



DYNA-MAC HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
 (Company Registration No: 200305693E)

UNAUDITED RESULTS FOR THE FULL YEAR ENDED 31 DECEMBER 2015

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

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE LAST QUARTER ENDED 31 DECEMBER

| | Group | | | Group | | |
|---|-------------------------------|-------------------------------|--------------|--------------------------------|--------------------------------|---------------|
| | 3 months ended 31 Dec 2015 | 3 months ended 31 Dec 2014 | Change | 12 months ended 31 Dec 2015 | 12 months ended 31 Dec 2014 | Change |
| | \$'000 | \$'000 | % | \$'000 | \$'000 | % |
| Revenue | 109,370 | 62,853 | 74.0% | 269,512 | 318,566 | -15.4% |
| Cost of sales | (83,589) | (43,126) | 93.8% | (219,838) | (246,701) | -10.9% |
| Gross profit | 25,781 | 19,727 | 30.7% | 49,674 | 71,865 | -30.9% |
| Gross profit margin | 23.6% | 31.4% | | 18.4% | 22.6% | |
| Other income/(loss) | (2,679) | (3,602) | -25.6% | (3,948) | (2,623) | 50.5% |
| Administrative expenses | (17,615) | (11,307) | 55.8% | (44,122) | (37,956) | 16.2% |
| Finance expenses | (975) | (692) | 40.9% | (3,414) | (1,787) | 91.0% |
| Profit/(Loss) before tax | 4,512 | 4,126 | 9.4% | (1,810) | 29,499 | NM |
| Tax expense | (4,521) | (316) | NM | (3,373) | (3,258) | 3.5% |
| Net (loss)/profit for the financial year | (9) | 3,810 | NM | (5,183) | 26,241 | NM |
| Net profit/(loss) margin | 0.0% | 6.1% | | -1.9% | 8.2% | |
| Attributable to:- | | | | | | |
| Equity holders of the Company | (356) | 3,963 | NM | (3,453) | 24,765 | NM |
| Non-controlling interest | 347 | (153) | NM | (1,730) | 1,476 | NM |
| Net (loss)/profit for the financial year | (9) | 3,810 | NM | (5,183) | 26,241 | NM |
| Other comprehensive income, net of tax:- | | | | | | |
| Items that may be reclassified subsequently to profit and loss:- | | | | | | |
| Cash flow hedge reserve | 2,966 | - | NM | (624) | - | NM |
| Currency translation differences arising from consolidation | 335 | (149) | NM | 680 | (388) | NM |
| Items that will not be reclassified subsequently to profit and loss:- | | | | | | |
| Asset revaluation reserve | 633 | - | NM | 633 | - | NM |
| Total comprehensive income/(loss) for the financial year | 3,925 | 3,661 | 7.2% | (4,494) | 25,853 | NM |
| Attributable to:- | | | | | | |
| Equity holders of the Company | 3,600 | 3,661 | -1.7% | (2,701) | 24,235 | NM |
| Non-controlling interest | 325 | - | NM | (1,793) | 1,618 | NM |
| Total comprehensive income/(loss) for the financial year | 3,925 | 3,661 | 7.2% | (4,494) | 25,853 | NM |

NM - not meaningful

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

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

| | Group | | | Group | | |
|--|----------------|----------------|--------|-----------------|-----------------|--------|
| | 3 months ended | 3 months ended | Change | 12 months ended | 12 months ended | Change |
| | 31 Dec 2015 | 31 Dec 2014 | | 31 Dec 2015 | 31 Dec 2014 | |
| | \$'000 | \$'000 | % | \$'000 | \$'000 | % |
| The Group's profit is stated after charging/(crediting):- | | | | | | |
| Rental income ^(Note 1) | (58) | (337) | -82.8% | (520) | (784) | -33.7% |
| Interest income - bank deposits | 185 | (74) | NM | (118) | (237) | -50.2% |
| Finance expenses | 900 | 645 | 39.6% | 3,118 | 1,665 | 87.3% |
| Allowance for doubtful debts | 2,255 | - | NM | 2,255 | - | NM |
| Bad debts written off | 5,565 | - | NM | 5,565 | - | NM |
| Amortisation of deferred finance charge | 74 | 47 | 57.5% | 295 | 122 | NM |
| Depreciation of property, plant and equipment | 2,910 | 5,847 | -50.2% | 13,684 | 14,660 | -6.7% |
| Gain on disposal of associated company | - | (134) | NM | - | (134) | NM |
| Fair value (gain)/loss on derivative financial instruments, net | (1,950) | 3,807 | NM | (2,802) | 3,786 | NM |
| Foreign exchange loss/(gain), net | 4,225 | (447) | NM | 7,843 | (663) | NM |
| Write off of property, plant and equipment | 255 | - | NM | 273 | - | NM |
| (Gain)/Loss on disposal of property, plant and equipment, net | (91) | 133 | NM | (80) | 1,223 | NM |

