



DYNA-MAC HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No: 200305693E)

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2015

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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 FOR THE FIRST QUARTER ENDED 31 MARCH

	Group		
	3 months ended	3 months ended	Change
	31 Mar 2015	31 Mar 2014	
	\$'000	\$'000	%
Revenue	39,810	78,891	-49.5%
Cost of sales	(25,227)	(61,570)	-59.0%
Gross profit	14,583	17,321	-15.8%
Gross profit margin	36.6%	22.0%	
Other (losses)/gain	(2,927)	591	NM
Administrative expenses	(8,684)	(8,311)	4.5%
Finance expenses	(758)	(203)	273.4%
Profit before tax	2,214	9,398	-76.4%
Tax expense	(627)	(1,448)	-56.7%
Net profit for the financial period	1,587	7,950	-80.0%
Net profit margin	4.0%	10.1%	
Attributable to:-			
Equity holders of the Company	1,712	7,147	-76.0%
Non-controlling interest	(125)	803	NM
Net profit for the financial period	1,587	7,950	-80.0%
Other comprehensive income, net of tax:-			
Items that may be subsequently reclassified to profit or loss			
Cash flow hedge reserve	(358)	-	NM
Currency translation differences arising from consolidation	381	(153)	NM
Total comprehensive income for the financial period	1,610	7,797	-79.4%
Attributable to:-			
Equity holders of the Company	1,583	7,030	-77.5%
Non-controlling interest	27	767	-96.5%
Total comprehensive income for the financial period	1,610	7,797	-79.4%

* 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):-

The Group's profit is stated after charging/(crediting):-

Rental income ^(Note 1)

Interest income - bank deposits

Interest expenses

Amortisation of deferred finance charge

Depreciation of property, plant and equipment

Unrealised fair value loss/(gain) on derivative financial instruments

Realised foreign exchange loss, Net

Write off/(gain on disposal) of property, plant and equipment, net

Group		
3 months ended 31-Mar-15	3 months ended 31-Mar-14	Change
\$'000	\$'000	%
(171)	(88)	94.3%
(101)	(44)	129.5%
685	203	237.4%
73	-	NM
4,329	2,618	65.4%
2,580	(572)	NM
926	225	NM
17	(33)	NM

Note 1 - Rental income comprises mainly rental income of 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 AS AT 31 MARCH

	Group		Company	
	31-Mar-15	31-Dec-14	31-Mar-15	31-Dec-14
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current Assets				
Cash and bank balances	43,249	42,155	411	648
Trade and other receivables	212,980	214,876	128,698	129,246
Inventories	11,519	14,294	-	-
Construction contract work-in-progress	7,075	7,435	-	-
Other current assets	2,624	2,486	40	18
	277,447	281,246	129,149	129,912
Non-Current Assets				
Club memberships	407	407	-	-
Investment in subsidiaries	-	-	31,605	31,605
Loan to a subsidiary	-	-	50,000	50,000
Goodwill	5,556	5,556	-	-
Property, plant and equipment	111,967	115,530	-	-
Deferred tax asset	1,400	1,400	-	-
	119,330	122,893	81,605	81,605
Total Assets	396,777	404,139	210,754	211,517
LIABILITIES				
Current Liabilities				
Trade and other payables	89,996	125,277	654	1,198
Derivative financial instrument	7,040	4,102	-	-
Borrowings	40,116	17,417	-	-
Current income tax liabilities	5,928	5,317	-	-
	143,080	152,113	654	1,198
Non-Current Liabilities				
Borrowings	49,572	49,511	49,310	49,237
Deferred income tax liabilities	2,167	2,167	-	-
	51,739	51,678	49,310	49,237
Total Liabilities	194,819	203,791	49,964	50,435
Net Assets	201,958	200,348	160,790	161,082
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	145,271	145,271	145,271	145,271
Cash flow hedge reserve	(358)	-	-	-
Foreign currency translation reserves	(414)	(643)	-	-
Retained profits	53,337	51,625	15,519	15,811
Share capital & reserve	197,836	196,253	160,790	161,082
Non-controlling interest	4,122	4,095	-	-
Total Equity	201,958	200,348	160,790	161,082

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 31 Mar 2015		As at 31 Dec 2014	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less	40,116	-	17,417	-
Amount repayable after one year	262	49,310	274	49,237

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 FOR THE FIRST QUARTER ENDED 31 MARCH

