



DYNA-MAC HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No: 200305693E)

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

TABLE OF CONTENTS

SN	Description	Page
1	CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	2
2	CONDENSED INTERIM BALANCE SHEETS	3
3	CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY	4
4	CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS	5
5	NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	6
6	OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2	14

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Note	Group		
		6 months ended	6 months ended	Change
		30-Jun-2021	30-Jun-2020	
		\$'000	\$'000	%
Revenue	4	106,360	51,351	107.1%
Cost of sales		(94,863)	(51,629)	83.7%
Gross profit/(loss)		11,497	(278)	NM
Gross profit margin		10.8%	NM	
Other income		3,925	2,788	40.8%
Other expenses		(246)	(708)	-65.3%
Administrative expenses		(11,929)	(15,563)	-23.4%
Finance expenses		(75)	(463)	-83.8%
Profit/(Loss) before tax	5	3,172	(14,224)	NM
Income tax expense	6	(67)	-	NM
Net profit/(loss) for the financial period		3,105	(14,224)	NM
Net profit margin		2.9%	NM	
Attributable to:-				
Equity holders of the Company		2,490	(14,184)	NM
Non-controlling interest		615	(40)	NM
Net profit/(loss) for the financial period		3,105	(14,224)	NM
Other comprehensive income:-				
Currency translation differences arising from consolidation		336	494	-32.0%
Total comprehensive income/(loss) for the financial period		3,441	(13,730)	NM
Attributable to:-				
Equity holders of the Company		2,830	(13,719)	NM
Non-controlling interest		611	(11)	NM
Total comprehensive income/(loss) for the financial period		3,441	(13,730)	NM
Earnings/(Loss) per share attributable to equity holders of the Company (cents per share)				
Basic/diluted	7	<u>0.24</u>	<u>(1.39)</u>	

NM- not meaningful

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

CONDENSED INTERIM BALANCE SHEETS
AS AT 30 JUNE 2021

	Note	Group		Company	
		Unaudited	Audited	Unaudited	Audited
		30-Jun-2021	31-Dec-2020	30-Jun-2021	31-Dec-2020
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current Assets					
Cash and cash equivalents		83,419	46,219	402	372
Trade and other receivables		14,740	29,272	28	28
Contract assets		15,451	18,166	-	-
Other current assets		1,059	802	20	14
		114,669	94,459	450	414
Non-Current Assets					
Club memberships		17	18	-	-
Investment in subsidiaries		-	-	105,390	105,390
Property, plant and equipment	8	36,318	39,444	-	-
Right-of-use assets		26,483	27,397	-	-
		62,818	66,859	105,390	105,390
Total Assets		177,487	161,318	105,840	105,804
LIABILITIES					
Current Liabilities					
Trade and other payables		70,512	52,958	1,169	976
Provision for onerous contracts		1,950	2,127	-	-
Contract liabilities		44,939	48,266	-	-
Borrowings	9	4,565	5,000	-	-
Deferred capital and grants income		811	820	-	-
Lease liabilities		2,250	2,171	-	-
		125,027	111,342	1,169	976
Non-Current Liabilities					
Deferred capital and grants income		199	274	-	-
Deferred income tax liabilities		17	16	-	-
Lease liabilities		25,145	26,028	-	-
		25,361	26,318	-	-
Total Liabilities		150,388	137,660	1,169	976
Net Assets		27,099	23,658	104,671	104,828
EQUITY					
Capital and Reserves Attributable to Equity Holders of the Company					
Share capital	10	145,271	145,271	145,271	145,271
Other reserves		442	102	-	-
Accumulated losses		(119,644)	(122,134)	(40,600)	(40,443)
Share Capital and Reserves		26,069	23,239	104,671	104,828
Non-controlling interests		1,030	419	-	-
Total Equity		27,099	23,658	104,671	104,828

