



DYNA-MAC HOLDINGS LTD.

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

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 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 FIRST QUARTER ENDED 31 MARCH

	Group		
	3 months ended	3 months ended	Change
	31 Mar 2016	31 Mar 2015	
	\$'000	\$'000	%
Revenue	86,728	39,810	117.9%
Cost of sales	(78,286)	(25,227)	210.3%
Gross profit	8,442	14,583	-42.1%
Gross profit margin	9.7%	36.6%	
Other (losses)/gain	(5,086)	(2,927)	73.8%
Administrative expenses	(8,706)	(8,684)	0.3%
Finance expenses	(716)	(758)	-5.5%
(Loss)/Profit before tax	(6,066)	2,214	NM
Tax expense	(2)	(627)	-99.7%
Net (loss)/profit for the financial period	(6,068)	1,587	NM
Net profit margin	-7.0%	4.0%	
Attributable to:-			
Equity holders of the Company	(5,143)	1,712	NM
Non-controlling interest	(925)	(125)	NM
Net (loss)/profit for the financial period	(6,068)	1,587	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%
Currency translation differences arising from consolidation	974	381	NM
Total comprehensive (loss)/income for the financial period	(5,182)	1,610	NM
Attributable to:-			
Equity holders of the Company	(4,214)	1,583	NM
Non-controlling interest	(968)	27	NM
Total comprehensive (loss)/income for the financial period	(5,182)	1,610	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):-

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

Rental income ^(Note 1)

Interest income - bank deposits

Interest expenses

Amortisation of deferred finance charge

Depreciation of property, plant and equipment

Unrealised fair value (gain)/loss on derivative financial instruments

Foreign exchange loss, net

(Gain on disposal)/Write off property, plant and equipment, net

Group		
3 months ended	3 months ended	Change
31-Mar-16	31-Mar-15	
\$'000	\$'000	%
(35)	(171)	-79.5%
(123)	(101)	21.8%
642	685	-6.3%
74	73	1.4%
3,096	4,329	-28.5%
(1,493)	2,580	NM
6,892	926	NM
(4)	17	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 31 MARCH

	Group		Company	
	31-Mar-16	31-Dec-15	31-Mar-16	31-Dec-15
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current Assets				
Cash and cash equivalent	119,472	85,211	314	548
Restricted cash at bank	1,071	1,071	1,071	1,071
Trade and other receivables	143,215	161,654	108,936	109,785
Inventories	6,813	9,147	-	-
Construction contract work-in-progress	-	459	-	-
Other current assets	2,115	1,999	4	18
	272,686	259,541	110,325	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	92,906	94,461	-	-
	114,612	116,167	83,748	83,748
Total Assets	387,298	375,708	194,073	195,170
LIABILITIES				
Current Liabilities				
Trade and other payables	122,470	105,166	556	1,492
Derivative financial instrument	519	1,924	-	-
Borrowings	35,041	34,231	-	-
Current income tax liabilities	2,802	2,802	-	-
	160,832	144,123	556	1,492
Non-Current Liabilities				
Borrowings	49,734	49,671	49,606	49,532
Deferred income tax liabilities	1,408	1,408	-	-
	51,142	51,079	49,606	49,532
Total Liabilities	211,974	195,202	50,162	51,024
Net Assets	175,324	180,506	143,911	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	(712)	(624)	-	-
Foreign currency translation reserves	1,117	100	-	-
Asset revaluation reserve	633	633	-	-
Retained profits	27,681	32,824	(1,360)	(1,125)
Share capital & reserve	173,990	178,204	143,911	144,146
Non-controlling interest	1,334	2,302	-	-
Total Equity	175,324	180,506	143,911	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:-

Amount repayable in one year or less, or on demand

	As at 31 Mar 2016		As at 31 Dec 2015	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less	41	35,000	40	34,191
Amount repayable after one year	128	49,606	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 FIRST QUARTER ENDED 31 MARCH

