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## PRESS RELEASE

### Dyna-Mac reports 29% increase in 4Q net profit

- Proposed final cash dividend of S\$0.02 per ordinary share
- Maintains strong gross margins

#### Financial Highlights

(S\$'000)	4QFY11	4QFY10	Variance	FY11	FY10	Variance
Revenue	44,775	46,270	-3%	167,851	218,541	-23%
Gross Profit	13,938	14,782	-6%	50,327	50,783	-1%
Gross Profit Margin (%)	31.1%	31.9%		30.0%	23.2%	
Operating Profit	9,139	8,867	3%	29,910	32,108	-7%
Net Profit for the period/year	7,606	5,881	29%	24,846	25,441	-2%
Net Profit Margin (%)	17.0%	12.7%		14.8%	11.6%	

**SINGAPORE, 21 July 2011 – Dyna-Mac Holdings Ltd.** (精研控股有限公司) (“Dyna-Mac” or together with its subsidiaries, the “Group”), a multi-disciplinary specialist provider of detailed engineering, procurement and construction services (“EPC”) to the offshore oil and gas, marine construction and other industries, today reported a 29% increase in net profit to S\$7.6 million on revenue of S\$44.8 million for its fourth quarter ended 31 May 2011 (“4Q2011”).

Dyna-Mac’s revenue for the fourth quarter dipped 3% to S\$44.8 million, compared to S\$46.3 million a year ago. As a result, gross profit declined by 6% to S\$13.9 million.

On a 12-month basis, the Group reported revenue and net profit of S\$167.9 million and S\$24.8 million for FY2011, compared to S\$218.5 million and S\$25.5 million in the previous year, respectively. The revenue decline was largely due to the slowdown in activities in the oil and gas industry following the oil spill disaster in the Gulf of Mexico in April 2010. Back then, the US federal government ordered a moratorium which was subsequent lifted in the fourth quarter of 2010.

In spite of this, the Group achieved a much improved gross profit margin of 30% for FY2011, up from 23% a year ago. This was due to a reversal of contingent costs related to projects completed in previous years and the completion of high-margin projects.

### **Outlook**

Oil prices are expected to remain buoyant in view of current market dynamics and OPEC's recent decision of not raising its official output quotas. At the same time, oil prices are expected to be volatile amid increased uncertainties in global macroeconomic conditions, such as heightened concerns over the European sovereign debt issue, softening US economic data, and speed of recovery of the Japanese economy following the nuclear fallout amongst other factors.

"High oil prices and the resumption of deepwater drilling activities in the Gulf of Mexico will continue to encourage demand for our services. While two of our projects have been rescheduled to commence in the last quarter of 2011, we are pleased to have secured two recent projects from the Keppel Group that will also contribute to our performance in FY2012," said Mr Desmond Lim Tze Jong (林智勇), Executive Chairman & CEO.

He continued, "At the same time, we continue to enjoy strong support from our long-standing customers such as SBM Offshore, Modec and Bumi Armada. We are also optimistic of securing more projects in the near future."

The Group's order book as at to date, consisting of existing and new projects, is about S\$117 million including two projects worth S\$18 million which were awarded by the Keppel Group following the collaboration agreement. Barring any unforeseen circumstances, the Group believes that the outlook for the coming financial year will remain cautiously optimistic.

## **Dividend**

The Group is proposing a final cash dividend of S\$0.02 for FY2011 which is subject to shareholders' approval at its forthcoming annual general meeting.

## **About Dyna-Mac**

**Dyna-Mac Holdings Ltd.** (精砺控股有限公司) ("Dyna-Mac" or the "Group") is a multi-disciplinary specialist provider of detailed engineering, procurement and construction services ("EPC") to the offshore oil and gas, marine construction and other industries. The Group's customers are amongst the world's largest owners and operators of FPSOs/FSOs and semi-submersibles as well as multinational engineering companies in the marine and oil and gas industries.

The Group's principal business is in the fabrication and assembly of topside modules for floating, production, storage and offloading vessels ("FPSOs") and floating, storage and offloading vessels ("FSOs") in Singapore. On an ad hoc basis, the Group also undertakes general engineering and fabrication services for specialized structures for semi-submersibles and sub-sea products. Over the last 11 years, Dyna-Mac has established a reputation as a reliable specialist in this business and has successfully completed over 130 topside modules with the largest single module load out of 1,520 tons.

Located in Singapore, the Group's yard facilities have a combined gross land area of 140,300 square metres and a maximum annual fabrication capacity of approximately 25,000 tons. Its Main Yard has an uninterrupted waterfront shoreline, approximately 300 metres in length and a depth of up to nine metres, and a load-out bay integrated into the waterfront shoreline, with the capacity to load out heavy structures such as FPU's and topside modules of up to 27,000 tons onto carrier ships or barges.

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Collins Stewart Pte. Limited ("Collins Stewart") is the Issue Manager of the Group's Initial Public Offering. Collins Stewart, together with UOB Kay Hian Private Limited, are the Joint Underwriters and Joint Placement Agents of the Invitation.

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## GLOSSARY OF TECHNICAL TERMS

- “FPSO”  
浮式生产储油船 : A floating, production, storage and offloading vessel used by offshore oil and gas industry for the production, storage and offloading of oil and gas from offshore oil and gas fields
- “FSO”  
浮式储油船 : A floating, storage and offloading vessel used by offshore oil and gas industry for the storage and offloading of oil and gas from offshore oil and gas fields
- “FPU”  
浮式生产深台 : A floating production unit
- “semi-submersibles”  
半潜水深台 : A purpose built floating production platform supported by pontoons and columns. The design is commonly used in a number of specific offshore roles such as for offshore drilling rigs, safety vessels, oil production platforms and heavy lift cranes
- “topside module”  
顶部设施 : Specialised process and control equipment such as separators, heat exchangers, coolers, pumps, electrical equipment, process piping, control valves and control panels fitted or integrated on steel structural frames to be installed on FPSOs, FSOs or semi-submersibles to carry out specific functions