



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

(Incorporated in the Republic of Singapore)

(Company Registration No: 200305693E)

### **UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019**

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#### **TABLE OF CONTENTS**

<b>SN</b>	<b>Description</b>	<b>Page</b>
1	Unaudited Consolidated Statement of Comprehensive Income	2
2	Unaudited Statement of Financial Position – Group and Company	4
3	Unaudited Consolidated Statement of Cash Flows	6
4	Unaudited Statement of Changes in Equity – Group and Company	7
5	Selected Notes to the Financial Statements	8
6	Earnings per share	9
7	Net asset value per share	9
8	Review of performance of the Group	10
9	Forecast/ Prospect Statement	12
10	Commentary	13
11	Dividends	13
12	Interested Person Transaction Disclosure	14
13	Confirmation pursuant to Rule 720(1) of the Listing Manual	14
14	Confirmation pursuant to Rule 705(5) of the Listing Manual	14

**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 THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER**

	Group			Group		
	3 months ended	3 months ended	Change	9 months ended	9 months ended	Change
	30-Sep-19	30-Sep-18	%	30-Sep-19	30-Sep-18	%
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	36,172	38,721	-6.6%	68,740	98,501	-30.2%
Cost of sales	(30,030)	(32,989)	-9.0%	(52,089)	(82,035)	-36.5%
<b>Gross profit</b>	<b>6,142</b>	<b>5,732</b>	<b>7.2%</b>	<b>16,651</b>	<b>16,466</b>	<b>1.1%</b>
Gross profit margin	17.0%	14.8%		24.2%	16.7%	
Other income	31	949	-96.7%	850	1,499	-43.3%
Other expenses	(213)	44	NM	(615)	-	NM
Administrative expenses	(5,670)	(6,309)	-10.1%	(15,984)	(16,324)	-2.1%
Finance costs	(111)	(113)	-1.8%	(425)	(216)	96.8%
<b>Profit before tax</b>	<b>179</b>	<b>303</b>	<b>-40.9%</b>	<b>477</b>	<b>1,425</b>	<b>-66.5%</b>
Income tax expense	(87)	-	NM	(253)	-	NM
<b>Net profit for the financial period</b>	<b>92</b>	<b>303</b>	<b>-69.6%</b>	<b>224</b>	<b>1,425</b>	<b>-84.3%</b>
Net profit margin	0.3%	0.8%		0.3%	1.4%	
<b>Attributable to:-</b>						
Equity holders of the Company	142	174	-18.4%	418	1,387	-69.9%
Non-controlling interest	(50)	129	NM	(194)	38	NM
<b>Net profit for the financial period</b>	<b>92</b>	<b>303</b>	<b>-69.6%</b>	<b>224</b>	<b>1,425</b>	<b>-84.3%</b>
<b>Other comprehensive income:-</b>						
Items that may be subsequently reclassified to profit or loss:-						
Currency translation differences arising from consolidation	252	(788)	NM	632	(294)	NM
<b>Total comprehensive income for the financial period</b>	<b>344</b>	<b>(485)</b>	<b>NM</b>	<b>856</b>	<b>1,131</b>	<b>-24.3%</b>
<b>Attributable to:-</b>						
Equity holders of the Company	387	(604)	NM	1,034	1,137	-9.1%
Non-controlling interest	(43)	119	NM	(178)	(6)	NM
<b>Total comprehensive income for the financial period</b>	<b>344</b>	<b>(485)</b>	<b>NM</b>	<b>856</b>	<b>1,131</b>	<b>-24.3%</b>

