



DYNA-MAC HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No: 200305693E)

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021

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DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021**

	Note	Group					
		6 months ended	6 months ended	Change	12 months ended	12 months ended	Change
		31-Dec-2021	31-Dec-2020		31-Dec-2021	31-Dec-2020	
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue	3	113,850	32,686	248.3%	220,210	84,037	162.0%
Cost of sales		(103,041)	(62,863)	63.9%	(197,904)	(114,492)	72.9%
Gross profit/(loss)		10,809	(30,177)	NM	22,306	(30,455)	NM
Gross profit margin		9.5%	-92.3%		10.1%	-36.2%	
Other income		3,345	4,385	-23.7%	7,024	7,173	-2.1%
Other expenses		-	(3,130)	NM	-	(3,838)	NM
Administrative expenses		(13,080)	(14,991)	-12.7%	(25,009)	(30,554)	-18.1%
Finance expenses		(67)	(310)	-78.4%	(142)	(773)	-81.6%
Profit/(Loss) before tax	4	1,007	(44,223)	NM	4,179	(58,447)	NM
Income tax credit	5	1,505	17	NM	1,438	17	NM
Net profit/(loss) for the financial period/year		2,512	(44,206)	NM	5,617	(58,430)	NM
Net profit margin		2.2%	NM		2.6%	-69.5%	
Attributable to:-							
Equity holders of the Company		2,987	(44,219)	NM	5,477	(58,403)	NM
Non-controlling interest		(475)	13	NM	140	(27)	NM
Net profit/(loss) for the financial period/year		2,512	(44,206)	NM	5,617	(58,430)	NM
Other comprehensive income:-							
Currency translation differences arising from		(70)	(22)	NM	266	472	-43.6%
Total comprehensive income/(loss) for the financial period/year		2,442	(44,228)	NM	5,883	(57,958)	NM
Attributable to:-							
Equity holders of the Company		2,936	(44,240)	NM	5,766	(57,959)	NM
Non-controlling interest		(494)	12	NM	117	1	NM
Total comprehensive income/(loss) for the financial period/year		2,442	(44,228)	NM	5,883	(57,958)	NM
Earnings/(Loss) per share attributable to equity holders of the Company (cents per share)							
Basic/diluted	6	<u>0.29</u>	<u>(4.32)</u>		<u>0.53</u>	<u>(5.71)</u>	

NM- not meaningful

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

CONDENSED INTERIM BALANCE SHEETS
AS AT 31 DECEMBER 2021

	Note	Group		Company	
		Unaudited	Audited	Unaudited	Audited
		31-Dec-2021	31-Dec-2020	31-Dec-2021	31-Dec-2020
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current Assets					
		106,340	46,219	195	372
		57,758	29,272	28	28
		2,812	18,166	-	-
		728	802	14	14
		167,638	94,459	237	414
Non-Current Assets					
		16	18	-	-
		-	-	93,416	105,390
	7	33,412	39,444	-	-
		25,312	27,397	-	-
		1,500	-	-	-
		60,240	66,859	93,416	105,390
		227,878	161,318	93,653	105,804
LIABILITIES					
Current Liabilities					
		43	-	-	-
		75,710	52,958	1,195	976
		634	2,127	-	-
		90,651	48,266	-	-
	8	1,083	5,000	-	-
		149	820	-	-
		2,298	2,171	-	-
		170,568	111,342	1,195	976
Non-Current Liabilities					
	8	2,952	-	-	-
		124	274	-	-
		5	16	-	-
		24,075	26,028	-	-
		27,156	26,318	-	-
		197,724	137,660	1,195	976
		30,154	23,658	92,458	104,828
EQUITY					
Capital and Reserves Attributable to Equity Holders of the Company					
	9	145,605	145,271	145,605	145,271
		670	102	279	-
		(116,657)	(122,134)	(53,426)	(40,443)
		29,618	23,239	92,458	104,828
		536	419	-	-
		30,154	23,658	92,458	104,828

