



DYNA-MAC HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No: 200305693E)

UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018

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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 THIRD QUARTER ENDED 30 SEPTEMBER

	Group			Group		
	3 months ended 30-Sep-18	3 months ended 30-Sep-17	Change	9 months ended 30-Sep-18	9 months ended 30-Sep-17	Change
	\$'000	(*Restated) \$'000	%	\$'000	(*Restated) \$'000	%
Revenue	38,721	8,621	NM	98,501	22,100	NM
Cost of sales	(32,989)	(13,778)	NM	(82,035)	(37,588)	NM
Gross profit/ (loss)	5,732	(5,157)	NM	16,466	(15,488)	NM
Gross profit/(loss) margin	14.8%	-59.8%		16.7%	-70.1%	
Other Income	812	198	NM	1,499	862	73.9%
Administrative expenses	(6,309)	(5,100)	23.7%	(16,324)	(16,821)	-3.0%
Finance costs	(113)	(141)	-19.9%	(216)	(268)	-19.4%
Other Expenses	181	(1,762)	NM	-	(3,174)	NM
Profit/(loss) before tax	303	(11,962)	NM	1,425	(34,889)	NM
Income tax expenses	-	(244)	NM	-	(269)	NM
Net profit/(loss) for the financial period	303	(12,206)	NM	1,425	(35,158)	NM
Net profit margin	0.8%	NM		1.4%	NM	
Attributable to:-						
Equity holders of the Company	174	(13,117)	NM	1,387	(35,325)	NM
Non-controlling interest	129	911	-85.9%	38	167	-77.4%
Net profit/(loss) for the financial period	303	(12,206)	NM	1,425	(35,158)	NM
Other comprehensive income:-						
Items that may be subsequently reclassified to profit or loss:-						
Currency translation differences arising from consolidation	(788)	4,930	NM	(294)	58	NM
Total comprehensive income for the financial period	(485)	(7,276)	-93.3%	1,131	(35,100)	NM
Attributable to:-						
Equity holders of the Company	(366)	(6,352)	-94.2%	1,137	(35,167)	NM
Non-controlling interest	(119)	(924)	-87.1%	(6)	67	NM
Total comprehensive income for the financial period	(485)	(7,276)	-93.3%	1,131	(35,100)	NM

NM- not meaningful

**Restated – refer to note 5*

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	9 months ended	9 months ended	Change
	30-Sep-18	30-Sep-17	%	30-Sep-18	30-Sep-17	%
	\$'000	\$'000	%	\$'000	\$'000	%
The Group's profit/(loss) is stated after charging/(crediting):-						
Rental income ^(Note 1)	(21)	44	NM	(185)	(63)	NM
Interest income - bank deposits	(75)	(69)	8.7%	(241)	(383)	-37.1%
Finance costs	113	141	-19.9%	216	268	-19.4%
Amortisation of club memberships	3	-	NM	11	-	NM
Depreciation of property, plant and equipment	1,835	2,519	-27.1%	5,703	7,721	-26.1%
Foreign exchange (gain)/loss, net	(781)	1,635	NM	(737)	3,058	NM
Reversal of impairment losses on property, plant and equipment	-	-	NM	(1,213)	-	NM
Reversal of prepayment written off	-	-	NM	(243)	-	NM
Gain on disposal of property, plant and equipment	-	-	NM	(86)	(11)	NM
Government Grants	(42)	-	NM	(132)	-	NM

Note 1 - Rental income comprises mainly rental income of yard facilities to subcontractors.

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 30 SEPTEMBER

	Group		Company	
	30-Sep-18	31-Dec-17	30-Sep-18	31-Dec-17
	\$'000	(*Restated) \$'000	\$'000	\$'000
ASSETS				
Current Assets				
Cash and cash equivalents	24,946	37,088	280	361
Trade and other receivables	33,323	15,617	10,298	9,912
Contract assets	26,416	11,986	-	-
Inventories	1,689	2,056	-	-
Other current assets	778	711	26	12
	87,152	67,458	10,604	10,285
Assets held for sale	32,124	32,124	-	-
	119,276	99,582	10,604	10,285
Non-Current Assets				
Club memberships	308	319	-	-
Investment in subsidiaries	-	-	126,821	126,821
Property, plant and equipment	41,307	45,019	-	-
	41,615	45,338	126,821	126,821
Total Assets	160,891	144,920	137,425	137,106
LIABILITIES				
Current Liabilities				
Income tax payables	-	314	-	-
Trade and other payables	35,531	32,542	167	163
Contract liabilities	-	1,226	-	-
Borrowings	19,879	6,704	-	-
	55,410	40,786	167	163
Non-Current Liabilities				
Borrowings	279	63	-	-
Deferred income tax liabilities	18	18	-	-
	297	81	-	-
Total Liabilities	55,707	40,867	167	163
Net Assets	105,184	104,053	137,258	136,943
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	145,271	145,271	145,271	145,271
Foreign currency translation reserves	(667)	(417)	-	-
Asset revaluation reserve	633	633	-	-
Accumulated losses	(40,781)	(42,168)	(8,013)	(8,328)
Share capital & reserve	104,456	103,319	137,258	136,943
Non-controlling interest	728	734	-	-
Total Equity	105,184	104,053	137,258	136,943

