



DYNA-MAC HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No: 200305693E)

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2018

TABLE OF CONTENTS

SN	Description	Page
1	Unaudited Consolidated Statement of Comprehensive Income	2
2	Unaudited Statements of Financial Position – Group and Company	4
3	Unaudited Consolidated Statement of Cash Flows	6
4	Unaudited Statements of Changes in Equity – Group and Company	7
5	Selected Notes to the Financial Statements	8
6	Earnings/(Loss) per share	10
7	Net asset value per share	11
8	Review of performance of the Group	11
9	Forecast / Prospect Statement	12
10	Commentary	12
11	Dividends	13
12	Interested Person Transaction Disclosure	13
13	Confirmation pursuant to Rule 720(1) of the Listing Manual	14
14	Confirmation pursuant to the Rule 705(5) of the listing manual	14

- 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 31-Mar-18	3 months ended 31-Mar-17	Change
	\$'000	\$'000	%
Revenue	27,464	10,085	NM
Cost of sales	(22,225)	(14,445)	53.9%
Gross profit/ (loss)	5,239	(4,360)	NM
Gross profit/(loss) margin	19.1%	-43.2%	
Other Income	873	580	50.5%
Administrative expenses	(5,632)	(6,085)	-7.4%
Finance costs	(43)	(66)	-34.8%
Other Expenses	-	(432)	NM
Profit/(loss) before tax	437	(10,363)	NM
Income tax expenses	-	(5)	NM
Net profit/(loss) for the financial period	437	(10,368)	NM
Net profit margin	1.6%	NM	
Attributable to:-			
Equity holders of the Company	403	(9,598)	NM
Non-controlling interest	34	(770)	NM
Net profit/ (loss) for the financial period	437	(10,368)	NM
Other comprehensive income:-			
Items that may be subsequently reclassified to profit or loss:-			
Currency translation differences arising from consolidation	(990)	(4,442)	-77.7%
Total comprehensive income for the financial period	(553)	(14,810)	-96.3%
Attributable to:-			
Equity holders of the Company	(540)	(13,949)	-96.1%
Non-controlling interest	(13)	(861)	-98.5%
Total comprehensive income for the financial period	(553)	(14,810)	-96.3%

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		
	3 months ended	3 months ended	Change
	31-Mar-18	31-Mar-17	
	\$'000	\$'000	%
The Group's profit/(loss) is stated after charging/(crediting):-			
Rental income ^(Note 1)	(15)	-	NM
Interest income - bank deposits	(57)	(194)	-70.6%
Finance costs	43	66	-34.8%
Amortisation of club memberships	4	-	NM
Depreciation of property, plant and equipment	2,007	2,639	-23.9%
Foreign exchange (gain)/loss, net	(730)	432	NM
Gain on disposal of property, plant and equipment	(16)	(5)	NM
Government Grants	(35)	-	NM

Note 1 - Rental income comprises mainly rental income of yard facilities to subcontractors.

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-18	31-Dec-17	31-Mar-18	31-Dec-17
	\$'000	(Restated)* \$'000	\$'000	\$'000
ASSETS				
Current Assets				
Cash and cash equivalents	35,879	37,088	277	361
Trade and other receivables	34,565	14,145	10,644	9,912
Contract assets	3,120	12,060	-	-
Inventories	2,108	2,058	-	-
Contract costs	88	1,430	-	-
Other current assets	491	711	1	12
	76,251	67,492	10,922	10,285
Assets held for sale	32,124	32,124	-	-
	108,375	99,616	10,922	10,285
Non-Current Assets				
Club memberships	315	319	-	-
Investment in subsidiaries	-	-	126,821	126,821
Property, plant and equipment	43,221	45,019	-	-
	43,536	45,338	126,821	126,821
Total Assets	151,911	144,954	137,743	137,106
LIABILITIES				
Current Liabilities				
Current income tax payables	-	314	-	-
Trade and other payables	30,853	32,222	70	163
Contract liabilities	9,871	1,459	-	-
Borrowings	7,190	6,715	-	-
	47,914	40,710	70	163
Non-Current Liabilities				
Borrowings	360	52	-	-
Deferred income tax liabilities	16	18	-	-
	376	70	-	-
Total Liabilities	48,290	40,780	70	163
Net Assets	103,621	104,174	137,673	136,943
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	145,271	145,271	145,271	145,271
Foreign currency translation reserves	(1,360)	(417)	-	-
Asset revaluation reserve	633	633	-	-
Accumulated losses	(41,644)	(42,047)	(7,598)	(8,328)
Share capital & reserve	102,900	103,440	137,673	136,943
Non-controlling interest	721	734	-	-
Total Equity	103,621	104,174	137,673	136,943