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Attributable to equity holders of the Company					Non-controlling interest	Total equity	
	Share capital	Accumulated losses	Share Reserve	Asset revaluation reserve	Foreign currency translation reserve			Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Group								
Balance at 1 January 2021	145,271	(122,134)	-	-	102	23,239	419	23,658
Share-based payment	-	-	613	-	-	613	-	613
Issuance of new shares under share-based payment	334	-	(334)	-	-	-	-	-
Profit for the year	-	5,477	-	-	-	5,477	140	5,617
Other comprehensive income	-	-	-	-	289	289	(23)	266
Total comprehensive income for the year	-	5,477	-	-	289	5,766	117	5,883
Balance at 31 December 2021	145,605	(116,657)	279	-	391	29,618	536	30,154
Company								
Balance at 1 January 2021	145,271	(40,443)	-	-	-	104,828	-	104,828
Share-based payment	-	-	613	-	-	613	-	613
Issuance of new shares under share-based payment	334	-	(334)	-	-	-	-	-
Loss for the year	-	(12,983)	-	-	-	(12,983)	-	(12,983)
Total comprehensive loss for the year	-	(12,983)	-	-	-	(12,983)	-	(12,983)
Balance at 31 December 2021	145,605	(53,426)	279	-	-	92,458	-	92,458

	Attributable to equity holders of the Company					Non-controlling interest	Total equity	
	Share capital	Accumulated losses	Share Reserve	Asset revaluation reserve	Foreign currency translation reserve			Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Group								
Balance at 1 January 2020	145,271	(64,364)	-	633	(342)	81,198	418	81,616
Loss for the period	-	(58,403)	-	-	-	(58,403)	(27)	(58,430)
Other comprehensive income	-	-	-	-	444	444	28	472
Transfer between reserves	-	633	-	(633)	-	-	-	-
Total comprehensive loss for the year	-	(57,770)	-	(633)	444	(57,959)	1	(57,958)
Balance at 31 December 2020	145,271	(122,134)	-	-	102	23,239	419	23,658
Company								
Balance at 1 January 2020	145,271	(17,052)	-	-	-	128,219	-	128,219
Loss for the year	-	(23,391)	-	-	-	(23,391)	-	(23,391)
Total comprehensive loss for the year	-	(23,391)	-	-	-	(23,391)	-	(23,391)
Balance at 31 December 2020	145,271	(40,443)	-	-	-	104,828	-	104,828

