



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

(Incorporated in the Republic of Singapore)

(Company Registration No: 200305693E)

### **UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**

---

#### **TABLE OF CONTENTS**

<b>SN</b>	<b>Description</b>	<b>Page</b>
1	Unaudited Consolidated Statement of Comprehensive Income	2
2	Unaudited Statements of Financial Position – Group and Company	4
3	Unaudited Consolidated Statement of Cash Flows	6
4	Unaudited Statements of Changes in Equity – Group and Company	7
5	Selected Notes to the Financial Statements	7
6	Earnings per share	8
7	Net asset value per share	9
8	Review of performance of the Group	10
9	Forecast / Prospect Statement	11
10	Commentary	11
11	Dividends	12
12	Interested Person Transaction Disclosure	13
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 ENDED 30 SEPTEMBER**

	Group			Group		
	3 months ended	3 months ended	Change	9 months ended	9 months ended	Change
	30-Sep-17	30-Sep-16		30-Sep-17	30-Sep-16	
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	5,108	34,195	-85.1%	20,596	155,023	-86.7%
Cost of sales	(13,492)	(22,979)	-41.3%	(39,529)	(121,012)	-67.3%
<b>Gross (loss)/profit</b>	<b>(8,384)</b>	<b>11,216</b>	<b>NM</b>	<b>(18,933)</b>	<b>34,011</b>	<b>NM</b>
Gross profit margin	NM	32.8%		NM	21.9%	
Other losses	(1,564)	(1,083)	44.4%	(2,312)	(3,083)	-25.0%
Administrative expenses	(5,100)	(9,057)	-43.7%	(16,821)	(26,780)	-37.2%
Finance expenses	(140)	(788)	-82.2%	(268)	(2,410)	-88.9%
<b>(Loss)/profit before tax</b>	<b>(15,188)</b>	<b>288</b>	<b>NM</b>	<b>(38,334)</b>	<b>1,738</b>	<b>NM</b>
Taxation	(244)	(272)	-10.3%	(269)	(1,340)	-79.9%
<b>Net (loss)/profit for the financial period</b>	<b>(15,432)</b>	<b>16</b>	<b>NM</b>	<b>(38,603)</b>	<b>398</b>	<b>NM</b>
Net loss margin	NM	0.0%		NM	0.3%	
<b>Attributable to:-</b>						
Equity holders of the Company	(16,343)	(955)	NM	(38,770)	312	NM
Non-controlling interest	911	971	-6.2%	167	86	94.2%
<b>Net (loss)/profit for the financial period</b>	<b>(15,432)</b>	<b>16</b>	<b>NM</b>	<b>(38,603)</b>	<b>398</b>	<b>NM</b>
<b>Other comprehensive (loss)/income, net of tax:-</b>						
Items that may be subsequently reclassified to profit or loss:-						
Reclassification adjustment	-	-	NM	-	624	NM
Currency translation differences arising from consolidation	(59)	(6,893)	-99.1%	58	(5,727)	NM
<b>Total comprehensive loss for the financial period</b>	<b>(15,491)</b>	<b>(6,877)</b>	<b>NM</b>	<b>(38,545)</b>	<b>(4,705)</b>	<b>NM</b>
<b>Attributable to:-</b>						
Equity holders of the Company	(16,415)	(7,782)	NM	(38,612)	(4,641)	NM
Non-controlling interest	924	905	2.1%	67	(64)	NM
<b>Total comprehensive loss for the financial period</b>	<b>(15,491)</b>	<b>(6,877)</b>	<b>NM</b>	<b>(38,545)</b>	<b>(4,705)</b>	<b>NM</b>

*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	9 months ended	9 months ended	Change
	30-Sep-17	30-Sep-16	%	30-Sep-17	30-Sep-16	%
	\$'000	\$'000	%	\$'000	\$'000	%
<b>The Group's loss is stated after charging/(crediting):-</b>						
Rental income <sup>(Note 1)</sup>	(1)	(28)	-97.4%	(63)	(102)	-38.2%
Interest income - bank deposits	(69)	(18)	NM	(383)	(178)	NM
Interest/finance expenses	140	707	-80.2%	268	2,182	-87.7%
Amortisation of deferred finance charge	-	75	NM	-	222	NM
Depreciation of property, plant and equipment	2,519	2,849	-11.6%	7,721	8,902	-13.3%
Unrealised fair value gain on derivative financial instruments	-	-	NM	-	(1,300)	NM
Foreign exchange loss, net	1,635	1,195	36.8%	3,058	5,017	-39.0%
(Gain)/loss on disposal of property, plant and equipment	-	7	NM	(11)	(9)	22.2%

