



## **DYNA-MAC HOLDINGS LTD.**

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

### **UNAUDITED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

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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 SECOND QUARTER ENDED 30 JUNE**

	Group			Group		
	3 months ended	3 months ended	Change	6 months ended	6 months ended	Change
	30-Jun-17	30-Jun-16		30-Jun-17	30-Jun-16	
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	5,403	34,100	-84.2%	15,488	120,828	-87.2%
Cost of sales	(11,592)	(19,747)	-41.3%	(26,037)	(98,033)	-73.4%
<b>Gross (loss)/profit</b>	<b>(6,189)</b>	<b>14,353</b>	<b>NM</b>	<b>(10,549)</b>	<b>22,795</b>	<b>NM</b>
Gross profit margin	NM	42.1%		NM	18.9%	
Other (losses)/gains	(896)	3,086	NM	(748)	(2,000)	-62.6%
Administrative expenses	(5,636)	(9,017)	-37.5%	(11,721)	(17,723)	-33.9%
Finance expenses	(62)	(906)	-93.2%	(128)	(1,622)	-92.1%
<b>(Loss)/profit before tax</b>	<b>(12,783)</b>	<b>7,516</b>	<b>NM</b>	<b>(23,146)</b>	<b>1,450</b>	<b>NM</b>
Taxation	(20)	(1,066)	-98.1%	(25)	(1,068)	-97.7%
<b>Net (loss)/gain for the financial period</b>	<b>(12,803)</b>	<b>6,450</b>	<b>NM</b>	<b>(23,171)</b>	<b>382</b>	<b>NM</b>
Net (loss)/profit margin	NM	18.9%		NM	0.3%	
<b>Attributable to:-</b>						
Equity holders of the Company	(12,829)	6,410	NM	(22,427)	1,267	NM
Non-controlling interest	26	40	-35.0%	(744)	(885)	-15.9%
<b>Net (loss)/profit for the financial period</b>	<b>(12,803)</b>	<b>6,450</b>	<b>NM</b>	<b>(23,171)</b>	<b>382</b>	<b>NM</b>
<b>Other comprehensive (loss)/income, net of tax:-</b>						
Items that may be subsequently reclassified to profit or loss:-						
Cash flow hedge reserve	-	88	NM	-	-	NM
Reclassification adjustment	-	624	NM	-	624	NM
Currency translation differences arising from consolidation	(430)	192	NM	(4,872)	1,166	NM
<b>Total comprehensive (loss)/profit for the financial period</b>	<b>(13,233)</b>	<b>7,354</b>	<b>NM</b>	<b>(28,043)</b>	<b>2,172</b>	<b>NM</b>
<b>Attributable to:-</b>						
Equity holders of the Company	(13,237)	7,355	NM	(27,186)	3,141	NM
Non-controlling interest	4	(1)	NM	(857)	(969)	-11.6%
<b>Total comprehensive (loss)/profit for the financial period</b>	<b>(13,233)</b>	<b>7,354</b>	<b>NM</b>	<b>(28,043)</b>	<b>2,172</b>	<b>NM</b>

NM- 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	3 months ended	Change	6 months ended	6 months ended	Change
	30-Jun-17	30-Jun-16	%	30-Jun-17	30-Jun-16	%
	\$'000	\$'000	%	\$'000	\$'000	%
<b>The Group's loss is stated after charging/(crediting):-</b>						
Rental income <sup>(Note 1)</sup>	(107)	(39)	NM	(107)	(74)	44.6%
Interest income - bank deposits	(120)	(37)	NM	(314)	(160)	96.3%
Interest/finance expenses	62	833	-92.6%	128	1,475	-91.3%
Amortisation of deferred finance charge	-	73	NM	-	147	NM
Depreciation of property, plant and equipment	2,563	2,957	-13.3%	5,202	6,053	-14.1%
Unrealised fair value loss/(gain) on derivative financial instruments	-	193	NM	-	(1,300)	NM
Foreign exchange loss/(gain), net	991	(3,070)	NM	1,423	3,822	-62.8%
Gain on disposal of property, plant and equipment	(6)	(12)	-50.0%	(11)	(16)	-31.3%