*Restated – refer to note 5

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-18		As at 31-Dec-17	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less	96	7,094	44	6,671
Amount repayable after one year	360	-	52	-

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 FIRST QUARTER ENDED 31 MARCH

	Group	
	3 months ended 31-Mar-18	3 months ended 31-Mar-17
	S \$'000	(Restated)* S \$'000
Cash Flows From Operating Activities		
Profit/(loss) before tax	437	(10,363)
Adjustment for:		
- Depreciation of property, plant and equipment	2,007	2,639
- (Gain)/loss on disposal of property, plant and equipment	(16)	(5)
- Interest income	(57)	(194)
- Finance Costs	43	66
- Amortisation of club memberships	4	-
- Unrealised translation (gain)/loss	(730)	948
	1,688	(6,909)
Changes in working capital		
- Trade and other receivables	(19,690)	2,541
- Contract costs	1,342	-
- Contract assets	8,940	9,513
- Contract liabilities	8,412	-
- Inventories	(50)	48
- Other current assets	220	2,708
- Trade and other payables	(2,216)	(19,009)
Cash flows from operations	(1,354)	(11,108)
Interest received	57	194
Income tax paid	(314)	(5)
Net cash flows used in operating activities	(1,611)	(10,919)
Cash flows from investing activities		
- Additions to property, plant and equipment	(388)	(15)
- Proceeds from disposal of property, plant and equipment	196	5
Net cash used in investing activities	(192)	(10)
Cash flows from financing activities		
- (Repayments)/draw down of bank borrowings	838	(26,030)
- Repayments of finance lease liabilities	(55)	(10)
- Interest expense paid	(43)	(66)
Net cash flows generated by/(used in) financing activities	740	(26,106)
Net decrease in cash and cash equivalents	(1,063)	(37,035)
Cash and cash equivalents at the beginning of the financial period	37,088	69,535
Effect of currency translation on cash and cash equivalents	(146)	(369)
Cash and cash equivalents at the end of the financial period	35,879	32,131

*Restated – refer to note 5

The Group is required to maintain certain minimum deposits with banks for banking facilities. Included in cash and cash equivalents are fixed deposits of S\$24,000,000 designated by the Group for this purpose.

- 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	Accumulated Losses	Asset revaluation reserve	Foreign currency translation reserve			Total
	\$'000	* Restated \$'000	\$'000	* Restated \$'000	\$'000	\$'000	
Group							
Balance at 1 January 2018	145,271	(42,047)	633	(417)	103,440	734	104,174
Profit for the year	-	403	-	-	403	34	437
Other comprehensive income	-	-	-	(943)	(943)	(47)	(990)
Total comprehensive income for the period	-	403	-	(943)	(540)	(13)	(553)
Balance at 31 March 2018	145,271	(41,644)	633	(1,360)	102,900	721	103,621
Company							
Balance at 1 January 2018	145,271	(8,328)	-	-	136,943	-	136,943
Total comprehensive income for the period	-	730	-	-	730	-	730
Balance at 31 March 2018	145,271	(7,598)	-	-	137,673	-	137,673

	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	
Group							
Balance at 1 January 2017	145,271	18,471	633	77	164,452	2,220	166,672
Adoption of SFRS(I) 1	-	77	-	(77)	-	-	-
As restated at 1 January 2017	145,271	18,548	633	-	164,452	2,220	166,672
Profit for the year	-	(9,598)	-	-	(9,598)	(770)	(10,368)
Other comprehensive income	-	-	-	(4,351)	(4,351)	(91)	(4,442)
Total comprehensive income for the period	-	(9,598)	-	(4,351)	(13,949)	(861)	(14,810)
Dividend declared by a subsidiary	-	-	-	-	-	(612)	(612)
Balance at 31 March 2017	145,271	8,950	633	(4,351)	150,503	747	151,250
Company							
Balance at 1 January 2017	145,271	(2,927)	-	-	142,344	-	142,344
Total comprehensive income for the period	-	(152)	-	-	(152)	-	(152)
Balance at 31 March 2017	145,271	(3,079)	-	-	142,192	-	142,192

*Restated – refer to note 5

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.

