



DYNA-MAC HOLDINGS LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No: 200305693E)

UNAUDITED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2015

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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 SECOND QUARTER ENDED 30 JUNE

	Group			Group		
	3 months ended	3 months ended	Change	6 months ended	6 months ended	Change
	30 Jun 2015	30 Jun 2014		30 Jun 2015	30 Jun 2014	
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	36,509	97,405	-62.5%	76,319	176,296	-56.7%
Cost of sales	(39,613)	(80,245)	-50.6%	(64,840)	(141,815)	-54.3%
Gross (loss)/profit	(3,104)	17,160	NM	11,479	34,481	-66.7%
Gross (loss)/profit margin	-8.5%	17.6%		15.0%	19.6%	
Other gains	3,282	1,300	NM	355	1,891	-81.2%
Administrative expenses	(8,167)	(10,000)	-18.3%	(16,851)	(18,311)	-8.0%
Finance expenses	(764)	(270)	NM	(1,522)	(473)	NM
(Loss)/Profit before tax	(8,753)	8,190	NM	(6,539)	17,588	NM
Tax credit/(expense)	260	(1,475)	NM	(367)	(2,923)	-87.4%
Net (loss)/profit for the financial period	(8,493)	6,715	NM	(6,906)	14,665	NM
Net (loss)/profit margin	-23.3%	6.9%		-9.0%	8.3%	
Attributable to:-						
Equity holders of the Company	(5,312)	6,041	NM	(3,600)	13,188	NM
Non-controlling interest	(3,181)	674	NM	(3,306)	1,477	NM
Net (loss)/profit for the financial period	(8,493)	6,715	NM	(6,906)	14,665	NM
Other comprehensive income, net of tax:-						
Cash flow hedge reserve	358	-	NM	-	-	NM
Currency translation differences arising from consolidation	(838)	(444)	88.7%	(457)	(597)	-23.5%
Total comprehensive (loss)/income for the financial period	(8,973)	6,271	NM	(7,363)	14,068	NM
Attributable to:-						
Equity holders of the Company	(5,578)	5,539	NM	(3,995)	12,569	NM
Non-controlling interest	(3,395)	732	NM	(3,368)	1,499	NM
Total comprehensive (loss)/income for the financial period	(8,973)	6,271	NM	(7,363)	14,068	NM

NM means not meaningful

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

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

	Group			Group		
	3 months ended	3 months ended	Change	6 months ended	6 months ended	Change
	30-Jun-15	30-Jun-14		30-Jun-15	30-Jun-14	
	\$'000	\$'000	%	\$'000	\$'000	%
The Group's profit is stated after charging/(crediting):-						
Rental income ^(Note 1)	(143)	(221)	-35.3%	(314)	(309)	1.6%
Interest income - bank deposits	(112)	(15)	NM	(213)	(59)	NM
Interest expenses	691	270	NM	1,376	473	NM
Amortisation of deferred finance charge	74	-	NM	147	-	NM
Depreciation of property, plant and equipment	3,749	2,740	36.8%	8,078	5,358	50.8%
Unrealised fair value loss/(gain) on derivative financial instruments	(4,079)	(296)	NM	(1,499)	(868)	72.7%
Realised foreign exchange loss, Net	1,387	(800)	NM	2,313	(575)	NM
Write off/(gain on disposal) of property, plant and equipment, net	(11)	(5)	NM	6	(38)	NM

Note 1 - Rental income comprises mainly rental income of container-office and warehouse.

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 30 JUNE

	Group		Company	
	30-Jun-15	31-Dec-14	30-Jun-15	31-Dec-14
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current Assets				
Cash and bank balances	68,723	42,155	629	648
Trade and other receivables	166,802	214,876	113,406	129,246
Inventories	11,253	14,294	-	-
Construction contract work-in-progress	-	7,435	-	-
Other current assets	2,831	2,486	36	18
	249,609	281,246	114,071	129,912
Non-Current Assets				
Club memberships	407	407	-	-
Investment in subsidiaries	-	-	31,605	31,605
Loan to a subsidiary	-	-	50,000	50,000
Goodwill	5,556	5,556	-	-
Property, plant and equipment	110,347	115,530	-	-
Deferred tax asset	1,400	1,400	-	-
	117,710	122,893	81,605	81,605
Total Assets	367,319	404,139	195,676	211,517
LIABILITIES				
Current Liabilities				
Trade and other payables	84,192	125,277	1,144	1,198
Derivative financial instrument	2,603	4,102	-	-
Borrowings	48,067	17,417	-	-
Current income tax liabilities	3,007	5,317	-	-
	137,869	152,113	1,144	1,198
Non-Current Liabilities				
Borrowings	49,646	49,511	49,383	49,237
Deferred income tax liabilities	2,167	2,167	-	-
	51,813	51,678	49,383	49,237
Total Liabilities	189,682	203,791	50,527	50,435
Net Assets	177,637	200,348	145,149	161,082
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	145,271	145,271	145,271	145,271
Foreign currency translation reserves	(1,038)	(643)	-	-
Retained profits	32,677	51,625	(122)	15,811
Share capital & reserve	176,910	196,253	145,149	161,082
Non-controlling interest	727	4,095	-	-
Total Equity	177,637	200,348	145,149	161,082

