

DYNA-MAC HOLDINGS LTD.

(Incorporated in Singapore on 19 June 2003)

(Company Registration No. 200305693E)

("Company")

INCORPORATION OF A COMPANY IN PHILIPPINES

The Board of Directors of the Company wishes to announce that the Company has entered into a shareholders' agreement with KS Investments Pte Ltd ("**KSI**") and have jointly incorporated a company in the Philippines known as Dyna-Mac Keppel Philippines, Inc. ("**DMKP**"). The shareholding interests of the Company in DMKP is 60%, with KSI holding the remaining 40% .

DMKP will be engaged in the business of fabrication of topside modules for floating, production, storage and offloading (FPSO), and floating, storage and offloading (FSO) vessels in the Philippines.

The initial paid-up capital of DMKP of PhP15 million (equivalent to approximately S\$452,067.89, based on the exchange rate of S\$1 : PhP33.1809) was arrived at after taking into account the requirements for DMKP's initial phase of business. Based on the Company's shareholding proportion, the Company's initial capital contribution amount to PhP9,000,000 (approximately S\$271,240.38). The capital contribution by the Company was paid in cash and funded entirely through internal resources.

Following its incorporation, DMKP is now a subsidiary of the Company.

KSI is a controlling shareholder of the Company. Save as aforementioned, none of the directors or controlling shareholders of the Company has any interest in the above transaction (other than through their shareholdings in the Company).

The abovementioned transaction is not expected to have material impact on the net tangible assets or earnings per share of the Company for the current financial year.

By Order of the Board

Lim Tze Jong

Executive Chairman and Chief Executive Officer

Date: 22 February 2013