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

NM - not meaningful

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

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 31 Dec 2015 | 31 Dec 2014 | 31 Dec 2015 | 31 Dec 2014 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| ASSETS | | | | |
| Current Assets | | | | |
| Cash and bank balances | 85,211 | 42,155 | 548 | 648 |
| Restricted cash at bank | 1,071 | - | 1,071 | - |
| Trade and other receivables | 161,654 | 214,876 | 109,785 | 129,246 |
| Inventories | 9,147 | 14,294 | - | - |
| Construction contract work-in-progress | 459 | 7,435 | - | - |
| Other current assets | 1,999 | 2,486 | 18 | 18 |
| | 259,541 | 281,246 | 111,422 | 129,912 |
| Non-Current Assets | | | | |
| Restricted cash at bank | 2,143 | - | 2,143 | - |
| Club memberships | 407 | 407 | - | - |
| Investment in subsidiaries | - | - | 31,605 | 31,605 |
| Loan to a subsidiary | - | - | 50,000 | 50,000 |
| Goodwill | 5,556 | 5,556 | - | - |
| Investment properties | 13,600 | - | - | - |
| Property, plant and equipment | 94,461 | 115,530 | - | - |
| Deferred tax asset | - | 1,400 | - | - |
| | 116,167 | 122,893 | 83,748 | 81,605 |
| Total Assets | 375,708 | 404,139 | 195,170 | 211,517 |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Trade and other payables | 105,166 | 125,277 | 1,492 | 1,198 |
| Derivative financial instrument | 1,924 | 4,102 | - | - |
| Borrowings | 34,231 | 17,417 | - | - |
| Current income tax liabilities | 2,802 | 5,317 | - | - |
| | 144,123 | 152,113 | 1,492 | 1,198 |
| Non-Current Liabilities | | | | |
| Borrowings | 49,671 | 49,511 | 49,532 | 49,237 |
| Deferred income tax liabilities | 1,408 | 2,167 | - | - |
| | 51,079 | 51,678 | 49,532 | 49,237 |
| Total Liabilities | 195,202 | 203,791 | 51,024 | 50,435 |
| Net Assets | 180,506 | 200,348 | 144,146 | 161,082 |
| EQUITY | | | | |
| Capital and reserves attributable to equity holders of the Company | | | | |
| Share capital | 145,271 | 145,271 | 145,271 | 145,271 |
| Cash flow hedge reserve | (624) | - | - | - |
| Foreign currency translation reserves | 100 | (643) | - | - |
| Asset revaluation reserve | 633 | - | - | - |
| Retained profits | 32,824 | 51,625 | (1,125) | 15,811 |
| Share capital & reserve | 178,204 | 196,253 | 144,146 | 161,082 |
| Non-controlling interest | 2,302 | 4,095 | - | - |
| Total Equity | 180,506 | 200,348 | 144,146 | 161,082 |

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

| | As at 31 Dec 2015 | | As at 31 Dec 2014 | |
|--------------------------------------|-------------------|-----------|-------------------|-----------|
| | Secured | Unsecured | Secured | Unsecured |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Amount repayable in one year or less | 40 | 34,191 | 139 | 17,278 |
| Amount repayable after one year | 139 | 49,532 | 274 | 49,237 |

Details of any collateral:-

The Group's borrowings are secured by the rights to the leased site equipment and tools and motor vehicles.

