

DYNA-MAC HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No: 200305693E)

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2012

TABLE OF CONTENTS

Item No	Description	Page
1	Consolidated Statement of Comprehensive Income	2
2	Statements of Financial Position – Group and Company	4
3	Consolidated Statement of Cash Flows	6
4	Statements of Changes in Equity – Group and Company	8
5	Selected Notes to the Financial Statements	9
6	Earnings per share	10
7	Net asset value per share	10
8	Review of performance of the Group	10
9	Forecast / Prospect Statement	12
10	Commentary	12
11 & 12	Dividends	13
13	Use of IPO proceeds	13
14	Interested Person Transaction	14

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

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.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group		
	3 months ended 31-Mar-12	3 months ended 31-Mar-11	Change
	\$'000	\$'000	%
Revenue	23,521	38,649	-39.1%
Cost of sales	(16,743)	(24,392)	-31.4%
Gross profit	6,778	14,257	-52.5%
Gross profit margin	28.8%	36.9%	
Other income	1,289	1,284	0.4%
Administrative expenses	(4,142)	(7,308)	-43.3%
Finance expenses	(23)	(179)	-87.2%
Share of loss of an associated company	*	*	NM
Profit before income tax	3,902	8,054	-51.6%
Income tax expense	(566)	(1,235)	-54.2%
Net profit for the financial period	3,336	6,819	-51.1%
Net profit margin	14.2%	17.6%	
Other comprehensive income, net of tax:-			
Currency translation differences arising from consolidation	(14)	16	NM
Total comprehensive income for the financial period	3,322	6,835	-51.4%
Attributable to:-			
Equity holders of the Company	3,322	6,835	-51.4%

* amount less than \$1,000

NM means 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		
	3 months ended 31 March 2012	3 months ended 31 March 2011	Change
	\$'000	\$'000	%
The Group's profit is stated after charging/(crediting):-			
Rental income ^(note 1)	(54)	(90)	-40.0%
Interest income – bank deposits	(60)	(10)	NM
Interest on borrowings	23	179	-87.2%
Depreciation of property, plant and equipment	1,573	1,646	-4.4%
Fair value gain on financial instruments	(870)	-	NM
Foreign exchange loss/(gain), net	(259)	238	NM
Gain on disposal of property, plant and equipment, net	(37)	*	NM

Note 1 – Rental income comprises mainly rental income of investment properties, container-office and warehouse.

* amount less than \$1,000

NM means 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.

STATEMENT OF FINANCIAL POSITION

	Group		Company	
	31-Mar-12	31-Dec-11	31-Mar-12	31-Dec-11
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current Assets				
Cash and bank balances	37,300	28,207	174	651
Trade and other receivables	45,473	36,512	81,424	81,104
Derivative financial instruments	798	-	-	-
Inventories	415	1,443	-	-
Construction contract work-in- progress	2,948	716	-	-
Other current assets	3,061	2,478	5	20
	89,995	69,356	81,603	81,775
Non-Current Assets				
Club memberships	407	407	-	-
Investment in subsidiaries	-	-	25,476	25,476
Investment in an associated company	63	63	-	-
Investment properties	12,000	12,000	-	-
Property, plant and equipment	81,460	77,268	-	-
	93,930	89,738	25,476	25,476
Total Assets	183,925	159,094	107,079	107,251
LIABILITIES				
Current Liabilities				
Trade and other payables	46,082	36,044	234	268
Derivative financial instrument	-	72	-	-
Borrowings	11,599	197	-	-
Current income tax liabilities	2,598	2,893	-	-
	60,279	39,206	234	268
Non-Current Liabilities				
Borrowings	560	124	-	-
Deferred income tax liabilities	4,822	4,822	-	-
	5,382	4,946	-	-
Total Liabilities	65,661	44,152	234	268
Net Assets	118,264	114,942	106,845	106,983
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	99,603	99,603	99,603	99,603
Foreign currency translation reserves	(48)	(34)	-	-
Retained profits	18,709	15,373	7,242	7,380
Total Equity	118,264	114,942	106,845	106,983

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:-

	Group			
	31 March 2012		31 December 2011	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less	11,599	-	197	-
Amount repayable after one year	560	-	124	-

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.

CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended 31-Mar-12	3 months ended 31-Mar-11
	\$'000	\$'000
Cash Flows From Operating Activities		
Net profit	3,336	6,819
Adjustment for:		
- Income tax expense	566	1,235
- Depreciation of property, plant and equipment	1,573	1,646
- Gain on disposal of property, plant and equipment	(37)	-
- Interest income	(60)	(10)
- Interest expense	23	179
- Fair value gain on derivative financial instruments	(870)	-
	4,531	9,869
Changes in working capital		
- Trade and other receivables	(8,961)	(33,197)
- Construction contract work-in-progress	(2,232)	24
- Inventories	1,028	149
- Other current assets	(583)	1,653
- Trade and other payables	10,038	(12,594)
Cash generated from operations	3,821	(34,096)
Interest received	60	10
Income tax paid	(861)	(3,443)
Net cash provided by/(used in) operating activities	3,020	(37,529)
Cash Flows From Investing Activities		
- Proceeds from disposal of property plant and equipment	37	-
- Additions to property, plant and equipment	(5,765)	(3,436)
- Decrease/(increase) in bank deposits with maturity more than 3 months	10,000	(10,000)
Net cash provided by/(used in) investing activities	4,272	(13,436)
Cash Flows From Financing Activities		
- Interest expense paid	(23)	(179)
- Proceeds from borrowing	11,963	-
- Proceeds from issuance of ordinary shares	-	75,567
- Share issue expenses	-	(2,440)
- Repayment of finance lease liabilities	(125)	(38)
- Repayment of borrowings	-	(1,122)
- Increase in bank deposits pledged	(20,000)	-
Net cash (used in)/provided by financing activities	(8,185)	71,788

- 1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	3 months ended 31-Mar-12	3 months ended 31-Mar-11
	\$'000	\$'000
Net (decrease)/increase in cash and cash equivalents	(893)	20,823
Effects of currency translation on cash and cash equivalents	(14)	16
Cash and cash equivalents at beginning of the financial period	18,207	25,490
Cash and cash equivalents at end of the financial period	17,300	46,329

For the purpose of the consolidated statement of cash flows, the consolidated cash and bank balances as at the end of the financial period comprised the following:-

	3 months ended 31-Mar-12	3 months ended 31-Mar-11
	\$'000	\$'000
Cash and cash equivalents at end of financial period	17,300	46,329
Add : bank deposits pledged	20,000	19,957
Add : bank deposit with maturity more than three months	-	10,000
Cash and bank balances	37,300	76,286

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
Group						
Balance as at 1 June 2011	99,603	28,361	(50)	127,914	-	127,914
Dividend relating to the year ended 31 May 2011 paid	-	(18,603)	-	(18,603)	-	(18,603)
Total comprehensive income for the financial period	-	5,615	16	5,631	-	5,631
Balance as at 31 December 2011	99,603	15,373	(34)	114,942	-	114,942
Total comprehensive income for the financial period	-	3,336	(14)	3,322	-	3,322
Balance as at 31 March 2012	99,603	18,709	(48)	118,264	-	118,264

	Attributable to equity holders of the Company			Total equity
	Share capital	Retained profits	Total	
	\$'000	\$'000	\$'000	
Company				
Balance as at 1 June 2011	99,603	22,723	122,326	122,326
Dividend relating to the year ended 31 May 2011 paid	-	(18,603)	(18,603)	(18,603)
Total comprehensive income for the financial period	-	3,260	3,260	3,260
Balance as at 31 December 2011	99,603	7,380	106,983	106,983
Total comprehensive income for the financial period	-	(138)	(138)	(138)
Balance as at 31 March 2012	99,603	7,242	106,845	106,845

- 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 31 March 2012

Number of Ordinary Shares	Resultant issued share capital \$
930,192,000	99,603,262

- 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 31 March 2012 and 31 December 2011. The Company’s total number of issued shares excluding treasury shares as at 31 March 2012 and 31 December 2011 is 930,192,000.

