



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

(Incorporated in the Republic of Singapore)

(Company Registration No: 200305693E)

### **UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

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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**

	<b>Group</b>		
	<b>3 months ended 31-Mar-20</b>	<b>3 months ended 31-Mar-19</b>	<b>Change</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
Revenue	40,364	13,695	NM
Cost of sales	(35,617)	(8,410)	NM
<b>Gross profit</b>	<b>4,747</b>	<b>5,285</b>	<b>-10.2%</b>
Gross profit margin	11.8%	38.6%	
Other income	899	369	NM
Other expenses	(16)	-	NM
Administrative expenses	(5,223)	(5,430)	-3.8%
Finance costs	(150)	(156)	-3.8%
<b>Profit before tax</b>	<b>257</b>	<b>68</b>	<b>NM</b>
Income tax expense	-	(1)	NM
<b>Net profit for the financial period</b>	<b>257</b>	<b>67</b>	<b>NM</b>
Net profit margin	0.6%	0.5%	
<b>Attributable to:-</b>			
Equity holders of the Company	293	39	NM
Non-controlling interest	(36)	28	NM
<b>Net profit for the financial period</b>	<b>257</b>	<b>67</b>	<b>NM</b>
<b>Other comprehensive income:-</b>			
Items that may be subsequently reclassified to profit or loss:-			
Currency translation differences arising from consolidation	(427)	(178)	NM
<b>Total comprehensive income for the financial period</b>	<b>(170)</b>	<b>(111)</b>	<b>53.2%</b>
<b>Attributable to:-</b>			
Equity holders of the Company	(160)	(130)	23.1%
Non-controlling interest	(10)	19	NM
<b>Total comprehensive income for the financial period</b>	<b>(170)</b>	<b>(111)</b>	<b>53.2%</b>

*NM- not meaningful*

1(a)(ii) The statement of comprehensive income is arrived at after charging/(crediting) the following:-

	<b>Group</b>		
	<b>3 months ended 31-Mar-20</b>	<b>3 months ended 31-Mar-19</b>	<b>Change</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b>The Group's profit is stated after charging/(crediting):-</b>			
Rental income <sup>(Note 1)</sup>	(9)	(22)	-59.1%
Interest income - bank deposits	(77)	(71)	8.1%
Amortisation of deferred capital grants	(37)	-	NM
Government grants	(43)	(131)	-67.2%
Finance costs	150	156	-3.8%
Amortisation of club memberships	3	3	0.0%
Depreciation of property, plant and equipment	1,828	1,905	-4.0%
Depreciation of right-of-use assets	643	641	0.3%
Gain on disposal of property, plant and equipment	-	(17)	NM
Foreign exchange gain, net	(844)	(127)	NM

Note 1 - Rental income comprises mainly of rental income from small administration office 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	
	31-Mar-20	31-Dec-19
	\$'000	\$'000
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	31,138	27,186
Trade and other receivables	22,436	25,369
Inventories	1,252	1,282
Contract assets	28,256	14,575
Other current assets	789	854
	<b>83,871</b>	<b>69,266</b>
Assets held for sale	9,500	9,500
	<b>93,371</b>	<b>78,766</b>
<b>Non-Current Assets</b>		
Club memberships	287	290
Investment in subsidiaries	-	-
Property, plant and equipment	47,529	49,342
Right-of-use assets	29,328	29,971
	77,144	79,603
<b>Total Assets</b>	<b>170,515</b>	<b>158,369</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables	35,591	32,333
Contract liabilities	-	80
Borrowings	22,071	13,322
Deferred government grants and rebates	1,116	149
Lease liabilities	2,230	2,232
	<b>61,008</b>	<b>48,116</b>
<b>Non-Current Liabilities</b>		
Borrowings	1	5
Deferred government grants and rebates	386	423
Deferred income tax liabilities	16	16
Lease liabilities	27,658	28,193
	28,061	28,637
<b>Total Liabilities</b>	<b>89,069</b>	<b>76,753</b>
<b>Net Assets</b>	<b>81,446</b>	<b>81,616</b>
<b>EQUITY</b>		
<b>Capital and Reserves Attributable to Equity Holders of the Company</b>		
Share capital	145,271	145,271
Other reserves	(163)	291
Accumulated losses	(64,071)	(64,364)
<b>Share Capital and Reserves</b>	<b>81,037</b>	<b>81,198</b>
Non-controlling interests	409	418
<b>Total Equity</b>	<b>81,446</b>	<b>81,616</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 31-Mar-20		As at 31-Dec-19	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less	22,071	-	13,322	-
Amount repayable after one year	1	-	5	-

