



DYNA-MAC HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No: 200305693E)

UNAUDITED RESULTS for the THIRD QUARTER ENDED 30 SEPTEMBER 2014

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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 2014 3Q2014	3 months ended 30 Sep 2013 3Q2013	Change	9 months ended 30 Sep 2014	9 months ended 30 Sep 2013	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	79,417	66,799	18.9%	255,713	203,498	25.7%
Cost of sales	(61,760)	(46,618)	32.5%	(203,575)	(155,110)	31.2%
Gross profit	17,657	20,181	-12.5%	52,138	48,388	7.7%
Gross profit margin	22.2%	30.2%		20.4%	23.8%	
Other (losses)/gains	(912)	(2,760)	-67.0%	979	(1,539)	NM
Administrative expenses	(8,338)	(10,148)	-17.8%	(26,649)	(22,303)	19.5%
Finance expenses	(622)	(161)	NM	(1,095)	(176)	NM
Profit before income tax	7,785	7,112	9.4%	25,373	24,370	4.1%
Income tax expense	(19)	(1,209)	-98.4%	(2,942)	(4,214)	-30.2%
Net profit for the financial period	7,766	5,903	31.5%	22,431	20,156	11.3%
Net Profit margin	9.8%	8.8%		8.8%	9.9%	
Attributable to:-						
Equity holders of the Company	7,614	5,301	43.6%	20,802	19,554	6.4%
Non-controlling interest	152	602	-74.8%	1,629	602	NM
	7,766	5,903	31.5%	22,431	20,156	11.3%
Other comprehensive Income/(losses), net of tax:-						
Currency translation differences arising from consolidation	358	(61)	NM	(239)	(208)	14.9%
Total comprehensive income for the financial period	8,124	5,842	39.0%	22,192	19,948	11.2%
Attributable to:-						
Equity holders of the Company	8,005	5,240	52.7%	20,574	19,346	6.3%
Non-controlling interest	119	602	-80.2%	1,618	602	NM
	8,124	5,842	39.0%	22,192	19,948	11.2%

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 2014	3 months ended 30 Sep 2013	Change	9 months ended 30 Sep 2014	9 months ended 30 Sep 2013	Change
	\$'000	\$'000	%	\$'000	\$'000	%
The Group's profit is stated after charging/(crediting):-						
Rental income ^(Note 1)	(138)	(1)	NM	(447)	(40)	NM
Interest income - bank deposits	(104)	(90)	15.6%	(163)	(285)	-42.8%
Interest on borrowings	575	161	NM	1,048	176	NM
Depreciation of property, plant and equipment	3,455	2,085	65.7%	8,813	5,960	47.9%
Fair value loss/(gain) on derivative financial instruments	847	(1,212)	NM	(21)	1,012	NM
Foreign exchange loss/(gain), Net	359	4,236	-91.5%	(216)	1,349	NM
Write-off of property, plant and equipment	-	-	NM	11	-	NM
Loss on disposal of property, plant and equipment, net	1,117	-	NM	1,079	-	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 30 SEPTEMBER

	Group		Company	
	30 Sep 2014	31 Dec 2013	30 Sep 2014	31 Dec 2013
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current Assets				
Cash and bank balances	62,944	61,451	653	412
Trade and other receivables	206,451	156,336	163,311	135,736
Derivative financial instrument	-	66	-	-
Inventories	2,958	995	-	-
Construction contracts	14,216	5,215	-	-
Other current assets	2,610	1,170	36	12
	289,179	225,233	164,000	136,160
Non-Current Assets				
Club memberships	407	407	-	-
Investment in subsidiaries	-	-	30,775	30,775
Goodwill	5,556	5,556	-	-
Property, plant and equipment	114,750	118,921	-	-
Deferred tax assets	1,400	1,400	-	-
	122,113	126,284	30,775	30,775
Total Assets	411,292	351,517	194,775	166,935
LIABILITIES				
Current Liabilities				
Trade and other payables	136,553	110,600	634	296
Derivative financial instrument	295	382	-	-
Borrowings	21,954	35,488	-	-
Current income tax liabilities	4,650	8,168	-	-
	163,452	154,638	634	296
Non-Current Liabilities				
Borrowings	49,472	239	49,162	-
Deferred income tax liabilities	2,119	2,119	-	-
	51,591	2,358	49,162	-
Total Liabilities	215,043	156,996	49,796	296
Net Assets	196,249	194,521	144,979	166,639
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	(341)	(113)	-	-
Retained profits	47,662	47,324	(292)	21,368
Share capital & reserve	192,592	192,482	144,979	166,639
Non-controlling interest	3,657	2,039	-	-
Total Equity	196,249	194,521	144,979	166,639

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 2014		As at 31 Dec 2013	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less	21,954	-	35,488	-
Amount repayable after one year	310	49,162	239	-