*NM- not meaningful*

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

	Group			Group		
	3 months ended	3 months ended	Change	9 months ended	9 months ended	Change
	30-Sep-19	30-Sep-18	%	30-Sep-19	30-Sep-18	%
	\$'000	\$'000	%	\$'000	\$'000	%
<b>The Group's profit is stated after charging/(crediting):-</b>						
Rental income <sup>(Note 1)</sup>	297	(21)	NM	(107)	(185)	-42.2%
Interest income - bank deposits	(99)	(75)	32.0%	(229)	(241)	-5.0%
Finance costs	111	113	-1.8%	425	216	96.8%
Amortisation of club memberships	3	3	0.0%	10	11	-9.1%
Amortisation of deferred capital grants	(38)	-	NM	(137)	-	NM
Depreciation of property, plant and equipment	1,860	1,835	1.4%	5,628	5,703	-1.3%
Depreciation of right-of-use assets	644	-	NM	1,942	-	NM
Foreign exchange gain, net	(367)	(781)	-53.0%	(50)	(737)	-93.2%
Reversal of impairment losses of property, plant and equipment	-	-	NM	-	(1,213)	NM
Reversal of prepayment written off	-	-	NM	-	(243)	NM
Property, plant and equipment written off	-	-	NM	85	-	NM
Gain on disposal of property, plant and equipment	-	-	NM	(20)	(86)	-76.7%
Inventory written off	463	-	NM	463	-	NM
Government grants	(5)	(42)	-88.1%	(88)	(132)	-33.3%

Note 1 - Rental income mainly comprises provision of yard facilities to subcontractors.

*NM - not meaningful*

1(b)(i) A statement of financial position (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 SEPTEMBER

	Group		Company	
	30-Sep-19	31-Dec-18	30-Sep-19	31-Dec-18
	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	41,117	24,925	267	172
Trade and other receivables	32,438	31,244	5,916	6,493
Inventories	11,745	12,196	-	-
Contract assets	4,683	22,714	-	-
Other current assets	1,032	590	24	11
	<b>91,015</b>	<b>91,669</b>	<b>6,207</b>	<b>6,676</b>
Assets held for sale	13,400	13,400	-	-
	<b>104,415</b>	<b>105,069</b>	<b>6,207</b>	<b>6,676</b>
<b>Non-Current Assets</b>				
Club memberships	294	304	-	-
Investment in subsidiaries	-	-	126,821	126,821
Property, plant and equipment	50,584	55,973	-	-
Right-of-use assets	30,526	-	-	-
	81,404	56,277	126,821	126,821
<b>Total Assets</b>	<b>185,819</b>	<b>161,346</b>	<b>133,028</b>	<b>133,497</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Current income tax liabilities	1	-	-	-
Trade and other payables	22,255	35,516	137	125
Contract liabilities	8,643	329	-	-
Interest bearing borrowings	16,873	20,025	-	-
Deferred capital grants	124	-	-	-
Lease liabilities	1,789	-	-	-
	<b>49,685</b>	<b>55,870</b>	<b>137</b>	<b>125</b>
<b>Non-Current Liabilities</b>				
Interest bearing borrowings	11	19	-	-
Deferred capital grants	485	-	-	-
Deferred income tax liabilities	260	17	-	-
Lease liabilities	29,082	-	-	-
	29,838	36	-	-
<b>Total Liabilities</b>	<b>79,523</b>	<b>55,906</b>	<b>137</b>	<b>125</b>
<b>Net Assets</b>	<b>106,296</b>	<b>105,440</b>	<b>132,891</b>	<b>133,372</b>
<b>EQUITY</b>				
<b>Capital and Reserves Attributable to Equity Holders of the Company</b>				
Share capital	145,271	145,271	145,271	145,271
Other reserves	746	130	-	-
Accumulated losses	(40,233)	(40,651)	(12,380)	(11,899)
<b>Share Capital and Reserves</b>	<b>105,784</b>	<b>104,750</b>	<b>132,891</b>	<b>133,372</b>
Non-controlling interests	512	690	-	-
<b>Total Equity</b>	<b>106,296</b>	<b>105,440</b>	<b>132,891</b>	<b>133,372</b>

**1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-**

	<b>As at 30-Sep-19</b>		<b>As at 31-Dec-18</b>	
	<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Amount repayable in one year or less	12	16,861	32	19,993
Amount repayable after one year	11	-	19	-

Details of any collateral: -

The Group's borrowings are secured by the rights to the leased motor vehicles.