Details of any collateral: -

The Group's borrowings are mainly secured by deeds of guarantee and indemnity from the Company.

- 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**

	<b>Group</b>	
	<b>3 months ended 31-Mar-20</b>	<b>3 months ended 31-Mar-19</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>OPERATING ACTIVITIES</b>		
Profit before tax	257	68
Adjustments for:		
- Amortisation of club memberships	3	3
- Amortisation of deferred capital grants	(37)	(62)
- Depreciation of property, plant and equipment	1,828	1,905
- Depreciation of right-of-use assets	643	641
- Finance costs	150	156
- Interest income	(77)	(71)
- Gain on disposal of property, plant and equipment	-	(17)
- Unrealised translation gain	(493)	(167)
	<b>2,274</b>	<b>2,456</b>
<b>Changes in working capital</b>		
- Contract assets	(13,681)	(3,401)
- Contract liabilities	(80)	856
- Inventories	30	120
- Other current assets	65	(267)
- Trade and other receivables	3,941	11,786
- Trade and other payables	3,217	(13,954)
<b>Cash flows used in operations</b>	<b>(4,234)</b>	<b>(2,404)</b>
Interest received	36	71
Income tax paid	-	(1)
<b>Net cash flows used in operating activities</b>	<b>(4,198)</b>	<b>(2,334)</b>
<b>INVESTING ACTIVITIES</b>		
- Additions to property, plant and equipment	(15)	(19)
- Proceeds from disposal of property, plant and equipment	-	17
- Proceeds from government grants	-	746
<b>Net cash flows (used in)/generated from investing activities</b>	<b>(15)</b>	<b>744</b>
<b>FINANCING ACTIVITIES</b>		
- Interest expense paid	(109)	(39)
- Payment of principal portion of lease liabilities	(537)	(520)
- Repayment of finance lease liabilities	(3)	(12)
- (Repayment of)/proceeds from bank borrowings	8,748	(645)
<b>Net cash flows (used in)/generated from financing activities</b>	<b>8,099</b>	<b>(1,216)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>3,886</b>	<b>(2,806)</b>
Cash and cash equivalents at the beginning of the quarter/year	27,186	24,925
Effect of currency translation on cash and cash equivalents	66	(14)
<b>Cash and cash equivalents at the end of the quarter/year</b>	<b>31,138</b>	<b>22,105</b>

The Group is required to maintain certain minimum deposits with banks for banking facilities. Included in cash and cash equivalents are fixed deposits of \$20.5m 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.

#### UNAUDITED 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	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>Group</b>							
Balance at 1 January 2020	145,271	(64,364)	633	(342)	81,198	418	81,616
Profit/(Loss) for the period	-	293	-	-	293	(36)	257
Other comprehensive income	-	-	-	(454)	(454)	27	(427)
<b>Total comprehensive income for the period</b>	-	<b>293</b>	-	<b>(454)</b>	<b>(161)</b>	<b>(9)</b>	<b>(170)</b>
<b>Balance at 31 March 2020</b>	<b>145,271</b>	<b>(64,071)</b>	<b>633</b>	<b>(796)</b>	<b>81,037</b>	<b>409</b>	<b>81,446</b>
<b>Company</b>							
Balance at 1 January 2020	145,271	(17,052)	-	-	128,219	-	128,219
Total comprehensive income for the period	-	(185)	-	-	(185)	-	(185)
<b>Balance at 31 March 2020</b>	<b>145,271</b>	<b>(17,237)</b>	-	-	<b>128,034</b>	-	<b>128,034</b>

