determining annually whether or not a director is independent; and

(c) deciding whether or not a director is able to and has been adequately carrying out his duties as a director.

The Nominating Committee decides how the Board's performance is to be evaluated and proposes objective performance criteria, subject to the approval of the Board, which address how the Board has enhanced long-term shareholders' value. Individual board member provides feedback on their assessment of the Board's performance based on a set of qualitative criteria and financial performance indicators. The Board also implements a process to be carried out by the Nominating Committee for assessing the effectiveness of the Board as a whole.

Each member of the Nominating Committee shall abstain from voting any resolutions in respect of the assessment of his performance or re-nomination as Director.

Commitments of Directors Sitting on Multiple Boards

The Nominating Committee viewed that it would be best to have a qualitative assessment of the directors' contribution rather than placing a numerical limit on the number of directorships a director should hold. Each director would assess his abilities and time commitments and confirm annually to the Nominating Committee of his ability to devote sufficient time and attention to the Company's affairs having regards to his other commitments.

Access to Information

Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

Board papers are generally sent to Directors in a timely manner prior to meetings of the Board and these would ordinarily include:

1. financial statements, budget and management reports;
2. health, safety and environment reports;
3. papers pertaining to matters requiring the Board's decision; and
4. updates on key outstanding issues, strategic plans and developments in the Group.

The Company circulates copies of the Minutes of the Meetings of all Board Committees to all members of the Board to keep them informed of the on-going developments within the Group.

Each Director has separate and independent access to the Management and the Company Secretary at all times. Should the Board, whether as a group or individually, require independent professional advice, such professionals (who will be selected with the approval of the Chairman or the Chairman of the Committee requiring such advice) will be appointed at the Company's expense.

The Company Secretary attends all Board Meetings and is responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. With the assistance of the Management and at the direction of the Chairman of the various committees, the Company Secretary facilitates the information flow within the Board and its committees and between the senior management and the non-executive directors. The appointment and the removal of the Company Secretary are decisions taken by the Board as a whole.

(II) REMUNERATION MATTERS

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Principle 8: The level and structure of remuneration should be aligned with long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Our Remuneration Committee comprises two Independent Directors and one Non-Executive Director:

Dr Ong Seh Hong	(Chairman)
Mr Tan Soo Kiat	(Member)
Mr Chia Hock Chye Michael	(Member)

Our Remuneration Committee recommends to our Board a framework of remuneration for our Directors and key management personnel.

The recommendations of our Remuneration Committee are submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits-in-kind are covered by our Remuneration Committee.

In addition, our Remuneration Committee performs an annual review of the remuneration of employees related to our Directors who are employed in managerial positions to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. They also review and approve any bonuses, pay increases and/or promotions for these employees.

Each member of the Remuneration Committee shall abstain from voting any resolutions in respect of his remuneration package.

Disclosure on Remuneration

Principle 9: Each company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key executives, and performance.

The remuneration of Directors of the Company for the financial year ended 31 December 2014 is set out below:

Remuneration band & name of directors of the company	Director's Fee %	Salary %	Variable Performance Related Bonus %	Allowance & Benefits %	Total %
$1,250,000 to $1,500,000					
Lim Tze Jong [1]	0%	79%	19%	2%	100%
$1,000,000 to $1,250,000					
Varghese John	0%	79% [2]	20% [2]	49% [2][3]	148% [2][3]
$500,000 to $750,000					
Lim Tjew Yok [1]	0%	73%	27%	0%	100%
Teo Boon Hwee	0%	76%	24%	0%	100%
Below $250,000					
Tan Soo Kiat	100%	0%	0%	0%	100%
Ong Seh Hong	100%	0%	0%	0%	100%
Chia Hock Chye Michael	100%	0%	0%	0%	100%
Wong Ngiam Jih [4]	0%	0%	0%	0%	0%

The remuneration of the key executives of the Company for the financial year ended 31 December 2014 is set out below:

Remuneration band & name of key executives of the company	Director's Fee %	Salary %	Variable Performance Related Bonus %	Allowance & Benefits %	Total %
$500,000 to $750,000					
Tiong Sai Lan	0%	72%	27%	1%	100%
$250,000 to $499,999					
Loh Nyen Foh Peter [5]	0%	74%	24%	2%	100%
Park Yong Kap	0%	80%	20%	0%	100%
Chong Swee Lee	0%	76%	24%	0%	100%
Tan Jee Jiar Andrew [6]	0%	80%	20%	0%	100%
Ong Chee Tiong [7]	0%	83%	17%	0%	100%
Below $250,000					
Lee Poh Tong	0%	80%	20%	0%	100%
Chin Woon Kwong Ian [8]	0%	92%	8%	0%	100%
Han Judy [9]	0%	100%	0%	0%	100%

Saved as disclosed above, there is no immediate family member of a Director whose remuneration has exceeded $50,000 for the financial year ended 31 December 2014.

Notes:
1. Mr Lim Tze Jong and Mr Lim Tjew Yok are siblings.
2. These figures are calculated without ex-gratia payment for consistency in comparison.
3. This figure includes an ex-gratia payment of 48% on the overall remuneration package for the year.
4. Mr Wong Ngiam Jih is alternate director to Mr Chia Hock Chye Michael.
5. Mr Loh Nyen Foh Peter resigned on 31 January 2015.
6. Mr Tan Jee Jiar Andrew resigned on 31 January 2015.
7. Mr Ong Chee Tiong joined the Group on 20 January 2014.
8. Mr Chin Woon Kwong Ian joined the Group on 7 July 2014.
9. Ms Judy Han joined the Group on 18 August 2014 and received consultancy fees via Palms JH Associates.

(III) ACCOUNTABILITY AND AUDIT

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

Accountability

In presenting the annual financial statements and announcements of financial results to shareholders, it is the aim of the Board to provide shareholders with a balanced and understandable assessment of the Company's and Group's performance, position and prospects. Management keeps the Board regularly updated on the Group's business activities and financial performance by providing operations reports at the quarterly board meetings.

Risk Management and Internal Controls

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that the Management maintains a sound system of risk management and internal controls to safeguard the shareholders' interest and the company's assets, and should determine the nature and extend of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board acknowledges that it is responsible for the overall internal control framework of the Group and is fully aware of the need to put in place a system of internal controls within the Group to safeguard shareholders' interests and the Group's assets. However, the Board and the AC recognise that no system of internal controls will preclude all errors, irregularities, material financial misstatements or loss, nor can it provide absolute assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives.

The Board and the AC commissioned an Enterprise Strategy and Risk Assessment Exercise aimed at identifying, filtering, assessing and compiling the enterprise strategies and key risks as well as assessing the general control environment of the Group. From this exercise, an Internal Audit Plan has been developed based on the identified strategies and respective key risks. Suitable audit resources are being allocated in priority of risk ranking with a view to achieving an optimal balance between risks and returns. During the financial period, the Group's external auditors had also conducted review of the effectiveness of the Group's internal controls as part of their on-going audit. Material non-compliance and recommendation for improvement were reported to the AC. The AC, with the participation of the Board, has reviewed the adequacy of the Group's internal controls that address the Group's financial, operational, compliance risk and information technology controls. The AC has also reviewed and will continue to monitor the effectiveness of the actions taken by the Management on the recommendations made by the auditors in this respect.

Pursuant to Rule 1207(10) of the Listing Manual, based on the audit reports and recommendations from the internal and external auditors, the actions taken by the Management, the on-going review and continuing efforts at enhancing controls and processes, the Board, with the concurrence of the AC, is satisfied that the system of internal controls in place are adequate in meeting the needs of the Group to address the financial, operational and compliance risks.

The Board has received the assurance from the CEO and CFO that the financial records have been properly maintained and the financial statements for FY2014 give a true and fair view of the Company's finances and that the company's risk management and internal control systems are effective.

Audit Committee

Principle 12: The Board should establish an Audit Committee ("AC") with written terms of reference which clearly set out its authority and duties.

The AC presently comprises two Independent Directors and a Non-Executive Director:

Mr Tan Soo Kiat	(Chairman)
Mr Chia Hock Chye Michael	(Member)
Dr Ong Seh Hong	(Member)

The role of the AC is to assist the Board with discharging its responsibility to safeguard the Company's assets, maintain adequate accounting records and to develop and maintain a high standard of transparency and reliability of its corporate disclosures. The Board is of the opinion that the members of the AC possess the necessary qualifications and experience in discharging their duties. The details of the Board members' qualifications and experience are presented in this Annual Report under the heading "Board of Directors".

The duties of the AC under the terms of reference are as follows:

(a) To review the audit plans of the external auditors and the internal auditors, including the results of the external and internal auditors' review and evaluation of the system of internal controls;

(b) To review the annual consolidated financial statements and the external auditors' report on those financial statements, and discuss any significant adjustments, major risk areas, changes in accounting policies, compliance with Singapore financial reporting standards, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of Management, where necessary, before submission to the Board of Directors for approval;

(c) To review the periodic consolidated financial statements comprising the statements of comprehensive income and the balance sheets and such other information required by the Listing Manual, before submission to the Board of Directors for approval;

(d) To review and discuss with external and internal auditors, any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position and the Management's response;

(e) To review the co-operation given by the Management to the external auditors;

(f) To recommend to the Board, the appointment, re-appointment and removal of the external auditors and approve the remuneration and terms of engagement of the external auditors;

(g) To review and ratify any interested person transactions falling within the scope of Chapter 9 of the Listing Manual;

(h) To review any potential conflicts of interest;

(i) To review the procedures by which employees of the Group may, in confidence, report to the Chairman of the AC, possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for independent investigation and follow-up actions in relation thereto;

(j) To undertake such other reviews and projects as may be requested by the Board of Directors, and to report to the Board its findings from time to time on matters arising and requiring the attention of the AC;

(k) To review all non-audit services provided by the external auditors to ensure that they would not in the Committee's opinion affect the independence of the auditors;

(l) To review the adequacy of the Company's internal financial controls, operational and compliance controls and risk management policies and systems established by the Management;

(m) To review and approve foreign exchange hedging policies implemented by the Group and conduct periodic review of foreign exchange transactions and hedging policies and procedures;

(n) To undertake generally such other functions and duties as may be required by law or the Listing Manual, and by such amendments made thereto from time to time; and

(o) To review and discuss with the external auditors any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position and Management's response.

The AC has full access to the Company's internal auditor and Management and has full discretion to invite any director and executive officer to attend its meetings and investigate any matter within its terms of reference. In performing its functions, the AC also reviews the assistance given by the Company's officers to the auditors as well as the adequacy of the internal audit function, its effectiveness and its resources. The AC meets with the internal auditor at least half-yearly. The internal auditor can approach any of the members of the AC without the presence of the Management.

The AC meets with the external auditors, without the presence of the Management at least once annually. The Company confirms that it has complied with Rules 712 and 715 of the Listing Manual in engaging PricewaterhouseCoopers LLP, registered with the Accounting and Corporate Regulatory Authority, as the external auditors of the Company and of its Singapore incorporated subsidiaries. The AC reviews the independence of the external auditors annually. The AC, having reviewed the range and value of non-audit services performed by the external auditors, PricewaterhouseCoopers LLP, was satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The aggregate amount of fees paid and payable by the Group to the external auditors for the financial year ended 31 December 2014 was approximately S$539,750, of which audit fees amounted to approximately S$447,750 and non-audit fees amounted to approximately S$92,000.

The AC recommended that PricewaterhouseCoopers LLP be nominated for re-appointment as auditors at the forthcoming AGM.

Whistle-Blower Policy

High ethical standards and professional conduct is expected of staff. The Group has communicated to all staff the conduct and discipline expected of them. It has implemented the Whistle-Blower Policy which provides for the mechanisms by which employees, of all levels, may in confidence raise concerns about possible improprieties in financial reporting or other matters. The first reporting channel would be the CEO and if that is not suitable, the whistle-blower may contact any of the AC members. The AC ensures that arrangements are in place for the independent investigation of such matters and for appropriate follow up action. All investigations, results and actions taken are documented. Anonymous complaints are also investigated.

Internal Audit

Principle 13: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Company outsources its internal audit function to a professional internal audit firm ("IA"). Through the IA, the Group has established its Enterprise Risk Management Framework to manage its risks exposure. The IA has undertaken the Enterprise Strategy and Risk Assessment to produce an Enterprise Risk Management Report for review by the AC.

The IA who reports to the AC is independent of the activities it audits.

The IA assists the AC to independently review the system of internal controls as established by the Management of the Company and its Singapore incorporated subsidiaries which provide the Board with much assurance it requires regarding the adequacy and integrity of the Group's system of internal control. The IA reviews the internal controls in the key activities of the business based on an internal audit strategy and a detailed internal audit plan approved by the AC. The IA adopts a risk-based approach and prepares its audit strategy and plan based on the risk profiles of the Group.

Recommendations for improvements noted by the IA are being followed up for implementation by the Management. The AC considers the report from the IA before reporting and making recommendations to the Board in strengthening risk management, internal control and governance system.

(IV) COMMUNICATIONS WITH THE SHAREHOLDERS

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

(a) Communications with Shareholders

The Company ensures that timely and adequate disclosure of information on matters of material impact on the Company are made to shareholders of the Company, in compliance with the requirements set out in the Listing Manual of the Singapore Exchange Securities Trading Limited with particular reference to the Corporate Disclosure Policy set out therein. In this respect, the Company announces its results to shareholders within the mandatory period. The Company does not practice selective disclosure of material information. Briefings to present quarterly and full-year results are held for the media and analyst.

(b) Greater Shareholder Participation

At general meetings, shareholders of the Company are given the opportunity to air their views and ask the Directors or Management questions regarding the Company. The Board and the Management are present at these meetings to address any questions that shareholders may have. The external auditors are also present to address shareholders' queries on the conduct of the audit and the preparation and content of the auditor's report.

The Company does not specify a limit in the Articles on the number of proxy votes for nominee companies. However, there is a limit for the number of proxies for all shareholders to two. The Articles allow a member of the Company to appoint a proxy to attend and vote at general meetings. Separate resolutions on each distinct issue are tabled at general meetings.

Dealings in Securities

In line with the Rules of the SGX-ST's Listing Manual, the Company has adopted a policy prohibiting its officers from dealing in the Company's shares whilst they are in possession of material unpublished price sensitive information and during the period commencing two weeks before the announcement of the Company's quarterly financial statements, or one month before the announcement of the Company's full year financial results, as the case maybe, and ending on the date of announcement of such financial results. In addition, Directors and key executives are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. They are also discouraged from dealing in the Company's shares on short-term considerations.

Attendance at Board and Committee Meetings during the financial year ended 31 December 2014

Name	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended
Lim Tze Jong	6	6	4	4	1	1	1	1
Varghese John	6	6	4	4	1	1	1	1
Lim Tjew Yok	6	6	4	4	1	1	1	1
Tan Soo Kiat	6	6	4	4	1	1	1	1
Dr Ong Seh Hong	6	6	4	4	1	1	1	1
Chia Hock Chye Michael	6	6	4	4	1	1	1	1

Investor Relations

> ***"The Dyna-Mac Group is proactive in maintaining regular two-way communications with the investment community. Our newly-established corporate relations department aims to keep investors and the stock market well informed about the Group's performance."***

Investor relations play a critical role to provide shareholders with easy access to clear, reliable and meaningful information on our company in order to make informed investment decisions.

Proactive Communications with the Financial Community

The Dyna-Mac Group is proactive in maintaining regular two-way communications with the investment community, comprising institutional investors, financial analysts, retail investors and media representatives. Driven by the constantly evolving requirements of disclosure, transparency and corporate governance, our newly established corporate relations department aims to provide investors with an accurate, coherent and balanced account of the Group's performance.

To do this, we used multiple communication platforms, including regular meetings, site visits, conference calls, road shows and other investor communication engagements in 2014. These activities were held throughout the year to allow potential and existing investors to gain timely and deeper insights into the Group's operations and to make informed investment decisions.

Announcement of Results & Dividends	2015*	2014
Full Year	February 24	February 26
Quarter 1	May 12	May 12
Quarter 2	August 12	August 14
Quarter 3	November 11	November 14
Final Dividend Payment	May 23	May 23
Delivery of Annual Report	April 9	April 9
Annual General Meeting	April 24	April 25

**Note : Dates subject to change*

Revamp of Corporate Website

To enhance corporate communications, we plan to revamp our corporate website www.dyna-mac.com in early 2015. The website will provide up-to-date information on the Group, including key financial data, press releases, corporate information, corporate governance, sustainability, yard information and career opportunities.

Shareholder Participation at AGM

To maximise the number of shareholders participating at our Annual General Meeting (AGM) in 2014, the Group arranged for the meeting to be held at the Raffles Country Club, a location convenient for all management, staff and directors and shareholders to attend. At the same time, it offered shareholders the opportunity to interact with the Chairman & CEO, the Board members and the senior management to gain deeper insights into the Group's operations.

Investors and analysts' participation at company's financial results briefing

Shareholders' Information

Statistics of Shareholdings as at 10 March 2015

Share Capital

Number of Issued Shares	:	1,023,211,000
Number of Treasury Shares	:	nil
Class of Shares and Voting Rights	:	Ordinary Shares with one vote per share

Shareholding Held by the Public

Based on the information available to the Company as at 10 March 2015, approximately 33.67% of the total number of issued shares of the Company is held by the public and therefore Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

Substantial Shareholders

Name of Substantial Shareholder	Direct Interest (No. of Shares)	Deemed Interest (No.of Shares)	Total Interest (No. of Shares)	%
Lim Tze Jong (1)	417,776,000	–	417,776,000	40.83
KS Investments Pte Ltd (2)	250,000,000	–	250,000,000	24.43
Keppel Offshore & Marine Limited (2) (3)	–	250,000,000	250,000,000	24.43
Keppel Corporation Limited (3) (4)	–	250,000,000	250,000,000	24.43
Temasek Holdings (Private) Limited (4)	–	255,443,000	255,443,000	24.96

Notes:

1. Lim Tze Jong's direct interest in the 417,776,000 shares includes an amount of 200,000,000 shares held through Raffles Nominees (Pte) Ltd.
2. Keppel Offshore & Marine Limited owns 100% of KS Investments Pte Ltd and accordingly is deemed by virtue of Section 7(4) of the Companies Act, Chapter 50 (the "Act") to have an interest in Shares held by KS Investments Pte. Ltd.
3. Keppel Corporation Limited owns 100% of Keppel Offshore & Marine Limited and accordingly is deemed by virtue of Section 7(4) of the Act to have an interest in Shares held by Keppel Offshore & Marine Limited.
4. Temasek Holdings (Private) Limited's deemed interest arises from the aggregation of the deemed interest held by Fullerton Fund Management Company Ltd and Keppel Corporation Limited by virtue of Section 7(4A) of the Act.