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 30 JUNE**

	<b>Group</b>		<b>Company</b>	
	<b>30-Jun-17</b>	<b>31-Dec-16</b>	<b>30-Jun-17</b>	<b>31-Dec-16</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalent	57,935	69,535	393	397
Trade and other receivables	46,241	97,648	110,184	110,479
Inventories	3,692	3,713	-	-
Other current assets	1,906	4,569	33	7
	<b>109,774</b>	<b>175,465</b>	<b>110,610</b>	<b>110,883</b>
<b>Non-Current Assets</b>				
Club memberships	427	407	-	-
Investment in subsidiaries	-	-	31,605	31,605
Investment properties	13,600	13,600	-	-
Property, plant and equipment	67,549	72,146	-	-
	<b>81,576</b>	<b>86,153</b>	<b>31,605</b>	<b>31,605</b>
<b>Total Assets</b>	<b>191,350</b>	<b>261,618</b>	<b>142,215</b>	<b>142,488</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Current income tax liabilities	538	1,300	-	-
Trade and other payables	31,895	57,355	218	144
Borrowings	19,655	35,042	-	-
	<b>52,088</b>	<b>93,697</b>	<b>218</b>	<b>144</b>
<b>Non-Current Liabilities</b>				
Borrowings	74	96	-	-
Deferred income tax liabilities	1,171	1,153	-	-
	<b>1,245</b>	<b>1,249</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>53,333</b>	<b>94,946</b>	<b>218</b>	<b>144</b>
<b>Net Assets</b>	<b>138,017</b>	<b>166,672</b>	<b>141,997</b>	<b>142,344</b>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	145,271	145,271	145,271	145,271
Foreign currency translation reserves	(4,682)	77	-	-
Asset revaluation reserve	633	633	-	-
Retained profits	(3,956)	18,471	(3,274)	(2,927)
Share capital & reserve	<b>137,266</b>	<b>164,452</b>	<b>141,997</b>	<b>142,344</b>
Non-controlling interest	751	2,220	-	-
<b>Total Equity</b>	<b>138,017</b>	<b>166,672</b>	<b>141,997</b>	<b>142,344</b>

**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 2017		As at 31 Dec 2016	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less	44	19,611	42	35,000
Amount repayable after one year	74	-	96	-

Details of any collateral:-

The Group's borrowings are secured by 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 SECOND QUARTER ENDED 30 JUNE**

	Group		Group	
	3 months ended 30-Jun-17	3 months ended 30-Jun-16	6 months ended 30-Jun-17	6 months ended 30-Jun-16
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash Flows From Operating Activities</b>				
Net (loss)/profit	(12,803)	6,450	(23,171)	382
Adjustment for:				
- Income tax expense	38	1,066	43	1,068
- Depreciation of property, plant and equipment	2,563	2,957	5,202	6,053
- Gain on disposal of property, plant and equipment	(6)	(12)	(11)	(16)
- Interest income	(120)	(37)	(314)	(160)
- Interest expense	62	833	128	1,475
- Amortisation of deferred finance charge	-	73	-	147
- Fair value loss/(gain) on derivative financial instruments	-	193	-	(1,300)
- Unrealised translation (gain)/loss <sup>(Note 1)</sup>	(142)	2,225	806	2,483
	(10,408)	13,748	(17,317)	10,132
<b>Changes in working capital</b>				
- Trade and other receivables	39,353	33,110	51,407	51,933
- Construction contract work-in-progress	-	-	-	459
- Inventories	(27)	(9)	21	2,325
- Other current assets	(45)	(413)	2,663	(529)
- Trade and other payables	(12,072)	(41,197)	(31,081)	(23,964)
Cash provided by operations	16,801	5,239	5,693	40,356
Interest received	120	37	314	160
Income tax paid, net	(782)	(1,348)	(787)	(1,350)
<b>Net cash provided by operating activities</b>	16,139	3,928	5,220	39,166
<b>Cash flows from investing activities</b>				
- Additions to property, plant and equipment	(631)	(524)	(646)	(1,349)
- Proceeds from disposal of property, plant and equipment	29	13	34	17
<b>Net cash used in investing activities</b>	(602)	(511)	(612)	(1,332)
<b>Cash flows from financing activities</b>				
- Proceeds/(Repayments) for bank borrowings	10,641	-	(15,389)	810
- Interest expense paid	(62)	(503)	(128)	(1,075)
- Repayment of finance lease liabilities	(10)	(10)	(20)	(20)
<b>Net cash provided/(used in) by financing activities</b>	10,569	(513)	(15,537)	(285)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>26,106</b>	<b>2,904</b>	<b>(10,929)</b>	<b>37,549</b>
Effect of currency translation on cash and cash equivalents <sup>(Note 1)</sup>	(302)	(899)	(671)	(1,283)
Cash and cash equivalents at the beginning of the financial period	32,131	119,472	69,535	85,211
<b>Cash and cash equivalents at the end of the financial period</b>	<b>57,935</b>	<b>121,477</b>	<b>57,935</b>	<b>121,477</b>

