



DYNA-MAC HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No: 200305693E)

UNAUDITED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2016

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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 2016	30 Jun 2015		30 Jun 2016	30 Jun 2015	
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	34,100	36,509	-6.6%	120,828	76,319	58.3%
Cost of sales	(19,747)	(39,613)	-50.2%	(98,033)	(64,840)	51.2%
Gross profit	14,353	(3,104)	NM	22,795	11,479	98.6%
Gross profit margin	42.1%	-8.5%		18.9%	15.0%	
Other gain/(losses)	3,086	3,282	-6.0%	(2,000)	355	NM
Administrative expenses	(9,017)	(8,167)	10.4%	(17,723)	(16,851)	5.2%
Finance expenses	(906)	(764)	18.6%	(1,622)	(1,522)	6.6%
Profit/(Loss) before tax	7,516	(8,753)	NM	1,450	(6,539)	NM
Tax (expense)/credit	(1,066)	260	NM	(1,068)	(367)	NM
Net profit/(loss) for the financial period	6,450	(8,493)	NM	382	(6,906)	NM
Net profit margin	18.9%	-23.3%		0.3%	-9.0%	
Attributable to:-						
Equity holders of the Company	6,410	(5,312)	NM	1,267	(3,600)	NM
Non-controlling interest	40	(3,181)	NM	(885)	(3,306)	73.2%
Net profit/(loss) for the financial period	6,450	(8,493)	NM	382	(6,906)	NM
Other comprehensive income, net of tax:-						
Items that may be subsequently reclassified to profit or loss						
Cash flow hedge reserve	88	358	-75.4%	-	-	-
Reclassification adjustment	624	-	100.0%	624	-	100.0%
Currency translation differences arising from consolidation	192	(838)	NM	1,166	(457)	NM
Total comprehensive income/(loss) for the financial period	7,354	(8,973)	NM	2,172	(7,363)	NM
Attributable to:-						
Equity holders of the Company	7,355	(5,578)	NM	3,141	(3,995)	NM
Non-controlling interest	(1)	(3,395)	100.0%	(969)	(3,368)	71.2%
Total comprehensive income/(loss) for the financial period	7,354	(8,973)	NM	2,172	(7,363)	NM

NM- 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 2016	30 Jun 2015		30 Jun 2016	30 Jun 2015	
	\$'000	\$'000	%	\$'000	\$'000	%
The Group's (loss)/profit is stated after charging/(crediting):-						
Rental income ^(Note 1)	(39)	(143)	-72.7%	(74)	(314)	-76.4%
Interest income - bank deposits	(37)	(112)	-67.0%	(160)	(213)	-24.9%
Interest expenses	833	691	20.5%	1,475	1,376	7.2%
Amortisation of deferred finance charge	73	74	-1.4%	147	147	-
Depreciation of property, plant and equipment	2,957	3,749	-21.1%	6,053	8,078	-25.1%
Unrealised fair value loss/(gain) on derivative financial instruments	193	(4,079)	NM	(1,300)	(1,499)	13.3%
Foreign exchange (gain)/loss, net	(3,070)	1,387	NM	3,822	2,313	65.2%
(Gain on disposal)/Write off property, plant and equipment, net	(12)	(11)	9.1%	(16)	6	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 2016	31 Dec 2015	30 Jun 2016	31 Dec 2015
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current Assets				
Cash and cash equivalent	121,477	85,211	586	548
Restricted cash at bank	1,071	1,071	1,071	1,071
Trade and other receivables	109,601	161,654	108,873	109,785
Inventories	6,822	9,147	-	-
Construction contract work-in-progress	-	459	-	-
Other current assets	2,528	1,999	7	18
	241,499	259,541	110,537	111,422
Non-Current Assets				
Restricted cash at bank	2,143	2,143	2,143	2,143
Club memberships	407	407	-	-
Investment in subsidiaries	-	-	31,605	31,605
Loan to a subsidiary	-	-	50,000	50,000
Goodwill	5,556	5,556	-	-
Investment properties	13,600	13,600	-	-
Property, plant and equipment	89,842	94,461	-	-
	111,548	116,167	83,748	83,748
Total Assets	353,047	375,708	194,285	195,170
LIABILITIES				
Current Liabilities				
Trade and other payables	81,602	105,166	974	1,492
Derivative financial instrument	-	1,924	-	-
Borrowings	35,037	34,231	-	-
Current income tax liabilities	2,520	2,802	-	-
	119,159	144,123	974	1,492
Non-Current Liabilities				
Borrowings	49,802	49,671	49,679	49,532
Deferred income tax liabilities	1,408	1,408	-	-
	51,210	51,079	49,679	49,532
Total Liabilities	170,369	195,202	50,653	51,024
Net Assets	182,678	180,506	143,632	144,146
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	145,271	145,271	145,271	145,271
Cash flow hedge reserve	-	(624)	-	-
Foreign currency translation reserves	1,350	100	-	-
Asset revaluation reserve	633	633	-	-
Retained profits	34,091	32,824	(1,639)	(1,125)
Share capital & reserve	181,345	178,204	143,632	144,146
Non-controlling interest	1,333	2,302	-	-
Total Equity	182,678	180,506	143,632	144,146