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

	Number of Ordinary Shares	Resultant issued share capital \$
Balance at 31 March 2018	1,023,211,000	145,271,346

The Company did not hold any treasury shares as at 31 March 2018 and 31 December 2017. The Company’s total number of issued shares excluding treasury shares as at 31 March 2018 and 31 December 2017 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.

Except as disclosed in paragraph 5 below, the Group has adopted the same accounting policies and methods of computation 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 2017.

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.

The Group has adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) (SFRS (I)s), on 1 January 2018 and has prepared its first set of financial information under SFRS (I)s for the quarter ended 31-March-2018.

Application of SFRS (I) 1

Foreign currency translation reserves (“FCTR”)

The Group has elected the optional exemption in SFRS (I) 1 to reset its cumulative FCTR for all foreign operations to nil at the date of transition and reclassify the cumulative FCTR of \$76,286 as at 1 January 2017 determined in accordance with SFRS (I) at that date to retained earnings.

After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition.

Adoption of SFRS (I) 15

The majority of the Group's revenue is derived from contracts from customers for detailed engineering, fabrication and construction services, which are currently accounted for in accordance with FRS 11 Construction contracts. Following the adoption of SFRS (I), the Group will adopt SFRS (I) 15 in place of FRS 11.

The Group has assessed that the current method of measuring progress by reference to the completion of the physical proportion of the contract work should remain as the method used for revenue recognition. This is because the Group's usual construction contracts i) require the delivery of customised products that are specific to identified customers and do not have an alternative use to the Group and ii) contains terms that provide the Group with an enforceable right of payment for performance completed to date.

The Group has changed the presentation of certain amounts in the Group balance sheet to reflect the terminology used in SFRS (I) 15, as follows:

- i) Amounts due from customers on construction contracts and construction contracts work-in-progress, other than the cost of materials mentioned in iii), has been reclassified to be presented as part of contract assets.
- ii) Amounts due to customers on construction contracts has been reclassified to be presented as contract liabilities.
- iii) Certain costs in relation to construction contracts that are currently classified as construction contracts work-in-progress has been reclassified to be presented as contract costs.

The Group has adopted SFRS (I) 15 in its financial statements for the year ending 31 December 2018 retrospectively.

Adoption of SFRS (I) 9

The Group currently accounts for financial assets in accordance with the provisions of FRS 39 Financial Instruments. Following the adoption of SFRS (I), the Group is adopting SFRS (I) 9 Financial Instruments in place of FRS 39.

SFRS (I) 9 replaces the current 'incurred loss' model with a forward looking expected credit loss ("ECL") model. The new impairment model will apply to financial assets measured at amortised costs or fair value through OCI ("FVOCI") as well as contract assets arising from the application of SFRS (I) 15.

The Group has elected to apply the simplified approach under SFRS (I) 9 and record lifetime ECL on all trade receivables and contract assets.

The Group has elected to apply the short-term exemption under SFRS (I) 1 allowing it not to restate comparative information in the 2018 SFRS (I) financial statements. Accordingly, differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS (I) 9 have been recognised in retained earnings.

Impacts on initial application of SFRS (I)

The following reconciliations summarise the impacts on initial application of SFRS(I) 1 and SFRS(I) 15 on the Group's financial statements.

31-Dec-17		
Group		
As previously stated	Effects of SFRS (I)s	As restated
\$'000	\$'000	\$'000
ASSETS		
Current Assets		
Trade and other receivables	26,205	(12,060)
Contract assets	-	12,060
Contract costs	1,430	1,430
LIABILITIES		
Current Liabilities		
Trade and other payables	33,681	(1,459)
Contract liabilities	-	1,459
EQUITY		
Share capital	145,271	145,271
Foreign currency translation reserves	(340)	(77)
Asset revaluation reserve	633	633
Accumulated losses	(42,124)	77

6. **Earnings/(loss) 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-18	31-Mar-17
Earnings/(loss) Per Share (based on consolidated net profit/(loss) attributable to equity holders):-		
Based on weighted average number of ordinary shares in issue (cents)	0.04	(0.94)
On a fully diluted basis (cents)	0.04	(0.94)
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 potentially dilutive shares for the financial period ended 31 March 2018.

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 the financial year

	Group		Company	
	31-Mar-18	31-Dec-17	31-Mar-18	31-Dec-17
Net asset value per ordinary share based on existing share capital (cents)	10.06	10.11	13.45	13.38
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 increased by \$17.4m or 172.3% from \$10m for the first quarter ended 31 March 2017 ("1Q2017") to \$27.5m for the first quarter ended 31 March 2018 ("1Q2018"). The increase was mainly due to the higher volume of projects carried out in 1Q2018.