Top 24 Shareholders

No.	Name of Shareholder	No. of Shares Held	%
1	KS Investments Pte Ltd	250,000,000	24.43
2	Lim Tze Jong	217,776,000	21.28
3	Raffles Nominees (Pte) Ltd	206,947,700	20.22
4	OCBC Securities Private Ltd	50,398,000	4.92
5	Citibank Nominees Singapore Pte Ltd	16,073,525	1.57
6	United Overseas Bank Nominees Pte Ltd	13,028,000	1.27
7	DBSN Services Pte Ltd	12,165,659	1.19
8	Bank of Singapore Nominees Pte Ltd	8,182,000	0.80
9	BNP Paribas Securities Services	5,943,400	0.58
10	DBS Nominees Pte Ltd	5,809,300	0.57
11	HL Bank Nominees (S) Pte Ltd	5,170,000	0.50
12	HSBC (Singapore) Nominees Pte Ltd	5,138,127	0.50
13	Philip Securities Pte Ltd	4,901,600	0.48
14	DBS Vickers Securities (S) Pte Ltd	4,289,000	0.42
15	UOB Kay Hian Pte Ltd	3,394,000	0.33
16	Citibank Consumer Nominees Pte Ltd	3,350,000	0.33
17	CIMB Securities (Singapore) Pte Ltd	3,167,000	0.31
18	Maybank Kim Eng Securities Pte Ltd	2,962,000	0.29
19	OCBC Nominees Singapore	2,839,000	0.28
20	Habacus Pte Ltd	2,000,000	0.20
21	Khoo Chee Been	2,000,000	0.20
22	Lim Tjew Yok	2,000,000	0.20
23	Sasikumaran Pillai s/o Manmathan Pillai	2.000,000	0.20
24	Varghese John	2.000,000	0.20
		831,534,311	81.27

Location of Shareholders

Location of Shareholders	No. of Shareholders	%	No. of Shares	%
Singapore	4,207	97.41	1,018,130,200	99.50
Malaysia	94	2.18	4,481,800	0.44
Hong Kong	4	0.09	169,000	0.02
United States	1	0.02	30,000	0.00
United Kingdom	2	0.05	101,000	0.01
Australia/New Zealand	2	0.05	124,000	0.01
Others	9	0.21	175,000	0.02
Total	4,319	100.00	1,023,211,000	100.00

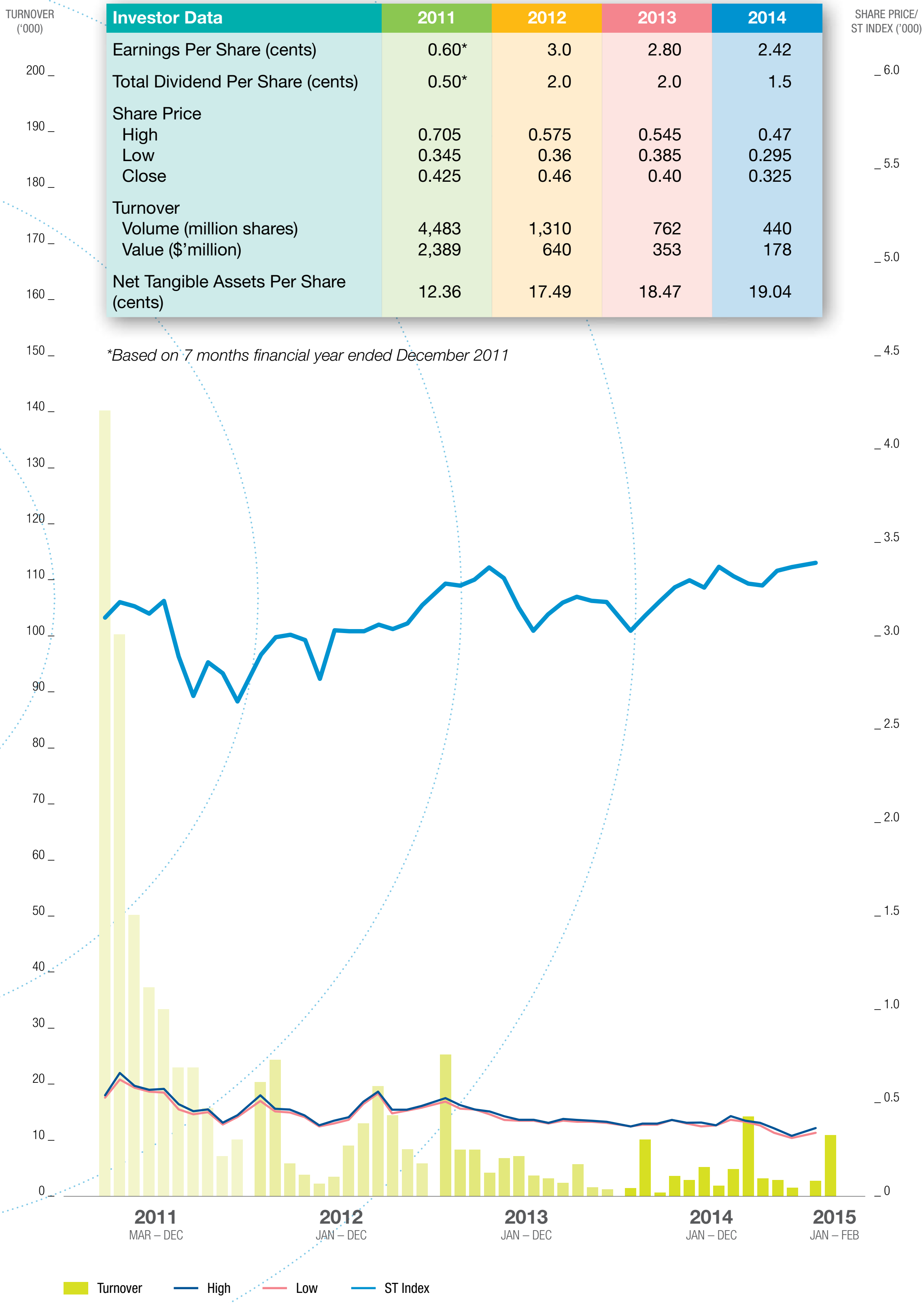
Distribution of Shareholdings

Range of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	8	0.19	135	0.00
100 – 1,000	103	2.38	99,654	0.01
1,001 – 10,000	1,601	37.07	12,000,900	1.17
10,001 - 1,000,000	2,571	59.53	161,507,000	15.79
1,000,000 and above	36	0.83	849,603,311	83.03
Total	4,319	100.00	1,023,211,000	100.00

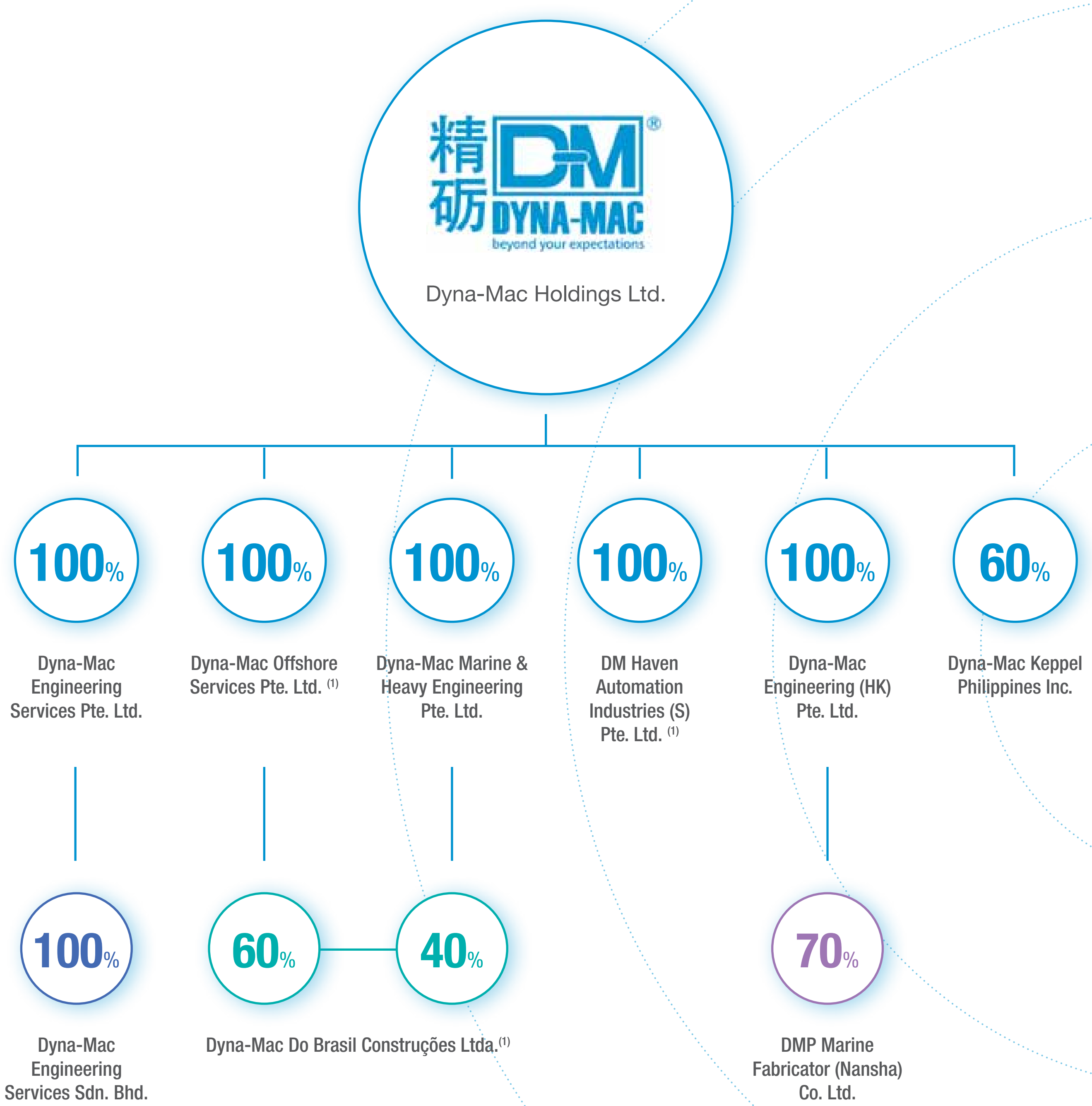
Share Prices and Monthly Volume

Investor Data	2011	2012	2013	2014
Earnings Per Share (cents)	0.60*	3.0	2.80	2.42
Total Dividend Per Share (cents)	0.50*	2.0	2.0	1.5
Share Price				
High	0.705	0.575	0.545	0.47
Low	0.345	0.36	0.385	0.295
Close	0.425	0.46	0.40	0.325
Turnover				
Volume (million shares)	4,483	1,310	762	440
Value ($'million)	2,389	640	353	178
Net Tangible Assets Per Share (cents)	12.36	17.49	18.47	19.04

Based on 7 months financial year ended December 2011



Corporate Structure



(1) The company is dormant

Corporate Directory

Registered Office

DYNA-MAC HOLDINGS LTD.

59 Gul Road
Singapore 629354
Tel : (65) 6762 5816
Fax : (65) 6762 3465
Website : www.dyna-mac.com

BOARD OF DIRECTORS

Lim Tze Jong Desmond
Chairman and Chief Executive Officer

Varghese John
Chief Corporate and Technical Officer

Lim Tjew Yok
Chief Operating Officer

Tan Soo Kiat

Dr Ong Seh Hong

Chia Hock Chye Michael

Teo Boon Hwee Simon
Chief Marketing Officer
Alternate to Lim Tze Jong Desmond

Wong Ngiam Jih
Alternate to Chia Hock Chye Michael

AUDIT COMMITTEE

Tan Soo Kiat (Chairman)
Chia Hock Chye Michael
Dr Ong Seh Hong

REMUNERATION COMMITTEE

Dr Ong Seh Hong (Chairman)
Chia Hock Chye Michael
Tan Soo Kiat

NOMINATING COMMITTEE

Dr Ong Seh Hong (Chairman)
Chia Hock Chye Michael
Tan Soo Kiat

JOINT COMPANY SECRETARIES

Liew Meng Ling
Lee Kim Lian Juliana

SHARE REGISTRAR

M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902

PRINCIPAL BANKERS

Oversea-Chinese Banking Corporation
Standard Chartered Bank

AUDITOR

PricewaterhouseCoopers LLP
Chartered Public Accountants
Audit Partner: Daniel Khoo (Appointed since 2011)

SOLICITOR

RHT Law LLP

Financial Review

Revenue	$318.6 million
Operating Profit	$31.3 million
Profit Before Tax	$29.5 million
Net Profit	$26.2 million
Earnings Per Share	2.42 cents
Return On Equity	13%
Total Dividend Per Share	1.5 cents
Net Cash	$15.9 million
Net Asset Value Per Share	19.58 cents

Revenue

Group revenue for Dyna-Mac grew by 18.3 per cent to $318.6 million in 2014 from $269.4 million in 2013, attributable mainly to more projects being carried out in the Group's yards in Singapore and overseas.

Earnings

Group operating profit of $31.3 million in 2014 was 12.8 per cent lower as compared with $35.9 million in 2013. Gross profit increased by 9.1 per cent to $71.9 million in 2014 while pre-tax profit stood at $29.5 million in 2014. Overall, net profit in 2014 was $26.2 million, 14.4 per cent lower attributable to the recognition of unrealised fair value adjustment on hedging instruments due to mark-to-market adjustments of foreign currency forward contracts of $3.8 million and the accelerated depreciation of $2.7 million for the early termination of a lease on a yard in China.

2014 Quarterly ($'000)	1Q	2Q	3Q	4Q	Total
Revenue	78,891	97,405	79,417	62,853	318,566
Gross Profit	17,321	17,160	17,657	19,727	71,865
Earnings before interest, tax, depreciation and amortisation (EBITDA)	12,219	11,200	11,862	10,665	45,946
Operating Profit	9,601	8,460	8,407	4,818	31,286
Pre-tax Profit	9,398	8,190	7,785	4,126	29,499
Net Profit	7,950	6,715	7,766	3,810	26,241
Earnings per share (cents)					
Year-to-date	0.70	1.29	2.03	2.42	2.42
In-quarter	0.70	0.59	0.74	0.39	

2013 Quarterly ($'000)	1Q	2Q	3Q	4Q	Total
Revenue	60,079	76,620	66,799	65,853	269,351
Gross Profit	14,667	13,540	20,181	17,455	65,843
Earnings before interest, tax, depreciation and amortisation (EBITDA)	10,178	10,970	9,358	13,574	44,080
Operating Profit	8,191	9,082	7,273	11,362	35,908
Pre-tax Profit	8,184	9,074	7,112	11,213	35,583
Net Profit	6,709	7,544	5,903	10,494	30,650
Earnings per share (cents)					
Year-to-date	0.66	1.39	1.91	2.80	2.80
In-quarter	0.66	0.74	0.52	0.89	

Financial Position

The Group's total assets of $404.1 million in 2014 was 15.0 per cent higher than that of $351.5 million in 2013. Trade and other receivables and inventories accounted for the increase in 2014.

Group total liabilities of $203.8 million as at 31 December 2014 was 29.8 per cent higher than the previous year-end.

Cash Flow and Liquidity

The Group's total cash and cash equivalents stood at $15.9 million as at 31 December 2014.

Cash flow from operations before working capital changes was $50.3 million. Net cash inflow from financing activities stood at $10.3 million.

The Group's net cash outflow from investing activities was $8.3 million, as compared with $37.6 million in 2013. The Group spent $17.1 million on expansion and upgrading of its facilities in Singapore and its overseas yards.

Shareholder Returns

The Group achieved a return on equity of 12.6 per cent, in line with its efforts to achieve satisfactory returns for the shareholders.

Subject to approval by shareholders at the next Annual General Meeting, the Group is proposing a first and final one-tier tax-exempt cash dividend of 1.5 cents per share for the financial year ended 31 December 2014. This translates to a payout ratio of 62 per cent.

Financial Summary (2011 to 2014)

	2011 $'000 (7 Months)	2012 $'000 (12 Months)	2013 $'000 (12 Months)	2014 $'000 (12 Months)
For the Period/Year				
Revenue	49,706	215,286	269,351	318,566
Operating profit	6,143	33,500	35,908	31,286
Profit before tax	6,054	33,333	35,583	29,499
Net Profit	5,615	28,380	30,650	26,241
Dividend – Final	4,651	20,464	20,464	15,348
Group Balance Sheet				
Property, plant and equipment	77,268	100,030	118,921	115,530
Investment in an associated company	63	63	-	-
Other long term assets	12,407	5,963	7,363	7,363
Current assets	69,356	158,972	225,233	281,246
Current liabilities	39,206	75,457	154,638	152,113
Long term liabilities	4,946	5,081	2,358	51,678
Share capital	99,603	145,271	145,271	145,271
Foreign currency transaction reserve	(34)	117	(113)	(643)
Retained profit	15,373	39,102	47,324	51,625
Non-controlling interest	-	-	2,039	4,095
Per Share				
EPS – basic (cents)	0.60	3.00	2.80	2.42
EPS – diluted (cents)	0.60	3.00	2.80	2.42
Net tangible assets (cents)	12.36	17.49	18.47	19.04
Net asset value (cents)	12.36	18.03	19.01	19.58
Financial Ratios				
Return on equity (%)	4.89	15.38	14.90	12.62
Return on total assets (%)	3.53	10.71	8.72	6.49
Operating profit/equity (%)	5.35	18.16	18.66	15.95
Current ratio (times)	1.77	2.11	1.46	1.85
Net gearing (times)	0.10	0.07	0.27	0.40
Dividend cover (times)	1.20	1.50	1.40	1.61

Sail away on 5 February 2015 at Subic, Dyna-Mac's topside modules assembled on jack-up deck at Keppel Subic Yard, Philippines
Project Malampaya Phase 3, Depletion, Compression jack-up and modules

Operations Review

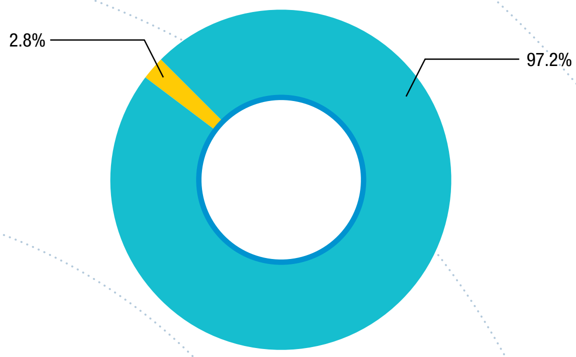
> ***"It was a busy year for the Dyna-Mac Group's yards in Singapore and overseas. Revenue hit a high of $318.6 million and a record delivery of 53 units was achieved."***

The global economy remains fragile and uncertain with crude oil prices dipping to a low of US$45 per barrel. Amid these challenging market conditions, the Dyna-Mac Group achieved $318.6 million in revenue, representing an 18.3 per cent increase over $269.4 million in 2013.

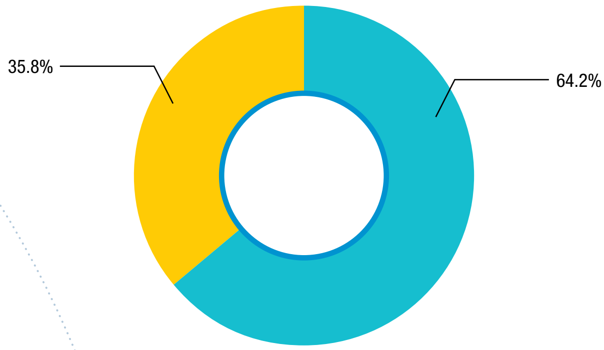
Offshore modules contributed 97.2 per cent of our revenue followed by others that include specialised offshore projects at the remaining 2.8 per cent. In 2013, offshore modules contributed 64.2 per cent, while others accounted for 35.8 per cent.

FPSO Cluster 7

Revenue Contributions by Sectors



FY 2014



FY 2013

Offshore Modules   Others

Project Completions and Deliveries

A total of 53 projects were delivered in 2014.

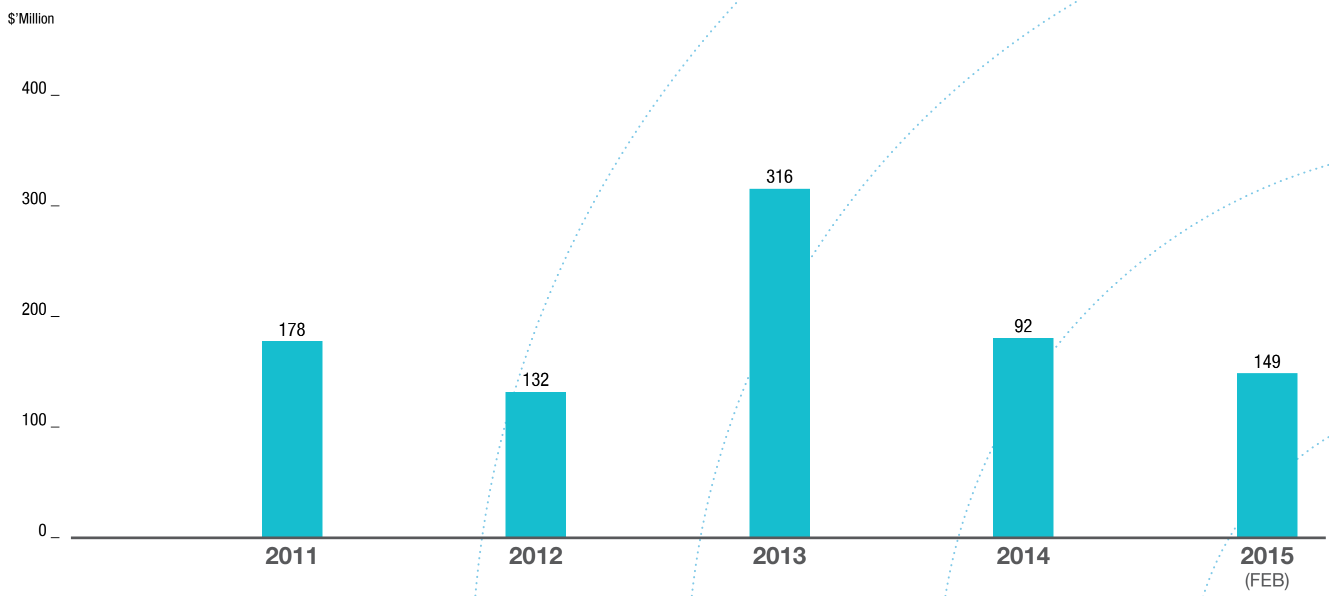
PROJECTS COMPLETED AND DELIVERED IN 2014	
Types	No. of Units
FPSO Topsides Modules	
FPSO Cluster 7	3
FPSO Cidade De Marica	13
FPSO Cidade De Saquarema	13
FPSO Stones	8
Total No. of FPSO Modules	**37**
Non-FPSO Modules	
Malampaya Phase 3	5
Malampaya – Bridge Landing & Pipe Rack	1
Ten Tullow Pipe Racks	6
Fuel Gas Skid/Utility Module	1
Malampaya – in fill structure	1
Total No. of Non-FPSO Modules	**14**
Others	
B356 Mobile Offshore Drilling Unit	1
B363 Mobile Offshore Drilling Unit	1
Total No.	**2**
Grand Total	**53**

Ten Tullow Pipe Racks

Contracts Secured

Contracts secured in 2014 were $92 million. Including $149 million that was secured since February 2015, total contracts secured stood at $241 million.