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 2016		As at 31 Dec 2015	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less	35,037	-	40	34,191
Amount repayable after one year	122	49,680	139	49,532

Details of any collateral:-

The Group's borrowings are secured by 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	3 months ended	6 months ended	6 months ended
	30 Jun 2016	30 Jun 2015	30 Jun 2016	30 Jun 2015
	S\$'000	S\$'000	S\$'000	S\$'000
Cash Flows From Operating Activities				
Net profit/(loss)	6,450	(8,493)	382	(6,906)
Adjustment for:				
- Income tax	1,066	(260)	1,068	367
- Depreciation of property, plant and equipment	2,957	3,749	6,053	8,078
- Gain on disposal of property, plant and equipment, net	(12)	(11)	(16)	(11)
- Interest income	(37)	(112)	(160)	(213)
- Interest expense	833	691	1,475	1,376
- Amortisation of deferred finance charge	73	74	147	147
- Fair value gain on derivative financial instruments	193	(4,079)	(1,300)	(1,499)
- Unrealised translation gain	-	-	-	17
- Allowance for doubtful debts	-	(155)	-	367
	11,523	(8,596)	7,649	1,723
Changes in working capital				
- Trade and other receivables	33,110	46,178	51,933	48,074
- Construction contract work-in-progress	-	7,075	459	7,435
- Inventories	(9)	266	2,325	3,041
- Other current assets	(413)	(207)	(529)	(345)
- Trade and other payables	(41,197)	(5,722)	(23,964)	(41,085)
Cash provided by operations	3,014	38,994	37,873	18,843
Interest received	37	112	160	213
Income tax paid, net	(1,348)	(2,653)	(1,350)	(2,664)
Net cash provided by operating activities	1,703	36,453	36,683	16,392
Cash flows from investing activities				
- Additions to property, plant and equipment	(524)	(2,668)	(1,349)	(3,597)
- Proceeds from disposal of property, plant and equipment	13	12	17	12
- Increase in bank deposits with maturity more than 3 months	-	(19)	-	(36)
Net cash used in investing activities	(511)	(2,675)	(1,332)	(3,621)
Cash flows from financing activities				
- Proceeds for bank borrowings	-	7,986	810	30,707
- Interest expense paid	(503)	(773)	(1,075)	(1,376)
- Dividend paid to equity holders of the Company	-	(15,348)	-	(15,348)
- Repayment of finance lease liabilities	(10)	(34)	(20)	(68)
Net cash used in financing activities	(513)	(8,169)	(285)	13,915
Net increase in cash and cash equivalents				
	679	25,609	35,066	26,686
Effect of currency translation on cash and cash equivalents	1,326	(154)	1,200	(154)
Cash and cash equivalents at the beginning of the financial period	119,472	16,956	85,211	15,879
Cash and cash equivalents at the end of the financial period	121,477	42,411	121,477	42,411

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	3 months ended	6 months ended	6 months ended
	30 Jun 2016	30 Jun 2015	30 Jun 2016	30 Jun 2015
	S\$'000	S\$'000	S\$'000	S\$'000
Cash and cash equivalents at end of the financial period	121,477	42,411	121,477	42,411
Add: bank deposits with maturity more than 3 months	-	26,312	-	26,312
Cash and bank balances	121,477	68,723	121,477	68,723

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						Non-controlling interest	Total equity
	Share capital	Retained profits	Cash flow hedge reserve	Asset revaluation reserve	Foreign currency translation reserve	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group								
Balance at 1 January 2016	145,271	32,824	(624)	633	100	178,204	2,302	180,506
1Q2016								
Total comprehensive income for the financial period	-	(5,143)	(88)	-	1,017	(4,214)	(968)	(5,182)
Balance at 31 March 2016	145,271	27,681	(712)	633	1,117	173,990	1,334	175,324
2Q2016								
Total comprehensive income for the financial period	-	6,410	712	-	233	7,355	(1)	7,354
Balance at 30 June 2016	145,271	34,091	-	633	1,350	181,345	1,333	182,678
Company								
Balance at 1 January 2016	145,271	(1,125)	-	-	-	144,146	-	144,146
1Q2016								
Total comprehensive income for the financial year	-	(235)	-	-	-	(235)	-	(235)
Balance at 31 March 2016	145,271	(1,360)	-	-	-	143,911	-	143,911
2Q2016								
Total comprehensive income for the financial period	-	(279)	-	-	-	(279)	-	(279)
Balance at 30 June 2016	145,271	(1,639)	-	-	-	143,632	-	143,632

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 \$
Balance as at 30 June 2016	1,023,211,000	145,271,346

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 2016 and 31 December 2015. The Company’s total number of issued shares excluding treasury shares as at 30 June 2016 and 31 December 2015 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 2015.

