

DYNA-MAC HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No: 200305693E)

UNAUDITED RESULTS for the THIRD QUARTER ENDED 30 SEPTEMBER 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 THIRD QUARTER ENDED 30 SEPTEMBER

	Group					
	3 months ended 30 Sep 2013 3Q2013	3 months ended 30 Sep 2012 3Q2012	Change	9 months ended 30 Sep 2013	9 months ended 30 Sep 2012	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	66,799	59,791	11.7%	203,498	141,097	44.2%
Cost of sales	(46,618)	(40,062)	16.4%	(155,110)	(101,600)	52.7%
Gross profit	20,181	19,729	2.3%	48,388	39,497	22.5%
Gross profit margin	30.2%	33.0%		23.8%	28.0%	
Other (losses)/gain	(2,760)	102	NM	(1,539)	1,601	NM
Administrative expenses	(10,148)	(7,462)	36.0%	(22,303)	(17,430)	28.0%
Finance expenses	(161)	(90)	78.9%	(176)	(165)	6.7%
Profit before income tax	7,112	12,279	-42.1%	24,370	23,503	3.7%
Income tax expense	(1,209)	(2,100)	-42.4%	(4,214)	(3,912)	7.7%
Net Profit for the financial period	5,903	10,179	-42.0%	20,156	19,591	2.9%
Net Profit margin	8.8%	17.0%		9.9%	13.9%	
Attributable to:-						
Equity holders of the Company	5,301	10,179	-47.9%	19,554	19,591	-0.2%
Non-controlling interest	602	-	NM	602	-	NM
	5,903	10,179		20,156	19,591	
Other comprehensive income, net of tax:-						
Net Profit for the financial period	5,903	10,179	-42.0%	20,156	19,591	2.9%
Currency translation differences arising from consolidation	(61)	30	NM	(208)	6	NM
Total comprehensive income for the financial period	5,842	10,209	-42.8%	19,948	19,597	1.8%
Attributable to:-						
Equity holders of the Company	5,240	10,209	-48.7%	19,346	19,597	-1.3%
Non-controlling interest	602	-	-	602	-	-
	5,842	10,209	-42.8%	19,948	19,597	1.8%

* amount less than \$1,000

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 30 Sep 2013	3 months ended 30 Sep 2012	Change	9 months ended 30 Sep 2013	9 months ended 30 Sep 2012	Change
	\$'000	\$'000	%	\$'000	\$'000	%
The Group's profit is stated after charging/(crediting):-						
Rental income ^(Note 1)	(1)	(113)	-99.1%	(40)	(226)	-82.3%
Interest income - bank deposits	(90)	(36)	150.0%	(285)	(131)	117.6%
Interest on borrowings	161	90	78.9%	176	165	6.7%
Depreciation of property, plant and equipment	2,085	2,348	-11.2%	5,960	5,226	14.0%
Fair value loss/(gain) on derivative financial instruments	(1,212)	(434)	179.3%	1,012	(1,769)	-157.2%
Foreign exchange loss, Net	4,236	570	643.2%	1,349	581	132.2%
Gain on disposal of property, plant and equipment, net	-	(57)	-100%	-	(94)	-100%

