



DYNA-MAC HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No: 200305693E)

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2017

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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 31 Mar 2017	3 months ended 31 Mar 2016	Change
	\$'000	\$'000	%
Revenue	10,085	86,728	-88.4%
Cost of sales	(14,445)	(78,286)	-81.5%
Gross profit	(4,360)	8,442	NM
Gross profit margin	-43.2%	9.7%	
Other gains/(losses)	148	(5,086)	NM
Administrative expenses	(6,085)	(8,706)	-30.1%
Finance expenses	(66)	(716)	-90.8%
Loss before tax	(10,363)	(6,066)	70.8%
Taxation	(5)	(2)	NM
Net loss for the financial period	(10,368)	(6,068)	70.9%
Net loss margin	NM	-7.0%	
Attributable to:-			
Equity holders of the Company	(9,598)	(5,143)	86.6%
Non-controlling interest	(770)	(925)	-16.8%
Net loss for the financial period	(10,368)	(6,068)	70.9%
Other comprehensive income, net of tax:-			
Items that may be subsequently reclassified to profit or loss:-			
Cash flow hedge reserve	-	(88)	NM
Currency translation differences arising from consolidation	(4,442)	974	NM
Total comprehensive loss for the financial period	(14,810)	(5,182)	NM
Attributable to:-			
Equity holders of the Company	(13,949)	(4,214)	NM
Non-controlling interest	(861)	(968)	-11.1%
Total comprehensive loss for the financial period	(14,810)	(5,182)	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 is stated after charging/(crediting):-

Rental income ^(Note 1)

Interest income - bank deposits

Interest/finance expenses

Amortisation of deferred finance charge

Depreciation of property, plant and equipment

Unrealised fair value gain on derivative financial instruments

Foreign exchange loss, net

Gain on disposal of property, plant and equipment

Group		
3 months ended	3 months ended	Change
31 Mar 2017	31 Mar 2016	
\$'000	\$'000	%
-	(35)	NM
(194)	(123)	57.7%
66	642	-89.7%
-	74	NM
2,639	3,096	-14.8%
-	(1,493)	NM
432	6,892	-93.7%
(5)	(4)	25.0%

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 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current Assets				
Cash and cash equivalent	32,131	69,535	274	397
Trade and other receivables	85,594	97,648	110,483	110,479
Inventories	3,665	3,713	-	-
Other current assets	1,861	4,569	6	7
	123,251	175,465	110,763	110,883
Non-Current Assets				
Club memberships	427	407	-	-
Investment in subsidiaries	-	-	31,605	31,605
Investment properties	13,600	13,600	-	-
Property, plant and equipment	69,490	72,146	-	-
	83,517	86,153	31,605	31,605
Total Assets	206,768	261,618	142,368	142,488
LIABILITIES				
Current Liabilities				
Current income tax liabilities	1,300	1,300	-	-
Trade and other payables	43,967	57,355	176	144
Borrowings	9,015	35,042	-	-
	54,282	93,697	176	144
Non-Current Liabilities				
Borrowings	83	96	-	-
Deferred income tax liabilities	1,153	1,153	-	-
	1,236	1,249	-	-
Total Liabilities	55,518	94,946	176	144
Net Assets	151,250	166,672	142,192	142,344
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	(4,274)	77	-	-
Asset revaluation reserve	633	633	-	-
Retained profits	8,873	18,471	(3,079)	(2,927)
Share capital & reserve	150,503	164,452	142,192	142,344
Non-controlling interest	747	2,220	-	-
Total Equity	151,250	166,672	142,192	142,344

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 31 Mar 2017		As at 31 Dec 2016	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less	45	8,970	42	35,000
Amount repayable after one year	83	-	96	-

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 2017	3 months ended 31 Mar 2016
	S\$'000	S\$'000
Cash Flows From Operating Activities		
Net loss	(10,368)	(6,068)
Adjustment for:		
- Income tax expense	5	2
- Depreciation of property, plant and equipment	2,639	3,096
- Gain on disposal of property, plant and equipment	(5)	(4)
- Interest income	(194)	(123)
- Interest expense	66	642
- Amortisation of deferred finance charge	-	74
- Fair value gain on derivative financial instruments	-	(1,493)
- Unrealised translation loss ^(Note 1)	948	258
	(6,909)	(3,616)
Changes in working capital		
- Trade and other receivables	12,054	18,823
- Construction contract work-in-progress	-	459
- Inventories	48	2,334
- Other current assets	2,708	(116)
- Trade and other payables	(19,009)	17,233
Cash (used in)/provided by operations	(11,108)	35,117
Interest received	194	123
Income tax paid, net	(5)	(2)
Net cash (used in)/provided by operating activities	(10,919)	35,238
Cash flows from investing activities		
- Additions to property, plant and equipment	(15)	(825)
- Proceeds from disposal of property, plant and equipment	5	4
Net cash used in investing activities	(10)	(821)
Cash flows from financing activities		
- (Repayments)/proceeds for bank borrowings	(26,030)	810
- Interest expense paid	(66)	(572)
- Repayment of finance lease liabilities	(10)	(10)
Net cash (used in)/provided by financing activities	(26,106)	228
Net (decrease)/increase in cash and cash equivalents	(37,035)	34,645
Effect of currency translation on cash and cash equivalents ^(Note 1)	(369)	(384)
Cash and cash equivalents at the beginning of the financial period	69,535	85,211
Cash and cash equivalents at the end of the financial period	32,131	119,472

Note 1 - prior period figures have been restated for comparative purpose.