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 SEPTEMBER**

	<b>Group</b>		<b>Company</b>	
	<b>30-Sep-17</b>	<b>Restated 31-Dec-16</b>	<b>30-Sep-17</b>	<b>31-Dec-16</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalent	56,020	69,535	484	397
Trade and other receivables	31,039	94,178 *	109,882	110,479
Inventories	3,706	3,713	-	-
Other current assets	1,574	4,569	15	7
Assets held for sale	13,600	-	-	-
	<b>105,939</b>	<b>171,995</b>	<b>110,381</b>	<b>110,883</b>
<b>Non-Current Assets</b>				
Club memberships	427	407	-	-
Investment in subsidiaries	-	-	31,605	31,605
Investment properties	-	13,600	-	-
Property, plant and equipment	67,083	72,146	-	-
	<b>67,510</b>	<b>86,153</b>	<b>31,605</b>	<b>31,605</b>
<b>Total Assets</b>	<b>173,449</b>	<b>258,148</b>	<b>141,986</b>	<b>142,488</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Current income tax liabilities	-	1,300	-	-
Trade and other payables	35,021	57,355	113	144
Borrowings	13,149	35,042	-	-
	<b>48,170</b>	<b>93,697</b>	<b>113</b>	<b>144</b>
<b>Non-Current Liabilities</b>				
Borrowings	63	96	-	-
Deferred income tax liabilities	1,171	1,153	-	-
	<b>1,234</b>	<b>1,249</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>49,404</b>	<b>94,946</b>	<b>113</b>	<b>144</b>
<b>Net Assets</b>	<b>124,045</b>	<b>163,202</b>	<b>141,873</b>	<b>142,344</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
Foreign currency translation reserves	235	77	-	-
Asset revaluation reserve	633	633	-	-
Retained profits	(23,769)	15,001 *	(3,398)	(2,927)
Share capital & reserve	<b>122,370</b>	<b>160,982</b>	<b>141,873</b>	<b>142,344</b>
Non-controlling interest	1,675	2,220	-	-
<b>Total Equity</b>	<b>124,045</b>	<b>163,202</b>	<b>141,873</b>	<b>142,344</b>

Footnote (\*)

The comparative amounts for the year ended 31 December 2016 have been restated to reflect an exchange loss of \$3.5m that was inadvertently omitted in 4Q2016. The effects of the adjustments were as follows:-

<b>Balance sheet as at 31 December 2016</b>	<b>Before adjustment</b>	<b>Restated</b>
Trade and other receivables	97,648	94,178
Retained profits	18,471	15,001

**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 Sep 2017		As at 31 Dec 2016	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less	44	13,105	42	35,000
Amount repayable after one year	63	-	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 THIRD QUARTER ENDED 30 SEPTEMBER**

	Group		Group	
	3 months ended 30-Sep-17	3 months ended 30-Sep-16	9 months ended 30-Sep-17	9 months ended 30-Sep-16
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash Flows From Operating Activities</b>				
Net (loss)/profit	(15,432)	16	(38,603)	398
Adjustment for:				
- Income tax expense	244	272	269	1,340
- Depreciation of property, plant and equipment	2,519	2,849	7,721	8,902
- (Gain)/loss on disposal of property, plant and equipment	-	7	(11)	(9)
- Interest income	(69)	(18)	(383)	(178)
- Interest expense	140	707	268	2,182
- Amortisation of deferred finance charge	-	75	-	222
- Fair value loss on derivative financial instruments	-	-	-	(1,300)
- Unrealised translation loss/(gain)	1,856	(6,480)	1,143	(3,997)
	(10,742)	(2,572)	(29,596)	7,560
<b>Changes in working capital</b>				
- Trade and other receivables	15,217	42,451	63,154	94,384
- Construction contract work-in-progress	-	-	-	459
- Inventories	(14)	(15)	7	2,310
- Other current assets	332	389	2,995	(140)
- Trade and other payables	3,080	(21,909)	(23,012)	(45,873)
Cash provided by operations	7,873	18,344	13,548	58,700
Interest received	54	18	368	178
Income tax paid, net	(782)	(998)	(1,551)	(2,348)
<b>Net cash provided by operating activities</b>	<b>7,145</b>	<b>17,364</b>	<b>12,365</b>	<b>56,530</b>
<b>Cash flows from investing activities</b>				
- Additions to property, plant and equipment	(2,052)	258	(2,698)	(1,091)
- Proceeds from disposal of property, plant and equipment	-	(17)	34	-
<b>Net cash (used in)/provided by investing activities</b>	<b>(2,052)</b>	<b>241</b>	<b>(2,664)</b>	<b>(1,091)</b>
<b>Cash flows from financing activities</b>				
- Repayments for bank borrowings	(6,506)	(15,000)	(21,895)	(14,190)
- Interest expense paid	(94)	(1,107)	(222)	(2,182)
- Restricted cash	-	1,060	-	1,060
- Repayment of finance lease liabilities	(11)	(11)	(31)	(31)
<b>Net cash used in financing activities</b>	<b>(6,611)</b>	<b>(15,058)</b>	<b>(22,148)</b>	<b>(15,343)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,518)</b>	<b>2,547</b>	<b>(12,447)</b>	<b>40,096</b>
Effect of currency translation on cash and cash equivalents	(397)	(680)	(1,068)	(1,963)
Cash and cash equivalents at the beginning of the financial period	57,935	121,477	69,535	85,211
<b>Cash and cash equivalents at the end of the financial period</b>	<b>56,020</b>	<b>123,344</b>	<b>56,020</b>	<b>123,344</b>