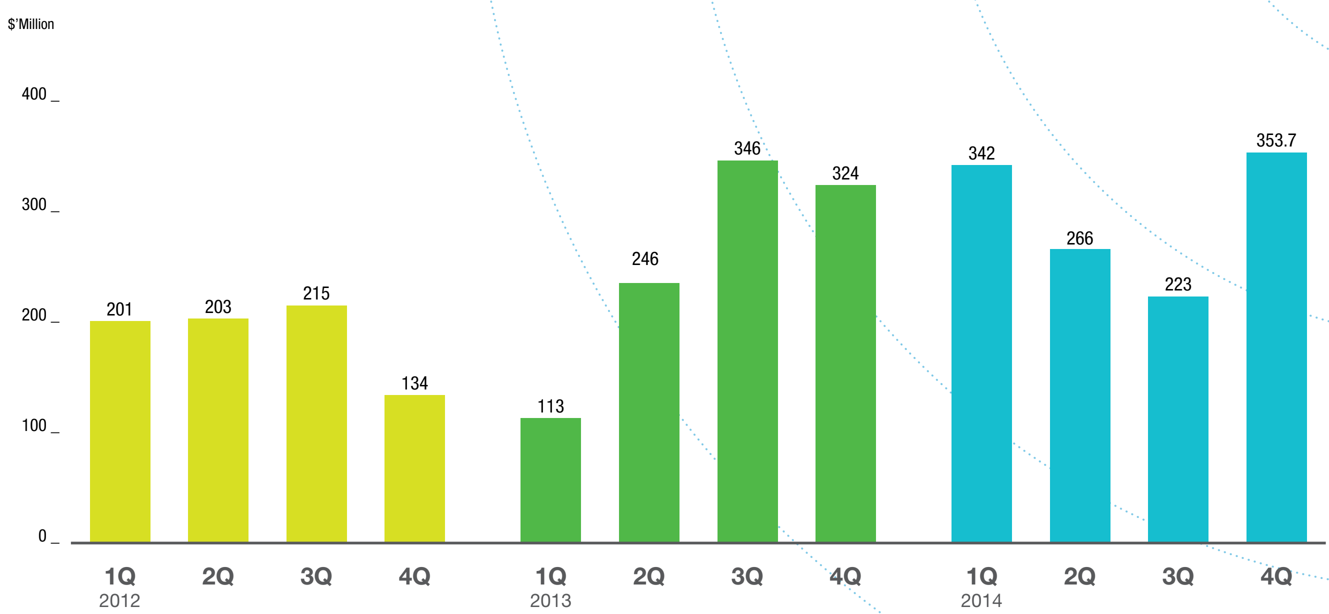
Contracts Secured



Net Order Book

The Group has a net order book of $353.7 million with progressive completion and deliveries stretching into 2016.

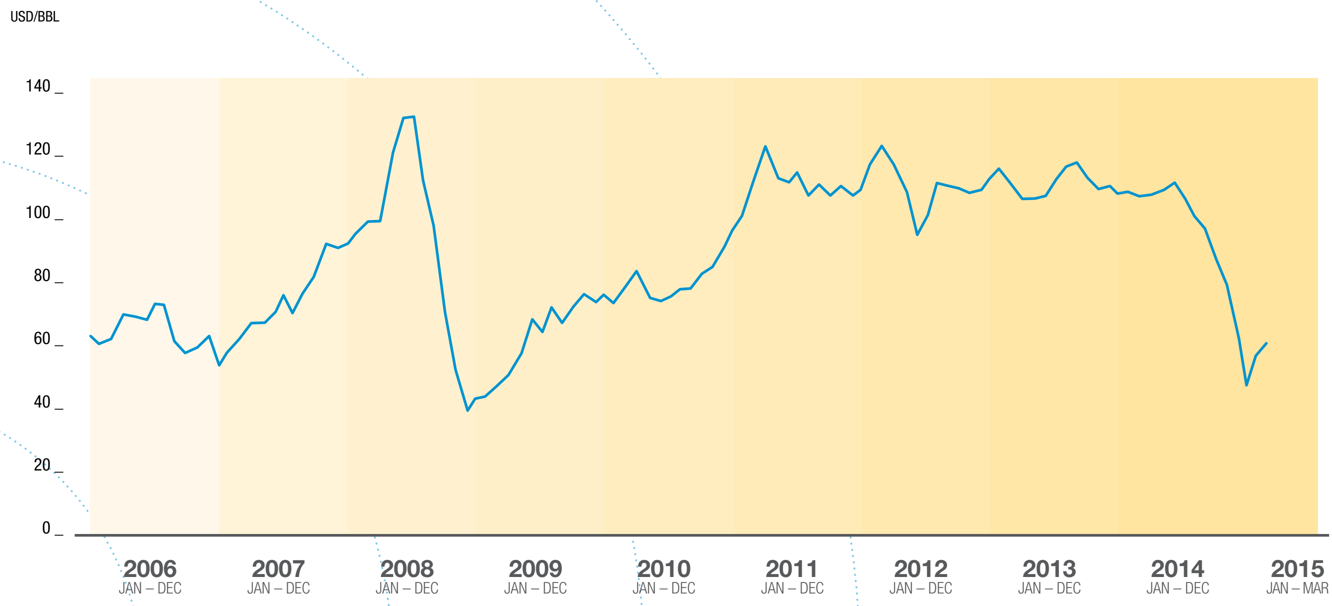
Net Order Book



Market Outlook

The long-term fundamentals in the offshore oil and gas sector are expected to remain intact in spite of the lower oil prices, reduced capital expenditure by oil and gas companies and macro-economic uncertainty affecting the global markets.

Brent Crude Oil Price

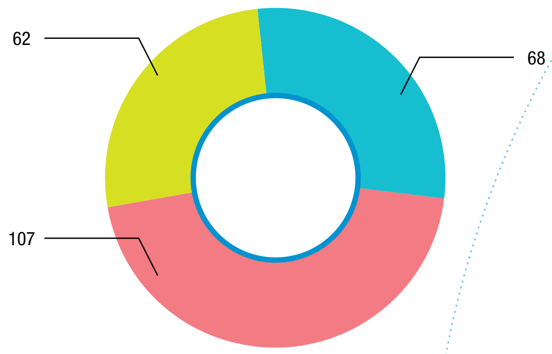


The load-out of FPSO Stones topside modules

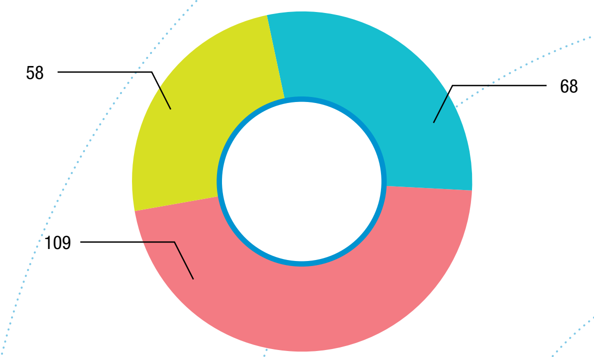
Offshore Production Market

According to Energy Maritime Associates (EMA), 68 of the 235 planned projects are in the Bidding and Final Design stage. SE Asia has the most with 19 projects, followed by Africa with 17 and Brazil with 7. Major hardware contracts for these projects are likely to be awarded within the next 12 to 24 months. For the 109 floater projects in the planning phase, major hardware contracts will most likely be awarded from 2017 to 2020, with the remaining 58 projects in appraisal stage by 2025 and beyond.

Offshore Production Market: Projects in Appraisal, Planning, Bidding & Final Stage



237 Projects in Appraisal, Planning, Bidding & Final Design as at 3Q 2014

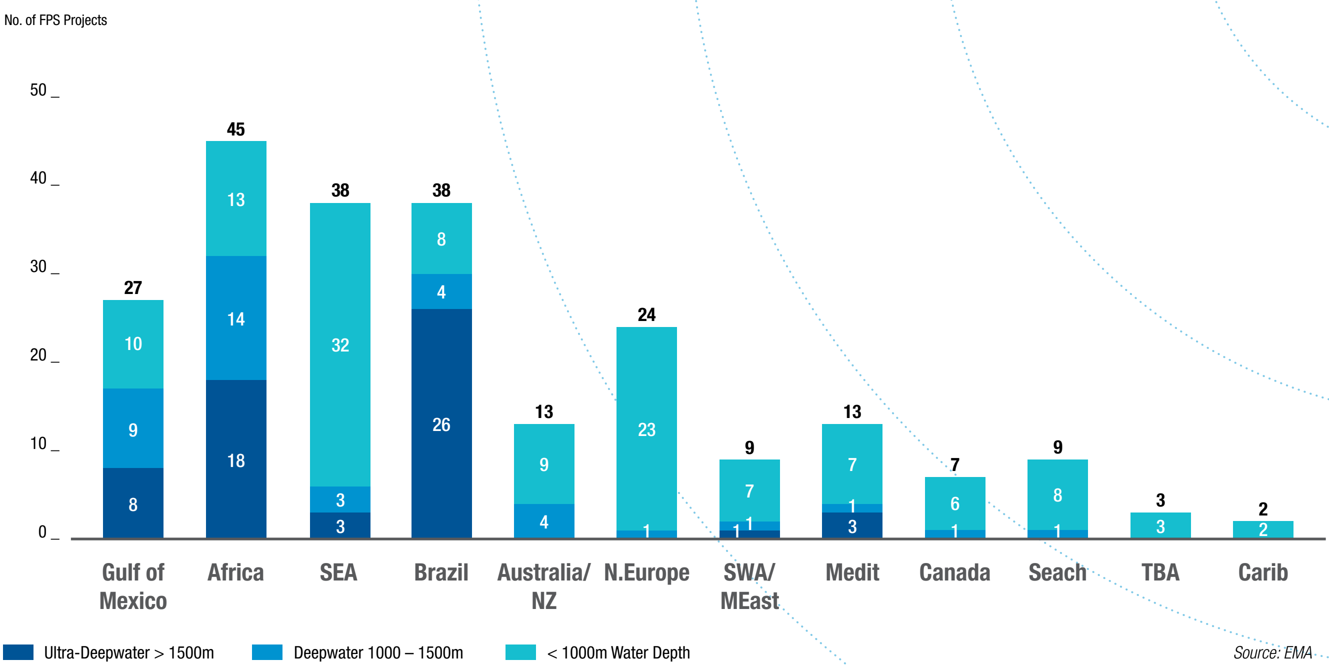


235 Projects in Appraisal, Planning, Bidding & Final Design as at January 2015

Bidding/Final Design   Planning   Appraisal

Source: EMA

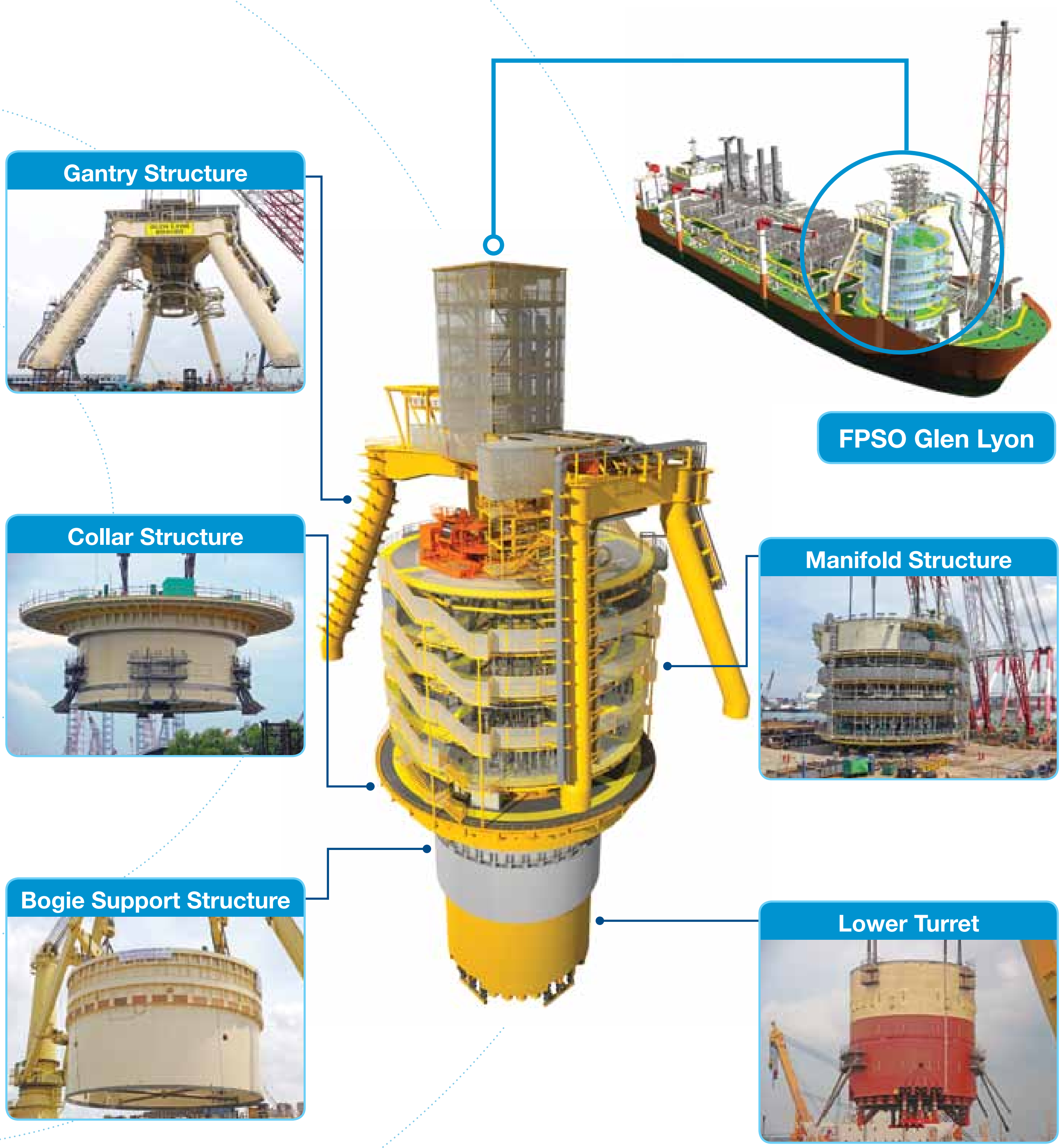
Offshore Production Market by Region and Water-depth



Source: EMA

DYNA-MAC OFFERS A FULL RANGE OF OFFSHORE SOLUTIONS FOR CLIENTS

The turret of FPSO Glen Lyon, built by Dyna-Mac in Singapore, weighs more than 10,000 tonnes and measures 94 m in height, which is about the same height as Big Ben, the famous landmark in London. It will host significantly more equipment, offers a larger through-put than previous turret systems and built to operate in harsh environmental and weather conditions. The success of this milestone project is a testament to the skill and competency of the Dyna-Mac team in Singapore.



Significant Events

February

- Announcement of full-year 2013 financial results
- FPSO Ten Tullow: Strike steel ceremony [1]

April

- 3rd Annual General Meeting

1

2

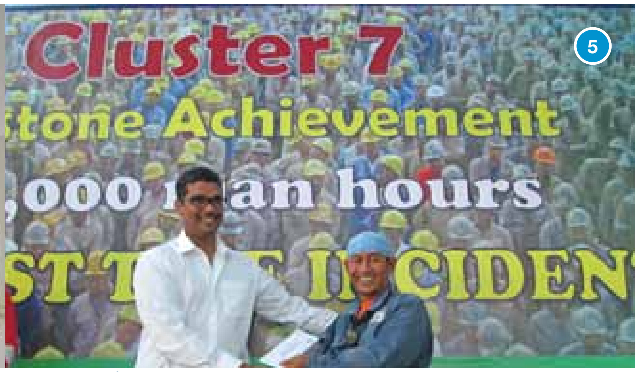
3

May

- Announcement of first quarter 2014 financial results
- FPSO Cidade De Marica: Celebration of 1 million man-hours without lost time incident [2]

June

- Renewal of BizSafe Star with top management participation in a training workshop conducted by external auditors
- FPSO Stones: Celebration of 700,000 man-hours with zero defect and presentation of Best Safety Supervisor awards for the project [3]



July

- Soft opening of the Ministry of Manpower Accredited Work-At-Height Dyna-Mac Training Centre.
- FPSO Cluster 7: Celebration of 800,000 man-hours without lost time incident with customer, Bumi Armada [(5)]

August

- Milestone achievement: Successful completion and load-out of the 200th topside module [(6)]
- FPSO Cidade De Saquarema: Celebration of 1 million man-hours without lost time incident [(7)]
- FPSO Cluster 7: Delivery of the final two modules, following the delivery of the first module in August 2014 [(8)]
- Official opening of the Dyna-Mac Training Centre and award of certificates to 40 supervisors who completed the course and assessment review
- National Day Observance Ceremony at Dyna-Mac
- Announcement of second quarter 2014 financial results

Significant Events

September

- Official opening of the Medical Clinic (formerly a First Aid Centre) (1)
- FPSO Project Kraken: Strike steel ceremony for customer, Bumi Armada (2)
- FPSO Stones: Delivery of the third module

October

- FPSO Cidade De Marica: Delivery of the final three modules, following the delivery of the first five modules in September 2014 (3)
- FPSO Stones: Delivery of the fourth and fifth modules
- FPSO Ten Tullow: Delivery of the first three pipe racks

November

- Announcement of third quarter 2014 financial results
- FPSO Stones: Delivery of the final three modules (4)

December

- Dyna-Mac's family day celebrations at Sentosa (5)
- FPSO Cidade De Saquarema: Celebration of 2 million man-hours without lost time incident (6)
- FPSO Ten Tullow: Delivery of the final three pipe racks (7)

4

5

6

7

Positioning for Sustainable Growth

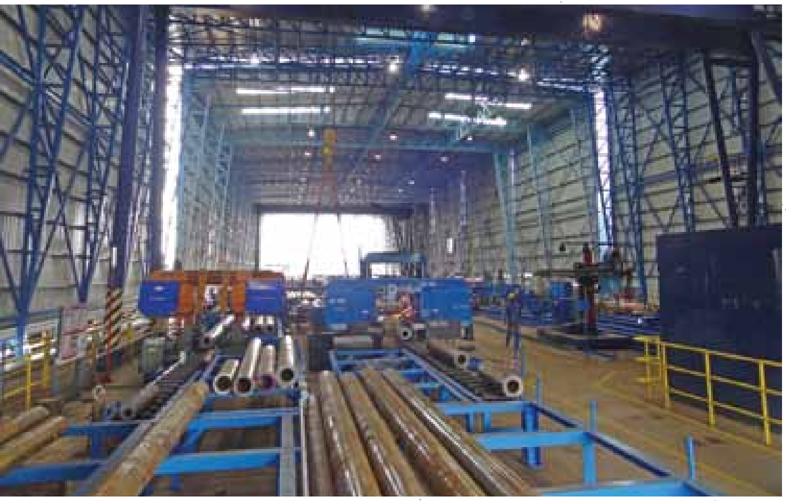
> ***At Dyna-Mac, we are continuously upgrading our skills and facilities to bring our operations and services to the next level. While expanding our regional yards, we are also developing and training our staff to ensure growth and sustainability."***

Our strategy for long-term competitiveness and sustainable growth involves strengthening our capabilities and expertise in Singapore while expanding regionally in Malaysia and China.

Integrated Sea Front Yard Facilities

The Dyna-Mac Group's main yard facilities located at 31, 33, 45 and 59 Gul Road have an uninterrupted waterfront shoreline of approximately 300 metres in length and a depth of up to nine metres. Integrated into the waterfront shoreline is a load-out bay with a capacity for loading out heavy structures such as FPUs and topside modules of up to 27,000 tonnes onto carrier ships or barges.

If there is a need, the length and depth of the waterfront shoreline allows FPSO or FSO vessels of not more than 280 metres to berth alongside the wharf during topside modules installation and integration. This reduces the time and cost associated with transporting huge steel structures and modules to the nearest shipyard for installation and integration and sets us apart from some of our competitors who do not have such load-out bay and wharf facilities.



Covered workshop at Main Yard

Equipment upgrading in workshop at Main Yard

Infrastructure Upgrading

We have upgraded our yard facilities by levelling and concreting the fabrication area, with integrated infrastructure facilities for the supply of gas, water and electricity into the concreted fabrication area. The levelling and concreting of the fabrication area enable our yard to withstand heavier loads, while the integration of the infrastructure facilities grants convenient access to gas, water and electrical supplies throughout the fabrication area.

In addition, this creates a clean, tidy and safer working environment for our employees. The main yard is also equipped with mobile covered workshops which enable the Group to carry out fabrication activities and ensure that project schedules are not adversely affected by inclement weather, thus avoiding cost overruns caused by project delays.

Wide Range of Production Facilities

Our main workshops are equipped with semi-automatic welding machines, CNC cutting machines and pipe profile cutting machines.

The profile cutting machine is specifically customised to make intricate profiles for T, K and Y joints that are found in tubular structures.

We also possess a special product workshop for the fabrication of duplex and super duplex stainless steel pipe spools.

This enclosed welding area is fully-equipped with the latest machinery and is air-conditioned to completely insulate the pipe spools from contamination. Apart from TIG/SMAW welding machines, we are also equipped with submerged welding and orbital welding machines to cater to demanding project specifications.