- (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	Asset revaluation reserve	Foreign currency translation reserve			Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Group							
Balance at 1 January 2017	145,271	18,471	633	77	164,452	2,220	166,672
Loss for the year	-	(9,598)	-	-	(9,598)	(770)	(10,368)
Other comprehensive loss	-	-	-	(4,351)	(4,351)	(91)	(4,442)
Total comprehensive loss for the period	-	(9,598)	-	(4,351)	(13,949)	(861)	(14,810)
Dividend declared by a subsidiary	-	-	-	-	-	(612)	(612)
Balance at 31 March 2017	145,271	8,873	633	(4,274)	150,503	747	151,250
Company							
Balance at 1 January 2017	145,271	(2,927)	-	-	142,344	-	142,344
Total comprehensive loss for the period	-	(152)	-	-	(152)	-	(152)
Balance at 31 March 2017	145,271	(3,079)	-	-	142,192	-	142,192

- 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 31 March 2017

1(d)(i)

- ii) 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 2017 and 31 December 2016. The Company's total number of issued shares excluding treasury shares as at 31 March 2017 and 31 December 2016 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 2016.

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 2017	3 months ended 31 Mar 2016
Loss Per Share (based on consolidated net loss attributable to equity holders):-		
Based on weighted average number of ordinary shares in issue (cents)	(0.94)	(0.50)
On a fully diluted basis (cents)	(0.94)	(0.50)
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 2017.

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 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
Net asset value per ordinary share based on existing share capital (cents)	14.78	16.29	13.90	13.91
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 \$76.6m from \$86.7m in the first quarter ended 31 March 2016 ("1Q2016") to \$10.1m in the first quarter ended 31 March 2017 ("1Q2017"). The decrease was mainly due to the low volume of projects carried out in 1Q2017 in the current weak market caused by the prolonged low oil prices.

Gross Profit

Gross profit declined to a gross loss position by \$13.2m from a profit of \$8.4m in 1Q2016 to a loss of \$4.4m in 1Q2017. This was mainly due to the low revenue recognized which were insufficient to cover our fixed direct overheads in 1Q2017.

Other gains/losses

Other gains of \$0.1m in 1Q2017 was mainly due to \$0.3m income from scrap sales, \$0.2m interest income from bank deposits partially offset by foreign translation loss of \$0.4m on the current assets in 1Q2017. Other loss of \$5.1m in 1Q2016 was mainly due to foreign translation loss of \$6.9m on the current assets and partially offset by fair value gain of \$1.5m on the financial instrument for hedging the Group's exposure to the United States dollar.

Administrative Expenses

Administrative expenses decreased by \$2.6m or 39% from \$8.7m in 1Q2016 to \$6.1m in 1Q2017. The decrease was mainly due to i) reduction in employee compensation of \$1.0m resulting from the right-sizing exercise, and ii) an overall reduction in other expenses of \$1.6m.

Finance Expenses

Finance expenses were mainly interest expenses on bank borrowings. The decrease of \$0.7m was due to the absence of interest on Multi-Currency Term Notes Series 001 which was fully redeemed on 7 October 2016.

Income Tax expense

The income tax expense for 1Q2017 was mainly related to tax provision by our subsidiaries.

The Group did not provide for deferred tax assets in 1Q2017 due to uncertainty of utilizing the tax assets.

Statement of Financial Position

Current Assets

Total current assets decreased by \$52.3m from \$175.5m as at 31 December 2016 to \$123.2m as at 31 March 2017. This is mainly due to lower cash and bank balances and trade and other receivables balances.

Cash and cash equivalent decreased by \$37.4m from \$69.5m as at 31 December 2016 to \$32.1m as at 31 March 2017 mainly due to \$11.1m used up as working capital and \$26.1m for repayment of bank borrowings.

Trade and other receivables decreased by \$12.0m from \$97.6m as at 31 December 2016 to \$85.6m as at 31 March 2017 mainly due to collections in 1Q2017

Non-Current Assets

Non-current assets decreased by \$2.7m from \$86.2m as at 31 December 2016 to \$83.5m as at 31 March 2017 mainly due to depreciation charges on property, plant and equipment.

Current Liabilities

Trade and other payables decreased by \$13.3m from \$57.3m as at 31 December 2016 to \$44.0m as at 31 March 2017 mainly due to lower accrued project costs as a result of fewer projects being carried out in 1Q 2017.

Statement of Cash Flows

The Group registered a net decrease in cash and cash equivalent of \$ 37.1m from \$69.5m as at 31 December 2016 to \$32.1m as at 31 March 2017.

Net cash used in operating activities in 1Q2017 amounted to \$11.1m. The cash outflow was mainly due to operating loss in 1Q17.

Net cash used in financing activities in 1Q2017 amounting to \$26.1m was mainly due to repayment of 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 \$6.3m with completion and deliveries extending into 31 July 2017.

The market environment continues to be difficult with potential projects delayed further to the right. Accordingly, the management is continuing its efforts in right sizing the Group, bracing itself in this very challenging time whilst working hard to secure potential projects.

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 2017.

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 2017 \$'000	3 months ended 31 Mar 2016 \$'000	3 months ended 31 Mar 2017 \$'000	3 months ended 31 Mar 2016 \$'000
PURCHASES AND OTHER EXPENSES				
Transactions with L&W United Engineering Pte. Ltd. ("L&W") Subcontracting services for steel and piping fabrication	-	340	-	-
Transactions with L&W Marine Engineering Pte. Ltd. ("L&WM") Subcontracting services for steel and piping fabrication	-	121	-	-
Transactions with Lim Lie Tjing Consultant services in respect of Human Resources	16	-	-	-
REVENUE				
Keppel Shipyard Limited ("KSL") Subcontracting services rendered for steel and piping fabrication	-	-	241	-
Keppel FELS Limited Subcontracting services rendered for steel and piping fabrication	-	-	49	-

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 2017 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Lim Tze Jong
Executive Chairman and CEO
15 May 2017