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2021

	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
Group							
Balance at 1 January 2021	145,271	(122,134)	-	102	23,239	419	23,658
Profit for the period	-	2,490	-	-	2,490	615	3,105
Other comprehensive income	-	-	-	340	340	(4)	336
Total comprehensive income for the period	-	2,490	-	340	2,830	611	3,441
Balance at 30 June 2021	145,271	(119,644)	-	442	26,069	1,030	27,099
Group							
Balance at 1 January 2020	145,271	(64,364)	633	(342)	81,198	418	81,616
Loss for the period	-	(14,184)	-	-	(14,184)	(40)	(14,224)
Other comprehensive income	-	-	-	465	465	29	494
Transfer between reserves	-	633	(633)	-	-	-	-
Total comprehensive loss for the period	-	(13,551)	(633)	465	(13,719)	(11)	(13,730)
Balance at 30 June 2020	145,271	(77,915)	-	123	67,479	407	67,886

	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
Company							
Balance at 1 January 2021	145,271	(40,443)	-	-	104,828	-	104,828
Total comprehensive loss for the period	-	(157)	-	-	(157)	-	(157)
Balance at 30 June 2021	145,271	(40,600)	-	-	104,671	-	104,671
Company							
Balance at 1 January 2021	145,271	(17,052)	-	-	128,219	-	128,219
Total comprehensive loss for the period	-	(369)	-	-	(369)	-	(369)
Balance at 30 June 2020	145,271	(17,421)	-	-	127,850	-	127,850

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

	Group	
	6 months ended 30-Jun-2021	6 months ended 30-Jun-2020
	\$'000	\$'000
OPERATING ACTIVITIES		
Profit/(Loss) before tax	3,172	(14,224)
Adjustments for:		
- Amortisation of club memberships	1	7
- Amortisation of deferred capital grants	(75)	(75)
- Depreciation of property, plant and equipment	3,412	3,649
- Depreciation of right-of-use assets	1,181	1,287
- Expected credit losses on trade and other receivables	-	435
- Finance expenses	75	463
- Gain on disposal of club membership	-	(36)
- Gain on disposal of property, plant and equipment	(417)	-
- Interest income	(25)	(108)
- Loss on striking-off of a subsidiary	-	203
- Reversal of impairment loss on property, plant and equipment	(545)	-
- Reversal of provision for onerous contract	(177)	-
- Unrealised translation (gain)/loss	(225)	262
	6,377	(8,137)
Changes in working capital		
- Contract assets	2,715	(2,242)
- Contract liabilities	(3,327)	3,753
- Inventories	-	29
- Other current assets	(257)	(319)
- Trade and other receivables	14,537	6,862
- Trade and other payables, including deferred grant income	17,481	4,769
Cash flows generated from operations	37,526	4,715
Income tax paid	(6)	-
Interest received	20	150
Net cash flows generated from operating activities	37,540	4,865
INVESTING ACTIVITIES		
- Additions to property, plant and equipment	(288)	(81)
- Proceeds from disposal of club memberships	-	19
- Proceeds from disposal of assets held for sale	-	9,500
- Proceeds from disposal of property, plant and equipment	964	-
Net cash flows generated from investing activities	676	9,438
FINANCING ACTIVITIES		
- Interest expense paid	(72)	(258)
- Payment of principal portion of lease liabilities	(1,071)	(1,086)
- Proceeds from bank borrowings	-	34,290
- Repayment of bank borrowings	(435)	(33,664)
Net cash flows used in financing activities	(1,578)	(718)
Net increase in cash and cash equivalents	36,638	13,585
Cash and cash equivalents at the beginning of the period	46,219	27,186
Effect of currency translation on cash and cash equivalents	562	30
Cash and cash equivalents at the end of the period	83,419	40,801

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 (1H2020: \$31.0m) designated by the Group for this purpose.

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. Corporate information

Dyna-Mac Holdings Ltd. (the “Company”) is listed on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) and is incorporated and domiciled in Singapore. The registered office is at 59 Gul Road, Singapore 629354 and the principal place of business is at 45 Gul Road, Singapore 629350.

These condensed interim financial statements as at and for the six months ended 30 June 2021 relate to the Company and its subsidiaries (collectively, the “Group”).

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are:

- a) Contractors for project management, engineering, fabrication and installation of land and marine works.
- b) Contractors for repair and marine works.
- c) Provides project management services for projects in the People’s Republic of China
- d) Repair of ships, tankers and other ocean-going vessels, manufacture and repair of marine engine and ship parts, and the provision of manpower resources for shipping-related projects.

