

DYNA-MAC HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No: 200305693E)

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2013

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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 FIRST QUARTER ENDED 31 MARCH

	1Q2013	1Q2012	Change
	\$'000	\$'000	%
Revenue	60,079	23,521	155.4%
Cost of sales	(45,412)	(16,743)	171.2%
Gross profit	14,667	6,778	116.4%
Gross profit margin	24.4%	28.8%	
Other (losses)/gains	(676)	1,289	-152.4%
Administrative expenses	(5,800)	(4,142)	40.0%
Finance expenses	(7)	(23)	-69.6%
Share of loss of an associated company	*	*	NM
Profit before income tax	8,184	3,902	109.7%
Income tax expense	(1,475)	(566)	160.6%
Net profit for the financial period	6,709	3,336	101.1%
Net profit margin	11.2%	14.2%	
Other comprehensive income, net of tax:-			
Currency translation differences arising from consolidation	(77)	(14)	450.0%
Total comprehensive income for the financial period	6,632	3,322	99.6%
Attributable to:-			
Equity holders of the Company	6,709	3,336	101.1%
Non-controlling interest	*	-	NM
	6,709	3,336	101.1%
Earnings per ordinary share			
- basic	0.66 cts	0.36 cts	
- diluted	0.66 cts	0.36 cts	

* amount less than \$1,000

NM means not meaningful

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

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

	1Q2013	1Q2012	Change
	\$'000	\$'000	%
The Group's profit is stated after charging/(crediting):-			
Rental income ^(Note 1)	(21)	(54)	-61.1%
Interest income - bank deposits	(104)	(60)	73.3%
Interest on borrowings	7	23	-69.6%
Depreciation of property, plant and equipment	1,987	1,573	26.3%
Fair value loss/(gain) on financial instruments	1,241	(870)	-242.6%
Foreign exchange gain, net	(316)	(259)	22.0%
Gain on disposal of property, plant and equipment, net	-	(37)	NM

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

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 MARCH

	Group		Company	
	31.3.2013	31.12.2012	31.3.2013	31.12.2012
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current Assets				
Cash and bank balances	50,694	62,646	582	1,016
Trade and other receivables	104,183	92,263	135,764	140,769
Derivative financial instruments	-	318	-	-
Inventories	836	566	-	-
Construction contract work-in-progress	2,264	504	-	-
Other current assets	3,056	2,675	2	11
	161,033	158,972	136,348	141,796
Non-Current Assets				
Club memberships	407	407	-	-
Investment in subsidiaries	-	-	30,775	25,476
Investment in an associated company	61	63	-	-
Goodwill	5,556	5,556	-	-
Property, plant and equipment ^(Note 2)	106,323	100,030	-	-
	112,347	106,056	30,775	25,476
Total Assets	273,380	265,028	167,123	167,272
LIABILITIES				
Current Liabilities				
Trade and other payables	68,530	67,460	423	319
Derivative financial instruments	923	-	-	-
Borrowings	447	447	-	-
Current income tax liabilities	7,055	7,550	-	-
	76,955	75,457	423	319
Non-Current Liabilities				
Borrowings	349	462	-	-
Deferred income tax liabilities	4,801	4,619	-	-
	5,150	5,081	-	-
Total Liabilities	82,105	80,538	423	319
Net Assets	191,275	184,490	166,700	166,953
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	40	117	-	-
Retained profits	45,811	39,102	21,429	21,682
Share capital & reserves	191,122	184,490	166,700	166,953
Non-controlling interest	153	-	-	-
Total Equity	191,275	184,490	166,700	166,953

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 31.3.2013		As at 31.12.2012	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less	447	-	447	-
Amount repayable after one year	349	-	462	-

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 FIRST QUARTER ENDED 31 MARCH

	1Q2013 \$'000	1Q2012 \$'000
Cash Flows From Operating Activities		
Net profit	6,709	3,336
Adjustment for:		
- Income tax expense	1,475	566
- Depreciation of property, plant and equipment	1,987	1,573
- Gain on disposal of property, plant and equipment	-	(37)
- Interest income	(104)	(60)
- Interest expense	7	23
- Fair value loss/(gain) on derivative financial instrument	1,241	(870)
	<u>11,315</u>	<u>4,531</u>
Changes in working capital		
- Trade and other receivables	(11,920)	(8,961)
- Construction contract work-in-progress	(1,760)	(2,232)
- Inventories	(270)	1,028
- Other current assets	(381)	(583)
- Trade and other payables	1,070	10,038
Cash (used in)/ generated from operations	<u>(1,946)</u>	<u>3,821</u>
Interest received	104	60
Income tax paid	<u>(1,786)</u>	<u>(861)</u>
Net cash (used in)/provided by operating activities	<u>(3,628)</u>	<u>3,020</u>
Cash Flows From Investing Activities		
- Proceeds from disposal of property, plant and equipment	-	37
- Acquisition of subsidiary, net of cash acquired	(3,300)	-
- Additions to property, plant and equipment	(4,981)	(5,765)
- Capital contribution from non-controlling shareholder on incorporation of subsidiary	153	-
- Increase in bank deposits with maturity more than 3 months	(10,000)	(10,000)
	<u>(18,128)</u>	<u>(15,728)</u>
Net cash (used in)/provided by investing activities	<u>(18,128)</u>	<u>(15,728)</u>
Cash Flows From Financing Activities		
- Interest expense paid	(7)	(23)
- Repayment of finance lease liabilities	(112)	(125)
- Proceeds from borrowing	-	11,963
Net cash (used in)/provided by financing activities	<u>(119)</u>	<u>11,815</u>
Net decrease in cash and cash equivalents	<u>(21,875)</u>	<u>(893)</u>
Effect of currency translation on cash and cash equivalents	(77)	(14)
Cash and cash equivalents at beginning of the financial period	<u>42,646</u>	<u>18,207</u>
Cash and cash equivalents at end of the financial period	<u>20,694</u>	<u>17,300</u>

