

DYNA-MAC HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No: 200305693E)

UNAUDITED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2012

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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.

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group					
	3 months ended 30 Jun 2012 2Q2012	3 months ended 30 Jun 2011 2Q2011	Change	6 months ended 30 Jun 2012 1H2012	6 months ended 30 Jun 2011 1H2011	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	57,785	44,896	28.7%	81,306	83,545	-2.7%
Cost of sales	(44,795)	(31,192)	43.6%	(61,538)	(55,584)	10.7%
Gross profit	12,990	13,704	-5.2%	19,768	27,961	-29.3%
Gross profit margin	22.5%	30.5%		24.3%	33.5%	
Other income/(expense)	210	(230)	191.3%	1,499	1,054	42.2%
Administrative expenses	(5,826)	(4,321)	34.8%	(9,968)	(11,630)	-14.3%
Finance expenses	(52)	(170)	-69.4%	(75)	(349)	-78.5%
Share of loss of an associated company	-	*	NM	-	*	NM
Profit before income tax	7,322	8,983	-18.5%	11,224	17,036	-34.1%
Income tax expense	(1,246)	(1,517)	-17.9%	(1,812)	(2,752)	-34.2%
Net profit for the financial period	6,076	7,466	-18.6%	9,412	14,284	-34.1%
Net profit margin	10.5%	16.6%		11.6%	17.1%	
Other comprehensive income, net of tax:-						
Currency translation differences arising from consolidation	(10)	(14)	NM	(24)	2	NM
Total comprehensive income for the financial period	6,066	7,452	-18.6%	9,388	14,286	-34.3%
Attributable to:-						
Equity holders of the Company	6,066	7,452	-18.6%	9,388	14,286	-34.3%

* 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			Group		
	3 months ended 30 Jun 2012	3 months ended 30 Jun 2011	Change	6 months ended 30 Jun 2012	6 months ended 30 Jun 2011	Change
	\$'000	\$'000	%	\$'000	\$'000	%
The Group's profit is stated after charging/(crediting):-						
Rental income ^(Note 1)	(59)	(47)	-25.5%	(113)	(137)	-17.5%
Interest income - bank deposits	(35)	(47)	-25.5%	(95)	(57)	66.7%
Interest on borrowings	52	170	-69.4%	75	349	-78.5%
Depreciation of property, plant and equipment	1,305	1,560	-16.3%	2,878	3,207	-10.3%
Fair value loss/(gain) on derivative financial instruments	59	-	NM	(1,335)	-	NM
Foreign exchange (gain)/loss, Net	(254)	308	NM	11	547	NM
Gain on disposal of property, plant and equipment, net	-	(12)	NM	(37)	(12)	NM

Note 1 - Rental income comprises mainly rental income of investment properties, 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

	Group		Company	
	30 Jun 2012	31 Dec 2011	30 Jun 2012	31 Dec 2011
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current Assets				
Cash and bank balances	36,940	28,207	170	651
Trade and other receivables	59,616	36,512	76,273	81,104
Derivative financial instrument	162	-	-	-
Inventories	374	1,443	-	-
Construction contract work-in-progress	771	716	-	-
Other current assets	5,550	2,478	32	20
	103,413	69,356	76,475	81,775
Non-Current Assets				
Club memberships	407	407	-	-
Investment in subsidiaries	-	-	25,476	25,476
Investment in an associated company	61	63	-	-
Investment properties	12,000	12,000	-	-
Property, plant and equipment	81,144	77,268	-	-
	93,612	89,738	25,476	25,476
Total Assets	197,025	159,094	101,951	107,251
LIABILITIES				
Current Liabilities				
Trade and other payables	55,000	36,044	211	268
Derivative financial instrument	-	72	-	-
Borrowings	13,199	197	-	-
Current income tax liabilities	3,843	2,893	-	-
	72,042	39,206	211	268
Non-Current Liabilities				
Borrowings	482	124	-	-
Deferred income tax liabilities	4,822	4,822	-	-
	5,304	4,946	-	-
Total Liabilities	77,346	44,152	211	268
Net Assets	119,679	114,942	101,740	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	(58)	(34)	-	-
Retained profits	20,134	15,373	2,137	7,380
Total Equity	119,679	114,942	101,740	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:-

	As at 30 Jun 2012		As at 31 Dec 2011	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less	13,199	-	197	-
Amount repayable after one year	482	-	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.