Note 1 - prior period figures have been restated for comparative purpose.

- (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	Asset revaluation reserve	Foreign currency translation reserve			Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>Group</b>							
Balance at 1 January 2017	145,271	18,471	633	77	164,452	2,220	166,672
Loss for the year	-	(22,427)	-	-	(22,427)	(744)	(23,171)
Other comprehensive loss	-	-	-	(4,759)	(4,759)	(113)	(4,872)
<b>Total comprehensive loss for the period</b>	-	(22,427)	-	(4,759)	(27,186)	(857)	(28,043)
Dividend declared by a subsidiary	-	-	-	-	-	(612)	(612)
<b>Balance at 30 June 2017</b>	<b>145,271</b>	<b>(3,956)</b>	<b>633</b>	<b>(4,682)</b>	<b>137,266</b>	<b>751</b>	<b>138,017</b>
<b>Company</b>							
Balance at 1 January 2017	145,271	(2,927)	-	-	142,344	-	142,344
Total comprehensive loss for the period	-	(347)	-	-	(347)	-	(347)
<b>Balance at 30 June 2017</b>	<b>145,271</b>	<b>(3,274)</b>	<b>-</b>	<b>-</b>	<b>141,997</b>	<b>-</b>	<b>141,997</b>

- 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 \$
Balance as at 30 June 2017	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 30 June 2017 and 31 December 2016. The Company's total number of issued shares excluding treasury shares as at 30 June 2017 and 31 December 2016 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 2016.

**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. (Loss)/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 2017	3 months ended 30 Jun 2016	6 months ended 30 Jun 2017	6 months ended 30 Jun 2016
(Loss)/profit Per Share (based on consolidated net loss attributable to equity holders):-				
Based on weighted average number of ordinary shares in issue (cents)	(1.25)	0.63	(2.19)	0.12
On a fully diluted basis (cents)	(1.25)	0.63	(2.19)	0.12
Weighted average number of ordinary shares in issue for calculation of basic earnings per share ('000)	1,023,211	1,023,211	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	1,023,211	1,023,211

There were no potential dilutive shares for the financial period ended 30 June 2017.



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 17	31 Dec 2016	30 Jun 17	31 Dec 2016
Net asset value per ordinary share based on existing share capital (cents)	13.49	16.29	13.88	13.91
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 \$28.7m from \$34.1m in the second quarter ended 30 June 2016 ("2Q2016") to \$5.4m in the second quarter ended 30 June 2017 ("2Q2017"). The decrease was mainly due to the low volume of projects carried out in 2Q2017 in the current weak market caused by the prolonged low oil prices.

#### **Gross Profit**

Gross profit declined from \$14.4m in 2Q2016 to a loss of \$6.2m in 2Q2017. This was mainly due to the low revenue recognized which was insufficient to cover our fixed direct overheads in 2Q2017.

#### **Other gains/losses**

Other losses of \$0.9m and other gains of \$3.1m in 2Q2017 and 2Q2016 respectively were mainly due to the translation exchange differences of the United States dollar.

#### **Administrative Expenses**

Administrative expenses decreased by \$3.4m or 38% from \$9.0m in 2Q2016 to \$5.6m in 2Q2017. The decrease was mainly due to i) reduction in employee compensation of \$1.9m resulting from the right-sizing exercise, and ii) overall reduction in other expenses of \$1.5m.