Air-conditioned Exotic Piping workshop

Workshop fully equipped with latest machinery at West Yard

Dyna-Mac Group Has Yards Spanning Across Singapore, Malaysia and China, with presence in the Philippines

TANJUNG KUPANG, JOHOR

MAIN YARD (Gul Road)

WEST YARD (Pandan Crescent)

NANSHA, GUANGZHOU

DMKP SUBIC YARD

SINGAPORE YARD FACILITIES : Main Yard

Location	Gul Road
Total Land Area	110,300 sqm
Water Depth	7.8 m
Wharf Length	300 m
Max. Load-out Capacity	27,000 mt

Activities :

- Onshore and offshore projects of up to 25,000 tonnes annually
- Topside Modules for FPSOs and FSOs, Pipe Spools, Semi-submersibles and Subsea products

SINGAPORE YARD FACILITIES : West Yard

Location	Pandan Crescent
Total Land Area	30,100 sqm
Water Depth	4 m - 6 m
Wharf Length	97.8 m
Max. Load-out Capacity	1,380 sqm

Activities :

- Exotic piping fabrication including duple and super duplex stainless pipe spools air-conditioned facility controls the environment and prevents contamination from dust and other ferrous particles

MALAYSIA YARD FACILITIES : Tanjung Kupang, Johor

(Progressive Development)

Location	Tanjung Kupang, Johor (Malaysia) 45 minutes by car (20km)
Total Land Area	211,150 sqm
Water Depth	14 m
Wharf Length	142 m
Max. Structure Capacity	28,000 mt/yr

Activities :

- FPSO Topside Modules and Semi-submersible Unit
- CPP/WHP/LQ Platform
- On-shore Plant Modules

PHILIPPINES YARD FACILITIES : Leveraging On Partnership

Keppel Subic Shipyard is situated in the Special Economic Zone of Subic, Zambales, in central Luzon, and has one of the largest drydocks in Philippines, which is capable of co-drydockings.

Activities :

- Construction of Topside Modules

CHINA YARD FACILITIES : Nansha, Guangzhou

Location	Nansha, Guangzhou
Total Land Area	100,000 sqm
Water Depth	6 m – 8 m
Wharf Length	320 m
Max. Load-out Capacity	3,000 mt

Activities :

- FPSO Topside Modules
- Living Quarters
- Structures of Semi-submersible, Jack-up Rigs
- New Building Deck Cargo/Ballastable Barge

FOCUS ON SUSTAINABILITY

Competitive Strengths

> ***"We have established a reputation as a reliable specialist in the fabrication and assembly of topside modules for FPSOs and FSOs, with consistent and timely delivery of quality products and services while adhering to strict safety regulations."***

The Dyna-Mac Group's success is attributed to a strong commitment to customer satisfaction, high levels of quality, safety and service excellence. To sustain our leading edge, we continue to invest in newer technologies and training programmes to enhance the personal skills of our workforce and improve our professional competencies to stay competitive.

Experienced and dedicated management team

Senior management members, headed by Executive Chairman and CEO Mr Lim Tze Jong Desmond, each has an average of 26 years of industry experience and in-depth knowledge of the industry and customers' needs. Under their leadership, the Group has grown over the years to become an established leader in the multi-disciplinary fabrication field for the offshore oil and gas industry with a core focus in FPSO and FSO topside modules.

Established track record

In the last 16 years, we have established a reputation as a reliable specialist in the fabrication and assembly of topside modules for FPSOs and FSOs. Attesting to their confidence in our excellent track record, our customers continued to appoint us for their subsequent projects involving the fabrication of topside modules in Singapore, Malaysia, China and the Philippines.

To date, the Group has successfully delivered more than 237 topside modules, with the largest single module load at 2,210 tonnes. We have also successfully completed a 10,000 tonne turret mooring system for FPSO Glen Lyon, a 12,700 tonne hull of the FPU Thunderhawk and the Kikeh Pipeline for the Kikeh Field of East Malaysia. These projects serve as strong references for our capabilities and places us in a better position to secure more sophisticated projects of higher contract values.

Kikeh Gap System Fabrication and Assembly of Gravity Actuated Pipeline System 2000 tonnes

Our reputation continues to be maintained through the consistent and timely delivery of quality products and services while adhering to strict safety regulations. The Group's engineering designs comply with, and are made in accordance with, applicable codes and practices, recognised industrial standards and classification societies' standards. We have obtained OHSAS 18001:2007 certification by ABS Quality Evaluations, Inc. for our occupational, health and safety management procedures in the provision of offshore engineering, procurement and management of constructions services.

Strong engineering and project management team

The Group has a team of committed and skilled engineering and project management staff, who have the requisite expertise and knowledge of the oil and gas and marine construction industries. Our team of engineers are able to provide detailed engineering drawings for the fabrication and assembly of sophisticated topside modules.

Strong Engineering and Project Management Team

From there, our project management team utilises a production management system to plan and execute projects as well as to continually monitor all aspects of performance on a real-time basis. Potential problems can be identified promptly to ensure timely corrective actions, thus enabling the Group to achieve higher productivity, to complete projects on schedule and to avoid costly project overruns.

Strong and global customer base

The Group's major customers include SBM, Modec, Bumi Armada and BW Offshore, which are among the world's largest owners and operators of FPSOs, FSOs and semi-submersibles. We also serve multinational engineering companies in the marine and oil and gas industries, such as VWS Westgarth, VME Process, DSME and the Keppel Offshore and Marine Group.

The Group maintains regular contacts with these customers and they provide us with regular updates on market trends and new technological developments which enable us to better understand customers' requirements. Some of our customers have also established or are establishing framework agreements with the Group which will increase the chances of securing future projects with these customers in future.

Human Capital

> *"Dyna-Mac embraces fair employment practices and aims to become an employer of choice. We recruit, retain and motivate valued employees and optimise their potential and capabilities for their personal development and also to contribute to the growth of the Group."*

The Dyna-Mac Group recruits and grooms the best qualified people for the job. We engage, motivate and reward them with a competitive remuneration and benefits package and provide them with a systematic training and career development plan.

Human Resource Approach

As an equal opportunity employer, the Dyna-Mac Group recruits and rewards people according to merit. We provide our diverse workforce of various race, ethnicity, religion, age and gender a harmonious and inclusive work environment.

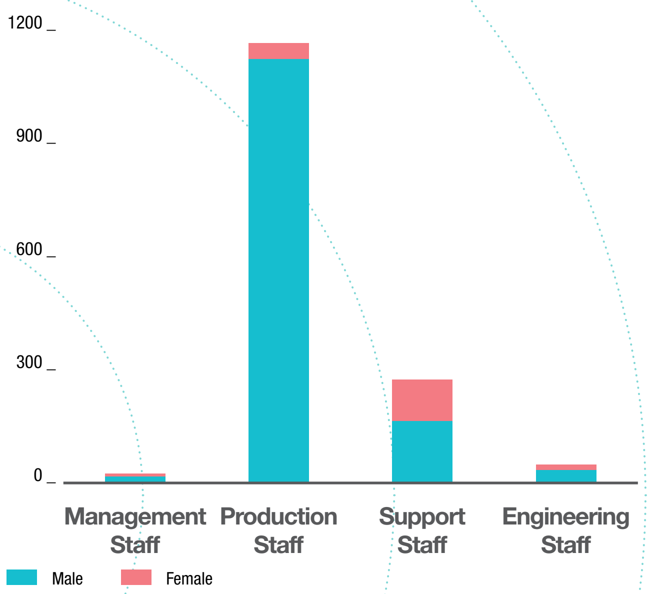
We evaluate prospective employees on their ability to execute their jobs, taking into consideration their qualifications, experience and aptitude for the positions to be filled and their legal work status. The same principles of merit are applied when evaluating our existing employees for promotions, performance reviews, transfers, training programmes and all other internal personnel activities.

The Group has pledged to adopt fair and progressive employment practices with The Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP) to promote an inclusive workplace that is built on merit and progressive human resource practices. TAFEP works with employer organisations, unions and the Ministry of Manpower to facilitate the adoption of fair employment practices in Singapore.

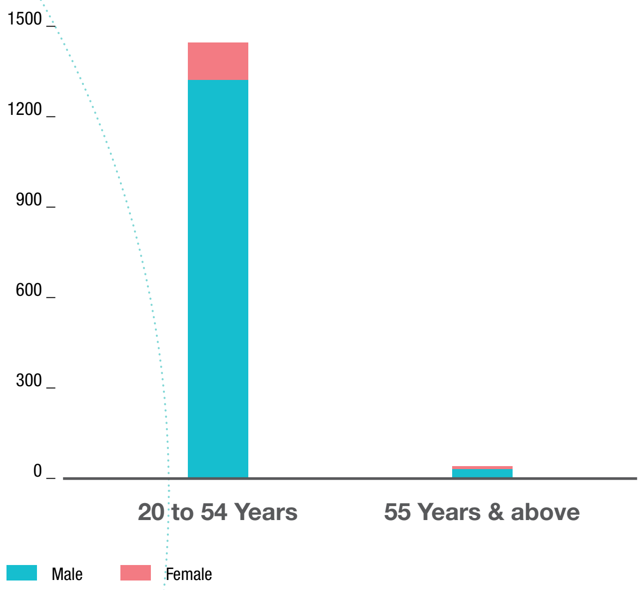
Employees Profile

As at end 2014, the Dyna-Mac Group's total manpower strength stood at 1,499 with 89 per cent males and 11 per cent females. By functional type, production employees constituted 78 per cent of the workforce. The remaining 22 per cent were in management, engineering and support functions.

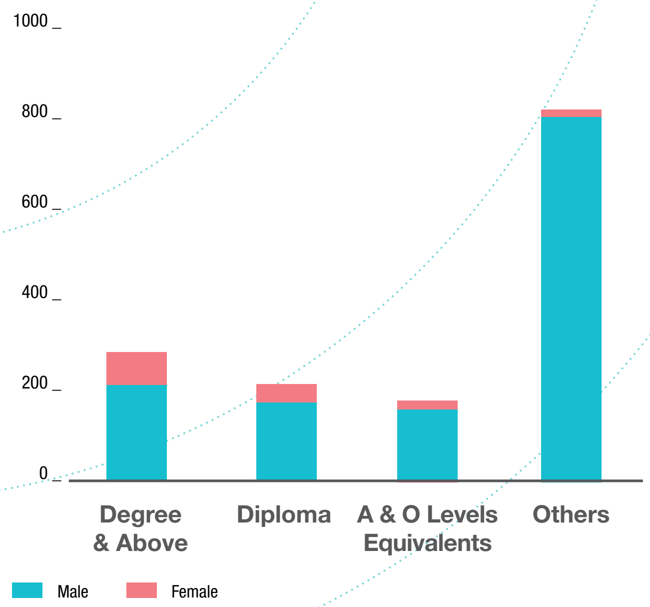
Manpower Distribution by Employment Type and Gender



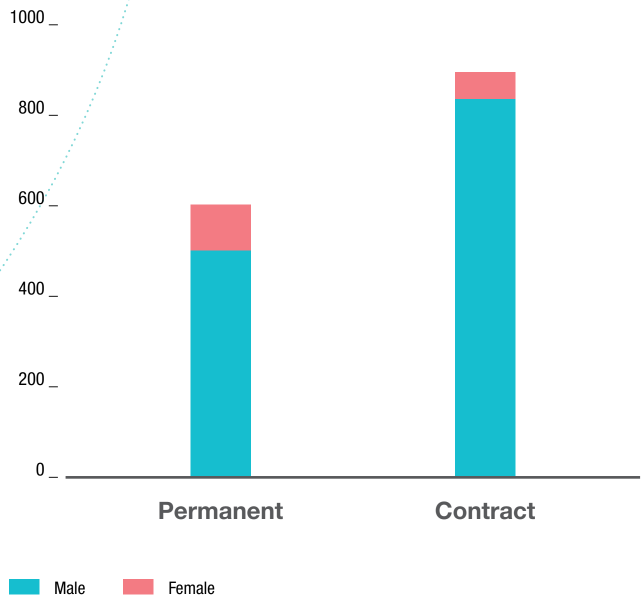
Manpower Distribution by Age Group and Gender



Manpower Distribution by Education Profile and Gender



Manpower Distribution by Employment Contract and Gender



Talent Recruitment and Retention

To recruit the best qualified candidate for the job from the widest possible talent pool, the Group continued to explore all recruitment strategies and channels, including online portals, recruitment firms, head hunters and employee referrals. Interviews and assessment tests were conducted to provide job applicants with a chance to demonstrate their knowledge, experience and qualifications.

Once recruited, employees were assessed regularly and objectively on standard factors in their job performance appraisals. These evaluations allowed for two-way feedback between the reporting officers and the appraised employees. At these sessions, the employees were encouraged to discuss their required training and career development plans, which would provide the basis for compensation and retention programmes.

At the Dyna-Mac Group, career development applications can be employee-initiated or identified by the reporting officer based on competency skill sets and potential for growth. Employees can apply to take on multiple roles or added responsibilities. They may also be rotated within the department, transferred to other departments or seconded to overseas offices in Malaysia, China or the Philippines for exposure as part of their career development.

Training and Development

The Group has a systematic training and career development plan to retain employees for business sustainability. In 2014, a total of 713 employees were trained in Singapore, of which 314 were on safety aspects and 399 were on other skills or soft skills. Besides internal training, employees were also sent for external courses and seminars on both technical and soft skills.

Information sharing on safety aspects

On the job learning

All employees undergo a company orientation on their first day. In addition, they are required to attend the in-house safety training and quality induction. We also comply with the mandatory requirements in Singapore to send employees for industrial-related or work-related training – such as the Shipyard Safety Instruction Course and the Shipyard Supervisors Safety Course – before they can commence work.

We have also conducted five sessions of the 'Work-At-Height for Supervisors' course at our own DM Training Centre for 91 site staff.

Besides safety-related training, the Group also conducted in-house training on BizSAFE Level 1 for 11 senior management staff and BizSAFE Level 2 for 17 staff during the year. We further introduced a new 'Code of Conduct' training course for 83 senior management staff, heads of departments and selected staff dealing with customers and contractors. This course focused on anti-corruption, anti-bribery, anti-money laundering and counter financing of terrorism and covered topics such as insider trading, whistle blowing, competition policy, conflicts of interest, corporate social responsibility, data confidentiality and regulatory responsibilities.

Employee welfare - Health screening for employees

Worker trained to use Semi-Auto Welding Machine (SAW) to improve productivity

Employee Welfare

The Dyna-Mac Group continued to provide our foreign workers with accommodation, transportation, subsidised meals, and laundry services. To promote healthy lifestyles, the Group offers health screening, smoking cessation, health talks and sports activities for staff.

In November and December 2014, our foreign workers moved out of our factory-converted dormitory at Tech Park Crescent. With this move, our workers are now housed at two Ministry of Manpower-approved dormitories at Soon Lee Road and Enterprise Road, with full amenities including recreational facilities.

Festive occasions are celebrated within the Group. During Chinese New Year, Deepavali and Hari Raya Puasa, 'ang pows' (red packets) are presented to our employees. A Chinese New Year Dinner was held on 6 February 2014 to thank our staff, and Lunar Seventh Month prayers were conducted in August 2014.

For our Indian workers, the annual Ayudha Pooja was held on 3 October 2014. This auspicious day – which worships the workers' tools – saw all tools and machines within the yard cleaned, painted and polished before being smeared with sandalwood paste and vermilion with great care. The machines are then left to rest for the day while the workers enjoyed the 'prasadams' consisting of puffed rice, fruits and sweets.

In addition, the Group presents congratulatory gifts to staff to celebrate their marriages and new born babies and commemorates bereavements with condolence wreaths and collections of monetary contributions.

Senior Management participation at annual dinner and dance

Employee Engagement

The Group engages its staff through a host of other activities throughout the year.

The annual dinner and dance was held on 20 June 2014 at the Shangri-La Hotel, where a total of 35 employees received long service awards. Mr Joseph Choy, a Lifting Superintendent, was awarded the longest service of 20 years, while Mr Varghese John, the Group's Chief Corporate and Technical Officer and Executive Director, was awarded the 15 years of long service.

To mark the successful completion and load out of the Group's 200th module on 14 August 2014, an event was held where both management and staff mingled to share in the joy. Employees who were NS-men also came together on SAF Day for an observance parade and rededication ceremony, an event held since 2010 to pledge our support for Total Defence.

Recognition for long service of 20 years

Employees and their spouses having fun at Company's event

Family Day at Sentosa

In celebration of the International Year of the Family 2014 and in conjunction with the SG50 Singapore Jubilee, the Dyna-Mac Group participated in two charity events organised by Touch Family Services in November 2014. The first saw staff joining in the charity walkathon iLoveSingapore Walk, while the second saw the Group donating S$10,000 for the Ultimate Hawker Fest 2014.

To further promote the importance of the family, we organised Family Day in December 2014 at Sentosa Tanjong Beach, which also promoted teamwork and unity among colleagues.

Union Relations

The Dyna-Mac Group signed a Memorandum of Understanding with the Shipbuilding and Marine Engineering Employees' Union in 2009. Renewed every two years since, the agreement covers staff levels including assistant supervisor, superintendent, confidential and managerial staff.

Employees are encouraged to participate in activities organised by the Union, including sports events, and to enjoy the privileges such as discounts and concessions to places of interest.

Deepening friendships at the dinner and dance

Team-building games at Family Day

Workplace Safety, Health and Security

"We constantly monitor and improve our Safety, Health and Security systems and performance through the incessant review of our objectives, targets and metrics."

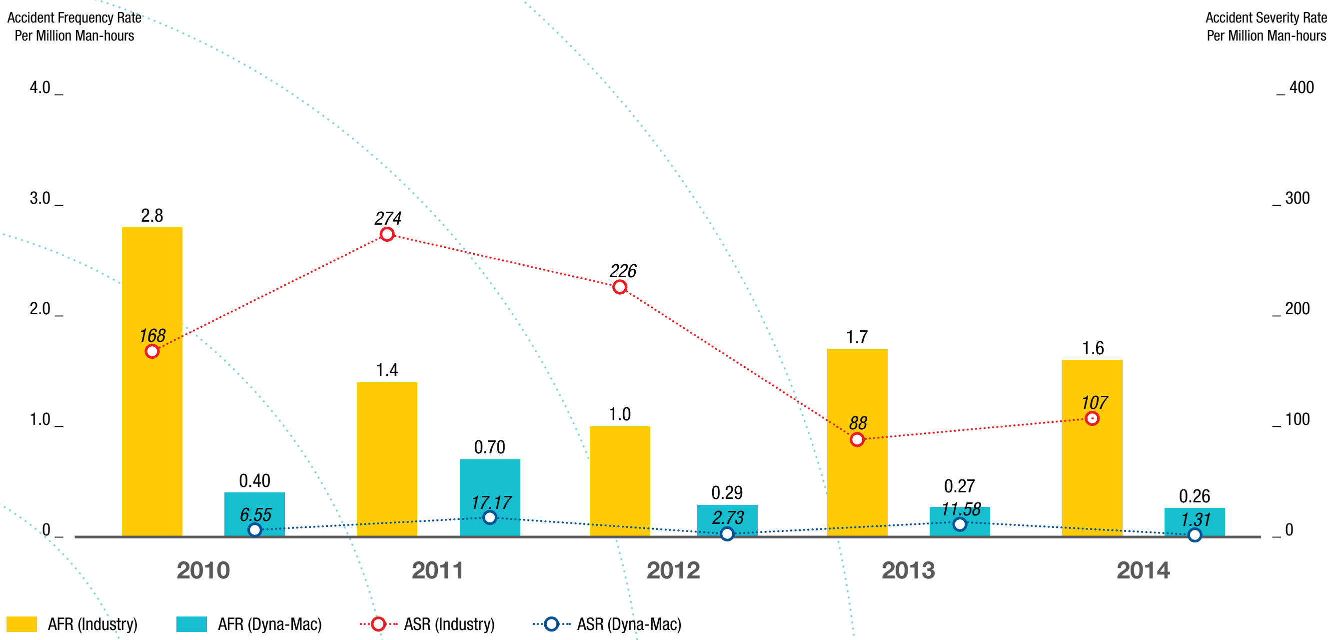
It is the Dyna-Mac Group's policy to conduct all business activities in a responsible manner, to ensure the health, safety and security of our people, the preservation of the environment, the quality of our products and services and our compliance with all applicable health, safety, environmental, security, legal, quality and regulatory requirements where we operate.

Management Approach

Our Health, Safety, Environmental, and Quality (HSEQ) management systems are designed to provide a structure that will comply with all of our client requirements; assign clear roles and responsibilities regarding HSEQ; identify, analyse and effectively manage all risks arising from our activities; provide systems of work, appropriate technology, tools, and procedures that meet all performance standards; and prevent and, where required, respond to and effectively manage emergencies.

Most importantly, we monitor and improve our HSEQ systems and performance, through constantly reviewing of our objectives, targets, metrics, system irregularities and implementation of proper corrective and preventative actions. For our on-going efforts to uphold HSEQ, Dyna-Mac has been accredited by ABS Quality Evaluations Inc with ISO 9001:2008 and ISO 18001:2007.

Dyna-Mac Safety Performance



Safety practices within the Group aim to provide a safe working environment for everyone and to achieve 'zero' lost time incidents. Our yard is equipped with security surveillance and control throughout the year for the protection of our employees, subcontractors and visitors.

The Group's quality systems and procedures are well-established and fine-tuned constantly to meet the most stringent requirements of the Offshore Product Quality Specifications and Standards. We ensure this by conducting regular quality training programmes for staff and field personnel, so that everyone has a complete grasp of our internal quality systems and procedures.

Workplace Safety and Security

To achieve operational excellence, the Dyna-Mac Group places the highest priority on its workplace safety, health and security (WSH) systems. In addition to identifying, managing and reducing risks, we enhance these systems constantly to comply with international and national standards, such as OSHAS 18001 and SS 506 to align with Singapore Workplace and Health Council's 2018 plan.

WSH Performance in 2014

Dyna-Mac's yards monitor their WSH performance using several indicators -- including near misses, hazards reported and occupational disease rate – to assess the safety performance of employees, contractors and business partners. Such monitoring efforts enable the yards to customise appropriate WSH strategies and programmes to address specific areas of focus within the various yard operations.

