



Dyna-Mac Holdings Ltd. • 45 Gul Road Singapore 629350 • T: +65 6762 5816 • www.dyna-mac.com

PRESS RELEASE

Dyna-Mac reports earnings of S\$4.2 million in 1QFY12

Financial highlights for the period ended 31 August

(S\$'000)	1QFY12 (3M)	1QFY11 (3M)	Chg
Revenue	31.8	34.2	-7%
Gross Profit	9.1	15.6	-42%
Gross Profit Margin (%)	28.5	45.6	
Profit Before Tax	5.0	11.3	-55%
Net Profit for the period	4.2	9.4	-55%
Net Profit Margin (%)	13.2	27.4	
Earnings per share* (cts)	0.45	1.31	-66%

**Weighted average number of shares in issue: 1QFY12 - 930,192,000; 1QFY11 - 714,285,000*

SINGAPORE, 6 October 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 net profit of S\$4.2 million for the three months ended 31 August 2011 (1QFY12).

In 1QFY12, revenue of the Group dipped by 7% to S\$31.8 million from S\$34.2 million a year ago as a result of lower volume of work as most of the fabrication works for projects were substantially completed in the previous quarter (4QFY11). For the period under review, projects at the Group’s yard

included fabrication of eight topside modules for customers such as SBM Offshore N.V., VWS Westgarth and the Keppel Shipyard, four skids for Emerson, as well as a B Class jackup block for Keppel FELS.

Partly in line with the lower work volume, Dyna-Mac's gross profit declined 42% to S\$9.1 million in 1QFY12, from S\$15.6 million a year ago. The decline appeared substantial due to the higher gross profit margin of 45.6% in the preceding period when the Group recognised higher variation orders. Due to the nature of its business, variation orders are usually recognised after the completion of projects, thus contributing to higher margins as costs were incurred in earlier periods.

Said Mr Desmond Lim Tze Jong (林智勇), Executive Chairman & CEO of the Group, "Our business is dependent on the level of activities in the oil and gas industry which is in turn, affected by oil and gas prices, which have softened in the last two months and may be volatile going forward. In addition, due to the project-based nature of our business, our performance for the various financial periods is affected by the timing of the commencement and completion of our projects. Most of the fabrication works for our projects were substantially completed in the previous quarter, hence resulting in a lower work volume in 1QFY12.

Based on this set of results, earnings per share of the Group in 1QFY12 after dilution was 0.45 cents, compared with 1.31 cents in 1QFY11.

Outlook and Strategy

Heightened concerns over the European debt crisis and US slowdown have given rise to greater uncertainty in the operating environment and volatility in oil price. Against this challenging backdrop, Dyna-Mac has in place a multi-pronged strategy to broaden its customer base and expand its EPC services in market other than topside modules.

In FY2011, the Group successfully added Bumi Armada Bhd, one of South-East Asia's largest FPSO vessel providers, to its list of customers when it completed three topside modules for FPSO Armada TGT. Notably, Bumi Armada is set to become the world's number four FPSO player. (Source: The Star Online, "*Bumi Armada's good earnings visibility attracting investors' interest*", 3 September 2011)

At the same time, the Group continues to enjoy strong support from long-standing customers such as SBM Offshore, Modec and VWS Westgarth, and is optimistic of securing more projects in the future.

In addition, pursuant to its collaboration agreement with Keppel Shipyard Limited, the Group has undertaken subcontract projects from the Keppel Group and will continue to explore doing so.

Added Mr Lim, "Though it has been a challenging first quarter for Dyna-Mac, we are not discouraged as we continue to submit bids actively in the market. As at 1Q2012, Dyna-Mac's order book is approximately S\$86 million and our tender book for topside module projects remains comfortable."

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.

###

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.

For more information, please contact:

August Consulting

Tel: 65 6733 8873

Winston Choo, winston@august.com.sg

Silvia Heng, silvia@august.com.sg

Boo Puay Yang, puayyang@august.com.sg

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