- (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	Restated Retained profits	Asset revaluation reserve	Foreign currency translation reserve			Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>Group</b>							
Balance at 1 January 2017	145,271	18,471	633	77	164,452	2,220	166,672
Adjustment for forex revaluation	-	(3,470) *	-	-	(3,470)	-	(3,470)
Restated balance as at 1 January 2017	145,271	15,001	633	77	160,982	2,220	163,202
Loss for the year	-	(38,770)	-	-	(38,770)	167	(38,603)
Other comprehensive loss	-	-	-	158	158	(100)	58
<b>Total comprehensive loss for the period</b>	-	(38,770)	-	158	(38,612)	67	(38,545)
Dividend declared by a subsidiary	-	-	-	-	-	(612)	(612)
<b>Balance at 30 SEPT 2017</b>	<b>145,271</b>	<b>(23,769)</b>	<b>633</b>	<b>235</b>	<b>122,370</b>	<b>1,675</b>	<b>124,045</b>
<b>Company</b>							
Balance at 1 January 2017	145,271	(2,927)	-	-	142,344	-	142,344
Total comprehensive loss for the period	-	(471)	-	-	(471)	-	(471)
<b>Balance at 30 SEPT 2017</b>	<b>145,271</b>	<b>(3,398)</b>	<b>-</b>	<b>-</b>	<b>141,873</b>	<b>-</b>	<b>141,873</b>

*Footnote (\*)*

*Please refer to footnote on page 4*

- 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 30 September 2017

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 30 September 2017 and 31 December 2016. The Company's total number of issued shares excluding treasury shares as at 30 September 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 30 Sep 2017	3 months ended 30 Sep 2016	9 months ended 30 Sep 2017	9 months ended 30 Sep 2016
Loss Per Share (based on consolidated net loss attributable to equity holders):-				
Based on weighted average number of ordinary shares in issue (cents)	(1.60)	(0.09)	(3.79)	0.03
On a fully diluted basis (cents)	(1.60)	(0.09)	(3.79)	0.03
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 September 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	
	30 Sep 17	Restated 31-Dec-16	30 Sep 17	31 Dec 16
Net asset value per ordinary share based on existing share capital (cents)	11.96	15.73 *	13.87	13.91
Number of shares ('000)	1,023,211	1,023,211	1,023,211	1,023,211

*Footnote (\*)*

*Please refer to footnote on page 4*

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 \$29.1m from \$34.2m in the third quarter ended 30 September 2016 ("3Q2016") to \$5.1m in the third quarter ended 30 September 2017 ("3Q2017"). The decrease was mainly due to the low volume of projects carried out in 3Q2017 in the current weak market caused by the prolonged low oil prices.

#### **Gross Profit**

Gross profit declined from \$11.2m in 3Q2016 to a loss of \$8.4m in 3Q2017. This was mainly due to the low revenue recognized which was insufficient to cover our fixed direct overheads in 3Q2017.

#### **Other gains/losses**

Other losses of \$1.6m in 3Q2017 and \$1.1m in 3Q2016 were mainly due to the translation exchange differences of the United States dollar.

#### **Administrative Expenses**

Administrative expenses decreased by \$4.0m or 44% from \$9.1m in 3Q2016 to \$5.1m in 3Q2017. The decrease was mainly due to (i) reduction in employee compensation of \$0.5m resulting from the right-sizing exercise and; (ii) overall reduction in other expenses.