In 2014, the Group improved the Accident Frequency Rate (AFR) from 0.27 in 2013 to 0.26 in 2014. We also improved the Accident Severity Rate (ASR) from 11.58 in 2013 to 1.31 in 2014. The AFR measures the frequency of workplace incidents per million man-hours, while the ASR indicates the number of man days lost per million man-hours worked in the workplace.

Benchmarking to International Standards

The yards at Dyna-Mac undergo once-yearly surveillance audit and a renewal audit once every three years under the OHSAS 18001 certification programme. These audits ensure that our occupational safety and health management systems comply with the Singapore legislation and with international standards related to the Oil Companies International Marine Forum.

In addition, mandatory WSH management system audits are conducted annually by auditors approved by the Ministry of Manpower to ensure the yards' compliance with the Singapore Standard SS506: Part 1 : 2009/ASMI Code for the Establishment of Shipyard Safety Management Systems, Workplace Safety and Health Act and other subsidiary legislations.

Certifications

ABS Quality Evaluations OHSAS18001:2007	ABS Quality Evaluations OHSAS18001:2007	ABS Quality Evaluations ISO9001:2008
Certificate of Conformance OHSAS 18001:2007 45 Gul Road	**Certificate of Conformance OHSAS 18001:2007 13 Pandan Crescent**	**Certificate of Conformance ISO 9001:2008 45 Gul Road**

ABS Quality Evaluations ISO9001:2008	ABS Quality Evaluations ISO/TS29001:2010	ABS Quality Evaluations ISO/TS29001:2010
Certificate of Conformance ISO 9001:2008 59 Gul Road, 13 Pandan Crescent	**Certificate of Conformance ISO/TS29001:2010 45 Gul Road**	**Certificate of Conformance ISO/TS29001:2010 59 Gul Road, 13 Pandan Crescent**

Emergency Preparedness

Our Health, Safety and Environment (HSE) department is trained and well-prepared to respond to various categories of emergencies. In 2014, five HSE exercises were conducted within the yards' premises. Additionally, an evacuation and fire drill exercise was conducted at the main office building in November 2014.

Fire Evacuation and Response Drill

The Group also involves customers in emergency preparedness. Our yard HSE exercises for the year included three held jointly with customers on specific projects, comprising rescue drills on the Shell Stones and the SBM Offshore projects and a confined space rescue drill on the Shell Stones Module II project.

In addition, we conducted a joint exercise with the Singapore Civil Defence Force in December 2014. This annual exercise is an essential test of the yard's emergency preparedness procedures and systems in handling emergencies.

Structure Collapse Drill

At least once a year, the Singapore Civil Defence Force performs company emergency response team audits on each yard. This involves using documental checks and practical assessments to validate the yard's emergency response plan, training programmes, equipment readiness and maintenance records as well as response capabilities in incident size-up, fire-fighting and hazardous materials handling. The document validation and practical assessment is also a criterion for the renewal of the yard's fire certificate.

Prior to the audit, our HSE department will establish a yearly emergency drill plan that documents periodic drills to be conducted throughout the year. Such periodic drills gauge the competency and preparedness of our emergency response teams to handle situations including structure collapse, fire and work-at-height incidents. To supplement these drills, we conduct in-house training regularly to keep our emergency response teams prepared.

Safety Education

Safety education aims to ensure safe work operations, to decrease the likelihood of incidents or accidents and to create a culture that values the importance of HSE.

Safety training courses are conducted throughout the year by our in-house safety department for all employees across our yards in Singapore, Malaysia and China. In 2014, a total of 22,900 employees attended training courses covering topics that included confined space, hot work, working at height, electrical, risk management, lifting, first aid, health and hygiene, emergency response as well as courses directly related to their work environment.

In addition, we have a Core Competency Training Programme, a three-tier programme conducted in-house and externally, that strengthens the ability of supervisors to conduct risk assessments.

Safety education is also extended to our stakeholders who form part of our yards' ecosystem. All new direct and contractor workers are required to undergo the yards' in-house safety orientation training programmes before they are allowed to commence work. This safety induction course also applies to the yards' visitors and customers. In 2014, a total of 588 employees, 12,282 contractors and 737 visitors and customers underwent induction training across our yards in Singapore, Malaysia, China and the Philippines.

Dedicated training staff within our HSE department also tailors training materials to address the needs of the yard and the customer for each project.

Safety Induction Training

	Singapore Yards	Tanjung Kupang, Malaysia Yard	Nansha, Guangzhou, China Yard	Philippines Yard	Total
Employees	169	144	208	67	588
Contractors	7,021	3,037	1,892	332	12,282
Visitors/clients	338	42	257	-	637
Total	7,528	3,223	2,357	399	13,507

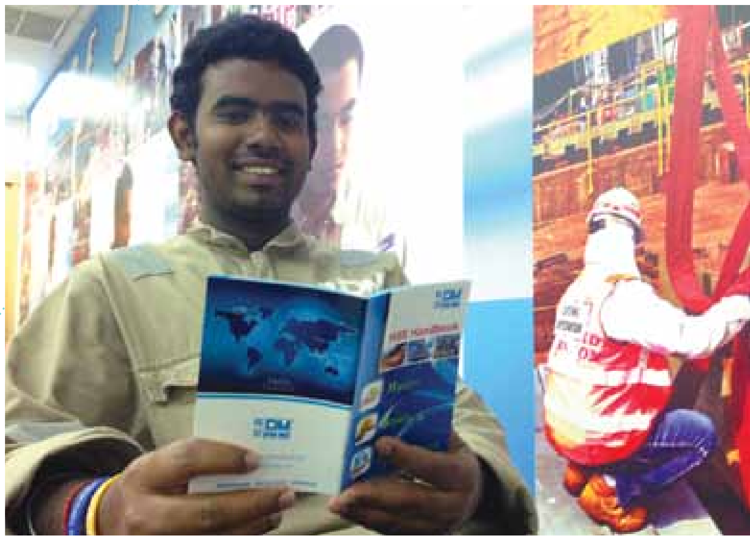
Safety Training in 2014

	Singapore Yards	Tanjung Kupang, Malaysia Yard	Nansha, Guangzhou, China Yard	Total
No. Attended	9,091	8,225	5,584	22,900
No. of Runs	485	566	289	1,340

Safety Promotion

The Dyna-Mac Group has established the 15 Life Saving Rules, which all employees have to comply with while working. It targets the adaptation and behaviours of workers and supervisors in the workplace by raising awareness of hazardous activities and encouraging individuals to protect themselves and others by active participation and intervention.

To further ensure a safe work environment for the well-being of employees, we conduct and review risk assessment for all routine and non-routine work activities and conduct regular and periodic HSE inspections. Safe work procedures are established to cover all hazardous work activities, including proper hazardous materials management. In situations where newly established or non-routine jobs pose a high risk, a job safety analysis will be conducted to understand the nature of the risk and to mitigate the risk through collaboration of expertise and experiences in performing risk assessment.



Health, Safety & Environment (HSE) Handbook for all employees

HSE Culture Banner

Fire Emergency Facilitation Training

In addition, we implement occupational health programmes to protect our workers from health hazards. These include the hearing conservation programme, where workers are provided with appropriate types of hearing protection as stipulated in the WSH (Noise) Regulations 2011, and the respiratory protection programme, where workers are provided with approved types of respiratory protection according to gas and particles exposure.

We also conduct a personal hygiene programme, which stresses the importance of adequate fluid intake to manage heat stress, the practice of washing hands before meals to prevent diseases, the need to visit the medical clinic and other healthy practices.

WSH in the Community

The Dyna-Mac Training Centre was officially opened in August 2014, in response to the government's challenge to increase the workforce competency level. Apart from catering to the needs of Dyna-Mac's direct workforce, the centre will also train and address the concerns of

Accredited Work-At-Height Dyna-Mac Training Centre

customers and the contractor workforce in the adaptation of the industry work environment. Internal training sessions are planned and piloted weekly in relation to on-going projects to better enlighten the workers on their roles and responsibilities in preventing injuries.

We also set up the Ministry of Manpower Accredited Work-At-Height Dyna-Mac Training Centre during the year. With the attainment of the Accredited Training Provider status in 2014, we conducted several sessions of the Work-At-Height Supervisor Course for a total of 40 supervisors.

Whenever possible, the Group cooperates with external agencies such as the Ministry of Manpower, the WSH Council, the Workforce Development Agency and Association of Singapore Marine Industries in the area of WSH training and education to enhance occupational health and safety standards within the industry.

At the same time, we participate actively in our customers' safety events to understand their safety requirements and their expectations. In April 2014, our HSE personnel and employees and contractors participated in a global safety event with our customer, SBM. The event saw various health and safety activities initiated with participation from organisation leaders engaging the workforce and staff with safety and health-related workshops and mass cardio-pulmonary resuscitation training. In November 2014, our HSE personnel and project manager participated in an EHS Forum organised by another customer, Modec.

Fire Watchman Practical Assessment

Client and DM Top Management Participation at Mass Tool Box Meeting

Security

The Group's yards comply with the International Ship and Port Facility Security Code, a comprehensive and standardised framework to evaluate and mitigate the risks associated with the vulnerability of ships and port facilities.

We have stringent security management systems to protect our critical assets and the well-being of our employees. A point-to-point inspection is regularly conducted throughout the yard premises, while activities are closely monitored by closed-circuit televisions. A security tagging system is also in place, where a magnetic scan card programmed with different access levels is issued to every individual staff. Guests are issued with visitor's cards and accompanied by management and staff before entering the yard premises.

Security measures are also applicable to contractors. The department representatives are responsible for coordinating with their contractors before allowing them full entry. Contractors coming in to the company to deliver goods and materials will undergo identity verifications and be escorted by security or store representatives.

Dyna-Mac Medical Clinic is well equipped and able to provide emergency treatment

Shell Stones FPSO Successful Completion and Load Out

Medical Services are facilitated by a Qualified Medical Practitioner

Health and Wellness

The Group's commitment towards employee care and welfare is evident from a series of significant initiatives that were implemented during the year.

The Dyna-Mac Medical Clinic, which was previously a First Aid Centre, was established as part of our Health Improvement and Conservation Programme in occupational health-related issues. It was officially opened in September 2014 and helmed by a qualified doctor in occupational health and safety, an industrial nurse and a clinic assistant.

With the establishment of the Medical Clinic, our employees can access the medical centre at their convenience for medical consultations and extended medical services, like renewal of work permits and minor surgical procedures.

To help employees embrace healthier lifestyles, a massive health screening exercise was conducted at the yard's premises in July 2014. From the medical reports, lifestyle changes were recommended to the individual participants.

We also continued to organise sports and health-related activities to promote healthy lifestyles and active living for our employees. During the year, employees attended health-related talks to find out more about balanced lifestyles, good nutrition and a range of health issues. Our medical doctor also conducted a talk on chronic diseases.

Environmental Protection

> *We actively seek new technologies to reduce our environmental impact throughout the value chain and across all our local and overseas shipyards."*

At the Dyna-Mac Group, we are committed to reducing our carbon footprint and nurturing a culture of environmental consciousness among our employees, our partners, our clients and the local communities. Our yards have an Environmental Management System and are working towards achieving ISO 14001 Environmental Management Standards. We are actively seeking to develop technologies to reduce our environmental impact across the value chain and across all our yards in Singapore, Malaysia and China.

Pest control and disease prevention

Effective dust containment and collection

Multiple Environmental Measures Implemented

Definitive measures were included in our Safe Work Procedures to mitigate environmental issues. For example, during the blasting process, modules are covered with canvas and incorporated with dust collectors to minimise the impact to the environment and to allow for the controlled collection of dust.

Likewise, our diesel storage facility has a dip tray to collect any residue or leakage during the process of fuel transfer. We also have a water tank to collect rain water, which is then filtered and reused in the toilets of the main building.

Other types of bins can be found in the Group's premises. Staff are encouraged to participate in recycling and to practice segregating waste in the relevant bins. In the yard operation area, waste is segregated into scrap and rubbish and entered into their respective colour-coded bins.

Fogging is also conducted weekly in the yard premises to prevent mosquito breeding.

Waste management and segregation

Community Care and Engagement

> *A proactive community relations programme is a cornerstone of Dyna-Mac Group's business strategy."*

Committing resources to the well-being of the community is an important part of our core business strategy. A proactive community relations programme not only attracts and retains good employees, it also positions the company positively among customers and business partners. Throughout 2014, Dyna-Mac Group organised and sponsored a number of community programmes to reach out to the community.

Spurring Education: 2nd Golf Challenge Cup

This golfing event was organised by the Parent Support Group of Anglo-Chinese School (Primary) for the purpose of enhancing the quality of education, within the school. Dyna-Mac Group donated $6,000.00 for the event held on 4 September 2014. The funds raised will be used to support the implementation of various projects in the school.

Supporting the Community: SGX Bull Charge Charity Run

Singapore Exchange (SGX) Bull Charge is the only corporate charity run that brings together the financial industry and all SGX-listed companies for a common cause. Every year for the past 11 years, the SGX Bull Charge Charity Run has raised millions of dollars to help underprivileged children and families, persons with disabilities and the elderly.

Employee participation in the iLoveSingapore Walk in 2014

Dyna-Mac Group donated $10,000.00 for the event held on 14 November 2014. Beneficiaries of the event include the Asian Women's Welfare Association (AWWA), Autism Association (Singapore), Fei Yue Community Services and Shared Services for Charities.

Celebrating SG50: iLoveSingapore Walk & Hawker Fest

Management and staff of Dyna-Mac Group participated in the charity walkathon, iLoveSingapore Walk, held on 15 November 2014. In addition, the Dyna-Mac Group also donated $10,000 for the Ultimate Hawker Fest 2014 held on 21 November. These two events were organised by Touch Family Services in celebration of the International Year of the Family 2014 and in conjunction with Singapore Jubilee (SG50).

Helping Communities in the Philippines

In early November 2013, the Philippines was hit by one of the strongest tropical typhoons on record, Typhoon Haiyan (Yolanda), which killed at least 6,300 people in the country. As part of our humanitarian response, Dyna-Mac Keppel Philippines (DMKP) donated boxes of canned goods, used clothes, rice and goodies for the victims in the Visayas region.

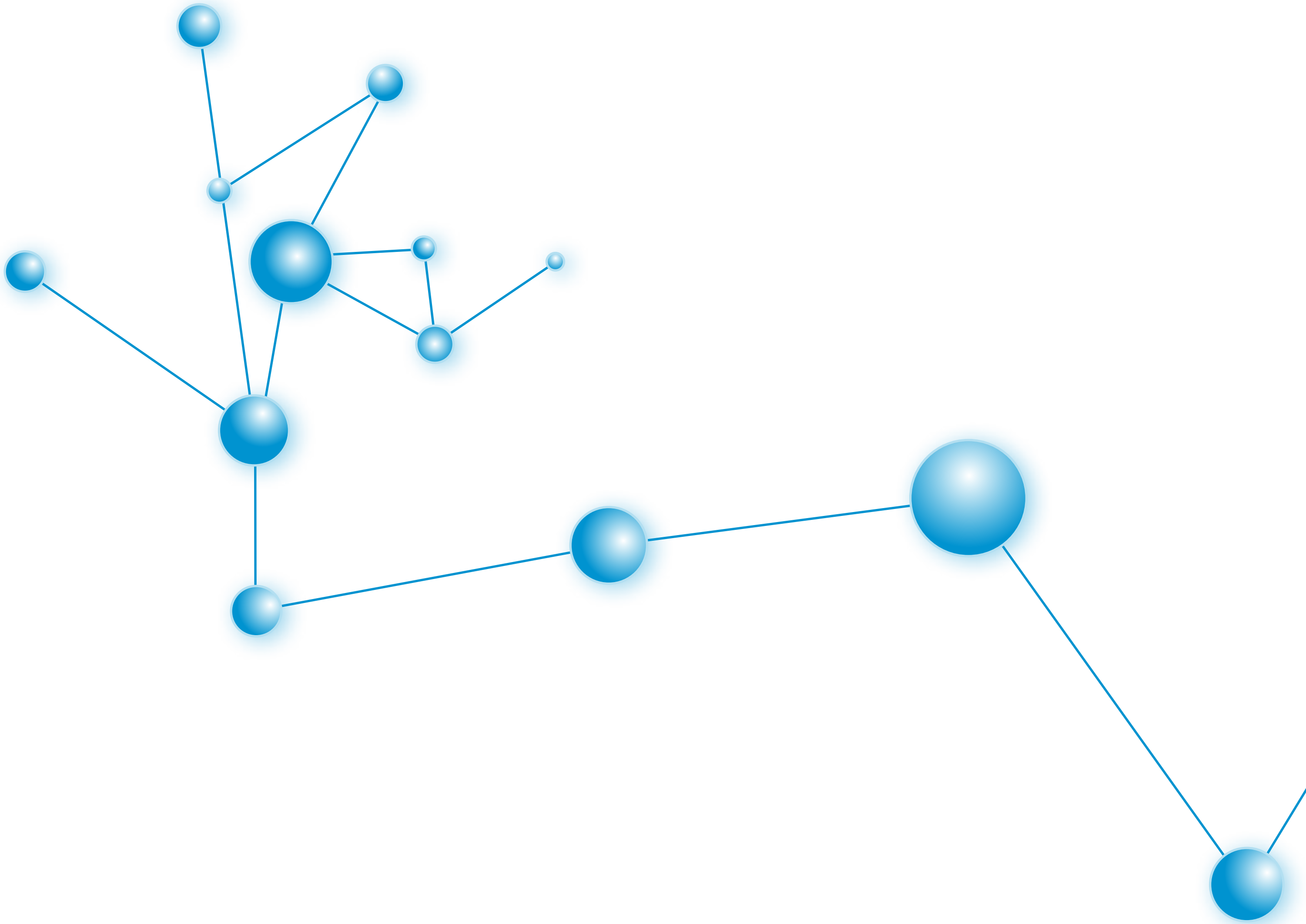
To bolster natural disaster preparedness, DMKP donated two sets of civil defence equipment consisting of items such as carbon fibre tank, pick head axe with fibre glass handle, rubber mallet, claw bar and sledge hammer with fibre glass handle to the Subic Public Order and Safety Office (SPOSO) for the rescue of affected constituents in times of calamities and natural disasters. These items were received by SPOSO on 20 August 2014.

On 8 December 2014, DMKP donated sacks of rice and other daily necessities for the senior citizens of Subic, Zambales.

Mr Chan Chun Sing, Minister for Social and Family Development and Second Minister for Defence, presenting a token of appreciation to Dyna-Mac for its contribution to the Touch Family Services

Community involvement in support of the Typhoon Haiyan Relief Efforts

Presentation of Fire and Rescue Tools to the Subic Public Order and Safety Office to aid natural disaster preparedness



Financial Statements

Directors' Report

For the financial year ended 31 December 2014

The directors present their report to the shareholders together with the audited financial statements of Dyna-Mac Holdings Ltd. (the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 31 December 2014.

Directors

The directors of the Company in office at the date of this report are as follows:-

Lim Tze Jong	
Lim Tjew Yok	
Varghese John	
Tan Soo Kiat	
Dr Ong Seh Hong	
Chia Hock Chye Michael	
Teo Boon Hwee	(alternate to Lim Tze Jong)
Wong Ngiam Jih	(alternate to Chia Hock Chye Michael)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director or nominee		Holdings in which a director is deemed to have an interest	
	At 31.12.2014	At 01.01.2014	At 31.12.2014	At 01.01.2014
Company				
(No. of ordinary shares)				
Lim Tze Jong	417,776,000	417,776,000	-	-
Lim Tjew Yok	2,000,000	2,000,000	-	-
Varghese John	2,000,000	2,000,000	-	-
Teo Boon Hwee	1,500,000	1,500,000	-	-

(b) Mr Lim Tze Jong, who by virtue of his interest of not less than 20% of the issued capital of the Company, is deemed to have interest in the whole of the share capital of the Company's wholly owned subsidiaries.

(c) The directors' interests in the ordinary shares of the Company as at 21 January 2015 were the same as those as at 31 December 2014.

Directors' contractual benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this report, and except that Mr Chia Hock Chye Michael and Mr Wong Ngiam Jih, who have employment relationship with a company related to a corporate shareholder, and have received remuneration in that capacity.

Share options

No options were granted during the financial year ended 31 December 2014 to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

Audit Committee

The members of the Audit Committee at the end of the financial year were as follows:-

Tan Soo Kiat	(Chairman)
Chia Hock Chye Michael	(Member)
Dr Ong Seh Hong	(Member)

All members of the Audit Committee were non-executive directors. Except for Mr Chia Hock Chye Michael who is an Executive Director of a company related to a corporate shareholder of the Group, all members were independent.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. The main functions of the Audit Committee are as follows:

- To review the audit plans of the external auditor and the internal auditor, including the results of the external audit and internal auditors' review and evaluation of the system of internal controls

- To review the annual consolidated financial statements and the external auditors' report on those financial statements, and discuss any significant adjustments, major risk areas, changes in accounting policies, compliance with the Singapore Financial Reporting Standards, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of Management, where necessary, before submission to the Board of Directors for approval

- To review the periodic consolidated financial statements comprising the statements of comprehensive income and the balance sheets and such other information required by the Listing Manual, before submission to the Board of Directors for approval

- To review and discuss with external auditors, any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results on financial position and the Management's response

- To review the co-operation given by the Management to the external auditors

- To recommend to the Board the appointment, re-appointment and removal of the external auditors and approve the remuneration and terms of engagement of the external auditors

- To review and ratify any interested person transaction falling within the scope of Chapter 9 of the Listing Manual

- To review any potential conflicts of interest

- To review the procedures by which employees of the Group may, in confidence, report to the Chairman of the Audit Committee, possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for independent investigation and follow-up actions in relation thereto

- To undertake such other reviews and projects as may be requested by the Board of Directors, and to report to the Board its findings from time to time on matters arising and requiring the attention of the Audit Committee

- To review all non-audit services provided by the external auditors to ensure that they would not, in the Committee's opinion, affect the independence of the auditors

Audit Committee (continued)

- To review the adequacy of the Company's internal financial controls, operational and compliance controls, information technology controls and risk management policies and systems established by the Management

- To review and approve foreign exchange hedging policies implemented by the Group and conduct periodic review of foreign exchange transactions and hedging policies and procedures

- To undertake generally such other functions and duties as may be required by law or the Listing Manual, and by such amendments made thereto from time to time; and

- To review and discuss with the internal auditors any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position and Management's response.