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 30 SEPTEMBER

	Group		Company	
	30 Sep 2013	31 Dec 2012	30 Sep 2013	31 Dec 2012
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current Assets				
Cash and bank balances	49,714	62,646	57	1,016
Trade and other receivables	142,897	92,263	115,139	140,769
Derivative financial instrument	-	318	-	-
Inventories	1,537	566	-	-
Construction contract work-in-progress	30	504	-	-
Other current assets	2,742	2,675	23	11
	196,920	158,972	115,219	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	111,755	100,030	-	-
	117,779	106,056	30,775	25,476
Total Assets	314,699	265,028	145,994	167,272
LIABILITIES				
Current Liabilities				
Trade and other payables	91,710	67,460	192	319
Derivative financial instrument	694	-	-	-
Borrowings	27,552	447	-	-
Current income tax liabilities	5,868	7,550	-	-
	125,824	75,457	192	319
Non-Current Liabilities				
Borrowings	129	462	-	-
Deferred income tax liabilities	4,619	4,619	-	-
	4,748	5,081	-	-
Total Liabilities	130,572	80,538	192	319
Net Assets	184,127	184,490	145,802	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	(91)	117	-	-
Retained profits	38,192	39,102	531	21,682
Share capital & reserve	183,372	184,490	145,802	166,953
Non-controlling interest	755	-	-	-
Total Equity	184,127	184,490	145,802	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 30 Sep 2013		As at 31 Dec 2012	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less	27,552	-	447	-
Amount repayable after one year	129	-	462	-

Details of any collateral:-

The Group's borrowings are secured by short-term bank deposits, corporate guarantee by the Company and 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

	3 months ended 30 Sep 2013	3 months ended 30 Sep 2012	9 months ended 30 Sep 2013	9 months ended 30 Sep 2012
	\$'000	\$'000	\$'000	\$'000
Cash Flows From Operating Activities				
Net profit	5,903	10,179	20,156	19,591
Adjustment for:				
- Income tax expense	1,209	2,100	4,214	3,912
- Depreciation of property, plant and equipment	2,085	2,348	5,960	5,226
- Gain on disposal of property, plant and equipment	-	(57)	-	(94)
- Interest income	(90)	(36)	(285)	(131)
- Interest expense	161	90	176	165
- Unrealised translation losses/(gains)	2	(36)	2	(36)
- Fair value (gain)/loss on derivative financial Instruments	(1,212)	(258)	1,012	(492)
	8,058	14,330	31,235	28,141
Changes in working capital				
- Trade and other receivables	7,295	(32,443)	(50,634)	(55,547)
- Construction contract work-in-progress	3,000	(196)	474	(251)
- Inventories	(402)	3	(971)	1,071
- Other current assets	1,135	2,763	(67)	(308)
- Trade and other payables	3,729	13,606	24,251	32,562
Cash generated from /(used in) operations	22,815	(1,937)	4,288	5,668
Interest received	90	36	285	131
Income tax paid	(1,601)	-	(5,896)	(861)
Net cash provided by/(used in) operating activities	21,304	(1,901)	(1,323)	4,938
Cash Flows From Investing Activities				
- Proceeds from disposal of property, plant and Equipment	-	130	-	167
- Acquisition of subsidiary, net of cash acquired	-	(455)	-	(455)
- Additions to property, plant and equipment	(5,178)	(1,990)	(17,685)	(8,743)
- Capital contribution from non-controlling shareholder on incorporation of subsidiary	-	-	153	-
- (Increase)/decrease in bank deposits with maturity more than 3 months	-	-	(10,000)	10,000
Net cash (used in)/provided by investing activities	(5,178)	(2,315)	(27,532)	969
Cash Flows From Financing Activities				
- Proceeds from bank borrowings	29,979	-	62,955	12,484
- Interest expense paid	(161)	(90)	(176)	(165)
- Dividend paid to equity holders of the Company	-	-	(20,464)	(4,651)
- Repayment of borrowings	(32,720)	(1,125)	(35,720)	-
- Repayment of finance lease liabilities	(241)	(144)	(464)	(393)
- Increase in bank deposits pledged	-	-	-	(20,000)
Net cash (used in)/provided by financing activities	(3,143)	(1,359)	6,131	(12,725)
Net increase/(decrease) in cash and cash equivalents	12,983	(5,575)	(22,724)	(6,818)
Effect of currency translation on cash and cash equivalents	(61)	30	(208)	6
Cash and cash equivalents at beginning of the financial period	6,792	16,940	42,646	18,207
Cash and cash equivalents at end of the financial period	19,714	11,395	19,714	11,395

- 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 THIRD QUARTER ENDED 30 SEPTEMBER (Continued)