	3 Months ended 31 Mar 2015	3 Months ended 31 Mar 2014
	S\$'000	S\$'000
Cash Flows From Operating Activities		
Net profit	1,587	7,950
Adjustment for:		
- Income tax	627	1,448
- Depreciation of property, plant and equipment	4,329	2,618
- Write off/(gain on disposal) of property, plant and equipment, net	17	(33)
- Interest income	(101)	(44)
- Interest expense	685	203
- Amortisation of deferred finance charge	73	-
- Unrealised fair value loss/(Gain) on derivative financial instruments	2,580	(572)
- Unrealised translation loss/(gain)	522	(204)
	10,319	11,366
Changes in working capital		
- Trade and other receivables	1,896	(5,444)
- Construction contract work-in-progress	360	(2,490)
- Inventories	2,775	(1,185)
- Other current assets	(138)	(1,929)
- Trade and other payables	(35,363)	(953)
Cash used in operations	(20,151)	(635)
Interest received	101	44
Income tax paid, net	(11)	(4,349)
Net cash used in operating activities	(20,061)	(4,940)

- 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 FOR THE FIRST QUARTER ENDED 31 MARCH

	3 Months ended 31 Mar 2015	3 Months ended 31 Mar 2014
	S\$'000	S\$'000
Cash flows from investing activities		
- Additions to property, plant and equipment	(929)	(6,889)
- Proceeds from disposal of property, plant and equipment	-	626
- Increase in bank deposits with maturity more than 3 months	(17)	(1,520)
Net cash used in investing activities	(946)	(7,783)
Cash flows from financing activities		
- Proceeds/(Repayment) for bank borrowings	22,721	(2,123)
- Interest expense paid	(603)	(152)
- Repayment of finance lease liabilities	(34)	(287)
Net cash provided by/(used in) financing activities	22,084	(2,562)
Net increase/(decrease) in cash and cash equivalents	1,077	(15,285)
Cash and cash equivalents at the beginning of the financial period	15,879	30,971
Cash and cash equivalents at the end of the financial period	16,956	15,686

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 31 Mar 2015	3 Months ended 31 Mar 2014
	S\$'000	S\$'000
Cash and cash equivalents at end of the financial period	16,956	15,686
Add: bank deposits with maturity more than 3 months	26,293	32,000
Cash and bank balances	43,249	47,686

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	Cash flow hedge reserve	Foreign currency translation reserve			Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<u>Group</u>							
Balance at 1 January 2015	145,271	51,625	-	(643)	196,253	4,095	200,348
Total comprehensive income for the financial year	-	1,712	(358)	229	1,583	27	1,610
Balance at 31 March 2015	145,271	53,337	(358)	(414)	197,836	4,122	201,958
<u>Company</u>							
Balance at 1 January 2015	145,271	15,811	-	-	161,082	-	161,082
Total comprehensive income for the financial year	-	(292)	-	-	(292)	-	(292)
Balance at 31 March 2015	145,271	15,519	-	-	160,790	-	160,790

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 2015

Number of Ordinary Shares	Resultant issued share capital \$
1,023,211,000	145,271,346

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 2015 and 31 December 2014. The Company’s total number of issued shares excluding treasury shares as at 31 March 2015 and 31 December 2014 is 1,023,211,000.

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 year ended 31 December 2014.

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	3 months ended
	31-Mar-15	31-Mar-14
EPS (based on consolidated net profit attributable to equity holders):-		
Based on weighted average number of ordinary shares in issue (cents)	0.17	0.70
On a fully diluted basis (cents)	0.17	0.70
Weighted average number of ordinary shares in issue for calculation of basic earnings per share ('000)	1,023,211	1,023,211
Weighted average number of ordinary shares in issue for calculation of diluted earnings per share ('000)	1,023,211	1,023,211

There were no potential dilutive shares for the financial period ended 31 March 2015.

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-Mar-15	31-Dec-14	31-Mar-15	31-Dec-14
Net asset value per ordinary share based on existing share capital (cents)	19.74	19.58	15.71	15.74
Number of shares ('000)	1,023,211	1,023,211	1,023,211	1,023,211

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 decreased by \$39.1m or 49.5% from \$78.9m for the first quarter ended 31 March 2014 ("1Q2014") to \$39.8m for the first quarter ended 31 March 2015 ("1Q2015"). This was mainly due to our projects for 1Q2015 being mostly in their initial stage of production.