	3 Months ended 31 Mar 2016	3 Months ended 31 Mar 2015
	S\$'000	S\$'000
Cash Flows From Operating Activities		
Net (loss)/profit	(6,068)	1,587
Adjustment for:		
- Income tax	2	627
- Depreciation of property, plant and equipment	3,096	4,329
- (Gain on disposal)/ Write off of property, plant and equipment, net	(4)	17
- Interest income	(123)	(101)
- Interest expense	642	685
- Amortisation of deferred finance charge	74	73
- Unrealised fair value loss/(Gain) on derivative financial instruments	(1,493)	2,580
- Allowance for doubtful debts	-	522
	(3,874)	10,319
Changes in working capital		
- Trade and other receivables	18,823	1,896
- Construction contract work-in-progress	459	360
- Inventories	2,334	2,775
- Other current assets	(116)	(138)
- Trade and other payables	17,233	(35,363)
Cash used in operations	34,859	(20,151)
Interest received	123	101
Income tax paid, net	(2)	(11)
Net cash provided by/(used in) operating activities	34,980	(20,061)

- 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 FIRST QUARTER ENDED 31 MARCH

	3 Months ended 31 Mar 2016	3 Months ended 31 Mar 2015
	S\$'000	S\$'000
Cash flows from investing activities		
- Additions to property, plant and equipment	(825)	(929)
- Proceeds from disposal of property, plant and equipment	4	-
- Increase in bank deposits with maturity more than 3 months	-	(17)
Net cash used in investing activities	(821)	(946)
Cash flows from financing activities		
- Proceeds/(Repayment) for bank borrowings	810	22,721
- Interest expense paid	(572)	(603)
- Repayment of finance lease liabilities	(10)	(34)
Net cash provided by financing activities	228	22,084
Net increase in cash and cash equivalents	34,387	1,077
Effect of currency translation on cash and cash equivalents	(126)	-
Cash and cash equivalents at the beginning of the financial period	85,211	15,879
Cash and cash equivalents at the end of the financial period	119,472	16,956

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 31 Mar 2016	3 Months ended 31 Mar 2015
	S\$'000	S\$'000
Cash and cash equivalents at end of the financial period	119,472	16,956
Add: bank deposits with maturity more than 3 months	-	26,293
Cash and bank balances	119,472	43,249

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	
Group								
Balance at 1 January 2016	145,271	32,824	(624)	633	100	178,204	2,302	180,506
Total comprehensive income for the financial year	-	(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
Company								
Balance at 1 January 2016	145,271	(1,125)	-	-	-	144,146	-	144,146
Total comprehensive income for the financial year	-	(235)	-	-	-	(235)	-	(235)
Balance at 31 March 2016	145,271	(1,360)	-	-	-	143,911	-	143,911

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.

Balance as at 31 March 2016

Number of Ordinary Shares	Resultant issued share capital \$
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 31 March 2016 and 31 December 2015. The Company's total number of issued shares excluding treasury shares as at 31 March 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. **(Loss)/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 31-Mar-16	3 months ended 31-Mar-15
(Loss)/Earnings Per Share (based on consolidated net profit attributable to equity holders):-		
Based on weighted average number of ordinary shares in issue (cents)	(0.50)	0.17
On a fully diluted basis (cents)	(0.50)	0.17
Weighted average number of ordinary shares in issue for calculation of basic earnings per share ('000)	1,023,211	1,023,211
Weighted average number of ordinary shares in issue for calculation of diluted earnings per share ('000)	1,023,211	1,023,211

There were no potential dilutive shares for the financial period ended 31 March 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	
	31-Mar-16	31-Dec-15	31-Mar-16	31-Dec-15
Net asset value per ordinary share based on existing share capital (cents)	17.13	17.64	14.06	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 increased by \$46.9m from \$39.8m in the first quarter ended 31 March 2015 ("1Q2015") to \$86.7m in the first quarter ended 31 March 2016 ("1Q2016"). This was mainly due to the accelerated progress on all the projects which were delayed last year due to delay in engineering drawings and free issued materials from the customers.