The Audit Committee has full access to the Company's internal auditor and Management, and has full discretion to invite any director and executive officer to attend its meetings and investigate any matter within its terms of reference. In performing its functions, the Audit Committee also reviews the assistance given by the Company's officers to the auditors as well as the adequacy of the internal audit function, its effectiveness and its resources. The Audit Committee meets with the internal auditor regularly. The internal auditor can approach any of the members of the Audit Committee without the presence of the Company's Management.

The Audit Committee meets with the external auditors, without the presence of the Company's Management at least once annually. The Company confirms that it has complied with Rules 712 and 715 of the Listing Manual in engaging PricewaterhouseCoopers LLP, registered with the Accounting and Corporate Regulatory Authority, as the external auditors of the Company and of its Singapore incorporated subsidiaries. The Audit Committee reviews the independence of the external auditors annually. The Audit Committee, having reviewed the range and value of non-audit services performed by the external auditors, PricewaterhouseCoopers LLP, was satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The aggregate amount of fees paid and payable by the Group to the external auditors for the financial year ended 31 December 2014 was approximately S$539,750 of which audit fees amounted to approximately S$447,750 and non-audit fees amounted to approximately S$92,000.

The Audit Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Independent Auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Lim Tze Jong Director	Varghese John Director

27 March 2015
Singapore

Statements by Directors

For the financial year ended 31 December 2014

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group set out on pages 83 to 129 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2014 and of the results of the business, changes in equity and cash flows of the Group for the year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the directors

Lim Tze Jong Director	Varghese John Director

27 March 2015
Singapore

Independent Auditor's Report

For the financial year ended 31 December 2014

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DYNA-MAC HOLDINGS LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of Dyna-Mac Holdings Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 83 to 129, which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 December 2014, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014, and of the results, changes in equity and cash flows of the Group for the financial year ended on that date.

Report on other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore, of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

27 March 2015
Singapore

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2014

	Notes	Group 2014 $'000	Group 2013 $'000
Revenue	4	**318,566**	269,351
Cost of sales	5	**(246,701)**	(203,508)
Gross profit		**71,865**	65,843
Other losses - net	7	**(2,623)**	(81)
Expenses			
- Administrative	5	**(37,956)**	(29,793)
- Finance	8	**(1,787)**	(325)
Share of loss of an associated company	17	**-**	(61)
Profit before income tax	9(a)	**29,499**	35,583
Income tax expense		**(3,258)**	(4,933)
Net profit		**26,241**	30,650
Other comprehensive income			
Items that may be subsequent reclassified to profit or loss:			
Currency translation differences arising from consolidation		**(388)**	(308)
Total comprehensive income, net of tax		**25,853**	30,342
Profit attributable to:			
Equity holders of the Company		**24,765**	28,686
Non-controlling interest		**1,476**	1,964
		26,241	30,650
Total comprehensive income attributable to:			
Equity holders of the Company		**24,235**	28,456
Non-controlling interest		**1,618**	1,886
		25,853	30,342
Earnings per share attributable to equity holders of the Company (SGD cents per share)			
- Basic/diluted	26	**2.42**	2.80

The accompanying notes form an integral part of these financial statements.

Balance Sheets

For the financial year ended 31 December 2014

	Notes	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
ASSETS					
Current assets					
Cash and bank balances	10	**42,155**	61,451	**648**	412
Trade and other receivables	11	**214,876**	156,336	**129,246**	135,736
Derivative financial instruments	12	**-**	66	**-**	-
Inventories	13	**14,294**	995	**-**	-
Construction contracts	14	**7,435**	5,215	**-**	-
Other current assets	15	**2,486**	1,170	**18**	12
		281,246	225,233	**129,912**	136,160
Non-current assets					
Club memberships		**407**	407	**-**	-
Investments in subsidiaries	16	**-**	-	**31,605**	30,775
Investment in an associated company	17	**-**	-	**-**	-
Other receivables	18	**-**	-	**50,000**	-
Property, plant and equipment	19	**115,530**	118,921	**-**	-
Goodwill	20	**5,556**	5,556	**-**	-
Deferred income tax assets	21	**1,400**	1,400	**-**	-
		122,893	126,284	**81,605**	30,775
Total assets		**404,139**	351,517	**211,517**	166,935
LIABILITIES					
Current liabilities					
Current income tax liabilities	9(b)	**5,317**	8,168	**-**	-
Derivative financial instruments	12	**4,102**	382	**-**	-
Trade and other payables	22	**125,277**	110,600	**1,198**	296
Borrowings	23	**17,417**	35,488	**-**	-
		152,113	154,638	**1,198**	296
Non-current liabilities					
Borrowings	23	**49,511**	239	**49,237**	-
Deferred income tax liabilities	21	**2,167**	2,119	**-**	-
		51,678	2,358	**49,237**	-
Total liabilities		**203,791**	156,996	**50,435**	296
NET ASSETS		**200,348**	194,521	**161,082**	166,639
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	25	**145,271**	145,271	**145,271**	145,271
Foreign currency translation reserve		**(643)**	(113)	**-**	-
Retained profits		**51,625**	47,324	**15,811**	21,368
		196,253	192,482	**161,082**	166,639
Non-controlling interest		**4,095**	2,039	**-**	-
Total equity		**200,348**	194,521	**161,082**	166,639

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2014

	Note	Share capital $'000	Retained profits $'000	Foreign currency translation reserve* $'000	Total $'000	Non-controlling interest $'000	Total equity $'000
		← Attributable to equity holders of the Company →					
31 December 2014							
Beginning of financial year		145,271	47,324	(113)	192,482	2,039	194,521
Capital contribution from non-controlling interest		-	-	-	-	438	438
Dividend relating to the financial year ended 31 December 2013 paid	27	-	(20,464)	-	(20,464)	-	(20,464)
Total comprehensive income for the year		-	24,765	(530)	24,235	1,618	25,853
End of financial year		145,271	51,625	(643)	196,253	4,095	200,348
31 December 2013							
Beginning of financial year		145,271	39,102	117	184,490	-	184,490
Capital contribution from non-controlling interest		-	-	-	-	153	153
Dividend relating to the financial year ended 31 December 2012 paid	27	-	(20,464)	-	(20,464)	-	(20,464)
Total comprehensive income for the year		-	28,686	(230)	28,456	1,886	30,342
End of financial year		145,271	47,324	(113)	192,482	2,039	194,521

** Foreign currency translation reserve is non-distributable.*

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2014

	Notes	Group 2014 $'000	2013 $'000
Cash flows from operating activities			
Net profit		**26,241**	30,650
Adjustments for:			
- Income tax expense	9(a)	**3,258**	4,933
- Depreciation of property, plant and equipment	19	**14,660**	8,172
- Loss on disposal of property, plant and equipment	7	**1,223**	-
- Gain on disposal of associated company	7	**(134)**	-
- Interest income	7	**(238)**	(365)
- Interest expense	8	**1,787**	325
- Fair value loss on derivative financial instruments		**3,786**	634
- Share of loss of an associated company		**-**	61
- Unrealised currency translation gain		**(308)**	(118)
		50,275	44,292
Changes in working capital:			
- Trade and other receivables		**(58,540)**	(64,073)
- Construction contract work-in-progress		**(2,220)**	(4,711)
- Inventories		**(13,299)**	(429)
- Other current assets		**(1,316)**	1,505
- Trade and other payables		**13,786**	43,140
Cash (used in)/generated from operations		**(11,314)**	19,724
Interest received		**238**	365
Income tax paid	9(b)	**(6,043)**	(8,215)
Net cash (used in)/provided by operating activities		**(17,119)**	11,874
Cash flows from investing activities			
- Additions to property, plant and equipment		**(17,116)**	(27,098)
- Proceeds from disposal of property, plant and equipment		**4,432**	-
- Proceeds from disposal of associate company		**137**	-
- Increase in bank deposits with maturity more than 3 months		**4,204**	(10,480)
Net cash used in investing activities		**(8,343)**	(37,578)
Cash flows from financing activities			
- Proceeds from borrowings		**-**	34,972
- Proceeds from finance lease liabilities		**269**	317
- Proceeds from issuance of medium term note		**49,115**	-
- Repayment of borrowings		**(17,693)**	-
- Repayment of lease liabilities		**(611)**	(471)
- Interest expense paid	8	**(774)**	(325)
- Dividends paid to equity holders of the Company	27	**(20,464)**	(20,464)
- Capital injection from non-controlling interest of subsidiary		**438**	-
Net cash provided by financing activities		**10,280**	14,029
Net decrease in cash and cash equivalents		**(15,182)**	(11,675)
Cash and cash equivalents			
Beginning of financial year		**30,971**	42,646
Effects of currency translation on cash and cash equivalents		**90**	-
End of financial year	10	**15,879**	30,971

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

Dyna-Mac Holdings Ltd. (the "Company") is listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") and is incorporated and domiciled in Singapore. The address of its registered office is at 59 Gul Road, Singapore 629354 and the principal place of business is at 45 Gul Road, Singapore 629350.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are set out in Note 35 to the financial statements.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise judgement in applying the Group's accounting policies. It also requires the use of accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

2.2 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Group's activities. Revenue is presented, net of value-added tax, rebates and discounts, and after eliminating revenue within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) Construction contracts revenue

Revenue from construction contracts is recognised on the percentage of completion method. Further details can be found in Note 2.7.

(b) Interest income

Interest income is recognised using the effective interest method.

(c) Rental income

Rental income arising from operating leases (net of any incentive given to the lessees) is accounted for on a straight-line basis over the lease term.

2. Significant accounting policies (continued)

2.3 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, viable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree, over (ii) the fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets - Goodwill" for the subsequent accounting policy on goodwill.

2. Significant accounting policies (continued)

2.3 Group accounting

(a) Subsidiaries

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific standard.

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries and associated company" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(c) Associated company

Associated company is an entity, over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%. Investments in associated company is accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisitions

Investments in associated company is initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated company represents the excess of the cost of acquisition of the associate over the Group's share of the fair value of the identifiable net assets of the associated company and is included in the carrying amount of the investments.

(ii) Equity method of accounting

In applying the equity method of accounting, the Group's share of its associated company's post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated company is adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company. If the associated company subsequently reports profits, the Group recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(c) Associated company (continued)

(ii) Equity method of accounting (continued)

Unrealised gains on transactions between the Group and its associated company are eliminated to the extent of the Group's interest in the associated company. Unrealised losses are also eliminated unless the transaction provide evidence of an impairment of the assets transferred. The accounting policies of associated company have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in associated company is derecognised when the Group loses significant influence. If the retained equity interest in the former associated company is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost and its fair value and any proceeds on partial disposal is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries and associated company" for the accounting policy on investments in associated company in the separate financial statements of the Company.

2.4 Property, plant and equipment

(a) Measurement

(i) Property, plant and equipment

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Buildings	19 - 42 years
Furniture and fittings and office equipment	5 years
Computers	3 years
Site building and yard improvement	5 - 22 years
Site equipment and tools	5 years
Motor vehicles	5 years

2. Significant accounting policies (continued)

2.4 Property, plant and equipment (continued)

(b) Depreciation (continued)

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss within "Other gains / losses - net".

2.5 Intangible assets

Goodwill on acquisitions of subsidiaries and businesses represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree, over (ii) the fair value of the identifiable net assets acquired.

Goodwill on subsidiaries and joint ventures is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold.

2.6 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

2.7 Construction contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date ("percentage-of-completion method"). When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in the contract work and claims that can be measured reliably. A variation or a claim is recognised as contract revenue when it is probable that the customer will approve the variation or negotiations have reached an advanced stage such that it is probable that the customer will accept the claim.

2. Significant accounting policies (continued)

2.7 Construction contracts (continued)

The stage of completion is measured by reference to the completion of the physical proportion of the contract work. Costs incurred during the financial year in connection with future activity on a contract are excluded from the costs incurred to date when determining the stage of completion of a contract. Such costs are shown as construction contract work-in-progress on the balance sheet unless it is not probable that such contract costs are recoverable from the customers, in which case, such costs are recognised as an expense immediately.

At the balance sheet date, the cumulative costs incurred plus recognised profit (less recognised loss) on each contract is compared against the progress billings. Where the cumulative costs incurred plus the recognised profits (less recognised losses) exceed progress billings, the balance is presented as due from customers on construction contracts within "trade and other receivables". Where progress billings exceed the cumulative costs incurred plus recognised profits (less recognised losses), the balance is presented as due to customers on construction contracts within "trade and other payables".

Progress billings not yet paid by customers and retentions by customers are included within "trade and other receivables". Advances received from customers are accounted for as deferred revenue, and included within "trade and other payables".

2.8 Investments in subsidiaries and associated company

Investments in subsidiaries and associated company are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.9 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Property, plant and equipment
Investments in subsidiaries and associated company

Property, plant and equipment and investments in subsidiaries and associated company are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

2. Significant accounting policies (continued)

2.9 Impairment of non-financial assets (continued)

(b) Property, plant and equipment
Investments in subsidiaries and associated company (continued)

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

2.10 Financial assets

(a) Classification

The Group classifies its financial assets as loans and receivables. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" (Note 11) and "cash and bank balances" (Note 10) on the balance sheet.

(b) Recognition and derecognition

Financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset and are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss.

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

(d) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

2. Significant accounting policies (continued)

2.10 Financial assets (continued)

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(e) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.11 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.12 Trade and other payables

Trade and other payables represent liabilities for goods and services provided prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.13 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets held by the Group are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instruments.

The fair values of currency forward contracts are determined using actively quoted forward exchange rates. The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2. Significant accounting policies (continued)

2.14 Derivative financial instruments

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

The carrying amount of a derivative is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged items is less than 12 months.

2.15 Leases

(a) When the Group is the lessee:

The Group leases certain property, plant and equipment under finance leases and operating leases from non-related parties.

(i) Lessee - Finance leases

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as plant and equipment and finance lease liabilties respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

(ii) Lessee - Operating leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

(b) When the Group is the lessor:

The Group leases certain property, plant and equipment and investment properties under operating leases to non-related parties.

Lessor - Operating leases

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

2. Significant accounting policies (continued)

2.16 Inventories

Inventories comprise materials and supplies to be consumed in the rendering of construction services. Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. The cost of materials and supplies comprises raw materials and other direct costs directly attributable to the acquisition of finished goods and materials but excludes borrowings costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.17 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries and associated company, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:-

(i) At the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) Based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.18 Provisions

Provisions are recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

2.19 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

2. Significant accounting policies (continued)

2.20 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance cost". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "other gains / losses - net".

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting currency translation differences are recognised in the currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

2.22 Cash and bank balances

For the purpose of presentation in the consolidated statement of cash flows, cash and bank balances include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

2.23 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.24 Dividends to Company's shareholders

Dividends to Company's shareholders are recognised when the dividends are approved for payments.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Construction contracts

The Group uses the percentage-of-completion method to account for its contract revenue. The stage of completion is measured by reference to the percentage of the physical proportion of the contract work completed as determined by engineers' estimates.

Significant judgement is required in determining the stage of completion, the extent of total contract costs incurred, the estimated total contract costs as well as the recoverability of the contract and variation works. In making these estimates, management evaluates by relying on past experiences. The carrying amount of construction contract work-in-progress at the balance sheet date is disclosed in Note 14.

Impairment of goodwill

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. The recoverable amount of goodwill, and where applicable, a cash-generating unit ("CGU"), is determined based on the higher of fair value less costs to sell and value-in-use calculations prepared on the basis of management's assumptions and estimates.

When value-in-use calculations are undertaken, the Group uses discounted cash flow projections based on financial budgets approved by management covering a specified period. Cash flows beyond the specified period are forecasted after considering factors like general market conditions, macroeconomic cycle, industry-specific and other relevant information. Details of the key assumptions applied in the impairment assessment of goodwill arising on consolidation are given in Note 20.

All impairment calculations demand a high degree of estimation, which include assessments of the expected cash flows arising from such assets and the selection of discount rates. Changes to these estimates may significantly impact the impairment charges recognised.

4. Revenue

	Group	
	2014	2013
	$'000	$'000
Module business	**309,641**	172,991
Ad-hoc projects	**8,925**	96,360
Total Revenue	**318,566**	269,351

5. Expenses by nature

	Group	
	2014	2013
	$'000	$'000
Sub-contractors charges	**133,934**	110,666
Materials	**63,610**	44,982
Direct overheads	**43,721**	40,301
Rental of sites	**5,436**	7,559
Employee compensation (Note 6)	**24,214**	18,305
Depreciation of property, plant and equipment	**3,478**	1,909
Transportation and travelling	**1,806**	1,818
Legal and professional fees	**987**	962
Entertainment and refreshment	**189**	177
Property tax	**1,362**	1,023
Insurance	**914**	886
Advertising and marketing expenses	**1,139**	860
Other expenses	**3,867**	3,853
Total cost of sales and administrative expenses	**284,657**	233,301

Included in the direct overhead expenses is depreciation of property, plant and equipment directly used in the projects amounting to $11,182,000 (2013: $6,263,000).

6. Employee compensation

	Group	
	2014	2013
	$'000	$'000
Wages and salaries	**19,539**	14,652
Employer's contribution to defined contribution plans	**1,325**	1,258
Other short-term benefits	**3,350**	2,395
	24,214	18,305

7. Other losses - net

	Group	
	2014	2013
	$'000	$'000
Other income:		
Interest income - bank deposits	**238**	365
Rental income		
- Warehouse, office and container	**784**	1,529
Government Grant	**88**	19
Others	**479**	(455)
	1,589	1,458
Other (losses)/gains - net		
Loss on disposal of property, plant and equipment	**(1,223)**	-
Gain on disposal of associated company	**134**	-
Fair value loss on derivative financial instruments	**(3,786)**	(1,307)
Foreign exchange gains/(losses), net	**663**	(232)
	(4,212)	(1,539)
Total other losses - net	**(2,623)**	(81)

8. Finance expenses

	Group	
	2014	2013
	$'000	$'000
Interest expense		
- Bank borrowings	**1,650**	301
- Deferred finance charges amortisation	**122**	-
- Finance lease liabilities	**15**	24
	1,787	325

9. Income taxes

(a) Income tax expense

	Group	
	2014	2013
	$'000	$'000
Tax expense attributable to profit is made up of:		
- Current income tax	**5,325**	5,951
- Deferred income tax (Note 21)	**(130)**	(1,328)
	5,105	4,623
(Over)/under provision in prior financial years:		
- Current income tax	**(2,025)**	2,882
- Deferred income tax (Note 21)	**178**	(2,572)
	3,258	4,933

The tax expense on the Group's profit before tax differs from the amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2014	2013
	$'000	$'000
Profit before income tax	**29,499**	35,583
Tax calculated at rate of 17% (2013: 17%)	**5,015**	6,049
Effects of		
- Different tax rates in other countries	**(231)**	(1,296)
- Expenses not deductible for tax purposes	**2,145**	659
- Recognition of previously unrecognised tax losses	**(1,025)**	-
- Income not subject to tax	**(627)**	(600)
- Tax incentives	**(131)**	(153)
- Partial tax exemption	**(41)**	(36)
Tax charge	**5,105**	4,623

Tax incentives relate to enhanced deductions for approved expenditures and claims for approved donations.

(b) Movements in current income tax liabilities

	Group	
	2014	2013
	$'000	$'000
Beginning of financial year	**8,168**	7,550
Currency translation difference	**(18)**	*
Income tax paid	**(6,043)**	(8,215)
(Over)/under provision in prior financial year	**(2,025)**	2,882
Tax expense	**5,235**	5,951
End of financial year	**5,317**	8,168

** Amount is less than $1,000*

10. Cash and bank balances

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**15,879**	30,971	**648**	412
Short-term bank deposits	**26,276**	30,480	**-**	-
	42,155	61,451	**648**	412

For the purpose of presenting the consolidated statement of cash flows, cash and bank balances comprise the following:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Cash and bank balances (as above)	**42,155**	61,451	**648**	412
Less: Bank deposits with maturity more than 3 months	**(26,276)**	(30,480)	**-**	-
Cash and cash equivalents per consolidated statement of cash flows	**15,879**	30,971	**648**	412

Short-term bank deposits are pledged in relation to the security granted for the Group's bank borrowings (Note 23).

11. Trade and other receivables - current

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Trade receivables				
- Non-related parties	**46,198**	79,580	**-**	-
- Related parties	**15,272**	748	**-**	-
Trade receivables - net	**61,470**	80,328	**-**	-
Construction contracts				
- Due from customers (Note 14)	**152,500**	72,773	**-**	-
Dividend receivable	**-**	-	**16,000**	21,000
Advances to subsidiaries	**-**	-	**113,246**	114,700
Staff loans	**116**	105	**-**	-
Other receivables	**790**	3,130	**-**	36
	214,876	156,336	**129,246**	135,736

Related parties refer to companies controlled by a corporate shareholder.