#### **Finance Expenses**

Finance expenses were mainly interest expenses on bank borrowings. The decrease of \$0.6m was due to the absence of interest on the Multi-Currency Term Notes Series 001 which was fully redeemed on 7 October 2016.

#### **Income Tax expense**

The income tax expense for 3Q2017 was mainly related to tax expense from our subsidiaries. The Group did not provide for any deferred tax assets in 3Q2017 due to uncertainty of utilizing the tax assets.

### **Statement of Financial Position**

#### **Current Assets**

Total current assets decreased by \$66.1m from \$172.0m as at 31 December 2016 to \$105.9m as at 30 September 2017. This was mainly due to decrease in trade and other receivables of \$63.1m, decrease in cash and bank balances of \$13.5m, decrease in other current assets of \$3m, and partially offset by the reclassification of \$13.6m from Investment property to Asset-held-for-sale.

Cash and cash equivalent decreased by \$13.5m from \$69.5m as at 31 December 2016 to \$56.0m as at 30 September 2017 mainly due to repayment of bank borrowings of \$21.9m, additions to property, plant and equipment of \$2.7m, and partially offset by cash generated from operating activities of \$12.4m.

Trade and other receivables decreased by \$63.2m from \$94.2m as at 31 December 2016 to \$31.0m as at 30 September 2017 mainly due to lower accounts receivables recorded due to lower volume of business.

### **Non-Current Assets**

Non-current assets decreased by \$18.7m from \$86.2m as at 31 December 2016 to \$67.5m as at 30 September 2017 mainly due to reclassification of \$13.6m from Investment property to Assets-held-for-sale, depreciation charges on property, plant and equipment of \$7.7m, and partially offset by additions on property, plant and equipment of \$2.7m.

### **Current Liabilities**

Trade and other payables decreased by \$22.4m from \$57.4m as at 31 December 2016 to \$35.0m as at 30 September 2017 mainly due to lower accounts payables recorded due to lower volume of business.

### **Statement of Cash Flows**

Cash and cash equivalent in the third quarter decrease by \$1.9m from \$57.9m as at 30 June 2017 to \$56.0m as at 30 September 2017.

Net cash generated by operating activities in the third quarter amounted to \$7.1m. The cash inflow was mainly due to the increases from changes in working capital of 18.6m, and partially offset by operating loss of \$10.7m.

Net cash used in investing activities in the third quarter amounted to \$2.0m. This was mainly due to additions of property, plant and equipment.

Net cash used in financing activities in the third quarter amounted to \$6.6m. This 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 \$98.6 million with completion and deliveries extending into 4Q2018.

Against a very challenging environment in the Oil and Gas sector, the Group has managed to secure one new contract from an existing customer for a provisional sum of \$70.9 million in 3Q2017. This new project will commence in 1Q2018 and is expected to complete by 4Q2018. The project is not expected to have a material impact to the Group's earnings and net tangible assets for the financial year ending 31 December 2017.

While the Group's immense marketing efforts have paid off with new contracts award, the management is still very conscious of its overheads and will continue to right size the Group to its corresponding level of business activities.

**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 September 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)	
	9 months ended 30-Sep-17 \$'000	9 months ended 30-Sep-16 \$'000	9 months ended 30-Sep-17 \$'000	9 months ended 30-Sep-16 \$'000
<b>PURCHASES AND OTHER EXPENSES</b>				
<b>Transactions with L&amp;W United Engineering Pte. Ltd. ("L&amp;W")</b> Subcontracting services for steel and piping fabrication	259	464	-	-
<b>Transactions with L&amp;W Marine Engineering Pte. Ltd. ("L&amp;WM")</b> Subcontracting services for steel and piping fabrication	396	60	-	-
<b>Transactions with Lim Lie Tjing</b> Consultant services in respect of Human Resources	18	-	-	-
<b>Transactions with Keppel FELS Limited</b> Subcontracting services for steel and piping fabrication	-	-	-	1,325
<b>REVENUE</b>				
<b>Keppel FELS Limited</b> Fabrication of structural blocks	-	-	216	1,947
<b>Keppel Shipyard Limited</b> Other services	-	-	1,471	-
<b>Keppel Subic Shipyard Inc</b> Fabrication of Topsides modules Car rental	-	-	-	17

**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 third quarter ended 30 September 2017 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Lim Tze Jong  
Executive Chairman and CEO  
14 November 2017