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 30 Jun 2015		As at 31 Dec 2014	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less	48,067	-	17,417	-
Amount repayable after one year	263	49,383	274	49,237

Details of any collateral:-

The Group's borrowings are secured by short-term bank deposits, corporate guarantee by the Company and the rights to the leased site equipment and tools and motor vehicles.

- 1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 JUNE

	3 Months ended 30 Jun 2015 \$'000	3 Months ended 30 Jun 2014 \$'000	6 Months ended 30 Jun 2015 \$'000	6 Months ended 30 Jun 2014 \$'000
Cash Flows From Operating Activities				
Net (loss)/profit	(8,493)	6,715	(6,906)	14,665
Adjustment for:				
- Income tax	(260)	1,475	367	2,923
- Depreciation of property, plant and equipment	3,749	2,740	8,078	5,358
- Gain on disposal of property, plant and equipment	(11)	(5)	(11)	(38)
- Interest income	(112)	(15)	(213)	(59)
- Interest expense	691	270	1,376	473
- Amortisation of deferred finance charge	74	-	147	-
- Fair value gain on derivative financial instruments	(4,079)	(296)	(1,499)	(868)
- Write off of property, plant and equipment	-	11	17	11
- Unrealised translation loss/(gain)	(155)	(265)	367	(469)
	(8,596)	10,630	1,723	21,996
Changes in working capital				
- Trade and other receivables	46,178	(44,129)	48,074	(49,573)
- Construction contract work-in-progress	7,075	4,820	7,435	2,330
- Inventories	266	(2,948)	3,041	(4,133)
- Other current assets	(207)	322	(345)	(1,607)
- Trade and other payables	(5,722)	14,634	(41,085)	13,681
Cash provided by/(used in) operations	38,994	(16,671)	18,843	(17,306)
Interest received	112	15	213	59
Income tax paid, net	(2,653)	(1,476)	(2,664)	(5,825)
Net cash provided by/(used in) operating activities	36,453	(18,132)	16,392	(23,072)

- 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 SECOND QUARTER ENDED 30 JUNE

	3 Months ended 30 Jun 2015	3 Months ended 30 Jun 2014	6 Months ended 30 Jun 2015	6 Months ended 30 Jun 2014
	\$'000	\$'000	\$'000	\$'000
Cash flows from investing activities				
- Additions to property, plant and equipment	(2,668)	(936)	(3,597)	(7,825)
- Proceeds from disposal of property, plant and equipment	12	5	12	631
- Increase in bank deposits with maturity more than 3 months	(19)	6,296	(36)	4,776
Net cash (used in)/provided by investing activities	(2,675)	5,365	(3,621)	(2,418)
Cash flows from financing activities				
- Proceeds/(Repayment) for bank borrowings	7,986	39,473	30,707	37,350
- Proceeds from finance lease liabilities	-	89	-	89
- Interest expense paid	(773)	(321)	(1,376)	(473)
- Dividend paid to equity holders of the Company	(15,348)	(20,464)	(15,348)	(20,464)
- Repayment of finance lease liabilities	(34)	(59)	(68)	(346)
Net cash (used in)/provided by financing activities	(8,169)	18,718	13,915	16,156
Net increase/(decrease) in cash and cash equivalents	25,609	5,951	26,686	(9,334)
Effect of currency translation on cash and cash equivalents	(154)	(80)	(154)	(80)
Cash and cash equivalents at the beginning of the financial period	16,956	15,686	15,879	30,971
Cash and cash equivalents at the end of the financial period	42,411	21,557	42,411	21,557

For the purpose of the consolidated statement of cash flows, the consolidated cash and cash at bank as at the end of the financial period comprised the following:-

	3 Months ended 30 Jun 2015	3 Months ended 30 Jun 2014	6 Months ended 30 Jun 2015	6 Months ended 30 Jun 2014
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents at end of the financial period	42,411	21,557	42,411	21,557
Add: bank deposits with maturity more than 3 months	26,312	25,704	26,312	25,704
Cash and bank balances	68,723	47,261	68,723	47,261

