



DYNA-MAC HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No: 200305693E)

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021

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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-2021	31-Mar-2020	
	\$'000	\$'000	%
Revenue	41,087	40,364	1.8%
Cost of sales	(35,167)	(35,617)	-1.3%
Gross profit	5,920	4,747	24.7%
Gross profit margin	14.4%	11.8%	
Other income	1,432	899	59.3%
Other expenses	-	(16)	NM
Administrative expenses	(5,077)	(5,223)	-2.8%
Finance expenses	(39)	(150)	-74.0%
Profit before tax	2,236	257	NM
Income tax expense	-	-	NM
Net profit for the financial period	2,236	257	NM
Net profit margin	5.4%	0.6%	
Attributable to:-			
Equity holders of the Company	2,251	293	NM
Non-controlling interest	(15)	(36)	-58.3%
Net profit for the financial period	2,236	257	NM
Other comprehensive income:-			
Currency translation differences arising from consolidation	208	(427)	NM
Total comprehensive income/(loss) for the financial period	2,444	(170)	NM
Attributable to:-			
Equity holders of the Company	2,455	(160)	NM
Non-controlling interest	(11)	(10)	10.0%
Total comprehensive income/(loss) for the financial period	2,444	(170)	NM

NM- Not Meaningful

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

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

	Group		
	3 months ended 31-Mar-2021	3 months ended 31-Mar-2020	Change
	\$'000	\$'000	%
The Group's profit/(loss) is stated after charging/(crediting):-			
Amortisation of club memberships	1	3	-66.7%
Amortisation of deferred capital grants	(37)	(37)	0.0%
Depreciation of property, plant and equipment	1,705	1,828	-6.7%
Depreciation of right-of-use assets	631	643	-1.9%
Finance expenses	39	150	-74.0%
Foreign exchange gain, net	(54)	(844)	-93.6%
Gain on disposal of property, plant and equipment	(39)	-	NM
Government grants income	(1,122)	(43)	NM
Interest income - bank deposits	(10)	(77)	-87.0%
Property, plant and equipment written off	1	-	NM
Reversal of provision for onerous contract	(177)	-	NM
Rental income ^(Note 1)	(32)	(9)	NM

Note 1 - Rental income comprises mainly of rental income from small administration office to subcontractors and rental of barge.

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	
	Unaudited	Audited	Unaudited	Audited
	31-Mar-2021	31-Dec-2020	31-Mar-2021	31-Dec-2020
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current Assets				
Cash and cash equivalents	68,532	46,219	224	372
Trade and other receivables	19,768	29,272	28	28
Contract assets	14,340	18,166	-	-
Other current assets	1,083	802	30	14
	103,723	94,459	282	414
Non-Current Assets				
Club memberships	17	18	-	-
Investment in subsidiaries	-	-	105,390	105,390
Property, plant and equipment	37,749	39,444	-	-
Right-of-use assets	27,033	27,397	-	-
	64,799	66,859	105,390	105,390
Total Assets	168,522	161,318	105,672	105,804
LIABILITIES				
Current Liabilities				
Trade and other payables	49,303	52,958	1,008	976
Provision for onerous contracts	1,950	2,127	-	-
Contract liabilities	57,235	48,266	-	-
Borrowings	4,827	5,000	-	-
Deferred capital and grants income	986	820	-	-
Lease liabilities	2,226	2,171	-	-
	116,527	111,342	1,008	976
Non-Current Liabilities				
Deferred capital and grants income	236	274	-	-
Deferred income tax liabilities	18	16	-	-
Lease liabilities	25,639	26,028	-	-
	25,893	26,318	-	-
Total Liabilities	142,420	137,660	1,008	976
Net Assets	26,102	23,658	104,664	104,828
EQUITY				
Capital and Reserves Attributable to Equity Holders of the Company				
Share capital	145,271	145,271	145,271	145,271
Other reserves	306	102	-	-
Accumulated losses	(119,883)	(122,134)	(40,607)	(40,443)
Share Capital and Reserves	25,694	23,239	104,664	104,828
Non-controlling interests	408	419	-	-
Total Equity	26,102	23,658	104,664	104,828

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:-

Amount repayable in one year or less

As at 31-Mar-2021		As at 31-Dec-2020	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
4,827	-	5,000	-

The Group has reclassified the borrowings from non-current to current (repayable in one year or less) as the Group did not fulfill the financial covenants as required in the bank facility letters for bank borrowings, relating to the Enterprise Financing Scheme of \$5m. Accordingly, the bank is contractually entitled to request for immediate repayment of the bank borrowings of \$5m and terminate the available credit facility.

