

News Release

Hanwha Group Announces Tender Offer for Dyna-Mac Holdings Shares

- Hanwha Aerospace and Hanwha Ocean aim to secure control of Dyna-Mac, an offshore plants manufacturer
- Multi-yard strategy responds to rapidly changing global market...synergies expected in offshore business

11th September, 2024 _ Hanwha Group announces a tender offer for the shares of Dyna-Mac Holdings Ltd. Dyna-Mac is a company listed on the Mainboard of the Singapore Exchange Limited. Through the tender offer, Hanwha Aerospace and Hanwha Ocean intend to secure management control.

Hanwha Aerospace and Hanwha Ocean will conduct the tender offer through a local SPC (Special Purpose Company) in Singapore. The purchase price is set at S\$0.6 per share. For the tender offer, Hanwha Aerospace and Hanwha Ocean will fund up to approximately KRW 600 billion (SGD 586million¹) (assuming 100% ownership at close of Offer).

Hanwha Aerospace and Hanwha Ocean have already invested KRW 116 billion as of May to secure a 25.4% stake in Dyna-Mac Holdings.

The tender offer is conditional upon a minimum acceptance condition of more than 50% of the shares in Dyna-Mac (including all shares owned by the offeror and its concert parties), and a favourable anti-trust decision from the Competition and Consumer Commission of Singapore.

¹ Based on the exchange rate of KRW1,025.97/SGD

Founded in 1990, Dyna-Mac Holdings specializes in marine plant topside structures and has two manufacturing facilities in Singapore. Dyna-Mac Holdings has excellent construction capabilities for its core products, including offshore topside modules for Floating Production Storage and Offloading vessels (FPSO), Floating Liquefied Natural Gas vessels (FLNG), Floating Storage and Offloading vessels (FSOs), and Floating Storage and Regasification units (FSRU). Based on these capabilities, and as announced by Dyna-Mac Holdings in its Financial Statements for 1H2024, the company generated revenues of KRW 266.6 billion (SGD260million) and net income of KRW 39.8 billion (SGD 38.8million) in the first half of this year alone, resulting in a net profit margin of nearly 15%.

Global demand for floating offshore plants is increasing, with 83 FPSOs expected to be ordered by 2030. The acquisition of Dyna-Mac Holdings may allow Hanwha Ocean to generate potential synergies that can be created, including economies of scale, improvement of productivity and cost efficiency as well as the strengthening of domain knowledge such as engineering competencies, know-hows and best practices.

The tender offer process is expected to be completed by end-2024.

United Overseas Bank Limited is acting as the Financial Advisor for the transaction.

About Hanwha Aerospace

Hanwha Aerospace is a global aerospace and defense company that offers a broad portfolio of products and services in land combat vehicles, including the world-renowned K9 Self-Propelled Howitzer and the Redback Infantry Fighting Vehicle, weapons systems, munitions, aircraft engine parts, and technology products and services. As South Korea's largest aerospace and defense company, Hanwha Aerospace is engaged in the research, development, and manufacture of advanced technology systems, products, and services, and is spearheading the country's space projects. More information about Hanwha Aerospace is available at www.hanwhaaerospace.com.

About Hanwha Ocean

Hanwha Ocean is a leading global company with extensive expertise and experience in the shipbuilding and offshore industry. Boasting the world's most competitive LNG carriers built with eco-friendly and highly efficient technology, the company has continuously pioneered new businesses since 1973, producing a vast range of vessels, including commercial ships, drillships, and specialty ships. Hanwha Ocean will be at the forefront of pioneering advanced marine solutions for decarbonization and further expand Hanwha's green energy ecosystem to create positive, sustainable change throughout the world. More information about Hanwha Ocean is available at www.hanwhaocean.com.

This press release should be read in conjunction with the offer announcement made for and on behalf of Hanwha Oceans SG Holdings Pte. Ltd. dated 11 September 2024. A copy of the announcement may be obtained from the website of SGXNET.

RESPONSIBILITY STATEMENT

The directors of Hanwha Ocean SG Holdings Pte. Ltd. (the “Offeror”) (including those who may have delegated detailed supervision of this Press Release) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Press Release are fair and accurate and, where appropriate, no material facts have been omitted from this Press Release, the omission of which would make any statement in this Press Release misleading, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including without limitation, in relation to Dyna-Mac Holdings), the sole responsibility of the directors of the Offeror has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Press Release.