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company				Total	Non-controlling interest	Total equity
	Share Capital	Retained profits	Cash flow hedge reserve	Foreign currency translation reserve			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group							
Balance at 1 January 2015	145,271	51,625	-	(643)	196,253	4,095	200,348
1Q2015							
Total comprehensive income for the financial period	-	1,712	(358)	229	1,583	27	1,610
Balance at 31 March 2015	145,271	53,337	(358)	(414)	197,836	4,122	201,958
2Q2015							
Total comprehensive income for the financial period	-	(5,312)	358	(624)	(5,578)	(3,395)	(8,973)
Dividend relating to the financial year ended 31 December 2014	-	(15,348)	-	-	(15,348)	-	(15,348)
Balance at 30 June 2015	145,271	32,677	-	(1,038)	176,910	727	177,637
Company							
Balance at 1 January 2015	145,271	15,811	-	-	161,082	-	161,082
1Q2015							
Total comprehensive income for the financial period	-	(292)	-	-	(292)	-	(292)
Balance at 31 March 2015	145,271	15,519	-	-	160,790	-	160,790
2Q2015							
Total comprehensive income for the financial period	-	(293)	-	-	(293)	-	(293)
Dividend relating to the financial year ended 31 December 2014	-	(15,348)	-	-	(15,348)	-	(15,348)
Balance at 30 June 2015	145,271	(122)	-	-	145,149	-	145,149

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	Resultant issued share capital \$
1,023,211,000	145,271,346

Balance as at 30 June 2015

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 30 June 2015 and 31 December 2014. The Company’s total number of issued shares excluding treasury shares as at 30 June 2015 and 31 December 2014 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.

The Group has adopted the same accounting policies and methods of computation adopted in the financial statements for the current reporting period, as those used for the audited consolidated financial statements for the financial year ended 31 December 2014.

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.

Not applicable.

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	6 months ended	6 months ended
	30-Jun-15	30-Jun-14	30-Jun-15	30-Jun-14
EPS (based on consolidated net profit attributable to equity holders):-				
Based on weighted average number of ordinary shares in issue (cents)	(0.52)	0.59	(0.35)	1.29
On a fully diluted basis (cents)	(0.52)	0.59	(0.35)	1.29
Weighted average number of ordinary shares in issue for calculation of basic earnings per share ('000)	1,023,211	1,023,211	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	1,023,211	1,023,211

There were no potential dilutive shares for the financial period ended 30 June 2015.

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 financial year

	Group		Company	
	30-Jun-15	31-Dec-14	30-Jun-15	31-Dec-14
Net asset value per ordinary share based on existing share capital (cents)	17.36	19.58	14.19	15.74
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 decreased by \$60.9m or 62.5% from \$97.4m for the second quarter ended 30 June 2014 ("2Q2014") to \$36.5m for the second quarter ended 30 June 2015 ("2Q2015"). Lower revenue was recognized in 2Q2015 as progress in construction was slow during the quarter. This was due to delays in receiving engineering drawings and free-issued materials from our current customers.

Gross Loss

Gross loss recorded in 2Q2015 was \$3.1m as compared to a gross profit of \$17.2m in 2Q2014. Gross loss margin for 2Q2015 was 8.5% as compared to gross profit margin of 17.6% in 2Q2014. The gross loss was mainly caused by lower progress in construction achieved due to delay in receiving engineering drawings and free-issued materials from current customers, coupled with fixed direct overheads carried by idle facilities in our yards in Singapore and Malaysia.

Other Gains

Other gains of \$3.3m and \$1.3m in 2Q2015 and 2Q2014 respectively were mainly due to net fair value changes on derivative financial instruments in respect of the exposure to the United States dollar.

Administrative Expenses

Administrative expenses decreased by \$1.8m from \$10.0m in 2Q2014 to \$8.2m in 2Q2015. This is in line with efforts to cut costs due to low progress achieved.

Finance expenses

Finance expenses increased by \$0.5m from \$0.3m in 2Q2014 to \$0.8m in 2Q2015 mainly due to interest expenses arising from the Multi-currency Term Notes issued.

Income Tax expense

The income tax credit for 2Q2015 was recognised at the prevailing Singapore corporate tax rate of 17% for the Singapore entities. However, effective income tax rate for the Group is not at 17% due to losses recorded by subsidiaries overseas.

Loss after tax

Loss after tax was recorded at \$8.5m in 2Q2015 as compared to a profit after tax of \$6.7m in 2Q2014. Loss after tax was a result of low revenue achieved which was insufficient to cover both fixed and variable costs incurred at our current operations.