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021**

	Group			
	6 months ended 31-Dec-2021	6 months ended 31-Dec-2020	12 months ended 31-Dec-2021	12 months ended 31-Dec-2020
	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES				
Profit/(Loss) before tax	1,007	(44,223)	4,179	(58,447)
Adjustments for:				
- Amortisation of club memberships	1	** -	2	7
- Amortisation of deferred capital grants	(76)	(74)	(151)	(149)
- Depreciation of property, plant and equipment	3,452	3,551	6,864	7,200
- Depreciation of right-of-use assets	1,356	1,287	2,537	2,574
- Finance expenses	67	310	142	773
- Gain on disposal of club membership	-	(7)	-	(43)
- Gain on disposal of property, plant and equipment	-	-	(52)	-
- (Gain)/Loss on striking-off of a subsidiary	(163)	-	(163)	203
- Interest income	(42)	(13)	(67)	(121)
- Property, plant and equipment written off	-	1,618	-	1,618
- Provision for slow-moving inventories	-	1,252	-	1,252
- Share-based payment	613	-	613	-
- Trade and other receivables written off	2	64	2	64
- (Write back)/Expected credit losses on trade and other receivables	(67)	347	(67)	782
- Write back of impairment loss on contract assets	(69)	-	(69)	-
- (Write back)/Impairment loss on property, plant and equipment	-	1,455	(910)	1,455
- (Write back)/Provision for onerous contract	-	2,127	(177)	2,127
- Unrealised translation loss/(gain)	156	247	(69)	509
	6,237	(32,059)	12,614	(40,196)
Changes in working capital				
- Contract assets	12,639	(1,349)	15,354	(3,591)
- Contract liabilities	45,712	44,433	42,385	48,186
- Inventories	-	1	-	30
- Other current assets	331	371	74	52
- Trade and other receivables	(42,869)	(11,596)	(28,332)	(4,734)
- Trade and other payables, including deferred grants income	3,269	16,194	20,750	20,963
Cash flows generated from operations	25,319	15,995	62,845	20,710
Income tax (paid)/refunded	(3)	17	(9)	17
Interest received	27	23	47	173
Net cash flows generated from operating activities	25,343	16,035	62,883	20,900
INVESTING ACTIVITIES				
- Additions to property, plant and equipment	(546)	(294)	(834)	(375)
- Proceeds from disposal of club memberships	-	222	-	241
- Proceeds from disposal of assets held for sale	-	-	-	9,500
- Proceeds from disposal of property, plant and equipment	-	-	964	-
Net cash flows (used in)/generated from investing activities	(546)	(72)	130	9,366
FINANCING ACTIVITIES				
- Interest expense paid	(64)	(182)	(136)	(440)
- Payment of principal portion of lease liabilities	(1,207)	(1,159)	(2,278)	(2,245)
- Proceeds from bank borrowings	-	55,223	-	55,223
- Repayment of bank borrowings	(530)	(64,157)	(965)	(63,531)
Net cash flows used in financing activities	(1,801)	(10,275)	(3,379)	(10,993)
Net increase in cash and cash equivalents	22,996	5,688	59,634	19,273
Cash and cash equivalents at the beginning of the period/year	83,419	40,801	46,219	27,186
Effect of currency translation on cash and cash equivalents	(75)	(270)	487	(240)
Cash and cash equivalents at the end of the period/year	106,340	46,219	106,340	46,219

** - Amount less than \$1,000

The Group is required to maintain certain minimum deposits with banks for banking facilities. Included in cash and cash equivalents are restricted cash of \$12.7m (2020: \$19.4m) 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 and full year ended 31 December 2021 (“2H2021” and “12M2021”) 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 and full year ended 31 December 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 interim financial statements for the period ended 30 June 2021. Accordingly, this report should be read in conjunction with the Group’s Annual Report for the financial year ended 31 December 2020 and any public announcements made during the interim reporting period.

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.

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 (CONT'D)

3. 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.

	Group					
	6 months ended 31-Dec			12 months ended 31-Dec		
	Module Business	Ad-Hoc Projects	Total	Module Business	Ad-Hoc Projects	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2021						
Revenue						
Segment revenue to external parties	99,226	14,624	113,850	195,959	24,251	220,210
Segment gross profit/(loss)	12,610	(1,801)	10,809	24,379	(2,073)	22,306
2020						
Revenue						
Segment revenue to external parties	27,259	5,427	32,686	75,701	8,336	84,037
Segment gross (loss)/profit	(30,109)	(68)	(30,177)	(30,606)	151	(30,455)

(a) Reconciliation

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

	Group			
	6 months ended	6 months ended	12 months ended	12 months ended
	31-Dec-2021	31-Dec-2020	31-Dec-2021	31-Dec-2020
	\$'000	\$'000	\$'000	\$'000
Segment gross profit/(loss) for reportable segments	10,809	(30,177)	22,306	(30,455)
Other income	3,345	4,385	7,024	7,173
Other expenses	-	(3,130)	-	(3,838)
Administrative expenses	(13,080)	(14,991)	(25,009)	(30,554)
Finance expenses	(67)	(310)	(142)	(773)
Profit/(Loss) before tax	1,007	(44,223)	4,179	(58,447)
Income tax credit	1,505	17	1,438	17
Net profit/(loss) for the financial period/year	2,512	(44,206)	5,617	(58,430)

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONT'D)