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

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE LAST QUARTER ENDED 31 DECEMBER

| | 3 Months ended 31 Dec 2015 | 3 Months ended 31 Dec 2014 | 12 Months ended 31 Dec 2015 | 12 Months ended 31 Dec 2014 |
|--|---|---|--|--|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Cash Flows From Operating Activities | | | | |
| Net (loss)/profit | (9) | 3,810 | (5,183) | 26,241 |
| Adjustment for: | | | | |
| - Income tax expense | 4,521 | 316 | 3,373 | 3,258 |
| - Depreciation of property, plant and equipment | 2,910 | 5,847 | 13,684 | 14,660 |
| - (Gain)/Loss on disposal of property, plant and equipment | (91) | 133 | (80) | 1,223 |
| - Interest income | 185 | (74) | (118) | (237) |
| - Interest expense | 900 | 692 | 3,118 | 1,787 |
| - Amortisation of deferred finance charge | 74 | - | 295 | - |
| - Fair value (gain)/loss on derivative financial instruments | (1,950) | 3,807 | (2,802) | 3,786 |
| - Write off of property, plant and equipment | 255 | - | 273 | - |
| - Unrealised translation loss/(gain) | 1,585 | (29) | 2,553 | (308) |
| - Gain on disposal of associated company | - | (134) | - | (134) |
| - Provision for doubtful debts | 2,255 | - | 2,255 | - |
| - Bad debts written off | 5,565 | - | 5,565 | - |
| | 16,200 | 14,368 | 22,933 | 50,276 |
| Changes in working capital | | | | |
| - Trade and other receivables | (23,995) | 1,384 | 45,402 | (48,731) |
| - Construction contract work-in-progress | (444) | 6,781 | 6,976 | (2,220) |
| - Inventories | (1,794) | (11,336) | 5,147 | (13,299) |
| - Other current assets | 515 | 124 | 487 | (1,316) |
| - Trade and other payables | 29,778 | (21,959) | (21,302) | 3,977 |
| Cash provided by/(used in) operations | 20,260 | (10,638) | 59,643 | (11,313) |
| Interest received | (185) | 74 | 118 | 237 |
| Income tax paid, net of refunds | (23) | 405 | (5,239) | (6,043) |
| Net cash provided by/(used in) operating activities | 20,052 | (10,159) | 54,522 | (17,119) |

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

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE LAST QUARTER ENDED 31 DECEMBER (Continued)

| | 3 Months ended 31 Dec 2015 | 3 Months ended 31 Dec 2014 | 12 Months ended 31 Dec 2015 | 12 Months ended 31 Dec 2014 |
|---|---|---|--|--|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Cash flows from investing activities | | | | |
| - Additions to property, plant and equipment | (2,376) | (7,008) | (8,341) | (17,116) |
| - Proceeds from disposal of property, plant and equipment | 803 | - | 860 | 4,432 |
| - Proceeds from disposal of associated company | - | 137 | - | 137 |
| - (Increase) / Decrease in bank deposits with maturity more than 3 months | 26,416 | (12) | 26,276 | 4,204 |
| Net cash provided/(used in) investing activities | 24,843 | (6,883) | 18,795 | (8,343) |
| Cash flows from financing activities | | | | |
| - (Repayment) / proceeds for bank borrowings | (5,807) | - | 16,913 | - |
| - Proceeds from finance lease liabilities | - | 33 | - | 269 |
| - Proceeds from issuance of medium term note | - | - | - | 49,115 |
| - Interest expense paid | 291 | 274 | (1,927) | (774) |
| - Dividend paid to equity holders of the Company | - | - | (15,348) | (20,464) |
| - Capital injection from non-controlling interest of subsidiary | - | 439 | - | 439 |
| - Increase in restricted cash | (3,214) | - | (3,214) | - |
| - Repayment of borrowings | - | (4,466) | - | (17,694) |
| - Repayment of finance lease liabilities | (132) | (140) | (234) | (611) |
| Net cash (used in)/provided by financing activities | (8,862) | (3,860) | (3,810) | 10,280 |
| Net increase in cash and cash equivalents | 36,033 | (20,902) | 69,507 | (15,182) |
| Effect of currency translation on cash and cash equivalents | (1,529) | 101 | (175) | 90 |
| Cash and cash equivalents at the beginning of the financial year | 50,707 | 36,680 | 15,879 | 30,971 |
| Cash and cash equivalents at the end of the financial year | 85,211 | 15,879 | 85,211 | 15,879 |