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 2014	3 months ended 30 Sep 2013	9 months ended 30 Sep 2014	9 months ended 30 Sep 2013
	\$'000	\$'000	\$'000	\$'000
Cash Flows From Operating Activities				
Net profit	7,766	5,903	22,431	20,156
Adjustment for:				
- Income tax expense	19	1,209	2,942	4,214
- Depreciation of property, plant and equipment	3,455	2,085	8,813	5,960
- Loss on disposal of property, plant and equipment	1,117	-	1,079	-
- Write-off of property, plant and equipment	-	-	11	-
- Finance income	(104)	(90)	(163)	(285)
- Finance expenses	622	161	1,095	176
- Fair value loss/(gain) on derivative financial Instruments	847	(1,212)	(21)	1,012
- Unrealised translation losses/(gains)	190	2	(279)	2
	13,912	8,058	35,908	31,235
Changes in working capital				
- Trade and other receivables	(542)	7,295	(50,115)	(50,634)
- Construction contract	(11,331)	3,000	(9,001)	474
- Inventories	2,170	(402)	(1,963)	(971)
- Other current assets	167	1,135	(1,440)	(67)
- Trade and other payables	12,255	3,729	25,936	24,251
Cash generated from /(used in) operations	16,631	22,815	(675)	4,288
Interest received	104	90	163	285
Income taxes paid, net of refunds	(623)	(1,601)	(6,448)	(5,896)
Net cash provided by/(used in) operating activities	16,112	21,304	(6,960)	(1,323)
Cash Flows From Investing Activities				
- Proceeds from disposal of property, plant and Equipment	3,801	-	4,432	-
- Additions to property, plant and equipment	(2,283)	(5,178)	(10,108)	(17,685)
- Capital contribution from non-controlling shareholder on incorporation of subsidiary	-	-	-	153
- (Increase)/decrease in bank deposits with maturity more than 3 months	(560)	-	4,216	(10,000)
Net cash provided by/(used in) investing activities	958	(5,178)	(1,460)	(27,532)
Cash Flows From Financing Activities				
- Proceeds from bank borrowings	10,744	29,979	101,811	62,955
- Proceeds from issuance of medium term note	49,115	-	49,115	-
- Proceeds from finance lease liabilities	147	-	236	-
- Interest expense paid	(575)	(161)	(1,048)	(176)
- Dividend paid to equity holders of the Company	-	-	(20,464)	(20,464)
- Repayment of borrowings	(61,322)	(32,720)	(115,039)	(35,720)
- Repayment of finance lease liabilities	(125)	(241)	(471)	(464)
Net cash (used in)/provided by financing activities	(2,016)	(3,143)	14,140	6,131
Net increase/(decrease) in cash and cash equivalents	15,054	12,983	5,720	(22,724)
Effect of currency translation on cash and cash equivalents	69	(61)	(11)	(208)
Cash and cash equivalents at beginning of the financial period	21,557	6,792	30,971	42,646
Cash and cash equivalents at end of the financial period	36,680	19,714	36,680	19,714

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 2014	3 months ended 30 Sep 2013	9 months ended 30 Sep 2014	9 months ended 31 Sep 2013
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents at end of financial period	36,680	19,714	36,680	19,714
Add: bank deposit with maturity more than 3 months	26,264	30,000	26,264	30,000
Cash and cash bank balances	62,944	49,714	62,944	49,714

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			Total
	\$'000	\$'000	\$'000	\$'000	\$'000	
Group						
Balance at 1 January 2014	145,271	47,324	(113)	192,482	2,039	194,521
1H2014						
Total comprehensive income for the financial period	-	13,188	(619)	12,569	1,499	14,068
Dividend relating to the financial year ended 31 Dec 2013	-	(20,464)	-	(20,464)	-	(20,464)
Balance at 30 June 2014	145,271	40,048	(732)	184,587	3,538	188,125
3Q2014						
Total comprehensive income for the financial period	-	7,614	391	8,005	119	8,124
Balance at 30 September 2014	145,271	47,662	(341)	192,592	3,657	196,249
Company						
Balance at 1 January 2014	145,271	21,368	-	166,639	-	166,639
1H2014						
Total comprehensive income for the financial year	-	(542)	-	(542)	-	(542)
Dividend relating to the financial year ended 31 Dec 2013	-	(20,464)	-	(20,464)	-	(20,464)
Balance at 30 June 2014	145,271	362	-	145,633	-	145,633
3Q2014						
Total comprehensive income for the financial period	-	(654)	-	(654)	-	(654)
Balance at 30 September 2014	145,271	(292)	-	144,979	-	144,979

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 2014

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 2014 and 31 December 2013. The Company’s total number of issued shares excluding treasury shares as at 30 September 2014 and 31 December 2013 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 2013.

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 2014	3 months ended 30 Sep 2013	9 months ended 30 Sep 2014	9 months ended 30 Sep 2013
EPS (based on consolidated net profit attributable to equity holders):-				
Based on weighted average number of ordinary shares in issue (cents)	0.74	0.52	2.03	1.91
On a fully diluted basis (cents)	0.74	0.52	2.03	1.91
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	
	30 Sep 2014	31 Dec 2013	30 Sep 2014	31 Dec 2013
Net asset value per ordinary share based on existing share capital (cents)	19.18	19.01	14.17	16.29
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 increased by \$12.6m or 18.9% from \$66.8m for the third quarter ended 30 September 2013 (“3Q2013”) to \$79.4m for the third quarter ended 30 September 2014 (“3Q2014”). Revenue was higher in 3Q2014 mainly due to more projects being carried out in our yards both in Singapore and overseas.