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended 30 Jun 2012	3 months ended 30 Jun 2011	6 months ended 30 Jun 2012	6 months ended 30 Jun 2011
	\$'000	\$'000	\$'000	\$'000
Cash Flows From Operating Activities				
Net profit	6,076	7,466	9,412	14,284
Adjustment for:				
- Income tax expense	1,246	1,517	1,812	2,752
- Depreciation of property, plant and equipment	1,305	1,560	2,878	3,207
- Gain on disposal of property, plant and equipment	-	(12)	(37)	(12)
- Interest income	(35)	(47)	(95)	(57)
- Interest expense	52	170	75	349
- Fair value loss/(gain) on derivative financial Instruments	636	-	(234)	-
	9,280	10,654	13,811	20,523
Changes in working capital				
- Trade and other receivables	(14,143)	(1,653)	(23,104)	(34,850)
- Construction contract work-in-progress	2,177	(609)	(55)	(585)
- Inventories	40	(30)	1,068	119
- Other current assets	(2,488)	38	(3,071)	1,691
- Trade and other payables	8,917	1,057	18,955	(11,537)
Cash generated from/(used in) operations	3,783	9,457	7,604	(24,639)
Interest received	35	47	95	57
Income tax paid	-	-	(861)	(3,443)
Net cash provided by/(used in) operating activities	3,818	9,504	6,838	(28,025)
Cash Flows From Investing Activities				
- Additions to property, plant and equipment	(988)	(4,789)	(6,753)	(8,225)
- Additions to club membership	-	(329)	-	(329)
- Improvement to investment properties	-	328	-	328
- Proceeds from disposal of property, plant and equipment	-	352	37	352
- Decrease/(increase) in bank deposits with maturity more than 3 months	-	(11,962)	10,000	(21,962)
Net cash (used in)/provided by investing activities	(988)	(16,400)	3,284	(29,836)
Cash Flows From Financing Activities				
- Repayment of finance lease liabilities	(124)	(328)	(249)	(366)
- Proceeds from bank borrowings	1,646	-	13,609	-
- Proceeds from issuance of ordinary shares	-	-	-	75,567
- Share issue expenses	-	-	-	(2,440)
- Interest expense paid	(52)	(170)	(75)	(349)
- Dividend paid to equity holders of the Company	(4,651)	-	(4,651)	-
- Repayment of borrowings	-	(14,433)	-	(15,555)
- (Increase)/decrease in bank deposits pledged	-	1,957	(20,000)	1,957
Net cash (used in)/provided by financing activities	(3,181)	(12,974)	(11,366)	58,814
Net (decrease)/increase in cash and cash equivalents	(351)	(19,870)	(1,244)	953
Effect of currency translation on cash and cash equivalents	(9)	(14)	(23)	2
Cash and cash equivalents at beginning of the financial period	17,300	46,329	18,207	25,490
Cash and cash equivalents at end of the financial period	16,940	26,445	16,940	26,445

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 Jun 2012	3 months ended 30 Jun 2011	6 months ended 30 Jun 2012	6 months ended 31 Jun 2011
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents at end of financial period	16,940	26,445	16,940	26,445
Add: bank deposit pledged	20,000	18,000	20,000	18,000
Add: bank deposit with maturity more than 3 months	-	21,962	-	21,962
Cash and cash bank balances	36,940	66,407	36,940	66,407

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.

UNAUDITED 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 2012	99,603	15,373	(34)	114,942	-	114,942
1Q2012						
Total comprehensive income for the financial period	-	3,336	(14)	3,322	-	3,322
Balance at 31 Mar 2012	99,603	18,709	(48)	118,264	-	118,264
2Q2012						
Total comprehensive income for the financial period	-	6,076	(10)	6,066	-	6,066
Dividend relating to the 7-month financial period ended 31 December 2011	-	(4,651)	-	(4,651)	-	(4,651)
Balance at 30 Jun 2012	99,603	20,134	(58)	119,679	-	119,679
Company						
Balance at 1 January 2012	99,603	7,380	-	106,983	-	106,983
1Q2012						
Total comprehensive loss for the financial period	-	(138)	-	(138)	-	(138)
Balance at 31 Mar 2012	99,603	7,242	-	106,845	-	106,845
2Q2012						
Total comprehensive loss for the financial period	-	(454)	-	(454)	-	(454)
Dividend relating to the 7-month financial period ended 31 December 2011	-	(4,651)	-	(4,651)	-	(4,651)
Balance at 30 June 2012	99,603	2,137	-	101,740	-	101,740