2. Basis of Preparation

These condensed interim consolidated financial statements for the six months ended 30 June 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore.

The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The financial statements are presented in Singapore Dollars (“SGD” or “\$”) and all values are rounded to the nearest thousand (\$’000), except when otherwise indicated.

Going concern assumption

The Group had a net profit before tax of \$3,172,000 (1H2020: net loss before tax of \$14,224,000) during the period ended 30 June 2021 and the current liabilities exceeded the current assets by \$10,358,000 as at 30 June 2021. Total cash balances as of 30 June 2021 amounted to \$83,419,000 (31 December 2020: \$46,219,000). Cash deposits with banks amounting to \$19,400,000 (31 December 2020: \$19,400,000) required to be maintained for the Group’s banking facilities. Accordingly, the cash available for use by the Group amounted to \$64,019,000 (31 December 2020: \$26,819,000) as at 30 June 2021.

Although the Group expects the overall operating environment to remain challenging in the next twelve months amidst the COVID-19 pandemic, the Group expects to secure additional contracts over the course of the year ahead.

The management and directors of the Group, having reassessed the available sources of liquidity and funding, believe that the Group can continue as a going concern for the foreseeable future. In analysing the validity of the going concern basis applied in the preparation of the financial statements of the Group and the Company, the following factors were considered:

- a) New orders secured and potential new orders

The Group expects that new orders secured and potential new orders will generate adequate cash flows to repay its debt obligations as and when they fall due within the next twelve months from the date of this report.

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

2. Basis of Preparation

Going concern assumption (con't)

a) New orders secured and potential new orders (con't)

As at 30 June 2021, the Group's net order book stood at \$328,000,000 (2020: \$204,020,000) which includes a major order secured amounting to approximately \$197,000,000. Subsequent to the period ended 30 June 2021, the Group has secured new order of \$114,000,000, bringing the net order book to \$442,000,000. Although the Group expects the market environment to remain challenging in the next twelve months due to global economic risks as well as the impact of the COVID-19 pandemic, the Group expects to secure additional contracts over the course of the year ahead.

The Group continues to source and negotiate for new contracts, both in the offshore segment of the oil and gas industry, as well as venturing into the clean energy market, requiring the Group's expertise in detailed engineering, procurement and construction.

b) Availability of credit facilities

As at 30 June 2021, the Group has banking facilities for short-term trade loans and advances totalling \$59,900,000 (31 December 2020: \$59,900,000). The Group's bank borrowing of approximately \$4,600,000 as at 30 June 2021 (31 December 2020: \$5,000,000) relates to amounts drawn under these facilities. The Group will continue to be able to utilise its existing credit facilities despite breaching loan covenants for certain facilities as management are in ongoing discussions with its bankers.

Due to the breach of the covenant clauses, the banks are contractually entitled to request for immediate repayment of the bank borrowings, relating to the Enterprise Financing Scheme of \$5,000,000 and terminate the available credit facilities. The banks have not requested early repayment of the loan or withdrawn the credit facilities as of the date when these financial statements were approved by the Board of Directors. One of the banks agreed to waive the non-compliance of all financial covenants imposed on a subsidiary and will review compliance of these financial covenants based on the audited financial statements of the subsidiary for the financial year ending 31 December 2021.

Proactive and careful management of the Group's liquidity will continue to be a key priority of the Group. In view of the continuing credit facilities being made available to the Group, management is confident that the Group will be able to meet expected cash outflows and required working capital.

As described in the preceding paragraphs, management is confident that the Group has adequate resources to continue in operational existence for at least another twelve months from the balance sheet date, and that the continuing use of the going concern assumption in the preparation of the financial statements is appropriate.

2.1 New and amended standards adopted by the Group

There are no new standards, amendments to standards and interpretations effective for annual periods beginning on or after 1 January 2021, which will result in significant impact on the condensed interim financial statements of the Group.

2.2 Use of estimates and judgements

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as described in the last annual financial statements as at and for the year ended 31 December 2020.

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CON'T)

3. Seasonality of operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Board of Directors considers the business from a business segment perspective. Management manages and monitors the business in the two primary business segments: Module business and Ad-hoc projects.