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

| | 3 Months ended 31 Dec 2015 | 3 Months ended 31 Dec 2014 | 12 Months ended 31 Dec 2015 | 12 Months ended 31 Dec 2014 |
|--|---|---|--|--|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Cash and cash equivalents at end of the financial year | 85,211 | 15,879 | 85,211 | 15,879 |
| Add: bank deposits with maturity more than 3 months | - | 26,276 | - | 26,276 |
| Cash and bank balances | 85,211 | 42,155 | 85,211 | 42,155 |

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

| | Attributable to equity holders of the Company | | | | | Non-controlling interest | Total equity | |
|--|---|------------------|-------------------------|---------------------------|--------------------------------------|--------------------------|--------------|----------------|
| | Share Capital | Retained profits | Cash flow hedge reserve | Asset Revaluation reserve | Foreign currency translation reserve | | | Total |
| | \$'000 | \$'000 | \$'000 | | \$'000 | \$'000 | \$'000 | |
| Group | | | | | | | | |
| Balance at 1 January 2015 | 145,271 | 51,625 | - | - | (643) | 196,253 | 4,095 | 200,348 |
| Total comprehensive (loss)/income for the financial year | - | (3,453) | (624) | 633 | 743 | (2,701) | (1,793) | (4,494) |
| Dividend relating to the financial year ended 31 December 2014 | - | (15,348) | - | - | - | (15,348) | - | (15,348) |
| Balance at 31 December 2015 | 145,271 | 32,824 | (624) | 633 | 100 | 178,204 | 2,302 | 180,506 |
| Company | | | | | | | | |
| Balance at 1 January 2015 | 145,271 | 15,811 | - | - | - | 161,082 | - | 161,082 |
| Total comprehensive loss for the financial year | - | (1,588) | - | - | - | (1,588) | - | (1,588) |
| Dividend relating to the financial year ended 31 December 2014 | - | (15,348) | - | - | - | (15,348) | - | (15,348) |
| Balance at 31 December 2015 | 145,271 | (1,125) | - | - | - | 144,146 | - | 144,146 |

1(d)(ii) Details of any changes in the company’s share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Balance as at 31 December 2015

| Number of Ordinary Shares | Resultant issued share capital \$ |
|----------------------------------|--|
| 1,023,211,000 | 145,271,346 |

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The Company did not hold any treasury shares as at 31 December 2015 and 31 December 2014. The Company’s total number of issued shares excluding treasury shares as at 31 December 2015 & 31 December 2014 is 1,023,211,000.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

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

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

3. Where the figures have been audited or reviewed, the auditors’ report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied.

The Group has adopted the same accounting policies and methods of computation adopted in the financial statements for the current reporting year, as those used for the audited consolidated financial statements for the financial year ended 31 December 2014.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. **(Loss)/Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-**

| | Group | | | |
|--|---|---|--|--|
| | 3 months ended 31 Dec 2015 | 3 months ended 31 Dec 2014 | 12 months ended 31 Dec 2015 | 12 months ended 31 Dec 2014 |
| (Loss)/Earnings Per Share (based on consolidated net profit attributable to equity holders):- | | | | |
| Based on weighted average number of ordinary shares in issue (cents) | (0.03) | 0.39 | (0.34) | 2.42 |
| On a fully diluted basis (cents) | (0.03) | 0.39 | (0.34) | 2.42 |
| Weighted average number of ordinary shares in issue for calculation of basic earnings per share ('000) | 1,023,211 | 1,023,211 | 1,023,211 | 1,023,211 |
| Weighted average number of ordinary shares in issue for calculation of diluted earnings per share ('000) | 1,023,211 | 1,023,211 | 1,023,211 | 1,023,211 |