- 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.**

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

Balance as at 30 June 2012 and 31 December 2011

- 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 June 2012 and 31 December 2011. The Company’s total number of issued shares excluding treasury shares as at 30 June 2012 and 31 Dec 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 30 Jun 2012	3 months ended 30 Jun 2011	6 months ended 30 Jun 2012	6 months ended 30 Jun 2011
EPS (based on consolidated net profit attributable to equity holders):- Based on the weighted average number of ordinary shares in issue (cents)	0.65	0.81	1.01	1.55
Weighted average number of shares in issue during the period used in computing of Basic EPS	930,192,000	920,223,000	930,192,000	920,223,000

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	
	30 Jun 2012	31 Dec 2011	30 Jun 2012	31 Dec 2011
Net asset value per ordinary share based on existing share capital (cents)	12.87	12.36	10.94	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

Revenue for 2Q2012 increased by \$12.9m or 28.7% from \$44.9m in 2Q2011 to \$57.8m in 2Q2012. The increase was due to more on-going projects in this quarter as compared to the previous corresponding quarter.

Revenue for 2Q2012 increased by \$34.3m or 145.7% from \$23.5m in 1Q2012 in tandem with the progress achieved by the on-going projects.

Gross Profit

Gross profit for 2Q2012 decreased by \$0.7m or 5.2% from \$13.7m in 2Q2011 to \$13.0m in 2Q2012. The higher gross profit in 2Q2011 was mainly due to recognition of certain variation orders with higher margins and project adjustments from completed projects.

Gross profit in 2Q2012 increased \$6.2m or 91.6% from \$6.8m in 1Q2012 in tandem with the progress achieved by the on-going projects.

Other Income

Other income for 2Q2012 increased by \$0.4m from \$(0.2)m in 2Q2011 to \$0.2m in 2Q2012. The increase was mainly due to foreign exchange gain of \$0.6m.

Administrative Expenses

Administrative expenses for 2Q2012 increased by \$1.5m from \$4.3m in 2Q2011 to \$5.8m in 2Q2012. The increase was mainly due to higher employee compensation as the Group recruited more staff and workers to cope with the bigger business volume.

Finance expenses

Finance expenses comprise mainly interest expenses on bank borrowings and finance leases which were minimal for the financial periods under review.

Income Tax expense

Income tax expense for the financial periods under review was provided at the prevailing Singapore corporate tax rate of 17%.

Statement of Financial Position

Current Assets

The Group's current assets increased by \$34.0m from \$69.4m as at 31 December 2011 to \$103.4m as at 30 June 2012 mainly due to increases in cash and bank balances, trade and other receivables, other current assets and derivative financial instrument. The increase in current assets was partially offset by a reduction in inventory levels.

Cash and bank balances increased by \$8.7m from \$28.2m as at 31 December 2011 to \$36.9m as at 30 June 2012 mainly due to proceeds from short term bank borrowings.

Trade and other receivables increased by \$23.1m from \$36.5m as at 31 December 2011 to \$59.6m as at 30 June 2012 due to higher volume of business activities resulting in higher billings in June 2012.

Derivative financial instrument increased by \$0.2m from \$(0.1m) as at 31 December 2011 to \$0.2m as at 30 June 2012 due to favourable movements in contracted USD forward rates against market spot rates.

Inventories decreased by \$1.1m from \$1.4m as at 31 December 2011 to \$0.4m as at 30 June 2012 mainly due to sale of steel plates to a third party.

Construction contract work-in-progress was maintained at similar levels for the financial periods under review at \$0.8m as at 30 June 2012.

Other current assets increased by \$3.1m from \$2.5m as at 31 December 2011 to \$5.6m as at 30 June 2012 mainly due to prepaid rentals made for additional yard space to cope with current order book.

Non-Current Assets

Non-current assets increased by \$3.9m from \$89.7m as at 31 December 2011 to \$93.6m as at 30 June 2012 mainly due to additions in property, plant and equipment of \$6.8m. The costs of fixed assets additions were reduced partially by depreciation charges of \$2.9m for the half year ended 30 June 2012.