	Module business \$'000	Ad-hoc projects \$'000	Consolidated \$'000
For the half year ended 30 June 2021			
Revenue			
Segment revenue to external parties	96,732	9,628	106,360
Segment gross profit/(loss)	11,768	(271)	11,497
For the half year ended 30 June 2020			
Revenue			
Segment revenue to external parties	48,408	2,943	51,351
Segment gross (loss)/profit	(531)	253	(278)

(a) Reconciliation

A reconciliation of segment gross profit/(loss) to net profit/(loss) is as follows:

	For the half year ended 30 June 2021 \$'000	For the half year ended 30 June 2020 \$'000
Segment gross profit/(loss) for reportable segments	11,497	(278)
Other income	3,925	2,788
Other expenses	(246)	(708)
Administrative expenses	(11,929)	(15,563)
Finance expenses	(75)	(463)
Profit/(loss) before tax	3,172	(14,224)
Income tax expense	(67)	-
Net profit/(loss) for the financial period	3,105	(14,224)

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CON'T)

4. Segment and revenue information (con't)

(b) Geographical information

	Module business \$'000	Ad-hoc projects \$'000	Consolidated \$'000
For the half year ended 30 June 2021			
<u>Geographical information:</u>			
Asia Pacific	31,505	6,595	38,100
Europe	65,227	3,033	68,260
	96,732	9,628	106,360
For the half year ended 30 June 2020			
<u>Geographical information:</u>			
Asia Pacific	917	2,430	3,347
Europe	47,473	513	47,986
Americas	18	-	18
	48,408	2,943	51,351

The Group's property, plant and equipment are located mainly in Singapore as at 30 June 2021.

(c) Timing of transfer of goods or service

	Module business \$'000	Ad-hoc projects \$'000	Consolidated \$'000
For the half year ended 30 June 2021			
<u>Timing of transfer of goods or service</u>			
Over time	96,732	9,628	106,360
For the half year ended 30 June 2020			
<u>Timing of transfer of goods or service</u>			
Over time	48,408	2,943	51,351

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CON'T)

5. Profit/(loss) before tax

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

	Group		
	6 months ended 30-Jun-2021	6 months ended 30-Jun-2020	Change
	\$'000	\$'000	%
The Group's profit/(loss) is stated after charging/(crediting):-			
Amortisation of club memberships	1	7	-85.7%
Amortisation of deferred capital grants	(75)	(75)	0.0%
Depreciation of property, plant and equipment	3,412	3,649	-6.5%
Depreciation of right-of-use assets	1,181	1,287	-8.2%
Expected credit losses on trade and other receivables	-	435	NM
Finance expenses	75	463	-83.8%
Foreign exchange loss, net	233	49	NM
Gain on disposal of club membership	-	(36)	NM
Gain on disposal of property, plant and equipment	(417)	-	NM
Government grants income	(2,001)	(2,361)	-15.2%
Interest income - bank deposits	(25)	(108)	-76.9%
Loss on striking-off of a subsidiary	-	203	NM
Reversal of impairment loss on property, plant and equipment	(545)	-	NM
Reversal of provision for onerous contracts	(177)	-	NM
Rental income ^(Note 1)	(47)	(25)	88.0%

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

NM - Not Meaningful

6. Taxation

The Group's calculation on the period income tax expense using tax rate that would be applicable to the expected total annual earnings, the major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	6 months ended 30-Jun-2021	6 months ended 30-Jun-2020
	\$'000	\$'000
Current income tax expense	(67)	-
	(67)	-

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CON'T)

7. Earnings per share

	Group	
	6 months ended	6 months ended
	30-Jun-2021	30-Jun-2020
Earnings per share (based on consolidated net profit attributable to equity holders):-		
Based on weighted average number of ordinary shares in issue (cents)	0.24	(1.39)
On a fully diluted basis (cents)	0.24	(1.39)
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

8. Property, Plant and Equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to \$288,600 (30 June 2020: \$80,677) and reversal of impairment loss amounting to \$544,654 (30 June 2020: \$NIL).

9. Borrowings

	Group			
	As at 30-Jun-2021		As at 31-Dec-2020	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less	4,565	-	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.