*Restated – refer to note 5

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 30-Sep-18		As at 31-Dec-17	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less	117	19,762	33	6,671
Amount repayable after one year	279	-	63	-

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 THIRD QUARTER ENDED 30 SEPTEMBER

	Group		Group	
	3 months ended	3 months ended	9 months ended	9 months ended
	30-Sep-18	30-Sep-17	30-Sep-18	30-Sep-17
	\$'000	(*Restated) \$'000	\$'000	(*Restated) \$'000
Cash Flows From Operating Activities				
Profit/(loss) before tax	303	(11,962)	1,425	(34,889)
Adjustment for:				
- Depreciation of property, plant and equipment	1,835	2,519	5,703	7,721
- Gain on disposal of property, plant and equipment	-	-	(86)	(11)
- Reversal of impairment losses on property, plant and equipment	-	-	(1,213)	-
- Reversal of prepayment written off	-	-	(243)	-
- Interest income	(75)	(69)	(241)	(383)
- Finance Costs	113	141	216	268
- Amortisation of club memberships	3	-	11	-
- Unrealised translation (gain)/loss	(592)	930	(548)	1,143
	1,587	(8,441)	5,024	(26,151)
Changes in working capital				
- Trade and other receivables	(6,321)	7,121	(17,154)	77,272
- Contract assets	(12,964)	5,120	(14,430)	(12,602)
- Contract liabilities	-	334	(1,226)	1,321
- Inventories	94	(14)	367	7
- Other current assets	48	332	(67)	2,995
- Trade and other payables	(4,566)	3,402	2,664	(29,295)
Cash flows (used in)/from operations	(22,123)	7,854	(24,822)	13,547
Interest received	71	54	237	368
Income tax paid	-	(764)	(314)	(1,551)
Net cash flows (used in)/generated by operating activities	(22,052)	7,144	(24,899)	12,364
Cash flows from investing activities				
- Additions to property, plant and equipment	(132)	(2,052)	(645)	(2,698)
- Proceeds from disposal of property, plant and equipment	-	-	196	34
Net cash used in investing activities	(132)	(2,052)	(449)	(2,664)
Cash flows from financing activities				
- Draw down/(Repayments) of bank borrowings	10,857	(6,506)	13,505	(21,895)
- Repayments of finance lease liabilities	(30)	(11)	(114)	(31)
- Interest expense paid	(22)	(94)	(125)	(222)
Net cash flows generated by/(used in) financing activities	10,805	(6,611)	13,266	(22,148)
Net increase/(decrease) in cash and cash equivalents	(11,379)	(1,519)	(12,082)	(12,448)
Cash and cash equivalents at the beginning of the financial	36,360	57,935	37,088	69,535
Effect of currency translation on cash and cash equivalents	(35)	(397)	(60)	(1,068)
Cash and cash equivalents at the end of the financial period	24,946	56,019	24,946	56,019

*Restated – refer to note 5

The Group is required to maintain certain minimum deposits with banks for banking facilities. Included in cash and cash equivalents are fixed deposits of \$19m designated by the Group for this purpose.

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

STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company				Non-controlling interest	Total equity	
	Share capital	Accumulated losses	Other reserves	Foreign currency translation reserve			Total
	\$'000	(*Restated) \$'000	\$'000	(*Restated) \$'000			\$'000
Group							
Balance at 31 December 2017	145,271	(42,124)	633	(340)	103,440	734	104,174
Adoption of SFRS(I) 1	-	77	-	(77)	-	-	-
Adoption of SFRS(I) 15	-	(121)	-	-	(121)	-	(121)
Balance at 1 January 2018	145,271	(42,168)	633	(417)	103,319	734	104,053
Profit for the year	-	1,387	-	-	1,387	38	1,425
Other comprehensive income	-	-	-	(250)	(250)	(44)	(294)
Total comprehensive income for the period	-	1,387	-	(250)	1,137	(6)	1,131
Balance at 30 Sep 2018	145,271	(40,781)	633	(667)	104,456	728	105,184
Company							
Balance at 1 January 2018	145,271	(8,328)	-	-	136,943	-	136,943
Total comprehensive income for the period	-	315	-	-	315	-	315
Balance at 30 Sep 2018	145,271	(8,013)	-	-	137,258	-	137,258

