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## PRESS RELEASE

# Dyna-Mac reports earnings of S\$5.6 million for 7-month financial period ended 31 December 2011

**SINGAPORE, 21 February 2012 – 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 announced a net profit of \$5.6 million for the 7-month financial period ended 31 December 2011 (7M FP2011), compared to a net profit of \$12.3 million for the 7-month financial period ended a year ago (7M FP2010). The Group achieved a revenue of \$49.7 million for 7M FP2011, compared to \$99.0 million to 7M FP2010. The decline in revenue was mainly due to a lower volume of work undertaken by the Group.

For 7M FP2011, gross profit decreased by S\$12.7 million or 49.2% to S\$13.2 million compared to S\$25.9 million in 7M FP2010. Gross profit margin for 7M FP2011 stood relatively unchanged at 26.0% despite a lower volume of work undertaken due to costs savings finalized for completed projects and successful negotiations of variation claims.

For the year under review, topsides fabrication and other works were undertaken for customers such as SBM Offshore N.V., Keppel Shipyard, Keppel FELS and Emerson. The Group’s ongoing projects include the fabrication of 21 topsides, a structural block of a jackup hull, a turret and nine piperacks for clients such as SBM Offshore N.V., Keppel FELS, Modec and Bumi Armada. Most of these works are expected to be completed in 2012.

Said Mr Desmond Lim Tze Jong (林智勇), Executive Chairman and CEO of the Group, “We will continue to execute on our strategy of organic expansion. Besides having a robust topside module tender book, we have also diversified into ad-hoc projects such as the fabrication of turret.”

Based on this set of results, net asset value per share of the Group as at 31 December 2011 was 12.36 cents, compared to 13.75 cents as at the previous year ended 31 May 2011.

### **Order Book**

As at 21 Feb 2011, the Group’s order book stands at approximately \$180 million and consists of existing and new projects. The majority of order book revenue will be recognized in financial year 2012.

### **Dividend**

The Group is proposing a final cash dividend of S\$0.005 per share for 7M FP2011, representing a dividend payout of 83%, which is subject to shareholders’ approval at its forthcoming annual general meeting. For its financial year ended 31 May 2011, Dyna-Mac had paid out a final cash dividend of S\$0.02 per share, amounting to some S\$18.6 million, representing a payout of 62%.

### **Outlook and Strategy**

According to the IEA, global oil demand is expected to grow in the longer term – from 87m bbl/day in 2010, to 91m bbl/day by 2012, to 99m bbl/day in 2035. The November 2011 IMA Report also identified 210 planned floating production system in the global pipeline. This bodes well for the Group which continues to enjoy established relationships and a pipeline of enquiries from key customers such as SBM Offshore N.V., Modec, Bumi Armada and VWS Westgarth. We will continue to focus on growing our customer base and securing new projects.

Added Mr Lim, “Despite the lower volume of work undertaken by the Group in the last 7 months ended 31 December 2011, we were able to remain profitable. Our current order book, the bulk of which will be fulfilled in 2012, is healthy and we continue to receive enquiries from our clients as well as are actively bidding for projects in the market.”

## **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 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 150 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 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