Statement of Financial Position

Current Assets

The Group's current assets decreased by \$31.6m from \$281.2m as at 31 December 2014 to \$249.6m as at 30 June 2015 mainly due to decrease in trade and other receivables and construction contracts.

Cash and cash equivalents increased by \$26.5m from \$42.2m as at 31 December 2014 to \$68.7m as at 30 June 2015 mainly due higher collection from receivables.

Trade and other receivables decreased by \$48.1m from \$214.9m as at 31 December 2014 to \$166.8m as at 30 June 2015 mainly due to higher collection from customers, coupled with lower revenue billed and earned due to slow progress in the yards.

Inventories decreased by \$3.0m from \$14.3m as at 31 December 2014 to \$11.3m as at 30 June 2015 mainly due to materials used by current projects.

Construction contracts decreased by \$7.4m from \$7.4m as at 31 December 2014 to nil balance as at 30 June 2015 due to lower project costs incurred in the quarter.

Other current assets increased marginally by \$0.3m from \$2.5m as at 31 December 2014 to \$2.8m as at 30 June 2015 mainly due to changes in working capital.

Non-Current Assets

Non-current assets decreased by \$5.2m from \$122.9m as at 31 December 2014 to \$117.7m as at 30 June 2015 mainly due to higher depreciation charges.

Current Liabilities

Current liabilities decreased by \$14.2m from \$152.1m as at 31 December 2014 to \$137.9m as at 30 June 2015.

Trade and other payables decreased by \$41.1m from \$125.3m as at 31 December 2014 to \$84.2m as at 30 June 2015 mainly due to lower accounts payables in line with lower yard production activities.

Derivative financial instruments decreased by \$1.5m from \$4.1m as at 31 December 2014 to \$2.6m as at 30 June 2015 due to favorable movements in contracted USD forward rates against market spot rates.

Current and non-current borrowings increased by \$30.8m from \$66.9m as at 31 December 2014 to \$97.7m as at 30 June 2015 mainly due to additional loans.

Consolidated Statement of Cash Flows

As at 30 June 2015, the Group had cash and bank balances of \$68.7m. For the six months ended 30 June 2015, the Group generated \$1.7m for operating activities before changes in working capital. Net cash generated from operations was \$16.4m mainly due to decrease in trade and other receivables of \$48.1m and partially offset by decrease in trade and other payables of \$41.1m.

For the six months ended 30 June 2015, cash used in investing activities was \$3.6m mainly due to additions to property, plant and equipment.

For the six months ended 30 June 2015, cash provided by financing activities was \$13.9m mainly due to proceeds from bank borrowings.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement has been previously disclosed to the shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group has a net order book of \$312.5 million with completion and deliveries extending into 2016. This included \$149 million in new orders secured in early 2015 which comprised \$89 million for the construction of 10 FPSO topside modules for the Catcher oil fields in the UK sector of the North Sea and \$60 million for 6 units of FPSO topside modules for Block 15/06 East Hub field in deep water offshore Angola.

The market environment remains challenging with lower oil prices and reduced global exploration and production expenditure by oil and gas companies. Amid current challenging market environment, we maintain our focus in executing and delivering projects that have already been secured to date while remaining agile to seize new opportunities. We continue to see demand in the niche segment of the production market.

11. Dividend

(a) Current financial period reported on
Any dividend declared for the current financial period reported on?

No.

(b) Corresponding period of the immediately preceding financial year
Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared in respect of the current financial period.

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)	
	6 months ended 30-Jun-15 \$'000	6 months ended 30-Jun-14 \$'000	6 months ended 30-Jun-15 \$'000	6 months ended 30-Jun-14 \$'000
PURCHASES AND OTHER EXPENSES				
Transactions with L&W United				
Subcontracting services for steel and piping fabrication	985	1,735	-	-
Transactions with L&W Marine				
Subcontracting services for steel and piping fabrication	638	-	-	-
REVENUE				
Keppel Shipyard Limited ("KSL")				
Other adhoc projects (other services)	-	-	-	77
Keppel FELS Limited ("KFL")				
Fabrication of structural blocks	-	-	1,505	755
Keppel Subic Shipyard Inc ("KSST")				
Fabrication of Topside modules	-	-		5,373

14. Confirmation pursuant to the Rule 705(5) of the listing manual

The Board of Directors of the Company hereby confirms to the best of its knowledge, nothing has come to its attention which may render the unaudited interim financial results for the second quarter ended 30 June 2015 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Lim Tze Jong
Executive Chairman and CEO
13 August 2015