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

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Group		Group	
	3 months ended 30-Sep-19	3 months ended 30-Sep-18	9 months ended 30-Sep-19	9 months ended 30-Sep-18
	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>				
Profit before tax	179	303	477	1,425
Adjustments for:				
- Amortisation of club memberships	3	3	10	11
- Amortisation of deferred capital grants	(38)	-	(137)	-
- Depreciation of property, plant and equipment	1,860	1,835	5,628	5,703
- Depreciation of right-of-use assets	644	-	1,942	-
- Gain on disposal of property, plant and equipment	-	-	(20)	(86)
- Reversal of impairment losses of property, plant and equipment	-	-	-	(1,213)
- Reversal of prepayment written off	-	-	-	(243)
- Property, plant and equipment written off	-	-	85	-
- Interest income	(99)	(75)	(229)	(241)
- Finance costs	111	113	425	216
- Inventory written off	463	-	463	-
- Unrealised translation (gains)/losses	(305)	(592)	83	(548)
	<b>2,818</b>	<b>1,587</b>	<b>8,727</b>	<b>5,024</b>
<b>Changes in working capital</b>				
- Trade and other receivables	11,642	(6,321)	(982)	(17,154)
- Contract assets	(199)	(12,964)	18,031	(14,430)
- Contract liabilities	(3,358)	-	8,314	(1,226)
- Inventories	(294)	94	(12)	367
- Other current assets	(116)	48	(442)	(67)
- Trade and other payables	6,634	(4,567)	(12,874)	2,664
	<b>17,127</b>	<b>(22,123)</b>	<b>20,762</b>	<b>(24,822)</b>
<b>Cash flows generated from/(used in) operations</b>				
Interest received	83	71	213	237
Income tax paid	-	-	(9)	(314)
<b>Net cash flows generated from/(used in) operating activities</b>	<b>17,210</b>	<b>(22,052)</b>	<b>20,966</b>	<b>(24,899)</b>
<b>Cash flows from investing activities</b>				
- Additions to property, plant and equipment	(324)	(132)	(347)	(645)
- Proceeds from disposal of property, plant and equipment	-	-	20	196
- Proceeds from government grants	-	-	746	-
<b>Net cash flows (used in)/generated from investing activities</b>	<b>(324)</b>	<b>(132)</b>	<b>419</b>	<b>(449)</b>
<b>Cash flows from financing activities</b>				
- (Repayment of)/proceeds from bank borrowings	(2,971)	10,857	(3,132)	13,505
- Repayment of finance lease liabilities	(5)	(30)	(28)	(114)
- Payment of lease liabilities	(528)	-	(1,572)	-
- Interest expense paid	(208)	(22)	(452)	(125)
<b>Net cash flows (used in)/generated from financing activities</b>	<b>(3,712)</b>	<b>10,805</b>	<b>(5,184)</b>	<b>13,266</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>13,174</b>	<b>(11,379)</b>	<b>16,201</b>	<b>(12,082)</b>
Cash and cash equivalents at the beginning of the financial period	27,943	36,360	24,925	37,088
Effect of currency translation on cash and cash equivalents	-	(35)	(9)	(60)
<b>Cash and cash equivalents at the end of the financial period</b>	<b>41,117</b>	<b>24,946</b>	<b>41,117</b>	<b>24,946</b>

The Group is required to maintain certain minimum deposits with banks for banking facilities. Included in cash and cash equivalents are deposits of \$15 million designated by the Group for this purpose.

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

#### UNAUDITED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company				Non-controlling interest	Total equity	
	Share capital	Accumulated losses	Asset revaluation reserve	Foreign currency translation reserve			Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>Group</b>							
Balance at 1 January 2019	145,271	(40,651)	633	(503)	104,750	690	105,440
Profit for the period	-	418	-	-	418	(194)	224
Other comprehensive income	-	-	-	616	616	16	632
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>418</b>	<b>-</b>	<b>616</b>	<b>1,034</b>	<b>(178)</b>	<b>856</b>
<b>Balance at 30 September 2019</b>	<b>145,271</b>	<b>(40,233)</b>	<b>633</b>	<b>113</b>	<b>105,784</b>	<b>512</b>	<b>106,296</b>
<b>Company</b>							
Balance at 1 January 2019	145,271	(11,899)	-	-	133,372	-	133,372
Total comprehensive income for the period	-	(481)	-	-	(481)	-	(481)
<b>Balance at 30 September 2019</b>	<b>145,271</b>	<b>(12,380)</b>	<b>-</b>	<b>-</b>	<b>132,891</b>	<b>-</b>	<b>132,891</b>