- 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 FIRST QUARTER ENDED 31 MARCH

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:-

	1Q2013	1Q2012
	\$'000	\$'000
Cash and cash equivalents at end of the financial period	20,694	17,300
Add: bank deposits with maturity more than 3 months	30,000	20,000
Cash and bank balances	50,694	37,300

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					<u>Total equity</u> \$'000
	<u>Share Capital</u> \$'000	<u>Retained profits</u> \$'000	Foreign currency translation <u>reserve</u> \$'000	<u>Total</u> \$'000	Non-controlling <u>interest</u> \$'000	
<u>Group</u>						
Balance at 1 January 2012	99,603	15,373	(34)	114,942	-	114,942
Total comprehensive income for the financial year	-	28,380	151	28,531	-	28,531
Dividend relating to the 7-month financial period ended 31 December 2011	-	(4,651)	-	(4,651)	-	(4,651)
Shares issued October 2012	45,668	-	-	45,668	-	45,668
Balance at 31 December 2012	145,271	39,102	117	184,490	-	184,490
Total comprehensive income for the financial period	-	6,709	(77)	6,632	153	6,785
Balance as at 31 March 2013	145,271	45,811	40	191,122	153	191,275
<u>Company</u>						
Balance at 1 January 2012	99,603	7,380	-	106,983	-	106,983
Total comprehensive income for the financial year	-	18,953	-	18,953	-	18,953
Dividend relating to the 7-month financial period ended 31 December 2011	-	(4,651)	-	(4,651)	-	(4,651)
Shares issued October 2012	45,668	-	-	45,668	-	45,668
Balance at 31 December 2012	145,271	21,682	-	166,953	-	166,953
Total comprehensive income for the financial period	-	(253)	-	(253)	-	(253)
Balance at 31 March 2013	145,271	21,429	-	166,700	-	166,700

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

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

Balance as at 31.3. 2013

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 March 2013 and 31 December 2012. The Company’s total number of issued shares excluding treasury shares as at 31 March 2013 and 31 December 2012 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 period, as those used for the audited consolidated financial statements for the financial year ended 31 December 2012.

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

Not applicable.

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

	Group	
	1Q2013	1Q2012
EPS (based on consolidated net profit attributable to equity holders):- Based on the weighted average number of ordinary shares in issue (cents)	0.66	0.36
Weighted average number of shares issue during the period used in computing of Basic EPS	1,023,211,000	930,192,000

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

	Group		Company	
	31.3.2013	31.12.2012	31.3.2013	31.12.2012
Net asset value per ordinary share based on existing share capital (cents)	18.70	18.03	16.29	16.32
Number of shares	1,023,211,000	1,023,211,000	1,023,211,000	1,023,211,000

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

Income Statement Overview

Revenue

Revenue increased by \$36.6m or 155.4% from \$23.5m for the first quarter ended 31 March 2012 ("1Q2012") to \$60.1m for the first quarter ended 31 March 2013 ("1Q2013"). As some of the projects in 1Q2013 are in the final stages of fabrication, revenue recognition based on percentage of completion is higher in this quarter.

Gross Profit

Gross profit increased by \$7.9m or 116.4% from \$6.8m in 1Q2012 to \$14.7m in 1Q2013 partly in line with higher revenue recognized. Gross profit margin for 1Q2013 was 24.4% as compared to 28.8% in 1Q2012. Gross profit margin was higher in 1Q2012 due to recognition of certain variation orders and project adjustments from completed projects.

Other (losses)/gains

Other (losses)/gains of \$0.7m in 1Q2013 was incurred mainly due to fair value loss on financial instrument.

Administrative Expenses

Administrative expenses increased by \$1.7m from \$4.1m in 1Q2012 to \$5.8m in 1Q2013, mainly due to an increase in employee compensation of \$0.8m and depreciation expense of \$1.1m.

Finance expenses

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

Income Tax expense

The income tax expense for 1Q2013 was provided at the prevailing Singapore corporate tax rate of 17%.