The advances to subsidiaries are unsecured, interest-free and repayable on demand.

12. Derivative financial instruments

	Group		
	Contract notional Amount	Fair value	
		Asset	Liability
	US$'000	$'000	$'000
2014			
Non-hedging instruments			
- Currency forwards	**123,123**	**-**	**4,102**
2013			
Non-hedging instruments			
- Currency forwards	48,690	66	382

Currency forwards are transacted to hedge highly probable forecast transactions denominated in foreign currency expected to occur at various dates within twelve months from the balance sheet date. The currency forwards have maturity dates that coincide with the expected occurrence of these transactions. Fair value changes arising on the forward currency contracts are recognised in profit or loss when the changes arise.

13. Inventories

	Group	
	2014	2013
	$'000	$'000
Steel and consumables	**14,294**	995

The cost of inventories recognised as an expense and included in "cost of sales" amounts to $7,100 (2013: $76,700).

14. Construction contracts

	Group	
	2014	2013
	$'000	$'000
Construction contract work-in-progress:		
Beginning of financial year	**5,215**	504
Contract costs incurred	**248,921**	208,219
Contract expenses recognised in profit or loss	**(246,701)**	(203,508)
End of financial year	**7,435**	5,215
Aggregate costs incurred and profits recognised (less losses recognised) to date on uncompleted construction contracts	**332,804**	301,347
Less: Progress billings	**(180,304)**	(228,574)
	152,500	72,773
Presented as:		
Due from customers on construction contracts (Note 11)	**152,500**	72,773
Advances received on construction contracts (Note 22)	**16,486**	32,175

15. Other current assets

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Deposits	**1,918**	826	**18**	-
Prepayments	**568**	344	**-**	12
	2,486	1,170	**18**	12

16. Investments in subsidiaries

	Company	
	2014	2013
	$'000	$'000
Equity investments at cost		
Beginning of financial year	**30,775**	25,476
Additions	**830**	5,295
End of financial year	**31,605**	30,771

Details of the Group's subsidiaries are included in Note 35.

17. Investment in an associated company

	Group	
	2014	2013
	$'000	$'000
Beginning of financial year	**-**	63
Share of losses	**-**	(61)
Currency translation differences	**-**	(2)
End of financial year	**-**	-

The summarised financial information of the associated company not adjusted for the ownership interest held by the Group for the prior financial year was as follows:

	Group	
	2014	2013
	$'000	$'000
Assets	**-**	2
Liabilities	**-**	-
Revenue	**-**	-
Net loss	**-**	(189)

During the financial year, the associated company was liquidated.

18. Other receivables - non-current

	Company	
	2014	2013
	$'000	$'000
Other receivables		
- Loan to a subsidiary	**50,000**	-

The loan to a subsidiary by the Company are unsecured, interest-bearing at 4.25% per annum, payable semi-annually, and will be fully repaid in 2017.

The carrying amount of loan receivable approximates their fair value.

19. Property, plant and equipment

	Buildings $'000	Furniture and fittings and office equipment $'000	Computers $'000	Site building and yard improvement $'000	Site equipment and tools $'000	Motor vehicles $'000	Site building, equipment and yard improvement under construction $'000	Total $'000
Group								
2014								
Cost								
Beginning of financial year	34,135	5,180	3,810	79,033	30,895	3,345	7,881	164,279
Currency translation differences	-	(4)	2	22	136	5	(181)	(20)
Additions	-	578	555	12,097	2,857	1,029	-	17,116
Transfer	-	25	-	7,657	18	-	(7,700)	-
Disposals	(5,000)	(10)	(6)	(21)	(328)	(1,173)	-	(6,538)
End of financial year	29,135	5,769	4,361	98,788	33,578	3,206	-	174,837
Accumulated depreciation								
Beginning of financial year	2,340	2,547	2,221	16,496	20,364	1,390	-	45,358
Currency translation differences	-	1	6	108	54	3	-	172
Charge for the financial year	1,200	513	839	8,858	2,830	420	-	14,660
Transfer	-	5	-	242	(247)	-	-	-
Disposals	(82)	(9)	(6)	(14)	(192)	(580)	-	(883)
End of financial year	3,458	3,057	3,060	25,690	22,809	1,233	-	59,307
Net book value								
End of financial year	**25,677**	**2,712**	**1,301**	**73,098**	**10,769**	**1,973**	**-**	**115,530**

19. Property, plant and equipment (continued)

	Buildings	Furniture and fittings and office equipment	Computers	Site building and yard improvement	Site equipment and tools	Motor vehicles	Site building, equipment and yard improvement under construction	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
2013								
Cost								
Beginning of financial year	28,340	4,846	2,504	69,694	27,429	2,501	1,902	137,216
Currency translation differences	-	1	(1)	(2)	(54)	(1)	22	(35)
Additions	5,795	333	1,307	9,341	3,520	845	5,957	27,098
End of financial year	34,135	5,180	3,810	79,033	30,895	3,345	7,881	164,279
Accumulated depreciation								
Beginning of financial year	1,258	2,114	1,682	13,159	18,037	936	-	37,186
Charge for the financial year	1,082	433	539	3,337	2,327	454	-	8,172
End of financial year	2,340	2,547	2,221	16,496	20,364	1,390	-	45,358
Net book value								
End of financial year	**31,795**	**2,633**	**1,589**	**62,537**	**10,531**	**1,955**	**7,881**	**118,921**

Included in additions in the consolidated financial statements are motor vehicles acquired under finance leases amounting to $256,000 (2013: $610,000).

The carrying amounts of motor vehicles, and site equipment and tools held under finance leases are $715,000 (2013: $1,332,000) and $302,000 (2013: $456,000) respectively at the balance sheet date.

20. Goodwill

	Group	
	2014	2013
	$'000	$'000
Cost and net book value		
Beginning and end of financial year	**5,556**	5,556

Goodwill has been allocated to the subsidiary, DMP Marine Fabricator (Nansha) Co. Ltd - the cash-generating unit ("CGU"), acquired in 2013. The recoverable amount of the CGU was determined from value-in-use calculations. The cash flow projection used in the value-in-use calculation was based on the financial budget approved by management for the next year. Cash flow projections beyond one year were extrapolated based on consistent margins and using an estimated growth rate which does not exceed the long-term growth rate of the market in which the CGU is based. The discount rate of 8% applied was consistent with other companies in similar industry segment. Based on management's impairment assessment of the CGU as at 31 December 2014, no impairment on goodwill was recognised.

21. Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

	Group	
	2014	2013
	$'000	$'000
Deferred income tax assets		
- To be recovered after one year	**1,400**	1,400
Deferred income tax liabilities	**145**	409
- To be settled within one year	**2,022**	1,710
- To be settled after one year	**2,167**	2,119

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of $5,600,000 (2013: $9,700,000) arising from a subsidiary at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by the subsidiary in its country of incorporation. The tax losses have no expiry date.

21. Deferred income taxes (continued)

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

	Group	
	2014	2013
	$'000	$'000
Deferred income tax assets		
Tax losses		
Beginning of financial year	**1,400**	-
Tax credited to profit or loss (Note 9(a))	**-**	1,400
End of financial year	**1,400**	1,400
Deferred income tax liabilities		
Accelerated tax depreciation		
Beginning of financial year	**2,119**	4,619
Tax (credited)/charged to profit or loss (Note 9(a))	**(130)**	72
Under/(over) provision in preceding financial year (Note 9(a))	**178**	(2,572)
End of financial year	**2,167**	2,119

22. Trade and other payables

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Trade payables to:				
- Non-related parties	**99,427**	59,261	**-**	*
Construction contracts				
- Advances received (Note 14)	**16,486**	32,175	**-**	-
Non-trade amounts due to:				
- A director	**244**	369	**-**	-
Consideration payable	**1,500**	1,500	**-**	-
Other payables	**839**	4,962	**160**	104
Accrual for operating expenses	**6,781**	12,333	**1,038**	192
	125,277	110,600	**1,198**	296

** Amount is less than $1,000*

The non-trade amount due to a director is unsecured, interest-free and is repayable on demand.

23. Borrowings

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Current				
Bank borrowings	**17,278**	34,972	**-**	-
Finance lease liabilities (Note 24)	**139**	516	**-**	-
	17,417	35,488	**-**	-
Non-current				
Unsecured unquoted fixed rate notes	**49,237**	-	**49,237**	-
Finance lease liabilities (Note 24)	**274**	239	**-**	-
	49,511	239	**49,237**	-
Total borrowings	**66,928**	35,727	**49,237**	-

During the financial year ended 31 December 2014, the Group established a S$300 Million Multi-Currency Medium Term Note ("MTN") Programme, pursuant to which the Company may issue notes from time to time to finance the general corporate funding requirements. Under this MTN Programme, the Company may issue notes in Singapore dollars or other currencies, in various amounts and tenors, which may bear fixed, floating or variable rates of interest. Hybrid notes and zero coupon notes may also be issued under the MTN Programme. The note outstanding as at the balance sheet date is unsecured, interest-bearing at 4.25% per annum, payable semi-annually, and will be fully repaid in 2017.

The carrying amount of unsecured unquoted fixed rate notes approximates its fair value.

The exposure of bank borrowings and unsecured quoted fixed rate notes of the Group to interest rate changes and the contractual repricing dates at the balance sheet date are as follows:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
6 months or less	**17,279**	34,972	**-**	-
6 to 12 months	**-**	-	**-**	-
1 to 5 years	**49,237**	-	**49,237**	-
Total borrowings	**66,516**	34,972	**49,237**	-

Bank borrowings are secured by short-term bank deposits of the Group, and by deeds of guarantee and indemnity from the Company. The weighted average effective interest rate on bank borrowings at balance sheet date is 2.50% (2013: 1.77%) per annum.

24. Finance lease liabilities

The Group leases motor vehicles and certain site equipment and tools from non-related parties under finance leases. Lease terms range from 1 to 5 years with options to purchase at the end of the lease term.

The liabilities are secured on property, plant and equipment acquired under finance lease contracts (Note 19).

	Group	
	2014	2013
	$'000	$'000
Minimum lease payments due		
- Not later than one year	153	533
- Between one and five years	294	247
	447	780
Less: Future finance charges	(34)	(25)
Present value of finance lease liabilities	413	755

The present values of finance lease liabilities are analysed as follows:

	Group	
	2014	2013
	$'000	$'000
- Not later than one year	**139**	516
- Between one and five years	**274**	239
	413	755

The carrying amounts of finance lease liabilities approximate their fair value at balance sheet date.

25. Share capital

	No. of ordinary shares	Amount $'000
Group and Company		
2014		
Beginning and end of financial year	**1,023,211,000**	145,271
2013		
Beginning and end of financial year	**1,023,211,000**	145,271

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

26. Earnings per share

Basic and diluted earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2014	2013
	$'000	$'000
Net profit attributable to equity holders of the Company ($'000)	**24,765**	28,686
Weighted average number of ordinary shares outstanding ('000)	**1,023,211**	1,023,211
Basic/diluted earnings per share (cents per share)	**2.42**	2.80

The Company has no potential ordinary shares.

27. Dividends

	Group	
	2014	2013
	$'000	$'000
Ordinary dividends paid		
Final dividend paid in respect of the previous financial year of 1.5 cents (2013: 2.0) cents per share	**15,348**	20,464

Dividends of $20,464,220 relates to the dividends declared for the financial year ended 31 December 2013 and paid during the financial year ended 31 December 2014.

At the Annual General Meeting on 24 April 2015, a final dividend of 1.5 cents per share amounting to $15,348,165 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2015.

28. Commitments

(a) Capital commitments

Capital expenditure contracted for at balance sheet date but not recognised in the financial statements are as follows:

	Group	
	2014	2013
	$'000	$'000
Property, plant and equipment	**164**	5,448

28. Commitments (continued)

(b) Operating lease commitments - where Group is a lessee

The Group leases office equipment and yard facilities from non-related parties under non-cancellable operating agreements. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease payable under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities are analysed as follows:

	Group	
	2014	2013
	$'000	$'000
Not later than one year	**9,016**	7,724
Between one and five years	**25,982**	14,692
Later than five years	**41,100**	34,171
	76,098	56,587

(c) Operating lease commitments - where the Group is a lessor

The Group leases site equipment to non-related parties under non-cancellable operating leases.

The future minimum lease receivables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are as follows:

	Group	
	2014	2013
	$'000	$'000
Not later than one year	**12**	-

29. Contingent liabilities

Weir LGE Process ("WLGE") had engaged Dyna-Mac Engineering Services Pte Ltd ("DMES") as sub-contractor to carry out fabrication works for four refrigeration skids. DMES is now alleging breach of contract by WLGE, and is claiming for the sum of US$3,039,344 (i.e. approximates S$4,271,494) for work carried out and completed by DMES.

WLGE has denied that it is in breach and has alleged that DMES was in breach of contract by failing to complete 2 remaining skids, and has indicated its claim for breach of contract and costs of repairs to the completed skids as £1,460,094 (i.e. approximates S$2,941,213). Both parties have indicated their intention for arbitration, but neither party has initiated arbitration under the International Chamber of Commerce.

30. Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk, liquidity risk and capital risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group uses financial instruments such as currency forwards and interest rate swaps to hedge certain financial risk exposures.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The senior management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

(a) Market risk

(i) Currency risk

The Group operates in Asia with dominant operations in Singapore. Entities in the Group regularly transact in currencies other than the functional currency of the Group, which is Singapore Dollar ("SGD").

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies. The Group manages the foreign exchange exposure by keeping cash balances in different currencies and maintaining a policy of matching as far as possible, receipts and payments in each currency.

In addition, the Group's risk management policy is to hedge the foreign currency exposure for at least 80% of the revenue contracts denominated in foreign currencies by entering into currency forward contracts.

Fair value changes of currency forward contracts are recognised in profit or loss at each reporting date.

30. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure based on the information provided to key management is as follows:

	SGD $'000	USD $'000	RMB $'000	PHP $'000	Others $'000	Total $'000
2014						
Financial assets						
Cash and bank balances	35,625	4,174	831	232	1,293	42,155
Trade and other receivables	154,444	60,170	223	-	39	214,876
Deposits	1,150	-	463	20	285	1,918
	191,219	64,344	1,517	252	1,617	258,949
Financial liabilities						
Trade and other payables*	(83,005)	(580)	(5,111)	(12,762)	(7,333)	(108,791)
Borrowings	(66,515)	-	-	-	-	(66,515)
Finance lease liabilities	(413)	-	-	-	-	(413)
	(149,933)	(580)	(5,111)	(12,762)	(7,333)	(175,719)
Net financial assets	41,286	53,764	(3,594)	(12,510)	(5,716)	83,230
Add: Expected progress billings in foreign currencies#	-	148,512	-	-	-	148,512
Less: Currency forwards	-	(123,123)	-	-	-	(123,123)
Currency profile of financial assets/(liabilities)	41,286	89,153	(3,594)	(12,510)	(5,716)	(108,619)

30. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

	SGD $'000	USD $'000	RMB $'000	PHP $'000	Others $'000	Total $'000
2013						
Financial assets						
Cash and bank balances	58,019	727	2,032	442	231	61,451
Trade and other receivables	120,076	36,076	162	-	22	156,336
Deposits	530	-	-	18	278	826
	178,625	36,803	2,194	460	531	218,613
Financial liabilities						
Trade and other payables*	(62,672)	2,431	(7,198)	(9,635)	(1,351)	(78,425)
Borrowings	(34,972)	-	-	-	-	(34,972)
Finance lease liabilities	(755)	-	-	-	-	(755)
	(98,399)	2,431	(7,198)	(9,635)	(1,351)	(114,152)
Net financial assets	80,226	39,234	(5,004)	(9,175)	(820)	104,461
Add: Expected progress billings in foreign currencies#	-	197,119	-	-	-	197,119
Less: Currency forwards	-	(48,690)	-	-	-	(48,690)
Currency profile of financial assets/(liabilities)	80,226	187,663	(5,004)	(9,175)	(820)	252,890

** Excludes advances received on construction contracts.*
 # Translated at year-end spot rate.

30. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the USD, RMB and PHP change against the SGD by 5% (2013: 5%) with all other variables including tax rate being held constant, the effects to the Group's net profit arising from the net financial liability/asset position at balance sheet date will be as follows:

	Group	
	2014	2013
	$'000	$'000
USD against SGD		
- Strengthened	**3,700**	7,305
- Weakened	**(3,700)**	(7,305)
RMB against SGD		
- Strengthened	**(149)**	(208)
- Weakened	**149**	208
PHP against SGD		
- Strengthened	**(519)**	(9)
- Weakened	**519**	9

(ii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's borrowings at variable rates on which effective hedges have not been entered into are denominated mainly in SGD. If SGD interest rates were higher/lower by 0.5% (2013: 0.5%) during the year with all other variables including tax rate being held constant, the profit after tax would have been lower/higher by $278,000 (2013: $148,000) as a result of higher/lower interest expense on these borrowings.

The fair value of interest-bearing borrowings is $65,450 as at 31 December 2014.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group are trade receivables. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group contracts only with recognised and creditworthy third parties. It is the Group's policy that all customers are required to provide security or advance payment upon the signing of a new contract. In addition, progress billings which are issued according to the stages of project completion are monitored on an ongoing basis to ensure that the Group's exposure to bad debts is not significant.

30. Financial risk management (continued)

(b) Credit risk (continued)

The credit risk for trade receivables based on the information provided to senior management is as follows:

	Group 2014 $'000	Group 2013 $'000
By types of customers		
Related parties	**15,272**	748
Non-related parties - Multi-national companies	**46,084**	79,580
	61,356	80,328

The trade receivables of the Group comprise 4 debtors (2013: 8 debtors) that represented 90% (2013: 80%) of trade receivables.

As the Group and Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially due from companies with a good collection track record with the Group. The Group has no trade receivables past due or impaired that were re-negotiated during the financial year.

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	Group 2014 $'000	Group 2013 $'000
Past due 0 to 3 months	**27,463**	40,513
Past due 3 to 6 months	**-**	111
Past due over 6 months	**9,018**	1,658
	36,481	42,282

30. Financial risk management (continued)

(c) Liquidity risk

The Group and the Company manages its liquidity risk by maintaining sufficient cash and bank balances to enable them to meet their normal operating commitments.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts at balance sheet date as the impact of discounting is not significant.

	Less than 1 year $'000	Between 1 and 5 years $'000
Group		
2014		
Trade and other payables*	108,791	-
Finance lease liabilities	153	294
	108,944	294
2013		
Trade and other payables*	78,425	-
Finance lease liabilities	533	247
	78,958	247

** Excludes advances received on construction contracts*

	Less than 1 year $'000
Company	
2014	
Trade and other payables	1,198
2013	
Trade and other payables	296

30. Financial risk management (continued)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on gearing ratio. The gearing ratio is calculated as total debt divided by total capital. Total debt refers to total borrowings, while total capital is calculated as total equity plus total debt.

The Group's strategy which remains unchanged during the financial years ended 31 December 2014 and 2013 are to maintain a gearing ratio of not exceeding 50%.

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2014 and 2013.

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Total debt	**66,928**	35,727	**-**	-
Total equity	**200,348**	194,521	**161,082**	166,639
Total capital	**267,276**	230,248	**161,082**	166,639
Gearing ratio	**25%**	16%	*****	*

** Less than 1%*

30. Financial risk management (continued)

(e) Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Group	Level 2 $'000
2014	
Assets	
Derivative financial instruments	-
Liabilities	
Derivative financial instruments	4,102
2013	
Assets	
Derivative financial instruments	66
Liabilities	
Derivative financial instruments	382

The fair value of forward foreign exchange contracts is determined using quoted forward currency rates at the balance sheet date. These investments are classified as Level 2.

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheet and in Note 22, except for the following:

	Group		Company	
	2014 $'000	2013 $'000	**2014 $'000**	2013 $'000
Loans and receivables	**258,949**	218,613	**129,894**	136,148
Financial liabilities at amortised cost	**175,719**	**114,152**	**49,237**	-

Loans and receivables have been defined in Note 2.10(a).

(g) Offsetting financial assets and liabilities

The Group's financial assets and liabilities are not subjected to enforceable master netting arrangements or similar arrangements. Financial derivatives, financial assets and financial liabilities are presented as gross on the consolidated balance sheet.

31. Related parties transactions

(a) Sales and purchases of goods and services

	Group 2014 $'000	Group 2013 $'000
Sub-contracting services from other related parties	**(2,739)**	(1,899)
Fabrication of topside modules and other ad-hoc projects to other related parties	**22,191**	**15,012**

Other related parties are companies owned by close family members of the Group's key management personnel or are subsidiaries of a shareholder of the Group.

Outstanding balances as at 31 December 2014, arising from transactions with other related parties, are unsecured and recoverable/payable within 12 months from balance sheet date and are disclosed in Note 11 and 22 respectively.

Outstanding commitments as at 31 December 2014, arising from transactions with other related parties, include $1,587,000 (2013: $2,017,000) for purchases of its sub-contracting services.