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 30 Sep 2013	3 months ended 30 Sep 2012	9 months ended 30 Sep 2013	9 months ended 31 Sep 2012
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents at end of financial period	19,714	11,395	19,714	11,395
Add: bank deposit with maturity more than 3 months	30,000	20,000	30,000	20,000
Cash and cash bank balances	49,714	31,395	49,714	31,395

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

STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company			Non-controlling interest	Total equity
	Share Capital	Retained profits	Foreign currency translation reserve		
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
Balance at 1 January 2013	145,271	39,102	117	-	184,490
1H2013					
Total comprehensive income for the financial period	-	14,253	(147)	153	14,259
Dividend relating to the financial year ended 31 Dec 2012	-	(20,464)	-	-	(20,464)
Balance at 30 Jun 2013	145,271	32,891	(30)	153	178,285
3Q2013					
Total comprehensive income for the financial period	-	5,301	(61)	602	5,842
Balance at 30 Sep 2013	145,271	38,192	(91)	755	184,127
Company					
Balance at 1 January 2013	145,271	21,682	-	-	166,953
1H2013					
Total comprehensive income for the financial year	-	(491)	-	-	(491)
Dividend relating to the financial year ended 31 Dec 2012	-	(20,464)	-	-	(20,464)
Balance at 30 Jun 2013	145,271	727	-	-	145,998
3Q2013					
Total comprehensive income for the financial period	-	(196)	-	-	(196)
Balance at 30 Sep 2013	145,271	531	-	-	145,802

- 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 30 September 2013

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 30 September 2013 and 31 December 2012. The Company’s total number of issued shares excluding treasury shares as at 30 September 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			
	3 months ended 30 Sep 2013	3 months ended 30 Sep 2012	9 months ended 30 Sep 2013	9 months ended 30 Sep 2012
EPS (based on consolidated net profit attributable to equity holders):- Based on the weighted average number of ordinary shares in issue (cents)	0.52	1.10	1.91	2.11
Weighted average number of shares in issue during the period used in computing of Basic EPS	1,023,211,000	930,192,000	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	
	30 Sep 2013	31 Dec 2012	30 Sep 2013	31 Dec 2012
Net asset value per ordinary share based on existing share capital (cents)	18.00	18.03	14.25	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 \$7m or 11.7% from \$59.8m for the third quarter ended 30 September 2012 (ō3Q2012ō) to \$66.8m for the third quarter ended 30 September 2013 (ō3Q2013ō). Revenue was higher in 3Q2013 due to more projects being carried out in our yards both in Singapore and overseas.

Gross Profit

Gross profit increased by \$0.5m or 2.3% from \$19.7m in 3Q2012 to \$20.2m in 3Q2013. Gross profit margin for 3Q2013 was 30.2% as compared to 33% for 3Q2012. Gross profit margin was lower in 3Q2013 due to higher recognition of costs from oversea yards.

Income Statement Overview (Continued)

Other (losses)/gains

Other losses of \$2.8m in 3Q2013 was incurred mainly due to unrealized losses on the revaluation of foreign currency receivables.

Administrative Expenses

Administrative expenses increased by \$2.6m from \$7.5m in 3Q2012 to \$10.1m in 3Q2013, mainly due to an increase in employee compensation of \$1.6m, director fee & remuneration of \$0.2m and staff welfare of \$0.6m.

Finance expenses

Finance expenses comprise 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 3Q2013 was provided for at the prevailing Singapore corporate tax rate of 17%.

Profit after tax

Profit after tax decreased by \$4.3m from \$10.2m in 3Q2012 to \$5.9m in 3Q2013. Profit after tax margin decreased from 17.0% in 3Q2012 to 8.8% in 3Q2013. The decrease in net profit margin was mainly due to a decrease in gross profit margin as explained in the section "Gross Profit" and increase in other losses and Administrative expenses.