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
(a) current financial period reported on; and
(b) immediately preceding financial year

| | Group | | Company | |
|--|------------------------|------------------------|------------------------|------------------------|
| | 31 Dec 2015 | 31 Dec 2014 | 31 Dec 2015 | 31 Dec 2014 |
| Net asset value per ordinary share based on existing share capital (cents) | 17.64 | 19.58 | 14.09 | 15.74 |
| Number of shares ('000) | 1,023,211 | 1,023,211 | 1,023,211 | 1,023,211 |

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Income Statement Overview

Revenue

Revenue for the year under review decreased by \$49.1 million or 15.4% to \$269.5 million. This is due mainly to a slow second quarter in 2015 which impacted the full year results. Our second quarter in 2015 was slow due to delays in receiving engineering drawings and free-issued materials from our current customers.

Gross Profit

For the year under review, the Group recorded a decrease in gross profit, declining by \$22.2 million. The lower gross profit was mainly caused by lower progress in construction achieved due to delays in receiving engineering drawings and free-issued materials from current customers, coupled with fixed direct overheads carried by idle facilities in our yards in Singapore and Malaysia.

Other loss

Other loss increased by \$1.3 million or 50.5% to \$3.9 million due mainly to the net exchange loss.

Administrative Expenses

Compared to a year ago, administrative expenses increased by \$6.2 million or 16.2% to \$44.1 million. This is due mainly to write off of certain long outstanding debts and impairment on specific trade receivables amounting to \$7.8 million. This is partly offset by lower employee compensation for the year.

Finance expenses

Finance expenses for the year under review increased by \$1.6 million or 91% to \$3.4 million. This is due mainly to interest expense arising from loans and the Multi-currency Terms notes.

Income Tax expense

The income tax for the year was recognized at the prevailing Singapore corporate tax rate of 17% for the Singapore entities. However, effective income tax rate for the Group is not at 17% due mainly to the reversal of deferred tax asset of \$1.4 million on the unutilized tax losses of the China subsidiary.

Statement of Financial Position

Current Assets

Total current assets for the Group as at 31 December 2015 was \$259.5 million, a decrease from \$281.2 million a year ago. The \$21.7 million decrease is due mainly to the lower trade and other receivables, inventories and construction contract work-in-progress. It was partly offset by an increase in cash and bank balances.

Cash and bank balances increased by \$43.1 million to \$85.2 million as at 31 December 2015 compared to \$42.2 million a year ago due to higher collection from receivables.

Restricted cash at bank increased by \$1.0 million due to the cash deposited with Trustee Bank to provide for interest payments on the outstanding Series 1 Notes pursuant to the completion of the Consent Solicitation Exercise on 30 December 2015.

Trade and other receivables decreased from \$214.9 million as at 31 December 2014 to \$161.7 million as at 31 December 2015. The \$53.2 million decrease is due to lower revenue recorded in the current financial year as well as close monitoring of the trade debts.

Inventories as at 31 December 2015 was \$9.1 million, a decrease of \$5.1 million from a year ago. This is mainly due to materials used up by current projects.

Construction contract work-in-progress was \$0.4 million as at 31 December 2015 compared to \$7.4 million as at 31 December 2014 as the bulk of the work-in-progress has been recognized as progress billings during the year.

Non-Current Assets

Non-current assets decreased from \$122.9 million as at 31 December 2014 to \$116.2 million as at 31 December 2015. The \$6.7 million decline is due mainly to reversal of deferred tax asset in our China subsidiary of \$1.4 million as well as depreciation charges to property, plant and equipment.

Restricted cash at bank increased by \$2.1 million due to the cash deposited with Trustee Bank to provide for interest payments on the outstanding Series 1 Notes pursuant to the completion of the Consent Solicitation Exercise on 30 December 2015. This portion relates to interest payable after twelve months.

The Group has two properties which are no longer used as dormitories. Therefore the properties had been reclassified from Property, plant and equipment to Investment properties.

Current Liabilities

Current liabilities decreased by \$8.0 million to \$152.1 million as at 31 December 2014 to \$144.1 million as at 31 December 2015. The decrease was due mainly to lower trade and other payables (\$20.1 million), income tax liabilities (\$2.5 million) and derivative financial instruments (\$2.2 million), partially offset by higher borrowings (\$16.8 million).