Profit after tax

Profit after tax increased by \$3.4m from \$3.3m in 1Q2012 to \$6.7m in 1Q2013. Profit after tax margin decreased from 14.2% in 1Q2012 to 11.2% in 1Q2013. The decrease in net profit margin was mainly due to a decrease in gross profit margin as explained in the section "Gross Profit".

Statement of Financial Position**Current Assets**

The Group's current assets increased by S\$2.1m to \$161.0m as at 31 March 2013 due to increases in trade and other receivables and construction contract work-in-progress. The increase in current assets was partially offset by a reduction in cash and bank balances and derivative financial instrument.

Cash and cash equivalents decreased by \$11.9m from \$62.6m as at 31 December 2012 to \$50.7m as at 31 March 2013 mainly due to working capital requirements.

Trade and other receivables increased by \$11.9m from \$92.3m as at 31 December 2012 to \$104.2m as at 31 March 2013 due to higher milestone billings in 1Q2013.

Derivative financial instrument decreased by \$1.2m from \$0.3m as at 31 December 2012 to \$(0.9)m as at 31 March 2013 due to unfavorable movements in contracted USD forward rates against market spot rates.

Construction contract work-in-progress increased by \$1.8m from \$0.5m as at 31 December 2012 to \$2.3m as at 31 March 2013 due to work-in-progress incurred for the new project undertaken in 1Q2013.

Non-Current Assets

Non-current assets increased by \$6.3m from \$106.1m as at 31 December 2012 to \$112.3m as at 31 March 2013 mainly due to additions in property, plant and equipment of \$8.3m. The costs of fixed assets additions were reduced partially by depreciation charges of \$2.0m for the financial period.

Current Liabilities

Trade and other payables increased by \$1.0m from \$67.5m as at 31 December 2012 to \$68.5m as at 31 March 2013 due to higher purchases.

Current income tax liabilities decreased by \$0.5m from \$7.6m as at 31 December 2012 to \$7.1m as at 31 March 2013 due to payment of tax liability in the current quarter.

Borrowings decreased by \$0.1m from \$0.9m as at 31 December 2012 to \$0.8m as at 31 March 2013.

Consolidated Cash Flow

As at 31 March 2013, the Group had cash and cash equivalents of \$20.7m. The Group used up cash from operating activities before working capital changes of \$11.3m. Net cash used in operating activities amounted to \$3.6m due mainly to increase in trade and other receivables of \$11.9m, increase in construction contract work-in-progress of \$1.8m, increase in other current assets of \$0.4m, increase in trade and other payable of \$1.1m and increase in inventory of \$0.3m.

Cash used in investing activities amounted to \$18.1m in 1Q2013 mainly due to the increase in bank deposits with maturity more than three months of \$10.0m, acquisition of a subsidiary, net of cash acquired of \$5.0m and additions to property, plant and equipment of \$3.3m.

Cash used in financing activities amounted to \$0.1m in 1Q2013 mainly due to repayment of finance lease liabilities.

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.

As reflected in our results, 1Q2013 was a busy quarter. We have completed two major projects while the remaining projects are gearing up for completion.

Due to the lumpy nature of our revenue as projects are typically awarded to us within a very short lead time, our net order book as of today is \$113 million. We are, however, cautiously optimistic of our performance this year. The sector we are in remains strong from growing energy demand. We continue to receive active tender enquiries from both our long term and new clients.

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?

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 31 March 2013.

13. Use of IPO Proceeds

186,000,000 new shares were issued on 1 March 2011 pursuant to our IPO and 29,907,000 shares were issued on 4 April 2011 to satisfy the over-allotment at \$0.35 for each share raising net proceeds in total of \$73.2m.

Use of proceeds	Amount Allocated (\$'million)	Amount utilized (\$'million)	Balance amount (\$'million)
a. Expansion of yard facility at 13 Pandan Crescent	8.0	8.0	-
b. Upgrading and expansion of yard facility at Main Yard	12.0	12.0	-
c. Acquisition of additional equipment and machineries	7.0	7.0	-
d. Expansion of operations overseas	20.0	11.5	8.5
e. General working capital	26.2	26.2	-
	73.2	64.7	8.5

14. Use of Placement Proceeds

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

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

15. 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)	
	3 months ended 31.3.2013 \$'000	3 months ended 31.3.2012 \$'000	3 months ended 31.3.2013 \$'000	3 months ended 31.3.2012 \$'000
PURCHASES AND OTHER EXPENSES				
Transactions with L&W United Engineering Pte. Ltd. ("L&W") Subcontracting services for steel and piping fabrication by L&W	395	800		-
REVENUE				
Keppel Shipyard Limited ("KSL") Fabrication of topside module	-	-	-	4,594
Other adhoc projects (other services)	-	-	-	-
REVENUE				
Keppel FELS Limited ("KFL") Other adhoc projects (other services)	-	-	-	663

16. Confirmation pursuant to the Rule 705(4) 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 first quarter ended 31 March 2013 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Lim Tze Jong
Executive Chairman and CEO
14 May 2013