	Attributable to equity holders of the Company				Non-controlling interest	Total equity	
	Share capital	Accumulated losses	Asset revaluation reserve	Foreign currency translation reserve			Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>Group</b>							
Balance at 1 January 2018	145,271	(42,168)	633	(417)	103,319	734	104,053
Profit for the period	-	1,387	-	-	1,387	38	1,425
Other comprehensive income	-	-	-	(250)	(250)	(44)	(294)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>1,387</b>	<b>-</b>	<b>(250)</b>	<b>1,137</b>	<b>(6)</b>	<b>1,131</b>
<b>Balance at 30 September 2018</b>	<b>145,271</b>	<b>(40,781)</b>	<b>633</b>	<b>(667)</b>	<b>104,456</b>	<b>728</b>	<b>105,184</b>
<b>Company</b>							
Balance at 1 January 2018	145,271	(8,328)	-	-	136,943	-	136,943
Total comprehensive income for the period	-	315	-	-	315	-	315
<b>Balance at 30 September 2018</b>	<b>145,271</b>	<b>(8,013)</b>	<b>-</b>	<b>-</b>	<b>137,258</b>	<b>-</b>	<b>137,258</b>

- 1(d)(ii) Details of any changes in the company’s share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Number of Ordinary Shares	Resultant issued share capital \$
1,023,211,000	145,271,346

Balance as at 30 September 2019

- 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 September 2019 and 30 September 2018. The Company’s total number of issued shares excluding treasury shares as at 30 September 2019 and 30 September 2018 is 1,023,211,000.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

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

The figures have not been audited or reviewed by the Group’s independent auditor.

- 3. Where the figures have been audited or reviewed, the auditors’ report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied.**

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period, as those used for the audited consolidated financial statements as at 31 December 2018.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has applied SFRS(I)16 – *Leases*, which are mandatory effective from 1 January 2019.

The Group applied SFRS(I)16 on 1 January 2019 using the modified retrospective approach. Under this approach, the Group elected the following practical expedients:-

- calculates lease assets and lease liabilities as at 1 January 2019;
- does not restate the comparative information; and
- recognises an adjustment in equity as at 1 January 2019.

At transition, for leases previously classified as operating leases, the Group has chosen, on a lease-by-lease basis, to measure the Right-of-use (“ROU”) asset at an amount equal to the lease liability (subject to certain adjustments). Therefore, the initial recognition of such leases on 1 January 2019 will not have an impact on equity.



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. (cont'd)**

As at 1 January 2019, the adoption of SFRS(I) 16 resulted in the following key effects at the Group:

	<b>Group</b>
	<b>1-Jan-19</b>
	<b>SFRS(I)</b>
	<b>16</b>
	\$'000
<b>Assets</b>	
Property, plant and equipment	(26)
Right-of-use assets	32,469
<b>Liabilities</b>	
Lease liabilities	32,443

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-**

	<b>Group</b>			
	<b>3 months ended</b>	<b>3 months ended</b>	<b>9 months ended</b>	<b>9 months ended</b>
	<b>30-Sep-19</b>	<b>30-Sep-18</b>	<b>30-Sep-19</b>	<b>30-Sep-18</b>
Earnings per share (based on consolidated net profit attributable to equity holders):-				
Based on weighted average number of ordinary shares in issue (cents)	0.01	0.02	0.04	0.14
On a fully diluted basis (cents)	0.01	0.02	0.04	0.14
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 potentially dilutive shares for the financial period ended 30 September 2019.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**  
**(a) current financial period reported on; and**  
**(b) immediately preceding the financial year**

	<b>Group</b>		<b>Company</b>	
	<b>30-Sep-19</b>	<b>31-Dec-18</b>	<b>30-Sep-19</b>	<b>31-Dec-18</b>
Net asset value per ordinary share based on existing share capital (cents)	10.34	10.24	12.99	13.03
Number of shares ('000)	1,023,211	1,023,211	1,023,211	1,023,211

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
  - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

#### **Statement of comprehensive income overview**

##### **Revenue**

The Group recorded a decrease in revenue of \$2.5 million, or 6.6% from \$38.7 million for the third quarter ended 30 September 2018 ("3Q2018") to \$36.2 million for the third quarter ended 30 September 2019 ("3Q2019") mainly due to higher project progress achieved in 3Q2018.