3. Segment and revenue information (cont'd)

(b) Geographical information

Group						
6 months ended 31-Dec			12 months ended 31-Dec			
Module Business	Ad-Hoc Projects	Total	Module Business	Ad-Hoc Projects	Total	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
2021						
<u>Geographical information:</u>						
Asia Pacific	16,320	7,674	23,994	53,124	14,268	67,392
Europe	82,906	6,864	89,770	142,835	9,897	152,732
Americas	-	86	86	-	86	86
	99,226	14,624	113,850	195,959	24,251	220,210
2020						
<u>Geographical information:</u>						
Asia Pacific	10,141	3,293	13,434	10,688	5,808	16,496
Europe	17,118	2,134	19,252	64,995	2,528	67,523
Americas	-	-	-	18	-	18
	27,259	5,427	32,686	75,701	8,336	84,037

The Group's property, plant and equipment are located mainly in Singapore as at 31 December 2021.

(c) Timing of transfer of goods or service

Group						
6 months ended 31-Dec			12 months ended 31-Dec			
Module Business	Ad-Hoc Projects	Total	Module Business	Ad-Hoc Projects	Total	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
2021						
<u>Timing of transfer of goods or service</u>						
Over time	99,226	14,624	113,850	195,959	24,251	220,210
	99,226	14,624	113,850	195,959	24,251	220,210
2020						
<u>Timing of transfer of goods or service</u>						
Over time	27,259	5,427	32,686	75,701	8,336	84,037
	27,259	5,427	32,686	75,701	8,336	84,037

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONT'D)

4. Profit/(Loss) before tax

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

	Group					
	6 months ended	6 months ended	Change	12 months ended	12 months ended	Change
	31-Dec-2021	31-Dec-2020		31-Dec-2021	31-Dec-2020	
	\$'000	\$'000	%	\$'000	\$'000	%
The Group's profit/(loss) is stated after charging/(crediting):-						
Amortisation of club memberships	1	**	-	2	7	-71.4%
Amortisation of deferred capital grants	(76)	(74)	2.7%	(151)	(149)	1.3%
Depreciation of property, plant and equipment	3,452	3,551	-2.8%	6,864	7,200	-4.7%
Depreciation of right-of-use assets	1,356	1,287	5.4%	2,537	2,574	-1.4%
Finance expenses	67	310	-78.4%	142	773	-81.6%
Foreign exchange (gain)/loss, net	(407)	513	NM	(174)	562	NM
Gain on disposal of club membership	-	(7)	NM	-	(43)	NM
Gain on disposal of property, plant and equipment	-	-	NM	(52)	-	NM
(Gain)/Loss on striking-off of a subsidiary	(163)	-	NM	(163)	203	NM
Government grants income	(1,651)	(2,658)	-37.9%	(3,652)	(6,367)	-42.6%
Interest income - bank deposits	(42)	(13)	NM	(67)	(121)	-44.6%
Property, plant and equipment written off	-	1,618	NM	-	1,618	NM
Provision for slow-moving inventories	-	1,252	NM	-	1,252	NM
Rental income ^(Note 1)	(53)	(40)	32.5%	(100)	(65)	53.8%
Trade and other receivables written off	2	64	-96.9%	2	64	-96.9%
(Write back)/Expected credit losses on trade and other receivables	(67)	347	NM	(67)	782	NM
Write back of impairment loss on contract assets	(69)	-	NM	(69)	-	NM
(Write back)/Impairment loss on property, plant and equipment	-	1,455	NM	(910)	1,455	NM
(Write back)/Provision for onerous contract	-	2,127	NM	(177)	2,127	NM

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

NM - Not Meaningful

** - Amount less than \$1,000

5. 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 comprehensive income are:

	Group			
	6 months ended	6 months ended	12 months ended	12 months ended
	31-Dec-2021	31-Dec-2020	31-Dec-2021	31-Dec-2020
	\$'000	\$'000	\$'000	\$'000
Current income tax credit	1,505	17	1,438	17
	1,505	17	1,438	17

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONT'D)