Cash flow hedge reserve

Cash flow hedge reserve as at 31 December 2015 amounted to a loss of \$0.6 million due to the favourable movements in the contracted United States dollars forward rates against market spot rates on the Group's derivative financial instruments

Asset revaluation reserve

The Group's two properties which are no longer used as dormitories had been reclassified from Property, plant and equipment to Investment properties. Subsequent to the reclassification, a \$0.6 million gain was recognised in asset revaluation reserve as the market valuation obtained was higher than the carrying value.

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

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

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

In FY2015, the Group secured S\$161 million in new orders. This comprised \$89 million for the construction of 10 FPSO topside modules for the Catcher oil fields in the UK sector of the North Sea, \$60 million for 6 units of FPSO topside modules for Block 15/06 East Hub field in deep water offshore Angola and \$12 million for the construction of 13 units of Pre-Assembled Rack, 2 units of Pre-Assembled Units and 1 unit of Pre-Assembled structure for a project in Singapore.

With these new contracts, the Group's net order book stands at S\$175.3 million and extends into FY2016.

The market environment remains challenging amid low oil prices resulting in reduced global exploration and production expenditure by oil and gas companies. While continuing to source and negotiate for new contracts, we remain focus on project execution with timely delivery of the projects to our customers and at the same time increase our productivity and efficiency, including cost cutting and optimising our current yard operations to serve our customers better.

11. Dividend

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

No

**(b) Corresponding period of the immediately preceding financial year
Any dividend declared for the corresponding period of the immediately preceding financial year?**

For the financial year ended 31 December 2014, we have declared a dividend of \$0.015.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

Not applicable.

13. Segmented revenue and results or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

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

The segment information is as follows:-

| | 12 months Financial period ended 31 Dec 2015 | | | 12 months Financial period ended 31 Dec 2014 | | |
|---|--|--|-----------------|--|--|-----------------|
| | Module Business \$'000 | Ad Hoc Project (Other Services) \$'000 | Total \$'000 | Module Business \$'000 | Ad Hoc Project (Other Services) \$'000 | Total \$'000 |
| Sales | | | | | | |
| Total segment sales – sales to external parties | 263,205 | 6,307 | 269,512 | 309,641 | 8,925 | 318,566 |
| Gross profit | 50,575 | (901) | 49,674 | 70,752 | 1,113 | 71,865 |
| Other income | | | (3,948) | | | (2,623) |
| Administrative expenses | | | (44,122) | | | (37,956) |
| Finance expenses | | | (3,414) | | | (1,787) |
| Profit before income tax | | | (1,810) | | | 29,499 |
| Income tax expense | | | (3,373) | | | (3,258) |
| Net (loss)/profit | | | (5,183) | | | 26,241 |
| Total assets | 167,253 | 4,008 | 171,261 | 229,976 | 6,629 | 236,605 |
| Total liabilities | 93,930 | 2,251 | 96,181 | 110,671 | 3,190 | 113,861 |

Reconciliation of segment assets to total assets as follows:-

| | 31-Dec-15 \$'000 | 31-Dec-14 \$'000 |
|--|---------------------|---------------------|
| Segment assets for reportable segments | 171,261 | 236,605 |
| - Cash and cash at bank | 85,211 | 42,155 |
| - Restricted cash at bank | 3,214 | - |
| - Goodwill | 5,556 | 5,556 |
| - Other current assets | 1,999 | 2,486 |
| - Deferred tax asset | - | 1,400 |
| - Property, plant and equipment | 94,461 | 115,530 |
| - Investment Property | 13,600 | - |
| - Club memberships | 407 | 407 |
| | 375,709 | 404,139 |

Reconciliation of segment liabilities to total liabilities as follows:-

| | 31-Dec-15 \$'000 | 31-Dec-14 \$'000 |
|---|---------------------|---------------------|
| Segment liabilities for reportable segments | 96,181 | 113,861 |
| - Other payables and accruals | 8,985 | 11,416 |
| - Derivatives | 1,924 | 4,102 |
| - Borrowings | 83,902 | 66,928 |
| - Current tax liabilities | 2,802 | 5,317 |
| - Deferred income tax liabilities | 1,408 | 2,167 |
| | 195,202 | 203,791 |

13. **Segmented revenue and results or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year. Revenue by geographical segments (continued)**

Revenue by geography

| | 31-Dec-15 \$'000 | 31-Dec-14 \$'000 |
|--------------|---------------------|---------------------|
| Asia Pacific | 175,754 | 98,747 |
| Europe | 93,758 | 219,819 |
| | 269,512 | 318,566 |

14. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to paragraph 8 above.