##### **Gross profit**

Gross profit increased marginally by \$0.4 million, or 7.2% in 3Q2019 as compared to the corresponding period last year. The Group's gross profit margin for 3Q2019 improved slightly from 14.8% to 17.0%.

##### **Other income**

Other income decreased by \$0.9 million, or 96.7% in 3Q2019 mainly due to the decrease in foreign exchange gain arising from the revaluation of assets and liabilities denominated in United States Dollar ("USD") to Singapore Dollar ("SGD") as compared to the corresponding period last year.

##### **Other expenses**

Other expenses of \$0.2 million in 3Q2019 was the result of inventory written off by one of the Group's subsidiaries.

##### **Administrative expenses**

Administrative expenses decreased by \$0.6 million, or 10.1% from \$6.3 million in 3Q2018 to \$5.7 million in 3Q2019 mainly due to lower staff costs incurred.

##### **Finance costs**

Finance costs relates to interest expenses on bank borrowings. In 3Q2019, finance costs remained relatively unchanged as compared to the corresponding period last year.

##### **Income tax expense**

The Group did not recognise deferred tax asset on its carried forward trade losses and capital allowances due to the uncertainty of utilisation. The income tax expense of \$0.1 million in 3Q2019 was attributable to income tax provision by the subsidiaries.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
  - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on. (cont'd)**

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

##### **Current assets**

Total current assets decreased by \$0.7 million from \$105.1 million as at 31 December 2018 to \$104.4 million as at 30 September 2019. The factors contributing to the decrease were (i) decrease of \$0.5 million in inventories; (ii) decrease of \$18.0 million in contract assets; partially offset by (iii) increase in cash and cash equivalents of \$16.2 million; (iv) increase of \$1.2 million in trade and other receivables; (v) increase in other current assets of \$0.4 million;

**Inventories** decreased by \$0.5 million from \$12.2 million as at 31 December 2018 to \$11.7 million as at 30 September 2019 mainly due to inventory written off by one of the subsidiaries.

**Contract assets** decreased by \$18.0 million from \$22.7 million as at 31 December 2018 to \$4.7 million as at 30 September 2019 mainly due to timing difference from milestone billing.

**Cash and cash equivalents** increased by \$16.2 million from \$24.9 million as at 31 December 2018 to \$41.1 million as at 30 September 2019 mainly due to net changes in working capital.

**Trade and other receivables** increased by \$1.2 million from \$31.2 million as at 31 December 2018 to \$32.4 million as at 30 September 2019 mainly due to more progress achieved in billing.

**Other current assets** increased by \$0.4 million from \$0.6 million as at 31 December 2018 to \$1.0 million as at 30 September 2019 mainly due to the increase in prepayments.

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

Non-current assets increased by \$25.1 million from \$56.3 million as at 31 December 2018 to \$81.4 million as at 30 September 2019. This was mainly due to the recognition of right-of-use assets of \$30.5 million, offset by the decrease in property, plant and equipment of \$5.4 million.

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

**Property, plant and equipment** decreased by \$5.4 million as at 30 September 2019 mainly due to depreciation expenses of \$5.6 million and property, plant and equipment written off of \$0.1 million. This was partially offset by the purchase of property, plant and equipment amounting to \$0.3 million.

##### **Current liabilities**

Total current liabilities decreased by \$6.2 million from \$55.9 million as at 31 December 2018 to \$49.7 million as at 30 September 2019. This was mainly due to decrease of \$13.2 million in trade and other payables and interest-bearing borrowings of \$3.1 million. This was offset by the increase in contract liabilities and deferred capital grants of \$8.3 million and \$0.1 million respectively, and the recognition of current lease liabilities amounting to \$1.8 million.