At the date of this announcement, the bank has not requested for early repayment of the loan or withdrawn the credit facility.

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

	Group	
	3 months ended 31-Mar-2021	3 months ended 31-Mar-2020
	\$'000	\$'000
OPERATING ACTIVITIES		
Profit before tax	2,236	257
Adjustments for:		
- Amortisation of club memberships	1	3
- Amortisation of deferred capital grants	(37)	(37)
- Depreciation of property, plant and equipment	1,705	1,828
- Depreciation of right-of-use assets	631	643
- Finance expenses	39	150
- Gain on disposal of property, plant and equipment	(39)	-
- Interest income	(10)	(77)
- Property, plant and equipment written off	1	-
- Reversal of provision for onerous contract	(177)	-
- Unrealised translation gain	(141)	(493)
	4,209	2,274
Changes in working capital		
- Contract assets	3,826	(13,681)
- Contract liabilities	8,969	(80)
- Inventories	-	30
- Other current assets	(281)	65
- Trade and other receivables	9,510	3,941
- Trade and other payables, including deferred grant income	(3,491)	3,217
Cash flows generated from / (used in) operations	22,742	(4,234)
Income tax paid	(4)	-
Interest received	8	36
Net cash flows generated from / (used in) operating activities	22,746	(4,198)
INVESTING ACTIVITIES		
- Additions to property, plant and equipment	(11)	(15)
- Proceeds from disposal of property, plant and equipment	39	-
Net cash flows generated from / (used in) investing activities	28	(15)
FINANCING ACTIVITIES		
- Interest expense paid	(37)	(109)
- Payment of principal portion of lease liabilities	(601)	(540)
- Repayment of bank borrowings	(173)	(11,608)
- Proceeds from bank borrowings	-	20,356
Net cash flows (used in) / generated from financing activities	(811)	8,099
Net increase in cash and cash equivalents	21,963	3,886
Cash and cash equivalents at the beginning of the period	46,219	27,186
Effect of currency translation on cash and cash equivalents	350	66
Cash and cash equivalents at the end of the period	68,532	31,138

The Group is required to maintain certain minimum deposits with banks for banking facilities. Included in cash and cash equivalents are restricted cash of \$19.4m (1Q 2020: \$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	
Group							
Balance at 1 January 2021	145,271	(122,134)	-	102	23,239	419	23,658
Profit for the period	-	2,251	-	-	2,251	(15)	2,236
Other comprehensive income	-	-	-	204	204	4	208
Total comprehensive income for the period	-	2,251	-	204	2,455	(11)	2,444
Balance at 31 March 2021	145,271	(119,883)	-	306	25,694	408	26,102
Company							
Balance at 1 January 2021	145,271	(40,443)	-	-	104,828	-	104,828
Total comprehensive loss for the period	-	(164)	-	-	(164)	-	(164)
Balance at 31 March 2021	145,271	(40,607)	-	-	104,664	-	104,664

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

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 '000	Resultant issued share capital \$'000
1,023,211	145,271

Balance as at 31 March 2021 and 31 March 2020

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 2021 and 31 March 2020. The Company’s total number of issued shares excluding treasury shares as at 31 March 2021 and 31 March 2020 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 for the financial year ended 31 December 2020.

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 new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 10 and SFRS(I) 1-28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined
Amendments to SFRS(I) 1-37 Onerous Contracts—Cost of Fulfilling a Contract	1 January 2022
Amendments to SFRS(I) 1-16 Property, Plant and Equipment—Proceeds before Intended Use	1 January 2022
Amendments to SFRS(I) 3 Reference to the Conceptual Framework	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 1-1 Classification of Liabilities as Current or Non-current	1 January 2023

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

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-2021	31-Mar-2020
Earnings per share (based on consolidated net profit attributable to equity holders):-		
Based on weighted average number of ordinary shares in issue (cents)	0.22	0.03
On a fully diluted basis (cents)	0.22	0.03
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 2021.