Statement of Financial Position

Current Assets

The Group's current assets increased by \$38m to \$197m as at 30 September 2013 mainly due to increases in trade and other receivables and inventories. 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 \$12.9m from \$62.6m as at 31 December 2012 to \$49.7m as at 30 September 2013 mainly due to working capital and capital expenditure.

Trade and other receivables increased by \$50.6m from \$92.3m as at 31 December 2012 to \$142.9m as at 30 September 2013 mainly due to higher milestone billings outstanding and higher revenue recognition in 3Q2013.

Derivative financial instrument decreased by \$1.0m from \$0.3m as at 31 December 2012 to \$(0.7m) as at 30 September 2013 due to unfavorable movements in contracted USD forward rates against market spot rates.

Non-Current Assets

Non-current assets increased by \$11.7m from \$106.1m as at 31 December 2012 to \$117.8m as at 30 September 2013 mainly due to additions in property, plant and equipment of \$17.7m. The costs of fixed assets additions were reduced partially by depreciation charges of \$6.0m for the financial period.

Current Liabilities

Trade and other payables increased by \$24.2m from \$67.5m as at 31 December 2012 to \$91.7m as at 30 September 2013 mainly due to higher purchases.

Current income tax liabilities decreased by \$1.7m from \$7.6m as at 31 December 2012 to \$5.9m as at 30 September 2013 due to payment of tax liability.

Income Statement Overview (Continued)

Current Liabilities (Continued)

Borrowings increased by \$27.1 m from \$0.4m as at 31 December 2012 to \$27.5m as at 30 September 2013.

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.**

Most of our projects are almost completed in this quarter. We have, however, begun construction of three new projects in our Singapore main yard.

We have also rented additional yard space in Guangzhou, China. The yard is almost ready to support two new projects which we have begun construction in the current yard in Guangzhou, China.

As announced on 1 November 2013, we have secured new fabrication orders from Daewoo Shipbuilding & Marine Engineering Co., Ltd. and OneSubsea Malaysia Systems Sdn Bhd for a provisional sum of US\$117million. This brings our total new orders win for the year to \$318 million, which has significantly surpassed that for the whole of last year. Our net order book as at 13 November 2013 is \$346 million.

Our tender enquiries remain strong, which is reflective of the oil and gas offshore sector we are in.

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 in respect of the current financial period.

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

- a. Expansion of yard facility at 13 Pandan Crescent
- b. Upgrading and expansion of yard facility at Main Yard
- c. Acquisition of additional equipment and machineries
- d. Expansion of operations overseas
- e. General working capital

Amount allocated (\$'million)	Amount utilized (\$'million)	Balance amount (\$'million)
8.0	8.0	-
12.0	12.0	-
7.0	7.0	-
20.0	15.0	5.0
26.2	26.2	-
73.2	68.2	5.0

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

- a. General working capital

Amount Allocated (\$'million)	Amount utilized (\$'million)	Balance amount (\$'million)
45.7	22.7	23.0
45.7	22.7	23.0

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)	
	9 months ended 30 Sep 2013 \$'000	9 months ended 30 Sep 2012 \$'000	9 months ended 30 Sep 2013 \$'000	9 months ended 30 Sep 2012 \$'000
PURCHASES AND OTHER EXPENSES				
Transactions with Speedgrow International Pte. Ltd. ("Speedgrow") Supply of machine and equipment by Speedgrow	-	-	-	-
Transactions with L&W United Engineering Pte. Ltd. ("L&W") Subcontracting services for steel and piping fabrication by L&W	1,567	1,717	-	-
REVENUE				
Keppel Shipyard Limited ("KSL") Fabrication of topside module Other adhoc projects (other services)	-	-	-	4,594 796
Keppel FELS Limited Fabrication of structural blocks			615	
Keppel Subic Shipyard Inc Fabrication of Topside modules			6,858	

16. 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 2013 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Lim Tze Jong
Executive Chairman and CEO
13 November 2013