Gross Profit

Gross profit increased from a loss of \$4.4m in 1Q2017 to a profit of \$5.2m in 1Q2018. This was in line with the higher revenue recognized in 1Q2018.

Other Income

Other Income increased by \$0.29m from \$0.58m in 1Q2017 to \$0.87m in 1Q2018. The increase was mainly due to the unrealized foreign exchange gain.

Administrative Expenses

Administrative expenses decreased by \$0.45m or 7.4% from \$6.1m in 1Q2017 to \$5.6m in 1Q2018. The decrease was mainly due to (i) absence of retrenchment benefit of \$0.37m (ii) reduction in depreciation \$0.1m and (iii) overall reduction in other expenses in 1Q2018.

Finance Expenses

Finance expenses were mainly interest expenses on bank borrowings which were minimal for both quarters under review.

Income Tax Expense

The Group did not recognize deferred tax asset on its carried forward trade losses and capital allowances due to the uncertainty of utilization. Correspondingly, the Group did not recognize the income tax expense in 1Q2018.

Statement of Financial Position

Current Assets

Total current assets increased by \$8.8m from \$99.6m as at 31 December 2017 to \$108.4m as at 31 March 2018. This was mainly due to a \$20.4m increase in trade and other receivables and, partially offset by a decrease of \$8.9m in contract assets and a decrease of \$1.2m in cash and cash equivalents.

Cash and cash equivalent decreased by \$1.2m from \$37.1m as at 31 December 2017 to \$35.9m as at 31 March 2018 mainly due to working capital requirements.

Trade and other receivables increased by \$20.4m from \$14.1m as at 31 December 2017 to \$34.6m as at 31 March 2018 mainly due to higher receivables recorded due to a higher volume of business.

Non-Current Assets

Non-current assets decreased by \$1.8m from \$45.3m as at 31 December 2017 to \$43.5m as at 31 March 2018 mainly due to depreciation charges on property, plant and equipment of \$2.0m, disposal of property, plant and equipment of \$0.2m, and partially offset by additions on property, plant and equipment of \$0.4m.

Current Liabilities

Total current liabilities increased by \$7.2m from \$40.7m as at 31 December 2017 to \$47.9m as at 31 March 2018 mainly due to an increase of \$8.4m in contract liabilities and a decrease of \$1.4m in trade and other payables.

Statement of Cash Flows

The Group registered a decrease in cash and cash equivalent of \$1.2m from \$37.1m as at 31 December 2017 to \$35.9m as at 31 March 2018.

The negative net cash flow generated by operating activities in 1Q2018 amounted to \$1.35m mainly due to working capital requirements, partially offset by operating profit.

Net cash used in investing activities in 1Q2018 amounted to \$0.2m. This was mainly due to additions of property, plant, and equipment, partially offset by proceeds from disposal of property, plant, and equipment.

Net cash generated from financing activities in 1Q2018 amounted to \$0.7m. This was mainly due to new draw down of 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 \$66.0 million as at 31 March 2018 with completion and deliveries extending into 4Q2018, compared to a net order book of \$6.3m at the end of 1Q2017.

The Group is pleased to post a profit in 1Q2018 after three consecutive years of losses were reported in the past.

There are signs of recovery and improvement in the offshore production segment due to stronger oil prices in the recent months. We will continue our marketing efforts to secure more orders from both new and repeat customers. In addition, we are also marketing and tendering for land module and power plant projects. We will also continue to manage our costs to align with business volume and manage carefully our cash flows and resources to position ourselves well ahead for the industry recovery.

11. Dividends

- (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 2018.

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-18 \$'000	3 months ended 31-Mar-17 \$'000	3 months ended 31-Mar-18 \$'000	3 months ended 31-Mar-17 \$'000
PURCHASES AND OTHER EXPENSES				
Transactions with Lim Lie Tjing Consultant services in respect of Human Resources	-	16	-	-
Keppel Subic Shipyard Inc Backcharge of utilities and water supply	1	-	-	-
REVENUE				
Keppel FELS Limited Fabrication of structural blocks	-	-	-	49
Other Adhoc projects (other services)ie: Barge Hiring/Provision of Berthing Space	-	-	32	-
Keppel Shipyard Limited Adhoc projects (other services)	-	-	-	241

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 first quarter ended 31 March 2018 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Lim Tze Jong
Executive Chairman and CEO
11 May 2018