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-2021	31-Dec-2020	31-Mar-2021	31-Dec-2020
Net asset value per ordinary share based on	2.51	2.27	10.23	10.25
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.**

Statement of Comprehensive Income Overview

Revenue

Revenue increased by \$0.7m or 1.8% from \$40.4m in the first quarter ended 31 March 2020 ("1Q2020") to \$41.1m in the first quarter ended 31 March 2021 ("1Q2021"). The increase was mainly due to higher recognition of revenue from additional scope of work.

Gross profit

Gross profit increased by \$1.2m or 24.7% from \$4.7m in 1Q2020 to \$5.9m in 1Q2021. The increase was mainly due to higher recognition of revenue in 1Q2021 as stated above.

Other income

Other income increased by \$0.5m or 59.3% from \$0.9m in 1Q2020 to \$1.4m in 1Q2021. Other income in 1Q2021 was comprised mainly income recognised from the government grants. In contrast, other income in 1Q2020 mainly derived from unrealised exchange gain.

Income tax expense

No income tax expense was recognized although the Group made a profit before tax for 1Q2021 as the Group has unabsorbed capital allowances and unutilised tax losses.

Statement of financial position

Current assets

Total current assets increased by \$9.2m from \$94.5m as at 31 December 2020 to \$103.7m as at 31 March 2021.

Cash and cash equivalents increased by \$22.3m from \$46.2m as at 31 December 2020 to \$68.5m as at 31 March 2021 mainly due to higher collections during the period.

Trade and other receivables decreased by \$9.5m from \$29.3m as at 31 December 2020 to \$19.8m as at 31 March 2021 mainly due to timely collection from customers.

Contract Assets decreased by \$3.9m from \$18.2m as at 31 December 2020 to \$14.3m as at 31 March 2021 mainly due to billings offset by project progress during the period.

Non-current assets

Non-current assets decreased by \$2.1m from \$66.9m as at 31 December 2020 to \$64.8m as at 31 March 2021 mainly due to depreciation of property, plant and equipment and right-of-use assets.

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 (cont'd)

Current liabilities

Total current liabilities increased by \$5.2m from \$111.3m as at 31 December 2020 to \$116.5m as at 31 March 2021.

Trade and other payables declined by \$3.7m from \$53.0m as at 31 December 2020 to \$49.3m as at 31 March 2021 mainly due to prompt payment to suppliers.

Contract liabilities increased by \$8.9m from \$48.3m as at 31 December 2020 to \$57.2m as at 31 March 2021 mainly due to higher advanced billings to customers.

Non-current liabilities

Total non-current liabilities decreased by \$0.4m from \$26.3m as at 31 December 2020 to \$25.9m as at 31 March 2021 mainly due to repayment of bank borrowings.

Lease liabilities (Current and Non-current) decreased by \$0.3m mainly due to repayment of lease liabilities.

Statement of cash flows

The Group registered an increase in cash and cash equivalent of \$37.4m from \$31.1m as at 31 March 2020 to \$68.5m as at 31 March 2021.

Net cash flows generated from operating activities in 1Q2021 was \$22.7m mainly due to higher cash flow from working capital.

Net cash flows used in financing activities in 1Q2021 was \$0.8m. This was mainly due to repayment 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.

As the COVID-19 pandemic continues to impact the economy, the recent development in the rollout of vaccination gives us hope that the situation may begin to improve. The restrictions on our borders continue to put a constraint on manpower resource. To mitigate such constraint, the Group has stepped up efforts to cooperate with partners both local and overseas, train our workforce to multi-skill as well as to review our construction methodology. Despite the challenging environment, the Group managed to complete and load out all the topside modules according to the revised schedule in both Singapore and China.

Due to the strong pipeline of enquiries, the Group is working towards increasing capacity in both Singapore and China. As the Group is looking at expansion, we will remain conservative and cautious before embarking on any investments. The Group's net order book stands at \$171.1m as at 31 March 2021.

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 (recommended) for the quarter ended 31 March 2021 as the Company is in an accumulated loss position and the available cash is required for working capital.

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-21 \$'000	3 months ended 31-Mar-20 \$'000	3 months ended 31-Mar-21 \$'000	3 months ended 31-Mar-20 \$'000
REVENUE Keppel Shipyard Limited Subcontracting Services	-	-	14,225	460

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 2021 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Lim Ah Cheng
Executive Director and CEO
23 April 2021