Current Liabilities

Trade and other payables increased by \$19.0m from \$36.0m as at 31 December 2011 to \$55.0m as at 30 June 2012 mainly due to higher volume of business activities for the half year ended 30 June 2012.

Current income tax liabilities increased by \$0.9m from \$2.9m as at 31 December 2011 to \$3.8m as at 30 June 2012 mainly due to higher amount of tax provided.

Borrowings increased by \$13.4m from \$0.3m as at 31 December 2011 to \$13.7m as at 30 June 2012 mainly due to the utilization of banking facilities to bridge working capital requirement.

Consolidated Cash Flow

As at 30 June 2012, the Group had cash and cash equivalent of \$16.9m. In 1H2012, the Group generated cash from operating activities before changes in working capital of \$13.8m. Net cash provided by working capital amounted to \$7.6m mainly due to increase in trade and other payable of \$19.0m, decrease in inventories of \$1.1m partially offset by increase in trade and other receivables of \$23.1m and increase in other current assets of \$3.1m.

In 1H2012, cash provided by investing activities amounted to \$3.3m mainly due to decrease in bank deposits with maturity more than three months, partially offset by additions of property, plant and equipment of \$6.8m.

In 1H2012, cash used in financing activities amounted to \$11.4m mainly due to increase in bank deposits pledged of \$20.0m and dividend payments of \$4.7m in relation to the 7-month financial period ended 31 December 2011, partially offset by proceeds from banking facilities of \$13.6m obtained to bridge working capital requirement as most of the projects were at their progressive stage of completion.

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.**

According to the April 2012 issue of the International Maritime Associates, the fundamentals driving the floating production market are very strong. World oil demand continues to grow, supply remains tight, oil prices remain in the US\$100 range despite recent economic turmoil and E&P spending outlook is bullish. Orders for floating production systems over the past four months have been at near record pace.

In line with the robust outlook in the oil and gas industry, the Group continues cautiously but confidently with its expansion plans.

The Group has acquired 70% of Paliy Marine Fabricator (Guangzhou) Ltd., a shipyard located in Nansha, Guangzhou, People's Republic of China. It has since been renamed as DMP Marine Fabricator (Nansha) Co. Ltd ("DMP"). DMP has a yard area of about 100,000 square metres, with a sea-front available for use, and water depth of 9 metres. It has an annual capacity of about 10,000 tons. DMP is expected to have a positive contribution to the Group's performance in the second half of the financial year ending 31 December 2012.

The Group has signed a three-plus-three year tenancy for a yard in Tanjung Kupang, Johor, Malaysia. The yard has a land area of about 211,150 square metres, sea front of 142 metres and water depth of 6 metres. This yard is needed to support the over flow of orders from the main yard in Singapore and also its healthy tender book. It is expected to be able to support an initial annual output of about 10,000 tons. Contribution from this yard to the Group is expected to take effect from the beginning of next year.

As at today, our order book is about \$203 million, after recognising \$81.3m in revenue in 1H2012. Most of the order book is expected to be recognised in this financial 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?

The Company announced the change of its financial year end from 31 May to 31 December on 20 December 2011. Therefore, the preceding financial year is for a seven-month period from 1 June 2011 to 31 December 2011.

For the financial year ended 31 May 2011, we have declared a dividend \$0.02. For the financial period from 1 June 2011 to 31 December 2011, we have declared a dividend of \$0.005.

- (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 \$0.35 for each share raising net proceeds in total of \$73.2m.

Use of proceeds	Amount allocated (\$'million)	Amount utilized (\$'million)	Balance amount (\$'million)
a. Expansion of yard facility at 13 Pandan Crescent	8.0	8.0	-
b. Upgrading and expansion of yard facility at Main Yard	12.0	12.0	-
c. Acquisition of additional equipment and machineries	7.0	5.7	1.3
d. Expansion of operations overseas	20.0	-	20.0
e. General working capital	26.2	26.2	-
	73.2	51.9	21.3

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 \$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)	
	6 months ended 30 Jun 2012 \$'000	6 months ended 30 Jun 2011 \$'000	6 months ended 30 Jun 2012 \$'000	6 months ended 30 Jun 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	1,341	1,274	-	-
REVENUE				
Keppel Shipyard Limited ("KSL")				
Fabrication of topside module	-	-	4,594	700
Other adhoc projects (other services)	-	-	796	-

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 second quarter ended 30 June 2012 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Lim Tze Jong
Executive Chairman and CEO
14 August 2012