6. Earnings/(Loss) per share

	Group			
	6 months ended	6 months ended	12 months ended	12 months ended
	31-Dec-2021	31-Dec-2020	31-Dec-2021	31-Dec-2020
Earnings/(Loss) per share (based on consolidated net profit attributable to equity holders):-				
Based on weighted average number of ordinary shares in issue (cents)	0.29	(4.32)	0.53	(5.71)
On a fully diluted basis (cents)	0.29	(4.32)	0.53	(5.71)
Weighted average number of ordinary shares in issue for calculation of basic earnings per share ('000)	1,025,718	1,023,211	1,024,465	1,023,211
Weighted average number of ordinary shares in issue for calculation of diluted earnings per share ('000)	1,025,718	1,023,211	1,024,465	1,023,211

For 2H2021 and 12M2021, the weighted average number of ordinary shares outstanding during the period for basic and diluted earnings per share is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares issued during the period multiplied by a time-weighting factor.

7. Property, Plant and Equipment

During the financial year ended 31 December 2021, the Group acquired assets amounting to \$834,000 (31 December 2020: \$375,000) and write back of impairment loss amounting to \$910,000 (31 December 2020: \$Nil).

8. Borrowings

	As at 31-Dec-2021		As at 31-Dec-2020	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less	1,083	-	5,000	-
Amount repayable after one year	2,952	-	-	-
	4,035	-	5,000	-

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 (CONT'D)

9. Share Capital

	2021		2020	
	Number of Ordinary Shares	Resultant issued share capital	Number of Ordinary Shares	Resultant issued share capital
	'000	\$'000	'000	\$'000
Share Capital				
Balance as at 1 January	1,023,211	145,271	1,023,211	145,271
Issuance of new shares under share-based payment	3,343	334	-	-
Balance as at 31 December	1,026,554	145,605	1,023,211	145,271

During the financial year, the Company issued 3,343,000 (2020: Nil) new shares to the participants of Dyna-Mac Share Award Scheme 2021 (DMSAS 2021) as the prescribed performance conditions under first tranche was met. Please refer to the Company announcements dated 16 July 2021 for more details on DMSAS 2021 and 13 August 2021 for more details on the issuance of shares.

The Company does not hold any treasury shares as at 31 December 2021 and 31 December 2020.

10. Net Asset Value

	Group		Company	
	31-Dec-2021	31-Dec-2020	31-Dec-2021	31-Dec-2020
Net asset value per ordinary share based on existing share capital (cents)	2.89	2.27	9.01	10.25
Number of shares ('000)	1,026,554	1,023,211	1,026,554	1,023,211

11. Financial assets and financial liabilities

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

	Group		Company	
	31-Dec-2021	31-Dec-2020	31-Dec-2021	31-Dec-2020
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Cash and cash equivalents	106,340	46,219	195	372
Trade and other receivables	55,787	28,580	28	28
Deposits	463	496	-	-
Total undiscounted financial assets	162,590	75,295	223	400
Financial Liabilities				
Trade and other payables	75,710	52,958	1,195	976
Bank borrowings	4,035	5,000	-	-
Lease liabilities	30,831	33,457	-	-
Total undiscounted financial liabilities	110,576	91,415	1,195	976

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONT'D)

12. 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:

	Group			
	6 months ended	6 months ended	12 months ended	12 months ended
	31-Dec-2021	31-Dec-2020	31-Dec-2021	31-Dec-2020
	\$'000	\$'000	\$'000	\$'000
<u>Transactions with a corporate shareholder and its related companies</u>				
Fabrication of topside modules and other ad-hoc services rendered	18,520	10,755	49,106	12,889
Sub-contracting and other ad-hoc services procured	(174)	(1,761)	(177)	(1,899)
<u>Transactions with related companies of a director</u>				
Corporate secretarial services procured	(32)	(47)	(52)	(69)

- (b) Key management personnel compensation

Key management personnel compensation is analysed as follows:

	Group			
	6 months ended	6 months ended	12 months ended	12 months ended
	31-Dec-2021	31-Dec-2020	31-Dec-2021	31-Dec-2020
	\$'000	\$'000	\$'000	\$'000
Directors				
Short-term employee benefits	623	661	1,513	1,354
Post-employment benefits	34	28	71	32
Share-based payment	182	-	182	-
	839	689	1,766	1,386
Senior Management				
Short-term employee benefits	487	437	1,148	1,016
Post-employment benefits	35	33	87	60
Share-based payment	92	-	92	-
	614	470	1,327	1,076
	1,453	1,159	3,093	2,462

13. Subsequent events

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 31 December 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 \$81.2m from \$32.7m in the six months ended 31 December 2020 (“2H2020”) to \$113.9m in the six months ended 31 December 2021 (“2H2021”) and increased by \$136.2m from \$84.0m in the full year ended 31 December 2020 (“12M2020”) to \$220.2m in the full year ended 31 December 2021 (“12M2021”). The increase was mainly due to higher progress achieved for the projects carried out in 2H2021 and 12M2021.

Gross profit/(loss) improved from \$30.2m gross loss in 2H2020 to gross profit of \$10.8m in 2H2021 and from \$30.5m gross loss in 12M2020 to gross profit of \$22.3m in 12M2021. The increase was mainly due to higher recognition of revenue as stated above.

Other income decreased by \$1.1m or 23.7% from \$4.4m in 2H2020 to \$3.3m in 2H2021 and decreased by \$0.2m or 2.1% from \$7.2m in 12M2020 to \$7.0m in 12M2021. This is mainly due to decrease in government grants and partially offset by income earned from scrap sales, gain on disposal of property, plant and equipment and foreign exchange gain.

There are no other expenses in 2021 and other expenses of \$3.1m in 2H2020 and \$3.8m in 12M2020 mainly arose from property, plant and equipment written off and impairment loss of property, plant and equipment.

Administrative expenses decreased by \$1.9m or 12.7% from \$15.0m in 2H2020 to \$13.1m in 2H2021 and decreased by \$5.6m or 18.1% from \$30.6m in 12M2020 to \$25.0m in 12M2021. The decrease was mainly due to production salaries and related costs being re-classified from cost of sales during the production stand-down and suspension period in 2H2020 and 12M2020.

Income tax credit of \$1.5m arose from the recognition of deferred tax asset for carried forward tax losses that the Group expects to utilise.

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (CONT'D)

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. (cont'd)**

Condensed Interim Balance Sheets

Current assets

Total current assets increased by \$73.1m from \$94.5m as at 31 December 2020 to \$167.6m as at 31 December 2021.

Cash and cash equivalents increased by \$60.1m from \$46.2m as at 31 December 2020 to \$106.3m as at 31 December 2021 mainly due to higher collections from the projects carried out during the year.

Trade and other receivables increased by \$28.5m from \$29.3m as at 31 December 2020 to \$57.8m as at 31 December 2021 mainly due to higher progress achieved for the projects carried out during the year.

Contract Assets decreased by \$15.4m from \$18.2m as at 31 December 2020 to \$2.8m as at 31 December 2021 mainly due to billings offset by project progress during the year.

Non-current assets

Non-current assets decreased by \$6.7m from \$66.9m as at 31 December 2020 to \$60.2m as at 31 December 2021 mainly due to depreciation of property, plant and equipment and right-of-use assets.

Current liabilities

Total current liabilities increased by \$59.3m from \$111.3m as at 31 December 2020 to \$170.6m as at 31 December 2021.

Trade and other payables increased by \$22.7m from \$53.0m as at 31 December 2020 to \$75.7m as at 31 December 2021 mainly due to higher payables recorded in line with higher progress achieved from the projects carried out.

Contract liabilities increased by \$42.4m from \$48.3m as at 31 December 2020 to \$90.7m as at 31 December 2021 mainly due to increase in advanced billings to customers.