15. **A breakdown of sales as follows:-**

| | Group | | |
|--|--|--|-------------|
| | 12 months ended 31-Dec-15 \$'000 | 12 months ended 31-Dec-14 \$'000 | Change % |
| (a) Sales reported for the financial year | 269,512 | 318,566 | -15.4% |
| (b) Operating (loss)/profit after tax before deducting non-controlling interests reported for the financial year | (5,183) | 26,241 | NM |

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

| | 31 Dec 2015 \$'000 | 31 Dec 2014 \$'000 |
|----------|-----------------------|-----------------------|
| Ordinary | Proposed | Distributed |
| | Nil | 15,348 |

17. Interested person transaction disclosure

| Name of Interested Person | Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | | Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than \$100,000) | |
|--|---|--|---|--|
| | 12 months ended 31 Dec 2015 \$'000 | 12 months ended 31 Dec 2014 \$'000 | 12 months ended 31 Dec 2015 \$'000 | 12 months ended 31 Dec 2014 \$'000 |
| PURCHASES AND OTHER EXPENSES | | | | |
| Transactions with L&W United | | | | |
| Subcontracting services for steel and piping fabrication | 1,878 | 2,739 | - | - |
| Transactions with L&W Marine | | | | |
| Subcontracting services for steel and piping fabrication | 1,178 | - | - | - |
| REVENUE | | | | |
| Keppel Shipyard Limited ("KSL") | | | | |
| Other adhoc projects (other services) | - | - | - | 250 |
| Keppel FELS Limited ("KFL") | | | | |
| Fabrication of structural blocks | - | - | 2,092 | 1,977 |
| Keppel Subic Shipyard Inc ("KSST") | | | | |
| Fabrication of Topside modules | - | - | 643 | 19,964 |

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

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

| Name | Age | Family relationship with any director, CEO and/or substantial shareholder | Current position and duties, and the year the position was first held | Details of changes in duties and position held, if any, during the year |
|---------------|-----|--|--|---|
| Lim Tze Jong | 58 | Brother-in-law of Mr Teo Boon Hwee, Alternate Director to Mr Lim Tze Jong and Chief Marketing Officer, and Brother of Executive Director and Chief Operating Officer, Mr Lim Tjew Yok. | Executive Chairman and CEO since 2011. Responsible for overseeing the overall organisation, management and marketing of the Group, evaluating of current performance and future expansion programme, taking policy decisions, planning for growth, authorising quality and safety policies and steering of the company's objectives as well as its profits. | Not Applicable. |
| Lim Tjew Yok | 56 | Brother-in-law of Mr Teo Boon Hwee, Chief Marketing Officer, and Brother of Executive Chairman and CEO, Mr Lim Tze Jong. | Executive Director and Chief Technical Officer since 2011. Promoted to Chief Operating Officer as at February 2013. Responsible for the operation functions of yard management and development, maintenance and facilities, project management, overseas project management in Malaysia. | Not Applicable. |
| Teo Boon Hwee | 59 | Brother-in-law of Executive Chairman and CEO, Mr Lim Tze Jong, and Executive Director and Chief Operating Officer, Mr Lim Tjew Yok. | Alternate Director to Mr Lim Tze Jong and Chief Marketing Officer since 2011. Responsible for overseas expansion of business feasibilities, procurement and sub-contracting, marketing, business development, contracts and commercial, tender and estimation, overseas project management in China, promotion advertising, clients' co-ordination and Government relationship including MPA, JTC and EDB. | Not Applicable. |

BY ORDER OF THE BOARD

Lim Tze Jong
Executive Chairman and CEO
25 February 2016