	Attributable to equity holders of the Company				Non-controlling interest	Total equity	
	Share capital	Restated Retained profits	Asset revaluation reserve	Foreign currency translation reserve			Total
	\$'000	\$'000	\$'000	\$'000			\$'000
Group							
Balance at 1 January 2017	145,271	15,002	633	77	160,983	2,220	163,203
Adoption of SFRS(I) 1	-	77	-	(77)	-	-	-
Balance as at 1 January 2017	145,271	15,079	633	-	160,983	2,220	163,203
Loss for the year	-	(35,325)	-	-	(35,325)	167	(35,158)
Other comprehensive loss	-	-	-	158	158	(100)	58
Total comprehensive loss for the period	-	(35,325)	-	158	(35,167)	67	(35,100)
Dividend declared by a subsidiary	-	-	-	-	-	(612)	(612)
Balance at 30 September 2017	145,271	(20,246)	633	158	125,816	1,675	127,491
Company							
Balance at 1 January 2017	145,271	(2,927)	-	-	142,344	-	142,344
Total comprehensive loss for the period	-	(471)	-	-	(471)	-	(471)
Balance at 30 September 2017	145,271	(3,398)	-	-	141,873	-	141,873

*Restated – refer to note 5

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.

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

	Number of Ordinary Shares	Resultant issued share capital \$
Balance at 30 September 2018	1,023,211,000	145,271,346

The Company did not hold any treasury shares as at 30 September 2018 and 31 December 2017. The Company’s total number of issued shares excluding treasury shares as at 30 September 2018 and 31 December 2017 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.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period, as those used for the audited consolidated financial statements as at 31 December 2017.

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.

The Group has adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) (SFRS (I)s), on 1 January 2018 and has prepared its financial information under SFRS (I)s for the third quarter ended 30 September 2018.

In adopting SFRS(I)s, the Group is required to apply the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International). The Group’s opening balance under SFRS(I)s has been prepared as at 1 January 2017, which is the Group’s date of transition to SFRS(I)s.

Application of SFRS(I) 1

Foreign currency translation reserves (“FCTR”)

The Group has elected the optional exemption in SFRS(I) 1 to reset its cumulative FCTR for all foreign operations to nil at the date of transition and reclassify the cumulative FCTR of \$76,286 as at 1 January 2017 determined in accordance with SFRS(I) 1 at that date to retained earnings.

After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition.

Adoption of SFRS(I) 15

Revenue from Contracts with Customers

SFRS(I) 15 is effective for financial years beginning on or after 1 January 2018. In accordance with the requirements of SFRS(I) 1, the Group will adopt SFRS(I) 15 retrospectively.

Under SFRS(I) 15, the Group recognizes revenue when a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer.

Following the presentation requirements in SFRS(I) 15, the Group has presented certain amounts in the Group’s balance sheet as follows:

- i) Amounts due from customers on construction contracts was presented as contract assets.
- ii) Amounts due to customers on construction contracts was presented as contract liabilities.

Adoption of SFRS (I) 9

Financial Instrument

SFRS(I) 9 is effective for financial years beginning on or after 1 January 2018. The Group has elected to apply the short-term exemption under SFRS(I) 1 allowing it not to restate comparative information in the 2018 SFRS(I) financial statements. Accordingly, requirements of FRS39 *Financial Instruments: Recognition and Measurement* will continue to apply to financial instruments up to the financial year ended 31 December 2017.

Under SFRS(I) 9, the Group has adopted the simplified approach under SFRS(I) 9 and recorded lifetime ECL on all trade receivables and contract assets.

Impacts on initial application of SFRS (I)

The following reconciliations summarize the effects of adopting SFRS(I)s on the Group’s financial statements.