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CON'T)

10. Share Capital

	No. of ordinary shares '000	Amount \$'000
<u>Group and Company</u>		
2021		
Beginning and end of financial period	1,023,211	145,271
2020		
Beginning and end of financial period	1,023,211	145,271

There is no change in the Company's share capital during the period ended 30 June 2021.

The Company does not hold any treasury shares as at 30 June 2021 and 30 June 2020.

11. Net Asset Value

	Group		Company	
	30-Jun-2021	31-Dec-2020	30-Jun-2021	31-Dec-2020
Net asset value per ordinary share based on existing share capital (cents)	2.55	2.27	10.23	10.25
Number of shares ('000)	1,023,211	1,023,211	1,023,211	1,023,211

12. Financial assets and financial liabilities

The financial assets and financial liabilities of the Group as at 30 June 2021 and 31 December 2020:

	Group		Company	
	30-Jun-2021	31-Dec-2020	30-Jun-2021	31-Dec-2020
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Cash and cash equivalents	83,419	46,219	402	372
Trade and other receivables	13,657	28,580	28	28
Deposits	441	496	-	-
Total undiscounted financial assets	97,517	75,295	430	400
Financial Liabilities				
Trade and other payables	70,512	52,958	1,169	976
Bank borrowings	4,565	5,000	-	-
Lease liabilities	27,395	28,199	-	-
Total undiscounted financial liabilities	102,472	86,157	1,169	976

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CON'T)

13. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

- (a) Sales and purchases of goods and services

Other than those disclosed elsewhere in the financial statements, the Group had the following significant related party transactions on terms agreed during the financial year:

Transactions with a corporate shareholder and its related companies

Fabrication of topside modules and other ad-hoc services rendered

Transactions with related companies of a director

Corporate secretarial services procured

Professional services procured

Group	
30-Jun-2021	30-Jun-2020
\$'000	\$'000
30,586	2,134
(21)	(44)
-	(3)

- (b) Key management personnel compensation

Key management personnel compensation is analysed as follows:

Directors

Wages and salaries

Employer's contribution to defined contribution plans, including Central Provident Fund

Other benefits

Senior Management

Wages and salaries

Employer's contribution to defined contribution plans, including Central Provident Fund

Other benefits

Group	
30-Jun-2021	30-Jun-2020
\$'000	\$'000
889	843
37	27
1	-
927	870
660	516
51	32
1	-
712	548
1,639	1,418

14. Subsequent events

On 16 July 2021, the Company granted awards under the Dyna-Mac Share Award Scheme 2021 (DMSAS 2021).

There are no known subsequent events which led to adjustments to this set of interim financial statements.

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The condensed interim financial statements, comprising the condensed interim balance sheets of Dyna-Mac Holdings Ltd. (“the Company”) and its Subsidiaries (“the Group”) as at 30 June 2021, the condensed interim consolidated statement of comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. 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.**

Condensed Interim Consolidated Statement of Comprehensive Income

Revenue increased by \$55.0m from \$51.4m in the first half year ended 30 June 2020 (“1H2020”) to \$106.4m in the half year ended 30 June 2021 (“1H2021”). The increase was mainly due to higher progress achieved for the projects carried out in 1H2021 (as opposed to production stand-down in 2Q2020).

Gross profit/(loss) improved from \$0.3m gross loss in 1H2020 to gross profit of \$11.5m in 1H2021. The gross profit was mainly due to higher recognition of revenue as stated above.

Other income increased by \$1.1m from \$2.8m in 1H2020 to \$3.9m in 1H2021. The increase was mainly income recognised from the government grants and reversal of impairment of property, plant and equipment.

Administrative expenses decreased by \$3.7m from \$15.6m in 1H2020 to \$11.9m in 1H2021. The decrease was mainly due to the production overheads being classified in administrative expenses following the production stand-down in 1H2020 (April to June 2020).

The Group did not recognise deferred tax asset on carried forward capital allowances and unutilised tax losses due to the uncertainty of its utilisation. The income tax expense was attributable to income tax provision by its subsidiary in 1H2021.

Condensed Interim Balance Sheets

Current assets

Total current assets increased by \$20.2m from \$94.5m as at 31 December 2020 to \$114.7m as at 30 June 2021.