	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	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>Group</b>							
Balance at 1 January 2019	145,271	(40,651)	633	(503)	104,750	690	105,440
Profit for the period	-	39	-	-	39	28	67
Other comprehensive income	-	-	-	(169)	(169)	(9)	(178)
<b>Total comprehensive income for the period</b>	-	<b>39</b>	-	<b>(169)</b>	<b>(130)</b>	<b>19</b>	<b>(111)</b>
<b>Balance at 31 March 2019</b>	<b>145,271</b>	<b>(40,612)</b>	<b>633</b>	<b>(672)</b>	<b>104,620</b>	<b>709</b>	<b>105,329</b>
<b>Company</b>							
Balance at 1 January 2019	145,271	(11,899)	-	-	133,372	-	133,372
Total comprehensive income for the period	-	(122)	-	-	(122)	-	(122)
<b>Balance at 31 March 2019</b>	<b>145,271</b>	<b>(12,021)</b>	-	-	<b>133,250</b>	-	<b>133,250</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.**

**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.**

	<b>Number of Ordinary Shares</b>	<b>Resultant issued share capital \$</b>
Balance as at 31 March 2020	1,023,211,000	145,271,346

The Company did not hold any treasury shares as at 31 March 2020 and 31 March 2019. The Company’s total number of issued shares excluding treasury shares as at 31 March 2020 and 31 March 2019 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 applied the same accounting policies and methods of computation in the financial statements for the current financial period, as those used for the audited consolidated financial statements as at 31 December 2019.

**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 adopted the new/revised SFRS(I)s that are effective for annual periods beginning on or after 1 January 2020. Changes to the Group’s accounting policies have been made as required. In accordance with the transitional provisions in the respective SFRS(I)s, SFRS(I) interpretations and amendments to the SFRS(I)s.

The following are the new or amended SFRS(I)s, and SFRS(I) Interpretations, that are relevant to the Group:

- Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 *Interest Rate Benchmark Reform*

The adoption of the above SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s did not have any significant impact on the financial statements of the Group.



**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:-**

	<b>Group</b>	
	<b>3 months ended</b>	<b>3 months ended</b>
	<b>31-Mar-20</b>	<b>31-Mar-19</b>
(Loss)/earnings per share (based on consolidated net (loss)/profit attributable to equity holders):-		
Based on weighted average number of ordinary shares in issue (cents)	0.03	0.00
On a fully diluted basis (cents)	0.03	0.00
Weighted average number of ordinary shares in issue for calculation of basic (loss)/earnings per share ('000)	1,023,211	1,023,211
Weighted average number of ordinary shares in issue for calculation of diluted (loss)/earnings per share ('000)	1,023,211	1,023,211

There were no potentially dilutive shares for the financial period ended 31 March 2020.

**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

	<b>Group</b>		<b>Company</b>	
	<b>31-Mar-20</b>	<b>31-Dec-19</b>	<b>31-Mar-20</b>	<b>31-Dec-19</b>
Net asset value per ordinary share based on existing share capital (cents)	7.92	7.94	12.51	12.53
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 \$26.7m from \$13.7m in the first quarter ended 31 March 2019 ("1Q2019") to \$40.4m in the first quarter ended 31 March 2020 ("1Q2020"). The increase was mainly due to the higher progress achieved for the projects carried out in 1Q2019.

#### **Gross profit**

Gross profit decreased from \$5.3m in 1Q2019 to \$4.7m in 1Q2020. The decrease was mainly due to the absent higher profit attributable from ad hoc projects recorded in 1Q2019.

#### **Other income**

Other income increased by \$0.5m from \$0.4m in 1Q2019 to \$0.9m in 1Q2020. The increase was mainly due to the unrealised foreign exchange gain in 1Q2020.

#### **Administrative expenses**

Administrative expenses decreased by \$0.2m or 3.8% from \$5.4m in 1Q2019 to \$5.2m in 1Q2020. The decrease was mainly due to reduction in travelling and accommodation resulting from travel restriction related to Covid-19 and also reduction in employee compensation.