	3 months ended 30 Sep 2017			9 months ended 30 Sep 2017		
	As previously reported	Effects of SFRS (I)s	As restated	As previously reported	Effects of SFRS (I)s	As restated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	5,108	3,513	8,621	20,596	1,504	22,100
Cost of sales	(13,491)	(287)	(13,778)	(39,529)	1,941	(37,588)
Others	(6,805)	-	(6,805)	(19,401)	-	(19,401)
(Loss)/Profit before tax	(15,188)	3,226	(11,962)	(38,334)	3,445	(34,889)

Impacts on initial application of SFRS (I) (cont'd)

Balance Sheet as at 31 December 2017

	31-Dec-17		
	As previously reported \$'000	Effects of SFRS (I)s \$'000	As restated \$'000
Assets			
Trade and other receivables	26,205	(10,588)	15,617
Contract assets	-	11,986	11,986
Construction contracts work-in-progress	1,430	(1,430)	-
Others	117,319	(5)	117,314
Total Assets	144,954	(37)	144,917
Liabilities			
Trade and other payables	33,681	(1,139)	32,542
Contract liabilities	-	1,226	1,226
Others	7,099	-	7,099
Total Liabilities	40,780	87	40,867
Equity			
Retained profits	(42,124)	(44)	(42,168)
Foreign currency translation reserves	(340)	(77)	(417)
Others	146,638	-	146,638
Total Equity	104,174	(121)	104,053

Consolidated Statement of Cash Flows

	3 months ended 30 Sep 2017			9 months ended 30 Sep 2017		
	As previously reported \$'000	Effects of SFRS (I)s \$'000	As restated \$'000	As previously reported \$'000	Effects of SFRS (I)s \$'000	As restated \$'000
Cash Flows From Operating Activities						
Profit/(loss) before tax	(15,188)	3,226	(11,962)	(38,334)	3,445	(34,889)
Others	4,446	(925)	3,521	8,738	-	8,738
Operating profit before working capital changes	(10,742)	2,301	(8,441)	(29,596)	3,445	(26,151)
Changes in working capital						
Trade and other receivables	15,217	(8,096)	7,121	63,154	14,118	77,272
Contract assets	-	5,120	5,120	-	(12,602)	(12,602)
Contract liabilities	-	334	334	-	1,321	1,321
Trade and other payables	3,080	341	3,421	(23,013)	(6,282)	(29,295)
Others	(411)	-	(411)	1,819	-	1,819
Net cash provided by operating activities	7,144	-	7,144	12,364	-	12,364
Net cash used in investing activities	(2,052)	-	(2,052)	(2,664)	-	(2,664)
Net cash provided/(used in) by financing activities	(6,611)	-	(6,611)	(22,148)	-	(22,148)
Net increase/(decrease) in cash and cash equivalents	(1,519)	-	(1,519)	(12,448)	-	(12,448)
Effect of currency translation on cash and cash equivalents	(397)	-	(397)	(1,068)	-	(1,068)
Cash and cash equivalents at the beginning of the financial period	57,935	-	57,935	69,535	-	69,535
Cash and cash equivalents at the end of the financial period	56,019	-	56,019	56,019	-	56,019

6. **Earnings/(loss) 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	3 months ended (*Restated)	9 months ended	9 months ended (*Restated)
	30-Sep-18	30-Sep-17	30-Sep-18	30-Sep-17
Earnings/(Loss) Per Share (based on consolidated net profit/(loss) attributable to equity holders):-				
Based on weighted average number of ordinary shares in issue (cents)	0.02	(1.28)	0.14	(3.45)
On a fully diluted basis (cents)	0.02	(1.28)	0.14	(3.45)
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

There were no potentially dilutive shares for the financial period ended 30 September 2018.

**Restated – refer to note 5*

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 the financial year**

	Group		Company	
	30-Sep-18	(*Restated) 31-Dec-17	30-Sep-18	31-Dec-17
Net asset value per ordinary share based on existing share capital (cents)	10.21	10.10	13.41	13.38
Number of shares ('000)	1,023,211	1,023,211	1,023,211	1,023,211

**Restated – refer to note 5*

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

Income Statement Overview

Revenue

Revenue increased by \$30.1m from \$8.6m in the third quarter ended 30 September 2017 ("3Q2017") to \$38.7m in the third quarter ended 30 September 2018 ("3Q2018"). The increase was mainly due to higher project progress achieved in 3Q2018.

Gross Profit

The Group recovered from a loss of \$5.2m in 3Q2017 to a gross profit of \$5.7m in 3Q2018. This was in line with higher revenue recognized in 3Q2018.

Other Income

Other Income recorded a gain of \$0.6m in 3Q2018 due to reversal of unrealized exchange loss.

Administrative Expenses

Administrative expenses increased by \$1.2m from \$5.1m in 3Q2017 to \$6.3m in 3Q2018. The increase was mainly due to higher employee compensation in line with higher production volume.

Finance Expenses

Finance expenses were mainly interest expenses on bank borrowings which were minimal for both quarters under review.