- 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 period ended 31 December 2011.

As consistent with the results for the seven months ended 31 December 2011, the Group has early adopted the amended Singapore Financial Reporting Standard (“FRS”) 12 Income Taxes, issued in February 2011 and effective from January 2012. The early adoption of the amended FRS did not result in any significant impact on the financial statements of the Group.

- 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 31 March 2012	3 months ended 31 March 2011
EPS (based on consolidated net profit attributable to equity holders):- Based on the weighted average number of ordinary shares in issue (cents)	0.36	0.88
Weighted average number of shares in issue during the period used in computing of Basic EPS	930,192,000	776,285,000

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	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Net asset value per ordinary share based on existing share capital (cents)	12.71	12.36	11.49	11.50
Number of shares	930,192,000	930,192,000	930,192,000	930,192,000

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

We derive our revenue mainly from the following business segments:-

- (i) **Module Business**, which consists of fabrication of Topside Modules
 (ii) **Ad Hoc Projects**, which consists of fabrication of other steel or mechanical structures

Revenue decreased by \$15.1m or 39.1% from \$38.6m for the first quarter ended 31 March 2011 ("1Q2011") to \$23.5m for the first quarter ended 31 March 2012 ("1Q2012"). As most of the projects in 1Q2012 are in the early stages of fabrication, revenue recognition based on percentage of completion is slower at these stages.

Gross Profit

Gross profit decreased by \$7.5m or 52.5% from \$14.3m in 1Q2011 to \$6.8m in 1Q2012 partly in line with lesser revenue recognised. Gross profit margin for 1Q2012 was 28.8% as compared to 36.9% in 1Q2011. Gross profit margin was higher in 1Q2011 due to recognition of certain variation orders with higher margins and project adjustments from completed projects.

Other Income

Other income remained at \$1.3m for both periods due to fair value gain on financial instrument of \$0.9m and foreign exchange gain of \$0.3m in 1Q2012 versus a write back of bad debt provision of \$1.4m and foreign exchange loss of \$0.2m in 1Q2011.

Administrative Expenses

Administrative expenses decreased by \$3.2m from \$7.3m in 1Q2011 to \$4.1m in 1Q2012, mainly due to a decrease in employee compensation of \$1.8m, legal and professional fee of \$1.0m and printing and stationery of \$0.3m. The decrease in employee compensation was due to lower project bonus accrued resulting from lower volume of work undertaken during the period leading up to 1Q2012.

Finance expenses

Finance expenses were 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 1Q2012 and 1Q2011 were provided at the prevailing Singapore corporate tax rate of 17%. However, the effective tax rates for 1Q2012 and 1Q2011 were 14.5% and 15.3% respectively due to tax refunds received from IRAS.

Profit after tax

Profit after tax decreased by \$3.5m from \$6.8m in 1Q2011 to \$3.3m in 1Q2012. Profit after tax margin decreased from 17.6% in 1Q2011 to 14.2% in 1Q2012. The decrease in net profit margin was mainly due to a decrease in gross profit margin as explained in the section "Gross Profit".

Statement of Financial Position

Current Assets

The Group's current assets increased by S\$20.6m to S\$90.0m as at 31 March 2012 due to increases in cash and cash equivalents, trade and other receivables, derivative financial instruments and construction contract work-in-progress. The increase in current assets was partially offset by a reduction in inventory levels.

Cash and cash equivalents increased by \$9.1m from \$28.2m as at 31 December 2011 to \$37.3m as at 31 March 2012 mainly due to proceeds from short term bank borrowings.

Trade and other receivables increased by \$9.0m from \$36.5m as at 31 December 2011 to \$45.5m as at 31 March 2012 due to higher milestone billings as at 1Q2012.

Derivative financial instrument increased by \$0.9m from \$(0.1m) as at 31 December 2011 to \$0.8m as at 31 March 2012 due to favourable movements in contracted USD forward rates against market spot rates.

