

DYNA-MAC HOLDINGS LTD.

Co. Reg. No. 200305693E
(Incorporated in Singapore)

RESPONSES TO SGX-ST QUERIES ON THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

The Board of Directors of Dyna-Mac Holdings Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the queries raised by Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 11 April 2022 in relation to the Company’s annual report for the financial year ended 31 December 2021 (the “**Annual Report**”) posted on SGXNet on 6 April 2022.

SGX Query

Listing Rule 907 requires the issuer to conform to a prescribe format in the disclosure of the aggregate value of the interested person transactions entered into during the financial year. We note that the Company has not disclosed the nature of the relationship with the interested persons disclosed in the Annual Report. Please disclose the nature of the relationship with the interested persons identified in the Annual Report.

Company’s Response to SGX Query

The interested person transactions of FY2021 including the nature of the relationship with the interested persons identified in the Annual Report are as follows:

Name of Interested Person	Nature of Relationship	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)	
		12 months ended 31-Dec-2021 \$’000	12 months ended 31-Dec-2020 \$’000	12 months ended 31-Dec-2021 \$’000	12 months ended 31-Dec-2020 \$’000
PURCHASES AND OTHER EXPENSES					
Green Scan Pte Ltd Subcontracting Services	Note 1	-	-	56	341
Asian Lift Pte Ltd Rental of floating crane/barge	Note 1	-	-	121	1,550
REVENUE					
Keppel Shipyard Limited Subcontracting Services	Note 1	-	-	49,106	12,889

Note 1 : The interested person is a member of Keppel Group, which the scope of works are approved by shareholders under Keppel IPT Mandate in the Annual General Meeting.

SGX Query

Listing Rule 1207(10C) requires the Audit Committee's comments on whether the internal audit function is independent, effective and adequately resourced. Please also provide information on whether the head of the internal audit function team has the relevant experience and qualifications. Where the internal audit function is outsourced, please provide information on the relevant experience of accounting firm and the engagement team.

Company's Response to SGX Query

As disclosed on page 32 of the Annual Report 2021, under Corporate Governance section headed "Audit Committee", 1st column para 2, the AC has reviewed the assistance given by the Company's executives to the auditors as well as the adequacy of the internal audit function, its effectiveness and its resources. In this regard, the AC is of the opinion that the internal audit function is independent, effective and adequately resourced.

On the same page, 1st column para 4, it was disclosed that "The Company has outsourced its internal audit function to external audit professionals, Shinnes Consulting and Advisory Pte. Ltd and the engagement director is a member of Chartered Accountants (Australia), Chartered Accountants (Malaysia), Certified Internal Auditor (Singapore) and Certified Internal Auditor (Malaysia). The internal audit follows the professional standards set by the Institute of Internal Auditors."

SGX Query

Provision 8.1(b) of the Code of Corporate Governance requires disclosure of the policy and criteria for setting remuneration, as well as the names, amounts and breakdown of remuneration of at least the top five key management personnel ("KMP") (who are not directors or the CEO). We note the Company has disclosed the remuneration (in bands of \$250,000) of four KMP. Please explain the reason for disclosing the remuneration of only four KMP.

Company's Response to SGX Query

Based on their scope of responsibility and authority, key management personnel ("KMP") of the Group are those ranked Vice President ("VP") and above and whose appointment and remuneration packages are subject to review and recommendation by Nominating Committee ("NC") and Remuneration Committee ("RC") respectively. In FY2021, the Group had only 4 KMPs (who are not directors or the CEO).

BY ORDER OF THE BOARD

Lim Ah Cheng
Chief Executive Officer and Executive Director
11 April 2022