#### **Finance Expenses**

Finance expenses were mainly interest expenses on bank borrowings. The decrease of \$0.8m was due to the absence of interest on Multi-Currency Term Notes Series 001 which was fully redeemed on 7 October 2016.

#### **Income Tax expense**

The income tax expense for 2Q2017 was mainly related to tax provision by our subsidiary.

The Group did not provide for any deferred tax assets in 2Q2017 due to uncertainty of utilizing the tax assets.

### **Statement of Financial Position**

#### **Current Assets**

Total current assets decreased by \$65.7m from \$175.5m as at 31 December 2016 to \$109.8m as at 30 June 2017. This was mainly due to decrease in trade and other receivables and cash and bank balances.

Cash and cash equivalent decreased by \$11.6m from \$69.5m as at 31 December 2016 to \$57.9m as at 30 June 2017 mainly due to \$15.4m of repayment of bank borrowings partially offset by \$5.2m generated from operating activities.

Trade and other receivables decreased by \$51.4m from \$97.6m as at 31 December 2016 to \$46.2m as at 30 June 2017 mainly due to collections in 2Q2017 coupled with lower receivables recorded due to lower volume of business.

#### **Non-Current Assets**

Non-current assets decreased by \$4.6m from \$86.2m as at 31 December 2016 to \$81.6m as at 30 June 2017 mainly due to depreciation charges on property, plant and equipment, partially offset by additions on property, plant and equipment.

### **Current Liabilities**

Trade and other payables decreased by \$25.5m from \$57.4m as at 31 December 2016 to \$31.9m as at 30 June 2017 mainly due to lower accrued project costs as a result of fewer projects being carried out in 2Q 2017.

### **Statement of Cash Flows**

The Group registered an increase in cash and cash equivalent in the second quarter of \$25.8m from \$32.1m as at 31 March 2017 to \$57.9m as at 30 June 2017.

Net cash generated by operating activities in the second quarter amounted to \$16.1m. The cash inflow was mainly due to \$27.2m increases from changes in working capital, partially offset by \$10.4m operating loss.

Net cash used in investing activities in the second quarter amounted to \$0.6m was mainly due to additions of property, plant and equipment.

Net cash provided by financing activities in the second quarter amounted to \$10.6m was mainly due to proceeds from bank borrowings.

**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 \$31 million with completion and deliveries extending into 3Q2018.

Against a very challenging environment in the Oil and Gas sector, the Group managed to secure two new contracts from two new customers for a provisional sum of \$30 million. The projects will commence shortly and are expected to complete by 2Q2018 through 3Q2018. The projects are expected to have a positive impact to the Group's earnings and net tangible assets for the year ending 31 December 2017.

While the Group's immense marketing efforts have paid off with new contracts award, the management is still very conscious of its overheads and will continue to right size the Group to its current level of business activities.

**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 30 June 2017.

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)	
	6 months ended 30-Jun-17 \$'000	6 months ended 30-Jun-16 \$'000	6 months ended 30-Jun-17 \$'000	6 months ended 30-Jun-16 \$'000
<b>PURCHASES AND OTHER EXPENSES</b>				
<b>Transactions with L&amp;W United Engineering Pte. Ltd. ("L&amp;W")</b> Subcontracting services for steel and piping fabrication	-	387	-	-
<b>Transactions with L&amp;W Marine Engineering Pte. Ltd. ("L&amp;WM")</b> Subcontracting services for steel and piping fabrication	146	77	-	-
<b>Transactions with Lim Lie Tjing</b> Consultant services in respect of Human Resources	16	-	-	-
<b>Keppel FELS Limited</b> Subcontracting services for steel and piping fabrication	-	-	-	111
<b>REVENUE</b>				
<b>Keppel Shipyard Limited ("KSL")</b> Subcontracting services rendered for steel and piping fabrication	-	-	1,396	-
<b>Keppel FELS Limited</b> Subcontracting services rendered for steel and piping fabrication	-	-	49	1,500

**14. Confirmation pursuant to Rule 720(1) of the listing manual**

The Company confirms that it has procured undertakings from its Board of Directors and executive officers under Rule 720(1) of the listing manual.

**15. 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 second quarter ended 30 June 2017 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Lim Tze Jong  
Executive Chairman and CEO  
11 August 2017