Construction contract work-in-progress increased by \$2.2m from \$0.7m as at 31 December 2011 to \$2.9m as at 31 March 2012 due to variation orders incurred for the new projects undertaken in 1Q2012.

Inventories decreased by \$1.0m from \$1.4m as at 31 December 2011 to \$0.4m as at 31 March 2012 due to sale of steel plates to a third party.

Non-Current Assets

Non-current assets increased by \$4.2m from \$89.7m as at 31 December 2011 to \$93.9m as at 31 March 2012 mainly due to additions in property, plant and equipment of \$5.8m. The costs of fixed assets additions were reduced partially by depreciation charges of \$1.6m for the financial period.

Current Liabilities

Trade and other payables increased by \$10.0m from \$36.0m as at 31 December 2011 to \$46.0m as at 31 March 2012 as higher purchases were required in the initial stages of most of the projects in 1Q2012.

Current income tax liabilities decreased by \$0.3m from \$2.9m as at 31 December 2011 to \$2.6m as at 31 March 2012 due to lower tax liability in the current quarter.

Borrowings increased by \$11.8m from \$0.3m as at 31 December 2011 to \$12.2m as at 31 March 2012 mainly due to the utilization of banking facilities to bridge working capital requirements.

Consolidated Cash Flow

As at 31 March 2012, the Group had cash and cash equivalents of \$17.3m. The Group generated cash from operating activities before working capital changes of \$4.5m. Net cash provided by working capital amounted to \$3.8m due mainly to increase in trade and other receivables of \$9.0m, increase in construction contract work-in-progress of \$2.2m, increase in other current assets of \$0.6m and increase in trade and other payable of \$10.0m partially offset by decrease in inventory of \$1.0m.

Cash provided by investing activities amounted to \$4.3m in 1Q2012 mainly due to the decrease in bank deposits with maturity more than three months.

Cash used in financing activities amounted to \$8.2m in 1Q2012 mainly due to pledging of \$20.0m bank deposits to obtain banking facilities of \$12.0m to bridge working capital requirements as most of the projects are at the early stages of construction.

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.

We have secured two new orders in the second quarter of 2012, for a total contract value of US\$31.6m. These orders are for the fabrication of four units of Manifold Racks for SBM and three units of topside module for Bumi Armada As of now, our order book stands at S\$201.0m, after recognising S\$24.0m as revenue in 1Q2012. Due to capacity requirement, we have rented additional yard space of approximately 100,000 square feet at a yard nearby our main yard to cope with the current order book. Majority of our projects is expected to be completed in financial year 2012.

We remain cautiously optimistic of our performance this year.

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 S\$0.35 for each share raising net proceeds in total of \$73.1m.

Use of proceeds	Amount allocated (\$'million)	Amount utilised (\$'million)	Balance amount (\$'million)
a. Expansion of yard facility at 13 Pandan Crescent	8.0	7.9	0.1
b. Upgrading and expansion of yard facility at Main Yard	12.0	12.0	-
c. Acquisition of additional equipment and machineries	7.0	5.4	1.6
d. Expansion of operations overseas	20.0	-	20.0
e. General working capital	26.2	26.2	-
	73.2	51.5	21.7

14. 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 S\$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 S\$100,000)	
	31 Mar 2012 \$'000	31 Mar 2011 \$'000	31 Mar 2012 \$'000	31 Mar 2011 \$'000
PURCHASES AND OTHER EXPENSES				
Transactions with Speedgrow International Pte. Ltd. ("Speedgrow")				
Supply of machine and equipment by Speedgrow	-	151	-	-
Transactions with L&W United Engineering Pte. Ltd. ("L&W")				
Subcontracting services for steel and piping fabrication by L&W	800	690	-	-
REVENUE				
Keppel Shipyard Limited ("KSL")				
Fabrication of topside module	-	-	4,594	-
Other adhoc projects (other services)	-	-	663	-
Keppel Fels Limited				
Fabrication of straight block	-	-	-	-

15. Confirmation pursuant to the Rule 705(4) 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 first quarter ended 31 March 2012 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Lim Tze Jong
Executive Chairman and CEO
20 April 2012