**Trade and other payables** decreased by \$13.2 million from \$35.5 million as at 31 December 2018 to \$22.3 million as at 30 September 2019 mainly due to prompt payment.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
  - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on. (cont'd)**

**Statement of financial position overview (cont'd)**

**Current liabilities (cont'd)**

**Interest bearing borrowings** decreased by \$3.1 million from \$20.0 million as at 31 December 2018 to \$16.9 million as at 30 September 2019 due to repayment of bank borrowings.

**Contract liabilities** increased by \$8.3 million from \$0.3 million as at 31 December 2018 to \$8.6 million as at 30 September 2019 mainly due to advanced billings to customers.

**Non-current liabilities**

Total non-current liabilities increased by \$29.8 million as at 30 September 2019. This was mainly due to the recognition of deferred capital grants of \$0.5 million, an increase in deferred income tax liabilities of \$0.2 million and the increase of lease liabilities of \$29.1 million.

**Deferred income tax liabilities** arose from the recognition of unrealised foreign exchange gain from one of the subsidiaries.

**Deferred capital grants (current and non-current)** arose from the government grant received for the addition of property, plant and equipment.

**Lease liabilities (current and non-current)** arose from the recognition of lease obligations from the adoption of SFRS(I) 16 *Leases*.

**Statement of cash flows overview**

In 3Q2019, net cash flows generated from operating activities was \$17.2 million mainly due to higher cash inflow from working capital.

Net cash used in investing activities amounted to \$0.3 million in 3Q2019, mainly due to the acquisition of property, plant and equipment.

Net cash flows used in financing activities in 3Q2019 was \$3.7 million, mainly due to net repayment of bank borrowings, lease liabilities, and payment of interest expenses.

Overall, the Group recorded an increase in cash and cash equivalent of \$16.2 million from \$24.9 million as at 31 December 2018 to \$41.1 million as at 30 September 2019.

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.**

At this juncture, the Directors, management and staff of the Group wish to express our great sadness on the loss of Mr Lim Tze Jong Desmond, the Group's founder, Executive Chairman and Chief Executive Officer, who passed away on 26 October 2019.

The Group's existing management consisting Mr Lim Tjew Yok (Executive Director and Chief Operating Officer), Ms Tiong Sai Lan Joyce (Chief Financial Officer), Mr Teo Boon Hwee Simon (Chief Marketing Officer), Mr Satish Malik (Chief Development Officer), Ms Chong Swee Lee (Senior Vice-President of Human Resource, Administration and Group Payroll) and Mr Chin Woon Kwong Ian (Vice-President of Commercial) have stepped up to undertake the key executive functions of the late Mr Lim and to collectively provide continuity for the Group's business operations.

The Board will update shareholders in due course in respect of the appointment of a new Chairman and Chief Executive Officer. In the meantime, the Group assures that its businesses will continue as usual.

As at 30 September 2019, the Group had a net order book comprising of existing and new projects amounting to \$96.3 million with completion and deliveries extending into 3Q2020.

The Group is encouraged by the increase in enquiries received from our long standing customers and new potential customers. The market environment however remains challenging with intense competition. We are navigating the current market conditions cautiously and strive to manage our costs to align with our level of business activity and to position ourselves for new business opportunities.

On this note, Dyna-Mac is pleased to announce the award of a new project amounting to S\$0.9 million from our recurring customer.

**11. Dividends**

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

No.

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

No.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

No dividend has been declared for the quarter ended 30 September 2019.

**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)	
	9 months ended 30-Sep-19 \$'000	9 months ended 30-Sep-18 \$'000	9 months ended 30-Sep-19 \$'000	9 months ended 30-Sep-18 \$'000
<b>REVENUE</b>				
<b>Keppel FELS Limited</b> Other Adhoc projects (other services)ie: Barge Hiring/Provision of Berthing Space/Subcontracting Services	-	-	1,363	98
<b>Keppel Shipyard Limited</b> Subcontracting Services	-	-	5,852	-

**14. Confirmation pursuant to Rule 720(1) of the listing manual**

The Company confirms that it has procured undertakings from its Board of Directors and executive officers under Rule 720(1) of the listing manual.

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

The Board of Directors of the Company hereby confirms to the best of its knowledge nothing has come to its attention which may render the unaudited financial results for the period ended 30 September 2019 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Lim Tjew Yok  
Executive Director and COO  
11 November 2019