Gross Profit

Gross profit decreased by \$2.7m or 15.8% from \$17.3m in 1Q2014 to \$14.6m in 1Q2015 partly in line with lower revenue recognized. Gross profit margin for 1Q2015 was 36.6% as compared to 22.0% in 1Q2014. The higher gross profit margin in 1Q2015 was mainly due to cost saving from finalizing a few projects.

Other Gains/(Losses)

Other loss of \$2.9m in 1Q2015 was mainly due to fair value loss of \$2.6m on financial instrument for hedging the exposure of the United States dollar. The fair value loss was a result of the hedge rate being lower than the spot rate.

Administrative Expenses

Administrative expenses increased marginally by \$0.4m from \$8.3m in 1Q2014 to \$8.7m in 1Q2015.

Finance expenses

Finance expenses were mainly interest expenses on bank borrowings and finance leases.

Income Tax expense

The income tax expense for 1Q2015 was provided at the prevailing Singapore corporate tax rate of 17% for the Singapore entities. However, effective income tax rate for the Group is higher at 28.3% due to deferred tax assets not recognized in 1Q2015.

Profit after tax

As a result of the above, net profit after tax decreased by \$6.4m from \$8.0m in 1Q2014 to \$1.6m in 1Q2015. Profit after tax margin decreased from 10.1% in 1Q2014 to 4.0% in 1Q2015.

Statement of Financial Position

Current Assets

The Group's current assets decreased by \$3.8m from \$281.2m as at 31 December 2014 to \$277.4m as at 31 March 2015 mainly due to a decrease in inventory.

Cash and cash equivalents increased marginally by \$1.0m from \$42.2m as at 31 December 2014 to \$43.2m as at 31 March 2015 mainly due to working capital changes.

Trade and other receivables decreased marginally by \$1.9m from \$214.9m as at 31 December 2014 to \$213.0m as at 31 March 2015 mainly due to slower collection and lower billings in 1Q2015.

Inventories decreased by \$2.8m from \$14.3m as at 31 December 2014 to \$11.5m as at 31 March 2015 mainly due to materials used by current projects.

Non-Current Assets

Non-current assets decreased by \$3.6m from \$122.9m as at 31 December 2014 to \$119.3m as at 31 March 2015 mainly due to higher depreciation charges on property, plant and equipment.

Current Liabilities

Trade and other payables decreased by \$35.3m from \$125.3m as at 31 December 2014 to \$90.0m as at 31 March 2015 mainly due to lower level of project activities at their initial stages.

Derivative financial instruments increased by \$2.9m from \$4.1m as at 31 December 2014 to \$7.0m as at 31 March 2015 due to unfavorable movements in contracted USD forward rates against market spot rates.

Borrowings increased by \$22.7m from \$17.4m as at 31 December 2014 to \$40.1m as at 31 March 2015 mainly due to a drawn down in additional loans.

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.

The Group has a net order book of \$349m with completion and deliveries extending into 2016. This includes \$149m in new orders secured in 1Q2015 to-date, comprising \$89m for the construction of 10 FPSO topside modules for the Catcher oil fields in the UK sector of the North Sea and \$60m for 6 units of FPSO topside modules destined for Block 15/06 East Hub field located in deep water offshore Angola.

The market environment remains challenging with lower oil prices and reduced capital expenditure by the oil and gas companies. Amidst the challenging environment, the Group remains focused on growing its core business. We will further improve our operational efficiency, building on our established track record and expanding our product capabilities to better serve our customers worldwide. We remain committed to delivering long-term value and growth.

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 for the quarter ended 31 March 2015.

13. 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)	
	3 months ended 31-Mar-15 \$'000	3 months ended 31-Mar-14 \$'000	3 months ended 31-Mar-15 \$'000	3 months ended 31-Mar-14 \$'000
PURCHASES AND OTHER EXPENSES				
Transactions with L&W United Engineering Pte. Ltd. ("L&W")				
Subcontracting services for steel and piping fabrication	373	1,186	-	-
REVENUE				
Keppel Shipyard Limited ("KSL")				
Other adhoc projects (other services)	-	-	-	2,487
Keppel FELS Limited ("KFL")				
Fabrication of structural blocks	-	-	190	-

14. Confirmation pursuant to the Rule 705(5) 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 2015 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Lim Tze Jong
Executive Chairman and CEO
13 May 2015