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/(Loss) 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 2016	30 Jun 2015	30 Jun 2016	30 Jun 2015
Earnings/(Loss) Per Share (based on consolidated net profit attributable to equity holders):-				
Based on weighted average number of ordinary shares in issue (cents)	0.63	(0.52)	0.12	(0.35)
On a fully diluted basis (cents)	0.63	(0.52)	0.12	(0.35)
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 2016.

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 2016	31 Dec 2015	30 Jun 2016	31 Dec 2015
Net asset value per ordinary share based on existing share capital (cents)	17.85	17.64	14.04	14.09
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 \$2.4m or 6.6% from \$36.5m for the second quarter ended 30 June 2015 ("2Q2015") to \$34.1m for the second quarter 30 June 2016 ("2Q2016"). The decrease in revenue is due mainly to projects on hand were near their tail end of completion.

Gross Profit/(Loss)

Gross Profit for 2Q2016 was \$14.4m in contrast with a loss of \$3.1m in 2Q2015. This is due mainly to the higher progress in construction achieved in this quarter.

Gross profit margin for 2Q2016 was unusually high at 42.1% due to recognition of certain variation orders finally approved by the customers as the projects were nearing completion whilst the costs of such variation orders have been recognized in prior periods as and when these were committed.

Other Gains/Losses

Other gains for the period under review decreased by \$0.2m from \$3.3m in 2Q2015 to \$3.1m in 2Q2016. This is due mainly to the unrealized exchange gain/loss which was offsetted by the realized gain/loss for the respective quarters

Administrative expenses

Administrative expenses increased by \$0.8m from \$8.2m in 2Q2015 to \$9.0m in 2Q2016 due mainly to higher salaries and related costs after the annual appraisal carried out in last quarter of last year.

Finance expenses

Finance expense increased marginally by \$0.1m from \$0.8m in 2Q2015 to \$0.9m in 2Q2016.

Income tax expense

Income tax expense was recognised at the prevailing rates of the respective countries.. In 2Q2016, the effective income tax rate for the Group was not at 17% due mainly to losses recorded by overseas subsidiaries.

Statement of Financial Position

Current Assets

The Group's current assets decreased by \$18.0m from \$259.5m as at 31 December 2015 to \$241.5m as at 30 June 2016 due mainly to higher cash and cash equivalent but was partially offsetted by lower trade and other receivables.

Cash and cash equivalent increased by \$36.3m from \$85.2m as at 31 December 2015 to \$121.5m as at 30 June 2016 due mainly to working capital changes.

Trade and other receivables as at 30 June 2016 was \$109.6m compared to \$161.7m as at 31 December 2015. The decrease of \$52.1m was due mainly to prompt collection of trade receivables in 2Q2016.

Inventories decreased from \$9.1m as at 31 December 2015 to \$6.8m as at 30 June 2016. The \$2.3m decrease was due mainly to utilisation of inventories for projects.

Non-current assets

Non-current assets as at 30 June 2016 was \$111.5m compared to \$116.2m as at 31 December 2015. The \$4.7m decrease is due mainly to the lower depreciation charge on the lower net book value of the property, plant and equipment.

Current Liabilities

Current liabilities decreased by \$24.9m from \$144.1m as at 31 December 2015 to \$119.2m as at 30 June 2016. The decrease was due mainly to lower accrued project costs.

Cash flow hedge reserve

As the Group had closed its position on all cash flow hedge as at 30 June 2016, all revaluation gain or losses had been accounted in the profit and loss account. This is in contrast with a \$0.7m loss as at 31 December 2015.

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 \$38m with completion and deliveries extending into the second half of FY2016.

The market environment remains cautious and challenging as global exploration and production expenditure has not picked up. Being mindful of the challenges ahead, we are seeking ways to diversify our product and service base whilst continuing to improve productivity of our work force to better serve our customers. We are also embarking on rightsizing our operations to match work volume.

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 for the quarter ended 30 June 2016.

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 2016 \$'000	6 months ended 30 Jun 2015 \$'000	6 months ended 30 Jun 2016 \$'000	6 months ended 30 Jun 2015 \$'000
PURCHASES AND OTHER EXPENSES				
Transactions with L&W United Engineering Pte. Ltd. ("L&W") Subcontracting services for steel and piping fabrication	387	985	-	-
Transactions with L&W Marine Engineering Pte. Ltd. ("L&WM") Subcontracting services for steel and piping fabrication	77	638	-	-
Transactions with Keppel Fels Limited Supply of manpower	-	-	111	-
REVENUE				
Keppel FELS Limited Fabrication of structural blocks	-	-	1,500	1,505

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 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 2016 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Lim Tze Jong
Executive Chairman and CEO
5 August 2016