Gross Profit

Gross profit decreased by \$6.1m from \$14.6m in 1Q2015 to \$8.4m in 1Q2016. This is mainly due to higher costs recognized ahead of confirmation of revenue from project variation orders which will take place only upon completion of the projects in the later part of the year.

Other losses/gain

Other loss of \$5.1m in 1Q2016 was mainly due to foreign translation loss of \$6.9m on the current assets and partly offset by fair value gain of \$1.5m on the financial instrument for hedging the exposure of the United States dollar. The foreign translation loss was a result of the 1Q2016 closing book rate being lower than the 4Q2015 closing book rate, while the fair value gain was a result of the hedge rate being higher than the spot rate.

Administrative Expenses

Administrative expenses remain relatively stable in both 1Q2016 and 1Q2015.

Finance Expenses

Finance expenses were mainly interest expenses on bank borrowings and our Multi-Currency Term Notes Series 001.

Income Tax expense

The income tax expense for 1Q2016 was mainly provision by our subsidiary in Malaysia at the minimum amount as required by the Malaysian regulations.

The Group did not provide for deferred tax assets in 1Q2016 due to uncertainty of utilizing the tax assets.

Statement of Financial Position

Current Assets

Total current assets increased by \$13.1m from \$259.5m as at 31 December 2015 to \$272.7m as at 31 March 2016. This is mainly due to higher cash and bank balances but partly offset by lower inventories and trade and other receivables balances.

Cash and cash equivalent increased by \$34.3m from \$85.2m as at 31 December 2015 to \$119.5m as at 31 March 2016 mainly due to working capital changes.

Trade and other receivables decreased by \$18.4m from \$161.6m as at 31 December 2015 to \$143.2m as at 31 March 2016 mainly due to prompt collection in 1Q2016

Inventories decreased by \$2.3m from \$9.1m as at 31 December 2015 to \$6.8m as at 31 March 2016 mainly due to the drawing down of inventories for project use.

Non-Current Assets

Non-current assets decreased by \$1.6m from \$116.2m as at 31 December 2015 to \$114.6m as at 31 March 2016 mainly due to higher depreciation charges on property, plant and equipment.

Current Liabilities

Trade and other payables increased by \$17.3m from \$105.2m as at 31 December 2015 to \$122.5m as at 31 March 2016 mainly due to higher accrued project costs.

Cash flow hedge reserve

Cash flow hedge reserve as at 31 March 2016 was at a loss of \$0.7m due to movement in the contracted United States dollars forward rates against the market spot rates on the Group's derivative financial instruments.

Asset revaluation reserve

The Group's two properties which are no longer used as dormitories had been reclassified from Property, plant and equipment to Investment properties. Subsequent to the reclassification, a \$0.6m gain was recognized in asset revaluation reserve as the market valuation obtained was higher than the carrying value.

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 \$77.0m with completion and deliveries extending into the second half of FY2016.

Although oil prices have recovered from a low of US\$28 per barrel as in January 2016 to US\$45 per barrel as at 2nd May 2016, the market environment remains challenging with reduced global exploration and production expenditure by oil and gas companies. While we continue to actively source and negotiate for new projects and to diversify our product base, we remain focused on productivity improvements and cost savings to increase our operational efficiency to serve our customers and partners better. Whilst we remain hopeful to secure new projects, we have also embarked on rightsizing efforts to match the 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 31 March 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)	
	3 months ended 31-Mar-16 \$'000	3 months ended 31-Mar-15 \$'000	3 months ended 31-Mar-16 \$'000	3 months ended 31-Mar-15 \$'000
PURCHASES AND OTHER EXPENSES				
Transactions with L&W United Engineering Pte. Ltd. ("L&W") Subcontracting services for steel and piping fabrication	340	373	-	-
Transactions with L&W Marine Engineering Pte. Ltd. ("L&WM") Subcontracting services for steel and piping fabrication	121	-	-	-
REVENUE				
Keppel FELS Limited ("KFL") Fabrication of structural blocks	-	-	-	190

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 first quarter ended 31 March 2016 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Lim Tze Jong
Executive Chairman and CEO
12 May 2016