Cash and cash equivalents increased by \$37.2m from \$46.2m as at 31 December 2020 to \$83.4m as at 30 June 2021 mainly derived from higher collection during the period.

Trade and other receivables decreased by \$14.6m from \$29.3m as at 31 December 2020 to \$14.7m as at 30 June 2021 mainly due to timely collection from customers.

Contract Assets decreased by \$2.7m from \$18.2m as at 31 December 2020 to \$15.5m as at 30 June 2021 mainly due to billings offset by project progress during the period.

Non-current assets

Non-current assets decreased by \$4.1m from \$66.9m as at 31 December 2020 to \$62.8m as at 30 June 2021 mainly due to depreciation of property, plant and equipment and right-of-use assets.

Current liabilities

Total current liabilities increased by \$13.7m from \$111.3m as at 31 December 2020 to \$125.0m as at 30 June 2021.

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (con't)

2. **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. (con't)**

Condensed Interim Balance Sheets (con't)

Trade and other payables increased by \$17.5m from \$53.0m as at 31 December 2020 to \$70.5m as at 30 June 2021 mainly due to higher payables recorded in line with higher progress achieved from the projects carried out in 1H2021.

Contract liabilities decreased by \$3.4m from \$48.3m as at 31 December 2020 to \$44.9m as at 30 June 2021 mainly due to decrease in advanced billings to customers.

Non-current liabilities

Total non-current liabilities decreased by \$0.9m from \$26.3m as at 31 December 2020 to \$25.4m as at 30 June 2021 mainly due to repayment of lease liabilities.

Condensed Interim Consolidated Statement of Cash Flows

The Group registered an increase in cash and cash equivalent of \$42.6m from \$40.8m as at 30 June 2020 to \$83.4m as at 30 June 2021.

Net cash flows generated from operating activities in 1H2021 was \$37.5m mainly due to higher cash inflow from working capital.

Net cash flows generated from investing activities in 1H2021 was \$0.7m mainly due to proceeds from disposal of property, plant and equipment partially offset by additions to property, plant and equipment.

Net cash flows used in financing activities in 1H2021 \$1.6m. This was mainly due to payment of bank borrowings and lease liabilities.

3. **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.

4. **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 uncertainties arising from COVID-19 pandemic continues to impact the economy and the Group. The pandemic continues to spread in many countries and Singapore is not spared. Although the Singapore government have accelerated the vaccination of the population, we have seen how quickly the situation can evolve.

With the border controls and strict COVID-19 restrictions, we continue to face challenges in terms of supply chains and movement of people. To mitigate the shortfall of manpower, the Group is widening its search for skilled labours from the region in addition to training our workers to be multi-skilled.

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (con't)

4. 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. (con't)

Notwithstanding the COVID-19 pandemic, the Group has benefitted from the resurgence of the FPSO market, illustrated through the various contracts won for a total amount of S\$319m as announced in 1H2021 to date. With the recent fabrication contract award from China Merchants Heavy Industry (Jiangsu) Co. Ltd., the Group is also strengthening its the Project Management Team in China for contract execution. At the same time, the Group continues to explore projects in the green energy space.

Singapore Environment Council (SEC) awarded the Group with Eco Manufacturing (Champion) and Eco Assessment Resource for demonstrating excellence in accordance to SEC's Eco Manufacturing and Waste assessment framework respectively. We believe this is a testimony to the Group's continuous commitment to sustainability practices. With the Eco certification from SEC, it will help the Group to develop strategies and action plans that are translated into actual measures on the ground to reduce impact and help safeguard the environment.

The Group's net order book stands at \$442m at the date of this announcement, with completions and deliveries extending up to year 2023.

5. 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.

6. 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 period ended 30 June 2021 as the Company is in an accumulated loss position and the available cash is required for working capital.

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES**OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (con't)****7. 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-2021 \$'000	6 months ended 30-Jun-2020 \$'000	6 months ended 30-Jun-2021 \$'000	6 months ended 30-Jun-2020 \$'000
REVENUE Keppel Shipyard Limited Subcontracting Services	-	-	30,586	2,134

8. 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 (in the format set out in Appendix 7.7) under Rule 720(1) of the listing manual.

9. 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 30 June 2021 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Lim Ah Cheng
Executive Director and CEO
11 August 2021