Income Tax Expense

The Group did not recognize deferred tax asset on its carried forward trade losses and capital allowances due to the uncertainty of utilization. Correspondingly, the Group did not recognize the income tax expense in 3Q2018.

Statement of Financial Position

Current Assets

Total current assets increased by \$19.7m from \$99.6m as at 31 December 2017 to \$119.3m as at 30 September 2018. This was mainly due to an increase of \$17.7m and \$14.4m in trade and other receivables and contract assets respectively but partially offset by a decrease of \$0.4m and \$12.1m in inventories and cash and cash equivalents respectively.

Cash and cash equivalents decreased by \$12.1m from \$37.1m as at 31 December 2017 to \$24.9m as at 30 September 2018 mainly due to working capital requirements.

Trade and other receivables increased by \$17.7m from \$15.6m as at 31 December 2017 to \$33.3m as at 30 September 2018 mainly due to higher receivables recorded in line with higher volume of business.

Non-Current Assets

Non-current assets decreased by \$3.7m from \$45.3m as at 31 December 2017 to \$41.6m as at 30 September 2018 mainly due to depreciation on property, plant and equipment of \$5.7m, but partially offset by reversal of impairment and write back of property, plant and equipment of \$1.5m.

Current Liabilities

Total current liabilities increased by \$14.6m from \$40.8m as at 31 December 2017 to \$55.4m as at 30 September 2018 mainly due to an increase of \$3.0m in trade and other payables, increase in short-term borrowings of \$13.2m, but partially offset by a decrease in contract liabilities of \$1.2m, and a decrease in income tax payables of \$0.3m.

Trade and other payables increased by \$3.0m from \$32.5m as of 31 December 2017 to \$35.5m as at 30 September 2018 mainly due to higher payables recorded in line with higher volume of business.

Statement of Cash Flows

The Group registered a decrease in cash and cash equivalent of \$12.1m from \$37.1m as of 31 December 2017 to \$24.9m as at 30 September 2018.

Net cash flow used in operating activities in 3Q2018 was \$22.1m mainly due to working capital requirements.

Net cash used in investing activities in 3Q2018 was \$0.1m mainly due to purchase of minor tools.

Net cash generated from financing activities in 3Q2018 was \$10.8m. This was mainly due to drawdown of bank borrowings.

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.

The Group is pleased to announce the award of a new contract in November 2018 for approximately \$3.3m from a new client amidst the current challenging market. The project will commence immediately and is expected to complete by 4Q2019.

With the award of the above new order, our net order book as at today is \$7.9m, after accounting for revenue recognition up to September 2018.

We will continue with our marketing efforts to secure new orders in our segment as well as in other segments such as land module and power plant projects. At the same time, we remain prudent in the management and monitoring of our expenses.

11. Dividends

(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?

No.

(c) **Date payable**

Not applicable.

(d) **Books closure date**

Not applicable.

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

No dividend has been declared for the quarter ended 30 September 2018.

13. 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)	
	9 months ended 30-Sep-18 \$'000	9 months ended 30-Sep-17 \$'000	9 months ended 30-Sep-18 \$'000	9 months ended 30-Sep-17 \$'000
PURCHASES AND OTHER EXPENSES				
Transactions with L&W United Engineering Pte. Ltd. ("L&W") Subcontracting services for steel and piping fabrication	-	259	-	-
Transactions with L&W Marine Engineering Pte. Ltd. ("L&WM") Subcontracting services for steel and piping fabrication	-	396	-	-
Transactions with Lim Lie Tjing Consultant services in respect of Human Resources	-	18	-	-
Keppel Subic Shipyard Inc Backcharge of utilities and water supply	1	-	-	-
Backcharge of office maintenance	3	-	-	-
REVENUE				
Keppel FELS Limited Fabrication of structural blocks	-	-	-	216
Other Adhoc projects (other services)ie: Barge Hiring/Provision of Berthing Space	-	-	98	-
Keppel Shipyard Limited Subcontracting services rendered for steel and piping fabrication	-	-	-	1,471

14. Confirmation pursuant to Rule 720(1) of the listing manual

The Company confirms that it has procured undertakings from its Board of Directors and executive officers under Rule 720(1) of the listing manual.

15. Confirmation pursuant to the Rule 705(5) of the listing manual

The Board of Directors of the Company hereby confirms to the best of its knowledge nothing has come to its attention which may render the unaudited interim financial results for the third quarter ended 30 September 2018 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Lim Tze Jong
Executive Chairman and CEO
08 November 2018