Gross Profit

Gross profit decreased by \$2.5m or 12.5% from \$20.2m in 3Q2013 to \$17.7 m in 3Q2014. Gross profit margin for 3Q2014 was 22.2% as compared to 30.2% for 3Q2013. Gross profit margin was lower in 3Q2014 mainly due to higher recognition of costs from oversea yards.

Other (losses)/gains

Other losses of \$0.9m in 3Q2014 were incurred mainly due to disposal of property, plant and equipment.

Administrative Expenses

Administrative expenses decreased by \$1.8m from \$10.1m in 3Q2013 to \$8.3m in 3Q2014, mainly due to lower performance bonus provision in the current financial period.

Finance expenses

Finance expenses comprise mainly interest expenses on bank borrowings and finance leases as well as amortisation of capitalized transaction costs on borrowings. The increase for 3Q2014 was mainly due to higher interest expenses incurred on borrowings.

Income Tax expense

Income tax expense decreased by \$1.18m from \$1.2m in 3Q2013 to \$0.02m in 3Q2014 was mainly due to over-provision in the prior year.

Profit after tax

Profit after tax increased by \$1.9m from \$5.9m in 3Q2013 to \$7.8m in 3Q2014. Profit after tax margin increased from 8.8% in 3Q2013 to 9.8% in 3Q2014.

Statement of Financial Position

Current Assets

The Group’s current assets increased by \$64.0m to \$289.2m as at 30 September 2014 from \$225.2m as at 31 December 2013 mainly due to increases in trade and other receivables, construction contracts and inventories.

Cash and cash equivalents increased by \$1.5m from \$61.4m as at 31 December 2013 to \$62.9m as at 30 September 2014 mainly due to working capital changes, proceeds from disposal of property, plant and equipment, partially offset by capital expenditure and net cash used in financing activities.

Trade and other receivables increased by \$50.2m from \$156.3m as at 31 December 2013 to \$206.5m as at 30 September 2014 mainly due to higher outstanding milestone billings and higher revenue recognition in 3Q2014.

Construction contracts increased by \$9.0m from \$5.2m as at 31 December 2013 to \$14.2m as at 30 September 2014 mainly due to work-in-progress for projects undertaken in the current financial period.

Non-Current Assets

Non-current assets decreased by \$4.2m from \$126.3m as at 31 December 2013 to \$122.1m as at 30 September 2014 due to decreases in property, plant and equipment as a result of \$8.8m depreciation charges and \$5.5m disposals, partially offset by \$10.1m additions.

Current Liabilities

Trade and other payables increased by \$26.0m from \$110.6m as at 31 December 2013 to \$136.6m as at 30 September 2014 mainly due to higher purchases.

Current income tax liabilities decreased by \$3.5m from \$8.2m as at 31 December 2013 to \$4.7m as at 30 September 2014 mainly due to payment of tax liability in the current financial period.

Borrowings decreased by \$13.5m from \$35.5m as at 31 December 2013 to \$22.0m as at 30 September 2014 mainly due to net repayment of bank loans.

Non-current Liabilities

Borrowings increased by \$49.3m from \$0.2m as at 31 December 2013 to \$49.5m as at 30 September 2014 mainly due to the issuance of \$50m medium term note.

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 has a net order book of \$223 million with completion and deliveries extending into 2016. This includes \$92 million in new orders secured this year to-date from repeat customers for offshore FPSO modules and specialised offshore projects.

Enquiry levels for the Group's core businesses of offshore FPSO/FSO modules, specialised offshore products and on-shore plants remain high despite recent drop in oil price. The long-term fundamentals for the offshore & onshore oil and gas industries remain intact.

The Group has secured initial LOIs (Letter of Intent) from repeat customers for the construction of FPSO modules and are currently in the process of working towards finalising these into contracts. An announcement will be made when the contracts are awarded.

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. 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 2014 \$'000	9 months ended 30 Sep 2013 \$'000	9 months ended 30 Sep 2014 \$'000	9 months ended 30 Sep 2013 \$'000
PURCHASES AND OTHER EXPENSES				
Transactions with L&W United Engineering Pte. Ltd. ("L&W")				
(1) Subcontracting services for steel and piping fabrication	2,259	1,567	-	-
(2) Supply of manpower				
(3) Rental of container office and equipment				
REVENUE				
Keppel Shipyard Limited ("KSL")				
Other adhoc projects (other services)	-	-	250	-
Keppel FELS Limited				
Fabrication of structural blocks	-	-	1,243	615
Keppel Subic Shipyard Inc				
Fabrication of Topsides modules	-	-	7,175	6,858

14. 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 2014 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Lim Tze Jong
Executive Chairman and CEO
14 November 2014