#### **Finance expenses**

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

#### **Income tax expense**

The Group did not recognise deferred tax asset on its carried forward trade losses and capital allowances due to the uncertainty of utilisation. The income tax expense is attributable to income tax paid by one of the subsidiaries in 1Q2019.

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. (cont'd)**

#### **Statement of financial position**

##### **Current assets**

Total current assets increased by \$14.6m from \$78.8m as at 31 December 2019 to \$93.4m as at 31 March 2020.

**Cash and cash equivalents** increased by \$3.9m from \$27.2m as at 31 December 2019 to \$31.1m as at 31 March 2020 mainly due to changes in working capital.

**Trade and other receivables** decreased by \$3.0m from \$25.4m as at 31 December 2019 to \$22.4m as at 31 March 2020 mainly due to prompt payment by customers.

**Contract Assets** increased by \$13.7m from \$14.6m as at 31 December 2019 to \$28.3m as at 31 March 2020 mainly due to timing of billings to customers.

##### **Non-current assets**

Non-current assets decreased by \$2.5m from \$79.6m as at 31 December 2019 to \$77.1m as at 31 March 2020.

**Right-of-use assets** arose from the adoption of SFRS(I) 16 *Leases* on 1 January 2019. It comprises mainly land leases.

##### **Current liabilities**

Total current liabilities increased by \$12.9m from \$48.1m as at 31 December 2019 to \$61.0m as at 31 March 2020.

**Trade and other payables** increased by \$3.3m from \$32.3m as at 31 December 2019 to \$35.6m as at 31 March 2020 mainly due to higher payables recorded in line with higher progress achieved from the projects carried out in 1Q2020.

##### **Non-current liabilities**

Total non-current liabilities decreased by \$0.5m from \$28.6m as at 31 December 2019 to \$28.1m as at 31 March 2020.

**Deferred government grants and rebates (Current and Non-current)** arose from the grants received for the addition of property, plant and equipment amounting to \$0.5m and rebates receivable from Job Support Scheme amounting to \$1.0m.

**Lease liabilities (Current and Non-current)** arose from the recognition of lease obligations amounting to \$29.9m.

- 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. (cont'd)**

**Statement of cash flows**

The Group registered an increase in cash and cash equivalent of \$9.0m from \$22.1m as at 31 March 2019 to \$31.1m as at 31 March 2020.

Net cash flows used in operating activities in 1Q2020 was \$4.2m mainly due to working capital requirements.

Net cash generated from investing activities in 1Q2020 was negligible.

Net cash generated from financing activities in 1Q2020 was \$8.1m. This was mainly due to draw down of bank borrowings and lease liabilities.

**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 \$55m as at 31 March 2020 with completion and deliveries extending into 2Q2021.

The Covid-19 situation continues to evolve. The Group has taken and continues to take steps to mitigate the impact of Covid-19, including working with relevant regulatory bodies to obtain approval for exemption from certain Community Circuit Breaker measures implemented by the Singapore Government. The Group expects the outlook for the year ahead to be challenging and will focus on ensuring that our cost base remains sustainable by implementing cost-cutting measures in stages.

**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 and the reason(s) for the decision.**

No dividend has been declared for the quarter ended 31 March 2020.

**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-20 \$'000	3 months ended 31-Mar-19 \$'000	3 months ended 31-Mar-20 \$'000	3 months ended 31-Mar-19 \$'000
<b>PURCHASES AND OTHER EXPENSES</b>				
<b>Keppel Subic Shipyard Inc</b> Backcharge of office maintenance	-	-	-	1
<b>REVENUE</b>				
<b>Keppel FELS Limited</b> Other Adhoc projects (other services) ie: Barge Hiring/Provision of Berthing Space/Subcontracting Services	-	-	-	417
<b>Keppel Shipyard Limited</b> Subcontracting Services	-	-	460	969

**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 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 financial results for the period ended 31 March 2020 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Lim Ah Cheng  
Executive Director and CEO  
13 May 2020