Non-current liabilities

Total non-current liabilities increased by \$0.9m from \$26.3m as at 31 December 2020 to \$27.2m as at 31 December 2021 mainly due to borrowings being re-classified from current liabilities to non-current liabilities and partially offset by repayment of lease liabilities.

Lease liabilities (Current and Non-current) decreased by \$1.8m 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 \$60.1m from \$46.2m as at 31 December 2020 to \$106.3m as at 31 December 2021.

Net cash flows generated from operating activities in 2H2021 and 12M2021 were \$25.3m and \$62.9m respectively mainly due to higher cash inflow from working capital.

Net cash flows used in investing activities in 2H2021 was \$0.5m mainly due to additions to property, plant and equipment. Net cash flows generated from investing activities in 12M2021 was \$0.1m mainly due to proceeds from disposal of property, plant and equipment being partially offset by additions to property, plant and equipment.

Net cash flows used in financing activities in 2H2021 and 12M2021 were \$1.8m and \$3.4m respectively. This was mainly due to payment of bank borrowings and lease liabilities.

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (CONT'D)

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.**

With the industry's under-investment in production capacity over the last few years and the rising oil prices, Dyna-Mac sees a strong demand for FPSO topside modules fabrication over the next few years.

While the industry continues to face challenging labour and supply chain disruptions from the COVID-19 pandemic, Dyna-Mac has been working closely with our clients, government agencies, Association of Singapore Marine Industries (ASMI), our sub-contractor and supplier partners to protect our project schedules. With the strong support from government agencies and ASMI, Dyna-Mac is continuing to bring in skilled workers to strengthen its manpower. As part of Dyna-Mac capacity expansion plan, Dyna-Mac has stepped up to strengthen our Project Management Team (PMT).

At the same time, the Group is working closely with the relevant government and regulatory agencies to take steps to improve our carbon footprint. The Group has joined Carbon Pricing Leadership Coalition (CPLC) SG Partnership. As a CPLC SG Partner, the Group will be part of an ecosystem of like-minded organisations and institutions that are driving the decarbonisation agenda.

The Group secured \$319.0m of new contracts in FY2021. Its net orderbook stood at \$370.8m as at end 2021.

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 year ended 31 December 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 (CONT'D)

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)	
	12 months ended 31-Dec-2021 \$'000	12 months ended 31-Dec-2020 \$'000	12 months ended 31-Dec-2021 \$'000	12 months ended 31-Dec-2020 \$'000
PURCHASES AND OTHER EXPENSES				
Green Scan Pte Ltd Subcontracting Services	-	-	56	341
Asian Lift Pte Ltd Rental of floating crane/barge	-	-	121	1,550
REVENUE				
Keppel Shipyard Limited Subcontracting Services	-	-	49,106	12,889

8. Report of Persons Occupying Managerial Positions Who Are Related to a Director, Chief Executive Officer or Substantial Shareholder

Pursuant to Rule 704(11) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the particulars of persons occupying managerial positions in the Company who are related to the Directors, Chief Executive Officer or Substantial Shareholders of the Company are set as below:-

Name	Age	Family Relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Teo Boon Hwee	65	Alternate Director to Ms Lim Rui Ping and Uncle of Ms Lim Rui Ping.	Chief Marketing Officer since 2011. Responsible for overseas expansion of business feasibilities, marketing, business development, contracts and commercial, tender and estimation, overseas project management in China, promotion advertising, clients' co-ordination and Government relationship including MPA, JTC and EDB.	Not Applicable.
Lim Rui Ping	36	Niece of Chief Marketing Officer, Mr Teo Boon Hwee.	Ms Lim Rui Ping has been appointed as the Non-Executive Director since November 2019.	Not Applicable.

DYNA-MAC HOLDINGS LTD. AND ITS SUBSIDIARIES

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (CONT'D)

9. 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.

10. 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 year ended 31 December 2021 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Lim Ah Cheng
Chief Executive Officer and Executive Director
21 February 2022