(b) Key management personnel compensation

Key management personnel compensation is analysed as follows:

	Group 2014 $'000	Group 2013 $'000
Directors		
Wages and salaries	**3,417**	3,097
Employer's contribution to defined contribution plans, including Central Provident Fund	**34**	35
	3,451	3,132
Senior Management		
Wages and salaries	**2,324**	1,739
Employer's contribution to defined contribution plans, including Central Provident Fund	**77**	50
Other benefits	**45**	-
	2,446	1,789
	4,897	4,921

32. Segment information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Board of Directors considers the business from a business segment perspective. Management manages and monitors the business in the two primary business segments: Module business and Ad-hoc projects.

The segment information provided to the Board of Directors for the reportable segments is as follows:

	Module Business $'000	Ad-hoc projects $'000	Total $'000
2014			
Revenue			
Segment revenue to external parties	**309,641**	**8,925**	**318,566**
Segment gross profit	**70,752**	**1,113**	**71,865**
As at 31 December 2014			
Segment assets	**229,976**	**6,629**	**236,605**
Segment liabilities	**110,671**	**3,190**	**113,861**
2013			
Revenue			
Segment revenue to external parties	172,991	96,360	269,351
Segment gross profit	37,214	28,629	65,843
As at 31 December 2013			
Segment assets	104,362	58,132	162,494
Segment liabilities	68,487	38,149	106,636

There are no sales between segments. The revenue from external parties reported to the Board of Directors is measured in a manner consistent with that in the consolidated statement of comprehensive income.

The Board of Directors assesses the performance of the operating segment based on gross profit. Segment results represent the profit earned by each segment without allocation of other income, administrative expenses, finance expenses, share of loss of an associated company and income tax expenses. This is reported to the Board of Directors for the purposes of resource allocation and assessment of segment performance.

The Group's property, plant and equipment are purchased primarily for the module business. This same equipment may also be utilised for ad-hoc projects.

32. Segment information (continued)

(a) Reconciliations

(i) Segment profits

A reconciliation of segment gross profit to net profit is as follows:

	Group	
	2014	2013
	$'000	$'000
Segment gross profit for reportable segments	**71,865**	65,843
Other losses	**(2,623)**	(81)
Administrative expenses	**(37,956)**	(29,793)
Finance expenses	**(1,787)**	(325)
Share of loss of an associated company	**-**	(61)
Profit before income tax	**29,499**	35,583
Income tax expense	**(3,258)**	(4,933)
Net profit	**26,241**	30,650

(ii) Segment assets

The amounts provided to the Board of Directors with respect to total assets are measured in a manner consistent with that of the financial statements. For the purposes of monitoring segment performance and allocating resources between segments, the Board of Directors monitors work-in-progress, inventories and receivables attributable to each segment.

All assets are allocated to reportable segments other than cash and cash equivalents, other receivables, other current assets, goodwill, property, plant and equipment, club memberships, investment in an associated company, and investment properties.

Segment assets are reconciled to total assets as follows:

	Group	
	2014	2013
	$'000	$'000
Segment assets for reportable segments	**236,605**	162,494
Unallocated assets		
- Cash and cash equivalents	**42,155**	61,451
- Derivative financial instruments	**-**	66
- Other receivables	**-**	52
- Other current assets	**2,486**	1,170
- Deferred income tax asset	**1,400**	1,400
- Goodwill	**5,556**	5,556
- Property, plant and equipment	**115,530**	118,921
- Club memberships	**407**	407
Total assets	**404,139**	351,517

32. Segment information (continued)

(a) Reconciliations (continued)

(iii) Segment liabilities

The amounts provided to the Board of Directors with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segments. All liabilities are allocated to the reportable segments other than other payables, derivative financial instruments, finance lease liabilities, current income tax liabilities and deferred income tax liabilities.

Segment liabilities are reconciled to total liabilities as follows:

	Group	
	2014	2013
	$'000	$'000
Segment liabilities for reportable segments	**113,861**	106,636
Unallocated liabilities		
- Other payables	**11,416**	3,964
- Derivative financial liabilities	**4,102**	382
- Borrowings	**66,928**	35,727
- Current income tax liabilities	**5,317**	8,168
- Deferred income tax liabilities	**2,167**	2,119
Total liabilities	**203,791**	156,996

(b) Geographical information

The Group's revenue, based on the customers' location, are mainly in Asia Pacific (Japan, Singapore, Malaysia, China and Australia) and Europe (Monaco and United Kingdom).

	Group	
	2014	2013
	$'000	$'000
Asia Pacific	**98,747**	55,402
Europe	**219,819**	213,950
	318,566	269,352

The Group's property, plant and equipment are located mainly in Singapore, China and Malaysia as at 31 December 2014 and 2013.

(c) Revenue from major customers

At balance sheet date, the Group's three largest customers by revenue in aggregate, accounted for 90% (2013: 84%) of total revenue.

33. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning after 1 January 2015 or later periods and which the Group has not early adopted:-

- FRS 103 - *Business Combinations* (effective for annual periods beginning on or after 1 July 2014)
- FRS 108 - *Operating Segments* (effective for annual periods beginning on or after 1 July 2014)
- FRS 16 - *Property, Plant and Equipment* (effective for annual periods beginning on or after 1 July 2014)
- FRS 24 - *Related Party Disclosures* (effective for annual periods beginning on or after 1 July 2014)
- FRS 113 - *Fair Value Measurement* (effective for annual periods beginning on or after 1 July 2014)

The management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS in the future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

34. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Dyna-Mac Holdings Ltd. on 27 March 2015.

35. Listing of companies in the Group

(a) The subsidiaries of Dyna-Mac Holdings Ltd. are as follows:

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares directly held by the Group		Proportion of ordinary shares directly held by non-controlling interests	
			2014 %	2013 %	**2014 %**	2013 %	**2014 %**	2013 %
Held by the Company								
Dyna-Mac Engineering Services Pte. Ltd. [a]	Contractors for project management, engineering, fabrication and installation of land and marine works	Singapore	**100**	100	**100**	100	**-**	-
Dyna-Mac Marine and Heavy Engineering Pte. Ltd. [a]	Contractors for project management, engineering, fabrication and installation of marine works	Singapore	**100**	100	**100**	100	**-**	-
Dyna-Mac Offshore Services Pte. Ltd. [a]	Contractors for repair and marine works	Singapore	**100**	100	**100**	100	**-**	-
Dyna-Mac Engineering (HK) Pte Ltd [g]	Provides project management services for projects in the People's Republic of China	Hong Kong	**100**	100	**100**	100	**-**	-
DM Haven Automation Industries (S) Pte. Ltd. [a]	Repair of ships, tankers and other ocean-going vessels, manufacture and repair of marine engine and ship parts, and the provision of manpower resources for shipping-related projects.	Singapore	**100**	100	**100**	100	**-**	-
Dyna-Mac Keppel Philippines Inc [b]	Contractors for project management, engineering, fabrication and installation of land and marine works	Philippines	**60**	60	**60**	60	**40**	40

35. Listing of companies in the Group (continued)

(a) The subsidiaries of Dyna-Mac Holdings Ltd. are as follows: (continued)

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares directly held by the Group		Proportion of ordinary shares directly held by non-controlling interests	
			2014 **%**	2013 %	**2014** **%**	2013 %	**2014** **%**	2013 %
Held by subsidiaries								
Dyna-Mac Engineering Services Sdn. Bhd. [(c)]	Contractors for construction works	Malaysia	**-**	-	**100**	100	**-**	-
Dyna-Mac Do Brasil construcoes Ltda. [(d)]	(i) Fabrication, sale, installation and repair of modules for oil rigs, FSO and FPSO; and (ii) Land and marine services of engineering, project management and other related services to the exploration and exploitation of oil and gas	Brazil	**-**	-	**100**	100	**-**	-
DMP Marine Fabricator (Nansha) Co. Ltd [(e)]	Contractors for project management, engineering, fabrication and installation of land and marine works	People's Republic of China	**-**	-	**70**	70	**30**	30

35. Listing of companies in the Group (continued)

(b) The associated company of Dyna-Mac Holdings Ltd. is as follows:

Name	Principal activities	Country of business/ incorporation	Equity holding	
			2014	2013
			%	%
Held by subsidiary				
Eminent Offshore & Heavy Engineering Sdn. Bhd. [f]	Contractors for project management, engineering and construction of barges	Malaysia	**-**	33

(a) Audited by PricewaterhouseCoopers LLP, Singapore
(b) Audited by Isla Lipana & Co., PwC member firm, Philippines
(c) Audited by PricewaterhouseCoopers, Malaysia
(d) Not required to be audited under the laws of the country of incorporation
(e) Audited by PricewaterhouseCoopers Zhong Tian CPAs Limited Company, Guangzhou, People's Republic of China
(f) Not audited as associated company was liquidated as at balance sheet date
(g) Audited by Company Formations Far East Limited, Hong Kong

Interested Person Transaction Disclosure

For the financial year ended 31 December 2014

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than $100,00 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 2014	12 months ended 31 Dec 2013	**12 months ended 31 Dec 2014**	12 months ended 31 Dec 2013
	$'000	$'000	**$'000**	$'000
PURCHASES AND OTHER EXPENSES				
Transactions with L&W United Engineering Pte. Ltd. ("L&W") Subcontracting services for steel and piping fabrication	**2,739**	1,899	**-**	-
REVENUE				
Keppel Shipyard Limited ("KSL") Other adhoc projects (other services)	**-**	-	**250**	-
Keppel FELS Limited ("KFL") Fabrication of structural blocks	**-**	-	**1,977**	947
Keppel Subic Shipyard Inc Fabrication of topside modules	**-**	-	**19,964**	14,065

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the Company will be held at Dunearn Ballroom 1, Level 1, Raffles Town Club, 1 Plymouth Avenue, Singapore 297753 on Friday, 24 April 2015 at 4.00 p.m. for the purpose of transacting the following business:-

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2014 together with the Reports of the Directors and Auditors. (Resolution 1)

2. To declare the First and Final Tax Exempt One-Tier Dividend of $0.015 per share for the financial year ended 31 December 2014. (Resolution 2)

3. To approve Directors' Fees of $170,500 for the financial year ending 31 December 2015 to be paid to the Independent Directors quarterly in arrears. (Resolution 3)

4. To re-elect Mr Desmond Lim who retires in accordance with Article 91 of the Company's Articles of Association and who, being eligible, offers himself for re-election. (Resolution 4)

5. To re-elect Mr Tan Soo Kiat who retires in accordance with Article 91 of the Company's Articles of Association and who, being eligible, offers himself for re-election. (Resolution 5)

   Mr Tan Soo Kiat will, upon re-election as a Director of the Company, remain as the Lead Independent Director, Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees.

6. To re-elect Mr Varghese John who retires in accordance with Section 153 of the Companies Act Cap. 50 and who, being eligible, offers himself for re-election. (Resolution 6)

7. To re-appoint Messrs PricewaterhouseCoopers LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 7)

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions, with or without modifications:-

8. Authority to issue shares (Resolution 8)

   That the Directors be and are hereby authorised, pursuant to the provisions of Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the SGX-ST, to issue shares and convertible securities in the Company (including the issue of shares and convertible securities by way of rights, bonus or otherwise and to grant offers, agreements and options which would or which might require shares to be issued) to such persons, upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, PROVIDED ALWAYS THAT:-

   (i) the aggregate number of shares and convertible securities to be issued pursuant to this Resolution shall not exceed fifty percent (50%) of the total number of issued shares (excluding treasury shares) of the Company, of which the aggregate number of shares and convertible securities issued other than on a pro rata basis to existing shareholders must not exceed twenty percent (20%) of the total number of issued shares (excluding treasury shares) of the Company, and

   (ii) such authority shall (unless varied or revoked by the Company in the general meeting) continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next general meeting of the Company is required by law to be held, whichever is the earlier.

   For the purpose of determining the aggregate number of the Company's shares that may be issued by the Company pursuant to this Resolution, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) of the Company at the time of the passing of this Resolution, after adjusting for (i) new shares arising from the conversion or exercise of convertible securities, (ii) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of passing this Resolution, provided the options or awards were granted in compliance with the SGX-ST listing rules and (iii) any subsequent bonus issues, consolidation or subdivision of shares.

9. Renewal of the mandate for interested person transactions (Resolution 9)

That:-

(i) approval be and is hereby given for the purposes of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited, for the Company, its subsidiaries, its target associated companies and corporations which become the Company's subsidiaries or target associated companies (the "Group") or any of them to enter into any of the transactions falling within the types of Interested Person Transactions as described in the Appendix with any party who is of the class of Interested Persons as described in the Appendix provided that such transactions are made on an arm's length basis and on normal commercial terms and in accordance with the review procedures for such Interested Person Transactions as set out in the Appendix (the "Shareholders' Mandate");

(ii) the approval given for the Shareholders' Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next annual general meeting of the Company; and

(iii) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the Shareholders' Mandate and/or this Resolution.

10. To transact any other business that may be transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

Liew Meng Ling / Lee Kim Lian Juliana
Joint Company Secretaries

9 April 2015
Singapore

Notes:

1) A member of the Company entitled to attend and vote at the above meeting is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a member of the Company and where there is more than one proxy, the proportion (expressed as a percentage of the whole) of his shareholding to be represented by each proxy must be stated.

2) The instrument appointing a proxy shall, in the case of an individual, be signed by the appointor or his attorney, and in the case of a corporation shall be either given under the Common Seal or signed by an authorised attorney or an authorised officer on behalf of the corporation.

3) The instrument appointing a proxy must be deposited at the registered office of the Company at 59 Gul Road Singapore 629354 not less than forty-eight (48) hours before the time appointed for holding the meeting.

4) The Transfer Book and Register of Members of the Company will be closed on 9 May 2015 for the preparation of dividend warrants. Duly completed registrable transfers received by the Company's Share Registrars, M & C Services Private Limited of 112 Robinson Road, #05-01 Singapore 068902, up to 5.00 p.m. on 8 May 2015 will be registered to determine shareholders' entitlement to the proposed first and final dividend. Shareholders whose securities account with The Central Depository (Private) Limited are credited with shares at 5.00 p.m. on 8 May 2015 will be entitled to the proposed dividends. Payment of the said dividends, if approved by shareholders at the Annual General Meeting, will be made on 23 May 2015.

Explanatory Notes on Special Business to be Transacted

Resolution 8: This is to empower the Directors, from the date of the above Meeting until the next Annual General Meeting ("AGM"), to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate fifty percent (50%) of the total number of issued shares (excluding treasury shares) of the Company, of which the aggregate number of shares and convertible securities issued other than on a pro-rata basis to existing shareholders must not exceed twenty percent (20%) of the total number of issued shares (excluding treasury shares) of the Company. This approval will unless varied or revoked at a general meeting, expire at the next AGM of the Company or the expiration of the period within which the next AGM of the Company is required to be held, whichever is earlier.

Resolution 9: This resolution seeks to renew the annual mandate to allow the Company, its subsidiaries and associated companies that are entities at risk, or any of them, to enter into certain Interested Person Transactions with persons who are considered "Interested Persons" (as defined in Chapter 9). Details of the terms of the mandate are set out in the Appendix to the 2014 Annual Report.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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Proxy Form

DYNA-MAC HOLDINGS LTD.
Company Registration No. 200305693E
(Incorporated in the Republic of Singapore)

IMPORTANT

1. For investors who have used their CPF monies to buy Dyna-Mac Holdings Ltd. shares, the Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PERSONAL DATA PRIVACY
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 9 April 2015.

I/We ____ (Name)

of ____ (Address)

being a member/members of Dyna-Mac Holdings Ltd. (the "Company") hereby appoint:

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings to be represented by proxy (%)
and/or (delete as appropriate)			

as my/ our proxy/proxies to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting ("AGM") of the Company, to be held at Dunearn Ballroom 1, Level 1, Raffles Town Club, 1 Plymouth Avenue, Singapore 297753 on Friday, 24 April 2015 at 4.00 p.m. and at any adjournment thereof.

I/We have indicated with an "X" against each resolution set out in the Notice of AGM and summarised below how I/we wish my/our proxy/ proxies to vote. If no specific direction as to voting is given, the proxy/proxies may vote or abstain at his/their discretion.

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
	Ordinary Business:		
1	Adoption of Directors' and Auditors' Reports and Financial Statements		
2	Declaration of First and Final Tax Exempt One-Tier Dividend		
3	Approval of Directors' Fees for the year ending 31 December 2015		
4	Re-election of Mr Desmond Lim who is retiring in accordance with Article 91 of the Company's Articles of Association		
5	Re-election of Mr Tan Soo Kiat who is retiring in accordance with Article 91 of the Company's Articles of Association		
6	Re-election of Mr Varghese John who is retiring in accordance with Section 153 of the Companies Act Cap. 50		
7	Re-appointment of Messrs PricewaterhouseCoopers LLP as Auditors		
	Special Business:		
8	Authority to issue shares pursuant to Section 161 of the Companies Act Cap. 50		
9	Renewal of mandate of Interested Person Transactions		
10	Any other business		

Dated this __________ day of ____________ 2015.

Total Number of Shares held	

____
Signature(s) of Member(s)/Common Seal

(Please read notes below)

Notes:-

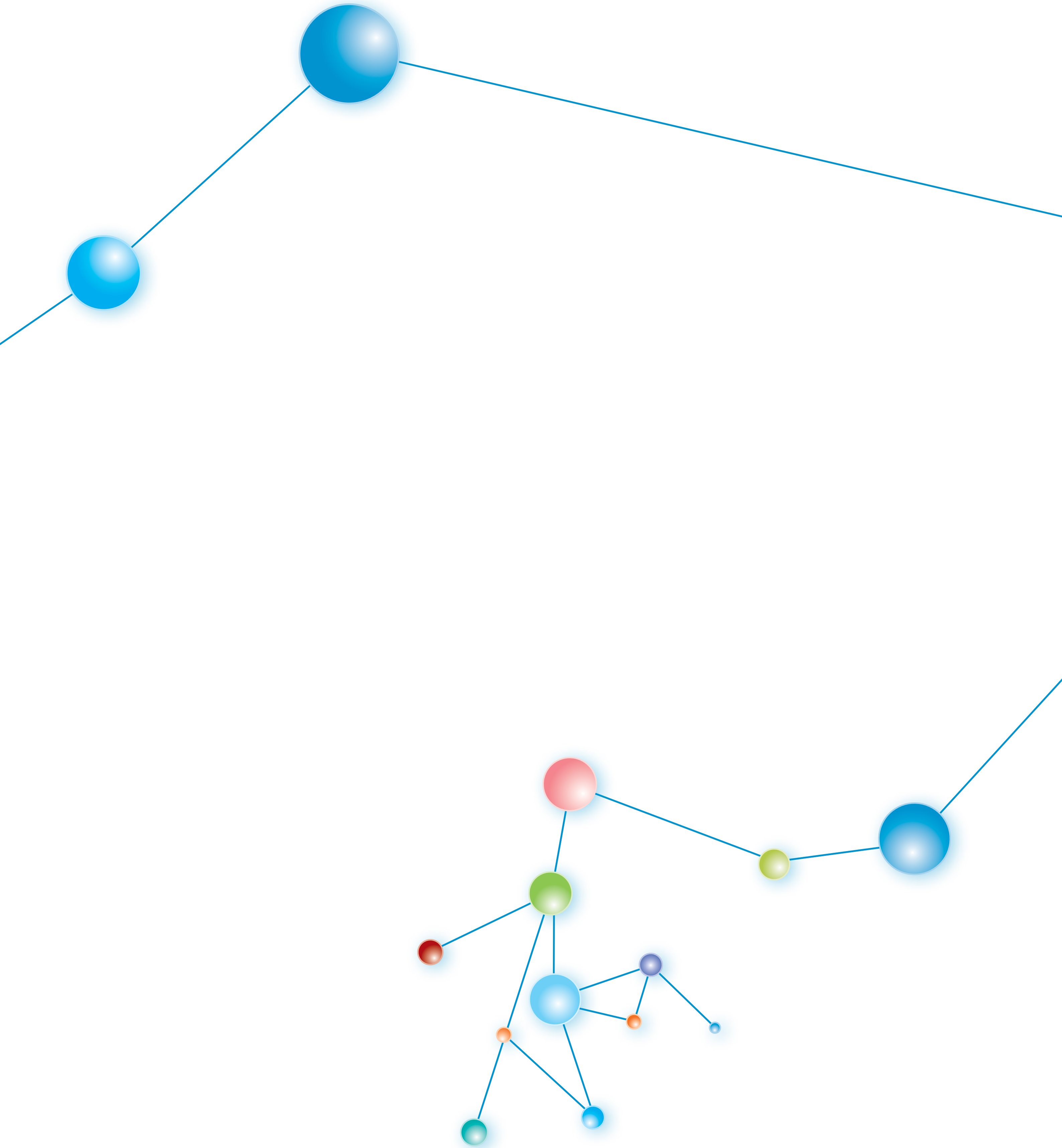
1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and the shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all shares held by you.
2. A member entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies, whether a member or not, to attend and vote instead of him.
3. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 59 Gul Road Singapore 629354, not less than 48 hours before the time appointed for the AGM.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either given under its common seal or under the hand of an officer or attorney duly authorised.
6. A corporation which is a member may appoint an authorised representative or representatives in accordance with Section 179 of the Companies Act Cap. 50 of Singapore to attend and vote for and on behalf of such body corporate.
7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this instrument appointing a proxy or proxies. In addition, in the case of members whose shares are deposited with The Central Depository (Pte) Limited, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Affix
Postage
Stamp

The Company Secretary
Dyna-Mac Holdings Ltd
59 Gul Road
Singapore 629354



Dyna-Mac Holdings Ltd.
Company Reg. No.: 200305693E

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